EFFECTS, TARGETS, AND TOOLS:
A Primer for US Strategy and an Application Examining the Security Dynamics of Northeast Asia

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INTRODUCTION

Much of the recent theoretical literature about security strategy is concerned with broad questions about the global system. What are the organizing principles that govern relations among states? What is the emerging distribution of power? When do shifts in power and influence among the major units occur and what are the consequences of such changes? Regional studies of security have tended to ask these same questions in an effort to explain subsystem dynamics.

While these exercises are important to understanding the nature and dynamics of the international system, security practitioners wrestle with problems of how to pursue security. How should national or international security be defined in terms of executable goals? What are the best strategies under various constraints and conditions? What tools are most appropriate in a given situation? These are the types of pragmatic problems that confront policy makers and challenge strategists. Clearly such daily concerns are shaped, sometimes knowingly and sometimes not, by theoretical assumptions about the nature of the global system. While theoretical terms tend to shape their thinking, decision makers are less interested in parsimonious explanation than feasible options that might work in the real world. From theories, decision makers need a relevant operating primer to help plan and execute strategy.

Where should we look to find such frameworks? Theories drawn from broad approaches to international security such as liberalism, realism, and their neo-namesakes may be compelling to the theorist, but tend to be too general to help practitioners make decisions. Regional analyses tend to be more discerning with respect to local characteristics and conditions, but true comparative studies that reflect different perspectives and priorities are rare.[1] US military doctrine, a body of literature neglected by theorists, does contain useful principles and procedures derived from historical experience and changes in warfare. By blending theoretical concepts with military doctrine, we can construct an operating framework for strategy.

In particular, by focusing on the question of how military strategy operates among Northeast Asian states as they pursue international security, this paper develops and applies an operating primer incorporating key concepts of deterrence and defense useful to policy makers and strategists.

This exploration of how US strategy might operate in Northeast Asia can be used for any region or actors. The exercise begins with a brief discussion of relevant international relations theory, military strategy, and military doctrine for the purpose of introducing a framework useful to policy makers and strategists as they pursue security. This theoretical review concludes with the construction of the Effects, Targets, and Tools (ETT) operating framework of strategy. Next, the context of strategy in a region, in this case Northeast Asia, is described in terms of the major actors and key features of the security environment. Then major strategic issues[2] are identified and discussed, chosen for their potential to tip the regional balance of power. Against this

background, the vital interests and security priorities of the major actors are extracted and related to perceptions of threat. Using the ETT framework, this information is applied to cases involving major issues to illustrate how actors pursue deterrence and defense. The conclusion provides a forecast for Northeast Asia and recommendations for policy makers and strategists. While the latter are drawn from Northeast Asian cases, the ETT process of making strategy in support of security goals is intended to be applicable to any region.

THEORETICAL FOUNDATION

Defining Our Terms

Theorists and practitioners often talk past one another because they have different views of what constitutes interesting or useful theory, strategy, and doctrine. Let's begin with the dominant theories of international security—liberalism, realism, and neo-liberalism and neo-realism.

Liberalism is a rather optimistic worldview that values interdependence among states and other international actors, open market economics with minimal governmental intervention, and democratic governance. States should cooperate with one another on the basis of universal liberal principles to include the above values and individual human rights. Realism is a relatively pessimistic worldview that values independent sovereign states, self-help rather than relying on cooperative agreements, open market economics except where the state chooses to exercise control, and effective governance. Neo-liberalism and neo-realism simply extend liberal and realist values to the international level of analysis. While neo-liberalism values the regulation of international cooperation and competition through institutional

agreements and rules, neo-realism values the right and power of sovereign states to cooperate or compete according to their relative power status in the system.

Liberal and realist security theorists tend to ask the same central questions—what is the structure of the international system and why is it so? What is the nature of power, influence, and wealth and why are there different preferences among states? Why does conflict reoccur? Due to different values or analytical assumptions, the answers differ. Liberals see a system of benign interdependence and globalization that confounds state power and influence, therefore begging the construction of regimes (norms and rules) to bring justice and order to the system.[3] Realists see a system of self-seeking states pursuing interests constrained by countervailing interests, and they regard relative changes in the balance of power (rising and declining states) as the chief cause of large conflict.[4] The role of theory in the international security literature has been to develop alternative explanations to these fundamental questions of structure, power, and conflict.

Policy makers and strategists may be interested in these big questions, but they routinely confront dilemmas of how, rather than why, to pursue state and shared interests. How can deterrence and defense be achieved? What constitutes credible and stable deterrence, and from an ally's perspective, extended deterrence? Under what conditions do compellence and coercion work? What force structures and deployments afford such flexible strategic options? Some theorists have been drawn to some of these questions of strategic choice.[5] However, when the questions shift to less generalizeable questions of deployment and

employment decisions in particular situations, theoretical attention tends to fade. But this is the world in which the strategist lives.

The strategist might turn to military theory instead, but such theory is difficult to distinguish from military doctrine because both have strong historical traditions. Classic military theory basically consists of broad approaches to strategy, best represented by the works of Sun Tzu and Carl von Clausewitz.[6] The maxims and insights of these theorists are about as useful to the strategist as doctrine. Like doctrine, military theory offers many alternative precepts and guidelines that need to be applied critically to various security situations.

Functional similarities between theory and doctrine suggest that these traditions can be usefully compared. Just as the essence of theory consists of propositions, doctrine is comprised of beliefs and principles used to guide the conduct of military operations.[7] Similarly, international security and military theories involve various levels of analysis, and doctrine is designed to be useful at the strategic, operational, and tactical levels of conflict. However, doctrine is written by operators less concerned with elegant theories of power and more concerned with identifying lessons learned from military operations. This academic-professional gap in analytic attention is understandable, but needs to be bridged to develop a useful framework for strategy.

In order to understand how strategy can operate in various conditions to promote security, I adopt a two-part definition of security and an operational definition of strategy. First, *security* is "an ambiguous symbol"[8] used to justify and promote state responsibilities. From this perspective, security is an ideal goal—the absence of threats to values such as social stability and group

identity. This is important in Northeast Asia due to the variety of societal values throughout this region arising from cultural, economic, political, and historical factors. But it is also true that each state pursues its own priorities among common vital interests, namely, political survival, national sovereignty, economic development, and military capability. These practical interests may reinforce or weaken societal values. Security, then, is also a competitive process of pursuing relative advantage over threats to vital interests. *Strategy* is how a state employs concepts and resources to achieve relative advantage.[9] These working definitions of security and strategy recognize value differences among societies while allowing us to focus on threats to vital interests as a way to understand how strategy operates in a diverse environment.

Making Strategy

Shaped by the vocabulary of academic and military theory, we may assume that strategists generate plans to achieve objectives as they attempt to coordinate various instruments of power to pursue vital state interests. But how does such grand strategy get implemented to address important issues? The following Effects, Targets, and Tools (ETT) process is intended to be a primer that models how effective strategy might work. The heart of the ETT framework consists of two spectra of desired effects: deterrence–compellence, which involves the use of psychological tools; and defense–coercion, where physical tools are employed. The framework enables us to model strategic interactions as three-step iterations: (1) setting objectives consisting of desired effects; (2) selecting targets to help realize

those effects; and (3) choosing appropriate tools to operate on the targets.

ETT: Adversary [Partner]

EFFECT:	TARGET:	TOOL:
		Psychological
Deterrence-Compellence [Dissuasion-Persuasion]	Will	Intimidate [Assure]
	Capability	Neutralize [Enhance]
		Physical
Defense-Coercion [Security-Inducement]	Will	Punish [Demonstrate]
	Capability	Deny [Exercise]

Step one considers a spectrum of desired effects to achieve on an actor's will or capability by using either psychological tools or the physical application of force. Actors may be individuals, groups, networks, or systems. The objective may be to prevent or cause certain behavior. *Deterrence* is the prevention of future behavior, and *compellence* the causation of desired behavior, both through psychological means. Deterrence itself may be the basis to *dissuade*, and compellence may be used to *persuade*,[10] distinctions of diplomatic significance but also operationally important to planning. *Defense* is the halting of ongoing behavior and *coercion* the causation of desired behavior, both through

physical means. *Security* and *inducement* may be substituted for defense and coercion to emphasize non-adversarial or complex relationships. Again, these diplomatic distinctions are important to the planner and operator charged with crafting and executing strategy. The key question in step one is, what are the desired effects on an adversary or partner?

Step two involves choosing an aspect of an actor to target to bring about the desired effect. Such targeting seeks to affect behavior by focusing on adversary *will* and/or *capability*. Preventing or halting undesirable behavior by removing capability to act is often not possible, so methods to affect will are often planned. Yet, causing desirable behavior to occur by affecting will requires precise intelligence about values and often depends on complex relationships among capabilities and intent. The key question in step two is, what are the vulnerabilities and strengths of will and capability?

Step three requires selecting appropriate tools to affect an actor's will or capability, depending on the level and type of influence needed to achieve the desired effect. Tools which are used psychologically to *intimidate* or *assure* will, and *neutralize* or *enhance* capability, are designed to deter or compel. Tools used physically to *punish* or *demonstrate* will, and *deny* or *exercise* capability, are designed to defend or coerce. In non-adversarial interactions, the described effects are to *secure* or *induce*. Toward an adversary one would intimidate will and neutralize capability, while toward a partner one typically would attempt to *assure* will and *enhance* capability. The key question in step three is, what political issues, economic levers, or military assets are best suited to influence will or capability?

Tools that influence an adversary's will can work by threatening what the adversary values. Intimidation seeks to deter or compel an adversary's behavior by presenting the prospect of unacceptable consequences. Assuring a partner of a commitment could counter an adversary's capability to deter or compel if it sufficiently bolsters the partner's will. Typical tools involve the deployment of offensive strike forces tailored to intimidate or assure the target.

What about the desired effects of defense and coercion? Physical tools that influence an adversary's will to defend or coerce work by *punishing* what the adversary values. Toward a partner, a physical demonstration of power or protection may increase will. Tools that influence an adversary's capability to defend or coerce *deny* the adversary's ability to behave in a certain way. Both defensive and offensive forces are needed to provide credible tools to defend or coerce.

REGIONAL BACKGROUND

Actors and Characteristics

The key security actors of Northeast Asia are nation-states—China, Taiwan, Japan, the Koreas, and Russia. Non-state actors are not yet known to be significant in and around the Northeast Asian states, states which by international standards have relatively strong secular government institutions. All of these societies are undergoing profound demographic, economic, and political change. Asia is aging, urbanizing, and democratizing its way to becoming the world's principal engine of economic development.

Japan currently accounts for over half of Asia's Gross Domestic Product (GDP), although the effects of a rapidly aging

population, low fertility rate, and chronic recession are eroding this status. The retired elderly currently comprise one-fifth of its population and will reach 30 percent by 2021, a proportion two times that of any neighbor.[11] The ability of the conservative Liberal Democratic Party to resolve these challenges is weakening, as the 1993 splintering of its political dynasty led to shallow coalitions more sensitive to short-term pressures.

China's rural poor are flocking to the cities with high expectations, doubling urban population to 60 percent by 2020[12] and challenging the state to provide housing, jobs, and infrastructure. With the world's most dynamic large economy,[13] China's rapid economic growth has expanded goods and jobs but postponed needed social services. Limited elections have begun at the village council level, and communist party elites are debating a fundamental shift from a revolutionary workers' party to a broader ruling party.[14]

In Taiwan, political rule by descendants of the Kuomintang (KMT) Party who fled Mao's China ended in 2000 with the election of "indigenous"[15] Taiwanese President Chen Shui-bian. A product of Taiwan's democratization after 40 years of KMT martial law, Chen and his Democratic Progressive Party periodically test Beijing's patience by advocating Taiwan's independence from China.

South Korean President Kim Dae Jung, abducted by his own government in 1973 and subsequently sentenced to death, was elected in 1997 to a single five-year term. Since the inauguration of democracy in 1987, pressures of urbanization, economic development, and privatization have released periodic labor unrest leading to the election of human rights and labor activist Roh

Moo-hyun. Despite Roh's known conciliatory stance toward Pyongyang, his inauguration gift from the North was the test-firing of two anti-ship missiles. North Korea's "Dear Leader" Kim Jong-Il continues his paternal predecessor's (the "Great Leader" Kim-Il Sung) systematic suppression of dissent over a population half as large as the South. Heavily dependent on international food aid, North Korea has recorded negative or minimal population growth for 10 straight years. One-half of pre-school children are malnourished.[16] Tentative plans to open a capitalist zone in Sinuiju near the Chinese border follow failed attempts in the remote northwest Tumen River Basin.[17]

Russia's post-Soviet contraction has required balancing diverse interests and implementing broad reforms. Finance and tax reforms are uneven and corruption is a major challenge, but foreign direct investment is on the rise. If legal and market reforms progress, more transparent credit could spur integration with the global economy. But poor health has produced a shocking shrinkage of population that threatens economic competitiveness. Recently announced military reforms designed to produce a smaller, more modern military compete for government funds needed for health care and the environment.

