

Trilateral Dialogue

Assessment of Regional Policies of Middle Powers

March 23-24, 2012

Venue: Keio University, Tokyo

East Asia Institute
Keio University
National Chengchi University

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Program Schedule

March 24, 2012

10:00-10:10	Opening
10:10-10:50	Session I. Regional Development Update Presenter To-hai Liou, NCCU Discussants Tsuneo Watanabe, Tokyo Foundation
10:50-11:00	Coffee Break
11:00-12:30	Session II. The Case of South Korea Presenter 1 Chaesung Chun, SNU Discussants Do-hai Liou, NCCU Yasuyo Sakata, KUIS
12:30-14:00	Lunch
14:00-15:30	Session III. The Case of Taiwan Presenter Fu-Kuo Liu, NCCU Discussants Seungjoo Lee, Chung-Ang University Isao Miyaoka, Keio University
15:30-16:00	Coffee Break
16:00-17:30	Session IV. The Case of Japan Presenter Yoshihide Soeya, Keio University Discussants Yul Sohn, Yonsei University Jen-te Hwang, NCCU



List of Participants

SOUTH KOREA

Chaesung Chun, Chair, ASI Research Center, East Asia Institute & Professor, SNU

Seungjoo Lee, Professor, Chung-Ang University

Yul Sohn, Professor, Yonsei University

TAIWAN

Liu Fu-kuo, Executive Director, MCSS, National Chengchi University

Liu To-hai, Professor, National Chengchi University

Hwang Jen-te, Professor, Kaninan University

JAPAN

Yoshihide Soeya, Professor, Keio University

Tsuneo Watanabe, Director of Policy Studies, Tokyo Foundation

Yasuyo Sakata, Professor, Kanda University of International Studies

Isao Miyaoka, Associate Professor, Keio University



Presentation Materials

Assessment of Regional Policies of Middle Powers: the Case of South Korea

Chaesung Chu
Seoul National University

Introduction

1. General observations on middle power diplomacy

- The concept and requirements for middle powers: “Middle Power” is a category of states defined by the amount of national power and relative status in the international system, but also a category for a specific value orientation for its foreign strategy and policies.
- The interests of middle powers’ foreign policy is more than just survival and prosperity, but to provide policy inputs on regional architectural, or structural issues, thereby striving for long-term return of benefits. However, as the policy means and measures are limited vis-à-vis great powers, new ways of maneuvering and finding policy sources are required.
- Normative bases of middle power strategy will be the mixture of realism and cosmopolitanism. In other words, middle powers cannot but adopt realist strategy in critical issues being sensitive to balance of power. However, they also pursue universal values beyond just selfish national interests. How to mix these two different concepts will differ according to issue areas and international environments.
- Middle powers try to balance against “great power politics” itself rather than any specific great power for specific their national interests. Middle powers try to balance against great power politics not to replace the role of great powers, but to transform the logic of power politics with better logic of multilateral cooperation. Middle powers try to advance a new picture of regional governance with more universal value orientation benefiting regional citizens regardless of power distribution.
- Possible common strategic purposes of middle powers are to limit military rivalry and the use of military means of great powers; to enhance the mechanism of peacefully managing power transition among great powers; to bring about multilateralist ways of solving sensitive issues, thereby to lessen security dilemma; to transform the logic of balance of power in the region.
- Several main points for achieving these purposes are to improve common understandings among regional middle powers; to establish strong mechanism of cooperation among middle powers to evade collective action problems; to strengthen civil to civil cooperation among democratic middle powers; to import well-established norms of global governance to solve difficult regional problems.

