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**SCHOOL OF INTERNATIONAL STUDIES,
PEKING UNIVERSITY**

**SHARED CHALLENGES AND
COOPERATION FOR
KOREA, CHINA, AND THE UNITED STATES**

**PANEL TWO:
KOREA AND THE MAJOR POWERS**

*The Brookings Institution, Falk Auditorium
December 16, 2014
Washington, DC*

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ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

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Washington, D.C.

Tuesday, December 16, 2014

Introduction:

STROBE TALBOTT
President
The Brookings Institution

IN-KOOK PARK
President
Korea Foundation for Advanced Studies

QINGGUO JIA
Dean, School of International Studies
Peking University

Keynote Address:

DANIEL R. RUSSEL
Assistant Secretary, Bureau of East Asian and Pacific Affairs
U.S. Department of State

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Moderator:

QINGGUO JIA
Dean, School of International Studies
Peking University

Panelists:

THOMAS WRIGHT
Fellow and Director, Project on International Order and Strategy
The Brookings Institution

JAE HO CHUNG
Professor, Department of International Relations
Seoul National University

QINGMING ZHANG
Director, Department of Diplomacy, School of International Studies
Peking University

Discussants:

RICHARD BUSH
Chen-Fu and Cecilia Yen Koo Chair in Taiwan Studies
Director, Center for Each Asia Policy Studies
The Brookings Institution

HEUNG-KYU KIM

Director, China Policy Institute and Professor, Department of Political Science
Ajou University

FENG ZHU

Professor and Executive Director, China Center for Collaborative Studies of the
South China Sea, Nanjing University

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Moderator:

IN-KOOK PARK
President
Korea Foundation for Advanced Studies

Panelists:

JUNG-HOON LEE
Professor, Graduate School of International Studies
Yonsei University

QINGGUO JIA
Dean, School of International Studies
Peking University

KATHARINE H.S. MOON
Senior Fellow and SK-Korea Foundation Chair in Korea Studies
The Brookings Institution

Discussants:

ROBERT EINHORN
Senior Fellow, Arms Control and Non-Proliferation Initiative
The Brookings Institution

CHEOL HEE PARK
Professor, Graduate School of International Studies
Seoul National University

QINGMING ZHANG
Director, Department of Diplomacy, School of International Studies
Peking University

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BARRY BOSWORTH
Senior Fellow and the Robert V. Roosa Chair
The Brookings Institution

Panelists:

DAVID DOLLAR
Senior Fellow, John L. Thornton China Center
The Brookings Institution

BYUNG-IL CHOI
Professor, Graduate School of International Studies
Ewha Womans University

ZHENGYI WANG
Professor and Director, Department of International Political Economy, School of
International Studies, Peking University

Discussants:

KENNETH LIEBERTHAL
Senior Fellow, John L. Thornton China Center
The Brookings Institution

JAE-HO YEOM
Chairman, Korea Foundation for Advanced Studies
Professor and Vice President, Korea University

QINGMING ZHANG
Director, Department of Diplomacy, School of International Studies
Peking University

Closing Remarks:

IN-KOOK PARK
President
Korea Foundation for Advanced Studies

QINGGUO JIA
Dean, School of International Studies
Peking University

JONATHAN POLLACK
Senior Fellow, John L. Thornton China Center
The Brookings Institution

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PANEL 2: KOREA AND THE MAJOR POWERS

PROCEEDINGS

IN-KOOK PARK: Good morning, everybody. I'm very honored to preside over the second session of today's very unusual get together in the name of trilateral conference on Northeast Asia and the United States, especially we'll talk about the topic of Korea and major powers.

Basically my role is the watchdog, to keep the time on time. But to make our discussion more interactive, I'd like to introduce two points. The first point is that this year we celebrated the 20 year anniversary of the Geneva Agreement, which was signed 20 years ago in 1994 between the United States and North Korea. During the last 20 years, it has been crystal clear that North Korea totally lost their credibility and still is striving to get recognition as a de facto nuclear power. The Six-Party Talks have been stalemated as everybody is aware of. Unfortunately, time is not on our side. North Korea's nuclear capability has demonstrated a drastic upgrade and sophistication during the last 20 years. Now it's high time the member states of Six-Party Talks to come up with new ideas to make a new breakthrough.

At the same time, next year, as this morning's Russel mentioned, we will also celebrate the 50 years anniversary of normalization of diplomatic relations between Korea and Japan and also the 70 years anniversary of independence from our Japanese colonial rule; two staunch U.S. allies, Korea and Japan, will be at the crossroads.

So with this kind of new development in mind, I'd like to invite three prominent presenters and also three discussants to talk on these issues.

My first presenter will be Professor Qingguo Jia, as you already know him very well. He's the Dean of School of International Studies at Peking University and also he works as a professor at Cornell University and University of California at San Diego. And he actually joined us as a researcher twice at this institution from '85 through '86 and 2001 through 2002. And one of the interesting characteristics or features is he has special status as a member of the Standing Committee and Foreign Affairs Committee of the National Committee of the Chinese People's Political Consultative Conference. And also he has some membership of political party that is not Chinese Communist Party. His party is China Democratic League. It's kind of like U.S. Democrats. Now it's your time.

QINGGUO JIA: Well, thank you very much, Ambassador Park, for your kind introduction. I guess in my talk I'll focus on evaluation of what's going on in the trilateral relationship between China, U.S., and South Korea.

How should we evaluate the trilateral relationship between these three countries during the past year? The answer is that it is mixed with positive and negative developments over time. In terms of the positive developments, one finds that the U.S. and South Korea relationship

is quite stable despite some small grudges and misgivings. As Dan Russel just pointed out, it has never been better. The China-South Korea relationship also competes in that sense, has never been better. Our two leaders, President Xi Jinping and President Park Geun-hye, they have a very good personal relationship. And the recent signing of the FTA is also very significant in terms of our relationship.

In terms of the China-U.S. relationship, I think after suffering the repeated setbacks since the Sunnylands Summit, the relationship appeared to be back on track again, back on the right track again with the Xi-Obama Summit in Beijing. The two leaders had extended talks. The two governments agreed on specific targets on climate change. They agreed on acceleration of negotiation of the BIT between the two countries. They agreed on reduction of tariffs on information technologies. Also there were two MOUs between the two militaries on confidence building measures concerning military maneuvers in high seas.