Economic Crisis and Recovery. Most East Asian economies soared prior to 1997. Japan's annual economic growth rates averaged four percent through the 1980's and into the 1990's; China achieved double digit annual expansion; South Korea, nine percent. Russia and North Korea were the exceptions, the latter in economic freefall after the breakup of the Soviet bloc and subsequent cutoff of aid. Accompanying the region's overall vigor was the world's fastest arms race.[18]

In 1997, the collapse of the Thai baht triggered an economic downturn across East Asia, from which most Northeast Asian states have rebounded.

South Korea was severely affected by the sharp decline in regional trade, seeing a shrinking GDP in 1997 and 1998. By 1999 after pushing through a series of financial reforms, South Korean leaders managed to return to five percent GDP growth, a current account surplus, and previous levels of foreign direct investment.[19] The Korean Stock Price Index jumped 32 percent in 2001, indicating long-term financial strength.[20] Despite concerns over the titanic cost of potential reunification with the North, confidence in the South Korean economy is rather high. In North Korea, some two million people out of a population of 22 million appear to have starved to death.[21]

The Japanese economy has been stuck in recession for more than 12 years. Government debt is 140 percent of GDP, at least four times that of South Korea and seven times that of China.[22] Japan's consensus-ridden elite has failed to sufficiently deregulate inefficient industrial and financial sectors. Absent serious domestic reform, Japan is unlikely in the near-term to revive its comatose growth rate.[23] The fall of 2002 saw the Nikkei stock index follow plummeting bank stocks to its lowest level in 19 years. Japan's extended malaise is the longest of any advanced economy since the Great Depression.[24]

China's fixed exchange rate-based economy was not significantly affected by the regional downturn and has registered 7-8 percent annual growth. With an annual foreign direct investment rate of $50 billion in 2001, China will soon surpass the United States as the world's largest recipient of foreign direct

investment[25] as ideologues and reformers debate the role of highly inefficient state-owned enterprises. China's finance sector has tremendous potential but suffers from state over-control.[26]

Taiwan bounced back from the 1997 economic crisis with 5-6 percent growth in 1999 and 2000, although 2001 brought the first-ever post-1949 recession (negative 1.9 percent growth) due to a decrease in global demand for information technology.[27] As in Japan, real financial sector reform is needed to eliminate non-performing loans. Budget deficits remain high, but rising levels of trade with China ($78 million in 1979, $11.5 billion in 2000) and a current account surplus are fast integrating Taiwan's economic future to that of China.

Asia's economic downturn initially threatened Russia's plans to bring in badly needed outside investment for economic renewal. Russian GDP had fallen by one-third since 1991, threatening the development of a critical regional transportation network to the east. By 1998, devaluation of the ruble, some restructuring and reforms were followed by higher world prices for energy and a surge in commodity exports. As a result, the Russian Federation has experienced three consecutive years of six percent GDP growth.

Military Capabilities. As Asian economies resume economic growth, military modernization and arms proliferation are reviving.

Japan's military expenditures have steadily increased even during its prolonged recession and in the face of a reduced government budget. Still the second largest economy in the world, Japan's $44 billion defense budget in 2000 was the fourth largest after the United States, Russia, and China.[28] Though

domestic policies currently prohibit the development, use, or presence of nuclear weapons, Japan has 53 nuclear power plants.[29] According to one report, Japan could produce operational nuclear weapons within a year of deciding to become a nuclear power.[30]

The Japan Constitution flatly prohibits "land, sea and air forces, as well as other war potential,"[31] and Japan still spends only one percent of its GDP on the Japan Self-Defense Forces. Nevertheless, Japan's sophisticated conventional forces include some 1000 main battle tanks, 800 armored personnel carriers and assault vehicles, 680 heavy artillery pieces, 110 multiple launch rocket system units, 42 destroyers and 12 frigates, 16 submarines, 300 combat aircraft, and four Boeing 767 airborne warning and control aircraft.[32] Most equipment is first-rate, but logistics support for extended operations is uncertain. The pursuit of an air refueling capability, reconnaissance satellites, missile defense research, and cyber-attack defense portend new capabilities and concerns.

Chinese military expenditures are routinely underreported by the government, so China's $42 billion defense budget may be closer to $60-70 billion. Ideologically speaking, military transformation was to be the last priority of China's "four modernizations,"[33] but 20 years of sustained economic expansion have financed incremental upgrades to selected portions of China's vast military. China's nuclear forces are substantial and include 120 H-6/Tu-16 bombers capable of carrying nuclear weapons.[34] China's roughly 400 nuclear warheads are distributed across 20 nuclear intercontinental ballistic missiles (13,000 km range)[35] with three-stage versions under development, one nuclear submarine with 12 nuclear long-range ballistic missiles, over 100

intermediate-range nuclear ballistic missiles (some with multiple reentry vehicles), 40 fighter aircraft, and several hundred short-range missiles.[36] The next generation submarine-launched ballistic missile will be capable of targeting the United States from Chinese waters.[37]

China's conventional forces exhibit the many tradeoffs of modernizing the world's largest armed force: 10,000 vintage main battle tanks and several hundred modern tanks;[38] 3000 well worn combat aircraft and 100 advanced fighter/attack aircraft;[39] 10 airborne tankers converted from prop-driven bombers; 69 submarines of which six are nuclear powered; 41 frigates and 21 destroyers, two of which are modern Russian-built warships, and 50 small and slow amphibious assault ships.[40] The leading edge of these traditional systems and the development of space assets, ground-based lasers, and information warfare are increasing China's ability to project power, deny access to coastal waters, and provide nuclear deterrence. China's commercial industry is considered to have significant capabilities in eight key areas: microelectronics, computer systems, telecommunications, nuclear power, biotechnology, chemical technology, aviation, and space.[41]

Taiwan's defense forces are conventional, high tech, and gobble up 17 percent of the GDP. Some 320 of 400 combat aircraft are advanced fighters which are superior to those of China. The 926 main battle tanks and 1125 light tanks and assault vehicles, and 1400 artillery pieces[42] are comparable to China's best. All of Taiwan's 21 frigates are highly advanced, as are seven of the 11 destroyers. The navy also is equipped with four submarines and Asia's largest force of marines (30,000). It is unclear whether Taiwan has an active missile production program,

but there are a limited number of short-range ballistic missiles (130 km) and the possibility of a 950 km range missile under development.[43]

Concerns over Taiwan's potential to develop nuclear weapons occasionally resurface due to the Taiwan Research Reactor project conducted in the 1970's at the Institute of Nuclear Energy Research. The Canadian built heavy-water reactor is identical to that which India used to produce the plutonium for its first nuclear detonation in 1974. According to one report, the reactor is being domestically converted to a light water reactor with low enrichment uranium.[44] Public denials by Taiwan leaders convey that the program has been abandoned.[45] Taiwan relies on six commercial nuclear reactors for roughly one-fifth of its electricity.

South Korea's 6.5 percent increase in defense spending in 2001 is the beginning of a comprehensive modernization plan that includes advanced fighter, attack helicopter, destroyer, and theater missile defense systems. Its 555 combat aircraft include 160 F-16 fighters, precision-guided munitions, and plans for a Korean version of the F-15 air superiority fighter.[46] Nearly half of the army's 2250 main battle tanks are advanced combat systems. South Korea also possesses 1700 modern assault vehicles and nearly 800 older armored vehicles, over 4500 artillery pieces and 140 multiple rocket launchers. There are unspecified numbers of short-range ballistic missiles, constrained by a bilateral agreement with the United States to a range of 180 km. Indigenous production of modernized versions and at least two types of space launch vehicles could be modified for ballistic missile purposes.[47] The navy's 19 submarines, six destroyers, and nine frigates are a significant regional force, and the marines number 25,000 strong.

North Korea's defense budget has been nearly cut in half from its 25% of GDP twenty years ago.[48] Its million-man army is bolstered by a reserve force of five million.[49] None of North Korea's main battle tanks are advanced, but there are 3500 of them. Similarly, its 2500 armored vehicles and 10,400 artillery pieces, 2500 multiple rocket launchers, 54 surface-to-surface missiles and 11,000 mortars are qualitatively inferior to South Korean forces. Shortages of fuel are a critical problem. However its 36 launchers and 700 missiles constitute the largest missile force in the developing world.[50] A fleet of 26 submarines and 66 coastal and inshore submarines are unreliable and its three frigates no match for direct action against the South's navy. But 310 coastal combatants are tailored to infiltrate the South with 88,000 special purpose forces for rear reconnaissance and sniper operations. The North Korean Air Force includes 80 lumbering Soviet bombers, some 540 fighter aircraft of which only 50 are advanced, and over 300 slow-moving transports capable of inserting special purpose forces.

Pyongyang's nuclear, biological, and chemical weapons programs provide a low-cost force multiplier albeit at great risk. The October 2002 acknowledgement by North Korean officials of a secret program to enrich uranium, subsequent expulsion of International Atomic Energy Agency (IAEA) inspectors, withdrawal from the Non-Proliferation Treaty (NPT), and preparations to produce weapons grade plutonium repeats a familiar pattern of behavior. North Korean nuclear processing facilities have been the object of sporadic International Atomic Energy Agency (IAEA) inspections since 1985, when North Korea signed the 1968 Treaty on Non-Proliferation of Nuclear

Weapons. According to estimates from US, Russian, South Korean, and Japanese sources, North Korea is assessed to have three nuclear warheads[51] and is preparing to produce more for itself or for export. North Korea signed the 1972 Biological Weapons Convention in 1987, after years of biological warfare research and development enabled the production of toxins and agents.[52] North Korea has yet to sign the 1993 Chemical Weapons Convention[53] and is suspected of having substantial stockpiles of chemical weapons to deliver via thousands of artillery, multiple rocket launchers, and mortars. Of particular concern are the 500 or so short-range (300-700 km) SCUD, 30-odd intermediate-range (1500 km) No-dong, and an undetermined number of intercontinental Taepodong missiles.[54]

Russian defense expenditures now are a reasonable 2.6% of GDP and focus on force modernization and personnel professionalization. Nuclear forces are formidable with 8400 operational warheads and 10,000 others in storage while Russia builds down to 1700-2200 warheads in 2012 in accordance with the May 2002 agreement between Presidents Bush and Putin. The Federation's 5000 strategic warheads are deployed on six versions of ICBM including 360 on the road-mobile SS-25; over 1000 warheads are deployed on SS-N-18/20/23 SLBM; and over 850 warheads are deployed on 63 Tu-95 and 15 Tu-160 bombers.[55] There are over 3300 nuclear warheads on shorter-range delivery systems: 145 Tu-22M air force and naval bombers; 280 Su-24 fighter-bombers, and various cruise missiles, surface-to-air missiles and anti-submarine forces.

Russia's two million-man military has been nearly halved and will be reduced further by organizational reforms. Total quantity

is robust at 45 active and reserve ground divisions, over 21,000 main battle tanks and a like number of towed artillery; 56 submarines and 35 surface combatants; and some 1900 combat strike aircraft. Conventional forces have been reoriented toward Central Asia although campaigns in Chechnya have revealed poor equipment quality and training weaknesses. Proposals for a more mobile force include cutting 365,000 personnel from army, naval, and air forces by 2003, improving military pay, and creating a Space and Space Defense Force.[56] In the Far East, 80,000 Russian troops speckle the world's longest border across from two million Chinese soldiers.[57]

Security Structures

Security organizations in Northeast Asia are immature from a multilateral standpoint and are dominated by robust US bilateral treaties with Japan (1951 Security Treaty replaced by 1960 Treaty of Mutual Cooperation and Security) and South Korea (1953 Mutual Defense Treaty).[58] Due to constitutional and self-imposed policy constraints, the US-Japan cooperation and security treaty obligates the United States and Japan to mutual defense within territories administered by Japan. US forces are granted basing rights in Japan not only to promote Japan's security but also to maintain peace and stability in the Far East. The US-South Korea treaty is a traditional alliance of similar defense commitments involving mutual pledges of collective defense against external armed attack and no formal constraints on military contributions by either ally. Other bilateral treaties with military commitments noted are: the 1961 China-North Korea Friendship Treaty, which commits 85,000 Chinese troops to North Korea if war should break out;[59] the 2000 Russia-North Korea Treaty of Friendship

and Cooperation, which replaced a 1961 mutual defense treaty and urges reunification of the Koreas based on mutually acceptable principles; and the 2001 China-Russia Good Neighbor Treaty of Friendship and Cooperation.

In addition to these treaties, less formal arrangements in Northeast Asia address specific issues. The US-Taiwan Relations Act of 1979 commits the United States to a peaceful resolution of Taiwan's future by providing Taiwan defensive arms and by maintaining a US capability to resist coercion against Taiwan. The Four-Party Talks among the United States, China, North Korea, and South Korea were established in 1996 to negotiate peace and stability on the Korean peninsula. In 1999, the Trilateral Coordination Oversight Group (the United States, Japan, and South Korea) was established to coordinate national policies toward North Korea. Although China is not a party to any formal alliance, China-Russia joint declarations of "strategic partnership" have been made in 1996 and 2000.[60]

Although Northeast Asian states have not created their own multilateral security organization, China, Japan, the Koreas, and the United States are members of the Association of Southeast Asian Nations Regional Forum (ARF) where many security issues are discussed but few negotiated in open multilateral forums.[61] Additionally, periodic exchanges, visits, policy working groups, information programs, and conferences are conducted between and among the US Department of Defense and US Pacific Command, the Japan Defense Agency, the Republic of Korea Ministry of National Defense, the Russia Ministry of Defense and Pacific Fleet,[62] and China's Ministry of National Defense. Reciprocal visits by defense ministers and military leaders

generate policy consultations, dialogue in military affairs and information flows among defense industries and technologies. The first annual Asian Security Conference, sponsored by London's International Institute of Strategic Studies, was held June 2002 in Singapore and brought together defense ministers from throughout the region.

