

## Chapter 6

# Multilateral Security Cooperation in Northeast Asia: Relevance, Limitations, and Possibilities

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### History and Hypothesis

“Multilateralism” is defined as structures or initiatives involving at least three nations. Multilateral cooperation is sought when concerned states share the belief that their conflicting views and interests might be resolved through negotiation.

The virtue of multilateralism is most strongly argued by neoliberal institutionalists. According to Robert O. Keohane, global peace and prosperity has been successfully achieved, thanks to international institutions such as the United Nations, World Bank, and the International Monetary Fund. He argues that these institutions were established by U.S. leadership, motivated by America’s national interest to promote liberal internationalism; but consequently these global institutions became autonomous in order to facilitate international cooperation even without a hegemon’s (America’s) leadership. Institutions are believed to lower information costs and mutual suspicion among countries, leading them to agree on win-win cooperative measures on issues that they would have otherwise clashed over.

At the regional level, NATO and the EU have been regarded as the most successful cases of multilateralism in Europe. As a self-sustaining security institution, institutionalism argues, NATO’s membership and its role have been enlarged to secure peace and stability across the Atlantic Ocean, despite the end of the Cold War. Institutionalists emphasize that the European economic crisis of 2010 has been well managed and the EU has been able to sign more FTAs, thereby achieving larger external free-trade markets because of well-coordinated economic policies in the EU.

Multilateralism in Europe since the end of World War II was based upon the logic of functionalism, which holds that cooperation on non-political issues will spill over into cooperation in political issues (David Mitrany). According to

neo-functionalism, the spill-over effect will accelerate if functional and technical cooperation/integration is initiated by “transnational technocrats” (Ernst Haas). We must then ask if the functionalist explanation is both sufficient and necessary logic that guarantees multilateral cooperation and integration in other regions. Many studies have pointed out that European multilateralism is a special case that has been possible due to the unique characteristics of Europe: geographical proximity among countries, common value of liberal democracy, similarity in the level of industrialization, and so forth.

In East Asia, too, many regional institutions have emerged in the last several decades: ASEAN (Association of Southeast Asian Nations, 1967), ARF (ASEAN Regional Forum, 1994), APEC (Asia-Pacific Economic Cooperation, 1993), EAS (East Asia Summit, 2005), and more. In the case of Southeast Asia, however, ASEAN has not been able to combine its ten member countries into an integrated economic and security community. They established a regional free trade zone, but each state has different goals and economic plans because levels of economic development and industrial structure vary among the ten ASEAN countries. ARF and APEC cover almost every country in the Asia-Pacific region, but its annual gatherings have not created a breakthrough in terms of regional security and economic cooperation. The EAS is another ambitious attempt to promote region-wide cooperation and the ultimate vision of an East Asian Community. It added major Northeast Asian countries (the PRC, Japan, and the ROK) and the U.S., Russia, India, Australia, and New Zealand to the ten ASEAN countries. Again, the problem is that the spectrum of military and economic interests is too diverse among participants, which makes consensus on important issues virtually impossible. The 18 EAS countries’ defense Ministers Meeting (ADMM-Plus: ASEAN Defense Ministers Meeting-Plus) was formed in 2010 and five areas of possible cooperation were identified: counter-terrorism, humanitarian assistance and disaster relief, maritime security, military medicine, and peacekeeping. However, it is too early to expect that the ADMM-Plus will implement a preventive diplomacy that reconciles conflicting security interests that span the diverse issues of the Asia-Pacific region. More importantly, ADMM-Plus seems irrelevant to the most vexing problems of Southeast Asian maritime security: territorial disputes and the security of the South China Sea.

Northeast Asian multilateralism seems to be an even harder case. The six-party talk framework to tackle the DPRK’s nuclear problem has operated for nearly ten years, but the North Korean nuclear program has not been stopped, despite

several joint agreements on denuclearization. Every above mentioned multilateral institution has also discussed the North Korean case, but no effective and binding agreement has been agreed upon. Northeast Asia is the most dynamic and volatile stage in which the strategic interests of the U.S. and the PRC are in conflict. Some observers note differences in ideologies and political systems in the region, while others highlight power politics between the U.S. and the PRC as the main cause for the lack of multilateralism in Northeast Asia. In any case, the North Korean problem is the most significant challenge to the stability and prosperity of the region.

In this paper, I establish two hypotheses and test them against Northeast Asia to find a key independent variable responsible for the current stalemate in Northeast Asian multilateral cooperation.

