MAJOR ISSUES DETERMINING THE NORTHEAST ASIAN SECURITY ENVIRONMENT

Northeast Asia was the predominant if not exclusive pivot of great power rivalry in Asia for much of the 20th century. The region encompasses (1) the military forces of four major powers (the United States, Russia, China, and Japan); (2) a continued military confrontation on the Korean peninsula that in a major crisis would immediately trigger direct U.S. military involvement and would likely entail the use of WMD capabilities; (3) an increasing array of ballistic missile assets; and (4) the latent and quite possibly growing risk of military hostilities in the Taiwan Strait.

Despite the region’s extraordinary prosperity and seeming stability, latent threats to peace persist and could increase significantly in the coming decade. A strategic realignment is under way that seems certain to affect U.S. security assumptions and interests in major ways. Depending on the outcome of this realignment, U.S. defense planners could confront a regional strategic future that is reasonably manageable if not benign or one that is much more adverse to long-term U.S. interests.

The principal manifestation of strategic change has been the increasing sophistication of regional military capabilities. Northeast Asia’s rapid economic growth has enabled regional states to accelerate the pace of military modernization, with an increasing emphasis on missions and capabilities that extend beyond territorial defense. There has been a pronounced enhancement of air and naval capabil-
ities all along the Pacific Rim, with weapon purchasers able to demand far more sophisticated technologies in an increasingly competitive arms market. Unconstrained by the restrictions and polarities of the Cold War, major weapon exporters from the United States, Europe, and Russia are vigorously marketing more advanced military hardware across the region. As a consequence, Northeast Asia’s ascendant military powers (i.e., China, Taiwan, Japan, and South Korea) are in the midst of a far-reaching transformation of their military capabilities. These transitions are occurring against the backdrop of unresolved geopolitical rivalries and potential threats to peace.

The conjunction of economic and technological dynamism, heightened security rivalries, increasingly capable military forces, and the absence of credible regionwide security arrangements has kept the United States a pivotal factor in regional security. At present, support for the forward presence of U.S. air, naval, and ground forces remains largely undiminished among most regional states. Despite contentious issues concerning base consolidation and relocation in Japan and Korea that could impose limitations on U.S. forward-deployed forces, there appear to be few near-term pressures to scale back these forces. If anything, America’s Asian allies assert that a reduction of the U.S. presence could portend a larger retrenchment of American military power, a development that none of them favor.

A central question in this analysis is whether these long-prevailing strategic patterns and force deployments will remain undisturbed in the next decade. American policymakers seem persuaded that a robust U.S. forward presence and the U.S. ability to reinforce this presence in a major regional crisis are the critical factors guaranteeing regional stability. In this view, so long as the United States retains its primary role as regional security guarantor, no state will develop the means or incentive to challenge the status quo. Under such circumstances, America’s allies and security partners are prepared to leave existing arrangements in place, although these arrangements might be subject to periodic adjustment. The United States therefore expects to continue to address its regional security requirements on a case-by-case basis.

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However, some of these assumptions seem increasingly questionable. All regional states recognize that there have been profound changes in the Northeast Asian balance of power over the past decade, entailing economic and politico-diplomatic as well as military change. Regional actors—including America’s allies—no longer view their security options and capabilities in exclusively local terms. Military power throughout Northeast Asia is increasingly viewed more in a regional context. Most states believe that severe discontinuities or a major political-military crisis remains unlikely, but all recognize that an armed conflict could prove far more disruptive to the region’s economic well-being and infrastructure than the crises of earlier decades.

Changing economic and political dynamics are therefore reshaping (1) power relationships among all regional states; (2) the perceptions of regional actors of American power and policy; and (3) the mix of economic, political, and military capabilities available to each state. Even without a major crisis, regional politics and security planning will be increasingly defined by forces indigenous to East Asia.

The steady enhancement of national-level military capabilities may well prove a pivotal factor in the region’s strategic transition. In past decades, the national defense capabilities of various Northeast Asian states were constrained by political and constitutional inhibitions (in the case of Japan); by a singular focus on an immediate military threat (in the case of South Korea); or by economic and technological limitations that precluded the development of more powerful military forces able to extend their reach beyond homeland defense (in the case of China). These constraints now appear far less limiting in all three cases. Even North Korea—now largely bereft of its economic and security subsidies from Moscow and Beijing and ever more dependent on humanitarian, energy, and food aid for its survival as a state—is viewed by the United States and Japan as a regional and (potentially) an intercontinental military threat, given its ballistic missile and WMD programs.

At the same time, changes in military technology are altering national security policy assumptions throughout the region. Defense planning is less premised on a canonical threat. Worries about direct, large-scale attacks have diminished, supplanted by mounting concerns about the application of advanced technologies to new
modes of interstate conflict. For example, the compressed warning
times associated with ballistic missile attack have rendered geo-
graphic distance far less significant and have created far more de-
manding intelligence and information requirements. The applica-
tion of information technologies to warfare also appears to be re-
shaping estimates of gain and risk as well as concepts of offense and
defense.

The United States has generally defined its regional security interests
in terms of deterring armed conflict and ensuring stability where the
possibility of military hostilities persists. These goals seem unobjec-
tionable but may set the bar too low. They posit an essentially static
view of Northeast Asia that is belied by the policies and programs of
nearly all regional actors. Efforts to preserve the existing pattern of
U.S. regional deployments may prove politically and militarily
unsustainable as regional military capabilities grow and as various
states diversify their longer-term security options.

The national strategies of U.S. allies increasingly entail both en-
hanced collaboration with U.S. forces where possible and the devel-
opment of indigenous capabilities and policy goals over the longer
run. Regional allies see no inherent contradiction in such a dual
strategy. Korea and Japan, for example, increasingly believe that the
uncertainties and risks to their national interests are too great to war-
rant relying on U.S. power alone. Tokyo and Seoul also believe that
they should acquire a larger voice in alliance deliberations rather
than automatically defer to U.S. preferences and needs. These be-
liefs are driven by a combination of nationalism, domestic politics,
bureaucratic self-interest, industrial-technical goals, and simple
prudence. All seem likely to be greatly strengthened over the coming
decade.

Korean and Japanese policies increasingly entail elements of a
hedging strategy. Regional actors believe that competing strategic
needs could prompt significant shifts in the future U.S. presence or
that the United States may not indefinitely assume a singular role in
regional politics and security. Powerful allies deem it necessary to
prepare for these possibilities, which also seem likely to shape the
attitudes of prospective U.S. political-military rivals. Although in-
consistencies in U.S. regional policies over the past decade have
contributed to this reassessment of American strategy, larger factors are involved as well.

To varying degrees, all regional actors are making assumptions about the future behavior and national security strategy of the United States. All recognize that the United States has global strategic interests as well as military assets unrivaled by any single state or coalition of states. But Northeast Asia’s looming strategic transition cannot be readily fitted within an existing policy template. In addition, latent and potentially growing uncertainties and strategic divergence between both the United States and China and the United States and Russia could leave the larger regional equation increasingly unsettled.

Many changes under way in Northeast Asia represent the culmination of long-term American efforts to encourage its regional allies to assume more responsibility for their own defense. These trends will result in a less subordinate region, with the United States no longer able to assume that its security partners will automatically accommodate to U.S. strategy and policy goals. These changes could ultimately exert an influence on U.S. policy calculations as substantial as changing estimates of military threat.

Thus, the ground is shifting in Northeast Asia. This strategic transition will transform the regional security environment as well as U.S. alliance arrangements, military roles and requirements, and major power relationships. These changes are also redefining future U.S. airpower requirements, the regional assumptions and expectations of the United States, and the incentives of different states to collaborate with American forces. They also reflect the unwillingness of various countries to forgo their separate security identities as well as the increasing role of public opinion in national security debate within various societies.

This chapter will focus on four primary issues that seem likely to shape the future character of the Northeast Asian security environment and of U.S. security policy options: (1) China’s political, economic, and strategic transition and how regional states approach long-term relations with China; (2) the future of the U.S.-Japan alliance, in particular the security concerns and goals that are redefining Japan’s role as a political-military power; (3) the evolution of
the Korean peninsula (in particular, managing future relations with North Korea) and how major change (e.g., unification, a major reduction of the North Korean threat, or an intensification of the threat by further ballistic missile and WMD development) could alter peninsular and regional security; and (4) alternative forecasts for Russia’s future, including how different internal political outcomes could affect Moscow’s ability and disposition to collaborate with the United States on regional security goals.

Emergence of China

China’s economic and political-military reemergence will constitute a defining strategic issue in Northeast Asia in coming decades. Few states (let alone a major power) have achieved as sustained and rapid economic growth as has China over the past two decades. Equally important, China appears intent on narrowing (if not eliminating) the major technological gaps between its military capabilities and those of the major powers, including the United States. These concerns have prompted numerous efforts to define an optimal U.S. strategy toward China that simultaneously addresses the PRC’s national security goals and military capabilities and its growing commercial, technological, and institutional weight.

