

**THE BROOKINGS INSTITUTION**  
**CENTER FOR NORTHEAST ASIAN POLICY STUDIES**

**REALITIES AND POSSIBILITIES FOR A  
PEACE SYSTEM IN NORTHEAST ASIA**

*by*

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## **1. Present and Future of the Security Environment in Northeast Asia**

### **A. Security Situation in the Region**

Northeast Asia has a quarter of the world's population, and is a region where the interests of powerful nations such as the United States, Japan, China and Russia collide with one another. In addition, the strategic importance of this region grows further with China's continued economic growth, Korea and Japan's economic development, and the economic recovery and political stabilization of Russia. If current trends persist, Northeast Asia will, by the year 2020, produce one-third of the world GDP, and become one of the three centers of politics, economic activity, and military powers along with America and Europe.

On the other hand, amidst the concentration of the world's strongest military powers, the military conflict between North and South Korea continues to exist. Also, as each country in Northeast Asia pursues its national interests and strives to increase its influence in the region, mutual restraining and conflicts are increasing. By strengthening their security alliance, the United States and Japan have declared that they will confront any potential security threat together. In response, China and Russia have developed their relationship to the strategic status of a quasi-alliance. Given these circumstances, the order in Northeast Asia is evidently strongly influenced by geo-political and military factors rather than geo-economic factors.

### **B. Interests of the Countries in the Region and Their Strategic Directions**

#### **(1) United States**

The United States, the sole superpower in the world, has the ultimate security goal of maintaining a world order where no nation or power in the world can challenge. Its current goal is to protect the homeland, U.S. forces abroad from terrorism and WMD, its other interests, and its allies. According to the Quadrennial Defense Review (QDR) issued in February 2006, the main threats faced by the United States today are 'irregular challenges' and 'catastrophic challenges' from terrorist groups utilizing WMD rather than 'traditional challenges' such as a war among countries.

The QDR presents that as for long-term threats, a rival country with the capability to offset its military domination will emerge, bringing 'disruptive challenges' to the United States. This assumption suggests that restraints and confinement can be levied upon China in Northeast Asia. The U.S. is already actualizing its plot to restrain China's domination of the region by working together not only with its allies and friendly nations such as Japan and Australia, but also with India. It's worthy of note that the U.S. is developing its close ties with Japan to improve its rear area support system in case of contingencies, and is rearranging its forces in order to employ them with speed and flexibility.

## **(2) Japan**

Since the mid 1990s, Japan has been following a conservative rightist line, and is recently in active pursuit of the 'Militarization of the Self Defense Force' under the banner of 'Realization of a Normal Country,' on the basis of its increased national status. Japan is seeking the revision of the current 'Peace Constitution,' which prohibits the nation from possessing a military, and has refashioned the Japan Defense Agency into the Ministry of Defense, the Joint Staff Committee into the Joint Staff Office, and attached the Intelligence Headquarters from the Joint Staff Committee to the Ministry of Defense. Japan is also striving to modernize its defense posture by improving rapid response capabilities through measures such as pursuing the establishment of a National Security Council by April 2008.

In response to North Korea's WMD development, Japan is also building missile defense capabilities together with the United States and expanding air and sea forces with high technology to enable long-range warfare. Japan is striving to expand the Self Defense Forces' area of activity to surrounding situations under the pretext of rear support for the U.S. forces. In essence, the U.S.-Japan alliance has in the past played a part of a 'bottle cap' which prevented Japan from becoming a powerful military state in Northeast Asia, but is now providing a 'guarantee' which allows Japan to legitimately enhance its military status.

## **(3) China**

China's security policy is focused on maintaining and expanding its influence in the region in the long term. To this end, China strives to improve relationships with neighboring countries and enhance its defense capabilities while trying to prevent the United States' dominant control and influences in Northeast Asia. However, in order to pursue the national goal of 'enhancing wealth and military strength,' China has been adopting moderate policies regarding the presence and role of the United States in Northeast Asia rather than confronting it, thereby fostering environments which facilitate its economic growth.

Especially since 9/11, China has maintained a strategic relationship with the United States due to the mutual cooperation system against terrorism, pursuit of high-level strategic talks, and collaboration on attempting to resolve the North Korea nuclear issue. China has

achieved substantial economic growth through this strategy, and it is predicted that it will continue to increase its operational capabilities in the Taiwan Strait and South China Sea as strengthening its military power based on its developing economy.