2. What’s special about Taiwan-Japan-South Korea middle power cooperation



- All Northeast Asian countries sharing common traditional regional order, identity, and experience(different from Australia or Southeast Asian countries)
- All democratic countries sharing common political culture
- Countries within a alliance network with the United States
- Common political economic structure, such as (post-)developmental state's system, NIEs' experiences
- Common dilemma in dealing with China's rise

Recent development in the region and South Korea's concerns

1. Retrenchment and "Return to Asia" of the United States

- The United States has announced New defense guideline to reduce 487 billion dollars in military expenditure for the next 10 years(Sustaining US Global Leadership: Priorities for 21st Century Defense)
- This clearly shows the trend of hegemonic retrenchment but still the United States purports to "revitalize" its status for the future.
- For this revitalization, economic interdependence with and military containment against China are both critical. For this ends, strengthening bilateral alliance and enhancing cooperation among alliance partners will be important. There will be growing pressure against South Korea to coordinate its China policy with Washington, to take more burdens in alliance maintenance, and to develop trilateral security cooperation with Japan
- South Korea as close economic partner and vulnerable diplomatic counterpart of China hesitates to move or to seem to move toward containment or balance against China.

2. US-China relations and South Korea

- The United States recognizes China's power and its growing roles. At the same time, the United States asks Chinese role for constant stakeholder, or great responsibility taker as a great power.

I've pointed out to my counterparts China's response at times has been to seek to have it at both ways, acting like what I call a selective stakeholder. In some forums, on some issues, China wants to be treated as a great power; in others, as a developing nation. That's perfectly understandable, because China has attributes of both. Nonetheless, the world is looking for China to play a role that is commensurate with its new standing. And that means it can no longer be a selective stakeholder.



- China, on the other hand, interprets the reengagement policy of the United States with Asia as an expression of containment policy against China.
- Also China sets the next decade for the important period of economic rivalry which may lead to China's advantage in subsequent military competition.

Dealing with the US containment attempts should be one of China's diplomatic strategic goals. China should unite with all possible forces and keep certain strategic initiatives against the US... Fast economic development has become the biggest advantage that China has when dealing with the US. The US can hardly provoke China in the economic field, unlike its developing military strength which gives excuses for the West to suppress China. The more the two focus on economic competition, the more the situation will tilt China's way. The growth and decline in economic strength is the starting point for national competition as well as its destination. It reflects national tendencies. But military and politics are often powerful tools to disturb or twist the trend. China should try to avoid a new cold war with the US, but by no means should it give up its peripheral security in exchange for US' ease in Asia.

- South Korea, under complicated regional security and economic architectural discrepancy, cannot adopt US-or-China like simple strategy.
- In security area, the logic of balancing and even containment may be inevitable. In the area of economy, the logic of interdependence and mutual cooperation is more easily sought. The point is that these two logics may coexist with each other, hopefully the logic of cooperation helping the improvement of competitive security situation.

3. North Korean problem

- Now we have new settings for North Korean problems, that is, new leadership in North Korea, and changing strategic importance of NK against the US-China strategic competition.
- Recent problems for NK's plan for a satellite launch to celebrate 100th anniversary of Kim Il-Sung stirs regional concerns. Reasons for this after Feb. 29th agreement with the United States may be: 1) hawkish military's countermove against the negotiation with Washington; 2) long-planned launch from Kim Jong-Il; 3) domestic reasons to consolidate young leader's capability; 4) tactical move to have more tools in negotiating with the United States.
- We have the problem of the lack of confidence between SK Lee Myungbak regime, Washington on the one hand, and Kim Jong-Un's NK on the other hand. SK and the United States may want just to manage North Korean problem to prevent further aggravation before presidential elections in both countries.
- China's position will be critical after NK's launch of the satellite. If China interprets this as a manifest violation of UN resolution, with possible scaling down of economic assistance, NK's future move will be deterred. However, as China considers fragile NK as a crucial strategic asset for



future rivalry with the United States, it is unclear how China will react.

- Then, without long-term plan for North Korean problem including NK nuclear problem, peace regime, engagement package, and unified Korea's foreign policy orientation, common dealing with NK among 5 parties will be difficult.

4. Regional economic architecture

- Comments From prof. Sohn, and Prof. Lee during the discussion
- FTA network and TPP...