Hypothesis A: Differences in values and ideology hinder multilateralism in Northeast Asia

Hypothesis B: Great power politics between the U.S. and the PRC hinders multilateralism in Northeast Asia

Analyzing each of the multilateral mechanism in Northeast Asia, I examine the limitations and possibilities of future progress in Northeast Asian multilateralism. In particular, the North Korean nuclear problem and Korea-Japan relations are examined as major test cases to find out the relevance of great power politics to multilateralism in Northeast Asia. I conclude that a certain level of multilateral economic cooperation began to occur in Northeast Asia despite differences in values and ideology; but multilateral security cooperation in the region is still at an embryonic stage, due to conflicting security interests between the U.S. and the PRC. Instead, sub-regional mini-multilateralism is robust when assessing Northeast Asian security. I predict that as long as rivalry between the U.S. and the PRC exists in Northeast Asia, multilateral security cooperation in the region will continue to be limited in scope and depth even if Korea is reunified and any improvement is made in the relationship between the ROK and Japan.

## **Test Cases for Northeast Asia**

Is it plausible to argue that differences in values and ideology hinder multilateralism in Northeast Asia (Hypothesis A)? Democratic peace theory posits that democratic

countries do not fight each other, and history shows that most wars occur either between non-democratic countries or between non-democratic and democratic countries. It follows that democratic countries choose to go to war only to defend or expand democracy. According to this logic, the US decided to fight in the Korean War and the Vietnam War to defend its democratic allies, and the Iraqi War and the Afghanistan War were to implant and promote democracy in the Middle East. America's liberal internationalism is also believed to have contributed to a more open and prosperous global economy. If we identify 'ideology' as the independent variable responsible for the success or failure of multilateralism, we should see more peace and cooperation between democratic countries and there should be more conflicts between countries with different ideologies and political systems.

First, the recent development in economic relations among Northeast Asian countries shows that ideology is hardly a causal factor. The governments of the PRC and the ROK began official negotiations on a free trade agreement in May 2012. It was a quick and decisive breakthrough after less than two years of assessment. The two countries are speeding up the negotiation process and are aiming for a high-level free trade agreement. In contrast, that FTA negotiation between Japan and Korea has advanced little, despite ten years of negotiation since 2003. Along with bilateral FTA talks between the PRC and the ROK, trilateral FTA discussions among Beijing, Tokyo, and Seoul were also launched at the 5th annual China-Japan-Korea Summit in May 2012. The ROK's trade volume with the PRC surpassed its aggregate trade volume with both the U.S. and Japan in 2009. In addition, the three countries jointly agreed to a series of currency swap arrangements since the global economic crisis in 2008. These examples suggest that economic cooperation or regional market integration can occur regardless of differences in ideology and political institutions. The same can be said for the ten ASEAN countries because they established a free trade area, even though some of its members are socialist regimes, such as Vietnam and Myanmar.

The fact that almost every country in East Asia has joined the ARF and APEC also shows that differences in ideology cannot explain why the number of regional multilateral institutions has increased. The PRC, Russia, Japan, and the ROK—the big four of Northeast Asia—are all members of the ARF, APEC, EAS, and ADMM-Plus. The DPRK, arguably the most tough and stubborn totalitarian regime in the world, has been attending the ARF's annual foreign ministers' meeting since it joined the forum in 2000. Although it is not a formally institutionalized organization, the

six-party talk mechanism has been working to deal with the North Korean nuclear issue. In July 2013, a 1.5 track security dialogue was convened among the U.S., the PRC, and the ROK; and it was the first occasion in which high-ranking government officials from Washington, Beijing, and Seoul in charge of North Korean issues met together without Japan and Russia. At the track-two level, U.S.-China-South-Korea trilateral meetings and closed discussions have rapidly increased during the last three years, and this phenomenon is a remarkable departure from the traditional division of sub-regional multilateral groupings: U.S.-Japan-the ROK trilateral cooperation on one side, and the PRC-Russia- DPRK trilateral coordination on the other.

The birth and renaissance of multilateralism in East Asia has occurred despite ideological differences. However, before examining the truth or falsity of Hypothesis B (that there is an inverse relationship between the degree of great power competition and the development of multilateralism in Northeast Asia), we need to separate two notions: the advent of multilateralism, and multilateralism's roles and consequences. At least in terms of institutional settings and person-to-person meetings, multilateralism exists in Northeast Asia. Now we have to answer why multilateralism in East Asia (particularly Northeast Asia) is relatively weak. Is it because of the ideological barrier (Hypothesis A), or endemic conflicts structured by the great power rivalry between the U.S. and the PRC (Hypothesis B)?