#### **(4) Russia**

Since President Putin has come into office, due to the significant influx of oil revenue and the success of his reform policy, Russia is recovering its status as a powerful nation, casting off the label of 'a big but weak country.' This is because security and military capacity are also increasing as a result of the pragmatic foreign policy and economic recovery. Russia has cooperated with the United States' world strategy case by case, but on the other hand is strengthening its strategic ties with China and security cooperation with India in order to restrain the United States' domination in the world order. The external environment, however, such as NATO's moving eastward, countries in the CIS such as Ukraine and Georgia becoming pro-American, U.S. forces stationed in Central Asia, and the U.S. building missile defense systems in the Eastern European area, has restricted the advancement of Russia, in contrast to the situation of the former Soviet Union.

In the mid-long run, Russia is expected to utilize its energy sources and ties with China to weaken the influence of the U.S. and raise its voice in the region. However, given the overall strategic situation, Russia is not in need of a sudden reform, but rather needs to work at maintaining its current status. Thus, the relative importance of Russia in the balance of power in Northeast Asia would not be very significant.

#### **(5) The Korean Peninsula**

The security situation on the Korean peninsula has been heavily influenced by South-North Korea relations, U.S.-North relations and ROK-U.S. relations. First of all, the South-North Korea relationship has seen an increase in exchanges and cooperation such as Gungang Mountain tours and Gaesong Industrial Complex through the 'Sunshine Policy' of South Korea. However, this policy has weaknesses, from the perspective of the political and military elements. The U.S. has a 'Containment Policy' toward the North, and the North has responded by developing military capabilities such as nuclear test and missile launches, intensifying conflicts and resulting in a failure to resolve problems of mutual mistrust.

The ROK-U.S. alliance is being well preserved through the spirit of the mutual alliance, but has been changing since 9/11, with the changes in U.S. foreign policy toward its allies and forces stationed abroad and the changes in the South Korean internal political and social situation. Examples of such changes would be the relocation of the Yongsan Garrison and U.S. 2nd Division, reduction of USFK and mission transfers, strategic flexibility, and wartime OPCON transfer. The alliance is expected to continuously change and evolve through changes of situations.

The fundamental reason for instability on the Korean peninsula is the military threat

presented by the North in the form of conventional military forces and WMD. This is because the North relies on military strength to sustain its regime, engage in negotiations with the U.S. and establish a more favorable strategic environment than the South within the Korean peninsula. Although a lead in resolving the issue has been provided in the February 13 Agreement at the Six-Party Talks, complete resolution of the nuclear issues as well as establishing peace on the Korean peninsula would be a very bumpy road indeed as long as the North does not change its fundamental nature.

### **C. The Future Security Environment of the Region**

Most professionals assess that the U.S. will maintain its current world-dominant status in the near predictable future, and will play the central role in the peace and stability in the Northeast Asia region. Since the countries in Northeast Asia, with the exception of North Korea, desire a stable security environment for the development of their own countries, the stability in Northeast Asia will be maintained as long as the U.S. takes upon itself the role of keeping an appropriate balance of power.

However, as the circumstances of each country mentioned above, Northeast Asia has not resolved the Cold War-like security structures yet, in which conflicts, confrontations and uncertainty still persist. Each country in the region will actively work to maximize its interests within these dynamics.

## **2. Sources of Conflict among Countries in the Region**

### **A. Conflicts of Interests and Arms Races among Neighboring Nations**

Although the Cold War structure became obsolete around 20 years ago, Northeast Asia is still within the boundaries of the historical conflicts and the Cold War. In addition, uncertainty is increasing as new elements of national interest are added to the traditional ideological conflicts. The characteristics of the U.S.-China relationship will be the key variable that will determine the security order in Northeast Asia. Even though there are enough reasons for both countries to maintain collaboration, potential conflicts exist in several areas such as Taiwan and North Korea issues, the extension of Chinese influence, and humanitarian issues. Also, as there is the possibility of China and Japan competing for dominance in the area, it is foreseeable that conflicts between the U.S.-Japan alliance and the China-Russia collaboration could persist over a long period of time.

The countries in the region are currently powerful nations actively preparing their military forces for the future war paradigms by developing military forces focused on information technology. This phenomenon is proved by the gradually increasing military expenditures. The defense budget of the U.S. has rapidly increased since 9/11 and currently amounts to half of the world's total defense budget, and military expenditures in Northeast Asia have

also increased from 135 billion dollars in 1999 to 192.7 billion dollars in 2005. Such increases in the defense budgets of these countries are different from the traditional quantitative increase in conventional force structure, as they focus on acquiring capabilities and advanced force structures for rapid, long-range deployment. This will further contribute to instability in the region.

