

Strategic Stability in East Asia: Transition and Change
Middlebury Institute for International Studies at Monterey
February 22 – 25, 2016

Conference Summary

Introduction

On February 22 through 25, 2016, Dr. Judith Reppy and Dr. Catherine Kelleher hosted a conference at the Middlebury Institute for International Studies at Monterey as part of their MacArthur Foundation-funded project on “Creating Conditions for a Stable Transition to a New Nuclear Order.” Attendees included academics and subject matter experts from around the world, including the United States, Japan, South Korea, and China. During the conference, three commissioned papers were presented by their authors, who received feedback from the conference participants. The following is a not-for-attribution summary of what was discussed, organized by session.

Session 1: What Constitutes Strategic Stability in the Asia-Pacific?

Remarks by Speaker

Asia is a strange place for strategic stability. There are two distinct security problems in the region, both of which are serious. The first problem is the growth of Chinese power in the Asia-Pacific. The second problem is the continuing division of the Korean peninsula. These problems are impossible to de-link, as responses to one problem unavoidably change the balance of power with the other. This differs from Europe during the Cold War, where there was only one main security problem. East Asia also differs from Europe in that there is no collective security architecture to deal with these two parallel but interrelated problems.

These problems are being exacerbated by an alarming arms race in conventional weaponry, in particular with conventionally-armed ballistic missiles. China’s short-range ballistic missile arsenal is large and growing larger, while North Korea’s missile capabilities continue to grow despite sanctions designed to limit their development. This includes North Korea’s development of solid-fueled short-range ballistic missiles. At the same time, South Korea and Taiwan have deployed new cruise missiles. This development is so large and so rapid, yet it is not receiving the attention that it deserves.

China has said it is deploying some missile models in both conventional and nuclear variants, and has not delineated for the United States which missiles are which. Given that Chinese doctrine calls for using conventionally-armed ballistic missiles early in a conflict, the ambiguity surrounding which missiles are nuclear-armed and which aren’t is a concern. North Korean provocations are now backed up by its small but growing nuclear arsenal, which emboldens them to increase the riskiness of their provocations. This puts South Korea’s democratically elected government in an extremely difficult position, as the population often demands a response to such provocations, which could cause unwanted escalation.

Arms control is an excellent way to manage these problems, but it cannot solve them. At some point, the underlying problems must be resolved. Currently, our dialogue with China is not robust enough to tackle these big issues. With regard to North Korea, permanently (and peacefully) resolving the division of Korea would require accepting certain capabilities from a government that the United States and others in East Asia truly dislike. It's extremely unlikely that North Korea will give up a capability that they've already acquired.

Discussion

One attendee asked what concessions the United States would be required to make in any treaty that would help manage these problems. The speaker responded that missile defense would certainly need to be on the table, though this would be politically difficult in the United States.

The next participant asked how the pivot to Asia would affect the set of problems just discussed. The speaker said that the pivot is less an actual reallocation of resources to East Asia than a policy of no longer investing so much in the Middle East.

Another participant interjected that the pivot has actually measurably increased U.S. government attention to the region, which translates to increased engagement. Most of this increased attention has gone to China, not to the other countries in East Asia.

Another participant commented that additional military assets had been transferred to the region, which is a concrete outcome of the pivot.

The next participant noted that the move in the bureaucracy in the United States is significant, and will produce results over time. Pacific Command (PACOM) is also receiving a greater share of scarce resources than the other combatant commands—a sign that East Asia is a priority for DOD and the military. The alliance network that the United States is cultivating in the region is also noteworthy, especially when coupled with the increase in military hardware to the region and the Trans-Pacific Partnership trade agreement. All of this is designed to strengthen ties between the United States and its allies in the region in a way that contains China's growing capabilities and aspirations for the region.

Session 2: The Iran Deal and its Impact

Remarks by Speaker 1

The Joint Comprehensive Plan of Action (JCPOA) helped provide more clarity regarding past Iranian nuclear capabilities, thanks to a possible military dimensions (PMD) report released in December 2015. Critical aspects of the JCPOA include its limitations on Iranian enrichment, the redesign of the heavy water reactor at Arak, Iran's promise not to build any additional heavy water reactors, and a procurement channel that will help deescalate future potential crises.

