

Challenges to Security and Stability in Northeast Asia

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The issue of peace building and stabilization in Northeast Asia has two dimensions. First, it should be viewed in the global context, within the framework of world relations. The NEA region is part of the world. At the same time, security and stability have their region-specific aspect in the NEA. I see five major global processes that influence the situation in the NEA:

- Prevailing trend toward multipolar world order;
- Crisis of unilateralism: the USA policy based on the might of this world's strongest country in economic and military terms and also in terms of its political influence;
- Emergence of new and escalation of "old" threats: nuclear proliferation, international terrorism, domestic and regional conflicts, a real possibility of intertwining of such major threats to security and stability of states — all this requires stronger and more effective multilateral international organizations;
- Development of globalization in the form of transnationalization of entrepreneurial activities and regional integrations;
- Crisis of dialogue of civilizations that led to aggravation of extremism in the Islamic form (this world phenomenon does not exercise any direct influence on the NEA countries with the Muslim minority — Russia and China, while the positive dialogue between non-Islamic civilizations is confirmed by the coming together of Japan, South Korea and now China with the Western civilization whereas they are able to preserve their national identity).

When identifying the regional aspect of peace and stability problems in the NEA, one should first pay attention to major intraregional threats and security challenges in the region. Many of them have already emerged or can certainly emerge on the global level, but I regard them as intraregional threats as they come directly from the countries in the region.

The first of them is the North Korean nuclear problem. The outcome of the G6 meeting in Beijing in February 2007 when Pyongyang agreed to abandon its military nuclear program in exchange for energy and financial assistance was encouraging. However the next meeting in Beijing in March showed that the parties still had a long way to cover.

The second is territorial disputes that involve Japan, Russia, South Korea, China and some member countries of ASEAN in the South China Sea. These disputes so far remain unsettled. However, bilateral negotiations aimed at finding solutions and deeper economic integration that will run in parallel and be independent of the issue may mitigate the negative impact of territorial problems on regional security. Peaks of tension remain within the framework of "diplomatic wars."

The third problem is associated with Taiwan. The military-political confrontation in the Taiwan Straits hasn't escalated to a military conflict yet. Beijing started to exercise more diplomatic and psychological pressure on the authorities of Taiwan in order to weaken their anxiety for independence. As the main tool, they use their contacts with the opposition, primarily, with the Gomindan, encourage Taiwan's investments into continental China, promote tourist exchange, and develop cultural and scientific connections, etc.

The fourth problem is energy security in East Asia. Higher world energy prices suppress the economic growth in East Asia, while in terms of politics these price escalations cause the countries to look for ways to diversify their sources of supply of oil and gas. This strengthens the competition, above all between China and Japan for access to hydrocarbon resources in Russia, Africa and the Middle East. The Republic of Korea and the ASEAN also attempt to take their niches in the new global "energy redistribution." However, energy confrontation does not develop into a political conflict due to ever deeper interdepen-

dence of these regional economies. I believe that under the current conditions and in the near future, the intraregional threats won't develop into such factors that can destabilize the situation in NEA.

It's only natural that we are mainly focusing on a possible conflict related to the military nuclear programme of the DPRK. On the current stage of settlement of the problem, apparently, we can draw the conclusion that a real impediment to implementation of the programme is the lack of vital resources in North Korea not only for the purposes of development but for economic and public reproduction. At the same time it is extremely undesirable and even dangerous to use this situation to exercise constant pressure on Pyongyang. Not only the countries in the region but the world in general want to settle the problem through political and economic means. If they push too hard, the escalation of pressure may become counterproductive. At the same time, the international community and primarily the DPRK's neighboring countries — the Republic of Korea, China, Russia, Japan — are objectively interested in the evolutionary development of the domestic situation in North Korea. Though there has been no fast progress in nuclear disarmament of the DPRK, the fact that there are on-going hexalateral negotiations is positive in itself. For the first time in history, such powers as the USA, Russia, China and Japan have an opportunity to jointly identify and discuss mutual security problems and look for ways out of this crisis.

Economic factors also help to neutralize quite a number of intraregional threats. Rivalry between the key players is as if "balanced" by economic cooperation, energy cooperation, the fight against terrorism and atypical threats (natural calamities, avian flu, etc.), thus preventing direct military and political conflicts. The dialectic interaction of cooperation and rivalry between the USA and China shows the trend towards convergence. China attaches importance to its relations with the USA and is ready to cooperate on the basis of concurrence of interests. We can come to the conclusion that human rights, democratization of the Chinese society, freedom of speech, Tibet, the exchange rate of the national Chinese currency, the surplus in trade with the USA — all this recedes into the background today in the relations between

China and the USA.

