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Building in East Asia

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I. Introduction

North Korea's nuclear development efforts have arguably served as a principal impetus for expanded security cooperation in Northeast Asia, catalyzing diplomatic efforts to create a regional mechanism for addressing the nuclear issue in the form of the Six Party Talks since 2003. But after almost a decade of erratic progress, the Six Party Talks have failed to lead the way to a broader, formal framework for regional cooperation as envisioned for the proposed Northeast Asian Peace and Security Mechanism (NEAPSM) in 2007. The failure to make practical progress in implementing the goal of denuclearization of the Korean peninsula has impeded the advancement, coordination, and integration of the six party mechanism within the broader process of regional community building in East Asia. At the same time, the Korean peninsula has historically served as a breeding ground for strategic rivalry and mistrust among the major Northeast Asian players. The regional response to North Korean military provocations in 2010 dramatically revealed a resurgence of mistrust as an obstacle to cooperation among major powers. The current stalemate on the peninsula, including the apparent failure of the six party framework to sustain continued dialogue on North Korean denuclearization or other issues, underscores the North Korean security challenge as a principal obstacle to community building in East Asia at the same time that the need to nurture regional cooperation on a wide range of traditional and non-traditional security issues constitutes an increasingly compelling need, especially in light of increasing tensions over conflicting territorial claims, among other issues.

The under-institutionalization of security cooperation in Northeast Asia is striking when compared to both the development of other regional multilateral security frameworks—such as the North Atlantic Treaty Organization (1949), Organization for Security and Cooperation in Europe (1973), and even the Shanghai Cooperation Organization (2001)—as well as the remarkable achievements in trade

and economic cooperation among Northeast Asian neighbors over the past few decades. The limits of the ASEAN Regional Forum (1994) in dealing with Northeast Asian security issues underscore the challenge of building multilateral security cooperation in Northeast Asia. The most significant constraints to the emergence of a formal security structure in Northeast Asia include deep-rooted historical legacies, great power rivalries, ideological differences, and divergent visions for the long-term regional security architecture.¹

The evolution of regional approaches to North Korea ironically reveals North Korea as the primary source of insecurity and as a catalyst for enhanced security cooperation among Northeast Asian players over the past two decades. The outbreak of the first North Korean nuclear crisis in the early 1990s necessitated the creation of the Korean Peninsula Energy Development Organization in 1995, which included representatives of South Korea, the United States, Japan, and the European Union, as the multilateral body tasked with implementing the 1994 U.S.-DPRK Geneva Agreed Framework.² In the late 1990s, the four party talks between the United States, China, and the two Koreas were established with the objective of promoting the transition from an armistice to a permanent peace regime on the Korean peninsula. The U.S.-Japan-ROK Trilateral Coordination and Oversight Group in 1998 promoted U.S. allied coordination in support of the Perry process and Kim Dae-jung's Sunshine Policy. The Six Party Talks that emerged with the renewal of crisis in 2003 in response to North Korea's continued nuclear weapons development efforts represents the latest and most complete multilateral mechanism for addressing Korean peninsular and regional security. The Six Party Talks produced the September 2005 Joint Statement, which embodies a rhetorical consensus among all the parties concerned regarding the necessity of denuclearization, normalization, economic development, and peace as essential ingredients of a solution longstanding security challenges on the Korean peninsula; NEAPSM was the blueprint for a long-term regional security structure identified as

¹ Gilbert Rozman, *Northeast Asia's Stunted Regionalism: Bilateral Distrust in the Shadow of Globalization*, London, UK: Cambridge University Press, 2004; Samuel Kim, ed., *The International Relations of Northeast Asia*, Lanham, MD: Rowman & Littlefield, 2004; Gi-wook Shin and Daniel Sneider, *Cross Currents: Regionalism and Nationalism in Northeast Asia*, Stanford, CA: Shorenstein APARC, 2007; "The CSCAP's Multilateral Security Governance in Northeast Asia/North Pacific: From the Six Party Talks to More Enduring Northeast Asian/North Pacific Security Multilateralism," Report to the CSCAP Steering Committee, Bangkok, January 22, 2009.

² Scott Snyder, "The Korean Peninsula Energy Development Organization: Implications for northeast Asian Regional Security Cooperation?" North Pacific Policy Papers 3 (2000).

part of the February 2007 implementing agreement of the Six Party Talks. The conceptualization of the NEAPSM under the six party umbrella remains the most advanced concept for institutionalizing Northeast Asian security cooperation, but the idea cannot move forward without progress in achieving the other objectives of the 2005 joint statement.

A second trend that is relevant to the context of regional community building is the emergence of forms of functional and non-traditional security cooperation that in effect bypass the stalemate on the Korean peninsula. For instance, China-ROK-Japan trilateral mechanisms have progressed relatively rapidly since the first leaders' summit in 2008. The comprehensive "Trilateral Cooperation Vision 2020" forged last year identifies institutionalization of trilateral cooperation as its first objective, and a permanent Secretariat will be established in Korea in 2011 as the central coordinating mechanism for trilateral cooperation.³ Although trade and economic interests have brought these three countries together since they joined the ASEAN+3 process in the 1990s, in recent years they have successfully established ministerial-level dialogues on a wide set of issues including public health, environmental protection, and cultural exchange as well as trade and foreign affairs.⁴ It remains to be seen whether regionally-based cooperation involving China, South Korea, and Japan might emerge as the core for functionally-based regional cooperation in Northeast Asia that might eventually spread from economic and non-traditional security issues into a mechanism that can also address existing political and security divisions in the region.