The broadest attempt to manage economic interdependence is the 21-member Asia Pacific Economic Cooperation (APEC) forum among foreign ministries[63] which provides convenient venues to discuss trade, investment, and military concerns. APEC also feeds informal networks among government and business elites where security issues are discussed.

STRATEGIC ISSUES

The big regional issues involve the prospects of a nuclear Korea and an independent Taiwan, the evolving roles of modernizing China and remilitarized Japan, and the impact of a Russian recovery. Territorial issues such as the Diaoyutai/Senkaku (China/Japan), Northern Territories (Japan/Russia), and Tok-do/Takeshima (South Korea/Japan) disputes are touted as strategic issues. However, they are more significant for domestic politics because their resolution would not be likely to result in new power relationships among the key actors.

Nuclear Korea

The end of the Cold War eliminated certain Soviet and Chinese aid and made real the economic costs of existing WMD projects.[64] Subsequent removal of US tactical nuclear weapons in 1991 was followed by a North-South agreement to abstain from acquiring nuclear weapons. North Korea acceded to inspections

under the Non-Proliferation Treaty it had signed in 1985 but delayed implementing the treaty's Safeguards Agreement until 1992.[65] International Atomic Energy Agency (IAEA) inspections that year detected suspicious levels of plutonium used in nuclear reprocessing, and the IAEA called for additional inspections.[66] Other reactors were found to produce uranium taken from North Korean mines.[67] In response, Pyongyang rejected further inspections and announced its intention to withdraw from the NPT in March of 1993. If the IAEA were to impose sanctions, North Korean leaders would regard this as an act of war.[68] Three months later, following a visit by former President Carter to North Korea and the IAEA's first-ever formal censure of a state, North Korea recanted.

Negotiations with the United States led to an "Agreed Framework" in October 1994.[69] North Korea promised to put into permanent storage its 8000 spent fuel rods that possessed enough plutonium for several nuclear bombs, implement the 1991 North-South Joint Declaration on the Denuclearization of the Korean Peninsula, and continue its membership in the NPT to include abiding by the Safeguards Agreement. In exchange, the United States pledged energy-related economic assistance and progress toward normalization of relations. The US would establish a consortium to supply North Korea with two light water reactor (LWR) nuclear power plants in exchange for North Korea's halt of its graphite moderated reactors which can more easily reprocess plutonium for nuclear weapons. Oil would be provided as an interim fuel source. Both sides agreed to discuss normalization and a nuclear free peninsula. The following year the United States, Japan, and South Korea formed the Korean Peninsula

Energy Development Organization (KEDO) to fund two LWR power plants and the interim oil shipments.

In April 1996, the US and South Korea proposed Four-Party Talks (US, China, North Korea, South Korea) toward a Peace Treaty that would end the state of war still in effect since the North's invasion of the South in 1950. US economic sanctions stayed in force as North Korea continued to rebuff comprehensive IAEA inspections.

In September 1998, North Korea launched a three-stage missile over Japan in a failed attempt to launch a satellite. In response, US Secretary of Defense Perry obtained Pyongyang's agreement to halt missile testing in exchange for ending US economic sanctions. Non-strategic trade and investment sanctions were relaxed in June 1999. Kim Jong-Il's deputy succeeded in getting a joint declaration of the absence of hostile intent. Kim Jong-Il proposed to discuss permanently halting long-range missile research and development and exports in exchange for more US aid and the launching of North Korean reconnaissance satellites. Facing a presidential election, President Clinton declined.

The administration of President George W. Bush took a stiffer approach. The terror attacks of September 11th, 2001, reinforced fears of North Korean intent to produce nuclear weapons even though Pyongyang officials condemned terrorism "in all forms." In January 2002, President Bush's State of the Union address labeled North Korea, Iran, and Iraq as an "axis of evil" that sought weapons of mass destruction. The most recent Nuclear Posture Review reportedly considered the use of nuclear weapons against states believed to possess WMD. In March 2002 the United States

announced it would not certify North Korean compliance with the Agreed Framework.

Delays in restarting US-North Korean negotiations were further extended after a North Korean patrol boat attacked its South Korean counterpart in June 2002. The US restated its preconditions for constructive relations, which included ending proliferation of weapons and long-range missiles, implementing confidence-building measures, and fully complying with IAEA safeguards outlined in the Agreed Framework.[70] North Korean officials insisted that the US contrived the patrol boat incident, and continued to demand the withdrawal of all US forces from the Korean peninsula prior to resuming talks.

The simmering nuclear issue appears likely to boil before it is resolved. Japanese Prime Minister Koizumi attempted a breakthrough in September 2002 by engaging Kim Jong-Il in the first-ever Japan-North Korea summit talks. Koizumi gained Kim's admission of and apology for kidnapping Japanese citizens in the 1960's and another promise to adhere to the 1994 framework in exchange for eventual normalization of relations and Japan's specification of aid.[71] The following month, the US reopened talks in Pyongyang over the still-rejected IAEA verification inspections and NPT Safeguards Agreement.[72] Presented with clear evidence, North Korean officials admitted to having a nuclear weapons program. North Korea officials announced the Agreed Framework as null and void as the United States searched for a common approach among China, Japan, Russia, and South Korea.[73] In November 2002, KEDO cut off the next planned heavy oil shipment to North Korea in accordance with the latter's breach of the 1994 Framework. Pyongyang's

response on state-run Yonhap radio first appeared to indicate North Korea had nuclear weapons, then appeared to assert that North Korea was entitled to have such weapons.[74]

After expelling IAEA inspectors, North Korea dismantled the surveillance equipment and then broke the plutonium rods' storage seals. Subsequent activity indicates North Korea may be transporting the rods to begin producing nuclear warheads, which could take about a month apiece. Recent statements in 2003 have included threats to conduct a preemptive attack on US forces and pulling out of the 1953 armistice agreement. Under these circumstances, the specter of a nuclear North Korea intensifies regional insecurity and raises questions about how to engage or isolate such a regime. Taiwan faces similar policy choices regarding peaceful independence or unification.

Independent Taiwan

Taiwan's claim to sovereignty is an argument about external invaders, beginning with 12th Century immigrants from China and 17th Century Dutch and Spanish colonizers. The Dutch ousted the Spanish who were driven out by Chinese imperial forces that claimed the island as China's province in 1885. Ten years later, China was defeated by Japan in the Sino-Japanese War and ceded the island to Japan. Following Japan's defeat in the Pacific War, the Chinese Nationalist Army (Kuomintang) led by Chiang Kai-shek escaped Mao Zedong's People's Army by fleeing to Taiwan in 1949, where they imposed martial law and claimed to be the legitimate government of all China. The United States attempted to disengage from the conflict, announcing Taiwan and Korea as outside the American perimeter of containment. President Truman reversed the policy when North

Korea invaded South Korea in 1950. Combat between US and Chinese forces in Korea led to US recognition of the Republic of China (Taiwan) rather than China.

In 1972, President Richard Nixon acknowledged the geopolitical reality of China and joined Party Chairman Mao Zedong in issuing the Shanghai Communiqué, which stated there was one China and Taiwan was part of China. The United States stressed its commitment to a peaceful settlement, implying a preference for unification rather than independence. Chinese officials have not wavered from their conviction that Taiwan is part of China and will be eventually reunified with the mainland. In accordance with the Communiqué, the United States switched its recognition from Taiwan to China in 1979. The following year the US Congress passed the Taiwan Relations Act, committing the United States to assist in the defense of Taiwan in the event of Chinese aggression.

Opposition parties in Taiwan, most notably the Democratic Progressive Party, developed over time as local groups challenged KMT rule. Martial law ended in 1987. In 1996, the first-ever free elections in Taiwan brought the first Taiwanese president to power, Lee Teng-hui (chairman of the KMT). In 1998, Chen Shui-bian, the second Taiwanese and first non-KMT president, was elected.

President Chen has continued his predecessor's intermittent advocacy of independence.[75] The KMT no longer claims Taiwan to be the legitimate government of China but seeks unification after mainland China is democratized. Taiwan nationalists claim the right of permanent independence, based on an historical argument that Taiwan was never actually part of China. Public

opinion in Taiwan tends to favor the status quo, unless independence can be achieved without a Chinese military response.[76]

Modernizing China

China's path to a modern state and global power challenges the Communist Party leadership to balance interests of political survival, economic growth and military capability. China's humiliating international experience since the 19th Century Opium Wars and 20th Century's Japanese invasion and occupation have born an irrepressible urge to acquire great power status. Beijing's demand that world powers treat China as an equal sovereign state with the right to exercise authority over its territory, especially Taiwan, is the primary driver of Chinese foreign policy.

Soviet and Eastern European-style collapse toward disorderly democracy was not the kind of political modernization China's Communist Party elites had in mind when in 1989 their idealistic youth demonstrated for freedom in Tiananmen Square. The People's Liberation Army's massacre of hundreds of unarmed students led to US economic sanctions (over a presidential veto) and suspension of military contacts and loans. As communism fell throughout Eurasia, Iraq invaded Kuwait. The US-led coalition's quick defeat of relatively advanced conventional Iraqi forces reinforced Beijing's sense of vulnerability, particularly in light of China's ongoing military modernization, territorial claims in the East and South China Sea, internal unrest in Tibet and Xinjiang provinces, and an unstable North Korean border.

China continues to face huge development challenges such as pollution, urban water shortages, inefficient state-owned enterprises, and income disparities, all of which challenge the

legitimacy of the Party-controlled government. Entry into the World Trade Organization (WTO) means China will be forced to make its currency convertible and therefore more prone to the effects of regional economic downturns. WTO membership also challenges state planners to allow restructuring of inefficient state firms and eliminate subsidies to promote product improvements. As tariffs are lowered, Chinese products also will have to compete domestically in China's large market. Rising unemployment is a real possibility, which will increase incentives for foreign investment to attract foreign capital, new businesses and jobs. China's stated intention to join with ASEAN in the world's largest free trade zone within 10 years will require China to loosen domestic controls and diversify its economy in order to compete successfully.

Political reforms, however, are conspicuously lacking in the arcane leadership transition process that determines the key positions—General Secretary of the Communist Party, Chairman of the Central Military Commission of the Communist Party, and President of China. Modernization priorities and party control could suffer as key personalities unfettered by public accountability maneuver for influence. Two previous heirs to the Party throne were removed when their policies displeased the puppeteer of power, Deng Xiaoping, who died in 1997.[77] During the process of transition and consolidation of power from China's third generational leader (Jiang Zemin) to the fourth (Hu Jintao), military leaders could take strong positions with no countervailing civilian influence. Incidents such as in the 1996 Taiwan Straits Crisis, 1999 United States bombing of the Chinese Embassy in Belgrade, and the 2001 aircraft collision between a Chinese

fighter and a US Navy reconnaissance aircraft have been contained by mutual restraint. As Party leaders wrestle with the complex facets of modernization, it is uncertain how China will reform its politics, economics, and civil-military relations to achieve a great power role.

Remilitarized Japan

Japan would be widely regarded as a great power due to its economic prowess and rearmament, but military policies lag its actual capabilities and political resolve is usually described as "difficult." Tokyo's reluctance to assume a military role commensurate with its political and economic stature can be attributed to the lasting terms of the post-war American Occupation (1945-1952). The Constitution, still un-amended today, was written by American Occupation authorities to reform Japan through demilitarization, economic reconstruction, and democratization. After political and economic reforms, US policy reversed course and urged Japan's leaders to rearm. The original 1951 US-Japan Security Treaty included the proviso that: *Japan would increasingly assume responsibility for its own defense . . . always avoiding any armament which could be an offensive threat.* Despite this promise to rearm and the fact that Japan possesses the world's second largest GDP and fourth largest military budget, the government still prohibits its Self-Defense Forces (SDF) from contributing to collective defense or collective security. The US-Japan security treaty is the only formal defense tie Japan has with the outside world.

Absent a mutual defense commitment, the US-Japan security relationship essentially exchanges Japan's provision of US bases and a promise to increasingly contribute to its own defense for US

assurance of Japan's defense. Significant changes to this bilateral relationship have alarmed China and the Koreas over the prospect of an expanded Japanese military role. "First-ever" changes have stoked domestic and regional controversy. The new security treaty in 1960 was railroaded through the Diet (parliament), which led to the resignation of the Prime Minister. In 1981, the first division of military roles involved the Foreign Minister using the word "alliance" in public for the first time, prompting his resignation. In 1989, the first bilateral co-development of a major weapon system (the FS-X fighter, now the F-2) was established but increased mutual acrimony during a time of chronic trade disputes. Despite the political costs, the bilateral security bargain has provided stability for three decades of unprecedented economic growth that has nurtured increases in SDF capability.