To move forward with Iran, the United States and the international community need to focus on carrots, not just sticks. There is concern that while some sanctions are being lifted, others are being reimposed, impeding Iran's economic recovery. Meanwhile, the United States is also not doing enough to issue clear guidelines to companies interested in doing business with Iran so that they can efficiently navigate the Iranian market. If in the next few years Iran does not feel the impact of sanctions relief on its economy, its commitment to the JCPOA will be undermined. Rather, the international community should take advantage of the fact that Iran is not an inward-looking country, and neither the population nor the government prefers isolation. Finally, the

United States should establish strong diplomatic ties with Iran in order to increase trust and avert crises over potential events such as cyber attacks.

The United States should focus on its primary goal: avoiding a nuclear-armed Iran while helping Iran's economy to recover. While the U.S. domestic conversation is important, sometimes these conversations take over and the U.S. ends up looking disorganized and not resolute about its international commitments. Rather than being distracted by other issues the United States has with Iran, the United States should isolate and commit to its nuclear nonproliferation goal for Iran.

Remarks by Speaker 2

Reactions in the Asia-Pacific to the JCPOA vary, and are primarily concerned with what precedent it sets for interactions between the West and Asia. However, scholars and experts in Asian countries define "precedential" differently when arguing whether or not the JCPOA sets a good precedent. Among scholars in Asia who are concerned about the JCPOA, some emphasize geopolitics, while others focus on the mechanisms of the JCPOA itself.

China sees the agreement as precedential, but a closer look at the scholars and pundits reveals a more complicated story. Some scholars emphasize U.S. flexibility and laud the JCPOA negotiations as a great example of diplomacy. Others say the U.S. approach to Iran has been very different from its approach to North Korea, and that the Obama administration is content with diplomatic success regarding Iran but is not willing to do something about North Korea. Some scholars are concerned that the United States will use the North Korean threat as an excuse to continue its military pivot to Asia.

South Korea's reaction to the Iran Deal has been largely positive, viewing the JCPOA as precedential in the sense that it is a good mechanism for solving problems. Some emphasize the key role the U.S. Secretary of State played in the negotiations and voice concerns that in the case of North Korea the U.S. lead does not have enough seniority to effect diplomatic change. A number of media editorials have asserted that the JCPOA should be used as a springboard for similar negotiations. On the other hand, proponents of an indigenous nuclear reprocessing capability in South Korea argue that it is unfair for the United States to prohibit South Korea from reprocessing but allow a rogue regime to keep its enrichment capabilities. These voices are expected to grow in the future, as already a greater number of South Korean lawmakers have been voicing their desire for domestic nuclear capabilities.

In India, most experts focus on geopolitics. Commentators stress that the JCPOA negotiations are the right way to address the problem, but they worry about its potential to spark an arms race in the region. Most experts in India assert that the JCPOA cannot be considered a precedent, especially if the Saudis decide to compete.

A few Western thinkers believe that Japan is worried that the United States may strike a deal with China that will undermine others in the region, and that if this fear is realized, other U.S. allies in Asia may want to pursue their own nuclear options.

In the speaker's view, the Iran Deal does not have any direct spillover effects regarding North Korea. The UN has said that the JCPOA is a one-off deal and emphasized that its provisions apply only to Iran. More important, such a deal requires a counterpart willing to cooperate. Iran has been willing, while North Korea would never accept such a deal. North Korea wants a peace deal while retaining their nuclear weapons, viewing arms control from a partially uneducated

standpoint on deterrence theory. On the other hand, broadly speaking, the JCPOA will make it harder for the United States to persuade future countries to forego enrichment.

Remarks by Speaker 3

Japan's perspective on the JCPOA is that of an observer not directly involved, and there has been less focus on Iran in Japan's press because Iran is not viewed as a direct threat. Among Japanese media outlets covering the agreement, several mentioned the Israel lobby, but few focused on any details of the JCPOA itself. On the other hand, Japan has historically benefited from close economic ties with Iran. Prior to Iranian sanctions, Japan imported 10 percent of its oil from Iran. In Japan there is a perception that Japan's cooperation in the sanctions regime against Iran only benefited Japan's economic competitors, including China.

