

Adjusting America's Two Alliances in East Asia: A Japanese View

Takashi Inoguchi

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About the Author

Takashi Inoguchi is a political science professor at the University of Tokyo's Institute of Oriental Culture. He is author of numerous books and articles, including most recently *Democratization and Economic Governance in Industrializing Asia* (forthcoming, co-edited with Jean Blondel and Ian Marsh); *International Security Management and the United Nations* (1999, co-edited with Muthiah Alagappa); *The Changing Nature of Democracy* (1998, co-edited with John Keane and Edward Newman); and *Japanese Politics Today: Beyond Karaoke Democracy?* (1997, with Purnendra Jain).

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1. Introduction

The alliances of the United States in East Asia are in a process of profound change (Okimoto 1998). The treaties with Japan and Korea are undergoing distinctive metamorphoses. These changes are the result of a number of forces that unfolded over the decades of the twentieth century, most notably the Cold War, globalization, and democratization (Inoguchi 1993, 1995; and Archibugi, Held, and Koehler 1996).

These three forces became especially dynamic in the last quarter of the twentieth century. The Cold War ended with the collapse of the Soviet Union in 1991. The world ceased to be a divided world and instead became unipolar, with the United States reigning supreme and the rest running or sitting far behind (Inoguchi 1998a). Globalization has accelerated since 1985, the year of the Plaza Accord. Particularly dramatic is the integration of financial markets, which has given the term “global market” a truly authentic ring. The globe is no longer divided into three worlds, first, second, and third. Nor is it segmented by national territorial boundaries as neatly as before. It is an integrated world. Managing an integrated world, in the view of Renato Ruggiero, former director-general of the World Trade Organization, can be more difficult than managing a divided world.

The reach of democratization increased as never before in the fourth quarter of the twentieth century. At the turn of the century, there were some 10 democracies; in the mid-twentieth century there were about 20. At the beginning of the fourth quarter of the twentieth century, the number reached between 70 and 120, depending on how strict one's definition of the term. As Huntington (1993) has pointed out, the first (post-World War I) and second (post-World War II) waves of democratization have been succeeded by the third wave.

These three forces have presented America's alliances with various difficulties. Far from being terminated, the alliances have come to be seen as a critical axis for coping with some of the destabilizing moments to which those forces contributed.

With the collapse of the Soviet Union, the Japan-U.S. alliance began to assign itself much more directly to the task of coping with China and the Democratic People's Republic of Korea (DPRK). The Republic of Korea (ROK)-U.S. alliance, meanwhile, assigned itself almost exclusively and much more directly to the task of coping with North Korea. The United States has relaxed somewhat since the end of the Cold War. In the absence of a clearly defined enemy, it has had difficulty prioritizing its activities abroad. To add to these difficulties, allies, partners, and friends that once left the United States to carry on these activities on its own are now encouraging it to shoulder various burdens in their own interest.

Globalization has widened the disparities of wealth and strength among nations. It led Deng's China to grow by leaps and bounds. China alarmed the world with astounding economic growth rates in the 1980s and 1990s, as if attempting to restore the Middle Kingdom status it enforced in the centuries prior to the 1900s. Neither Japan nor the ROK is confident of its ability to cope on its own with China twenty-five years hence, whether its power is military or economic. By contrast, globalization has pushed North Korea to the very brink of subsistence and marginalized its wealth to the extreme. Its repressive regime has clung to survival by depriving the people of food. Again, neither Tokyo nor Seoul is confident of its ability to deal single-handedly with the potential collapse of the DPRK or with any moves it might make against its neighbors in desperation.

Democratization has accelerated in Pacific Asia as well as in the Mediterranean, Latin America, South Asia, and Eastern Europe. These changes in Asia have been stimulated by the rise of civil society and American promotion of democracy, not only in the Philippines and the ROK but also in Taiwan. The logical extension of democracy in Taiwan is independence from China, yet this would be a direct challenge to a China that claims there can be only one China, not two, and does not preclude the use of force in its determination to unite Taiwan with China.

Japan is far from confident of its ability to cope with the challenge China poses. Even as the United States prods Japan to establish its so-called new defense guidelines, Japan refuses to be specific about their geographic scope. To be specific would only infuriate and provoke China. China might interpret Japan's concern over the Taiwan Strait as a claim of sphere of influence and therefore an infringement of Chinese sovereignty. Just as Metternich remarked that "l'Italie est un nom géographique," suggesting that sovereignty over Italy rested with the Hapsburg empire and other political entities, Japan has flatly refused to be geographically specific—which might risk challenging the sovereignty claimed by China—referring instead to "emergencies nearby," not geographically but situationally defined.