Most proposed U.S. policies toward China have emphasized variants or combinations of engagement and hedging strategies, with few recommending containment, at least in the near to midterm. States

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throughout Asia face comparable policy dilemmas toward China, and without the luxury of distance. On the assumption that the United States will continue to remain a tacit balancer of Chinese power, nearly all are pursuing policies that parallel those adopted by U.S. policymakers. China’s neighbors

must define practicable policies toward Beijing that simultaneously enhance Chinese incentives to pursue collaboration with their neighbors, while preserving options to protect national security should constructive, stable relations prove elusive or unattainable.

Although Taiwan in particular requires a deterrence and defense strategy against China, no regional actor seeks to forgo economic and political opportunities with Beijing. All recognize the potential asymmetries in relations with a major continental and maritime power. Indeed, most major powers are not prepared to acquiesce to what others see as the inevitable preponderance of Chinese power. No state, however, sees a credible alternative to enhanced involvement with China. A mix of collaborative and countervailing capabilities seems a realistic choice for all of China’s neighbors and is broadly endorsed by public opinion in most societies.

The tacit strategic consensus favoring closer relations with China has transformed the East Asian political landscape over the past decade. At the start of the 1990s, China (then seriously estranged from the United States following the Tiananmen crisis) did not even have diplomatic ties with South Korea, Singapore, or Indonesia. Ten years later, fueled by a decade of unprecedented Chinese economic growth and a highly resourceful PRC diplomatic and foreign policy strategy, all these relationships have been redefined. Fuller relations with China are deemed an essential component of each country’s foreign and defense policy calculations. While these developments have not obviated the need for contingency planning in crises that could in-

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volve China, such changes have had a major effect on prevailing policies toward Beijing.

For example, China now ranks among the ROK’s leading trading partners (bilateral trade now approaches $25 billion annually), and there is a rapidly burgeoning set of leadership ties between Seoul and Beijing, including enhanced military-to-military relations. The highest-ranking Chinese official to visit the North during the 1990s (when Beijing notified Pyongyang of its impending plans to recognize the ROK) was the minister of foreign affairs, in October 1992. By contrast, numerous senior Chinese officials visited and traveled extensively within the ROK. Beijing remains mindful of the suspicions of the North Korean leadership whenever the Chinese deal with the South, but it has not allowed such considerations to impede China’s compelling interest in fuller relations with the ROK, including political and security discussions. Indeed, North Korea no longer seems able to prevent or intent on preventing such contacts. In January 2000, for example, Chinese Minister of National Defense Chi Haotian visited the ROK—a remarkable development in view of the PRC’s alliance relationship with North Korea. Indeed, even in China-Taiwan relations, animosities between Beijing and Taipei have not prevented rapidly burgeoning trade ties (approximately $25 billion at present), investment on the mainland by Taiwanese entrepreneurs and industrialists that in cumulative terms approaches $40 billion, and visitors from the island to the mainland who now number in the millions.

The Chinese leadership recognizes its leverage under such circumstances, provided that China avoids overtly coercive strategies, furnishes individual states realistic incentives to collaborate with Beijing, and does not compel “either-or” choices on the part of its neighbors. The Chinese are also under increased pressure from neighboring states to provide reassurance about China’s longer-term national security priorities. Beijing has proposed an alternative approach to regional security that purports to supplant Cold War-era alliances (i.e., policies designed and still pursued by the United States), with particular emphasis on allegedly nonthreatening, more
equitable concepts of regional security. The Chinese have also launched increasingly diversified efforts at military diplomacy intended to reduce concerns about China’s military modernization and to deflect longer-term suspicions about Chinese strategic intentions.

However, Beijing’s “new security concept” remains (1) elliptical about the ultimate goals of China’s military modernization; (2) unalterably opposed to concessions or compromises with respect to China’s asserted claims to sovereignty (i.e., in the East and South China Seas as well as in relation to Taiwan); and (3) decidedly ambiguous concerning China’s longer-term assessment of the legitimacy of the U.S. regional military presence. Absent a major regional crisis or more active attempts by Beijing to undermine support for U.S. forward-deployed forces, this ambiguity seems likely to persist. Indeed, all affected powers seem inclined to avoid or to defer more definitive decisions about national strategies. Chinese military modernization continues to move ahead in this context, although not on a pace or scale that has alarmed Beijing’s neighbors.

In the final analysis, regional strategies and policies toward China will be determined by a mix of internal and external factors, in particular China’s domestic political evolution, the PRC’s external behavior, the capability of the United States to achieve realistic strategic understandings with Beijing, and political-strategic developments along China’s periphery. Avoidance of overt conflict in the Taiwan Strait represents a major concern of all neighboring states. Longer-term outcomes on the Korean peninsula, however, also rank high among these concerns, since a “Seoul-centered” unification would mean that a close U.S. ally would then border China, which has a significant Korean ethnic presence in its northeastern provinces.

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This latter possibility highlights the pivotal importance of Korea in regional geopolitics should the half-century division of the peninsula come to an end. The South-North summit of June 2000 has understandably prompted a flurry of speculation about the implications of unification, should it transpire. Many analysts in Seoul, for example, insist that a unified Korea has an inherent incentive to maintain close ties with the United States given the peninsula’s location between China and Japan and its proximity to Russia. However, even if the United States seeks to retain an appreciable security presence on the peninsula following unification, Korea’s strategic preferences would not automatically favor American strategic interests. For example, a unified Korean government might well seek to conciliate the Chinese by precluding specific U.S. deployments on the peninsula or by circumscribing their location and functions. In addition, the Chinese likely hope to exploit shared historical animosities toward Japan to gain both tactical and strategic advantage with a unified Korea.

Some of these possibilities are already evident in relation to TMD, especially consideration of upper-tier programs. ROK President Kim Dae Jung has repeatedly declined invitations to participate in collaborative TMD programs with the United States. The ROK’s stated objections to TMD reflect the inherent threat of North Korean artillery and short-range missiles that cannot be ameliorated by TMD. Seoul also recognizes that as long as U.S. forces are deployed on the peninsula, the United States will pursue the development of TMD with or without ROK support. However, the Korean leadership’s cautionary approach to TMD also enables Seoul to curry favor with Beijing, since the Chinese see U.S. concerns about North Korean ballistic missiles as a pretext for larger missile defense programs that could degrade the effectiveness of Chinese missile forces. Yet the ROK and China also share concerns that enhanced TMD programs will greatly heighten U.S. defense linkages with Japan as well as provide Tokyo with new capabilities and responsibilities that others deem threatening to their interests.

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Redefining the U.S.-Japan Alliance

With the end of the Cold War, the purposes and rationale of the U.S.-Japan alliance—long deemed the centerpiece of U.S. East Asian strategy—were opened anew. The disintegration of the Soviet Union and the Clinton administration’s early focus on major imbalances in U.S.-Japanese trade and technology relations resulted in diminished public support for the alliance within Japan and an increased willingness on the part of the Japanese to openly debate the alliance’s strategic purposes. The growth of Chinese power and increasing Chinese foreign policy assertiveness reinforced Japan’s anxieties about its primacy in American regional policies, especially as Japan remained in a protracted economic slump.

The Japanese believed, however, that they had to reaffirm their alliance with the United States. In the absence of a primary alliance relationship, Tokyo recognized it needed to either undertake a major effort to enhance its strategic autonomy, including much higher levels of defense expenditure and far more robust indigenous military capabilities (perhaps including a nuclear option) or adopt a posture of lightly armed neutrality and reliance on ill-defined multilateral security initiatives, which would have entailed acquiescence to Chinese strategic predominance in East Asia. Neither option seemed palatable to Japan.

Reinvigorating the alliance with the United States presupposed a revised understanding of the alliance’s strategic purposes. Japanese strategists had long been mindful of the highly asymmetric character of their defense ties with the United States. Constitutional restrictions on the use of military power beyond the defense of the Japanese home islands, territorial waters, and airspace (i.e., the constraints imposed by the “no war” provision of Article IX) had kept Tokyo in a highly subordinate position throughout the Cold War,

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with the United States assuming major responsibilities for the defense of Japan, but without Japan incurring corollary obligations on behalf of the United States. Japan’s provision of bases, U.S. access to Japanese port facilities, and extensive host-nation support for U.S. forces were deemed an acceptable outcome for both countries; most security disputes were relegated to periodic negotiations over technology transfer, burden-sharing allocations, and policy coordination.13

But accumulated tensions and frictions during the past decade revealed the potential for major strategic divergence across the Pacific. The Gulf War in particular proved a galvanizing event. Although U.S. arm twisting ultimately compelled Tokyo to contribute nearly $15 billion to the war effort, the Japanese were at first highly equivocal in their responses. Tokyo’s initially lukewarm response reflected poorly on Japan and placed major strains on its relationship with the United States, highlighting as it did the country’s inability to define a broader approach to international security beyond a narrow concept of Japan’s self-interest. Japan therefore began to move toward a more active international security role, beginning with the deployment of Japanese minesweepers to the Gulf following the coalition victory in Operation Desert Storm.