Relations between China and Japan remain tense. The fight for a more influential place in the international arena is intensifying. At this, China is actively resisting Japan's becoming a permanent member of the UN Security Council. At the same time, large economic interdependence makes China and Japan look for options of mutually beneficial co-development in the region. When late in 2006 S. Abe came in, this promoted some improvement in the general climate of relations between China and Japan. However the parties still have to find out if such changes for the better would be long-lasting. Stronger competition between China and Japan in the fight for regional leadership hampers regional integration and on the other hand pushes both Tokyo and Beijing to extend their cooperation with the USA for the same purpose of strengthening their own positions in competing with each other. The "arms race" in the region may also result in a negative effect. Higher military expenses of China will be matched by countermoves on the part of Japan and the Japanese-American military union, while military expenses in other countries of East Asia would likewise grow. Although this does not lead directly to military conflicts, the elements of competition and confrontation will be stronger in the structure of international relations in East Asia.

If we look into the future, we can assume that in the next decade the economy of Northeast Asia will witness the continued economic rapprochement of three countries- China, Japan and South Korea — on the subregional level in the NEA. The search for the best forms of cooperation will continue within the framework of this "triangle." At the same time, it is difficult to imagine that in the short prospect there will be any integrational union like the EU formed in the NEA. The NEA is a part that fits into a broader integration structure of East Asia. In any case, the NEA countries tend to develop economic relations with other parts of East Asia, and also with the ASEAN countries. The main emphasis is still put on bilateral relations of China, Japan and the Republic of Korea. Therefore, lower customs tariffs and creation of the free trade area are likely to result by 2010-2020 in a phased liberalization of tariffs within the framework of tariff liberalization within APEC, ASEAN and

“ASEAN plus 3.” Rapprochement in sectors of the “knowledge-based economy” as well as financial interaction is initiated largely by the need to draw lessons from the Asian financial crisis of 1997-1998. At the same time, in 2020 East Asia, regardless of the intensified discussion of the subject, won’t be any closer to a common currency because neither Japan nor China are ready for that. However, once again within the framework of East Asia the interaction between national central banks will strengthen in order to be able to respond in case of a monetary and financial crisis and uncertainty regarding the US Dollar movements.

In the area of the military and political security of East Asia, the main emphasis most likely will not be on dismantling of the structures that build on the American-Japanese and American-South Korean military and political unions. Creation of new security bodies can be seen as promising. An important new development in the negotiations on the North Korean nuclear programme is the Beijing agreement of G6 that was reached in February 2007, according to which negotiations about security and cooperation in the NEA will be held within the separate “Fifth Group” led by Russia. Thus, the North Korean problem becomes one of the parts, though the most important one, of the negotiations process. Five countries — Russia, China, the USA, Japan and the Republic of Korea — will be able to discuss a wider range of regional problems, whereas such discussions won’t any longer depend on Pyongyang’s desire to participate in meetings or lack of such. This will lay the foundation for turning the hexalateral negotiations on North Korea into a permanent format of multilateral diplomacy in the NEA. The Agenda of the Group on Security and Cooperation in Northeast Asia (NEA) could feature the following essential topics:

- Strengthening of bilateral and multilateral mechanisms providing for military confidence building measures in the NEA;
- Development of mechanisms to fight WMD proliferation (outside the framework of the North Korean nuclear problem), terrorism, piracy, drug trafficking, other regional crimes;
- Safety of regional fishing; Energy security in the NEA;
- Visa issues, protection of rights of foreign workers in the countries of the region, etc.;

- New ways to approach territorial disputes in the light of interests of regional development and security in the broad sense of the word.

We can forecast a growing role for Russia in the region. As the Russian Federation will be turning into a large player in the global power engineering, there will be more interest in Russian energy resources and energy cooperation with the Russian Federation on behalf of China, Japan, and the Republic of Korea. Interest in Russia as a transport area between Europe and East Asia will increase due to the Russian policy of development of transport infrastructure in Eastern Siberia and the Russian Far East. There are grounds to believe that with the progress of the Russian scientific and technical policy of reviving domestic science, that suffered large staffing losses in the 1990s, there will be more interest in Russia as a partner in the “knowledge-based economy.”

We must not understate such an important factor as Russia’s attractiveness for foreign investments, especially in Eastern Siberia and the Russian Far East. Social and economic development of this part of Russian territory has been identified as a national task for Russia, especially taking into account a pressing demographic problem.

A part of the Russian political elite may erroneously believe that some of the NEA countries pose a threat of demographic or economic “seizure” of Eastern Siberia and Far Eastern regions of Russia. The key trends of the NEA’s development minimize such threats and bring forward the problem of lost profit because Russia does not take part in the regional transformation process.

In conclusion, I would like to mention the stabilizing role played by such multilateral bodies that cover the NEA as APEC, ASEAN plus three (Japan, China, South Korea), ASEAN’s Regional Forum (ARF). We attach special importance to the fact that in 2012 the APEC summit will for the first time be held on Russian territory, in Vladivostok.