## **B. Divided Nations Issues**

Since the Korean peninsula is an area where the interests of four neighboring countries intersect directly and indirectly, problems incurred from the division between the North and the South are the fuse of instability in Northeast Asia and also the world. North Korea especially threatens the security of the Korean peninsula and Northeast Asia through its pursuit of a 'Military-first Policy' and development of WMD, such as nuclear weapons, despite its economic difficulties and sanctions from the international community. Also, an outbreak of turmoil in North Korea and unification issues would deeply affect neighboring countries and have the potential to deepen mutual conflicts and confrontations.

The issue of Taiwan, from the Chinese perspective, is the core national interest, and Beijing's ultimate goal is enshrined in the 'One China Principle.' In 2005 China established an 'Anti-Secession Law' to forcefully react to Taiwan's attempts at independence, and is steeply increasing naval, air, and missile forces in the Taiwan Strait in case of contingencies. However, from the U.S. and Japan's point of view, Taiwan is a strategically important area necessary to deter China's advancement and expansion overseas. Therefore, the U.S. has been emphasizing its own 'Taiwan Relations Act' and has proclaimed that it will use whatever means necessary to defend Taiwan in the event that China attempts to unify Taiwan by force. Aggravation of the Taiwan issue is expected to directly influence the relationship between China and the U.S.-Japan bloc, and will greatly threaten the safety of sea lines of communication (SLOC) within the region.

## **C. Issues on Possession of Islands and Marine Resources**

Given the geographical characteristics of Northeast Asia, most countries in the region are not surrounded by land but instead connected via the sea. Since countries in the region share limited space and resources over the waters, there is always a potential for conflict. There are various factors for conflicts such as possessions of the four northern islands between Japan and Russia; an island claimed by China, Japan and Taiwan; EEZ and undersea resource development issues between China and Japan; Dokdo and EEZ issues between Korea and Japan; and an island and EEZ issues between Korea and China.

So far, the U.S. and Japan, with their strong naval traditions and forces, have controlled the seas in this area. However, China, which traditionally has been a continental nation, cannot maintain its growth without utilizing the waters, and is therefore greatly increasing its naval power with nuclear submarines and plans for aircraft carriers. Other countries are also adopting a model of relying on external markets for economic growth, and therefore cannot

neglect the importance of maritime interests. Therefore, as the competition for acquiring natural resources becomes intensified, the potentials for military conflicts to arise due to the dominions over islands or marine resources are ever-present.

#### **D. Different Perceptions of History**

While the historical sediments of the past war and the Japanese invasion have not fully disappeared, Japan's right wing parties have enshrined the mortuary tablets of the war criminals and worshipped them at the Yaskuni Shrine as well as idealizing the past invasion history, further provoking the Chinese and Korean people. Also, China is creating backlash from Korea by intentionally distorting the ancient history of the Korean peninsula and Goguryo. The different perceptions of history among the countries in the region are a serious obstacle to building mutual trust and also stimulate nationalism in China, Japan, and Korea, causing rather insignificant issues to develop into larger conflicts.

### **3. Comparing the Conflict Settlement Mechanisms of Northeast Asia and Europe**

#### **A. Europe's Experience in Settling Conflicts**

During the first half of the 20th century, Europe experienced two devastating wars in which over 50 million people were killed, and underwent radical ideological and military tensions between the two leagues of the East and West in the second half of the century. However, despite such tensions, Europe has not experienced a war for the past 50 years and has prudently overcome numerous challenges that it faced. Many experts predict that there would not be any large scale war in the foreseeable future and expect an unprecedented era of peace and stability. It is significant to review the situation of Europe, which had numerous problems after the Second World War, on what kind of mechanisms existed and how they functioned in the Cold War era and the post-Cold War era.

##### **(1) East-West Cold War Era**

Europe exhausted its energy from two large-scale wars and lost the global superiority that it had previously, and the U.S. and the Soviet Union, the dominating powers in world security, started their acute ideological and military conflicts. The United States proclaimed a containment policy toward the Soviet Union and supported the quick recovery and economic rehabilitation of Western Europe through the 'Marshall Plan,' and organized NATO among the U.S., Canada, and Western European countries in 1949. On the other hand, in Eastern Europe, the Soviet Union organized the Cominform to increase support to Eastern European countries and created the Warsaw Treaty Organization (or Warsaw Pact) in response to the NATO. Afterward, confrontations in Europe between the Soviet Union's policy for an Eastern European bloc versus the United States' containment policy toward expansionism

became more severe. In the early 1950s NATO enjoyed superiority in nuclear strength, but when the Soviet Union rapidly increased its nuclear capabilities after the mid 1950s, the nuclear arms race became seriously competitive.