For the most part, however, the agreement has sparked little domestic debate in Japan but has instead inspired business interests. Japan's greatest stake in the region is for its own energy security. Thus, problems in the Middle East pose a risk for Japan's energy supply. Following the JCPOA agreement, Japan moved quickly to remove nuclear sanctions, and according to Iranian news reports Iran aims to increase its oil exports to Japan from 10,000 barrels per day under sanctions to 300,000 barrels per day with sanctions removed. Japan's Minister of Foreign Affairs Fumio Kishida stated that Japan is looking forward to capitalizing economically on the agreement. In an unusual move, Prime Minister Shinzō Abe has visited Iran twice in one year and also been in conversation with Saudi Arabia, the United Arab Emirates, and Jordan, which may indicate that Japan is interested in nuclear trade.

The conclusion of the JCPOA allows for a renewed focus on North Korea, which more directly impacts Japan's national security. Nobumasa Akiyama views Japan's strategic priority as preventing the United States from retreating from the region, and points to Japan needing to play a proactive role regarding nonproliferation.

Discussion

On the JCPOA itself, participants discussed what factors brought about the agreement from Iran's perspective. One factor was the changing domestic dynamics within Iran. Iran moved from a hardline president in Mahmoud Ahmadinejad to a more moderate president in Hassan Rouhani. Civil society also pressured the government, as many Iranians were fed up with isolation. Second, Iran wanted to avoid another war, still reeling from the effects of the Iran-Iraq War from 1980-1988. While this fear enabled Iran to continue its nuclear program, it also drove Iran to the negotiating table. In 2009 especially there was concern about the United States and Israel outweighing Iranian power. Finally, political will in Iran matched political will in Washington—the Obama administration wanted a deal.

One participant voiced a concern that while the provisions for verification of the JCPOA are without precedent in their intrusiveness, their future efficacy is affected by rollback provisions. Another participant responded that among negotiating governments there has been little disagreement on the objective of the talks, including rollback. In the later participant's view, the Obama administration has not been clear enough in articulating that a freeze or a halt has always been an interim step of the agreement. A third participant pointed out that lifting sanctions and helping Iran's economy recover is partly the responsibility of the international community, but to be successful it must be coupled with a domestic commitment by the Iranian government to reduce corruption and the influence of the Iranian Revolutionary Guard Corps.

Regarding North Korea, not all participants agreed on the extent of North Korea's thinking on deterrence. One participant argued that the North Koreans are in fact versed in deterrence theory and have at least some familiarity with American thinking. For instance, North Korea has its own center for translating literature on this subject. Another participant stated that there is widespread perception that North Korea is both unknown and unknowable, but that the West should work to better understand the relationship between the North Koreans and the Chinese. While it is true that China has much more access to and economic leverage over North Korea, there are limits to how much China can do without triggering an economic collapse in North Korea. At times the relationship has been strained over North Korea's hardwired notion of sovereignty to the point where North Korea and China have stopped talking to one another. The North Koreans have also had significant problems with Russia as well as, of course, the United States, Japan, and South Korea. From a North Korean perspective, for which sovereignty is most important, the Six Party Talks are akin to five schoolyard bullies coming to take over North Korea's nuclear program. Another participant disagreed in part, commenting that the Six Party Talks are part of a long-term goal that looks at North Korea through a regional lens instead of only a narrow nonproliferation lens. The Six Party framework thus provides a pathway for an eventually peaceful regime and a multilateral peace and security mechanism.

Another participant commented that it is difficult for the United States to balance its short-term and long-term goals regarding North Korea. The U.S. sanctions bill against North Korea includes a provision for millions of dollars to find ways to provide North Koreans with access to outside thinking. This logic embraces long-term thinking about promoting fundamental changes in order to pave the way for political changes. However, it contradicts the short-term economic sanctions that seek to further isolate North Korea. Another participant added that the assumption of engaging in an information campaign is that there can be a grassroots campaign sparking a revolution in North Korea, but the assumption is faulty because the North Korean people cannot assemble. Others are waiting and hoping for a Gorbachev type of leader to emerge in North Korea.