Future tasks

T-J-SK as more active player in Global governance

- SK's experience as a host country for G20, ODA UN high-level conference, and Nuclear Security Summit has several effects; introducing global norms to the region, enhancing regional cooperation by global norms, making salient regional problems with possible help from powers outside the region, engaging with China at the global level, educating South Korean people with new diplomatic culture for middle-power-manship.
- Some possible division of labor among three countries at important global conferences can be devised. And the final goal will be globalizing regional problems.

2. Improving functional cooperation with middle powers' leadership

- With more complicated, transnational matters, great powers cannot deal with all these things. Functional issues with less strategic implications can be taken by middle powers with possible spillover effects to more strategically sensitive issues.
- Discussion for cooperation over nuclear safety after Fukushima may be one model with different focuses on single issue.

3. Producing strategic concept by think-tanks, and popularizing

- Strategic concepts with long-term implication, and easily acceptable to regional audience are of immediate concerns. Lack of vision and discourses easily put regional politics to the logic of balance of power or great powers' hegemonic discourses.
- Common production of books, articles, policy briefs on strategic issues among middle powers' epistemic community will be important.

4. Improving China study, and connecting regional studies and International Relations



- South Korea has big problems in understanding China's future strategy due to shortage of scholars and logistical problems. Common projects to understand Chinese long-term foreign policy and hopefully to have impacts upon it will be meaningful.
- As the world becomes more interdependent and complex, making nexus between regional studies, esp. Chinese studies, and International Relations is a big challenge to South Korean policy community. Making transnational knowledge network among different subfields will contribute to the analysis of the problems and advancing policy suggestions.

5. Enhancing civil-to-civil connection among T-J-SK

- Deep division among NEA countries comes from emotional or affect parts of identity. These days, IR puts more emphasis on affective side of international relations, and efforts to improve empathy among Northeast Asians will be important.
- Enhancing civil-to-civil connections with more cultural common understanding may be planned by think-tanks or governments.



Assessment of Regional Policies of Middle Powers: the Case of Taiwan

Fu-Kuo Liu
National Chengchi University

Awareness of the “Middle Power” Concept and Taiwan’s Dilemma

In the region, besides China and the United States, countries have much to share the same concerns of middle power awkward situation. The rise of China and the effect of Chinese continuously building comprehensive national powers have changed the US dominant power structure in the region. It also complicates the bilateral relationship between China and regional countries. As many regional countries have shared traditional alliance relationship with the United States and linked with the American markets, the emerging Chinese market has attracted all attention from around the region. It has become so obvious that Japan, the South Korea and Taiwan have over the years increased the economic dependence upon China, while they remain close to the United States on security reign.

It is inevitable for the three to tie closer relationship with China, as required by gaining weigh in economic competitiveness. However, it happens that the US and China are adjusting their bilateral relationship with more cooperation in line but still building on hedging each other in new era. A new regional paradigm with power shift between the US and China is charging the route in regional cooperation and strategic competition.

Since 2008, when the global financial tsunami started to strike the world economy, the weaker US power is further restrained its power projection in the world. China stood up as a leading power in helping affected countries cope with the global financial turmoil. Among all others, Taiwan is in a dilemma in facing up to the relationship with China. Unlike known economic partnerships, the relationship between China and Taiwan is complicated. Economically, Taiwan needs the Chinese market to further develop its economy and achieve continuing prosperity. Without attaching into the Chinese market, the prospect for Taiwan’s economic would be doomed. In the current economic trend of regional blocs, unless Taiwan can break through the political deadlock with China, Taiwan does not take any further chance to engage in multilateral FTA. As such, Taiwan would be lagging far behind the regional progress of economic integration and tends to be isolated.