By mid-decade, however, the sense of drift in alliance relations was palpable, with senior U.S. defense officials particularly attuned to the risks and consequences.14 Washington and Tokyo undertook detailed strategic reviews, culminating with the publication of a Joint Security Declaration in April 1996. The joint declaration obligated both governments to revisit the U.S.-Japan Security Guidelines of 1978. The revised guidelines, first published in September 1997 and formally approved by the Japanese Diet in the spring of 1999, formalized major transformations in the U.S.-Japan alliance. They also ini-


tiated a larger process of change in Japanese defense policy that will be increasingly evident over the next decade.\(^\text{15}\)

The Japanese also viewed these changes through the prism of U.S.-China relations. The signing of the Joint Security Declaration occurred in the immediate aftermath of the PLA's live fire exercises and missile tests near Taiwan. But Washington and Beijing were simultaneously engaged in efforts to renew high-level strategic consultations. These discussions ultimately led to Jiang Zemin’s state visit to the United States in the fall of 1997 and to President Clinton’s reciprocal visit to China in the summer of 1998, replete with mutual pledges to advance a Sino-American “collaborative strategic partnership.” Although this label seemed more a political slogan than an explicit strategic design, it engendered renewed suspicions in Tokyo that Japanese interests might be compromised by U.S. dealings with China. Senior U.S. officials argued that the joint security review was partly intended to reassure Tokyo about Japan’s pride of place in U.S. regional security calculations.\(^\text{16}\) But latent Japanese suspicions of U.S. efforts to balance its separate ties with Tokyo and Beijing seem likely to persist.

Given the efforts to augment the U.S.-Japan alliance and the major strains evident in U.S.-China relations in recent years, it is possible that Tokyo’s suspicions about U.S. policy have somewhat eased. Indeed, the Security Guidelines review will reconfigure the alliance relationship, entailing independence as well as interdependence. The Japanese believe that their enhanced role and responsibilities should entail a much fuller process of defense and strategic consultations. Tokyo also believes that it will now be better able to deflect efforts by Beijing to deny Japan a larger long-term role in regional security.

The new guidelines focused on four pivotal considerations: (1) the political-strategic logic of the U.S.-Japan security relationship after the demise of the Soviet Union; (2) the policy guidelines associated with adaptations in the U.S.-Japan security framework; (3) modifications in long-standing constraints on Japan’s national defense roles and responsibilities, in particular Japan’s potential role in major re-

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\(^{16}\)Funabashi (1999).
gional crises and its development of indigenous military capabilities less integrally tied to those of the United States; and (4) planning, programming, and acquisition strategies appropriate to Japan’s projected future security requirements.

The new terms of reference in the U.S.-Japan alliance commit Tokyo to a much more active involvement in regional security affairs. The Self-Defense Forces are now authorized by law to execute an array of new roles and missions embedded in the revised Security Guidelines. Although Japan has continued to forswear any combat role beyond the defense of Japanese territory, the guidelines mandate a much broader spectrum of operational responsibilities and procedures in a future crisis. For the first time, Tokyo is obligated to provide much fuller assistance to U.S. military forces in the event of unspecified emergencies in “the areas surrounding Japan.” These include active logistical support for U.S. forces, amply strengthened U.S. access agreements to bases and military facilities in Japan in the event of a major regional crisis, increased Japanese responsibility for non-combatant evacuation operations (NEOs), and an array of related operational responsibilities. Japan would therefore no longer be a bystander in a major regional crisis.

These changes have provoked intense concern on the part of neighboring states, especially China and Korea. Beijing has repeatedly cautioned Tokyo that any Japanese involvement in emergencies “in the areas surrounding Japan” threatens to embroil Japan in matters related to Chinese sovereignty (i.e., contingencies involving Taiwan). The Chinese continue to emphasize that Japan should “strictly confine the scope of [security] cooperation to the Japan-U.S. bilateral framework.” Japanese “clarifications and explanations” (published verbatim in the Chinese press) have emphasized that the new security guidelines “are not targeted at any third country, including China.” By the same logic, “situations in surrounding areas refer to situations that could have a major impact on Japan’s security in ar-

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These disclaimers are inherently ambiguous and to the Chinese are unpersuasive. Indeed, numerous Japanese observers acknowledge in private discussions that, in the event that the United States were to defend Taiwan in a major crisis, the new guidelines would almost certainly obligate Japan to assist U.S. forces. This is not a circumstance and choice that Tokyo would welcome, and this judgment leaves unstated the precise role Japan would assume under such circumstances. Given the extreme sensitivities associated with U.S. contingency planning for a Taiwan scenario, this lack of Japanese specificity seems doubly understandable. But Japanese observers speak with uncharacteristic clarity on this issue.

The Security Guidelines review presumably reassured many in Japan about Tokyo’s pivotal position in American regional policy calculations. The explicit focus on “emergencies in the areas surrounding Japan” reiterated the U.S. commitment to ensuring regional stability—i.e., that the United States would respond to any overt use of force in Japan’s vicinity and that Washington would not permit any disruptive imbalance of power to develop within the region. The prevailing focus, however, was on U.S.-Japanese behavior in a major regional crisis, not on longer-term transitions in the regional balance of power.

The revised guidelines highlight a significant shift in Japanese public opinion and policy debate. As a consequence of the new legislation, senior Japanese officials have far more latitude in committing the country’s armed forces to regional responsibilities. Quite apart from more active consultations with the United States, the sphere of action for Japanese forces has also expanded significantly. Japanese planners intend to use these new political circumstances to restructure and upgrade their defense capabilities, to include areas lying outside the immediate purview of the U.S.-Japan alliance.

Some especially pertinent examples are found in the areas of PKO, disaster relief, and humanitarian operations. Japan has increasingly

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identified such areas as fitting within the domain of its enhanced international responsibilities. As Paul Giarra (a former Office of the Secretary of Defense official responsible for U.S.-Japan relations) has noted, such operations were originally part of the revised Security Guidelines but they “quietly disappeared” from the final declaration. According to Giarra, the decision to omit these activities from the final accords in part reflected Japan’s experience in the Rwanda refugee crisis of 1994, when the United States did not provide the needed transport aircraft for Japanese medical and transport teams. As a consequence, Japanese peacekeepers were transported to Rwanda on chartered Russian aircraft. The “lessons learned,” Giarra suggests, will find the Japanese seeking more self-sustaining capabilities in this area:

PKO and its extensions—disaster relief and humanitarian operations—will become a major operational and force-building rationale. Almost certainly, the next Mid-Term Defense Plan will increase emphasis on the kinds of amphibious and air support capabilities for the [Maritime Self-Defense Forces], airlift for the [Air Self-Defense Forces], and deployment potential for the [Ground Self-Defense Forces] needed to support such missions.19

Thus, even though support in Tokyo for the U.S.-Japan alliance remains strong, with the Japanese prepared to facilitate U.S. security goals, they are also enhancing indigenous capabilities. The guideline revisions and PKO activities have provided Japan with a rationale and political cover for the acquisition of new capabilities and for an increased focus on longer-term Japanese policy directions.

Tokyo has also redefined some of the operational parameters of its national security planning, including actions it is prepared to undertake if Japanese security is judged at risk. North Korea’s test of the Taepo Dong missile in August 1998 had a particularly galvanizing effect.20 The test took place without advance notice and demonstrated


North Korea’s technological capability to launch a multistage missile. Even more jarring to Tokyo, it flew directly over Japanese territory, and some Japanese officials expressed quiet displeasure at what they deemed inadequate warning from the United States. Indeed, various Japanese observers characterized the Taepo Dong launch as equivalent to the Sputnik launch of 1957, since it jolted Japanese public opinion from a sense of complacency and presumed technological superiority. The test also helped tip the balance in internal opinion, with Japan for a time deferring approval of its $1 billion contribution to funding of the light-water reactor project under way in the North.

The implications for Japanese technological development and military R&D strategies could, however, prove especially significant. Despite Tokyo’s long-standing political concurrence with U.S. regional defense policies, major Japanese industrial firms have long sought to enhance their technological edge and autonomy, to include numerous military areas. This process has frequently entailed highly ambitious indigenous technological goals and programs and in other instances has justified active collaboration with the United States in areas where the United States possessed ample technological advantage. These will over time enhance Japan’s indigenous defense industrial base, and not always in ways that will enhance alliance interoperability. Indeed, Japanese officials remain wary of providing the Department of Defense unconstrained access to proprietary industrial technologies, since Tokyo believes that this would complicate an array of commercial development efforts.

One such area is theater missile defense. In the aftermath of the Taepo Dong test, Japan decided to accelerate TMD research collaboration with the United States. A memorandum of understanding

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(MOU) signed in July 1999 commits both countries to collaborative research undertakings geared principally toward missile interceptor development for the Navy Theater Wide (NTW) program. Although these R&D activities remain at a highly exploratory stage and are many years removed from any deployment decisions, heightened collaboration has already prompted increased discussion in Tokyo of command relationships should the program progress to operational capabilities. Indeed, Masashi Nishihara, a leading Japanese defense specialist, has already noted that joint U.S.-Japanese command of such a missile force would be indispensable to Tokyo’s concurrence with such a project, and his views seem broadly shared within Japanese strategic circles. The Japanese recognize that it is not too early to begin raising highly sensitive issues related to command and control.