There are also a number of recent developments on the peninsula may have an influence on North Korea as an issue that will shape prospects for and forms of regional security cooperation. First, North Korea's provocations in 2010 underscored that the Korean peninsula remains at the core of security dynamics in the volatile Northeast Asian region and the focal point of U.S.-China strategic calculations, reinforcing what many perceived as renewed cold war differences between U.S. allies and a rising China. Second, China's response to Korean

³ Japan-China-ROK Trilateral Summit: Trilateral Cooperation Vision 2020, May 30, 2010, <http://www.mofa.go.jp/region/asia-paci/jck/summit1005/vision2020.html>

⁴ Another multilateral effort that has attempted to promote Northeast Asian cooperation is the Greater Tumen Initiative, launched by the UN Development Programme in 1992 with five member countries of China, South Korea, North Korea, Russia, and Mongolia. The initiative is based on the common rationale of regional economic development through cooperation in five important sectors including transportation, energy, tourism, investment, and environment.

peninsula tensions since North Korea's May 2009 nuclear test suggests a shift to a more supportive policy toward the North compared to an approach that had placed considerable emphasis on multilateral cooperation following North Korea's first nuclear test in 2006, and this foreign policy trend has raised regional concerns about the prospect of China's use of economic leverage with the North to meet its own political objectives. Third, increasingly pragmatic interests appear to be driving multilateral cooperation with China on other common challenges despite heightened tensions over North Korea, but it remains to be seen whether nationalism or pragmatism will be the primary factor influencing prospects for Northeast Asian functional cooperation. Fourth, the debate on North Korea's domestic transition brings to the forefront underlying regional strategic competition for long-term influence on the peninsula and poses fundamental questions regarding the evolution of the Northeast Asian security structure including the U.S. alliance system. Prospects for North Korea's denuclearization, reform and integration into the global system will influence the direction of and prospects for community building in Northeast Asia.

This paper assesses North Korea's impact on community building in East Asia, focusing on the North Korea's nuclear imbroglio and on the implications of China's rising regional influence. The next section examines the prospects for East Asian community building based on current efforts to promote regional security cooperation on North Korea as well as the implications of potential instability in North Korea and the implications of North Korean reform and opening. The third section assesses regional approaches to North Korea in the context of China's rise in an attempt to address possible conflicts between Chinese perceptions of collective security and the evolution of the U.S. alliance system beyond the North Korean security threat.

II. The North Korea Problem and Prospects for East Asian Community Building

An increasingly divided regional response to North Korean provocations since the May 2009 nuclear test has resulted in heightened skepticism toward the Six Party Talks and has underscored the weaknesses of existing regional mechanisms as a viable mechanism for managing recurring North Korean crises. North Korea's

decline and eventual state failure or its survival as a weak state, regardless of the extent to which it pursues economic reforms, will influence prospects for Northeast Asian security cooperation and its broader impact on regional community building. This section analyzes the impact of a variety of scenarios in North Korea and assesses the likely impact of those developments on prospects for the development of an East Asian community, including an assessment of current developments in North Korea, the implications of North Korean instability, and the implications of North Korean reform on prospects for community building in East Asia.

(a) North Korea as a focus of regional security cooperation: Current mechanisms and dilemmas

The September 2005 Joint Statement of the Six Party Talks for the first time bound together regional stakeholders toward the realization of four common objectives: (1) Denuclearization of the Korean peninsula, (2) Normalization of relations among all regional partners, (3) North Korean and regional economic development, and (4) Peace on the Korean peninsula and in Northeast Asia.⁵ Although the 2005 Joint Statement as a rhetorical commitment to the four objectives has failed to translate into collective action, it has remained the primary framework through which it has been possible for the respective parties to identify and commit themselves to a common security vision. Three favorable trends highlight the positive role of the six party framework in advancing cooperation on North Korea. First, all regional parties have participated actively in—and even now, continue their rhetorical support for—the Six Party Talks as the best mechanism for achieving Korean peninsula denuclearization and regional peace and stability. Second, the common goals of the Six Party Talks have continued to resonate in the absence of formal talks since December 2008. The six party framework has conceptually framed almost all multilateral diplomacy regarding North Korea following its May 2009 nuclear test. Third, North Korea continues to repeat that it is committed to denuclearization through the Six Party Talks, even despite the absence of tangible movement toward that objective.