Meanwhile, the specter of democratization haunts China and North Korea as well. The prospect of a "peaceful evolution" has been giving the Chinese leadership nightmares at least since the Tiananmen massacre of 1989. The ghosts of the 1991 Gulf War (and the 1998 Baghdad bombardments) have shown the Chinese leadership vivid images of how key weapons stores can be obliterated by smart missiles. The prospect of a not necessarily peaceful transition has been real to the North Korean leadership since the U.S.-led crisis of 1993-94.

Japan and the ROK have concluded in the course of the two crises and their aftermath that only the United States is able to cope with the challenges Asia harbors. They are convinced that it is in their best interests to work out joint schemes whereby these difficulties can be resolved with productive and peaceful outcomes. The United States has indeed ended up taking the primary role in this endeavor, but Japan and South Korea have too set their courses according to their own thinking and calculations. Their desire to maintain uninterrupted peace is strong and their appreciation of their inability to cope alone with the challenges of

Asia is manifest. Nevertheless, they have not given *carte blanche* to the United States in determining how the issues of North Korea, China, and Taiwan will be handled and, with hope, resolved. On the contrary, they have been assertive as to how they want their interests realized in dealing with Pyongyang and Beijing/Taipei affairs.

This is the global and regional context in which the metamorphosis of America's alliances in East Asia has been taking place. It presumes U.S. leadership, yet despite the potentially wide cleavages in views and proclivities among the countries involved conflict resolution is conceived as non-violent. First, the desire for peaceful resolution of conflict is intense not only on the part of Japan and the ROK but the United States as well. Second, the way in which intra-alliance differences are sorted out is collegial, pragmatic, and cool-headed. Third, the possibility of "peaceful evolution" in North Korea and China is not only seriously contemplated but also calmly explored. This is why I argue that a profound change is in the offing.

In what follows I will spell out in more detail my reasons for believing that America's alliances in East Asia are undergoing great changes, discussing the three global forces that have instigated these changes: the end of the Cold War, globalization, and democratization. Then I will examine the two East Asian crises of the mid-1990s as the catalysts for change. Last, I will examine developments after the North Korean crisis of 1993–94 and the Taiwan Strait crisis of 1995–96, developments up to 1998 that included containment of another potential North Korean crisis as well as the outcome of Taiwan's democratic elections. In conclusion I will suggest some directions in which adjustments of America's two alliances could be made.

2. The End of the Cold War and Its Impact

By 1993–95, the U.S.-Japan and U.S.-ROK alliances had already been facing difficulties for some time. During the Cold War, the priority of the United States was managing the nuclear balance with the Soviet Union with strategic nuclear forces. The task was to manage a divided world without triggering a devastating nuclear war between the two rival superpowers. But after the Cold War, priority shifted to disarmament in weapons of mass destruction, especially nuclear nonproliferation. Once the Russian nuclear arsenals were reduced in a friendly fashion, the attention of the United States naturally was directed to those other countries, large and small, armed with nuclear weapons, and those with nuclear capability. In the U.S.-dominant unipolar world, the United States attempts first to discourage nuclear-capable states from developing nuclear weapons and, if it fails, then to co-opt them into the nuclear club so they can be imbued with the ethos of regulation and self-restraint practiced by the other members. These principles apply to other kinds of weapons as well, including chemical and biological weapons and small arms.

Then came the North Korean crisis of 1993–94 and the Taiwan Strait crisis of 1995–96. These two crises amply demonstrated the simple reality that only the United States is equipped to cope with such events. On January 26, 1993, soon after he came to office, President Bill Clinton ordered the "Team Spirit" joint naval exercises with Republic of Korea armed forces. Given the thrust and structure of the exercises in the past, it was not surprising that the DPRK announced its withdrawal from the Non-Proliferation Treaty shortly thereafter, on March 12 (Cumings 1998). The United States then coaxed Pyongyang to stop short of be-

coming a nuclear-weapon state with a deal struck by October 1994 to supply energy and light-water nuclear reactors.

Regarding China/Taiwan, Clinton national security advisor Anthony Lake began to talk about the idea of “democratic enlargement.” American unipolarity after the Cold War could be consolidated, he argued, by increasing the number of democracies, which would be disinclined to fight each other. Taiwan’s democratization has been steadily evolving, especially since 1987, when opposition parties were allowed to exist. Taiwan is moving faster, however, than the United States or China had thought it would toward further democratic consolidation. The replacement of the Kuomintang party by the opposition Democratic Progressive Party may be one of the consequences of this. The DPP’s platform makes it clear that it seeks Taiwan’s independence from China.