Within weeks of the Taepo Dong test, Tokyo also announced plans to launch four reconnaissance satellites as part of a nascent monitoring capability for detecting missile launches. The intensity of Japanese reactions to the missile test may well have contributed to the speedy U.S. approval of these satellite programs—at $1.6 billion, the largest U.S.-Japan collaborative defense effort since the troubled FS-X fighter project of the 1980s. The Taepo Dong test afforded an opportunity to propose activities that Japanese industry had hoped to pursue for some time; there seems no other explanation for the uncharacteristic alacrity and speed with which Tokyo tabled its satellite requests. Unlike the aviation codevelopment program, the United States viewed the satellite project principally as an indigenous Japanese effort that American companies would facilitate rather than insisting on a dominant portion of U.S. content in the program. If the program proceeds according to schedule, Japan will have manufactured and launched all four satellites by FY 2002. Even assuming that Japan would meet such ambitious program objectives, this

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would constitute only the initial building blocks of a national-level reconnaissance capability.  

Thus, the larger effects of the Taepo Dong test reinforced Japan’s sense of vulnerability. Indeed, in addition to the single Taepo Dong test, North Korea has already deployed approximately 20 Nodong missiles, a single-stage missile whose range (1300 km) posed a direct threat to most Japanese territory. Although North Korea represents the clear and present danger, some Japanese quietly raise concerns about the missile threat that could be posed by a unified Korea as well. Other Japanese observers regard heightened missile surveillance and defense programs as a longer-term defensive measure against Chinese ballistic missile threats. Regardless of the explanation, the Japanese have undoubtedly crossed a critical security threshold. Indeed, in the aftermath of the Taepo Dong test, the Japan Defense Agency (JDA) unequivocally reiterated Japan’s inherent right to self-defense either against a missile attack or in the event of unambiguous warning of an impending attack. As stated in Japan’s Defense White Paper:

> We can never think that the basic principle leads us to wait for death doing nothing in case there is an imminent and illegitimate act of aggression against Japan and . . . ballistic missiles are used for attacking our country . . . it is legally speaking within the limit of the right of self defense to attack the bases for launching missiles, and such attack is constitutional.

The increasingly forceful tone of Japanese policy statements is paralleled by a vigorous military modernization program. Acquisition plans include aerial refueling capabilities for combat aircraft (purportedly for enhancing Japanese response capabilities in peacekeeping operations); AWACS aircraft for the Air Self-Defense Forces; additional intelligence and reconnaissance assets, particularly for detecting and tracking missile launch activities; and increased maritime reach, including amphibious capabilities. Although defense planners justify these acquisitions in the context of circumscribed

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roles and missions (i.e., those deemed legitimate under Article IX of
the Japanese Constitution), these programs constitute the building
blocks of a much more capable military force.

Actions taken by the Diet will also enhance Japan’s capacity to act
more decisively in the event of a major regional crisis. Having ap-
proved measures to facilitate assistance to U.S. forces in “regional
emergencies,” the ruling coalition is seeking parallel authorization
for the Self-Defense Forces should Japan come under attack.30  Such
legislation would place more authority in the hands of the Cabinet
and the prime minister to expedite the use of domestic facilities
during wartime without necessitating extensive bureaucratic consul-
tations. The stimulus for this legislation derived both from the Taepo
Dong test and from the March 1999 intrusion of several North Ko-
rean spy ships into Japanese territorial waters.31  Some observers,
however, believe that this legislation runs the risk of fracturing the
ruling coalition, one of whose parties (Komeito) remains wary of
Japan assuming a more active national defense policy. No matter
what the outcome of these legislative deliberations, the days of
Japanese strategic passivity are drawing to a close.

In the near to midterm, however, budgetary constraints may limit
some of Tokyo’s defense modernization plans. Japan’s total defense
expenditures and acquisition programs are determined according to
Mid-Term Defense Programs, each of which runs for five years.
Japan’s extended recession long antedated the financial turmoil that
swept much of Asia during 1997 and 1998, appreciably slowing the
rate of annual budgetary increases registered during the 1980s. For
example, during the FY 1981–FY 1985 plan, the average annual in-
crease in defense expenditure was 4.4 percent; for the FY 1986–
FY 1990 program the average increased to 5.4 percent. During the
FY 1991–FY 1995 plan, however, the annual increases diminished to
2.1 percent, and the same rate is projected for the FY 1996–FY 2000
program. The even deeper slump at the end of the 1990s yielded (in

31Sayuri Daimon, “New Defense Role: Next Step Is to Free Up SDF,” Japan Times,
FY 1999) a net decrease in defense expenditure of –0.2 percent.\(^{32}\) In August 1999, however, rising tensions with North Korea led the JDA to submit a budgetary request for FY 2000 totaling 4.99 trillion yen (U.S. $45 billion), the first real increases in defense expenditure since 1997–1998.\(^{33}\)

Economic uncertainties as well as unease in some political circles could impose additional limitations on procurement decisions proposed for the next Mid-Term Defense program, slated to begin in FY 2001. For example, the JDA’s planned acquisition of midair refueling aircraft (for which it had hoped to earmark initial funds in FY 2000) may be deferred for both political and budgetary reasons.\(^{34}\) Despite these near-term uncertainties and complications, the consensus favoring an augmented defense effort appears sufficiently robust to overcome these internal differences.

Japan’s enhanced defense profile also extends to a growing range of military-to-military contacts with its Northeast Asian neighbors. For example, Japanese–South Korean military consultations, which proceeded only tentatively as recently as the 1980s, accelerated appreciably in the 1990s, especially in the aftermath of the North Korean nuclear crisis of 1993–1994. But the Taepo Dong test and the North’s provocative maritime operations in Japanese waters helped prompt information exchange and emergency communication channels between Tokyo and Seoul as well as enhanced personnel exchanges. In August 1999, Japan and the ROK conducted exercises in the East China Sea, the first such joint training in the past half-century.\(^{35}\)

The increasing bilateral and trilateral consultations among the leaders of Japan, the ROK, and the United States have lent added mo-


\(^{35}\)Toshi Maeda, “Japan, South Korea Hold First Joint Naval Drill,” Japan Times, August 5, 1999.
mentum to these developments and have diminished previous opposition to such exchanges on the part of Seoul. At the same time, the Chinese have not criticized these consultations as long as they have remained limited to discussions about North Korea. As a leading defense specialist in Tokyo has observed:

The Japanese have achieved a new level in their awareness that an event involving North Korea could directly involve Japan. The recent shocks by North Korea have merely awakened the latent knowledge from its hibernation of fifty years. Tracing back through history, we find that nearly all the sparks of war threatening the independence and safety of Japan have involved the Korean Peninsula.

So construed, the immediacy of North Korea’s missile threat to Japan provided a focus to Japanese planning that has been absent since the demise of the Soviet Union. But Japan now has the capabilities and political will to assert its interests that it lacked during the Cold War.

Japan’s efforts to achieve a “normal nation” status and defense profile extend to China and Russia, as well. Despite continued Chinese suspicions of Japanese defense collaboration with the United States and repeated warnings from Beijing that Japan must heed “the lessons of history,” the two countries resumed military-to-military ties in September 1999 after a several-year hiatus. The ties were then upgraded to the vice-ministerial level during a November visit to Beijing by JDA Vice Minister Seiji Ema. Such steps, although modest and potentially subject to reversal, highlight Chinese incentives to explore (or at least not to preclude) a normal defense relationship with Japan. The Chinese, however, continue to combine such initiatives with harsh warnings about the implications of U.S.-
Japanese collaboration over missile defense, which Beijing characterizes as intended “to establish [U.S.-Japanese] military superiority over other nations . . . . With the development of military technology today, offensive and defensive systems are interchangeable . . . [and] will have an extremely big impact on maintaining the global strategic balance.” Should missile defense collaboration advance significantly, the Chinese might well opt to limit future defense interactions with Tokyo—but Beijing has yet to specify its fuller potential responses to such possibilities.

The advancement of Japan’s military-to-military relations with Russia has been much more substantial and cumulative. Notwithstanding the still-extant abnormalities in bilateral relations (including the absence of a peace treaty more than 50 years after the Pacific War), both countries recognize shared incentives to enhance defense collaboration. Russian-Japanese security ties, formally initiated in March 1996, have proceeded vigorously ever since and have included increased consultations, security and confidence-building measures, ship visits and formal ministerial exchanges, and joint search-and-rescue exercises. Many of these activities are without precedent, including during Tsarist Russia. When then–Russian Defense Minister Igor Rodionov visited Tokyo in May 1997, he stated that Russia no longer opposed the U.S.-Japan alliance or objected to pending modifications of the U.S.-Japan Security Guidelines. Although some Russian officials have since cautioned Japan about collaboration with the United States on TMD and others have expressed concerns that the revised Security Guidelines could also be used to infringe on Russian sovereignty, both Moscow and Tokyo see reasons to further advance their security collaboration.