Despite the rhetorical commitment of the respective participants to the Six Party

⁵ Joint Statement of the Fourth Round of the Six-Party Talks, Beijing, September 19, 2005, <http://www.fmprc.gov.cn/eng/zxxx/t212707.htm>

Talks as a vehicle for managing North Korean denuclearization and long-term regional security, there remains no consensus regarding the preconditions for resuming multilateral dialogue under current conditions. North Korea's November 2010 disclosure of its uranium enrichment program is a violation of its international and regional obligations under UN Security Council Resolutions 1718 and 1874 and the 2005 Joint Statement of the Six Party Talks. In March 2011, Special Representative for North Korea Policy Stephen Bosworth reaffirmed the U.S. position on reengaging with Pyongyang: "We are looking for demonstrable steps by North Korea that it is prepared to meet its international obligations and commitments to achieve the goal of the 2005 Joint Statement: the verifiable denuclearization of the Korean Peninsula in a peaceful manner."⁶ Chinese Foreign Minister Yang Jiechi at China's annual session of the National People's Congress in early March affirmed the continued importance of the 2005 Joint Statement for maintaining regional exchanges and stability, but noted that "how and when [the Six Party Talks] can be resumed demands further exchange of views."

The U.S.-China joint statement of January 2011 called for "concrete and effective steps to achieve the goal of denuclearization and for full implementation of the other commitments made in the September 19, 2005 Joint Statement of the Six-Party Talks," and opposed "all activities inconsistent with the 2005 Joint Statement and relevant international obligations and commitments."⁷ But the statement failed to identify "the necessary steps that would allow for early resumption of the Six Party Talks." Despite its joint pledges with the United States on North Korea and expression of concern regarding North Korea's uranium enrichment efforts, China blocked the release of a UN expert panel report on the North Korean nuclear issue in February, and has opposed an explicit condemnation of North Korea's uranium enrichment program at the UN Security Council as pushed for by the United States and South Korea, instead insisting on addressing the issue within the six party framework.

In addition, North Korean provocations have damaged Sino-ROK relations despite the need for enhanced coordination on North Korea in the bilateral

⁶ Stephen W. Bosworth, Testimony before the Senate Foreign Relations Committee, March 1, 2011, http://foreign.senate.gov/imo/media/doc/Bosworth_Testimony.pdf

⁷ U.S.-China Joint Statement, Washington DC, January 19, 2011, <http://www.whitehouse.gov/the-press-office/2011/01/19/us-china-joint-statement>

relationship. The provocations have taken a severe toll on South Korean public attitudes and perceptions toward China as an enabler of North Korean provocative behavior rather than a constructive actor in promoting regional stability. A 2010 South Korean public opinion poll by The Asan Institute of Policy Studies indicated that 42 percent of respondents held favorable attitudes toward China compared to 59 percent favorable attitudes toward the United States.⁸

Several obstacles stand in the way of moving forward on Six Party Talks. First, unresolved differences over how to address North Korea's 2010 provocations as a prerequisite to inter-Korean dialogue impede the prospects for restarting Six Party Talks through inter-Korean talks as the first step, as was apparently agreed between China and South Korea in April 2011. Second, South Korea does not want to stand in the way of regional efforts toward North Korean denuclearization, at times suggesting that North Korean acknowledgement of the nuclear issue as a legitimate issue in inter-Korean relations might be a sufficient basis upon which to resume Six Party Talks, but North Korea has yet to convince the United States and other partners on its commitment to taking concrete, "demonstrable" steps toward meeting its nuclear obligations, the starting point for U.S. bilateral reengagement with Pyongyang. While Pyongyang has clearly indicated that it seeks resumption of dialogue without preconditions, China has not provided any assurances to six party partners based on its own bilateral discussions with DPRK counterparts that North Korea will take concrete actions in pursuit of denuclearization. Third, differences over how to address North Korea's uranium enrichment program contribute to the ongoing stalemate as long as Beijing prefers to deal with the issue through Six Party Talks while South Korea and the United States prefer to address it at the UN Security Council.

The NEAPSM is the focus of the fifth of the five working groups (WGs) identified in the implementing agreement of the Six Party Talks in February 2007, following denuclearization, U.S.-DPRK normalization, Japan-DPRK denuclearization, and economy and energy cooperation.⁹ Although the six parties have agreed that "in principle, progress in one WG shall not affect progress in other

⁸ Hahm Chaibong, Kim Ji-yoon, Lee Jongsoo, Pail Wooyeal, and Woo Jung-Yeop, "AIPS Opinion Survey 2010: Report on Korean Attitudes toward the U.S." The Asan Institute for Policy Studies, available at www.asaninst.org.

⁹ Initial Actions for the Implementation of the Joint Statement, Beijing, February 13, 2007, <http://www.fmprc.gov.cn/eng/zxxx/t297463.htm>

WGs,” the stalemate over North Korean denuclearization clearly dooms prospects for progress in institutionalizing regional cooperation.

(b) Implications of North Korean instability

The prospect of internal instability in North Korea presents a potentially valuable opportunity for regional community building because the costs of potential instability to all concerned should heighten the urgency of cooperation toward the common goal of Northeast Asian stability. On the other hand, potential instability in North Korea heightens doubts about the future orientation of the Korean peninsula and underscores the lack of common vision regarding the end state of the peninsula among the primary stakeholders including the two Koreas, the United States, and China.