The United States blocked China from blackmailing Taiwan against further moves toward independence. Having got its message across on both sides of the Taiwan Strait, the next task for the United States, as articulated by Joseph Nye (Nye 1998), is to assure Taiwan of protection while not allowing it to declare independence. It must also assure China that there will be no military threat from Taiwan. The Nye policy initiative was made more concrete by President Clinton in his “three nos” speech in June 1998.

By 1993–95, work was under way to adjust the Japan–United States and Korea–United States treaties to the changed situation. In Japan, the defense guidelines were being revised in light of the enormous changes that had taken place since the late 1970s, when the old guidelines were drawn up to cope with “emergencies nearby.” In Korea, under President Kim Young Sam, multitargeted diplomatic initiatives were struck amid Seoul’s increasing discontent with U.S. initiatives toward Pyongyang without adequate prior consultations with Seoul.

Japan’s new defense guidelines are intriguing. They portray Japan as if it were trying to become a normal sovereign state in the old Westphalian framework, using military power at its own discretion for the good cause of alliance. Yet at the same time the guidelines contain an array of articles that specify the kinds of situations in which Japan cannot be counted on in terms of joint military and logistic operations deemed necessary to cope with emergencies nearby.

Seoul’s omnidirectional diplomacy has borne fruit in many small ways, such as that vis-à-vis ASEAN and the European Union. Yet it has not been able to get the United States to allow the ROK to have more say in matters North Korean. The United States talks directly to North Korea without bothering itself too much with what the ROK or Japan might think, or at least it is so perceived by these two countries.

In 1997–98, the presidents of China and the United States exchanged visits, events that could be interpreted as the real normalization of their diplomatic relations (Perry 1998). Normalization in 1971 was limited in many ways; the further progress in 1979 made it close to genuine, but Deng Xiaoping’s policies had to blossom before its impact could be fully felt. Then the Tiananmen Square massacre of 1989 took the situation back to where it had been before rapprochement. It was not until the 1995–96 Taiwan Strait crisis that the United States and China began to understand each other better, paving the way for the genuine normalization of 1997–98. A feature of this succession of events that cannot be overlooked was the scheduling of Bill Clinton’s June visit to China without a visit to Japan before or after. China portrayed this as if progress in its strategic partnership with the United States meant U.S. downgrading of Japan. Japan sturdily repeated that strong China-U.S. relations are good for Japan-U.S. relations and did not elaborate further.

In dealing with the DPRK, the ROK was initially bitter that the United States bypassed Seoul in furthering talks with the DPRK. But since the crisis of 1993–94, Seoul has come to adopt a policy of direct reconciliation with the North, working against the backdrop provided by U.S. endeavors. ROK president Kim Dae Jung calls this the “sunshine policy.” At the time of the Taiwan Strait crisis, Japan, as a U.S. ally, became concerned at the very thought that it might be dragged into war with China as a result of U.S. determination to defend Taiwan. Gradually Japan has come to conclude that it must prepare itself to deal with “emergencies nearby” and demonstrate its commitment to working closely and effectively with the United States, allowing the United States to explore and work out a scheme whereby peace can be maintained uninterrupted in the Taiwan Strait.

Whether the United States and its allies are right in proceeding in this way will be up to the future to judge. Suffice it to say for the present that the end of the Cold War has thus transformed the U.S. alliances in terms of both their missions and modalities. The U.S. alliances have taken on the character of agents of engagement rather than containment (Gaddis 1995, Ikenberry 1998).

3. Globalization and Its Impact

China tossed aside the shackles of the Cold War most productively in the course of Deng Xiaoping’s reformist policies. Although interrupted briefly by the Tiananmen Square massacre of 1989, China was able to ride high on the tide of globalization, bolstered by the rush of short-term capital that flowed in from other parts of the world impressed and excited by the “East Asian miracle” the World Bank described in 1993. China opened its doors wide and came to depend to an unprecedented degree on foreign capital. It followed the classical prescription in the Krugmanian sense: massive input of labor (abundance at home) and capital (from foreign sources) made available to a latecomer economy with heavy guidance from the state. This also led to the Gerschenkronian result of taking advantage of economic backwardness in the Reichian global market (Krugman 1994, Gerschenkron 1968, and Reich 1995). Observing China’s latest great leap forward, much more real than the Great Leap of forty years ago, fills the rest of the world with vague apprehension. Estimates of China’s economic size twenty to thirty years hence offered by international economic institutions such as the World Bank and the Asian Development Bank have been more than enough to justify these apprehensions. The nightmare of a China prone to military adventure was reinforced by its saber rattling in the Taiwan Strait in 1996. Scholars including Bernstein and Munro (1995) and Huntington (1995) were among those to articulate these concerns.