In the 1960s, the U.S. and the Soviet Union maintained strategic stability through a 'Balance of Fear' provided by nuclear weapons, and the countries in Western Europe which had experienced the World Wars sought to find the means of cooperation and talks with the Soviet Union and Eastern Europe in order to relieve the fear of a nuclear war. West German Prime Minister Brant's *Ostpolitik* or 'Eastward Policy' helped relax tensions between Eastern and Western Europe, and Soviet-American détente was started as President Nixon visited the Soviet Union in 1972 and joined SALT I. The U.S.-Soviet summit provided strategic stability on a psychological level with the confirmation of the lack of intent to launch a preemptive attack. Upon this foundation, in 1975, 35 European countries founded the Commission on Security and Cooperation in Europe (CSCE), acknowledged the status quo which included territorial issues, and adopted the Helsinki Accords which agreed to cooperation in several areas such as security, economics, science, environment, and humanitarianism. Until Gorbachev came into power in the 1980s, Europe was still in tension and conflict, but several conferences and forums by the experts constantly opened for the peaceful resolution of conflicts between the East and West Europe, confidence-building and arms control, economic cooperation, environment, information, human rights, and cultural inheritances.

## **(2) Post-Cold War Era**

At the summit held in Paris in November, 1990, the European countries gathered together to announce formally the end of the Cold War. The former Soviet Union and countries of the Eastern European bloc had witnessed the results that arms races and excessive military spending brought about, and re-evaluated traditional security threats from a more stable and secure perspective. The end of the Cold War relatively decreased the influence of the United States, and the European countries in turn shifted their attention to trans-national threats which permeated across borders—such as environment, economy, drugs, and illegal immigration—while realizing that respect for human rights and basic rights is the fundamental substance for peace and security.

On this foundation, NATO held a summit at Rome in 1991 and redefined the objective of the alliance, and established a rapid response force to enhance its capabilities on crisis management, anti-terror and anti-WMD. On behalf of the United Nations, NATO deployed sixty thousand multilateral peace-keeping forces to Bosnia and played a central role in the Kosovo incident. Also, in cooperation with the CSCE and the Western European Union (WEU), NATO promoted the idea that various security organizations within Europe should play mutually complementary roles. Moreover, striving to ease the apprehensions of Russia, NATO admitted Eastern European countries (currently 26 countries) in the organization through Partners for Peace (PFP). The WEU, which has remained as a consultation organization for NATO, was reformed in order to manage crises, provide humanitarian

support, and maintain peace. The CSCE was expanded into the Organization for Security and Cooperation in Europe (OSCE) which consists of 55 countries including the U.S. and Canada, and developed as a field for discussing and coordinating comprehensive security issues such as early warning, the prevention and peaceful resolution of conflicts, crisis management, and human rights. The OSCE has actually accomplished many tasks such as intervention in the conflict between South Ossetia and Georgia, observation and reporting on human rights issues during the Chechen crisis, the dispatch multilateral forces during the Bosnia crisis, and the protection of minority races.

Although NATO has been renewed and is exhibiting its new functions, the European countries have taken further institutional measure for the 'Europeanization of European security.' In 1992, the pact to form a single entity with an integrated economy and politics known as the European Union was concluded. The EU currently has 25 member countries with 450 million people, and accounts for a quarter of the world GDP; this union has greatly increased the status and stature of Europe. In addition, the Euro-Atlantic Partnership Council (EAPC; 45 countries) was formed to facilitate cooperation between NATO and non-NATO countries and has opened conferences on a regular basis. Also, the Council of Europe (COE), which was set forth to facilitate political cooperation among European countries during the Cold War, has added the former Eastern European bloc countries to its member roll and now consists of 45 countries.

### **(3) Lessons Learned**

Europe has passed through the past 50 years with intermittently occurring racial disputes and freedom movements, resulting in refugees and violation of human rights in certain mid-central Europe areas, but it has not experienced an all-out war at the national level. Europe was able to maintain a peace structure after the Second World War despite the radical contrapositions in ideological and military differences is due to the following factors.

First, the countries of Eastern as well as Western Europe had experienced the devastation of the two World Wars and faced the serious threat of nuclear weapons after the war. Ironically, this common perception of fear of common destruction operated as the catalyst for communication and cooperation.

Second, during and after the Cold War, the U.S., which is not a European nation, took the central role in European security. Also, Western European countries acknowledged the role played by the U.S. and maintained a strong alliance in order not to expose any weaknesses to the communist bloc, which enabled them to ultimately maintain strategic stability.