On the negative side, one finds that the U.S. pressures on South Korea on issues like the deployment of the FAT system in South Korea and also South Korea's participation on AIIB are really making South Korea quite frustrated in a way. They don't want to offend China. Allegedly, the Chinese are opposed to this, and also try to invite South Korea to join the AIIB. Final opposition to FAT deployment and also Chinese efforts to enlist South Korea to join the AIIB are making South Korea's life a little bit more uncomfortable at the same time. And also despite the success of the Xi-Obama Summit in Beijing, I think differences between China and the U.S. on a whole range of issues remain, ranging from how to deal with North Korea more effectively on the nuclear issue to how to address the South China Sea maritime disputes. We have a lot of differences, and both governments are a bit concerned about or are quite concerned about the other country's approach. The three countries still can all agree as to how to deal with North Korea's nuclear issue, which is allegedly sparing no time -- I mean North Korea -- quietly developing nuclear weapons and planning to have another nuclear test.

How can we explain the negative developments? We can explain the positive developments, but how can we better explain the negative developments? I think first there is the deepening strategic suspicion between China and the U.S. on the one hand and also between these three countries and North Korea. There is a lot of suspicion as to what the others' intentions are.

The second factor is the rise of China. The rise of China means that China now -- China is in the middle of the rise. In the middle of the rise means that China has dual identities or interests on many fronts. For example, China is both a developing country and a developed country, a weak country and a strong country, a poor country and a rich country, an ordinary power and a super power in a way. And if identities define interests, Chinese have two sets of interests on many issues. As a result, the Chinese are confused in terms of how to define their interests, let alone to carry out a coherent foreign policy. So when China sends out conflicting incoherent signals, the U.S. gets confused. The U.S. wants to know what the Chinese really want, what the Chinese are really up to. Well, the problem is if the Chinese don't know, Americans cannot find out. So the Americans adopt this hedging policy. And, of course, when Chinese look at the U.S. adopting a hedging policy, they adopt their own version of the hedging policy. So as a

result, the interaction between China and the U.S. can easily get into a negative cycle.

And, of course, on top of this we have a domestic politics problem. In China you have rising nationalism. People suddenly realize that China is no longer that weak. They thought that China behaved in restraint because China was weak in the past. Now they think that China's no longer that weak, so they push the Chinese government to defend China's allegedly legitimate interests in a more forceful way. And, of course, on the part of the U.S. you have politicians who try to capitalize fear and frustration with China out of ideological concerns or self-interests. This is a time to make China's case so as to be successful in elections.

What to do about this? I think first of all we need to exercise caution. China's in the process of transition. A lot of things are in flux. So we do not want to draw hasty conclusions and adopt hostile policies towards each other that one may regret in the days to come, especially between China and the U.S. This problem is really acute.

And also the two countries should give others the time and chance to put nice rhetoric into practice. China needs more time to figure out what its interests are, and I believe the Chinese are wise enough to make the right choices overtime. And also we need to be innovative. China and the U.S. should think about welcoming each other to participate in their own respective pet projects like TPP, RCEP, AAID, BIT. Anyway, somehow we need to make accommodations to each other, to be flexible and innovative. The U.S. and South Korea, I mean they need to spend more time to explain the FAT system better to the Chinese, that it cannot weaken China's limited nuclear deterrence capabilities.

Alternatively, think about deployment of another system that the Chinese think is less threatening. For China and South Korea, China should probably give more consideration of South Korea's concern over AIIB, decision-making structure. South Koreans want to have more say in the AIIB; let them chip in more money. China and, of course, cooperation on North Korea. I think the three countries should think of working more closely together to form a sort of united front to offer pressures and incentives to encourage North Korea to give up nuclear weapons.

And, finally, we need a dose of pragmatism. Whatever action each country takes, they should address the concerns of the other two countries if it wants to be successful. The U.S. and South Korea should try to alleviate China's concern over regime change of North Korea. China and the U.S. probably should alleviate Seoul's concern over its relationship with the other country, whether it's China or the U.S., don't push Seoul too hard. And China and South Korea probably should try to alleviate Washington's concern over the nuclear threat from North Korea and also attempt to minimize the role of the U.S., allegedly the efforts to minimize the role of the U.S. in the region.

So if we try to be innovative and pragmatic and cautious at the same time, I think the relationship should be less bad, if not much better. Thank you.

AMB. PARK: Thank you for your presentation and time. If I could give some of my personal comment on your argument on AIIB, you argued that there might be some pressure

from your side. Maybe I don't know it if there is your side pressure on our shoulders. But if I am correct, the biggest problem on AIIB is that China wants to take 50 percent shareholder based on PPB base, so a little higher than normal GDP per capita. So if China takes 50 percent shareholder, Korea has some difficulties. So maybe that is my initial understanding, but maybe this issue could be discussed during the third session because we will deal with economic issues.

If I give just my initial, very brief response to your argument on the Chinese government attitude toward North Korean nuclear issues, as we discussed since 2009 China became more assertive, if I borrow the theoretical terminology. Since then there's some clear, vivid change in the Chinese attitude toward Korean Peninsula policy; that is, up until now, over that time there is some balance in two objectives. One is denuclearization and the other one is peace and security of the Korean Peninsula. But since that time, there is change, the clear cut emphasis, when these two common objectives are in conflict. I was told that China prioritized peace and security of Korean Peninsula over denuclearization, so maybe I wonder if there's any changes of basic Chinese policy on this. Maybe you could respond more, Professor Jia, in the next response.

My next speaker will be Professor Lee Jung-Hoon. He is teaching at Yonsei University and also he is serving as Korean government's Ambassador for Human Rights. Recently, he founded the Human Liberty Center dealing with global human rights issues with special reference to Korean human rights issues. He is a very famous regular public commentator.

JUNG-HOON LEE: Thank you, President Park. Let me first say that I greatly appreciate the Korea Foundation for Advanced Studies, the Brookings Institution, as well as the Peking University for this great opportunity to exchange very frank dialogue. It's been a revelation and very helpful process.