What would be the best course for the United States and its allies to take when China’s power and wealth become dominant, surpassing that of Japan and even the United States in the region or even the world? While there have been many proposals—opposing, distancing, containing, conditionally engaging, restraining—*engaging* China (Inoguchi 1997, Vogel 1997) has become the key theme for the United States and its allies. Economically, China must be induced to abide by the norms and criteria of the World Trade Organization free-trade regime for its accession to be granted. Militarily, China must be bound to a weapons-control regime of some sort.

In contrast to China, North Korea has been unable to take advantage of globalization. With the collapse of the Soviet Union its energy supply to North Korea was suspended,

triggering the latter's downward economic spiral. Its own inability to introduce market mechanisms more fully and vigorously meant further peripheralization in the context of globalization. In the absence of functioning market mechanisms, necessary information does not disseminate through society, and inadequate and distorted information aggravates resource allocation and reduces production. An example of how North Korea's non-market dictatorship aggravates famine may be mentioned here. In the attempt to increase agricultural production, an order was given to plant corn on mountain slopes and other vacant land not already used for agriculture. But the erosion resulting from cutting down forests in the mountains led to frequent flooding, and large-scale famine was the consequence. North Korea provides ample evidence for the thesis that non-democracies suffer periodically from large-scale famine, as advanced by Amartya Sen (Sen 1992).

Despite a shortage of energy supplies and growing isolation in the international community, North Korea pursued development of nuclear-energy generation and production of nuclear weapons. Alarmed by the possibility of nuclear proliferation there and the dire consequences predicted for regional security, the United States used coercive diplomacy to force Pyongyang to accept the International Atomic Energy Agency's inspection and monitoring of nuclear-energy production, which can lead so easily to nuclear-weapons production. The United States offered in exchange light-water reactors for energy supply which presumably do not so easily allow advance to nuclear weapons production. The deal was complete by October 1994. Yet, as the nuclear tests conducted by India and Pakistan in the summer of 1998 demonstrated, North Korea may have provided technology to Pakistan that expedited its development of nuclear weapons. No ultimate resolution of the proliferation threat was apparently reached.

4. Democratization and Its Impact

The spread of what Samuel Huntington called the third wave of democratization (1993) did not exclude East Asia. The "people power" revolution in the Philippines took place against the background of the rise of civil society and American promotion of democracy (Inoguchi 1998a). Ferdinand Marcos was replaced by Corazon Aquino. During this heyday of so-called developmental authoritarianism in East Asia, two other regimes there sensed the part played by the United States and took the first steps toward democratization. South Korea under Roh Tae Woo held a free democratic election with the blessing of the United States. Taiwan under Jiang Jinguo allowed political parties other than the ruling Kuomintang and also received the U.S. blessing. The democratization of Taiwan that ensued set the stage for one of the dilemmas this paper examines.

Taiwan's democratization poses a fundamental dilemma. Taiwan's ruling party, the Kuomintang, fled to Taiwan from the mainland when the Communist Party took power. Taiwan had been colonized by Japan for the preceding fifty years (1895–1945). The Kuomintang ruled Taiwan like a colonial power. Only gradually did democratization unfold, first at the local level. After having seen the stunning developments in the Philippines in 1986, Jiang Jinguo was led to legalize opposition parties at the national level. Democratization unleashed another critical element in Taiwanese politics: indigenous ethnic nationalism. As the mainland remnants of the old Kuomintang die off one by one, the party has steadily begun to accommodate Taiwanese. This trend is symbolized by the election of a Taiwanese,

Lee Teng-hui, as president of the Republic of China. Once set in motion, Taiwan's ethnic nationalism found representation both in the main opposition, the Democratic Progressive Party, and in the ruling Kuomintang. It looked as if Taiwanese ethnic nationalism were linked to and reinforced by Taiwanese democracy.

China found these developments intolerable, and resolved to make its point by saber rattling in the Taiwan Strait timed to coincide with the presidential election on Taiwan in March 1995. Determined not to allow China to forcibly swallow Taiwan, the United States conducted a show of force, placing two aircraft carrier-led groups in the adjacent seas. In the succeeding years, two important results of these events have clearly emerged: the voters and leaders of Taiwan have started to tone down assertions of Taiwanese independence and the United States has started to take steps to ensure that Taiwan does not pose a threat to China and to encourage China to take measures that will bring about long-term liberalization and democratization.