In fact, the question of the end state of the peninsula looms as a primary obstacle to promotion of regional cooperation on North Korea. Any collective mechanism for responding to various instability scenarios in the North requires a common understanding on the end-state of Korea, but the divergence in preferences over the end-state among the parties imposes a fundamental constraint to the conceptualization and implementation of such a mechanism. The U.S.-ROK Joint Vision Statement of July 2009 importantly aligns the United States and South Korea on unification, pledging, “Through our Alliance we aim to build a better future for all people on the Korean Peninsula, establishing a durable peace on the Peninsula and leading to peaceful reunification on the principles of free democracy and a market economy.”¹⁰ But this objective reflects an increasing pessimism about the sustainability of the DPRK regime in its current form that contradicts Chinese perceptions of North Korea’s future. Chinese official support of unification was recently affirmed by Hu’s heir apparent Xi Jinping in the context of North Korea’s political transition following the Workers’ Party of Korea (WPK) conference in September 2010, when he stated, “Under the new leadership of the WPK, the DPRK people will see greater progress in developing its economy, improving living standards, achieving peaceful national unification and expanding foreign

¹⁰ Joint Vision for the Alliance of the United States of America and the Republic of Korea, Washington DC, June 16, 2009, http://www.whitehouse.gov/the_press_office/Joint-vision-for-the-alliance-of-the-United-States-of-America-and-the-Republic-of-Korea

relations.”¹¹ However, underlying this official position are deep concerns that a unified peninsula allied with the United States would be a source of vulnerability to China. China’s current efforts to ensure North Korean regime stability and secure a stable relationship with the new leadership in Pyongyang seem to be a counter-response to long-term U.S.-ROK-led efforts of unification. As one Chinese scholar argued in 2000, Beijing prefers a “strategically neutralized Korean peninsula,” but more importantly, “Beijing’s long-term strategic concern is not whether there will be two Koreas or one reunified Korea, but how to reduce U.S. influence there.”¹² Despite the common goals of “peaceful unification” and North Korean reform and opening, differences over the envisioned process of unification and North Korea’s political and economic transition undermine any meaningful dialogue with China on issues related to North Korea’s internal stability.¹³

The conflict in respective priorities of the United States and China between stability versus denuclearization has served as the primary obstacle to coordination among the six parties. As long as instability in North Korea remains a source of immediate concern, China will likely prioritize North Korea’s domestic economic and political stabilization over denuclearization; this impasse in Six Party Talks is further reinforced by perceptions that Pyongyang has increasingly tied its attainment of nuclear weapons to domestic political legitimacy and leadership succession issues. A major source of concern for China is that U.S. assessments of recent DPRK provocations and the evident failure of six party efforts to address the regional security threat have raised debate on regime change or unification as what appears to be the only way toward resolution of North Korean nuclear and other issues.¹⁴ Conflicting priorities on the peninsula have resulted in differences over the preferred tools for influencing North Korean behavior. For instance, China has pursued economic engagement and dialogue while the United States has emphasized

¹¹ “China vows to work with DPRK’s new leadership to boost ties,” *Xinhua*, October 8, 2010, http://news.xinhuanet.com/english2010/china/2010-10/08/c_13547869.htm

¹² Xiaoxiong Yi, “A Neutralized Korea: The North-South Rapprochement and China’s Korean Policy,” *The Korean Journal of Defense Analysis*, Vol. 12, Issue 2 (2000), pp. 71-118.

¹³ Bonnie Glaser, Scott Snyder, See-Won Byun, and David Szerlip, “Responding to Change on the Korean Peninsula: Impediments to U.S.-South Korea-China Coordination,” A Report of the CSIS Freeman Chair in China Studies, Center for Strategic and International Studies, May 2010, http://csis.org/files/publication/100506_Glaser_RespondingtoChange_Web.pdf

¹⁴ Emma Chanlett-Avery and Mi Ae Taylor, “North Korea: U.S. Relations, Nuclear Diplomacy, and Internal Situation,” CRS Report for Congress, Congressional Research Service, November 2010, <http://www.fas.org/sgp/crs/nuke/R41259.pdf>; Victor Cha, “The End of History: ‘Neojuche Revivalism and Korean Unification,’” *Orbis*, Vol. 55, No. 2 (Spring 2011), Foreign Policy Research Institute, <http://www.fpri.org/orbis/5502/cha.korea.pdf>

economic sanctions and pressure, including military exercises to deter North Korean provocations, which are perceived by China as precipitating potential North Korean and regional instability.

Second, while concerns over North Korean stability have undermined regional security cooperation on denuclearization through Six Party Talks, there is currently no mechanism that enables stakeholders to pursue functional cooperation in the event of North Korean instability. Any effort to undertake contingency planning for North Korean instability will require a mechanism for coordinating multisectoral and multilateral responses over the long term in such areas as humanitarian assistance, disaster relief, and post-conflict stabilization, but the gap in long-term strategic priorities on the peninsula among the lead actors places major practical constraints on their ability to coordinate such cooperation in advance.¹⁵

(c) Implications of North Korean reform

At the same time that assessments of North Korean instability undermine effective regional coordination on denuclearization, the prospects of North Korea's reform and opening to the international community do not eliminate the underlying strategic tensions on the peninsula, and instead appear only to result in a different form of competition. China has recently emphasized the importance of economic reform and opening of North Korea, a goal that one would think might also be applauded in South Korea and the United States. However, South Korean analysts have tended to see China's promotion of reform in North Korea as a form of economic imperialism designed to cement division of the Korean peninsula, while the United States has viewed China's economic engagements with the North as directly contradicting the effects and utility of the international sanctions push to isolate North Korea as punishment for its nuclearization efforts. The effect of North Korean economic reforms on regional community building will depend in the end on whether the central regional objective of denuclearization is achieved.