Japan's rearmament was further institutionalized in key bilateral defense documents created under intense scrutiny in Japan. The first US-Japan Defense Guidelines, created in 1976, justified the National Defense Program Outline of defense expenditures to counter an armed attack on Japan. Since then, five-year defense plans have funded SDF capabilities. The second defense guidelines, approved in 1996, expanded Japanese defense responsibilities to situations in areas surrounding Japan. This opened the door for rear area support of US combat operations, which enabled Japan to support post-September 11th US and British counter-terror operations. In October 2001, Japan passed the Self-Defense Force Bill and the following month dispatched destroyers, supply ships and tactical airlift aircraft to the Arabian Sea—the first post-war overseas dispatch of Japanese combat capability.

The degree to which Japan's neighbors see its remilitarization as predatory or normal will depend in part upon whether historical issues can be resolved. Russia, Japan's cohort in a decade of decline, is such a traditional rival whose relationship with Japan is limited by the absence of a World War II peace treaty.

Russian Recovery

Whether and how Russia recovers from its precipitous socio-economic decline of the 1990's will impact the Northeast Asian balance of power. If Russia were to enter into an alliance with China or the United States today, or with India or Japan tomorrow, its nuclear capability alone would prompt surrounding states to reassess how they can protect or advance their vital interests. Russia's geographic reach across Eurasia, its ability to move lots of nuclear weapons to and from the Far East, and robust arms sales enable Moscow to leverage or undercut existing regional alignments.

Russia's post-Soviet attempts to liberalize its political-economic structures and processes have been caught in a culture of pessimism about power. Democratization and competitive markets have been slow to develop. Soviet leaders wasted billions of rubles on a military buildup that lost the Cold War and deflected resources from industrial, agricultural or services infrastructure. Gorbachev's *glastnost* and *perestroika* policies failed to either retain the control of a command economy or move quickly enough to a market economy. What it did, however, was to subvert traditional authority and feed internal instability.

The 1991 dissolution of the Soviet Union and replacement by the Russian Federation and Commonwealth of Independent States led to enormous internal and external challenges. Russia

immediately lost one-half of its population and GDP. Russian leaders had a chance to implement serious economic reforms, but within a polarized political spectrum bounded by radical reformist and ultra-conservative coalitions. President Yeltsin's election in 1993 led to two three-year terms where reforms, infighting, and Yeltsin's poor health weakened governmental authority. The rise of regional autonomy among the former Soviet republics—now sovereign states—challenged Russian security interests. Most of the administrative regions within Russia were able to extract concessions from ailing Moscow to the point that some observers talked about a return to feudalism.[78]

By the time of President Putin's election in 1999, a combination of economic inefficiency, political corruption, and an embattled central government had weakened confidence in Moscow's ability to solve pressing problems such as ethnic and religious conflict in Central Asia. Putin responded with tighter law enforcement and active international diplomacy in an attempt to reestablish Russian prestige and power. Initiatives such as the NATO-Russia Council, strategic partnerships with China, India, and the United States, and talks about a peace treaty with Japan are the actual bilateral components of an avowedly multi-polar Russian foreign policy.

The success or failure of Russian leaders to reverse relative decline will, like the other strategic issues in Northeast Asia, alter the environment in which all regional states pursue their interests.

INTERESTS, PRIORITIES, AND THREATS

Northeast Asian states employ broad concepts of security that frame strategic issues in terms of how these issues affect their vital interests. All states seek to protect their political survival, national

sovereignty, economic development, and military capability, in various orders of priority, from perceived threats.

China

China's post-revolutionary pursuit of the "four modernizations" has required balancing often competing interests. Given the pressures of comprehensive modernization, political survival and regime legitimacy are crucial. China's grand strategy sets domestic and international priorities. Domestically China's party elites intend to lay low, bide their time, and focus on sustaining economic growth.[79] The plan is to preserve domestic stability with a single-party regime (Communist Party) while achieving great power status. Democracy will come later, in time. This in turn requires maintaining good relations with the United States and surrounding powers, and expanding contacts to promote external stability in the region.[80] Internally China will have to enact serious market reforms to maintain long-term economic growth and political stability among its 1.3 billion people, if only to provide employment opportunities in an increasingly open competition.

Economic development is the domestic priority that fuels military modernization and enables stable political change. Yet economic development also is altering the content and role of the revolution's communist ideology in order to maintain regime legitimacy. Vapid Party slogans increasingly are less convincing to China's citizens than practical methods for market success. Perceived threats to economic development are taken seriously. Initial American opposition to China's accession to the WTO, for instance, was seen as an attempt to keep China down. The imperatives of global capitalism and the Party's need to recruit

entrepreneurs into its ranks are forcing incremental reforms in political and economic sectors. As the Party attempts to manage modernization, the parameters of non-threatening domestic change are likely to widen as long as economic growth can be maintained. If China can adapt to WTO incentives and rules, to include intellectual property rights and telecommunications agreements, the creation of a middle class from an expanding services sector could build social stability.[81] If political reforms do not occur quickly enough, unemployment can lead to widespread discontent and open opposition.[82] As Chinese leaders focus on economic development, they tend to regard value-laden American rhetoric about individual freedom and democracy as attempts to stir up internal opposition against Beijing's authority.

China's legitimacy of rule also rests on preserving national sovereignty due to China's sense of historical victimization. The government apparatus promotes hyper-sensitivity to territorial and national identity threats in order to build loyalty. China is already surrounded by a dozen states including nuclear India and Russia, and faces ongoing separatist movements in Taiwan, Xinjiang, and Tibet. As ideology wanes, national sovereignty remains an uncompromised interest as articulated in the Five Principles of Peaceful Coexistence.[83]

Unfavorable resolution of Northeast Asia's strategic issues could add to China's list of challenges a fourth nuclear border (Korea), a resurgent predator (Japan), an irredentist rogue province (Taiwan), and traditional territorial and economic competitor (Russia). Rival military capabilities in Asia threaten China the most when they increase the risks to Chinese sovereignty. For instance, US missile defense capability that

could cover Taiwan, US counter-terrorism bases in Central Asia, and a US counter-terrorism policy that contains the right of "preemptive action"[84] exacerbate a "siege mentality"[85] perspective among conservative Chinese leaders.

Chinese military modernization is oriented outward in the direction of Taiwan, Japan, Korea, and a contested "line of actual control" with India.[86] China's 300-year old border dispute with Russia was frozen in 1997 but remains unsettled after nine years of negotiations. Toward Taiwan, China's military response to the threat of independence has been to develop offensive air, missile, and naval capabilities to deny US forces local access and display the will to invade, even at high cost. Japan's world-class naval surface combatants and air force complete with air refueling capability and space-based reconnaissance spur the need for a Chinese blue water navy and effective air defenses. South Korean military improvements that shift from peninsular defense to regional air and naval power projection are yet another threat from a US security partner. Expanding Japanese and South Korean roles inhibit Chinese freedom of maneuver. The prospect of Korean nuclear weapons or significant conventional power projection capability counsels further development of China's nuclear and conventional arsenal. India's nuclear and conventional capability, while directed primarily at Chinese-supported Pakistan, threatens Chinese territory due to a border dispute and a Tibetan independence movement based in India.[87]

China's growing interest in securing border areas is illustrated by its short and medium-range ballistic missiles opposite Taiwan, purchase of 50-plus Russian Su-30MK fighter bombers, development of new fighter-bomber and air-to-air fighters, and

attempts to purchase advanced early warning aircraft. American bases in Japan and South Korea and the US presence throughout Northeast Asia present China with the need for an area denial capability to prevent forcible entry particularly in a Taiwan independence scenario. Any US deployable missile defense system for South Korea or Japan, if regarded as a useable umbrella for Taiwan, will threaten all of China's vital interests and likely provoke increased missile production to overcome it. Consistent with expanding economic interests, China's desire to assert national sovereignty and assure territorial integrity call for increased military capabilities.

Taiwan

Taiwan leaders' main priority is securing its political identity as a democratizing state, having moved away from the pre-1991 KMT claim of national sovereignty over all of China. As political parties compete for the votes of various ethnic groups, public opinion runs against unification if China were to remain an authoritarian state. If China were to become a democracy, Taiwanese support for unification is expected to rise. Without serious Chinese reforms, Taiwanese support for independence increases even as China's sensitivity to separatism rises.[88] Political leaders risk a Chinese military response if independence were declared, but fear authoritarian China as a threat. Taiwanese views of China as a threat primarily depend upon democratic reforms in China but are also affected by economic relations.

Taiwan's strategy to achieve its security priorities is one of globalization to attract investment and create capital. However, Taiwan's economy is fast becoming integrated with arch-adversary China. Although Taiwan formally allows only indirect

trade with China, cross-strait trade has expanded 100-fold since 1979. Taiwan has become China's fifth-largest trading partner and has the highest trade surplus ($120 billion) of any country trading with China. In the year 2000, 5000 Taiwanese businesses relocated to China where labor and land costs are lower, portending a hollowing out of Taiwan's economy.[89] Bilateral trade more than doubled in the past five years.[90] Taiwan sends one-quarter of its exports to China, its biggest export market. Taiwan's capital investments in China comprise four percent of GDP, a high enough figure to raise concerns that Taiwan is too reliant on China's economy.[91]

Chinese economic dominance threatens Taiwan as long as China's economic expansion is seen as predatory rather than the outcome of market competition. As a result, Taiwan has vital interests in preserving key industries and capital as it competes in the lengthening shadow of an already large Chinese economy. If Taiwan's economy can thrive and if China narrows the gap in per capita income, Taiwanese sentiment for independence is likely to erode as business incentives for unification increase.

Taiwan's interest in a robust military capability is to exact unacceptably high costs on China in case of a Chinese attack. The presence of such a capability encourages independence rather than unification. However, Chinese intentions and capabilities are relentless. Besides China's insistence that Taiwan is its province, China's 1992 Law of Territorial Waters and their Contiguous Areas claims sovereignty over the entire South China Sea. China's subsequent fortification of disputed islands and improvements in air and naval power projection capabilities intensify Taiwan's vulnerability to intimidation. Taiwan's

military interest is to gain and retain qualitative advantages over China's massive forces. Since the institution of civilian control of the military, Taiwan's military has become more externally-oriented. Civil-military reform was accelerated in March 2002 with the National Defense Law and the Organization Law of the Ministry of National Defense, which directs the military to secure its territory, national lifestyle, and prevent external aggression.[92] The military's mission now includes not only protecting Taiwan from physical attack, but also from intrusions upon its democratic capitalist identity.

The Koreas

North Korea's prime interest is to prevent the collapse of its authoritarian and ideological political system. The requirements of domestic legitimacy, enshrined in the *juche* concept of self reliance, consign economic development efforts to uncompetitive methods. Hard currency and economic aid are must haves. Arms sales and in particular missiles generate hard currency. The plan for a Sinuiju Special Administrative Region, a capitalist enclave on the Chinese border and walled off from the rest of North Korea, may be an attempt to test capitalism outside of a hermetically sealed society and extract its material rewards for the state. Unwilling to embrace individual freedom-oriented political or economic reforms, North Korea's authoritarian bureaucrats levy on its starving population double the percentage of any other East Asian state's GDP for military expenses to extort external economic aid, stave off internal social unrest, and wield an offensive doctrine. Any United States, South Korean, or Japanese policies or capabilities that block North Korean food or energy supplies, encourage domestic instability, or neutralize North

Korean military capability threaten the Pyongyang regime. The possession of what is suspected to be a small number of nuclear weapons would provide minimum deterrence against the threat of US nuclear or high tech conventional attack. Constitutional changes in 1998 (after the death of Kim Il-Sung) continued the Kim political dynasty by placing Kim Jong-Il in charge of the military and the only permitted political organization, the Korean Worker's Party. North Korea hopes to achieve a unified sovereign peninsula under its control by extracting enough foreign aid, domestic labor, and quarantined business wealth to maintain political stability and equip its million-man military.

South Korea's overarching interest is to build an economically vibrant democratic state in a unified or confederated peninsula capable of playing a regional role with respected military power. Recent economic and political reforms are being joined by unprecedented military reforms designed to guarantee national survival.[93] Peninsular reunification is seen both as a goal and a threat. The Ministry of Unification advocates unification in terms of economic effectiveness, racial reunification, and a desire to play a role of regional "balancer" due to Korea's geopolitical position.[94] However public opinion is deeply divided over reunification. The majority desires unification in principle, but expresses apprehension about how to get there. Former President Kim Dae Jung's "sunshine policy" of offering North Korea economic inducements and political accommodation in exchange for warmer attitudes requires patience and is controversial in light of the facts on the ground. More than two-thirds of North Korea's military forces are forward deployed between Pyongyang and the Demilitarized Zone, less than 30 miles north of Seoul's 15 million

inhabitants. South Koreans tend to be content with the status quo of a divided Korea because of the North's economic liability, political backwardness, and predatory intent.