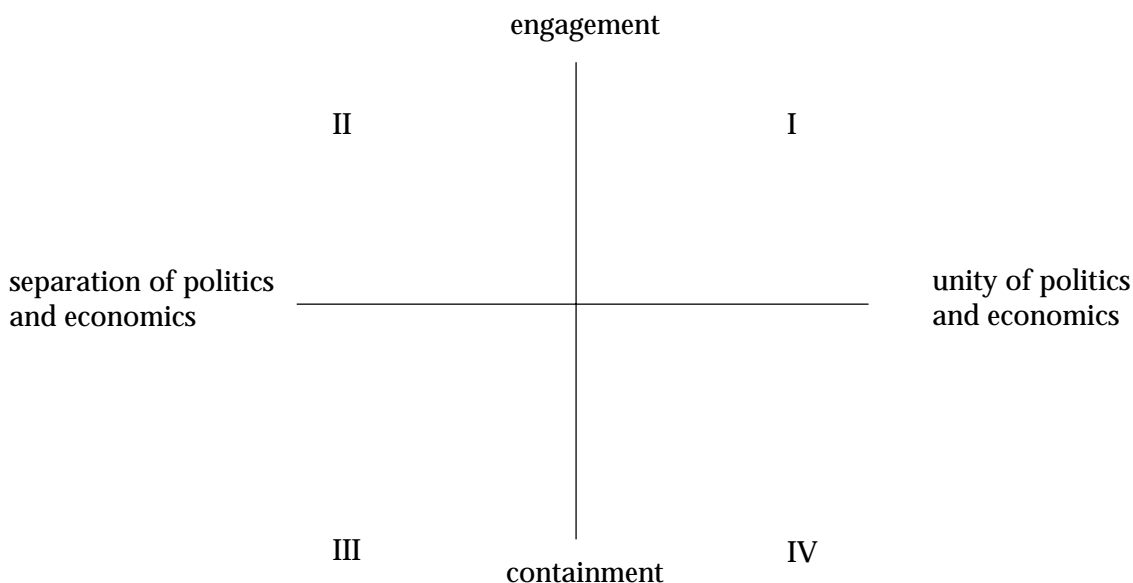
Opinions differ over these U.S. moves. Some see the United States as having made a humiliating concession to China at the sacrifice of Taiwan, Japan, Korea, and India, all respectable democracies. And they are apprehensive about the likelihood that the U.S. concessions will make not only U.S. allies in East Asia but also the ASEAN countries more inclined to accommodative or even submissive positions vis-à-vis China. It seems to me, however, that the United States has realized that removing the security threat in the Taiwan Strait is more likely to lead China to engage other countries positively and that engagement with China necessarily means encouragement of liberalization and democratization on the mainland even if China may not like it.

5. Approaches to the North Korea Problem

Approaches to the North Korean dilemma are remarkably divergent. Two major dimensions create major cleavages: engagement versus containment on the one hand and unity of politics and economics versus separation of politics and economics on the other. By engagement I mean an orientation toward influencing North Korea through interaction and association. By containment I refer to an orientation toward influencing Pyongyang through denial and discouragement. "Unity of politics and economics" suggests the use of both political and economic instruments broadly in the same direction. "Separation of politics and economics" suggests the nonsynchronization of governmental and nongovernmental (e.g., corporate or NGO) actions. Along these lines, South Korea under President Kim Dae Jung is located in the second quadrant of engagement and separation (see figure). Kim believes firmly that the tenacious and persistent pursuit of the "sunshine policy" of engagement can induce Pyongyang to open the country and proceed with reform. At a time when the majority of people in South Korea prefer the peaceful status quo and the eventual prospect of reunification, Kim's strategy seems most appropriate (Reese 1998). Underlying the South Korean approach is the strong belief widely shared in South Korea that only through direct bilateral talks between the two sides can there be a real breakthrough.

The currently dominant United States-North Korean talks and other interactions must be, in the predominantly South Korean view (Ahn 1998), grounded in and undergirded by direct bilateral talks and other interaction between the North and the South. The United States-

Figure: Approaches to the North Korean Dilemma



North Korean interactions may be necessary and critical, but in the longer run they should also help to promote a breakthrough in direct North-South interactions.