The panel's title is Korea's relations with major powers. As far as I know, there are four major powers, but I was made aware of the fact that we have 10 minutes to discuss Korea's relations with these major powers. That gives me after this introduction about less than 2 minutes per major power, which is a mission impossible. So I've taken the liberty to eliminate two of the four major power statuses, Russia and Japan, for no better reason than well, I don't particularly like Mr. Putin because I think he's a bully. And I'm not particularly fond of -- sorry if there are Japanese in the audience -- Mr. Abe because I think he lacks compassion. So I'll be focusing mainly on Korea's relations with the United States and China.

First, let me turn very quickly to Korea's relations with the United States. Well, let me first say that both Korea-China relations and Korea-U.S. relations, if we are able to isolate the two and look at them independently, it's as good as it can get. I mean we've heard it from the Chinese delegation here. We've heard it from the American delegation here. In fact, during the Summit Meeting between President Obama and President Park Geun-hye in April of last year, 2013, President Obama was saying that Korea-U.S. relations is more than just an alliance. This year in June, a U.S. Congressional report was saying that Korea-America relations are at their best state since the establishment of the alliance in 1953. And earlier the keynote speaker, Dan

Russell, was also saying that in his career in the State Department that it's really at its best state.

We've had multiple summit meetings already and counting. We've had a good number -- I can count seven -- of Foreign Ministerial meetings, and we're not even into two years quite yet of the Park Geun-hye government. We've had two-plus-two meetings and, of course, the Security Consultative Meetings, the SCM. In fact, the 46th SCM at the Shangri-La, the Defense Ministers' meeting in May of this year the United States and South Korea agreed to postpone the transfer of the wartime operational control. No date set at this time. The transfer would take place when the condition is appropriate, ending on the views of both countries. I guess in particular in terms of the threat from North Korea. So this is a very positive development in Korean-American relations.

Now, that's not to say that everything is rosy in Korea-America relations. There are some outstanding issues that need to be ironed out between the two. One, of course, is the nuclear agreement, which I guess will move into 2015. It's a very complicated issue, and it's not an easy issue. There's the ongoing issue of the U.S. relocation of the bases in Korea, but having said that, overall I think the bilateral relations are in really great and excellent shape.

Likewise, South Korea's relations with China also in very good shape and everyone's been talking about the personal chemistry between President Xi Jinping and President Park Geun-hye. I think you know that they met for the first time in 2005 when President Park Geun-hye at that time was the Chairwoman of the Grand National Party. At that time the Grand National Party was the opposition party, not the ruling party. And President Xi Jinping at that time was a governor I believe, governor of Zhejiang. So it's probably safe to say that both of them were not at the height of their stature, which probably reinforced their chemistry because they were undergoing some issues at the time. And that friendship has lasted and very fortunate for the Korea-China relations that both of them ended up becoming leaders of respective countries. Of course, Park Geun-hye made the state visit last year in 2013. We had the return visit by President Xi Jinping this year in early July, which I think was already mentioned. That was a very significant visit because for the first time, a Chinese leader visiting South Korea before visiting North Korea.

I might also add that President Park Geun-hye's meeting with President Xi Jinping is highlighted even more because to date a bilateral summit meeting has not taken place between Prime Minister Abe and President Park Geun-hye, which makes this summit meeting that much more significant. Also we've had six times of a summit meeting at both bilateral and multilateral settings between the two leaders, but the China-Korea relations go much further than just the personal link. The bilateral trade is now well over - last year it was \$230 billion, and they're pushing for \$300 billion at some point.

Now, we have over 8 million travelers between the two countries. In 1992, when the two countries normalized relations with each other, there were only 130,000 and mostly, of course, recently the FTA was concluded. The two countries also seem to have a common front in targeting Japan, Mr. Abe's historical revision. I don't know if that's a good thing or a bad thing, but in terms of Korea-China relations, it has contributed.

So on an independent basis, a great relationship. But when you start to look into these respective bilateral relations within the larger context of U.S.-China relations, things are more complicated. Things don't look so rosy, and this is because despite the denial from both the United States and China, there is some logic that does not apply in their relations with South Korea. I think they do. What do I mean by that? Well, I think there's the juxtapositioning of the old traditional order in East Asia and the emergence of a new order that may be shaking up the old order. The old order is the traditional international order in this region where the United States plays a very central role. The Asia pivot is supposed to reinforce this old order, which has existed since the end of World War II. And the success of this pivot is contingent on very close alliance relations, especially with South Korea. But other variables -- it's not like they're in a constant state. I think the economic term is *ceteris paribus*. In fact, one of the variables is making some tectonic noise and that's the rise of China, China rising, and in particular the rise of China as an emergence, as a maritime power in this region.

Now, you might say that it is challenging, the U.S. preeminence in the Asia-Pacific region. But even if you deny that, there's no question that China is trying to carve out a greater role and influence in this region. You might call that grand strategy of China in the form of maybe the new Silk Road. This is a very significant development because if you look at the new Silk Road vision, it does represent a massive loop linking three continents with China playing a central role within this loop as provider of goods, information, as well as infrastructure -- roads, railroads, airports, so on and so forth. What is the end game for China? The expansion of the economic interaction eventually spilling over into the cultural and political sector to create a cultural, economic, political block where China plays a leading role, and China wants, I believe, Korea to be part of this block.

And herein lies, of course, the dilemma for South Korea. We are very much entrenched in the old order, but there is this new order emerging where China wants Korea to play a significant role. Now, this is a problem because the new Silk Road -- I may be wrong in this assessment -- is not seen as complementing, but rather competing with U.S.-controlled sea lanes, not to mention TPP. And China's push -- and this has already been mentioned -- push for South Korea joining the AIIB and also the open opposition to TAD where, as far as South Korea is concerned, TAD has nothing to do with China. It has everything to do with North Korea. But that's not the view of China; China looks at this not in the local sense, but from the perspective of U.S.-China relations. And this is the background --

AMB. PARK: Your time is over.

AMB. LEE: Okay. This is the background where there is this discourse over the dilemma of South Korea. But to come to an abrupt conclusion, really as far as I'm concerned, there's no dilemma because at the end of the day, the fact is the United States is South Korea's ally. China is not an ally. It is a very, very important partner of South Korea, but not an ally. And, therefore, in order for that dimension and matrix to change, there has to be some significant changes in China, particularly as a soft power. And I will leave it at that. Thank you.