1. North Korean reform with denuclearization

The Six Party Talks 2005 joint statement directly links North Korea's

¹⁵ See-Won Byun, "North Korea Contingency Planning and U.S.-ROK Cooperation," Center for U.S.-Korea Policy, The Asia Foundation, September 2009, <http://asiafoundation.org/resources/pdfs/DPRKContingencyCUSKP0908.pdf>

denuclearization with the North's political integration and international assistance as shared objectives of the six parties. In this vision, the reform and denuclearization of North Korea would presumably result in the removal of the numerous existing barriers to regional cooperation in such areas as trade and resource development while creating new opportunities for functional cooperation on facilitating North Korea's long-term economic development and regional integration.

However, the task of implementing the vision in practice has clearly run into a series of obstacles. Differences over the envisioned regional impact of a reformed, denuclearized North Korea may result in the surfacing or deepening of other differences that might impede cooperation. For instance, North Korea's denuclearization and reform may raise questions about the role and transformation of U.S. military alliances in Northeast Asia, the primary rationale for which has the DPRK security threat. Removal of the North Korean threat may exacerbate tensions with China regarding the purposes of continued U.S. military presence in the region, and requires reconciling preferences for a "multilayered" security structure that accommodates U.S. bilateral alliances with a more Sino-centric form and structure for security cooperation that might derive from China's dominant economic clout in the region.

A second question relates to the implications for inter-Korean relations, including the prospects for achieving Korean unification and transitioning from the current armistice to a permanent peace regime on the peninsula. The prospect of closing the economic gap between the two Koreas would ease the burden of unification, but it is likely to engender an active Korean debate over how to relate to the United States and China, respectively. Likewise, the transition to a permanent peace regime on the Korean peninsula raises the question of who are the lead actors in that process. While China seeks to play an active role, the inter-Korean joint declaration of 2007 only identified "three or four parties directly concerned" as partners on building a Korean peninsula peace regime.¹⁶

2. North Korean reform without denuclearization

The likelihood of North Korea's ability to pursue or achieve reform while

¹⁶ Declaration on the Advancement of South-North Korean Relations, Peace and Prosperity, October 5, 2007, available at www.unikorea.go.kr

avoiding denuclearization appears limited given the challenge such a scenario would pose to the international nonproliferation regime and to U.S. and South Korean policy priorities toward the North. North Korea's failure to undertake denuclearization while simultaneously pursuing economic reforms would directly challenge the Six Party Talks as an effort to deny North Korea's nuclear status as well as UN Security Council resolutions against North Korean nuclear ambitions. But the prospect of North Korean reform might at the same time put forth for regional debate the question of how to engage with a nuclear North Korea as a reformist state in ways that would maintain regional stability. This scenario would directly pit the U.S. priority of a denuclearized North Korea against a Chinese vision of a North Korea that remains viable and stable, even if it also remains dangerous, albeit potentially less dangerous than an unreformed North Korea. A particularly challenging question would be whether an economically reformed, but still nuclear North Korea, would be trusted, given that the North Korean rationale for maintaining a nuclear capability in the context of economic reforms would probably be the need for deterrence as the only viable path to regime sustainability and survival.

A second factor that may exacerbate tensions between China and U.S. allies despite North Korea's willingness to pursue reform is the impact of a sustained North Korean nuclear capability on U.S. commitments to extended deterrence for its South Korean and Japanese allies. The perception that North Korea is unlikely to abandon nuclear weapons and realization of U.S. failure to prevent North Korea from attaining nuclear weapons may raise the prospects for enhanced arms acquisitions and military buildup in South Korea and Japan, a trend that is likely to draw heightened concern from China. An economically reforming North Korea that continues to hold nuclear weapons might be presumed to be a positive outcome for China, but it is not necessarily clear that North Korean economic reform would ensure the North's political stability, and domestic pressures in South Korea and Japan to go nuclear would likely increase, an eventuality that is counter to China's interest. The prospect of political instability in North Korea arising from economic reform would only exacerbate Chinese concerns about the potential implications of Korean unification without denuclearization of the peninsula.

Third, while North Korean economic reform can only occur as a result of heavy reliance on China, North Korea's mistrust of China places constraints on its

willingness to depend solely on China in the long run. A reform-orientated regime might feel a need to diversify its external economic relationships, but these relationships will be hard to develop as long as North Korea insists on maintaining its nuclear status. On the other hand, tangible evidence of North Korean commitment to economic reform may be tempting to some South Koreans and Chinese observers as the means by which to neutralize North Korean rationales for pursuing nuclear weapons through enhanced regional economic integration and interdependence. In this scenario, regional accommodation of North Korea's economic reform and opening would in turn place increasing costs on North Korean nuclear development efforts and make the prospect of nuclear "use" ever more distant as economic and security prospects are tied together. North Korean reform may create favorable conditions for moving toward denuclearization in cooperation with regional partners, eventually leading to a meaningful dialogue on nuclear disarmament. Given North Korea's security motivations for pursuing nuclear weapons, this approach may be part of broader approaches to the strategic and economic engagement of North Korea based on "common security." Such an approach would combine security assurances and economic inducements, including a peace treaty, diplomatic relations, membership in multilateral economic institutions, and humanitarian aid, to alleviate North Korean insecurity and build mutual trust and confidence as an initial step toward resolving the nuclear issue.¹⁷