The sunshine policy, therefore, does allow for what might seem the strange bedfellows of a sight-seeing business at Kungansan mountain in Kanwondo province on the North Korean side orchestrated by the South's Hyundai business conglomerate in cooperation with North Korea. It also allows for the sinking of a North Korean intelligence/infiltration submarine vessel in the vicinity of Koje Island, south of Yosu, Chollido, which took place on December 18, 1998. The survival of the sunshine policy will be tested not only by North Korea but also by the United States. In this view, the South's sunshine policy will not be jeopardized by any North Korean intelligence/infiltration/destabilization actions. Waving its flag sturdily, South Korea seeks to survive the North's attempts to provoke it. At the same time, it must not be flustered by possibly unilateral, military solutions the United States may deploy in dealing with the North, whether against the underground facilities uncovered in the fall of 1998 in violation of the armistice agreement; the nuclear-power-generating facilities which it was agreed would be eliminated according to the 1994 U.S.-DPRK agreement; or the sites from which the Taepodong missile/satellite was launched and shot over Japanese territory on August 31, 1998. Since the United States's primary objective on the Korean peninsula is to prevent weapons of mass destruction (including nuclear weapons) from being produced or deployed by either the North or the South, it might resort to military solutions if it judges the North to have gone too far. In this sort of situation, U.S. policy has taken on the character of rollback or aggressive engagement.

The Four-Party Talks among the parties to the Korean war of 1950–53 and signatories to the armistice agreement of 1953 (South and North Korea, the United States and China) are welcomed by South Korea. It must participate and does not want the United States or North Korea to determine its fate. South Korea welcomes China's participation in the expectation that China will exercise leverage over the North, providing critical supplies of food and energy and utilizing its traditional ties. No less significantly, China clearly does not want instability on its borders, especially where the Korean minority population numbers two million. It does not want to see North Korea collapse and disappear, but neither does it want its neighbor to have nuclear weapons.

The KEDO approach, involving South Korea, the United States, and Japan, is no less important as it includes Japan, a country that can buttress whatever agreement among these parties is struck, especially in terms of financial resources. After the Taepodong missile launch by North Korea in August 1998, Japan denied funds to KEDO along with a number of other protest measures toward the North. Japan later retracted its suspension of funds, judging that it could not afford to jeopardize the talks, the burdens of which were more or less broadly shared by the United States, South Korea, and Japan. While Japan restored its support relatively quickly, its position vis-à-vis North Korea was made visibly tough. Cabinet Secretary Hiromu Nonaka declared that North Korea's missile launch was regarded as a challenge to the Japan-U.S. security treaty, warning Pyongyang of dire consequences for such reckless actions. The new defense guidelines, once legislated by the Diet, will be the solid basis for joint Japan-U.S. actions toward North Korea. At the same time, Japan wants to see conflicts of interest resolved peacefully or at least managed without recourse to massive military measures. Moreover, Japan's combined approach to North Korea, involving both government and nongovernmental organizations and individuals, prevents it from getting too tough, since a large part of the monetary transactions has been conducted through Chongyong, the pro-North Korea organization in Japan.

The key institutions involving Japan in the North Korean problem are KEDO and the Japan-U.S. security treaty. The operational derivative of the latter is the new defense guidelines, which are important as they allow Japan and the United States to cooperate more fully in the case of "emergencies nearby." Their purpose with respect to North Korea is twofold. They facilitate defense of Japan and South Korea insofar as Japan regards South Korean security as critical to its own, which has been the case since the early 1970s (Reese 1998), and for the purpose of deterring North Korean aggression.

In addition to these two institutions, Japan also has been promoting the Six-Party Talks, involving the United States, China, *and* Japan and Russia. Japan has argued that resolving the North Korean problem must be approached in a broader framework than that concerned strictly with regional security. It should involve Japan and Russia, which are territorially contiguous states interested in the security of the Korean peninsula and endowed with natural or financial resources. The Six-Party Talks idea comes close to the often-suggested concept of an incipient Northeast Asian regionalism which stresses institutional confidence-building measures through wide-ranging consultations on such issues as nuclear proliferation, energy supply, the environment, and cooperation on development.

Although much less directly related to the North Korean problem, the ASEAN Regional Forum (ARF) is another institution in which Japan has been involved since its founding in 1994. This extension of ASEAN allows non-member countries to participate in discussions with ASEAN and other non-ASEAN countries in the region and beyond. ARF is largely a security-oriented forum, and Northeast Asian issues have not been a focus—it has tended to

engage in discussion of technical issues related to confidence-building. It is natural that Japan should seek a multilateral institution of this kind as the region has not been endowed with such a mechanism to deal with region-wide problems.