The threat of a North-South conflict over peninsular sovereignty hides complementary interests in resisting Chinese and Japanese influence and establishing an independent Korean role in Northeast Asia. It is not clear that a North Korean nuclear weapons program would run counter to the interests of a unified Korea. Similarly, a confederation might enable peaceful coexistence as economic integration encourages political accommodation. The core clash of North-South interests is about the type of political-economic rule in a unified peninsula or the terms of a confederation. If an agreeable bargain can be struck, it is conceivable that mutual interests could produce Korean economic, political, and military competition against historic antagonists China and Japan.

Japan

Japan's consistent post-World War II security goal has been to ensure its political survival by carving out an acceptable role based on diplomatic and economic power**.** Neighbors occupied by Imperial Japan still harbor uncertainty about the intent of Japan's military potential, a distrust fed by Prime Ministers' frequent forays to Yasukuni shrine which commemorates Pacific War criminals, and standardized government textbooks for school children that blame external events for the war.

Japan's contemporary quest is to become a "normal country" with the respect and influence expected of the world's second largest economic power. However the tangibles of international leadership, such as gaining a permanent seat on UN Security

Council, are limited by failure to accept full responsibility for the Pacific War and by constitutional constraints on military power.

National sovereignty is not a hot issue at the moment, although the Northern Territories/Kurile Islands dispute with Russia, the Senkaku Islands/Diaoyutai dispute with China, and the Tok-do/Takeshima dispute with Korea simmer among ultranationalists, fishermen, and groups interested in offshore mineral rights. The inability of Japan and Russia to resolve the dispute over four islands (Etorofu, Kunashiri, Habomai, and Shikotan) seized from Japan by Russia in 1945 still prevents a Japan-Russia peace treaty that would lead to deeper economic ties and perhaps defense cooperation. Exclusive economic zones declared by both Japan and China do not specify boundaries, leaving the Senkaku/Diaoyutai issue to future negotiations. In 1996, the Japanese Maritime Self-Defense Force conducted a landing exercise near the two islets that comprise Tok-do/Takeshima, but South Korean coastal forces continue to occupy them. Given the reach, lethality, and precision of modern military power, these territories are not as strategically important as they are convenience issues for domestic political gain.

Economic development is nominally Japan's first priority, represented by an official policy of comprehensive security which includes food, energy, other protected markets, and increasingly, military security. Japan's recovery from its chronic recession requires serious reforms to the banking industry that politicians so far have proven unwilling to implement. Non-performing loans are being addressed by a Financial Services Agency plan more concerned about a safety net for businesses than in allowing bad debt holders to fail. Japan's ability to maintain political stability

and expand its foreign policy role in a decade of economic decline suggests overall economic growth is less important than maintaining conservative domestic control. The main threat to Japan's economy is the inflexibility of its collective management.

Japanese military self-restraint has been loosened by global crises which have increased the priority of equipping and employing the Self-Defense Forces in support of national interests. Closer training and operations with US forces lessen the fear of Japan's isolation but revive controversy about Japanese intentions. Despite possessing the means to become a nuclear power and develop the most sophisticated conventional weaponry, Tokyo downplays its defense capabilities as low priority necessities.

A series of threats throughout the 1990's prompted increases in SDF capabilities. When Japan faced the 1991 Persian Gulf War and contributed economically rather than militarily, officials wondered how the "alliance" would survive if war broke out on the Korean peninsula and Japan did not contribute in kind.[95] Japan responded with the UN Peacekeeping Operations and Other Operations Law which led to participation in several UN peacekeeping operations: Cambodia 1992, Mozambique 1993-1994, Zaire 1994-1995, and Golan Heights 1996. In 1993 Japan again had no self-permissible military options when North Korea announced its withdrawal from the NPT. China's missile firings near Taiwan in 1996 prompted Prime Minister Hashimoto to dispatch an E-2C early warning aircraft and a support ship near the Taiwan Straits in support of the US carrier battle group.[96] In 1997, Japan and the United States established new bilateral

defense guidelines to allow Japan's selective support of US combat operations.

Pyongyang's 1998 missile launch provoked Japan into more initiatives to improve SDF ability to respond to actual threats, including the right to attack missile sites in self-defense and an air refueling capability to actually get there.[97] Confidence in the credibility of US extended deterrence has always been shaky, but the missile shot did spark interest in a US-Japan missile defense system. The following year a North Korean boat entered and escaped Japan's 200-mile exclusive economic zone waters after being pursued by SDF vessels not authorized to shoot at it. In December 2001, improved SDF patrol boats with legal authorization to shoot chased another North Korean boat in Japan's territorial waters for several hours and sunk it. This was the SDF's first use of military force and Japan's first since 1945. As a result of this stream of SDF involvement and threats, Japan's priorities are changing to those of a "normal country" with balanced economic, political, and military power and roles.

The terror attacks of September 11th 2001 produced another firm Japanese response, the dispatch of destroyers and support ships to the Indian Ocean in support American counter-terrorist operations. Enabled by the Defense Guidelines and a new anti-terrorism law, this was the first overseas dispatch of the SDF to support combat operations.

The year 2002 produced the first Japan-North Korea summit. With the foresight of knowing US officials would present evidence of North Korea's nuclear weapons program the following week, Prime Minister Koizumi obtained an apology

from Kim Jong-Il for past kidnappings of Japanese citizens. Kim Jong-Il added his promise to abide by international agreements.

The possibility of a strike from North Korea has increased with the improved range of Pyongyang's missiles. South Korean military expansion that could exceed Japan's allowable offensive capabilities is an intermediate concern, particularly if Japan's economic recovery is not forthcoming. A reunified Korea with nuclear weapons is perhaps Japan's worst nightmare, particularly if Korea were to tilt toward an undemocratic or revengeful China. The Russian Pacific Fleet based at Vladivostok, even in the absence of peace treaty, is not a major concern and does not justify the large Ground Self-Defense Force in northern Japan. The Cold War threat of a Soviet military presence and the competition to control vital sea lanes south of Japan has been replaced by Chinese capabilities and intrusions into Japan's exclusive economic zone.

Japan's national priorities could change relatively quickly in the presence of a clear threat. The top dozen defense industrial firms account for almost all of the Japan Defense Agency's acquisition budget and because of the government's ban on weapons exports, are a small sector of their parent companies. As a result, incentives to research and develop leading military technologies with dual-use prospects are high. Military end-use projects such as ballistic missile defense will depend on technology transfer agreements and US-Japan partnerships. Given incrementally relaxed policy constraints and a growing arms market, a defense industrial surge could be in Japan's economic interests as the downturn continues. The next logical stretch of

Japan's self-imposed military straitjacket is to allow collective security and defense against a clear threat such as nuclear Korea.

Russia

Above other interests, Moscow elites seek to retain Russia's dominant position among the Soviet Union's former republics. This struggle began as an economic problem after Soviet implosion led to a shrinking Russian GDP for five years in a row. Russia's across-the-board decline in its economic performance, ability to govern, military capabilities, social well-being, and environmental quality prevents any administration from focusing on one policy area. A decade of continuous population decline adds to the sense of urgency and strengthens the tendency to see challenges as threats.

The National Security Concept of the Russian Federation outlines Russian interests and threats rather frankly.[98] Stable economic development is acknowledged to be the foundational vital interest which enables other interests to be balanced among individual, societal, and state levels. Numerous national interests are specified and but priorities are most clear at the state level. State interests are separated out as domestic or international in nature. Domestically, maintaining the political survival of the constitutional regime, sovereignty and territorial integrity, and democratization are at the top of the list. International priorities are the maintenance of Russian sovereignty, great power status, and beneficial relations with other states.

Military modernization is critical as a symbol of state strength and as a tool to assert Russian sovereignty. While nuclear deterrent forces are expected to shrink in accordance with the Bush-Putin agreement, improvements to the offensive nuclear

force such as the Topol-M ICBM intend to counter a growing Chinese nuclear capability and maintain parity with the United States. Russia's deteriorated conventional forces and economic constraints on large-scale equipment upgrades push military planners to consider using nuclear weapons in war-fighting contingencies to protect vital interests.

The National Security Concept's comprehensive specification of threats bluntly describes an ambitious grand strategy of strength in all instruments of power to arrest national decline. Domestic economic threats are stagnant growth and investment, growing debt, dependence on energy and raw material exports, and reduced indigenous research and technological advances. Social threats include endemic crime, corruption, disparities in income distribution, declining health and social services, and terrorism. Solutions to domestic threats emphasize strengthening federal power to enforce regulations and controls.

International threats are no less omnipresent; they are nearly any condition or agent that could weaken Russian political, economic, and military influence. NATO's eastward enlargement and US counter-terrorism bases in Central Asia are seen to strangle Russia with western influence even as former Soviet republics and religious fundamentalists claim Russian territory. China and Japan complete the encirclement. Russia's cooperation with NATO, the United States, and China against terrorist groups in Central Asia and the Southern Caucasus requires balancing common interests and diverse motives with former adversaries. Solutions to external threats stress the need for Russian economic integration and a full range of military capabilities in any situation.

This broad definition of what constitutes a matter of national security contains basic inconsistencies between its domestic and international components, most importantly in the foundational vital interest of stable economic development. The call for strong domestic economic controls and increased liberalization of Russian trade and finance is contradictory and indicates traditional Russian political values are at odds with economic integration. In addition, the goals of economic growth and democratization are incompatible with the view that the sources of Russian decline are simply threats to be countered. Such contradictions point to ambivalence about western style democracy, resistance to outside interference, and sensitivity about Russia's relative decline.[99] As a result of this strategic outlook, the tendency is to see any diminution of Russian influence as threatening.

Russian leaders are seeking national recovery with a broad, perhaps paranoid, concept of interests and threats. As Russian leaders look toward Northeast Asia, they see modernizing China and remilitarized Japan as challenges to Russian influence. An independent Taiwan would create a dangerous precedent for Russia's dozens of ethnic republics and provinces, especially separatist Chechnya and Dagestan. A nuclear Korea or unified conventionally armed Korea could restrict Russian freedom of action near critical Russian Far East ports. The multitude of challenges facing Russia leaders explains the broad official concept of security, but it is less clear how Russian leaders might employ their declining instruments of power against specific threats.

CASES OF DETERRENCE AND DEFENSE

Crises and disputes drawn from strategic issues discussed in this study may be described in terms of the ETT framework to illustrate interactions along the deterrence and defense spectra. The three North Korea crisis episodes are chosen because they are high-risk scenarios.

1993 North Korea Nuclear Crisis

The threat of a regime-ending counterattack by US forces in and nearby South Korea was intended to deter North Korea from dominating or attacking South Korea. The combination of forward-deployed US forces in South Korea and provision of fuel oil and LWR power plants to North Korea was intended to compel North Korean acceptance of IAEA inspections while assuring South Korea of an American defense commitment.

The IAEA inspection regime is a long-term attempt to deter North Korea from developing a nuclear weapons capability by compelling North Korea to accept full and comprehensive inspections. Samples and measurements from IAEA inspections in 1993 raised suspicions of a North Korean nuclear weapons program, so the IAEA declared North Korea in non-compliance and called for "special inspections" of additional sites. In March 1993, Pyongyang announced it was giving three months notice in accordance with the NPT prior to its withdrawal from the treaty. It is reasonable to assume that the likely reason for this decision was to hide its nuclear program by deterring further inspections. In response, US negotiators discussed expanding economic sanctions. South Korea allowed the United States to deploy Patriot missiles to the ROK and US-South Korean forces conducted a command post exercise to practice the entry of US

combat troops. Pyongyang threatened to go to war in the event IAEA sanctions were imposed. This was met by strong statements in Congress indicating US resolve.[100] The US threat was to deny Pyongyang its reprocessing facilities and power plants as well as punish North Korean leaders with the prospect of destruction and probable regime change.

United States and South Korean leaders met Pyongyang's threat to go to war by deploying military forces to demonstrate collective will and capabilities to protect likely targets and deny North Korea from acquiring a nuclear weapons capability. United States and South Korean negotiators, as well as IAEA officials, did not engage in tit-for-tat bargaining with Pyongyang.[101] This high-risk strategy of holding firm on the threat to use force and demonstrating the ability to punish and deny with force likely deterred Pyongyang from its stated intent to withdraw from the NPT.

Pyongyang perhaps failed in its choice of tools. First was the attempt at intimidation by threatening to withdraw from the NPT, arguably designed to break the will of the South by implying North Korea would continue a clandestine nuclear program. If the South really wanted the North to stay in the NPT, then it presumably would have to accept Pyongyang's rejection of the Safeguard Agreement inspections. But North Korea had relented to accepting the Safeguards Agreement only since 1992, so perhaps NPT withdrawal itself was not so alarming anyway. In addition, the dispatch of the Patriot missile battalion to South Korea and US war preparations exercised allied capability and demonstrated will. Pyongyang's second tool was the neutralizing threat to go to war in the event of economic sanctions, intended to

deter the United States from expanding sanctions. Again the Patriot anti-ballistic missile deployment and movement of US military assets reduced the credibility of this threat. Also, the common ROK-US alliance position held firm and the UN Security Council discussion was supported by an IAEA censure, so the likelihood of wide support for UN sanctions was high. As a result, North Korea's threats to deter both the IAEA inspections and the imposition of economic sanctions were countered by the US and South Korean leaders demonstrating the will and exercising a capability to defend against a North Korea attack. This provision of credible security for South Korea led to political negotiations that produced the 1994 Agreed Framework.