Third, although the NATO collective defense system was effective against the traditional threat by the Eastern European bloc, European countries, through their own efforts, made complex and various politico-economic organizations of cooperation such as WEU, OSCE, EU, EAPC, and COE. These organizations complemented one another and facilitated communications between member countries, further enhancing trust and transparency and

greatly contributing to preventing conflicts ahead of time.

Fourth, over the Cold War and post-Cold War eras, non-military and trans-national security threats changed in nature, and the member countries were able to gain active participation and support by proactively responding and transforming their security organizations such as NATO.

Fifth, the Helsinki Accords in 1975 was an acknowledgement of the status quo of international relations by countries in the region, building an environment of mutual restraints but mutual respect at the same time. And the territorial issues were not provoked, ceasing the need for considering one another as potentially threatening countries.

Finally, the wide range of common factors such as race, history, religion, language, and other aspects facilitated the trust-building process among nations in the region.

## **B. The Reality and Possibilities in Northeast Asia**

Although Northeast Asia has not yet constructed a government-level cooperation system in the region, the Six-Party Talks have recently been activated to resolve North Korean nuclear issue. At the civilian level, we have the Northeast Asia Cooperation Dialogue (NEACD) which was established with the support of the U.S. Department of State in 1993. Scholars and high ranking government and military officials are participating in their individual capacity, and even North Korea took part in the initial planning conference and in 2004. The meetings have been conducted on a rotating basis in each country except for North Korea. Some visible results have been gained. Discussions on mutual understanding, confidence building and plans for enhancing cooperation have been conducted to determine the principles toward the stabilization of the region and peacekeeping.

However, the multilateral talks and cooperation mechanisms in Northeast Asia when compared to those in Southeast Asia or Europe are at the fledgling stage. We can assess the factors which have influenced until today and their impact in the future through reviewing obstructing factors and accelerating factors.

### **(1) Obstructing Factors**

First, the security order in Northeast Asia is still based on the Cold War structure, and is constructed of bilateral alliances: ROK-U.S., U.S.-Japan, and North Korea-China. These alliances are constructed on the premise that certain countries in the region have the potential to become or are currently enemy states. In this circumstance, it is only natural that arms races and conflicts have been intensified and each individual nation has been relying on certain countries that have dominance in the region for the stability and security of its own.

Second, unlike Europe which shares common race and a common Christian culture, countries in Northeast Asia have stark differences in socio-cultural areas including territorial and population size, economic strength, and political ideology.

Third, different views toward history exist among Korea, China, and Japan. And the periodic comments or events of a certain country have sparked recollections of painful memories, and agitated the emotions and anger of the other nations' citizens. These have created limitations for mutual trust and cooperation.

Fourth, there are several radical security issues that cannot be resolved simply through short-term multilateral talks. These issues include the ideologically divided North and South Korea, the military confrontation between Taiwan and China, a lack of diplomatic ties between countries in the region, and disputes over the sovereignty of various small islands and sea boundaries.

Fifth, the Northeast Asia region, unlike Europe, does not share common ideas on security threats and there is no country which would play a neutral role to positively draw out multilateral security talks among the countries in the region.

Overall, the following three factors, at a minimum, are needed to facilitate a stable and effective regional security cooperation system: a common perspective on regional security and cooperation shared by the related countries; the active participation of the powerful nations; and a realization of the high cost to individual countries to conduct a war. However, none of the factors above have provided enough motivation for Northeast Asian countries to create a long-term post-Cold War structure.

## **(2) Accelerating Factors**

First, the level of interdependence among countries in Northeast Asia is growing more and more. The economy and security in the region are very closely related, and in order for the current growth and development to be sustained, there is a need to clarify the political and military uncertainty. A common perspective is beginning to develop in the region that continued peace and stability must be guaranteed in order to sustain economic health.

Second, the cooperation from countries in Northeast Asia such as China is desperately needed in order to carry out U.S.-led anti-terrorist campaigns, and awareness that multilateral talks would be more effective in resolving issues like the North Korean nuclear problem is growing.

Third, lessons on multilateral security talks are being learned directly and indirectly through channels outside of the region such as ARF and ASEAN+3 and inter-region talks such as NEACD. And though it may be limited, a framework for cooperation in the region is being formed in the area of politics, foreign policy, economy and military. A representative example would be the Six-Party Talks.

Fourth, as exchanges between countries increase, non-military threats that transcend borders such as environment, economy, refugees, drugs, human rights, avian influenza, and SARS are becoming regional issues. These problems cannot be resolved by just one country, but require the cooperation on a regional level.