AMB. PARK: Thank you. You covered these very microscopic issues, but I'd like to give some microscopic questions based on your background as a Korean Ambassador on human rights issues. Two weeks ago, the U.N. General Assembly took a very groundbreaking resolution, recommending the prosecution of its leaders at the International Criminal Court, the ICC. Even though China and Russia as expected to use BIT power during the further meetings of the Security Council, these issues will be a new headache to China. Do you think this kind of new approach will increase the Chinese on North Korean nuclear issues? So maybe you could make answers while our Chinese colleague makes some answers.

My next speaker will be Ms. Katharine Moon. She's actually Professor of Political Science and Wasserman Chair of the Asian Studies at Wellesley College. She is the inaugural holder of the SK-Korea Foundation Chair in Korea Studies at Brookings Institution.

KATHARINE MOON: Thank you very much. I would probably, if I introduced myself, flip the order around. I am first and foremost the SK-Korea Foundation Chair in Korea Studies and part of the Center for East Asia Policy Studies Program, and I am very fortunate to have an incredibly wonderful -- intellectually and personally -- wonderful set of colleagues on the fourth floor of this building. And our fearless leader, Richard Bush, is here. He sets a tone for a certain kind of integrity and quality of work and dedication, so I'm very honored to be part of that group.

There are many thanks to be given, but everybody else has given the traditional thanks to all the traditional people. I'd like to give an untraditional thanks to my research associate, Paul Park, here at Brookings. Many of us work with staff members who are just outstanding, as outstanding as the senior scholars are, and they're often the unsung heroes. So he was very much a part of preparing for my presentation and also discussing together some of these ideas.

I'm going to take a different approach from the conventional approach when we talk about the Koreas or especially South Korea in the context of the major powers. I don't know if I can stomach another conference on Asia pivot, another panel on how Korea feels sandwiched between China and the U.S., or another intense seminar on the history issue between Japan, Korea, and China, so I'd like to try something new. It's part of a book project that I am beginning. I tend to be a mid- to long-term thinker, and I think we in this audience -- it's the right crowd to be doing that kind of foreshadowing or more in depth thinking about the larger future of Northeast Asia. And so I'd like to talk about demographic domestic politics, but demographic change that leads to domestic politics and, therefore, leads to foreign policy, possibly to changes in foreign policy priorities, including Korea's relationship with the United States, with China, and also the non-major powers in East Asia, which we have tended to leave out in our discussions, but we know they are very, very important for a variety of reasons.

My basic question is this: How might the domestic, the demographic changes that are rapidly occurring in South Korea in particular going to affect Korea's role and relations in East Asia in the future? South Korean society is in the throes, in the midst, in the struggle of demographic change socially, politically, culturally, that have serious implications for economic

performance as well as national security priorities and foreign policy priorities.

There are two major factors. One is the very low birth rate and the fast-aging society that most of you know that characterizes South Korea. It is the lowest in terms of the birth rate, the lowest birth rate among all OECD countries and the fifth lowest in the world. South Korea's fertility rate is lower than Japan's, and South Korea as we all know tends to catch up very fast. I'm not so sure this is a good area in which South Koreans should have caught up so fast, but nevertheless, statistics are statistics and they tell us certain facts.

The second area is the demographic change happening from migration, both from defectors from the North coming into the South who amount to approximately 30,000 at this point. The number seems low compared to a mere 50 million South Korean population; however, they hold much more potential clout in determining the foreign policy trajectory, especially in inter-Korea relations and with China than we might give them credit for at this point.

I'm not going to focus on that. I have papers I'm working on, and I'm happy to talk about it during Q&A. But I will focus on another area of demographic change, which is the transition from an ethnically, culturally, and phenotypically -- meaning our facial features -- homogeneous society in South Korea to one that is inclusive of multi-ethnic and "multi-cultural," what the South Korean government officially labeled as (speaking Korean), literally translated as multi-cultural family, or in Chinese for many of our Chinese speakers (speaking Chinese), its literal translation. And this comes from the American English. When I first read (speaking Korean) in the Korean language, I thought what on earth does this mean. And then I realized it's the literal translation from multi-cultural family, multi-cultural society, which has never existed.

That notion, concept, never existed in South Korea until very recently. But the striking thing about this phenomenon is not that it's taking place -- migration takes place all over the world -- but how rapidly the South Korean government has picked up this issue as a major policy priority both for increasing the population, increasing the labor pool potentially, and also to make accommodations for the newcomers so that they might try to integrate better into South Korean society. It is an assimilationist policy, which many South Korean NGOs and advocates of these groups and the immigrants themselves criticize because they are not in favor of assimilation per se. But nevertheless it is a serious attempt, and I would say a laudable attempt, to pay attention on the part of the government to the pressing welfare, educational, job, technical skills and other needs of integration required because of this growing presence of foreign nationals and their children who are what some people might pejoratively say "KorAsian." Many of the foreigners are from Asia, so they marry Korean nationals and so they become "KorAsian" or of multi-ethnic, multi-cultural, multi-racial backgrounds. They amount to approximately -- these children are approximately 200,000 in number. They are Korean citizens by birth. Why? Because in 1997 South Korea did something that some South Korean newspaper commentators called epical change. It was in the Korean term, epical change, phenomenal revolution from patri-lineage, citizenship by father's side, to bi-lineage, so that a Korean mother, a Korean citizen who is a female and a mother, can bestow citizenship on her non-fully Korean child. This was brand new. David Dollar likes that. It's progressive. So South Korea has been changing legally, normatively, and, of course, in terms of phenotype and culturally and policy wise.

Just to give you a couple of more statistics, South Korea in terms of its population projected into the future, by 2030 about a quarter of South Korea's population currently at around 50 million will be 65 and older. By 2045 -- this is really not long in the future -- by 2045, I'll be 95 years old if I'm around. You young people will have to take care of these problems, but nevertheless, by 2045 the average age in South Korea will be 50 years old. That's what I am now. I feel very young, but that's an aging population technically speaking. And this is important when it comes to economic productivity and the labor force that is able to sustain a fast-growing aging population. By 2060, the South Korean population will plummet to between 34 million and 44 million from the current 50 million or so, and there are as some Koreans know these wild projections that in about a hundred years South Koreans will have disappeared from the face of the earth or rather the Koreans, *ceteris paribus*, nothing else changing. I don't believe in that, but, of course, I'm not adding the potential unification scenario, but I don't believe that unification will solve the demographic problems and that can also be saved for Q&A.