The Framework, negotiated by a team led by former Secretary of Defense William Perry, consisted of the following bargain. Essentially North Korea agreed to stay in the NPT and not process any more plutonium at the Yongbyon reactor complex in exchange for the United States, South Korea, and Japan (in the form of the Korea Energy Development Organization) provision of two LWR power plants and 500,000 tons of oil each year until the reactors were built. North Korea would allow IAEA inspectors to stay at Yongbyon to watch over the 8000 spent plutonium fuel rods in storage. [102] Washington and Pyongyang agreed that North Korea would fully comply with IAEA inspections when "a significant portion" of the light-water reactor project was completed, but prior to the delivery of key nuclear components. US officials insisted on immediate inspections so compliance could occur by the time a significant portion of the first reactor would be built, scheduled for 2003. North Korean officials interpreted "a significant portion" to mean the completion

date of both reactors, which would prevent inspections until 2006.[103] By 1998, North Korea still was rejecting the inspection requirement of the NPT Safeguards Agreement, so the United States continued the policy of general economic sanctions to coerce Pyongyang into accepting the inspections.

1998 North Korea Missile Launch

The sudden launch of a three-stage missile over Japan on September 1st 1998 intended to coerce the United States into relaxing economic sanctions by showing North Korea would continue to develop offensive missiles for export. The missile launch also had the effect of demonstrating to Tokyo that all of Japan was now within range of a North Korean strike. Initial reports in Japan insisted the launch was a test of Taepodong-1 two-stage missile (a weapon), disagreeing with the US assessment of an attempted satellite launch. US officials seemed fixated on coercing North Korea to accept complete IAEA inspections. They may have failed to anticipate the actions Pyongyang might take to get what it really wanted—aid, fuel for the winter, and normalization of ties to preserve their regime.

With the missile launch over Japan, Pyongyang was able to show Tokyo it had the capability to deny Japan the capability to defend itself. At least one Patriot missile battery in northern Japan reportedly tracked the missile but was not authorized by Tokyo to shoot. Pyongyang appeared to have no direct, first-order effect in mind to coerce Tokyo to adopt a particular policy regarding the launch, but may have thought through the indirect effects that resulted from a rather predictable Japanese reaction. Tokyo immediately called for a halt all economic assistance to North Korea and threatened to pull out of KEDO to compel North Korea

to accept inspections. South Korean commitment to the KEDO process and US pressure eventually shot this idea down. North Korea had succeeded in driving a wedge, however small, into the US-Japan "alliance." The strong Japanese reaction did not seem to gather support from US officials interested in inspections. United States and South Korean leaders remained committed to the KEDO and worked to salvage the 1994 Framework. North Korea held out the prospect of a moratorium on missile tests in exchange for eliminating the economic sanctions. Pyongyang's coercion worked.

In September 1999, the "Perry mission," led by former Secretary of Defense William Perry and including former Assistant Secretary of Defense Ashton Carter, traveled to Pyongyang and negotiated North Korea's compliance to the NPT including full inspections and a moratorium on further North Korean missile launches (until 2003), in exchange for resumption of certain aid and the promise of normalization. There was no significant objection in South Korea, where President Kim Dae Jung's Sunshine Policy was in full bloom. Besides, the United States and its partners had no common policy to deter the actual launching of a missile. In effect, North Korea had used military coercion to reverse a policy of US economic coercion while eroding the credibility of US extended military deterrence to America's Northeast Asian ally, South Korea, and partner, Japan.

Current North Korea Nuclear Crisis

In 2002, elements of the 1994 Framework had unraveled as continued North Korean refusal to allow full IAEA safeguards inspections pressed up against LWR construction deadlines. This forced President George W. Bush to make a decision regarding

continued oil shipments and non-strategic aid to North Korea. American post-September 11th sensitivity to WMD in undemocratic states reinforced US interests in North Korean compliance with the NPT even as it reinforced non-compliance in Pyongyang. North Korean leaders confronted a threatening triad in the administration's labeling of North Korea as an "axis of evil" seeking weapons of mass destruction, the Nuclear Posture Review's reported consideration of the use of nuclear weapons against WMD-capable states, and announcement of a preemptive strike policy against terrorist threats. These events reinforced Pyongyang's desire to have at least a nuclear bargaining chip and perhaps a sufficient nuclear deterrent to guarantee regime survival.

United States leaders again confronted the question of how to compel inspections in North Korea. Direct talks in Pyongyang and repeated refusals of inspections led to the United States presenting evidence of the North Korean nuclear program. North Korea officials, desiring to deter a preemptive US strike, admitted the existence of the program and renounced the 1994 Framework, charging the United States with aggressive intent. United States officials next halted oil shipments in accordance with the North Korean breach of the Framework to punish Pyongyang's will in an attempt to coerce inspections. Pyongyang, consistent with deterring a preemptive strike now made more probable over time by the weakening effect of reduced oil supplies, ejected the IAEA inspectors, removed surveillance cameras, and unsealed the plutonium fuel rods which can be reprocessed to produce weapons grade plutonium. American officials likely interpreted these actions and subsequent vehicle activity at the Yongbyon nuclear facility as intent to produce nuclear weapons.[104] Fear of a dozen

or so North Korean nuclear bombs and the potential to export them to terrorists threatens regional stability from various perspectives.

Japanese fear of a North Korean nuclear capability has led to planned deployment of destroyers with AEGIS missile and tracking systems nearer the Korean peninsula, accelerated training of special forces and airborne units, ground self-defense force redeployments, and the imminent first-ever launching of military surveillance satellites.[105] It has also fueled Japan's resurgent desire to become a "normal country" with a credible military capability to respond to palpable threats. A deepening North Korean crisis may loosen Japan's domestic sclerosis on military security and promote further debate over its own nuclear deterrent option.

The South Korean government's reaction has been understandably more cautious with one official even suggesting a nuclear North Korea might be preferable to a collapsed, unstable northern neighbor. Pyongyang's threats to launch a preemptive strike of their own or withdraw from the 1953 armistice are likely intended to deter a US preemptive strike and further intimidate and isolate Seoul. United States deployment of B-2 bombers closer to North Korean targets intends to deter nuclear production by posing the risk of a crippling precision attack. These actions could play into South Korean fears of a devastating war which, even if it were to result in the collapse of the North, could derail Korean prosperity and an emerging regional role.

With Seoul intimidated and ambivalent regarding a nuclear North Korea, US efforts to enlist Chinese assistance are also being met with great caution. China's long-term goal to become a great

power and promote stability is frustrated by the specter of another nuclear neighbor. It is unclear how and to what degree Beijing can influence Pyongyang's brinksmanship strategy of deterrence and defense. The offer to host direct US-North Korean talks allows Beijing to play the role of cooperative broker without abandoning its North Korean ally in order to denuclearize it. But Beijing's interests in a stable Korea are eclipsed by the threat of a nuclear Japan. Sino-American interests in a close US-Japan military embrace probably limits Chinese ability to pressure the United States to negotiate with North Korea. Given these multiple constraints and China's priority of a stable environment to continue economic growth, Beijing has played a peripheral role in resolving the crisis.

Recent North Korean actions have included a fighter aircraft incursion, perhaps a result of heightened defensive patrols, but perhaps designed to coerce the resumption of oil shipments and increased military activity. United States threats of economic sanctions, either unilaterally or from the UN Security Council, are countered by familiar threats of war from the North. United States consideration of a naval blockade of North Korea to enforce economic sanctions was met with by the test launch of anti-ship missiles, short-range firings that do not yet break Pyongyang's moratorium promise of 1999.[106] The possibility of longer range repeat of the 1998 missile firing to intimidate South Korean will against US resolve cannot be ruled out. Another missile launch or the reprocessing of plutonium fuel rods might succeed in extracting US economic aid and normalization talks, similar to the 1994 compromise. However, in light of North Korea's persistent refusal to allow full IAEA inspections, the current US

administration may also demonstrate military capability to deter further action. Other options include resuming food aid, offering assistance to dismantle nuclear facilities and expand the LWR network, and relenting to North Korean insistence on bilateral negotiations with the United States. The "red line" appears to be closer than ever and dependent upon Pyongyang's will and capability to produce nuclear weapons. If Washington detects imminent North Korean nuclear capability, it is conceivable that an attack on North Korean nuclear capability will be considered on the grounds of preemptive defense.

CONCLUSION

This exploration of security and strategies in Northeast Asia reviewed critical features of the major actors and their regional environment. Asia is on its way to becoming the world's center of economic development and military modernization. Security structures, however, are dominated by bilateral interactions rather than multilateral institutions. Key strategic issues that hold the potential to alter regional security alignments are the emergence of a nuclear Korea, the short-term opportunity of an independent Taiwan, the turbulent rise of modernizing China, an active remilitarized Japan, and the uncertainty of a Russian recovery.

Of these critical issues, the emergence of a nuclear North Korea is most explosive. South Korea's economic absorption of the North may be the best peaceful prospect for overcoming North Korea's siege mentality. Meanwhile the need for US forces in the region, specifically in Korea and Japan, is fundamental to maintaining stability and deterring conflict. However US military presence and commitment by themselves do not ensure security, even with good policy. We also must understand core security

concerns and basic strategies of the actors involved in regional issues to inform our operating strategies.

Regional Forecast

The major actors of Northeast Asia will continue to pursue security based on practical considerations of threats to the vital interests of regime survival, national sovereignty, economic development, and military capability.

Chinese leaders plan to achieve great power status by managing modernization with market reforms that enhance growth. Party control and social stability will be maintained by recruiting entrepreneurs from an expanding wealthy middle class. The massive migration from rural areas to urban centers will create serious challenges for infrastructure and test the Party's legitimacy as a public policy problem solver. Competition and standards from first the WTO then the ASEAN Free Trade Zone will induce Chinese businesses to follow market incentives and encourage the government to expand political freedoms.

Communist Party elites' collective strategy will be one of patience, focusing on economic development as the means for internal stability and great power status. Externally, China will seek to expand diplomatic contacts and influence, maintaining cooperative relations with the United States and avoiding conflict over Taiwan unless the latter actually declares independence. Any sovereignty issue will be perceived as threatening, particularly if it involves Taiwan, Xinjiang, or Tibet. Military programs and expenditures will endeavor to counter emerging capabilities of the United States, India, Japan, and Russia. China will strongly support counter-terrorist cooperation as an opportunity to cripple radical religious fundamentalism.

Taiwan's primary interest is in maintaining its reputation as a resilient democratic capitalist icon in order to attract big investments for capital accumulation and growth. Competition with colossal China will reinforce Taiwan's political identity as a symbol of freedom and globalization, but Taiwan will continue to crave a US defense commitment to deter intimidation from the mainland giant. The growth of China threatens to hollow out Taiwan investments and key industries and gives little time for opportune independence. China's best behavior could turn sour after the forthcoming Beijing Olympics, after which economic levers and military exercises may be able to coerce Taiwan into accommodating Beijing-style unification policies.

North Korea's embattled regime orders the survival of its independent *juche* system as top priority, using arms sales to earn hard currency, and intimidation to extract economic aid. Its offensive military posture and nuclear threats are used to pursue normalization to end the state of war with the United States and access its market. North Korean threat perceptions begin with forced collapse of its regime through the denial of basic needs such as food, energy supplies, and normal trade relations. Next is the ideological poisoning from globalization and military attack from an angry America poised to preempt, rather than absorb, attacks by terrorists or rogue states.

South Korea seeks a regional role as balancer among declining Russia and Japan and rising China. The public is deeply divided over whether to engage or isolate North Korea due to Pyongyang's economic liability and past proven predatory intent. South Korean leaders will likely support the presence of US forces in Korea due to common distrust of Japan, but China would not

tolerate US troops on its border. Both Koreas share an interest in a unified peninsula, perhaps a confederal arrangement, to counter China's influence against constitutionally constrained Japan. Perceived threats to South Korea include a North Korean attack or nuclear strike, possibly provoked by incompatible United States and South Korean security policies or uncoordinated strategies. Unification is both an opportunity and a threat due to its expense and risk of incompatible principles with the North.

Japan's quest is to possess international respect and responsibilities commensurate with the world's second largest economy, even if in relative decline. However, the Japanese reactive collective has proven incapable of initiating effective economic or political reforms for over a decade. Stability is the priority in Japan and instability the most commonly perceived threat. Nuclear North Korea is a clear threat to Japan, having test-fired several missiles in its direction, kidnapped its citizens, and sent high-speed spy boats into Japanese waters. Chinese payback is a possible threat due to first-hand historical experience with an expanding Japanese military role and the lack of a common democratic capitalist culture (as opposed to growing relations with South Korea). Occasional Chinese PLA Navy incursions into Japan's exclusive economic zone are potential triggers to confrontation.