III. Implications of the North Korean Challenge for East Asian Community Building in the Context of China's Rise

China's rising influence in East Asia is changing Korean peninsula and the regional equation in complicated ways. One issue that increasingly draws attention in the context of China's rising regional influence is China's opposition to the U.S. alliance system in favor of a system that emphasizes collective security. While President Obama during joint remarks with President Lee in Toronto in June 2010 called the U.S.-ROK military alliance "the lynchpin of not only security for the

¹⁷ Samuel Kim, "North Korea's Nuclear Strategy and the Interface between International and Domestic Politics," *Asian Perspective*, Vol. 34, No. 1 (2010), pp. 49-85.

Republic of Korea and the United States but also for the Asia Pacific as a whole,”¹⁸ as the Chinese foreign ministry spokesperson stated at the time of Lee’s first summit with President George W. Bush in May 2008, from the Chinese perspective “the Cold War mentality of “military alliance” would not be valid in viewing, measuring and handling the current global or regional security issues.”¹⁹ These questions have arguably become more salient as a result of North Korean military provocations in 2010, which raised tensions between U.S. allies and China over responding to the North Korean security challenge. Furthermore, North Korean officials stressed to U.S. counterparts at unofficial talks in March 2011 that Pyongyang’s own understanding of “denuclearization of the Korean peninsula” as the ultimate goal of the Six Party Talks also includes elimination of the U.S. nuclear umbrella in Northeast Asia, including U.S. bilateral alliances with South Korea and Japan.²⁰ This position coincides with China’s own stance on the long-term significance of U.S. alliances in Northeast Asia and the need to account for North Korea’s legitimate security needs in addressing the nuclear issue.

The unprecedented level of trilateral cooperation between the United States, Japan, and South Korea at the end of 2010 in contradiction with Chinese calls for six party coordination in response to North Korean provocations appeared to raise renewed prospects for U.S. allied cooperation as a foundation for Northeast Asian security. The trilateral foreign ministerial statement of December 2010 called for Chinese cooperation on North Korea in line with UN resolutions and the 2005 Joint Statement of the Six Party Talks, and also pledged an “enduring commitment to building strong, productive, and constructive relations with China, and to achieving a common objective of creating a peaceful Northeast Asian community of nations” through regional mechanisms including ASEAN, ARF, and the East Asia Summit.²¹ But renewed U.S.-Japan-ROK cooperation on North Korea, including joint calls for Chinese cooperation, may arouse suspicion in China about U.S. allied attempts to contain China’s growing regional influence, and in turn challenges U.S.-Japan-ROK

¹⁸ Remarks by President Obama and President Lee Myung-Bak of the Republic of Korea After Bilateral Meeting, Toronto, June 26, 2010, <http://www.whitehouse.gov/the-press-office/remarks-president-obama-and-president-lee-myung-bak-republic-korea-after-bilateral->

¹⁹ Foreign Ministry Spokesperson Qin Gang’s Regular Press Conference on May 27, 2008.

²⁰ Nicholas Eberstadt, “North Korea’s Six-Party Trap,” *Washington Post*, April 14, 2011, http://www.washingtonpost.com/opinions/north-koreas-six-party-trap/2011/04/14/AFD5t5eD_story.html

²¹ Trilateral Statement Japan, Republic of Korea, and the United States, Washington DC, December 6, 2010, <http://www.state.gov/r/pa/prs/ps/2010/12/152431.htm>

trilateral efforts to jointly engage China in the regional community building process. It is also uncertain whether U.S.-Japan-ROK cooperation will continue given the breakdown of earlier efforts in 2003 or whether it is only a symbolic response to current regional tensions especially given the resurfacing of historical disputes between Japan and South Korea in March this year.

On the other hand, China's rise is leading to new forms of cooperation among China, Japan, and South Korea that go beyond economic issues to include potential political and security cooperation. "Regional and international peace and stability" is the fifth objective of the China-ROK-Japan "Trilateral Cooperation Vision 2020," alongside institutionalization of trilateral partnership, sustainable economic cooperation, environmental protection, and human and cultural exchange. This objective specifies implementation of the 2005 Joint Statement of the Six Party Talks as the focus of trilateral coordination on DPRK denuclearization, but the North Korean nuclear issue is placed alongside a host of other regional and global security threats including terrorism, transnational crime, food safety, infectious disease, and global poverty and hunger. The three parties are committed to "the development of an East Asian community as a long term goal," identifying ASEAN as the key mechanism for such a community, but this long-term vision for trilateral cooperation appears to overlook existing differences among the three parties in the Six Party Talks as the basis for Northeast Asian security cooperation, instead promoting cooperation in the various regional frameworks of ASEAN+3, East Asia Summit, ARF, and APEC that do not fully address North Korean issues.