Now, with the fragile mutual trust between Beijing and Taipei, the Taiwan government is facing serious internal and external challenges to its policy advocating closer relationship with China. In the domestic context, the opposition keeps haunting the idea of KMT’s selling out Taiwan’s interest to China. As a result, the cross-strait effort is heavily constrained and would not be able to move fast and closer. Especially, after the new Legislative Yuan was sworn in last month, the opposition gained more seats and further complicated the policy process with regards to cross-strait



progress. On the US-Taiwan relation, it has not moved much further over the last four years. The beef issue remains a stumbling block for the way forward. Taiwan's security and foreign policy remains very much dependent on the US support. When the US and China are intensified their competition in the region, strategic readjustment is likely. Due to political obstacles, Taiwan is even more vulnerable in dealing with the two powers. The middle power strategy is not clearly articulated in Taiwan so far. The big question is how Taiwan can well balance the complicated relationship with China and the US and at the same time look into a new strategy to coordinate policy with Japan and South Korea?

Recent Developments in the Region and Taiwan's Concerns

1. The Cross-strait Relation

The cross-strait relation has remarkably moved forward in the past four years. So far, Taiwan and China have signed 16 agreements and one consensus. They have moved fast on the most needed and easy issues. But, from now on, they may have to cope with issues considered sensitive under current political context and thus they may need more time to negotiate and reconcile. What now after the Taiwan election? The Taiwan Government is currently under a stress of solving the American beef issue to open up further issues with the US. The US pressure becomes a clear note on the future progress of the cross-strait relation. Later this year, on the occasion of China's 18th Party Congress, it will kick off the transformation process of new generation leadership. The transformation will bring about new implication for the relation.

An obvious dilemma is that to what extent Taiwan would develop further relation with China and at the same time deepen the relationship with the US. Would the cross-strait relation impact on the US-Taiwan relation? Many believe that the US may have a red-line on how much the cross-strait relation can move forward. This may become a serious strategic choice for Taipei.

2. The South China Sea

The US has openly announced that the South China Sea is at the center of its national interest. As the US is changing its military strategy, involvement in the South China Sea has been considered as power competition with China. Now, the US-China strategic competition extended to the region has exacerbated a hope for a peaceful solution. Taiwan (the Republic of China) is the longest claiming owner of a part of the South China Sea and feels in an awkward situation. There are many factors playing out in Taiwan's South China Sea policy, as domestic inertia (hands-off attitude) and external diplomatic isolation cripple its continuous effort.

Taiwan does not have any official coordination with anyone in the region on the issues. But, the situation has pushed Taiwan at the center of the issue!



3. The US new military strategy

The US announced its new military strategy and the report highlights China in Asia and Iran in Middle East would potentially threaten the US security interest. While the US is tightening up bilateral military cooperation with many in the region, strategic competition with China is intensified. Coupled with new military strategy, the US government indicates that the “US return to Asia” strategy would appear to be a comprehensive nature including economic, diplomatic and military dimensions!

As Taiwan is moving to easing the tension in the Taiwan Strait, military buildup remains essential in Taiwan’s defense planning. But, when the US decides to move to challenge China’s military expansion in the region, Taiwan is forced to make a hard strategic choice at the middle of the US and China. Immediately, the change of US military strategy would affect the long-term security relationship with Taiwan.

4. US-China strategic competition

Strategic competition between the US and China is exacerbated, though they try to go through dialogues to reconcile different interests and strategic concerns! In the short term, China is facing a leadership transformation and will be shown weak to the US. Taiwan is caught in the middle and would be hard to make a brilliant policy decision, as it goes.

5. US-Japan security realignment

While the US and Japan are revising their joint defense guideline, the focus of the revision is made clear to centering on the rise of Chinese military in the region. Joint strategic planning and deployment would address more on the area in the East China Sea, which will move the focal areas closer to Taiwan. But, so far there is no coordination between Taiwan and the US or Japan on the new deployment. In the light of the new situation and layout of strategic planning, Taiwan may have to follow on the middle power thinking and engage more actively with the US and Japan on security!

6. Regional Economic Integration and Regional FTA Efforts

The ASEAN-China centered regional economic integration is moving forward fast lately. The framework of regional integration is mainly by ASEAN plus three. To make the East Asia Community possible, it has to start from cooperation of the Northeast Asian three economies. Regional FTAs have prevailed, as economic competition is intensified further. Even among Korea, Taiwan and Japan, maintenance of economic superiority pushes further competition on industrial survival and prosperity. Now, US-China competition drives into the regional FTA efforts: ASEAN plus three vs. TPP. In order to gain the upper hand on Northeast Asia FTA efforts, China is moving quickly to push Korea for bilateral FTA and would increase pressure on Japan.