Russia has sought since its broad-scale plunge in 1991 to be the former Soviet Union's dominant former republic. The Russian Federation's loss of two percent of its population reflects poor health care, a polluted environment, and a weakly revived economy. Economic development is a priority in the sense that it is recognized as foundational to all the other stated priorities of the

federal government. The sheer scope of Russian reforms, from domestic governance to military modernization and foreign policy, tends to promote every serious challenge being labeled a threat. A thinning out of the Russian Far East presence already favors China's interests, but may provide an opportunity for Northeast Asian multilateralism. Like China's Party elites, Russian leaders tend to see encirclement by threats or strong states. NATO expansion on Russia's western border, China's rise in the east, nuclear India to the south, and separatist radicals in Central Asia and the Southern Caucasus add a sense of urgency to Russia's efforts to recover.

Recommendations for Strategy

This study highlights the importance of integrating strategy with regional expertise. United States strategic guidance is clear and coherent, but is only a foundation for building and adapting operational strategy to local conditions. The National Security Strategy contains general goals based on national values and interests and eight action plans, one chapter devoted to each, to accomplish them. The Quadrennial Defense Review contains policy goals and strategic tenets, and concepts such as capabilities-based planning to guide our thinking about translating policy into plans. The National Military Strategy describes the global strategic environment and outlines national objectives, force employment concepts, and capabilities. Even with these guiding frameworks, there are important regional nuances and a variety of political, cultural, historical, economic, and social factors at work in Northeast Asia. Greater investment in regional knowledge and the integration of that expertise into the planning

process is required in the competitive business of affecting an actor's will or capability.

The ETT framework, as an illustration of how strategy operates, is subject to the challenges of attributing intent, particularly toward an adversary. Intelligence processes and analytic assumptions should continually be scrutinized and incorporate alternative perspectives for the decision maker. North Korea's resumption of missile tests, for instance, may mean to compel Japan into normalizing relations, or it may be the prelude to an attack on South Korea. Experience has shown that knowing and affecting will is very difficult, particularly in an isolated authoritarian regime such as North Korea.

The practical value of the ETT framework is in its application to actors reasonably assumed to have certain security priorities (outlined in Attachment 1). In the case of the three North Korean crises, all of the strategic moves of the actors (North Korea, South Korea, Japan, and the United States) were explicable in terms of the framework. Pyongyang's behavior, for instance, intended to protect its number one security priority of preserving the *juche* system through a strategy of brinksmanship enabled by the actual or presumed possession of nuclear weapons. Given North Korea's pressing need for regime legitimacy, its lack of diplomatic ties, and its economic distress, the domestically favored strategy is to threaten use of its offensive military capability to compel desired behavior of adversaries. This usually has been executed as a surprise event to seize the attention of large powers, stay unpredictable for better leverage, and increase the credibility of unknown future threats. Thinking through possible actions, reactions, and outcomes on the basis of reasonable security

priorities may help develop and explore future options, as well as promote operationally relevant strategic thinking.

Variation in the type of strategic interaction (adversarial or partnership) may enable an actor to play a new strategic role, such as South Korea's shift in strategy to include assurance ("Sunshine Policy") toward North Korea after the 1993-4 crisis. Or it may be key to resolving conflict, such as the provision of aid and fuel oil in the 1994 Framework to compel North Korea's stated acceptance of inspections and staying in the NPT. Both South Korea and the United States began countering North Korea's attempts to intimidate will and neutralize capability with similar tools in order to deter and defend, but temporarily resolved the crisis with tools that looked like persuasion in a diplomatic face-saving setting of negotiation.

The fit and scope of tools is another important strategic choice. In 1998, adversarial tools of coercion were not effectively countered by partnership tools of dissuasion and assurance. Perhaps partnership tools do not fit certain adversarial conditions, as South Korean sunshine failed to prevent the 1998 missile firing over Japan. Japanese attempts to counter-coerce a missile moratorium by denying KEDO aid might have worked, but were blocked by a US-ROK allied reaction of assurance. By threatening Japan, North Korea exploited United States and South Korean commitment to the 1994 Framework. Pyongyang's achieved its likely desired effect—United States promises of progress toward normalization and resumption of non-strategic aid.

Using different types of tools to affect a broader scope of behavior may be most effective in generating options to resolve

crises. In the first two crises, physical tools trumped psychological tools: 1993-4 saw US military deployments counter North Korean threats and 1998 saw North Korea's military demonstration of denial coerce the United States into enhancing North Korean capability and assuring their will. But in the current crisis, both North Korea and the United States have employed psychological and physical tools to attempt to achieve desired effects. In contrast to the previous crises, physical tools are being countered by physical tools: the United States halt of oil shipments countered by North Korea's ejection of IAEA inspectors; deployment of US offensive force countered by a fighter incursion; and United States consideration of an arms embargo countered by a missile tests. Psychological tools such as providing assurance and enhancement remain US strategic options, but the experiences of 1993-4 and 1998 indicate more aid and conditional progress toward normalization did not compel North Korean acceptance of inspections.

Finally, interaction with allies and resolution of crises may be based on common or exchanged goals and priorities. For instance, in 1993-4 US allies shared the common goal (desired effect) of compelling North Korean inspection compliance. In 1998, Japan's goal was to coerce a missile moratorium while United States and ROK priorities were to preserve the 1994 Framework. Aid and promises of normalization purchased all allied goals until it became evident that Pyongyang had cheated on the terms of the Framework and had developed a nuclear capability anyway. The current crisis contains different allied priorities. South Korea might accept a nuclear North over a collapsed North, in contrast to United States and Japan priorities of a non-nuclear North. Given

these differences, one possible North Korean strategy is to intimidate South Korea away from the United States and Japan while encouraging Chinese ambivalence to mitigate US-China cooperation.

Further exploration is needed to determine the usefulness of this framework and how strategy operates. Research about strategy should scrutinize our choices about desired effects, the targets selected presumably to achieve those effects, and the most appropriate tools to influence the targets. These are relevant operational questions for policy makers and strategists with responsibilities for deterrence and defense.

NOTES

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2 The choice of "strategic issues" is aligned with the perspective of *The National Security Strategy of the United States of America* (Washington, D.C.: The White House, September, 2002), 3: "We seek instead to create a balance of power that favors human freedom: conditions in which all nations and all societies can choose for themselves the rewards and challenges of economic and political liberty."

3 See Robert Keohane and Joseph S. Nye, *Power and Interdependence* (Boston, MA: Little, Brown, 1977); Richard Rosecrance, *The Rise of the Trading State: Commerce and Conquest in the Modern World* (New York: Basic Books, 1986).

4 See Kenneth N. Waltz, *Theory of International Politics* (Reading, PA: Addison-Wesley, 1979); Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981).

5 See Thomas C. Schelling, *The Strategy of Conflict* (London: Oxford University Press, 1960) and *Arms and Influence* (New Haven: Yale

University Press, 1966); Avery Goldstein, *Deterrence and Security in the 21st Century: China, Britain, France, and the Enduring Legacy of the Nuclear Revolution* (Stanford: Stanford University Press, 2000).

6 Sun Tzu, *The Art of War*, ed. and trans., Samuel B. Griffith, (New York: Oxford University Press, 1971); Carl von Clausewitz, *On War*, ed. and trans., Michael Howard and Peter Paret (Princeton: Princeton University Press, 1976). For a comparison and integration of Sun Tzu and Clausewitz, see Michael I. Handel's *Masters of War: Classical Strategic Thought*, 3rd ed. (London: Cass Publishers, 2002).

7 This conception of doctrine is adapted from the US Air Force's definition of air and space doctrine: "a statement of officially sanctioned beliefs and warfighting principles that guide the proper use of air and space forces in military operations." *Air Force Basic Doctrine,* Air Force Doctrine Document 1 (HQ Air Force Doctrine Center, Maxwell AFB, AL: September 1997), 1.

8 Wolfers, Arnold. "National Security as an Ambiguous Symbol," *Political Science Quarterly* 67 (December 1952), 481-502.

9 This operational definition of strategy is taken from Joint Pub 3-0, *Joint Doctrine for Military Operations*. Joint operational doctrine describes the process of developing military strategy as the synchronization of ways (policies and concepts) and means (resources, forces, and supplies) in support of certain ends (objectives).

10 Dissuasion by deterrence may be defined as threatening "to punish the adversary in ways so terrifying he dares not initiate a challenge, regardless of his ability to actually achieve narrow military objectives." Persuasion by compellence may be defined as convincing "the adversary to accede to changes in the status quo by relying on threats to inflict unacceptable punishment if compliance is not forthcoming." Avery Goldstein, *Deterrence and Security in the 21st Century: China, Britain, France, and the Enduring Legacy of the Nuclear Revolution* (Stanford: Stanford University Press, 2000), 28-31.

11 The Changing Life Cycle Profile of Asia: 2001-2021, http://www.asiandemographics.com, p. 2. By 2030, the unfunded pension liability for retirees is expected to swell to 300% of GDP. See Robert C. Pozen, "Arm Yourself for the Coming Battle over Social Security," *Harvard Business Review* (November 2002): 52-62.

12 "China's Urbanization Rate to Reach 60 Percent in 20 Years," *People's Daily*, 17 May 02, english.peopledaily.com.cn/200105/17/eng20010517_70205.html.

13 China's GDP is the sixth largest, and after adjusting for purchasing power is the second largest with nearly 12 percent of global GDP. "Is the wakening giant a monster?," *The Economist*, 15 February 2003, 63-5.

14 Remarks made by Dr Sam Zhao, "Asia in the 21st Century: Issues and Insights," East Asia Conference, Colorado Council of International Organizations, Denver, 4 Oct 02.

15 "Indigenous" refers to mainland Chinese who started arriving in Taiwan during the 18-19 centuries. Aboriginal Taiwanese comprise only 350,000 of the 22 million inhabitants.

16 Millions of Hungry North Koreans Face Food Cutoff, 30 Sep 02, World Food Program Relief Web, www.wfp.org/index2.html.

17 The Tumen River Economic Development Zone is part of a United Nations Development Project known as the Tumen River Area Development Project (TRADP). TRADP involves efforts by China, Japan, Russia, Mongolia, and the Koreas to promote a Northeast Asian free-trade zone. See Trade & Environment Database Case Studies at American University, Case 247, Tumen River Plan, www.american.edu/TED/TUMEN.html.

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20 Asian Development Outlook 2002, Subregional Trends and Prospects, www.adb.org/documents/books/ADO/2002/trends/asp, 2.

21 "The Apologetic Kidnapper," *The Economist,* 7 September 2002, 12.

22 "Economic and Financial Indicators," *The Economist*, 28 September–4 October, 2002, 102.

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Many Facets, Many Metrics (Santa Monica, CA: RAND MR-1072-SRF, 1999).

24 "Japan's Lost Decade," *The Economist*, 28 September–4 October 2002, 17.

25 According to the Xinhua News Agency, China's rapid growth and entry into the World Trade Organization have attracted increasingly higher inflows of FDI. Situation Report, October 25, 2002, www.stratfor.com/sitreports.php.

26 The Shanghai B Index, for instance, was opened to domestic investors in and enjoyed an initial growth until rising regulatory oversight and a proposal to sell shares in state-owned enterprises' dampened investor enthusiasm. *Asian Development Bank Outlook 2002*, 2.

27 *Asian Outlook: A Quarterly Survey of Political and Economic Trends*, APF Canada.

28 See Table 37 in *The Military Balance 2001-2002* (London: The International Institute of Strategic Studies, 2001), 299-305.

29 *International Energy Outlook 2002*, Report # DOE/EIA-0484, March 2002, www.eia.doe.gov/oiaf/ieo/nuclear.html. Japan's nuclear power plants produce 1/3 of Japan's electricity requirements.

30 *Nuclear Weapons Program—Japan*, Federation of American Scientists http://www.fas.org/nuke/guide/japan/nuke.

31 Article 9 of the Japan Constitution, written by General MacArthur's staff during the American Occupation of Japan after the Pacific War, says: "Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes. In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized."

32 *The Military Balance 2001-2002* (London: The International Institute of Strategic Studies, 2001), 194-196.

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34 Frank W. Moore, *China's Military Capabilities* (Cambridge, MA: Institute for Defense and Disarmament Studies, June 2000). Found at www.comw.org/cmp/fulltext/iddschina.html.

35 Michael D. Swaine, "Ballistic Missiles and Missile Defense in Asia," *National Bureau of Asian Research* 13: 3 (June 2002): 12.

36 Frank W. Moore, *China's Military Capabilities*, 1.

37 Michael Swaine, "Ballistic Missile and Missile Defense in Asia," 19. Swaine points out the next generation nuclear submarine, the Type 094 SSBN, has been delayed for political and technological considerations.

38 Author's interpretation from People's Liberation Army Equipment Inventory, Federation of American Scientists, www.fas.org/nuke/guide/china/agency/pla-inventory.htm.

39 Author's interpretation from data in People's Liberation Army Air Force Equipment Inventory, Federation of American Scientists, www.fas.org/nuke/guide/china/agency/plaaf-equip.htm.

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42 *The Military Balance 2001-2002*, 208.

43 Michael Swaine, "Ballistic Missiles and Missile Defense in Asia," 35-36.

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46 *The Military Balance 2001-2002*, 197-199.

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48 *The Military Balance 2001-2002*, 299-302.