Regarding the possible implications of the JCPOA on North Korea, one participant stated that North Korea has closely followed the negotiations and emphasized only two things: the right to have a peaceful nuclear program, and that inspections of military sites infringes on sovereignty. This participant asked whether a deal with North Korea might allow North Korea to keep its research and development facilities, and if it could include a Joint Commission with China's participation. Participants discussed several issues that complicated this possibility. First, it would be difficult to set an appropriate breakout time considering that North Korea's P2 centrifuge model is much more advanced than Iran's P1 model. Second, North Korea would deal with much higher sunk costs if it agreed to curb its nuclear program. Third, compared to Iran, North Korea has different estimates of its nuclear deterrence capability and its importance. Fourth, unlike North Korea, Iran is part of and wants to continue being part of the Nuclear Nonproliferation Treaty (NPT), even though it has not always been an upstanding member. Iran had also signed the Additional Protocol, while North Korea has not. Fifth, assuming human rights and other sanctions against North Korea would remain, North Korea would be asked to agree to a deal that would still keep them isolated. Here another participant commented that coal exports could be a significant benefit, though since China is essentially the single buyer this would be effectively a bilateral matter.

Session 3: The China-Korea-Japan Strategic Triangle

Remarks by Speaker 1

The Chinese-ROK relationship is relatively stable. There are no territorial disputes and, aside from North Korea, no major security disputes. However, the Chinese-Japanese relationship is fraught with problems. Historical animosities and territorial disputes are made worse by Japan's participation in the U.S.-led security alliance in the region. The Japanese-ROK relationship is less problematic, but is by no means trouble-free. More than 70% of the South Korean public hold unfavorable views about Japan.

North Korea has extremely problematic relationships with China, the ROK, and Japan. It causes the United States to take action in the region that does not align with China's interests, and creates an environment of tension and instability that negatively affects the entire region. The most important factor determining China's stance on North Korea is China's threat perception of the United States. China is currently wondering if the United States is adopting a strategy of complete containment against China, or if it plans on mixing containment with cooperation. The more China sees the U.S. policy as solely based on containment, the more value China sees in its alliance with North Korea.

China is concerned about the effects of a North Korean regime collapse—not just the prevailing situation once the dust settles, but about what happens during the collapse itself. If China were to cut North Korea off economically, it would essentially be a declaration that China is now an enemy of North Korea. If North Korea is on the brink of collapse and does not receive assistance from China, North Korea could very well threaten China with its nuclear weapons, putting China in a very difficult position. It is for this reason that China refuses to enact sweeping economic sanctions against North Korea.

China has serious concerns about Japan pursuing a nuclear hedging strategy that would enable it to acquire nuclear weapons down the road. While China assesses the likelihood of Japan actually breaking out to be low, it nonetheless believes Japan's hedging strategy is dangerous and undermines global nonproliferation norms. The same concerns exist vis-à-vis South Korea. However, the biggest nuclear-related concern that China has with regard to Japan and South Korea is the role they play in China's most important strategic relationship—the U.S.-China strategic relationship. China attaches great importance to the mutually assured destruction dynamic with the United States, and sees it as underpinning regional security.

China is working to maintain a second-strike capability against the United States as the United States deploys military assets that may undermine that capability, such as missile defense and conventional prompt global strike. As China grows stronger conventionally, some U.S. analysts fear that the United States may lose conventional superiority over China in certain constrained theaters, and are calling for the United States to increase the role of nuclear weapons in the region, or are even calling upon Japan to acquire their own nuclear weapons. Fortunately, this is currently a minority view, but it is an indication of where things could be headed. For this reason, it would be wise for the United States and China to consider placing restraints on conventional military capability in the region.

Remarks by Speaker 2

After North Korea's fourth nuclear test, the warming ties between China and South Korea slowed due to China's lukewarm response to the test. South Korea responded by considering the

deployment of U.S. missile defenses to South Korea, a move that angered China. China is asking the United States to reconsider deploying missile defenses to South Korea, saying that the introduction of THAAD to the peninsula will threaten China's interests.