On this move, middle power coordination is extremely critical for common goods. Japan’s role is critical to a success of ASEAN plus three or TPP. But, FTA issues remain difficult for Tai-



wan. Taiwan and China's ECFA could serve as a bridge to link up with Northeast Asia FTA.

Redefinition of the US-China-Taiwan Relation

The trilateral relation is now more dynamic than ever before. The US and China are seeking for new model of cooperation and trying to avoid conflict course. The cross-strait relation is moving steadily well into the direction. Even though leadership transformation takes place in China this year, it will not change the current course of rapprochement. Lately, China has focused more on criticizing the US arms sales to Taiwan, which has become a key issue for the trilateral relation. Each side for now would claim for the best bilateral relation ever in recent history. Many things need to be coordinated further.

Next Tasks for the Middle Powers in East Asia

1. Strengthen track II dialogue on real policy issues:

It is important to keep policy coordinated among the three close neighbors on key policy issues. Track II may need to be upgraded to Track 1.5 in order to make it more policy relevance.

2. Sharing evaluation of the rise of China:

As China becomes a driver of regional security, political economic issues, a benign or aggressive China would have different implication for the region. How would Japan, Korea and Taiwan work through to bring China's perspective closer to the region? It seems that it would have to begin from the trilateral dialogue mechanism to expand further including China and the US later. Taiwan would have the best position in evaluating China's development and intention to the outside world.

3. Building a regional hub of think tanks

For the trilateral dialogue mechanism, it would be more convincing to gradually move toward a regional combination of think tanks. Based on the middle power thinking, the need for common interest in maritime security, energy security and the rise of China may easily link us up together.



Assessment of Regional Policies of Middle Powers: the Case of Japan

Yoshihide Soeya
Keio University

Introduction:

The substance of Japanese foreign policy, including its security policy, is close to that of a middle power rather than a traditional great power. The dominant value of its society and the general public is distinctively post-modern, showing not much interest in traditional values such as state sovereignty, territoriality of the nation, and the role of the military in diplomacy and international politics. Actual policies of the Japanese government has also followed the instinct of its civil society, placing a premium on economic development, political stability, interdependence and integration, and issues related to human security, shying away from traditional dimensions of power politics.

A dominant perception outside of Japan, however, appears quite the opposite, believing that Japan has continuously attempted to expand its security role, including the role of the military, to re-assert its position as a regional and global security actor.

Why the gap? I would argue that the gap has been created by the mismatch between the peculiar Japanese domestic context in which security issues are debated, on the one hand, and the dominant external framework of reference in which Japanese debates are interpreted. As such, the so call history problem is critical, because the emotional animosity rooted there is the central factor that simply aggravates the vicious cycle between the domestic discourse and the external perception.

Twist in the Japanese discourse and politics

Postwar Japanese diplomacy in general and its security policy in particular, has been fundamentally conditioned by the combination of the postwar peace constitution and the security relationship with the United States. Both of these factors have constrained Japan's freedom of action, virtually transforming Japan from a pre-war unilateralist power into a de-facto middle power. In the evolution of this virtual middle power diplomacy of postwar Japan, which was indeed the key to Japan's economic affluence achieved in the multilateral and liberal international order, the value system of the Japanese society has evolved into a liberal and post-modern one. In this tradition of postwar Japan, the records of pre-war military aggression in Asia were flatly rejected and denounced by the group of liberal politicians, academics, journalists, and civil actors.

The reactionary-conservative voices in Japanese politics and society are indeed reactions to this dominant trend of postwar liberal-internationalism. As such, there are sources of complexity



in the Japanese discourse and actual policy making, but in no way suggest the direction of evolution or change in overall Japanese diplomacy or security policy. Their targets are almost exclusively postwar Japanese liberals who tend to argue for retaining the peace constitution, closer relations with Asian neighbors, reconciliation with the Asian victims of Japanese military aggression, and multilateral security cooperation. Their central motives are to fight against these liberal values, and are not driven by any sense of future strategy.