AMB. PARK: 10 minutes.

DR. MOON: Sorry?

AMB. PARK: 10 minutes.

DR. MOON: My 10 minutes are up?

AMB. PARK: Yup. Just another minute.

DR. MOON: Okay. Give me 2 more minutes, please. I'm the only female on this. I'm going to say it. And I'm talking about minorities in Korea, you know. I can claim all sorts of crazy things, but I shan't. I respect my colleagues too much.

Impact on economics: The total size of South Korea's labor force is expected to peak in 2016-17 and decline thereafter. Economic growth would be reduced by about half of what it is now by 2050. That is a significant concern to be had. For Korea to remain an economic, military, political, cultural power, an increase in the birth rate is needed, needed at an increase of at least 1.8 from the current 1.25 over the next decade, and I predict it will not happen, not by South Koreans alone.

National security implications: Over the past five years, the number of men aged 18 to 35 and eligible for mandatory military service has dropped by over 120,000. There will be a shortage of 84,000 by 2030 and a shortage of 123,000 by 2050 due to the low birth rate, and these are figures from the relevant Korean ministries. This would result in a shortage of 30 percent manpower/womanpower in 2030 and a 45 percent shortage by 2050.

What is very interesting is that military officials are aware of the declining number of potential recruits in South Korea and have put into place reductions of Army troops from 552,000 to 387,000 by 2020. That is, again, very soon in the future. If the ROK is to

maintain the current level of military personnel, fighting personnel, at 650,000, the government needs to recruit 276,000 people per year. Again, this is not tenable. It's not sustainable under current conditions.

I have other statistics on that, which are very important, but I'll leave it aside. What is also very interesting is that the South Korean government has been responding quickly to these changing demographics, such that in February 2012 the draft law, the military service law, was changed to recognize and formalize the demographic diversification of Koreans. Until that law, only Koreans of full Korean ethnic heritage/parentage could join the military. So this has been and still is a highly ethno-nationalistic society. I give no judgment to that. It is just policies are based on that assumption of ethno-nationalism. But since 2012 all male citizens regardless of ethnic background are expected to perform the mandatory military service, expected of all able-bodied Korean men.

I have other things I can raise during Q&A, but I will just leave these questions for you to think about because these are the important implications for foreign policy.

If these foreigners and the 200,000 growing children who come of age in South Korea who are South Korean citizens, but are heavily marginalized and discriminated against in South Korean society do not get integrated into the society and are not able to develop a national identity that is in accord with the larger society, we need to ask questions about what South Korea's national interests will become in the future. How tight will the alliance with the U.S. be? How feasible will it be to improve or potentially to see setbacks in relations with China? The overwhelming majority of foreigners in South Korea who are laying down roots as Koreans, residents and citizens who come from China, both of Han and Korean ethnicity. But they, too, are marginalized in South Korea. On the other hand, we have defectors from the North who are at the vanguard of activism, criticizing Chinese foreign policy regarding refugees, economic migrants, what have you, from the North. So we have diplomatic tensions between the South and China because of the defectors' activism, South Korean lefts' activism, and the South Korean rights' activism on refugees and human rights.

We have multiple ways that we are watching South Korea -- I am watching South Korea -- diversifying its foreign policy. President Park Geun-hye in her first year invited as the first head of state to come to South Korea the current president of the Philippines, the young Mr. Benigno. And she made it a priority to visit all of the major Southeast Asian states in her first year of presidency, and she has a new foreign policy called VIP -- Vietnam, Indonesia, the Philippines. So South Korea's diversifying its foreign policy and it is not a coincidence that the demographic changes that are occurring in South Korea happen to draw heavily from a population in Vietnam, Philippines, Indonesia, Thailand, et cetera.

So I leave open the question of how might the domestic demographic changes in South Korea affect domestic identification and identification in terms of political identification with South Korea's current interests versus future changing interests? How might these youngsters who are of mixed backgrounds grow up to help lead South Korean society in ways that are aimed toward peaceful, cooperative relations in the greater East Asian land mass and sea

mass? Thank you.

AMB. PARK: Thank you for your very creative new approaches on Korean issues. I hope we can have more lecture time in Seoul.

Now it's high time for us to invite three discussants. My first discussant will be Mr. Robert Einhorn who is a Senior Fellow at this institution, and he served as a Special Advisor for Non-Proliferation and Arms Control of a U.S. department. Also he served as the Secretary of State for non-proliferation a long, long time ago. He's usually well-known as a walking dictionary on North Korean nuclear issues since the first nuclear crisis.

If you don't mind, I will give you a very quick two questions. During the Iranian nuclear crisis, this year Iran made some new options on Iran-U.S. direct bilateral negotiations, which was very helpful. So I wonder if this kind of new formula could be applicable to North Korean case. There is some comparison with today's Dan Russell's argument on that issue. And since the agreement failure and strategy was prevailing on the U.S. side, so I want to know the longevity of the strategic tolerance. Thank you.

ROBERT EINHORN: Okay. I'll add to the Iran question first and then in my comments I'll go into strategic patience and whether we're impatient with strategic patience.

On Iran, we don't know if there'll be agreement with Iran in the P5+1 countries. If there is, it's likely to permit a very limited uranium enrichment program. People have asked what's the precedent for dealing with the DPRK nuclear program. In any agreement with the North Koreans, I believe it would not be possible to permit any enrichment or reprocessing program. The DPRK has a longstanding track record of violating its commitments. One of the early commitments it violated was the North-South Denuclearization Agreement in 1992 when the North explicitly agreed not to have any enrichment and reprocessing capability.

So I wouldn't regard any Iran agreement on enrichment as a precedent, although I do believe that if the P5+1 countries manage to achieve an agreement with Iran, this would improve prospects for a productive negotiation with the North. On the other hand, failure to reach agreement between P5+1 and Iran I think would further reduce the probability of effective negotiations with the DPRK.