Finally, China's rise has become a profound influence on domestic debates regarding China's role on the Korean peninsula and the region—most importantly in relation to respective relationships with the United States—that raise important questions for regional community building. In South Korea, the emphasis on the U.S. alliance under the conservative Lee administration has fueled a reassessment of the strategic implications of China's rise that emerged within the South Korean foreign policy community since 2008 and heightened with subsequent DPRK provocations. Elite opinion polls in 2008 by Pacific Forum CSIS indicated that 67 percent of South Koreans consider China to be their most important economic partner while an overwhelming 90 percent see the United States as their most

important security partner;²² other surveys indicate that the decline in positive South Korean views of China in recent years has been accompanied by an increase in favorable attitudes toward the United States and support for the U.S.-ROK alliance.²³ South Korea's interest in maintaining its economic partnership with China has prompted some calls to positively condition Chinese behavior on the Korean peninsula on international issues,²⁴ but South Korean cooperation with China remains limited by a deep reluctance to accommodate a Sino-centric regional structure, as reflected for example in South Korean reservations toward pursuing FTA relations with China. A South Korean public that increasingly supports the continuation of the U.S.-ROK alliance also remains ambivalent about expanding the scope of the alliance to off-peninsula issues beyond security cooperation on North Korea as part of South Korea's efforts to promote its new regional and global capacities. On the other hand, China-ROK-Japan functional cooperation has progressed and may eventually spill over to enhance security cooperation, including on North Korea. The trend toward transformation of U.S. alliances in Northeast Asia into more "comprehensive" partnerships and the trend toward expansion of new forms of Northeast Asian cooperation raise the question of which framework is most effective for addressing which regional priorities, and whether they can be effectively coordinated.

China's rise is also influencing China's domestic debate on its role on the peninsula and the region, especially in the context of Chinese perceptions that the regional role of the United States is in decline. In his assessment of the long-term geostrategic environment on the peninsula following North Korea's 2009 nuclear test, Shi Yinhong writes that, "The most decisive international development in

²² Brad Glosserman and Scott Snyder, "Confidence and Confusion: National Identity and Security Alliances in Northeast Asia," *Issues & Insights*, Vol. 8. No. 16 (September 2008), Pacific Forum CSIS, http://csis.org/files/media/csispubs/issuesinsights_v08n16.pdf

²³ Pew surveys indicate that South Korean positive views of China declined from 66 percent in 2002 to 48 percent in 2008 while positive views of the United States increased from 52 to 70 percent during the same period. According to a public opinion brief of the East Asia Institute in December 2010, South Korean public support of strengthening the U.S.-ROK alliance increased from 34.7 to 48.6 percent following the Cheonan and Yeonpyeong incidents. See Nae-young Lee and Han-wool Jeong, "The Impact of North Korea's Artillery Strike on Public Opinion on South Korea," EAI Issue Briefing on Public Opinion No. 91 (December 2, 2010). In 2010 survey findings from The Asan Institute of Policy Studies, South Korean support for the alliance appears positively correlated with favorable views of the United States and perceptions of the North Korean nuclear threat rather than China's rise. Among the 60 percent of South Koreans who believe that China would intervene on behalf of North Korea in the event of war, 90 percent support the continuation of the U.S.-ROK alliance, but among the remaining 40 percent who see Chinese intervention as unlikely, 83 percent still support the continuation of the alliance. See Hahm Chaibong et al, "AIPS Opinion Survey 2010: Report on Korean Attitudes toward the U.S.," The Asan Institute for Policy Studies.

²⁴ See, for example, "The Current State of North Korea-China Relations (in Korean)," AIPS Roundtable No. 2 (April 2010), The Asan Institute for Policy Studies.

recent years is China's rapid rise...as Washington's requirement for (and even dependence upon) selective security cooperation with China continues to increase, China will sooner or later become the most influential major power on the Korean peninsula."²⁵ A *Global Times* editorial similarly argued in October 2010, "China should firmly insist on the protection of peninsular stability and oppose any country that seeks to undermine such a standpoint. As China's national strength rises, such a bottom line will be insisted on with greater seriousness."²⁶ These attitudes contrast sharply with Chinese calls for strengthened cooperation with regional partners as a "responsible stakeholder" after North Korea's 2006 nuclear test, including with U.S. allies,²⁷ and appear to correspond with increasingly realist and inward-looking thinking within China that may challenge the prospects for engaging multilaterally with China on Korean peninsula security issues.²⁸

IV. Conclusion: North Korea and Prospects for East Asian Community Building

It is possible to highlight several challenges to East Asian community building in relationship to the ongoing North Korean security threat and in the regional context of China's rise. The first challenge is the lack of coordination on North Korea policy among the major regional partners. Stephen Bosworth in March 2011 reaffirmed the United States' "dual-track" approach to achieving North Korean denuclearization and regional stability, which combines "meaningful engagement" with "full and transparent implementation of sanctions." However, China's approach to engaging with North Korea through trade and investment has raised debate on the role and efficacy of U.S.-led sanctions, in response to which Chinese officials have made the clear distinction between "normal economic cooperation

²⁵ Shi Yinong, "China and the North Korean Nuclear Issue: Competing Interests and Persistent Policy Dilemmas," *The Korean Journal of Defense Analysis* 45 (2009).