Economic cooperation among Northeast Asian countries has remarkably expanded in various areas, including trade, exchange rate, investment, finance, labor, and so on. The upward curve of economic cooperation across different ideologies parallels the Chinese and Russian policies of economic reform and openness, particularly since the end of the Cold War era. The North Korean case is an exception, because the regime never wants to open the economy to international markets for internal political reasons. I argue that regional power politics, rather than ideology, has the most influence on economic relations among Northeast Asian countries. Several examples show how regional rivalry and the logic of power politics are deeply involved with economic relations in Northeast Asia. When the ROK was about to finish FTA negotiation with the U.S. in 2010, the PRC government proposed that the ROK pursue a China-Korea FTA as early as possible; when the start of China-Korea FTA negotiations was about to be decided, the Japanese government proposed that it and Seoul seriously consider announcing the beginning of Korea-Japan FTA negotiations ahead of China; after the U.S. started to accelerate Trans-Pacific Partnership (TPP) negotiations in 2012, the PRC initiated launch of the

official discussion on the Regional Economic Comprehensive Partnership (RCEP) in 2013. Free trade agreements become possible when member countries' economic conditions serve mutual economic benefits, but in Northeast Asia's case, political checks and balances between the U.S. and the PRC and the PRC and Japan seem very much relevant to their economic diplomacy.

In the security realm, there exists no region-wide military and security institution in Northeast Asia. Because the memberships of the ARF and the EAS are too broad—spanning the Pacific Ocean, South China Sea, and the Indian Ocean—security problems in Northeast Asia have not been effectively handled by grand multilateralism. The six-party talk mechanism has been considered an ideal blueprint for Northeast Asian regional security institutions, but expectations for the six-party talks' constructive role in dealing with North Korean issues were significantly diminished after the DPRK launched its fifth long-range ballistic missile in December 2012 and conducted its third nuclear test in February 2013. Instead of universal multilateral security cooperation, sub-regional security ties are prevalent in the Northeast Asian order. For the U.S., its alliance with Japan and the ROK has been the central axis to engage with and check the PRC's dominance and unilateralism in the region. To policymakers in Washington, trilateral security cooperation among the U.S., Japan, and the ROK has been regarded as a must for handling important security issues surrounding the Korean Peninsula. For the PRC, on the other hand, its selective partnership with Russia has been key to managing the balance of power in Northeast Asia. The Chinese-Russian partnership is backed by the Shanghai Cooperation Organization (SCO), which aims not only to check America's engagement policy toward Europe and Central Asia but also to effectively respond to the Obama administration's rebalancing strategy toward Northeast Asia.

I will then explain why this Northeast Asian security atmosphere should be understood in terms of great power politics. Both the six-party talks and sub-regional multilateralism led by the U.S. and the PRC center on issues concerning the Korean Peninsula, where the long-term security interests of Washington and Beijing collide.

The PRC government has been consistent in objecting to North Korean nuclear armament, but its political and economic pressure has not been strong enough to discourage Pyongyang's pursuit of nuclear capability. Like his grandfather and father, Kim Jung-Un believes that compromise could hasten internal divisions among the Pyongyang elite, and even lead to the implosion of North Korean society. China's dilemma is that it is risky to push North Korean leaders to the point where the

regime is isolated. North Korea is an invaluable strategic asset for the PRC, because it serves as a buffer zone limiting U.S. security influence off the Chinese continent. Chinese leaders have been disappointed by the North Korean leaders' inflexibility (rejecting reform) and their endless provocations against South Korea, but securing the Pyongyang regime for as long as possible is still a more important goal for them than immediate denuclearization of the DPRK. Without active Chinese support, all the U.S. can do is to politically urge the DPRK to come to the negotiation table and to pledge to dismantle its nuclear program. Extreme measures, like a military strike on the DPRK, would be too risky for the U.S. because that could lead to escalation of violence and might incite strong reactions from China and Russia. In addition, the ROK government's swing between the 'sunshine policy' and a 'principled approach' during the past 15 years allowed the DPRK to buy time and escape the tight pressure imposed by members of the six-party talks. Japan and Russia, as members of the six-party talks, have attended these multilateral discussions. Japan has been on the U.S. side and Russia has supported the Chinese position in general, but their influence on North Korea was relatively limited. The absence of powerful leverage on the DPRK resulted from the structure of security competition between the U.S. and the PRC, and peaceful resolution of the North Korean nuclear issue by the six-party talks became almost impossible.