But the subject of this panel is Korea and the major powers. Picking up on your cue, Ambassador Park, I'll talk about North Korea and the major powers. In North Korea's relations with the various major powers clearly, its relationship with China is the most important. China is the main supplier of food and fuel to North Korea. It's its biggest trading partner. And China has made a conscientious and persistent effort to get North Korea back on the path of denuclearization.

But China has been terribly frustrated in its dealings with North Korea over recent years. It's been frustrated by -- more than frustrated -- by the provocations, the deadly provocations by North Korea against the ROK, by North Korea's continued nuclear and missile

programs, and by its renunciation of its commitment to denuclearization in the September 2005 Six-Party Joint Statement. Clearly, there's been a cooling of relations between China and the DPRK, and I understand, and our Chinese colleagues can elaborate, that there's a fairly lively internal debate within China about whether the DPRK is more of a strategic asset or more of a strategic liability to China.

China has been prepared from time to time to apply pressure against North Korea, but it's reluctant. It's been reluctant to use all of its leverage, all the leverage available to it, in order to press the North Koreans. And I think the reason for that is a fear that too much pressure could end up destabilizing the regime in the North and lead to instability on the Peninsula and in Northeast Asia.

The North Koreans are now and have been for some time engaged in a very active diplomatic outreach effort, part of a kind of charm offensive by the Pyongyang regime. It's released the American detainees. It sent a high-level delegation to meet with South Korea in Incheon at the time of the Asia Games. Choe Ryong Hae visited European capitals, a high-level delegation recently visited Moscow, and there have been bilateral discussions between North Korea and Japan on the abductee question, although I don't expect anything useful to come out of that.

What are the motivations for this diplomatic outreach activity by the North? I think one of the motivations is a desire at present to blunt pressures against the Pyongyang regime on the human rights front, the concern that the U.N. Security Council might refer the North Korean regime and its leadership to the International Criminal Court. I think the outreach is designed to try to dissipate those pressures.

I think the outreach is also designed to try to divide the major powers from each other and to try to get assistance for the North in pursuing its economic development objectives, but to get that assistance without having to make compromises, sacrifices, in terms of its nuclear weapons program. I think it's very important for the major powers, for North Korea's partners in the moribund Six-Party process, to remain united in continuing to make very clear to the North that it can't achieve two objectives simultaneously, the objectives of strengthening its economy and the objective of continuing to pursue its nuclear and missile ambitions.

But in the meantime, it's clear that North Korea's nuclear and missile programs are progressing. I agree with you, Ambassador Park, time is not on our side. The North Koreans have recently increased -- I believe they've increased the amount of plutonium they have available for nuclear weapons. They've doubled the size of their enrichment program at Yongbyon, and undoubtedly in my view are enriching uranium outside of Yongbyon and probably producing highly enriched uranium for nuclear weapons program. They continue to work on long-range missiles, including an ICBM-range missile that would eventually be capable of delivering a nuclear weapon to the United States.

So I think it's very important that we act to stop this momentum in North Korea's destabilizing nuclear and missile programs, and I think the only way we can stop that momentum

is by engaging with North Korea. But we can't engage on North Korea's preferred terms. Its preferred terms are to have discussions among countries that are armed with nuclear weapons, designed perhaps to limit those capabilities. That cannot possibly be the objective. The world community cannot accept North Korea as a permanent nuclear weapon state.

The purpose of any engagement with North Korea on the nuclear issue is to recommit North Korea to the goal of denuclearization of the Korean Peninsula, and it's important that North Korea take tangible steps of restraint to give credibility to that commitment. Now, I don't think it's realistic to expect North Korea to take tangible steps of restraint before Six-Party Talks have commenced. They've made it clear they're not prepared to do that, and I believe that to be the case. But I think we can engage -- and when I say we, North Korea's neighbors can engage them in informal exploratory discussions to test whether the North would be willing to commit to certain steps once the Six-Party Talks have reconvened.

Who should hold these exploratory informal discussions with the North Koreans? I think clearly the South Koreans should. They're an interested party and should have every right to explore bilaterally with the North, but also the United States should. China has served as an intermediary between the U.S. and the North for quite some time, but it's important for the U.S. to sit down directly, face to face, with the North in an unfiltered way to get its points of view across. And after all, it's the alleged U.S. hostile policy against the North that is the primary North Korean justification for its nuclear program.

I believe the United States is prepared to engage the North in these informal exploratory talks. This morning Assistant Secretary Danny Russel mentioned that the U.S. has long been willing to have these talks. He also mentioned that the U.S. should not be the exclusive interlocutor with the North, and I completely agree with that. Others have a stake and need to be involved in any process of denuclearization, but it's very important I think that the U.S. does engage with the North.

But I think so far it's been the North that's been reluctant. Ambassador Park, you talk about strategic patience. If there was patience, it's worn off a long time ago. I think the U.S. has been ready to engage with the North, but it's been the North of late that's been very reluctant to have this dialogue. I think it's very important for the major powers of the world, including North Korea's neighbors, to make very clear to the North that unless it's prepared to engage in these kinds of exploratory talks, leading to a recommitment to denuclearization, then it will only face additional pressure. Thank you.

AMB. PARK: Thank you, Bob. Next speaker on my list is Professor Qingming Zhang who already served as a presenter during the first session. He is a professor at Peking University and he's also editorial board members of the *Foreign Policy Analysis* and *The Hague Journal of Diplomatic Studies*.

DR. ZHANG: Thank you for the short introduction. So this is a very important topic. When I was asked to discuss this panel, the first idea that came into my mind was that. We look at a map, look at Korea. If Korea was located in any other place in the world, whether it is

in Europe or Latin America or Africa, it is a big power. But, unfortunately, it was located in such a place surrounded by countries which are all powerful or bigger than Korea, though there is a problem that Korea has developed relations with all big powers on this topic.

But having said that, I think Korea is also in a very important position. If we look at that change in international structure in East Asia, Korea has always been a vital place. The first time that structure changed in Asia, it was in 1894 or '95 after the China-Japanese War when China was defeated in the Korean Peninsula, and that started the Japanese dominance in this area. The second time that East Asia international relations changed was after the Second World War when the Cold War started. You know, the Cold War was frozen along the 38th parallel. And today I think the development issue in the Korean Peninsula will demonstrate where the international relations in East Asia will go. It is very, very meaningful in this regard.