## **4. Proposed Conflict Resolution Systems in Northeast Asia Region**

### **A. Necessities**

As mentioned before, Northeast Asia is the region where the characteristics of power in international politics are most represented. Although there are polarization of the order and deepening of economic interdependence in the region, there are also conflicts of interests between powerful nations, territorial disputes, and arms race, making it the only region in the world that is still within the Cold War order. Furthermore, non-military threats and trans-national threats are continuously increasing. Some say that factors of instability might increase in times of structural changes in international politics and could lead to an armed conflict. And despite all these considerations, some say that multilateral security cooperation systems could easily be delayed in decision making and have difficulties enforcing agreements, and therefore might not be appropriate for resolving structural security problems in Northeast Asia.

But to resolve the instability and conflicts in Northeast Asia, we need multilateral systems like those in Europe. Multilateral security cooperation systems would utilize the talks between member countries and coordinate the interests in order to be a safety valve that weakens unnecessary competition, mistrust, misunderstandings and conflicts. Therefore, establishment of peace systems through multilateral security cooperation would be absolutely necessary in the region.

### **B. Considering Principles of Implementation**

Given the special strategic situation of this region and the experience of Europe, in order to set up peace system in the Northeast Asia region, it is necessary that the peace system be pursued simultaneously under principles that consider the existing alliance structure along with multilateral cooperation systems, a mid-term approach along with a long-term approach and a two-party approach along with a multilateral approach.

First, multilateral security talks must be conducted on the basis that the current alliances between the ROK-U.S. and U.S.-Japan are maintained. Given the characteristics of the complex and diversified Northeast Asia security structure and the U.S. strategy toward the world and Northeast Asia, establishing multilateral security cooperation systems on the basis that the current alliance structure is dismantled is not only very improbable but also

inappropriate for sustaining peace and stability in the region. We must take into account the fact that multilateral security cooperation in Europe was possible because the NATO, under the lead of the U.S., substantially played its role in preventing war. Therefore, weakness of the security in the region must be reinforced through multilateral cooperation while maintaining the current alliance structure.

Second, a structure for peace in the Northeast Asia region must be built from a mid-long range perspective with patience, as it would be difficult to achieve it in a short period of time due to the limitations of the current regional order. Issues involving the vital national interests of the regional countries—such as the strategic conflicts among the U.S./Japan and China/Russia, the South-North Korea issue, the China-Taiwan issue, and various territorial disputes—cannot be resolved in a short period of time, even though multilateral security cooperation systems would be established. It took 20 years to its conclusion since the Soviet Foreign Minister Molotov proposed the overall European treaty at the Berlin summit in 1954, and it also took 20 years for the CSCE to evolve into the current OSCE.

Third, the peace system in Northeast Asia must be built on a two-track system, where countries in the region pursue bilateral and also multilateral approaches. There are currently no basic diplomatic relations between South-North Korea, Japan-North Korea, and the U.S.-North Korea, and conflicts are occurring due to the territorial and ideological disputes. Therefore, in order to establish sustainable peace in Northeast Asia, it is essential that countries in the region improve their relations through efforts in bilateral trust-building. However, as mentioned above, emerging trans-national threats cannot be resolved by just one country, or even by two countries acting together. In Europe, multilateral approaches were emphasized due to the environmental factor of numerous countries in the region. On the contrary, such multilateral cooperation is also contributing positively toward bilateral relationships. Therefore, for an early settlement of peace system in Northeast Asia, it is appropriate to adopt the two methods, bilateral and multilateral approaches, simultaneously.

Fourth, the creation of a regional structure for peace and stability must be carried out in harmony with existing multilateral security cooperation activities. Even if government-level multilateral cooperation systems are established, it would be desirable to have sustained relationships with civilian-level cooperation systems such as NEACD as well as those outside of the region such as ASEAN, ARF and APEC.

Fifth, government-level regional security cooperation organizations must be established and systemized as soon as possible. Permanent standing organizations should be established, and until then existing conferences and meetings must be periodically or continuously held. European countries, when faced with the communist bloc's proposal of establishing the CSCE, worried about the negative influence of the Soviet Union and opposed systemizing the CSCE. However, this perspective has completely changed after the end of the Cold War as the CSCE was able to play a role in regional security as a permanent cooperation system. Therefore, the multilateral security cooperation system must be established at the government level in Northeast Asia and must be made permanent and systemized as soon as

possible to keep its momentum and then to strengthen its efficacy.

Sixth, for the establishment of the agenda, at its initial stage a regional security institution must pursue the easier issues, in order to build success in reaching and implementing agreements, and then progressively deal with the more complicated problems. It is especially imperative that issues of bilateral interest not be placed on the multilateral agenda before mutual trust and experience are accumulated.