Since the PRC wants to protect the North Korean regime not out of ideological affinity, but out of its own strategic calculations, the ROK intends to improve its security dialogue with its Chinese counterparts not out of cultural affection but out of strategic necessity. A majority of policymakers in Seoul believe that Korean reunification is only a matter of time. Taking the future of a democratic and market-oriented unified Korea for granted, the ROK finds it crucial to change the Chinese leaders' view, and show that Korean reunification promises larger opportunities and benefits for the PRC. It is conventional wisdom that trilateral security cooperation among the three democracies (the U.S., Japan, and the ROK) would produce effective leverage against the DPRK and the PRC. In Washington, there is no challenging the idea that it would be better if America's two allies in Northeast Asia (Japan and South Korea) reconcile over history issues and improve their security relations. As the historically poor relations between Tokyo and Seoul have been continuing for more than a year, the U.S. is concerned about the fragility of trilateral security ties and the chance of their breakdown. The Chinese government seems to be taking advantage of this situation by joining the South Korean government to accuse the

Japanese government of denying its responsibility for what Japan did during the first half of the twentieth century. South Korea, or even a unified Korea, would still be a relatively smaller country in terms of military and economic size, population, and territory vis-à-vis its neighbors such as China, Russia, and Japan. Balance of power theory suggests Korea will be an inside balancer, hedging against all three neighbors; and Korea's alliance with the U.S. would be key, enabling Korea to create bargaining leverage. The U.S. and Japan, which see China and Russia more as competitors than does the ROK, seek to consolidate trilateral security ties among the U.S., Japan, and the ROK. Consequently, sub-regional security multilateralism led by the U.S. is governed by its strategic competition with the PRC, and America's two allies in Northeast Asia will likely maintain their alliances with the U.S. for their own security reasons. However, the future of Korea-Japan security relations seems much less predictable and shaky because of two major stumbling blocks: different strategic views toward the PRC, and mutual animosity regarding history issues.

## **Future Prospects and Policy Recommendations**

Although multilateralism in Northeast Asia has grown in terms of the number of institutions and their size, the scope of cooperation has been limited to non-political issues. By examining cases of multilateralism in East Asia, I have shown that power politics between major global powers is the most significant variable affecting the range and depth of regional cooperation. Europe is no exception to this logic. The creation of NATO by the U.S. and Western European countries reflected the common goal of deterring the Soviet threat, and NATO's expansion toward Eastern Europe since the end of the Cold War has been propelled by NATO members' concern about the remaining Russian threat and rising Chinese military capability. The successful economic integration of the EU can also be interpreted as region-wide balancing activity against other economic powers such as the U.S., Japan, and the PRC.

Regional cooperation among the countries of Northeast Asia will face more challenges, as a power transition between the U.S. and the PRC occurs and the rivalry between them grows. The dominance of two sub-regional multilateral mechanisms led by the U.S. and the PRC illustrates the notion of G2 power politics in Northeast Asia. Although the trilateral annual summit meeting among the PRC, Japan, and the ROK was established in 2010 by a Korean initiative, agreements have been limited to low-politics and the level of cooperation has been low. The

future of multilateralism in Northeast Asia will be tested by North Korean issues and Korea-Japan relations. Possible contingencies in North Korea will invite a dynamic strategic competition among regional powers, and Korean reunification will lead the US-China rivalry to a higher level as they attempt to reshape the political, military, and economic order in Northeast Asia. As the U.S. attempts to maintain and upgrade the trilateral partnership with Japan and Korea, the history problem between the two U.S. allies will challenge the U.S. engagement policy toward the PRC and the Korean Peninsula.

For its own security interests, the ROK should evaluate the strategic implications of its relationships with the U.S., Japan, the PRC, and Russia. If the ROK finds it more important to improve its strategic partnership with the PRC, then it will be more important for the ROK to consolidate security ties with the U.S. and Japan because it has to play an inside balancer's role as a relatively small power in Northeast Asia. For Japan, too, alliance with the U.S. alone may not be strong enough to deal with future relations with the PRC. Consequently, there are two policy options to improve multilateralism in Northeast Asia. One is to jointly cultivate a new Northeast Asian order in which both the U.S. and the PRC will find more shared interests across military and economic areas. This is the most desirable and fundamental solution for overcoming the setbacks of Northeast Asian multilateralism but it is also the most ideal and ambitious goal. The other option is to improve Korea-Japan relations so that U.S.-led trilateral liberal internationalism will play a stronger role in Northeast Asia. If we cannot get rid of the instinct of power politics in international relations, the second best option is to pursue a world in which power politics operates according to a common vision for peace and prosperity.