All three presenters have offered very, very interesting views. I think Professor Jia offered a confusion that may have made discussions of both the positive and the negative side of the relationship in that area. And Professor Lee discussed the complex relations in the area, but it reminds me, both you and Professor Jia talked about the relationship between China and South Korea and South Korea and the United States, both are the best of time ever. But if you look at China's relation with North Korea, and the American's relation with North Korea, it should be at the worst time ever. So you see there is a zero-sum kind of relationship between South Korea with the other big powers and North Korea with other big powers.

So I'm thinking, what will South Korea do now that China and the United States do not play the role that they are now playing in this area? So what kind of a preference will South Korea like to pursue?

Another important relationship in this area, a feature of this relationship in this area, you see South Korea has developed an economic relation with China. South Korea's trading volume with China is more than South Korea's trading volume with both the United States and Japan.

But at the same time, South Korea has developed a very close military alliance relations with the United States. A key example is why is this about AIIB? South Korean friends tell me that there are two reasons. One is the reason Ambassador Park discussed. The other reason I think as some friends told me is that America tried to prevent South Korea from participating in the AIIB. And another example of that in this year is the Zhuhai air show that South Korea was supposed to go to participate in the air show. But before South Korea participated, America said no, you cannot go because you have high technologies with your fighters, which might be available to the Chinese. That also shows that South Korea is in a very difficult position. On the one hand it developed a close economic relation with China, but on the other hand there is a big political barrier. But it shows that in East Asia, which is different from the other countries, other areas. In other areas its economic integration leads to political integration. But in East Asia, we see that the political obstacle privy to the economic integration. It's the other way around. So it is a very difficult and very interesting phenomenon in that area.

The last point I want to talk about is about Professor Moon's perspective. I think it is a very, very good perspective, very new. It reminds me of my professor's research, Professor Valerie Hudson who wrote about separation in balance and their impact on countries' foreign policy. But it also reminded me -- she did not have time to elaborate on how those changes, demographic changes, will impact South Korean foreign policy exactly because there might be a lot of work to do. But it reminds me of the situation in this area, in South Korea; that is, in South Korea as well as in Asia at large. The international relations in East Asia are much more constrained and influenced by the domestic politics of the countries in this area, more than international balance, the change in the balance of power. Why as an example I did not mention because it's not within the topic you discussed. That is the nationalism, the rising nationalism in East Asia. It's not about nationalism in China, it's nationalism I think in South Korea is stronger because of the heterogeneous, the demographic composition in South Korea. It's even stronger. And this is also true in Japan. That is another perspective to analyze the international development in this area. I think that is a very, very interesting topic, and I think I would love to read your book once you finished. I think I will stop here. Thank you.

AMB. PARK: Thanks for your presentation in a very, very timely way. My last speaker will be Professor Cheol Hee Park. He's actually a professor at Seoul National University and the Director of the Institute for Japanese Studies. He's one of the best renowned Japanese specialists in Korea, maybe I hope he will speak on behalf of Japan.

CHEOL HEE PARK: No, I will never speak on behalf of Japan. I will always speak on behalf of Korea. But during the break, Ambassador Park gave me freedom of speech. I can talk about whatever I want and then Professor Jung-Hoon Lee saved Japan for me for the reason that he doesn't like Abe. So I will talk about -- first I will introduce my take on the recent Japanese-Sino relations and how it affects the major power relations in Northeast Asia.

It is certain that Abe of his election -- general election was a victory for him, but I do not agree to the position that it was a landslide victory for Abe. He just barely maintained the status quo. You shouldn't forget that the voting rate was only 52 percent. It was 69 percent in 2009, 59 percent in 2012. So a smaller number of voters went to the ballot, which means that they are not enthusiastic about Abe. And don't forget that LDP lost its seats, and then voters gave much more votes for the balance within the ruling coalition, increasing the forces. And then I checked it. The voting rate was 52, but the proportional representation votes only 33 percent of the votes went to the LDP, which means about 17 percent of the entire electorate supported the LDP. That means less than one out of five in Japan. So I think Abe should be careful about reading the election results. This is not a landslide victory for him. But it's for sure that divided opposition made the operation very, very weak and enfeebled as time goes by.

On the opposition that gained a lot is the Communist, the Japan Communist Party because the people had no choice in the third area. And I'm a little bit relieved to look at the results of the election in that party. The next generation lost 17 seats. They have only two seats left. So this means that the right wing element in the Japanese society is weakening. So that's good news.

Then after this, Abe's victory. He secured more than two-thirds majority in the Diet, in the lower house. I think he will try his best to gain more than two-thirds majority in the upper house election in July 2016. I hope he can be much more cautious in order to achieve that goal, but I don't know. His character is not that much cautious.

But what does it mean for the major power relations in this region? I think it's good for the United States first of all because Abe will strongly push the collective self-defense issue, and Abe will be much more forthcoming in the issue related to TPP. So in terms of both the security and economy, it's good for the United States.

But I think you should carefully watch the relocation issue. It will be a kind of -- more hurdles are there because in Okinawa there are four electoral districts. Normally the LDP candidates were elected in Okinawa, which means the relocation will have some hurdles there. And even though the collective self-defense issue will be pushed forward, yesterday, according to a Kyoto news agency opinion survey, 55 percent of the respondents are against Abe's security policy. That means you should navigate it through a resistant domestic public even though you won the election.

As for the relationship between China and Japan, I'm not that much optimistic even though Abe and President Xi met. They shook hands, but they were looking in other directions, which was a very interesting shot. But I think the strategic rivalry between Japan and China will never come to an end and still lingering suspicion on both sides, especially about the territorial issues and history issues will continue and much more. China is ready and willing to play the history card much more actively than before as the anniversary suggests. I think China is taking out history because more and more on the table. This is a very convenient card in Northeast Asia because if you play the history game maximally, Korea and Japan can hardly get together. China and Korea get together much more. I think that China exactly knows what it's doing. So that's the kind of concern for me a little bit.