From Japan’s perspective, these ties confirm Russia’s acceptance of the legitimacy of Japan’s role as a major power and quietly impart to Beijing that Tokyo’s relations with Moscow can serve as a tacit balance against Chinese predominance in Northeast Asia. The Japanese also see enhanced military relations with Russia as allowing for a

fuller regional security role without all these activities being integrally tied to Tokyo’s alliance with Washington. More broadly, these policy initiatives reflect Japan’s wider international legitimacy and enhanced regional stature, diversifying Tokyo’s policy options without placing its core relationship with the United States at risk.

Without question, security debate in Japan has advanced well beyond its prior conceptual and policy restraints. Although the potential fragility of the ruling political coalition remains a limiting factor, it has not inhibited the development of more innovative Japanese policies. The Japanese see both incentives and opportunities to diversify and deepen their political and security relationships across Northeast Asia while simultaneously enhancing technology programs and operational-policy linkages with the United States. These efforts portend the development over the next decade of a more active, indigenously derived security strategy. Current acquisition plans and development programs will also bear fruit in Japanese defense capabilities throughout the next decade. Thus, even though Japanese actions appear embedded in the prevailing framework of the bilateral alliance with the United States, the evidence of shifting directions is palpable. American policymakers as well as Japan’s neighbors will increasingly deal with a leadership far more willing and able to chart its own course, with a far clearer concept of Japan’s long-term national interests.

**Evolution of the Korean Peninsula**

Although U.S. security strategy in Northeast Asia entails elements of deterrence, defense, and reassurance, preparing for a second Korean war has long been the primary determinant of U.S. regional defense policy. Korea remains the final Cold War frontier, where the threat of large-scale armed conflict directly involving U.S. forces remains essentially undiminished from decades past. The North Korean conventional and WMD threat constitutes the principal rationale in planning for a major theater war (MTW) in East Asia; it also continues to underlie Department of Defense global military planning, as outlined in the Quadrennial Defense Review.42

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North Korea’s political, economic, and military prospects therefore assume central importance in Northeast Asian geopolitics and in U.S. regional defense planning. Should the regime in Pyongyang undergo significant internal change, the consequences for Northeast Asia as a whole and for U.S. regional strategy would be profound. Such internal change—long anticipated but never realized—now seems a more tangible possibility, although it is far from assured. For close to a decade after the end of the Cold War, and notwithstanding the loss of its long-term economic and political benefactors in Moscow and Beijing, North Korea grimly upheld its own version of dynastic politics and strategic autarky even as its dependence on the outside world for energy, food, and other forms of humanitarian aid increased vastly. Decades of ideological rigidity and self-imposed isolation had left the North ever more impoverished and ever more militarized. North Korea continues to operate according to political norms and expectations that apply to no other state. Its pretensions to serve as the sole legitimate embodiment of Korean nationalism—including continued propagation of ideologically driven formulas for unification—ring increasingly hollow: regime survival has superseded all other policy objectives. These urgent needs have also led the North to rely on missile sales as a primary source of revenue, now augmented by growing economic, energy, and humanitarian assistance furnished by the international community.

Faced with such dire and pressing needs, the North has had to adjust its half-century of ideological and military hostility directed against the ROK, which Pyongyang had always treated as an illegitimate appendage of American power. Indeed, the North’s claims to legitimacy rested on characterizations of South Korea as an American client state. This made genuine normalcy and stability on the peninsula all but impossible. Pyongyang’s unwillingness to consider peaceful coexistence with the ROK or any moves toward military threat reduction ensured continued U.S. and ROK attention to deterrence and defense.

ROK President Kim Dae Jung’s historic visit to North Korea in June 2000 and the anticipated reciprocal visit by North Korean leader Kim

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Jong Il to the South portend the first meaningful if far from definitive change in five decades of peninsular confrontation. Although Kim Jong Il continues to insist that North Korean military power will remain the fundamental underpinning of the regime’s strength, he also sees an opportunity to secure substantial assistance from the South and other countries to help resuscitate the North’s moribund economy. He additionally seeks to challenge the fundamentals of the U.S.-ROK alliance, insisting that the United States can no longer deem North Korea a military threat if Washington is seriously intent on improving relations with the North. The primary question is whether the South-North accommodation process will be matched by verifiable reductions in North Korea’s military threat to its immediate neighbor and by the elimination of its missile threat to the region. There are grounds for ample skepticism on both counts—even as President Kim Dae Jung claims that Kim Jong Il supposedly asserted that he no longer objects to the presence of U.S. forces either before or after unification.

However, the accommodation between South and North—even one dominated by the open-ended provision of external assistance to the North and (perhaps) excessive exuberance on the part of the ROK—could well portend the largest changes on the peninsula since the Korean War. This does not make either a “soft landing” or a “hard landing” inevitable. With sufficient external assistance from all major powers as well as from the ROK, it is possible that North Korea might stave off extinction without having to undertake major internal reforms or without moving toward substantial threat reduction toward the ROK. On balance, however, the latter scenario does not seem indefinitely sustainable, although it is impossible to predict when and how large-scale internal change in the North might ultimately transpire.

Whether or not Korean unification occurs, national sovereignty concerns will undoubtedly constitute a pivotal factor in South Korean strategic calculations. In the event of unification, much would depend on how it occurred; ROK leadership attitudes toward the future of U.S. military deployments on the peninsula at the time of transi-
tion to unification would also play a pivotal role.\textsuperscript{44} It is possible to imagine that all involved major powers might convene with a unified Korean government to discuss the peninsula’s future, but any Korean leadership will insist that its sovereign rights be upheld by all of its neighbors. This would extend to the United States and the future role of U.S. forces on the peninsula even though the ROK’s national interests would likely dictate the retention of close U.S.-ROK security ties.

Even in the absence of unification, there are potential strains between the United States and the ROK. Korean officials have long chafed at the asymmetric character of U.S.-ROK alliance relations and have repeatedly pushed for a shift in the U.S. position from a “leading” to a “supporting” role. Issues of command relations (in particular, matters pertaining to operational control [OPCON] of South Korean military forces) have proven extremely contentious for the military commanders of both countries, with American officials ultimately concurring in the ROK’s assumption of peacetime OPCON for the Ground Component Command (GCC). The original C\textsuperscript{2} arrangements were based on judgments concerning the high degree of Korean dependence on U.S. military capabilities. The United States also sought to ensure effective integration and coordination of U.S. and ROK forces. Although some of these considerations still influence U.S. and ROK combined defense planning, many have been alleviated over the years as Korean capabilities and responsibilities have grown. Over the longer run, it therefore seems inevitable and appropriate that the ROK ultimately assume more of a lead role in defense of its own territory.

The “Koreanization of Korean defense” thus remains integral to ROK national security thinking and will continue to shape longer-term Korean expectations of U.S. policy.\textsuperscript{45} Such change could also prove pivotal in any effort to induce the North to negotiate threat reduction and arms control agreements directly with the ROK. North Korea still hopes to bypass the ROK through bilateral negotiations with the


United States on a peace treaty—a move to which the United States and ROK remain resolutely opposed. Meaningful, verifiable threat reduction in the absence of unification presupposes direct, equitable political relations between North and South. Thus, a less subordinate ROK position in its national defense strategy would better reflect realities on the ground and would facilitate the larger goals of U.S. strategy on the peninsula.46

Additional corollaries flow from Korea’s stated desire to pursue an “independent” or “self-reliant” national defense posture.47 These include expectations of enhanced access to an array of advanced defense technologies and weapon systems (not only U.S. technologies but European and Russian as well). Korea is also seeking to develop a larger indigenous defense industrial base, thereby reducing its dependence on foreign weapon suppliers.48 A major consolidation and rationalization of the Korean aerospace industry is under way, that, it is hoped, will allow Korea a more cost-effective entry into civilian as well as military aviation markets, with primary emphasis at present on defense programs.49 Korea also expects to continue to acquire leading-edge weapon systems beyond the capabilities of its own industry. For example, the Defense Ministry anticipates a mid-2001 decision on the purchase of the next generation of an advanced strike aircraft; the leading contenders are thought to be the F-15K and the Rafale. A program buy of 40 aircraft is expected to total $3.5 billion.50

Korean planners also hope to reduce the size of the standing army and to strengthen navy, air force, and intelligence capabilities to address “the strategic environment of the future.”51 Current plans, for example, project a decline in military manpower levels from 690,000

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to between 400,000 and 500,000 in 2015, with ground force personnel reduced from 81.2 percent to 71 percent of the total force. These goals are still kept somewhat in check by continued concerns about the North Korean threat, but they would accelerate should unification take place or if the current threat eroded significantly.