²⁶ "Stable Sino-N. Korea Ties Benefit Region," *Global Times*, October 11, 2010.

²⁷ Jing Huang and Xiaoting Li, "Pyongyang's Nuclear Ambitions: China Must Act as a 'Responsible Stakeholder,'" *The Brookings Institution*, October 12, 2006.

²⁸ David Shambaugh, "Coping with a Conflicted China," *The Washington Quarterly*, Vol. 34, No. 1 (Winter 2011), pp. 7-27.

with North Korea” and “the contents of the UN resolution.”²⁹ There is also a lack of consensus between China and the United States and South Korea on the preferred mechanism for dealing with North Korea’s uranium enrichment issue, Six Party Talks or the UN Security Council, both in which China plays a key role. Another potential friction point may be aid policy toward the North, given the growing perception in the United States that U.S. provision of food aid to North Korea risks shifting the agenda away from denuclearization in favor of China’s focus on North Korea’s internal stabilization, and also risks raising U.S. tensions with South Korea, where the Lee administration has firmly tied aid provision to progress in denuclearization.³⁰

A second challenge is a lack of coordination of existing bilateral and multilateral mechanisms for addressing the North Korean issue in the effort to keep the six party process effective as the primary platform for Northeast Asian security cooperation. While the DPRK nuclear issue has risen higher on the U.S.-China agenda, the impasse in inter-Korean and U.S.-DPRK relations remains a sticking point in moving the six party process forward. Security cooperation remains the weakest part of the Sino-South Korean partnership that undermines bilateral management of North Korea-related issues in coordination with regional partners. The regional response to North Korea seems to be at cross-purposes with Northeast Asian trilateral mechanisms such as the trend toward enhanced China-ROK-Japan functional cooperation. Finally, China’s rise poses major questions on the evolution of U.S. alliances in Northeast Asia as the continued foundation of regional security beyond the DPRK military threat as regional partners seek to deepen their economic relationship with China.

According to Kim Sung-han, while the U.S.-ROK alliance will remain at the center of South Korean foreign and security policy, Northeast Asian regionalism can serve as a means to eventual regional peace and stability through positive interactions between bilateralism, trilateralism, and multilateralism.³¹ From this perspective, U.S. alliances must find ways to address the concerns of third parties such as China if bilateral and multilateral approaches to North Korea are to become

²⁹ Lee Chi-dong, “(Yonhap Interview) China Separates N.K. Sanctions from Economic Ties: Envoy,” *Yonhap*, December 15, 2009, <http://english.yonhapnews.co.kr/Interview/2009/12/15/46/0901000000AEN20091215004200315F.HTML>

³⁰ “Should the U.S. Provide Food Aid to North Korea?” Panel Discussion at the Heritage Foundation, Washington DC, May 11, 2011, <http://heritage.org/Events/2011/05/Food-Aid-to-North-Korea>

³¹ Kim Sung-han, “Northeast Asian Regionalism in Korea,” Council on Foreign Relations, December 2009.

more compatible.³² As Wu Xinbo suggested in 2000, China opposes a regional security arrangement based on “hegemonic stability” of U.S.-led bilateral alliances, but “on the condition that U.S. security arrangements in the region are not targeted on China...China would not challenge U.S. efforts in preserving those strategic assets.”³³ At the same time, the historical pattern of Chinese participation in regional institutions suggests that China’s embrace of multilateralism remains selective and limited to weak forms rather than “pooled sovereignty,” particularly in areas related to the Korean peninsula where competing national interests continue to arouse mutual suspicion.³⁴

Third, the domestic political transitions unfolding in the region including in South Korea, China, and Japan, present important implications for respective foreign policy orientations and regional cooperation efforts on North Korea. Domestic political opposition remains the greatest obstacle to regional integration, and the formation of a viable and enduring regional community requires popular support at home.³⁵ The domestic political impact of continued North Korean provocations in South Korea and Japan, and implications for policy towards the United States and China respectively, will influence the form and extent of regional community building. Likewise, the potential emergence of increasingly nationalistic sentiment among the respective Northeast Asian publics will exacerbate the difficulty of managing renewed strategic competition in the region over shaping the situation in North Korea in ways favorable to respective national interests.

³² Kim Sung-han, “Searching for a Northeast Asian Peace and Security Mechanism,” *Asian Perspective*, Vol. 32, No. 4 (2008), pp. 127-156.

³³ Wu Xinbo, “U.S. Security Policy in Asia: Implications for China-U.S. Relations,” The Brookings Institution, September 2000, http://www.brookings.edu/papers/2000/09northeastasia_xinbo.aspx

³⁴ Gilbert Rozman, “Post Cold War Evolution of Chinese Thinking on Regional Institutions in Northeast Asia,” *Journal of Contemporary China*, Vol. 19, No. 66 (September 2010), pp. 605-620.

³⁵ Gilbert Rozman, *Northeast Asia’s Stunted Regionalism: Bilateral Distrust in the Shadow of Globalization*, London, UK: Cambridge University Press, 2004; Chung-in Moon, “The Politics of Northeast Asian Regional Integration: Opportunity, Constraints, and Prospects,” Paper presented at the 2009 Summer Institute of the Global Institute for Asian Regional Integration (GIARI), Waseda University, August 3-7, 2009.

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