## **C. Implementation Details**

### **(1) Ways to Establish Cooperation Systems**

Given the varied conditions of the Northeast Asia region, there can be three ways to establish cooperation systems at the government-level. The first is promoting the NEACD to a government-level cooperation system. The second is developing the Six-Party Talks into a multilateral security cooperation system. The third is to create a completely separate cooperation system. Given the following factors to be discussed, the development and institutionalization of the Six-Party Talks is the most appropriate option.

Even though the six-party process started in order to resolve the North Korean nuclear issue, it also holds symbolic value as the first government-level multilateral cooperation system in Northeast Asia. Perhaps more importantly, there has already been an agreement in place as a working level agenda at the Six-Party Talks on “establishing a peace structure in Northeast Asia.”

Promoting NEACD to a government-level system or creating a new separate cooperation system risks the possibility of running into unexpected hurdles, and would take a long period of time to come to an agreement among the related countries. There have been many efforts over the past 50 years to establish a government-level multilateral cooperation system in Northeast Asia, but none has made any progress, as bilateral relationships have dominated the regional order and the interests of the regional countries toward multilateral security cooperation were different. Even if such hurdles could be overcome, promoting the NEACD to a governmental-level system or creating a new cooperation system would result in a similar end state as that of the current Six-Party Talks, which involves North and South Korea, the U.S., Japan, China and Russia.

It is difficult for the Six-Party Talks to be immediately expanded into the role of security in the region, as it was initially designed to resolve the North Korean nuclear issue. However, if the North Korea nuclear issue is successfully resolved while keeping the current momentum, the Six-Party Talks could be expected to play a very useful role as a multilateral peace conference and a cooperation system for peace in Northeast Asia.

## **(2) Composing and Operating the Cooperation System**

In order for the Six-Party Talks to be extended as a security cooperation system, it is most important for all participating countries to come into realization that multilateral security cooperation and peace system would be beneficial to each of them. Especially, it is necessary for the U.S., China, and North Korea, which have been very cautious toward multilateral security cooperation, to understand the benefits of multilateralism, such as 'diffuse reciprocity.' Diffuse reciprocity, different from individual reciprocity, means each participating country could expect the long-term rewards from diverse issues. This is a type of 'utilitarianism' approach, where there is guarantee that concessions made today will be fully compensated in the future, concessions made over a certain issue will be compensated at another issue and concessions made for one country will be compensated by another country.

It is very likely that coming to a resolution for the North Korean nuclear issue could be possible because each country agreed on these advantages. More specifically, the establishment and development of multilateral security cooperation systems in Northeast Asia could contribute to the U.S.'s war against terror, and could also contribute to sharing the costs and the responsibility as the U.S. suggests. China needs to be convinced that participating in a multilateral security cooperation systems would move toward wiping out the 'China Threat' theory which is springing up in the U.S. and Europe, and that it would be aligned with their national strategy. North Korea should be convinced that the multilateral security framework would activate as a support window for economic growth after the resolution of its nuclear issue, and that it would relieve the conflicts and mistrust from the U.S. and Japan, which would contribute to the preservation of their regime.

The Six-Party Talks would be able to be transferred into the role of a multilateral security cooperation system pending an agreement among the related countries, but in reality, it would only be possible after the general direction of the resolution of issues on the Korean peninsula such as the North Korean nuclear issue is determined. This is mainly because this particular cooperation system was initiated in order to resolve the issues on the Korean peninsula, and in this state in which a course of action to resolve these issues are not yet determined, it is difficult to find a justification for extending the talks to a cooperation system aimed at resolving issues in the region. Resolution of the North Korean nuclear issue could accelerate the normalization of the U.S.-North Korea and Japan-North Korea relationships, provide a turning point in transforming the security situation in the region, and also greatly contribute to building a foundation for a peace structure in Northeast Asia.

In the initial stage, the basic cooperation systems could be established at a 'Heads of State Conference,' and then details could be worked out at a 'High-Level Government Official Conference' and 'Working Level Conference.' Finally, a 'Permanent Secretariat' could be established to handle subsequent issues. Participation in the Permanent Secretariat is important, in order to fully invest each member country in the organization, and to systemize rules and procedures. In order to support cooperation at the government-level on one hand,

the establishment of a civilian advisory organization should be actively researched, and an approach such as utilizing the NEACD which has much accumulated experience in managing the multilateral talks in the region, and utilizing national policy organizations or civilian research organizations across a broad spectrum should also be taken into consideration.