Then what about the Korea-Japan relations? The Abe victory is not good news for us, for Korea, but I don't think it's bad news either because he will -- we now know that, finally know that -- when I told the policymakers that Abe will continue to be there until 2018, they were suspicious. Now, everybody believes me. He will be there until September 2018 and we have to deal with him. But I have to be clear that Korea, unlike the perception from looking from our side, Korea is willing and ready to talk to Japan. And at least from this September, Korea became much more flexible in dealing with the Japan issue. First of all, we opened all the channels of communication except summit talks. So last month I accompanied the speaker's visit to Japan. That means according to our constitution he's the number two person. So we saved the summit meeting, but all the other talks are going on. And then, unlike the previous approach, we make a parallel approach that rather than making history card in front of all the problems, we know the history issue is there, but all the other cooperative issues are discussed at many levels.

So I think we are positive and then we are much more flexible than before. But the thing is that the president -- I don't think that President Park will make it convenient to compromise about the comfort women issue. That's for this issue. There's a lot of old, different

interpretations and perspectives about the comfort women issue, but I think the comfort women issue is a serious issue and Japan problem. I don't think anybody can advocate the comfort women issue from our side of Japan, but internally inside Japan there's a kind of tone with people, right wingers, trying to say that they didn't make any mistakes in the past, which is a grave mistake.

So I think the mood in the Japanese society is not that much sanguine in the sense that there is a kind of Korea bashing, especially throughout the weekly magazines. I have first heard of a kind of anti-Korean sentiment in Japan, even though I watched Japan for more than 25 years. They are talking about anti-Japan, Korea bashing, wow. So we're always talking about anti-Japan in Korea, but then they're talking about anti-Koreans in Japan. So it's a kind of -- the mood of the society is not that much bright. Also I don't know whether Abe can deal with the comfort women issue very smartly, considering the domestic political context in Japan.

So three factors will influence the future course of Korea-Japan relations: First of all, domestic politics. We talk about that people in the area of diplomacy, domestic politics, there should be -- domestic politics should not be foreign policy. But Korea-Japan relations is all much story about domestic politics. So you can hardly get away from it. Whether Korea will celebrate the 50th anniversary of Korea-Japan normalization or celebrate more the 70th anniversary of liberation from Japan, we don't know. So that's one factor. The other factor is China, whether China will continue to play history card and then try to cut the Korea-Japan ties, or if Korea-Japan-China will come up with a kind of a trilateral format, Korea-Japan-China. So my question to Professor Jia, what is China's take on the promotion of the trilateral summit meeting along with Japan and Korea and China? So I wanted to hear your view on that.

And finally, I think the U.S. should play a role. I don't think the U.S. can determine the situation, but as for the comfort women issue, I hope the U.S. can take a much more stronger take on that. And then otherwise Abe very smartly, silently. Thank you.

AMB. PARK: Thank you, Professor Park. Now, I don't like to test your tolerance before lunch, but I would just have two questions. One question is why would increase of the Chinese pressure on North Korea lead to destabilization? If Pyongyang believes Beijing is serious, would it not cooperate and reap benefits of the Western economic aid? Maybe somebody could make some response or this could be discussed in the third session.

Second question is Seoul and Moscow are working together with North Korea on development project, the pipeline development. Despite U.S. demands that South Korea confront Russia and North Korea, will this development succeed? The same category can be discussed in the third session. But if anybody could respond, it's up to you. But anyway, Jung-Hoon, one question to you. Just one-half minute, sorry.

AMB. LEE: I think North Korea believes that China is serious, but the problem is it also believes that to have nuclear weapons is very important. It's extremely important to North Korea. That's the problem, you know. That's why it hasn't been able to give up.

Actually, I want to say a few words on Professor Park's comment that China's playing the history card. I don't like the term. We're not playing it. It's an issue that has been unfortunately becoming very large between China and Japan. It's not that somebody tried to play this up for some end. Probably there are many people who have their own secret agendas, but I don't think the Chinese government is playing this game in order to make South Korea and Japan separate and cannot cooperate. I don't think it ever occurred to the Chinese government officials that this would be the end game. There are allegations that the Chinese government is playing this for domestic political support legitimacy. That maybe you can establish some causal relationship. But to say that China wants to play this card in order to alienate Japan and South Korea together, I think that's a bit far-fetched.

With regard to China's position on AIIB, I think the voting share issue -- I mean South Koreans are concerned about this, China's overwhelming position in terms of decision making. I think some Chinese also are concerned. Some Chinese are saying -- I heard people in serious positions saying if we have dominant decision-making power, we would find it very difficult to say no to friends who demand lending, right? It's like maybe they would say well, maybe let's have \$5 billion. We want an infrastructure project. Should China say yes or say no? Probably if more democratic decision making can say well, other shareholders cannot agree. You make decisions more on a commercial basis rather than on a political basis. Probably that would alleviate Chinese anxieties in that regard. So I think there are different opinions as to how much voting share China should have to maximize its own interests. There are differences.

And finally, China's priorities on North Korea: Peace and stability versus denuclearization. I think China used to prioritize peace and stability, but in recent years there have been shifts. I think now we're not sure. My guess is China has been balancing between the two, but the trend of change is toward prioritizing denuclearization. But if you ask different people, you may get different answers at the moment. But overtime, I think the priority is certainly on denuclearization. Thank you.

DR. JIA: I think we've talked quite a lot about the Chinese role as a new leader in the new order. I think, to make it short, in order for China to become a bona fide, genuine, G-2 global leader, it has to take on certain values that are universally accepted. And I think in that sense, the Chinese position on North Korea will be a litmus test as to whether China is able to go beyond the hard power that it already is. Whether China becomes a soft power, I think its position on North Korea will be very, very significant. I understand why China takes the position that it's taking right now because North Korea still serves a purpose in terms of a strategic buffer. But I think the longer China continues to be a patron of this rogue state that's been determined by the United Nations as a country that commits crimes against humanity that turns a blind eye to the non-proliferation regime of the international community, it's going to be a huge burden on China increasingly. So I believe that in the mid- to long-term perspective, the sooner China is able to shed this headache, the sooner China will become a bona fide leader that will earn its respect and certainly from South Korea.

AMB. PARK: Professor Moon?

DR. MOON: Yes, a pressing priority for all of us, it's very short-term thinking on my part, which is lunch.

AMB. PARK: Thank you. Again, let's give a big hand to our distinguished group.
(Recess)