The United States is most heavily committed to engagement and unity of political and economic measures; it has been the most present and vigorous player, seeking to defuse the North Korean threat by various carrot-and-stick measures. The 1994 agreement stipulates that energy resources will be supplied by the United States and its allies in exchange for North Korea abandoning nuclear-energy production other than the KEDO-supplied power generators. It also promises that the United States will lift its economic sanctions and Pyongyang will allow the United States to set up a liaison office there. The work of KEDO has been moving very slowly, but virtually no progress has been made on other issues: North Korea has been charged with deceiving the United States about its nuclear development program, whether regarding its nuclear-power stations, nuclear-armed missile production, or underground military facilities. The United States has not lifted its economic sanctions. And North Korea has not granted permission for the establishment of a U.S. liaison office in Pyongyang.

Let us now summarize the adjustments deemed necessary and desirable in order to cope with and resolve the North Korean problem in light of the above analysis. Pertinent to this task are a number of points.

- The two U.S. alliances should expressly stipulate that they are indispensable to the maintenance of political stability and economic vigor in the East Asian region.
- The two alliances should aim in the long run at replacing the 1953 armistice agreement with a peace treaty.
- The two alliances should be committed to preventing North Korea from acquiring nuclear weapons, thereby precluding any incentives on the part of South Korea or Japan to follow suit.
- The United States should aim at a skillful balance of carrot and stick with regard to North Korea.
- The United States should gradually enlarge the scope of the bilateral talks (United States and North Korea) to the current Four-Party Talks (adding South Korea and China) to an eventual Six-Party Talks (further including Japan and Russia) so that a region-wide accord on peace and security can be struck on the basis of such confidence-building measures.
- The Republic of Korea and Japan should build closer and more amicable ties.
- The Republic of Korea should not be too suspicious of the United States and its allies, whom it often suspects are attempting to secure their own direct deal with the Democratic People's Republic of Korea.
- Japan should pass into law in the Diet the new defense guidelines so that its commitment to joint action with the United States will gain greater credibility.

6. Approaches to the Taiwan Problem

The positions of the United States and Japan have an important bearing upon the prospects for Taiwan. Both countries have been maintaining a common position vis-à-vis China with regard to Taiwan's status. They hold, namely, that Taiwan is part of China, that the future of

Taiwan should be determined by agreement between both sides of the strait, and that they do not recognize Taiwanese independence. This has been the position of both countries since normalization of their respective diplomatic relations with China in 1971 and 1972. The major differences between their two positions follow.

The United States has maintained a fairly strong position on Taiwan from its own security perspective (Tucker 1998). Under the Taiwan Relations Act, the United States is committed to support of Taiwan should China attempt to absorb it by force. Since the act is a domestic law, the United States can act autonomously vis-à-vis Taiwan as long as its actions can be justified according to the act. For this and other reasons, the United States has been more dynamic about modifying its position on China, sometimes dramatically. The Tiananmen massacre of 1989 triggered the decision by the United States, along with other Group of Seven countries including Japan, to impose economic sanctions on China.

When Japan led in the lifting of sanctions in 1991, the United States did not immediately follow its lead. When China conducted naval exercises in the Taiwan Strait during Taiwan's presidential election in March 1996, it was the United States that sent two aircraft carrier groups to the area to warn China that it must not intimidate Taiwan through shows of force. During his June 1998 visit to China, Clinton made his "three nos" speech, in which he declared that the United States would not allow Taiwan to become independent, would not approve its admittance to the United Nations, and would not allow a two Chinas policy. Later, in 1998, when President Jiang Zemin visited Japan, China asked Japan to include the "three nos" in the joint declaration or communiqué for the same effect, but to no avail.

Japan's security treaty with the United States is regional and global in scope, but any hint that Japan's security concerns and preparations include the area of Taiwan provokes vehement denunciation by China as suggesting a joint plot by the United States and Japan to bring Taiwan out of China as an independent entity. Japan is in a vulnerable position because of its fifty-year colonization of Taiwan (1895–1945) and because China regards Japan as insufficiently repentant about its acts of aggression in the pre-1945 period on the continent as well. China is deeply suspicious of the Japan-U.S. defense cooperation guidelines, believing them to be aimed at "containing" China, an emergent economic and military power. The guidelines refer to "emergencies nearby," which is not intended to refer to specific places, but rather to situational developments. By avoiding any geographical reference, Japan has been able to escape further criticism, as was clear in the joint Japanese-Chinese declaration issued during President Jiang Zemin's visit to Japan in November 1998. When Metternich stated that "l'Italie est un nom géographique," he was not recognizing Italy as a sovereign entity; similarly, China gets upset when foreign countries say something geographically specific about Taiwan as their security concern. To the Chinese, who are very sensitive to encroachment on their sovereignty and to the experience of national humiliation over a century and a half, this is tantamount to infringement of sovereignty and therefore cannot be allowed.