Force structure and modernization plans will also be influenced by the ROK’s economic recovery from the acute financial downturn of 1997–1998. At first, many modernization priorities were placed on hold, and purchases of some “big ticket” items (e.g., AWACS aircraft) were deferred. However, unusually rapid economic recovery during the latter months of 1998 and throughout 1999 renewed and extended many of these earlier modernization plans. In early 1999, a Ministry of National Defense (MND) official revealed that the ROK’s next five-year defense plan anticipated a total expenditure of nearly $70 billion with annual increases of between 4 and 6 percent, presumably depending on economic conditions. Accelerating economic growth by mid-1999 led the MND to lobby for far larger increases in the year 2000.

Korea’s modernization plans are highly ambitious. The five-year plan includes funding for new attack helicopters, Aegis destroyers, the next-generation fighter aircraft, AWACS aircraft (delayed from 2001 to 2004), and aerial refueling aircraft, also by 2004. Contractors from France, Russia, and the United States have been invited to bid on a major contract for Korea’s next generation of surface-to-air missiles. In addition, there are also plans (under the Agency for Defense Development) for indigenous development of the ROK’s first reconnaissance satellite, scheduled for completion by 2005.

In the near to midterm, Korea is embarked on a transition strategy of selectively addressing potential military deficiencies in relation to the

54 “South Korea to Spend $69.3 Billion in Five Year Defense Plan,” Reuters, February 12, 1999.
55 “12.1% Increase Sought for Nation’s Arms Budget,” Korea Herald, June 9, 1999.
North while building capabilities for the postunification era. Despite the declared intention to achieve overall equality in the military balance with North Korea by 2010, the rationale of equality with the North seems somewhat contrived. The ROK is aware that major dimensions of North Korean combat capabilities have continued to degrade. Moreover, many of the ROK’s impending weapon purchases are dual capable (i.e., they are relevant to both preunification and postunification defense planning). ROK defense planners clearly posit the continued existence of the North Korean state, but they do not want to invest too much in a threat that could well diminish over time and that might disappear altogether.

Over the next decade, therefore, the peninsular focus of Korean national security policy will be increasingly supplanted by more of a regional orientation. The ROK will need to assess its longer-term security requirements in terms of the evolving framework of major-power relations in Northeast Asia and of Korea’s opportunities and needs within this framework. This will place a premium on sustaining alliance ties with the United States, enhancing policy collaboration with Japan where feasible, and exploring the possibilities for closer relations with Russia and China. These considerations reflect the realities of Korea’s size, geographic location, and economic and political interests.

But the ROK does not want simply to subordinate itself to the strategic designs of others. This is supported both at a leadership level and in terms of Korean public opinion. The growth of Korean air and naval capabilities will be a natural corollary of this process. Viewing Korea in the regional power equation assumes diminished attention to a territorial defense function and ultimately a less decisive position for the ground forces. This will encompass the increasing growth and sophistication of the Korean air force and navy, although future air and maritime doctrine remains under continued review.

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Optimizing Korea’s future strategic opportunities will not rest on military power alone, but future possibilities cannot be realized without such power. This could pose some potentially contentious issues in U.S.-ROK alliance management as leaders in Seoul pursue political and strategic paths that the United States may deem detrimental to larger U.S. interests.

President Kim Dae Jung repeatedly insists that Korea intends to maintain close security ties with Washington following unification. This provides needed assurance to the United States that the ROK attaches priority importance to the U.S.-Korean alliance with or without a North Korean threat. But what kind of alliance might be envisioned in the future? This would depend not only on the preferences and interests of both countries but also on their respective visions of Northeast Asia over the longer term. All concede that the regional security structure would undergo major change, but this leaves unresolved its dominant characteristics and contours. It seems reasonable to infer that U.S. strategy assumes that the Korean peninsula will remain divided. Statements from the Korean leadership seem more contradictory, perhaps reflecting Seoul’s unease in contemplating a “messy” unification process as well as its continued efforts to reassure Pyongyang that the ROK does not challenge the North’s legitimacy as a state or threaten its existence.

In innumerable statements, the Korean leadership has emphasized that it is seeking to define a new regional peace structure or mechanism to supplant the arrangements of the Cold War. At one level, this is a natural outgrowth of U.S.-ROK efforts to move beyond the current situation of neither peace nor war. The Korean War ended with an armistice, not a peace agreement. The strategic divergence in this area remains fundamental: The United States, the ROK, and China all seek a formal agreement that would ratify the end of the Korean War, whereas North Korea seeks a bilateral peace agreement with Washington that would provide Pyongyang the separate security guarantees it seeks from the United States. Absent North Korea’s willingness to definitively treat the ROK as an equal sovereign state and to sharply reduce its military threat to the South, it is difficult to see how these views can be reconciled.

But ROK statements also look to the longer term—i.e., to regional rather than the peninsular security—and in this regard, there is a re-
vealing symmetry in Chinese and ROK policy pronouncements. Both countries emphasize their desire to move beyond the Cold War arrangements—i.e., to supplant a threat-based security structure in which U.S. bilateral alliances have predominated. Numerous observers deem such formulas largely cosmetic and intended principally for political effect, and hence not a realistic reflection of Korea’s true national security interests. Many find it inconceivable that the ROK would even tacitly signal that it might revisit some of the prevailing assumptions underlying its security alliance with the United States. Indeed, some believe that ROK policy is designed principally to propitiate Beijing in an effort to enlist more active Chinese efforts to restrain North Korea. Seoul may also hope to engage China more fully in managing potential crises on the peninsula—for example, a major humanitarian crisis or serious instability in the North that threatened to spill outward.

However, major controversy was also aroused by the comments of Defense Minister Cho Sung Tae in August 1999, during the first visit of a senior South Korean defense official to China. In response to a question following a speech at the Chinese National Defense University, Cho purportedly stated that the future status of U.S. forces in Korea would be decided “in consultation with neighboring countries.” These remarks were immediately disowned by other ROK officials, who insisted that they did not reflect official government policy. The defense minister also expressed “regret [for] creating misunderstanding,” insisting that he believed that neighboring countries (i.e., China) would be prepared to concur in the continued presence of U.S. forces on the peninsula following unification. He also stated, however, that “the USFK [U.S. Forces Korea] is essential to the security of the Korean peninsula as long as North Korea’s military threats exist,” implying that in the absence of such a threat the U.S. presence would no longer be needed. Further compounding the confusion, however, he also insisted that continued U.S. deploy-

ments on the peninsula following unification remain “essential for the regional security of Northeast Asia.”

Regardless of the explanation of the minister’s remarks, they do suggest that the United States and Korea do not have an agreed-upon strategic concept for the longer term. At the same time, this episode suggests that some in the ROK believe Seoul should more explicitly seek to conciliate Beijing on the future U.S. military presence on the peninsula. Although hardly giving China veto power over future ROK policy, such statements implicitly concede that the realities of unification will reshape Korea’s security perceptions and expectations. This will make Korea increasingly mindful of Chinese security concerns, but unless addressed carefully by Seoul, such statements could be construed as strategic deference toward Beijing.

ROK planners also believe that the country must rectify perceived strategic asymmetries with the missile capabilities of neighboring states. Plans include fuller development of an indigenous missile (the Hyonmu) with a range of 300 km—i.e., one that approaches but does not exceed guidelines under the Missile Technology Control Regime (MTCR), to which the ROK is not yet a signatory. Korean officials assert that such a missile would provide essential equivalence with the North’s extant SRBM capabilities and better serve ROK interests than participation in U.S. TMD programs. Indeed, Koo Sang Hoi, a former senior official in the Agency for Defense Development, which oversees the missile project, has stated, “We must regain our missile sovereignty and push ahead for independent development.”

Koo’s argument seeks to revisit a 1979 U.S.-ROK MOU that limited the ROK to missile tests of less than 180 km. South Korean officials argue that a shorter-range system would be unable to retaliate against Pyongyang in the event of a North Korean missile attack, thereby leaving the South disadvantaged in relation to the North.

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The United States, however, has voiced concern that a more capable South Korean missile could hugely complicate ongoing efforts to induce the North to cease development of its longer-range missiles. Other U.S. officials worry that the Hyonmu would possess an inherent capability to extend its range beyond MTCR guidelines (i.e., 300 km), creating the prospect of a dedicated ROK offensive military capability in the future. Indeed, quite apart from Seoul’s expressed concerns about the North’s missile capabilities, an enhanced indigenous program could ultimately produce a more capable missile that would be deployable following unification, with potential relevance to China and Japan. South Korean officials have strenuously denied U.S. press reports that the ROK has failed to disclose the full dimensions of its missile R&D program to the United States. Continued U.S.-ROK negotiations are clearly intended to secure ROK compliance with MTCR guidelines in exchange for enhanced access to U.S. missile technology, and the United States now seems somewhat more prepared to accommodate to some of the ROK’s expectations.