49 John F. Troxell, "Landmines: Why the Korea Exception Should Be the Rule," *Parameters*, US Army War College Quarterly, (Spring 2000), 82–101, http://carlisle-www.army.mil/parameters.

50 Joseph S. Bermudez, *A History of Ballistic Missile Development in the DPRK, Monitoring Proliferation Threats* Occasional Paper No. 2 (Monterey, CA: The Center for Non-Proliferation Studies, 1999), 6, http://cns.miis.edu/pubs/opapers/op2/op2.pdf.

51 Nuclear Weapons Program—North Korea, Federation of American Scientists, www.fas.org/nuke/guide/dprk/missile.

52 Biological Weapons Program—North Korea, Federation of American Scientists, www.fas.org/nuke/guide/dprk/bw.

53 The 145 signatories to the Chemical Weapons Convention agree to refrain from developing, producing stockpiling, and employing chemical weapons and be subject to an inspection regime to ensure compliance with the treaty. See www.cwc.gov/treaty.

54 Nuclear Weapons Program—North Korea, Federation of American Scientists, www.fas.org/nuke/guide/dprk/missile.

55 NRDC Nuclear Notebook, Russian Nuclear Forces 2002, Bulletin of the Atomic Scientists (July/August 2002), www.thebulletin.org/issues/nukenotes/ja02nukenote.pdf.

56 *The Military Balance 2001-2002*, 107.

57 Frank Umbach, "Dilemmas of Russian Military Modernization," *Transatlantic Internationale Politik*, 1/2002, 26-30, http://www.dgap.org/texte/umbach_tip0201.pdf.

58 Defense obligations in Southeast Asia include the US-Republic of the Philippines Mutual Defense Treaty of 1951 (still able to be implemented through a 1999 Visiting Forces Agreement although the Philippine Senate defeated renewal of the US basing agreement in 1991); the Australia-New Zealand-US (ANZUS) Treaty of 1951 (in 1986 New Zealand banned the entry of US Navy ships into their ports due to the US "neither confirm nor deny" policy regarding nuclear weapons or nuclear power and the US responded by suspending relations with New Zealand as a member of ANZUS); and the Rusk-Thanat Agreement of 1962, in which the US pledged support for the defense of Thailand.

59 Daily Reports PRC to Send 85,000 Troops if War Breaks Out, The Congressional Record, 21 June 1994, p. S7221, www.fas.org/spp/starwars/congress/1994/s940621-dprk2.htm.

60 As reported in the People's Daily, Chinese President Jiang Zemin and Russian President Vladimir Putin pledged to deepen cooperation to promote peace and stability as previously announced in 1996 on the basis of equality, mutual confidence and mutual coordination. Highlights include pronouncements of a multi-polar world, a just and fair new international order, anti-hegemonism, anti-power politics and non-interference in other countries' internal affairs. http://english.peopledaily.com.cn/200007/18/eng20000718_45780.html, 18 July 2000.

61 ARF held their first meetings of foreign ministers in 1994, with inaugural members Australia, Brunei, Canada, China, European Union (President), Indonesia, Japan, Laos, Malaysia, New Zealand, Papua New Guinea, Philippines, Republic of Korea, Russia, Singapore, Thailand, the United States, and Vietnam. Since then Cambodia (1995), India (1996), Burma (1996), Mongolia (1999) and North Korea (2000) have joined.

62 For instance the ROK Ministry of National Defense regularly conducts national defense policy working-level conferences with the United States, Japan, Russia, Canada, Great Britain, France, Germany, Australia, New Zealand, and other neighboring countries. Discussions have advanced confidence-building measures, reached agreement on a definition of preventative diplomacy, but are far from negotiated resolutions to conflicts. See Republic of Korea Ministry of National Defense website: http://www.mnd.go.kr/mnden/emainindex.html.

63 APEC was established in 1989 to promote economic integration among Pacific Rim economies. Current members are Australia; Brunei; Canada; Chile; China; Hong Kong, Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Republic of the Philippines; Russia; Singapore; Taiwan; Thailand; USA; Vietnam. As a trading entity, APEC accounts for nearly one-half of global imports and exports. See www.apec.org website.

64 Selig Harrison, *Korean Endgame: A Strategy for Reunification and US Disengagement* (Princeton: Princeton University Press, 2002), 201.

65 North Korea joined the IAEA in 1974, signed the NPT in 1985 and refused to sign the IAEA's Safeguards Agreement, an NPT obligation to be done within 18 months of signing the treaty. William E. Berry, Jr., *North Korea's Nuclear Program: the Clinton Administration's Response*, Occasional Paper 3, (USAF Academy: Institute for National Security Studies, 1995), 2.

66 During this time period, North Korea succeeded in operating a 25-megawatt uranium fueled "Experimental Power Reactor" at Yongbyon, which had the characteristics of a production reactor capable of producing weapons-grade plutonium. North Korea also was in the process of building two larger reactors, a prototype of approximately 200 megawatts and another 800 megawatt full-scale version. A reprocessing plant that could extract plutonium from reactor waste was also built. Uranium Information Centre, Ltd., Canberra, Australia, www.uic.com.au/nip15.htm

67 William E. Berry, Jr., *North Korea's Nuclear Program*, 3.

68 North Korean Nuclear Crisis February 1993-June 1994, Federation of American Scientists website, www.fas.org/man/dod-101/ops/dprk_nuke.htm.

69 Agreed Framework Between the United States of America and the Democratic People's Republic of Korea, October 21, 1994, www.ceip.org/files/projects/npp/resources/koreaaf.htm.

70 Ralph A. Cossa, "US-DPRK: Setting New Ground Rules," PacNet 28, Pacific Forum Center for Strategic and International Studies, 18 July 2002.

71 The Japan-North Korea declaration stated that after the normalization of relations, Japan would provide North Korea such aid as grants, long-term loans with favorable interest rates, humanitarian assistance, and credit for private enterprise. Japan-DPRK Pyongyang Declaration, The Ministry of Foreign Affairs of Japan, www.mofa.go.jp/region/asia-paci/n_korea/pmv0209/pyongyang.html.

72 Judith Miller and David Sanger, "US to Report North Korea Is Not Meeting A-Pact Terms," *New York Times*, 20 March 2002, 5.

73 "North Korea Admits Nuclear Program," Reuters Limited, 16 Oct 2002, www.aol.com/aolnews.

74 "N. Korea Report steps back from nuclear claim," *The Boston Globe*, 19 November 2002, www.boston.com/dailyglobe2/323/nation.

75 "Finally, in the year 2000, with the approach of the new century, we at long last fulfilled your wishes and accomplished the changeover of the ruling party and the peaceful transition of political power, thereby enabling Taiwan to become a completely free and democratic country and to stand before the whole world with this glorious achievement." Text of speech given by President Chen Shui-bian to the World Federation of Taiwanese Associations in Tokyo, Japan, 3 August 2002, BBC News Front Page, http://news.bbc.co.uk/1/hi/world/asia-pacific/2172970.stm.

76 According to a survey conducted at National Taiwan University in 2000 regarding Taiwan independence, 24% favored independence, 53% favored the status quo, and 22% favored unification. In a subsequent survey that asked respondents to react to the question, if peace can be maintained, Taiwan should be an independent country, 61% agreed, 27% disagreed, and 12% were undecided. http://www.duke.edu/~niou/MyPapers/public%20opinion.pdf

77 Deng's first choice was Hu Yaobang, removed in 1986 for failing to control the student pro-democracy movement. Next was Zhao Ziyang, ousted for the 1989 Tiananmen Square demonstrations.

78 Thomas E. Graham, *Russia's Decline and Uncertain Recovery* (Washington, D.C.: Carnegie Endowment for International Peace, 2002), 39.

79 Dr David Lai, "China's Grand Strategy," presentation at Colorado Council of International Organizations Conference, Denver, 4 October 2002. Dr Lai was a career diplomat of the Chinese foreign ministry serving in Chicago before defecting to the United States after the Tiananmen Square incident of June 1989.

80 Dr Lai, "China's Grand Strategy" presentation, 4 October 2002.

81 Howard M. Krawitz, "China's Trade Opening: Implications for Regional Stability," *Strategic Forum* No. 193 (Washington, D.C.: National Defense University, August 2002), 2.

82 See David M. Lampton, *Same Bed Different Dreams: Managing US-China Relations 1989-2000* (Berkeley: University of California Press, 2001), Chapter 7, "The Seamless Web," 279-309, on the increasing domestic constraints on China's Communist Party Chairman.

83 The Five Principles of Peaceful Coexistence are: mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. China's National Defense, Section I, the International Security Situation (Beijing: Office of the State Council, July 1998), english.peopledaily.com.cn/whitepaper/2(1).html.

84 In his speech at the West Point graduation exercise in June 2002, President George W. Bush announced: "And our security will require all to be forward-looking and resolute, to be ready for preemptive action when necessary to defend our liberty and to defend our lives."

85 See Andrew Scobell's *China and Strategic Culture* (Carlisle, PA: US Army War College Strategic Studies Institute, May 2002), an

excellent analysis of China's dualistic views on war and peace. Scobell identifies four "guiding principles" of China's external security policy: Chinese just war theory, the primacy of national unification, a siege mentality threat perception, and the concept of active defense.

86 Border agreements with India in since 1993 have formalized the cease-fire in existence since the 1962 border war in the Himalayas. The 1962 war resulted in India's recognition of Chinese rule in Tibet.

87 India's substantial indigenous missile program includes development of the third generation Agni-3 intermediate-range ballistic missile capable of reaching Beijing. See Swaine, "Ballistic Missiles and Missile Defense in Asia," 25.

88 Brett Benson and Emerson Niou, "Public Opinion and the Taiwan Strait Conflict," Duke University, February 2002, 8.

89 Convergence of Cross-Straits Economic Interests and Implications for Singapore, Singapore Ministry of Trade and Industry, Economics Division, www.mti.gov.sg/public/EDA/..\PDF\CMT\EDA_ crossstraits.pdf.

90 Cross-straits trade rising, People's Daily, http://english. peopledaily.com.cn/200009/13/eng20000913_50452.html.

91 Hwan C. Lin, "Taiwan has overinvested in China," *Taipei Times*, October 31st, 2002, www.taipeitimes.com.

92 Tang Yao-ming, *The 2002 National Defense Report* (Taipei: Ministry of National Defense, July 2002), Preface, 1-2. www.mnd.gov.tw/report/REPORT/revised/bb/Preface.htm

93 An excellent review of South Korean reforms is found in Jiyul Kim and Michael Finnegan, "The Republic of Korea Approaches the Future," *Joint Force Quarterly* No. 30, (Spring 2002): 33-40.

94 See the Ministry of Unification's home page, Frequently Asked Questions, http://152.99.76.131/en/.

95 Japan's $13 billion economic contribution to the Gulf War coalition was the third largest behind Saudi Arabia and the United States, and involved a tax hike in Japan to finance it.

96 "Lack of Decision-making Holds Security Hostage," *Daily Yomiuri*, 7 March 1999.

97 Thomas A. Drohan, "The US-Japan Defense Guidelines: Toward an Equivalent Alliance," Policy Paper 238E, Institute for International Policy Studies, Tokyo, Japan, November 1999.

98 *National Security Concept of the Russian Federation*, full English translation from Rossiikaya Gazeta, 18 January 2000, www.fas.org/nuke/guide/russia/doctrine/gazeta012400.htm.

99 For example, the Russian Foreign Ministry expressed resentment over the tone of the newly enacted Russian Democracy Act of 2002" which authorizes $50 million to promote journalism and cultural exchanges for the purpose of democratizing Russia. "Russia assails 'pedantic' tone of US Russian Democracy Act," *The Russian Journal Daily*, 4 November 2002, www.russiajournal.com/news/cnewswire.html.

100 For instance Senator John McCain advocated specific preparatory steps for military operations be taken such as deploying attack helicopters, fighter aircraft, war stocks, radars and multiple-launch rocket systems to South Korea and positioning a carrier battle group, heavy bombers and airborne tankers nearby, followed by stronger measures. North Korean Nuclear Crisis February 1993-June 1994, Federation of American Scientists website, www.fas.org/man/dod-101/ops/dprk_nuke.htm.

101 See Leon V. Sigal, *Disarming Strangers: Nuclear Diplomacy with North Korea* (Princeton: Princeton University Press, 1999) for a critical perspective that United States negotiators tend to be intransigent and uncooperative with negotiators from aggressive states.

102 This centrally located weapons-grade plutonium "could be seen by on-site inspectors and, if necessary, entombed by an air strike of precision bombs." William J. Perry, Aston B. Carter, and John M. Shalikashvili, "A Scary Thought: Loose Nukes in North Korea," *The Wall Street Journal*, 6 February 2003.

103 Selig S. Harrison, *Korean Endgame*, 262-263.

104 "Satellites Said to See Activity at North Korean Nuclear Site," *New York Times*, 31 Jan 2003.

105 "Threat Erodes Japan's Pacifism Debate and Troops React to N. Korea," *Washington Post*, 15 February 03.

106 "Ministry confirms North's missile test," *Joong Ang Daily*, 26 Feb 2003, joongangdaily.joins.com/200302/26.