The location, process, and agenda for the regular conferences must be carefully selected, and the specific details such as the division of the financial responsibility for operating the secretariat must be decided. Taking into consideration the idiosyncratic relationship between the U.S. and North Korea, China has thus far played the leading role in providing the venue for the Six-Party Talks. However, in order to systemize this into a framework for multilateral cooperation in Northeast Asia, the permanent secretariat must be located within the Korean peninsula, given the geographic, strategic location, symbolic meaning of the peace system and the mutual relationship between the U.S. and China, and Japan and China.

### **(3) Progressive Expansion and Systemization of Cooperation**

In the early stage, it is more realistic to pursue talks on a comprehensive level such as exchange of assessments and opinions on conceptual issues and the security situation. Sensitive topics, such as territorial and historic issues, should be excluded from the agenda, and instead, it would be more appropriate to discuss trans-national threats which could be a subject of common interest—such as terrorism, illegal drug trafficking, pollution, the spreading of diseases (AIDS, SARS, avian influenza), energy cooperation, and so forth. Countermeasures for managing contingencies and preventing any armed conflicts among countries in the region must be built upon the basis of common points of view and concepts developed through such efforts. Maritime related topics such as incidental armed clashes, information exchanges, and measures to establish transparency in weapons trading could be selected as items to be agreed upon. In order to facilitate efficacy in the initial stage, conversations and cooperation must be pursued with the diplomatic authorities at the center, and once this is systemized, and trust and experience accumulated, conference mechanisms at the head-of-state and ministerial levels, such as in NATO or OSCE, could be initiated. Furthermore, it should be possible to construct a summit-level conference.

## **5. Conclusion – Pursuing Permanent Peace**

Northeast Asia is experiencing great change in a wide range of political, economic, military and cultural areas, and is expected in the near future to find its place as one of the key places of the world. However, such an accomplishment will only be possible if the assumption that the peace and stability in the region would be maintained at its current status holds.

However, the future strategic environment of Northeast Asia is not all clear skies and sunshine. It is a region with the highest possibility of the armed conflict in the world, along with Middle East. The Cold War order characterized by divided countries and bilateral

alliances is still in place, and the strategic competition among the U.S., China, and Japan, which play important roles in the regional order, are being intensified. In addition, traditional issues such as territorial and historical disputes are stimulating nationalism in each respective country and further intensifying the instability in the region. As a result, arms races in the form of obtaining weapons of mass destruction and state-of-the-art forces in order to get the dominance in the region and prepare for the uncertain future are being accelerated among the countries in the region. Taking into consideration the capabilities and destructive power of the advanced weapons systems possessed by the militaries in the region, if an armed conflict breaks out and is expanded into a war, then it will directly affect not only Northeast Asia, but also the future of all mankind.

Although the greatest threat to security in Northeast Asia in the short term is the weapons of mass destruction such as nuclear weapons and missiles possessed by the North, in the long term, potential for instability lies in the competitive relationship between the U.S. and China. Especially as the gap between national power between the U.S. and China decreases with the rapid economic development of China, and the processes of resolving the Korean peninsula and Taiwan issues progress, there might be severe conflicts.

On the other hand, peace and stability in the Northeast Asia region is a matter of direct interest to all related countries including the U.S. and China. From the U.S. perspective, China's cooperation is needed for the war on terror. From China's perspective, amicable relations with the U.S. are necessary for continuing economic growth and national development. Therefore, the current situation requires that all the related countries in this region cooperate in establishing the systems of peace. Although the results from the Six-Party Talks in resolving the North Korean nuclear issue cannot be predicted, the momentum of the talks has been steadily maintained over several crises. In order to establish a system of peace in Northeast Asia, given the security structure, it is inevitable to adhere to the following steps in order: resolve the North Korean nuclear issue, establish a peace system on the Korean peninsula, and, finally, establish a peace system in Northeast Asia. Therefore, efforts to resolve the North Korean nuclear issue form the foundation for peace and stability in Northeast Asia. From this perspective, it is even more important that the present nuclear crisis be resolved; the issue is not just an immediate problem, but also presents a fundamental step in securing long-term peace and stability for the region.

The positive role and leadership of the United States is the most important factor in resolving the Korean issues over the short-term, and also in achieving peace and stability in the region over the mid-long term. Therefore, given the lack of experience in multilateral security cooperation and talks in Northeast Asia, the multilateral cooperation system must be built and operated while complementing the existing ROK-U.S., and U.S.-Japan bi-lateral alliances. Also, given the experience of Europe, a multilateral security system in Northeast Asia must be pursued with government-level cooperation and non-governmental and civilian-level cooperation in parallel. In addition, an organic cooperation system with the current extra-regional security cooperation channels in Southeast Asia and the Asia-Pacific area such as ASEAN, ARF and APEC should be established.