However, developments in the North will have a pivotal effect on regional strategy. Marginalization or elimination of the North Korean threat would be a reconfiguring development of lasting strategic consequence. So long as an antagonistic North Korean threat remains, planning for military contingencies with the North will still retain central importance in U.S. and ROK defense planning and would presumably limit Seoul’s pursuit of a more autonomous defense posture. Thus, should North Korea prove capable of defying external importunings to forgo its missile programs, this outcome would help sustain the inherited security policy framework of the Cold War. An enhanced North Korean ballistic missile capability would also remove many of the constraints on fuller pursuit of missile defense programs elsewhere in Northeast Asia. This would tend to draw the ROK into heightened collaboration with the United States and potentially with Japan, with diminished attention to initiatives toward Beijing. In the final analysis, leaders in Seoul would need to

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65However, North Korean advances in this area could also spur the ROK’s missile development efforts, thereby creating tensions between it and the United States.
decide how to balance the competing pulls in their regional strategies, presumably seeking to preserve as much flexibility as security circumstances would allow.

**The Future of Russia**

The severe decline of Russian power over the past decade, including economic and military capabilities, is quite possibly without precedent in the history of major states. The degradation of Russia’s combat capabilities in East Asia has been especially marked. This decline reflects systemic failures and the loss of a strategic logic for large-scale military deployments throughout the Asia-Pacific region, including what had been a growing power projection capability.\(^{66}\)

The conjunction of such an abrupt decline with the substantial accumulation of power by neighboring powers (especially China) would seem to create an acute risk of regional political-military instability. Given the backwardness, underpopulation, and geographic remoteness of the Russian Far East relative to the rest of the Russian Federation, this possibility would seem even more worrisome. Thus far, however, it has not materialized. Paradoxically, Russia’s weakness has provided Moscow with more effective policy options toward all regional actors,\(^{67}\) which Russian foreign policy and defense planners have successfully sought to exploit.

Although Russian power may no longer be a dominant security factor in Northeast Asia, the consequences of its involvement are measurably affecting the calculations of other powers in the region. Even in its diminished state, Russia has not been standing still in terms of diplomacy and arms sales. Russian initiatives include (1) sustained efforts to cultivate closer economic, political, and military ties with China, including negotiated border agreements and bilateral and multilateral confidence-building measures; (2) the resumption of significant arms sales to China after a three-decade hiatus; (3) renegotiation of treaty ties with North Korea and continued pursuit of

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economic, political, and military-to-military relations with the ROK; and (4) a quasi-normalization of relations with Japan despite the absence of a peace treaty and resolution of long-standing territorial disputes. Hence the paradox: Moscow may lack the military weight it possessed during the Cold War, but a nonconfrontational strategy toward its Asian neighbors has allowed for more meaningful Russian political influence throughout the region. Forgoing its previous imperial role has contributed to a much more fluid geopolitical picture in regional geopolitics. The United States, relieved of its earlier defense requirements in East Asia related to Russian military power, has played a minimal role in this realignment.

Over the longer run, Russia’s regional position would seem likely to depend on achieving increased internal political stability and effecting a parallel economic and institutional recovery. Russia’s new president, Vladimir Putin, envisions a longer-term rebuilding of Russian national power, including its military power. Despite some improvement in the Russian economy, the larger decline of the power of the Russian state has yet to be arrested. Absent demonstrable achievements in altering this overall picture, Russia will find itself increasingly disadvantaged in relation to China. At the same time, Russia would prove unable to achieve a political-economic breakthrough with Japan crucial to resource and energy development in Siberia and the Russian Far East—regions that have largely had to fend for themselves over the past decade. The inability of Russia and Japan to reach a territorial settlement during President Putin’s September 2000 visit to Tokyo does not augur well in this regard, although both sides still seem intent on reaching such an agreement.

In a more pessimistic scenario, Russia’s inability to halt the steady decline of its power in the Far East might leave the regional provinces weaker and even more vulnerable to encroachment. Russian policymakers, however, believe they can achieve meaningful understandings with neighboring states that will ensure the country’s national security interests. These initiatives do not depend on close relations with the United States. If anything, the increasing divergence between Moscow and Washington further enhances Russian incentives to collaborate more actively with China.
Future Russian-Chinese relations represent an important factor in regional geopolitics as well as potentially entailing major consequences for American security interests. Despite earlier Russian expectations of a more comprehensive economic and energy relationship with the Chinese, military sales and defense industrial collaboration have become the dominant factors in bilateral ties. They attest to the increasing complementarity of Russian and Chinese strategic interests that both leaderships appear determined to enhance in future years. Neither side views these transactions as invalidating U.S. economic aid to Russia, U.S. assistance for Russian denuclearization, and U.S. trade and investment ties with China. There is, however, a clear convergence of bureaucratic and national interests between Russia and China that has given momentum and direction to the security component of bilateral relations.

Russian arms transfers to China began somewhat tentatively and fitfully in the early 1990s, but they have broadened in scale and scope in subsequent years. Annual sales during the mid- to late 1990s have most likely ranged between $1 billion and $1.5 billion. Although these transactions have been subject to repeated rumors and endless speculation, the cumulative results of officially reported transactions are nonetheless revealing. They include sales of several different versions of military helicopters, Su-27 and Su-30 fighter aircraft, T-72 tanks, S-300 surface-to-air missiles, Il-76 transports (the platform that was to have been used in Israel’s recently canceled AWACS project with the Chinese), Kilo-class submarines, and Sovremenny-class destroyers outfitted with Sunburn anti-ship cruise missiles. There has also been a progressive shift from sales to technological and industrial collaboration (for example, licensed co-production of 200 Su-27 aircraft, the prospect of a separate coproduction agreement for the Su-30, and the reputed involvement of significant numbers of Russian R&D personnel in Chinese weapon programs).

Russian weapon sales and military technology transfer reflect the endangered status of Russia’s defense industries: Sales to China (and

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also to India) are essential to continued employment of the workforce and to the industry’s longer-term survival. On the Chinese side, given the shortcomings of its indigenous defense industrial base, the pace of its military modernization (especially in air and naval power) appears to depend heavily on Russia’s willingness to transfer higher-end weapon systems to Beijing. As the results of this defense collaboration grow, they could ultimately extend to technology transfer in more sensitive defense programs.70

Defense planners in Beijing were initially uneasy about renewed dependence on a nation that had been both ally and adversary, and their counterparts in Moscow were equally discomfited by enhancing China’s military capabilities as their own power declined. Russia also recognizes, however, that these agreements lock the Chinese into long-term collaborative relations. The Russians likely believe that they can control the flow and scope of these transactions, with Russian industry retaining control over specific technologies vital to the performance of various higher-end weapon systems. At the same time, the pace of deliveries in most areas still entails a highly protracted process, in part reflecting constraints on production rates in Russian facilities.

But the strategic context of Russian-Chinese collaboration warrants closer attention. Convergent interests in Central Asia (e.g., shared concerns about stability in vulnerable border areas) and the incentives of both states to diminish their long-standing rivalries in East Asia (thereby enabling each to concentrate on more pressing security priorities) ultimately altered their respective political and security calculations.71 Leaders in Moscow have concluded that the enhancement of Chinese military power will not seriously endanger Russian national security interests. Although some Russian analysts continue to express longer-term anxieties about the consequences of the growth of Chinese power,72 the operative consensus at present does not presume a serious Chinese national security threat.

Moscow’s prevailing assumption is that China’s defense modernization is directed at more pressing Chinese security concerns to the east—i.e., a primary focus on Taiwan, the longer-term military role of Japan, and the predominant power and position of the United States in the West Pacific.

Shared concerns about U.S. strategic domination and its longer-term consequences have lent momentum and direction to Sino-Russian bilateral relations. Russia’s increasing strategic marginalization and its ever more intense preoccupation with instability in the Caucasus have produced a much more assertive nationalism in which the Russian armed forces are playing a pivotal role. The step-by-step cementing of the Sino-Russian accommodation has diminished the prospects of a multifront security problem for Moscow. The Chinese have signaled that they will collaborate with Moscow in Central Asia rather than contest Moscow’s dominant position in border areas, where both fear the implications of unrest among ethnic minorities. In exchange, the Russians have tacitly conceded China a predominant position in border areas in the Russian Far East where Moscow long sought to assert its claims.

Sino-Russian relations are also focusing more explicitly on shared security concerns and on the willingness of both states to support the other’s asserted sovereign interests. The joint statement of the Russian and Chinese presidents at the December 1999 “informal summit” made these understandings more explicit, with both sides pledging “coordinated actions to oppose damage to [global strategic] stability,” including shared pledges of support related to Taiwan and Chechnya. The capacity for unilateral intervention by U.S. forces in Yugoslavia and of unchallenged U.S. air supremacy were worrisome portents for both leaderships, and these shared concerns have persisted in the aftermath of the NATO victory. Neither Beijing nor Moscow appears intent on creating a formal coalition to oppose U.S. global strategy, but both hope to utilize expanded ties as a constraint on U.S. actions directed against either state’s vital interests. Thus, as permanent members of the U.N. Security Council, both see advantages in an informal political coalition that can stymie moves directed against the interests of either or both states.

\[^{73}\text{ITAR-TASS: Russian-Chinese Statement, FBIS-SOV-1999-1210, December 10, 1999.}\]
Russia also continues to envision closer relations with other East Asian neighbors as a means to diminish U.S. regional dominance and to enhance its regional political and security role. As noted earlier, these policies have led to a substantial improvement in Russian-Japanese defense relations, even if a larger political breakthrough with Tokyo continues to elude both leaderships. The larger issue for the longer term is the extent to which regional states such as Japan see realistic opportunities for more active collaboration on infrastructural and energy development with Russia given the scale of the capital requirements. The choices in this regard vary among different regional states. As the immediate neighbor of Russia and the Central Asian republics, China has inherent incentives to ensure stability in its inner Asian frontiers as well as to more vigorously pursue joint development of energy resources.\footnote{Gaye Christoffersen, \textit{China's Intentions for Russian and Central Asian Oil and Gas}, Seattle: National Bureau of Asian Research, Vol. 9, No. 2, March 1998; and Burles (1999).} Tokyo and Seoul seem likely to remain more cautious, both because the economic returns are more problematic and because the political and security risks are greater. But neither wants to preclude more active collaboration with Russia over the longer run, especially if Russia’s internal situation should stabilize.