Second, the United States has its own tradition of defending and promoting democracy. Taiwan has been regarded as a model case since the late 1980s, when the Tiananmen massacre temporarily shattered the American image of a "good China" and when Taiwan began steadily to consolidate its democratic institutions. Shortly thereafter, as China's economic development began to move forward by leaps and bounds and grassroots-level democratization became evident there, the United States's attitude became more benign. The favorable image may have been reinforced by China's deft diplomatic game during the Asian financial crises, when it declared, much to the pleasure of the United States and the rest, that it would not devalue the Chinese renminbi. President Clinton is believed to have made his "three nos"

speech in China in line with his policy on expanding the realm of democracy (see Russett 1993 and Nye 1998). Democratization in China is likely to proceed with encouragement of China's own reform policies, stimulated by open markets and free trade, and the raising of China's per capita income in two decades' time to a level on a par with that of Taiwan and South Korea in the late 1980s, when they democratized. Countries posing a military threat to China's borders will slow China's reform process. China should do its best to reduce such threats so that it can concentrate on economic liberalization and development.

In sharp contrast to the United States, Japan did not make a commitment similar to the three nos. Instead it has made available substantial help for China in order to promote a more equitable regional balance and more environmentally sound economic development. When Japan announced its Official Developmental Assistance Charter in 1991, the charter's effectiveness was viewed with skepticism. Since it does not list any conditions for extending assistance, observers regarded it as a kind of "wish list"—no large-scale arms purchase or sales, environmental awareness, political freedom, and democracy. It came as a surprise to find, for instance, that of Chinese projects to which official Japanese assistance was extended, only a few percent were either environmentally sound or oriented toward regional equity in the early 1990s. But by 1998 these had come to account for more than 80 percent of all projects. Japanese developmental assistance, moreover, has come to occupy so great a position in the management of China's central economic policy that it would be difficult for Japan to deny China, especially at a time when China's economy has been steadily slowing, income disparities and environmental destruction have become severe, and Yangtze River floods have devastated many areas, leading to large-scale mobilization of the People's Liberation Army led by Jiang himself.

With regard to the so-called peaceful transition to democracy in China, the United States and Japan apparently envision different things. The United States seems to be thinking of a democratic transition led from below, brought about by higher income levels and better communication within and from outside the country. While it is interested in democratization at the grassroots level as a means of institutionalization, it is also willing to use its power to manipulate at a high level. The United States has tended to intervene to promote democracy, and the extent to which it intervenes differs tremendously from one case to the next. There are enormous differences, for instance, in its anti-Allende (1972), anti-Marcos (1986), anti-Deng (1989), and anti-Suharto (1998) manipulations. It tends to be interested in opposition movements capable of replacing the government, helping existing forces such as those of Pinochet, Aquino, Zhao Ziyang, and Habibie to come forward. Japan, by contrast, has tended to work through governments. Therefore, the kind of peaceful transition Japan has in mind is like those led by Jiang Jinguo (Taiwan), Roh Tae Woo (South Korea), or Hun Sen (Cambodia), through the holding of free elections in a multiparty setting and the declaration of democracy even if it is run by a reformed communist party.

Adjustments that seem to be necessary and desirable in coping with the Taiwan problem in light of the above analysis are summarized below.

- The two alliances, especially the Japan-U.S. security treaty, should be recognized as forming the linchpin of political stability and economic vigor in East Asia.
- The two alliances should make it clear to the rest of the world that non-use of violence should be observed as much as possible in resolution of conflicts of interest.
- The two alliances should be used for strategies of engagement rather than strategies of containment.

- The two alliances should not ignore the fact that the Taiwan problem involves questions of state sovereignty versus popular sovereignty.
- The United States should not humiliate or embarrass its own allies.
- U.S. security policy should devote more attention to the economic and social aspects of Chinese development.
- Japan should be more conscious of the military and ideological aspects of its alliances.
- Even if and when it is reunited with North Korea, South Korea should remain a maritime country practicing democracy, free-market economics and free trade, and pragmatic diplomacy.

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