The complexity or the twist in this structure of domestic politics and debates is that the conservative arguments would occasionally be effective in the actual security policy making, in areas where somewhat extreme liberal elements do pose obstacles to a reasonable policy agenda of a “normal”: sovereign country. Recognizing a proper role and due credit to the Self-Defense Forces is a case in point, and strengthening the alliance with the United States as well as participation in the international peace-keeping operations is another.

In the end, however, the extent to which the conservative forces could influence Japanese diplomacy and security policy is essentially limited by the premises of Japanese postwar liberal-internationalism. This is as if the clash between the conservative and the liberal is being guided by some kind of an invisible hand, making actual diplomacy of Japan that of a middle power.

De-facto Middle Power Agenda and Behaviors, but with Twists

1) Non-proliferation, peace-keeping operations, collective security

A set of issues relating to international security including non-proliferation, peace-keeping operations and collective security are perfect examples of middle powers' role. During much of the postwar years, Japan continued to shy away from these agenda because of constitutional constraints and the political and social opposition from the liberal sectors. In the post-Cold War years, Japan has finally begun to promote these agenda and to take part in peace-keeping operations, with a drive toward “normal” middle power. Still, some constraints remain as to the use of force in the name of collective security and effective collaboration with military contingents of other countries.

2) Regional security, cooperation with “like-minded” countries in the Asia-Pacific

In the national security debate and actual policy formulation, there used to be three layers of importance: international security, the alliance with the United States, and national defense (self-efforts.) In recent years, there is an added emphasis on the importance of security cooperation with the so-called like-minded countries in East Asia as a new pillar. The substance, however, is still limited to non-traditional security cooperation such as disaster relief activities, as exemplified by the Japan-Australia joint security declaration signed in 2007. Japan-South Korea dialogue has also



made some progress in the same direction, but not to the stage of actual agreement.

3) Six Party Talks, the Korean Peninsula, North Korea

Japan is a critical participant in the six party talks, and logically Japan and South Korea should be the closest partners in working with the three great powers (U.S., China, Russia) which are essentially unilateralist, as well as North Korea. Political preoccupation with the abduction issue in the Japanese society and politics, combined with the South Korean unwillingness to build close working relationship with Japan, are hindering these potentials from being utilized strategically. The question of normalization of Japan-North Korea relations should also remain a priority issue of dialogue and cooperation between Japan and South Korea.

4) The U.S.-Japan alliance, China, Taiwan, the Korean peninsula

Many Chinese analysts tend to argue that the U.S.-Japan alliance ceased to be a “cork” in the bottle and has now become an “incubator” encouraging Japanese thirst for an enhanced military capability. The Japanese logic, however, is quite the opposite: Japan does need the alliance with the United States precisely because the self-efforts would not mean much without the alliance. In this sense, the U.S.-Japan alliance and Japan’s self-efforts combine to make contribution to regional balance of power and stability, including those in the Taiwan Strait and the Korean Peninsula. Perhaps, this should be appreciated by the South Korea more explicitly. After all, the military strategy of South Korea should never be complete without taking into account the U.S. military presence in Japan as well, which Japan sustains by paying enormous cost financially, socially and politically.

5) National Defense

As stated, Japanese self-efforts in security policy, both national defense and regional policy are never complete without taking into account the alliance relationship with the United States. In this sense, Japanese military role should be seen as that of a middle power. In the Japanese domestic debate, however, this obvious assumption is often forgotten, and the conservative arguments often sound as if they believe that Japan should have an independent military capability to deal with security concerns coming from China and North Korea. As a result, Japan’s national defense has been improving quantitatively if not qualitatively, but in reality within the fundamental limit still conditioning the invisible hand.

5) Human Security, East Asian regionalism

6) Global and regional financial crises, TPP

7) Post- “3.11 disasters” agenda