However, the growing strategic divergence between Russia and the United States could have direct as well as indirect consequences for Northeast Asia. If these differences portend a more unstable region or imply the possibility of renewed polarization between continental and maritime Asia, then Russia’s longer-term policy opportunities in East Asia could be significantly diminished. A more active and explicit coordination of Russian and Chinese policy positions, especially if combined with a more vigorous Sino-Russian defense collaboration designed to accelerate the PLA’s modernization, could make Tokyo and Seoul more wary of closer relations with both Moscow and Beijing.

In the final analysis, domestic factors seem most likely to prove decisive to Russian regional policy and the determination of its strategic interests. The “Russia factor” in Asian security derives principally from Russian weakness rather than from Russian strength. But even a much-diminished Russian state is still able to affect the Asian bal-
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ance of power in important ways, especially should the collaboration between Russia and China be further enhanced in the coming decade. In the near to midterm, the implications for U.S. defense planning may not prove especially significant inasmuch as neither China nor Russia appears prepared to directly contest U.S. regional predominance.

IMPLICATIONS FOR U.S. POLICY AND THE USAF

Northeast Asia remains in the midst of a major strategic transformation. Notwithstanding innumerable pledges of U.S. engagement and a continued commitment to regional stability, major uncertainties persist concerning the region’s dominant political and strategic characteristics and America’s place in it. Thus, the region’s longer-term strategic alignments seem far from settled, and U.S. policymakers need to assess the likelihood and consequences of alternative futures that are not simply marginal adjustments to the status quo.

At present, no nation or coalition of states in Northeast Asia appears inclined or able to contest American predominance. Since the end of the Cold War, most have regarded the United States as a nonthreatening great power with unrivaled technological capabilities, military power, commercial prowess, and financial clout. (However, increased U.S. strategic dominance may be leading China and Russia to somewhat modify this largely benign assessment.) Given these overall circumstances, U.S. policymakers believe that the United States should continue to enjoy ample leverage within the region. Indeed, the United States is not alone in deeming the status quo (even a somewhat uneasy status quo) as preferable to any strategic alternative that seems discernible at present. The question, therefore, is how U.S. policymakers seek to advance American long-term interests while they possess such a strong hand.

Regional attitudes toward U.S. power are not immutable. For example, numerous states assume that the United States will remain the principal balancer of a more powerful China, but this is not necessarily the decisive factor influencing regional attitudes to collaborate with the United States. Some regional futures are potentially less hospitable to U.S. interests. Under some circumstances, for example, U.S. allies might seek to redefine the ground rules for the future U.S. regional military presence; a unified Korea might represent one
such case. The United States must nonetheless retain the capability for alternative courses of action should future political or strategic developments put American interests at risk or should larger changes in the regional distribution of power necessitate major alterations in U.S. policy.

Over the longer run, there will also be an increased need for a more integrated regional strategic concept that is less geared to separate bilateral relationships. This concept would ideally address the full spectrum of policy concerns, including (1) the purposes of U.S. regional alliances; (2) deterrence and defense requirements in the next century; (3) the management of looming power transitions; and (4) influencing technology and weapon acquisition decisions throughout the region. Such an approach would be far more likely to elicit sustained support from America’s regional allies while also clarifying U.S. expectations and goals in relation to China, Russia, and North Korea.

However, the nascent strategic transitions discussed in this chapter are unmistakably transforming the security environment in which the United States and the USAF will operate in the future. The ultimate effects will most likely result in a very different mix of U.S. forces, some of which may no longer be regionally deployed on a continuous basis. It was far easier for the United States to justify a major regional presence in a higher-threat environment or when the region as a whole was highly unstable.

At the present time, most efforts to devise a long-term strategy for the USAF are configured to a set of global requirements, reflecting the Air Force’s designated roles, responsibilities, capabilities, and distinctive technological advantage. These seem predicated on the Air Force’s retention of a full spectrum of capabilities in the service of a global engagement strategy. All posit a dominant role for U.S. airpower in specific crises.

In Northeast Asia, for example, Air Force global engagement strategies would be most relevant under the following conditions: (1) in a Korean contingency; (2) in an environment where internal vulnerabilities resulted in increased regionwide instability that local actors were unable to manage; (3) in a renewed high-threat environment—for example, should Chinese power pose a larger risk to U.S. security interests as well as threatening the interests of a core U.S. regional ally; or (4) in a much more starkly competitive regional security environment, with the United States assuming an arbiter role. Only the first of these conditions retains immediate relevance to current Air Force planning. The question, therefore, is the appropriate balance between current security requirements and what might be realistic and prudent to plan for over the longer term.

Although the potential threats to Northeast Asian security remain uncertain, some essential factors seem beyond dispute. First, the global threat posed by the Soviet Union has evaporated, and no remotely comparable Russian threat looms on the horizon. Second, the North Korean threat, although still tangible, could either diminish over time or shift toward more asymmetric capabilities that would potentially require a different mix of skills. Third, China has yet to challenge the United States directly or warrant mobilization of a regional coalition against it, although the latent possibilities of a serious U.S.-China crisis persist in relation to Taiwan and in a North Korean endgame scenario. Fourth, America's allies are building indigenous capabilities to better ensure their own interests.

Thus, in the absence of movement toward a regionwide security structure, national-level interests and strategies will increasingly dominate the security agendas of all principal actors. This does not make existing alliance arrangements irrelevant or unimportant, but regional actors are seeking to diversify their political-security options rather than depend exclusively on the United States or assume the forward deployment of U.S. military power in perpetuity. Basing arrangements may prove a particularly troublesome issue, posing the question of whether projecting U.S. power (as opposed to in-theater deployments) will prove more viable over the longer run. The United States therefore faces a threefold challenge with respect to the future role of airpower in Northeast Asia:
The United States and Asia

• It seeks to remain the security “partner of choice” for its regional allies on terms that are complementary, reciprocal, and mutually acceptable;

• It wants to ensure that the maturation of regional air capabilities does not degrade U.S. comparative advantage and that duplicative or redundant capabilities are avoided;

• It wants to retain sufficient capabilities (in theater or rapidly deployable to the region) to protect core U.S. security interests.

The larger challenge is how the United States seeks to shape and adapt to a much more militarily capable region. In essence, American policymakers confront five overall policy challenges:

• The United States wants its regional allies to “do more,” but without triggering instability or strategic realignment;

• The United States also seeks to maintain alliance interoperability, base access, and (to the degree possible) commonality in strategic goals;

• The United States also hopes to ensure that the growth of Chinese military power does not transform the regional balance of power in unanticipated ways;

• The United States needs to retain sufficient capabilities for near-term crisis response while it assesses alternative deployment modes in the longer run; and

• The United States must also define new terms of reference if and when Korean unification takes place or if there is a major deterioration either in future U.S.-China relations or in future U.S.-Russian relations.

Although the momentum of East Asia’s military modernization was somewhat slowed by Asia’s financial upheaval, the basic trend favoring more sophisticated capabilities remains unchanged. Indeed, in the aftermath of the Kosovo campaign, all regional powers recog-

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nized the need to reassess the relevance of their military strategies. For example, the Kosovo campaign enhanced Chinese and Russian incentives for increased consultation and technology exchanges and will likely accelerate the pace of various collaborative programs.

The unification of Korea would be certain to generate a major reassessment of U.S. regional defense strategy and the forces deemed necessary to fulfill it. It is therefore only prudent for the Air Force to begin to assess its postunification requirements in Northeast Asia, in particular the potential challenge confronting “alliance interoperability” as regional capabilities and security identities mature.

Perhaps the ultimate irony in U.S. Northeast Asian strategy is its declared commitment to regional stability. Stability is defined as “the quality, state, or degree of being fixed and unchanging.” This may pertain to U.S. regional interests, but it cannot apply to conditions, circumstances, and relationships within Northeast Asia or to U.S. policy goals in the region. These will have a dynamic all their own to which the United States must seek to adapt as well as to shape. The United States, including the USAF, must begin to assess alternative strategic futures in a region of enduring importance to U.S. global interests, but where current policies may prove far less relevant in future years.