The situation in East Asia is a classic security dilemma—the actions taken by the United States and South Korea to defend themselves from North Korea may end up making both countries less secure because it may invite a response from China. The offense-defense balance in the region is affected by the deployment of missile defenses, as THAAD is perceived as defensive by South Korea and the United States, but as offensive by China. THAAD's AN/TPY-2 X-Band radar can be used to monitor Chinese missile facilities in China, and could be used against China's short- and medium-range ballistic missiles targeted on Taiwan. This could lead China to punish South Korea for the deployment economically. Given these consequences, the United States and South Korea must ask themselves just how much of a response North Korea's nuclear arsenal requires. Given that North Korea is unlikely to use its nuclear weapons except as a deterrent, what is gained by taking action to defend against an unlikely threat which causes China to respond in ways that actually degrade security in the region?

Competition between the United States and China is inevitable. But North Korea's provocative behavior is causing a coercion loop that invites destabilizing behavior from all parties in the region, which then makes the U.S.-China competition more dangerous than it otherwise would be. The only way to deal with North Korea is by talking. Responding to North Korea's nuclear bluff by talking and negotiating might be what North Korea is asking for. Talking can help all parties escape the coercion loop—a repeat of recent events with a potential fifth nuclear test. Talking might also help limit the nuclear expansion of the North Korean regime. North Korea has historically been much more willing to talk after it has conducted a provocative act than during periods of quiet. It would be wise to test the North Korean regime's willingness to negotiate now, in the aftermath of its fourth nuclear test.

Remarks by Speaker 3

While there is concern about Japan's nuclear latency because of its stockpiles of fissile material, Japan does not have a policy of hedging, and has shown a strong commitment to nonproliferation domestically and globally. Unless there is a fundamental alteration in the strategic dynamic in East Asia, Japan will not acquire nuclear weapons.

Because Japan will not acquire its own nuclear weapons, it will continue to rely on the United States' nuclear umbrella for its security. Japan's reliance on U.S. nuclear weapons has always been at odds with its global commitment to disarmament stemming from its experience from Hiroshima, Nagasaki, and Fukushima. Within Japan, there is currently no consensus on the necessary number of nuclear weapons the United States needs to have for Japan to feel secure. However, lowering the number of nuclear weapons could be seen as lowering the credibility of the U.S. nuclear guarantee, even though there is no agreed-upon number that Japan believes is necessary.

China's growing conventional military capabilities and modernization of its nuclear forces, coupled with its more aggressive maritime posture, makes Japan's reliance on U.S. security guarantees stronger. Senior Japanese officials believe that strategic stability between the United States and China might have negative consequences for Japan. Strategic stability between the United States and China would, according to current thinking, require mutual vulnerability. This would increase arms race stability, but it could create a stability-instability paradox between the

United States and China. Japan would stand to suffer the most from stability at lower levels of violence because the most likely flashpoint for low-intensity conflict is maritime disputes between China and Japan.

To deal with high-intensity conflicts, Japan will continue to rely on the United States for protection. It will also continue to expand its BMD capabilities—Japan feels uniquely threatened by ballistic missiles from China and North Korea. To deal with the threat of low-intensity conflict, especially what has come to be known as “grey zone” situations, Japan will rely on its growing conventional military capability.

Discussion

The first question dealt with the U.S.-ROK alliance in the aftermath of reunification, should it occur. Would China be concerned about a continued U.S.-ROK alliance after reunification? The first speaker responded that China and South Korea have good and improving relations, and China does not see the U.S.-ROK alliance as oriented toward containing China. After reunification, China’s concerns about any enduring alliance would be contingent on the extent that such an alliance was geared toward the containment of China.

The discussion then moved to the potential THAAD deployment to South Korea. Some took the position that the radar was necessary to improve the capabilities of other BMD systems in the region to address North Korea’s growing missile capabilities. Others believed the potential of deploying THAAD in the aftermath of North Korea’s most recent nuclear test has more to do with signaling to China that North Korea’s destabilizing actions will have implications for its security as well, in an effort to convince China to put additional pressure on North Korea. This sparked a discussion about how much influence China actually has over North Korea’s behavior, especially given that North Korea’s nuclear arsenal can now be aimed at China, if China squeezes the North Korean regime too hard. It may not actually be in anyone’s best interest for China to pressure North Korea too much, given that the over-application of pressure could cause the North Korean regime to collapse, with security, economic, and humanitarian consequences for the region.

Some participants wondered what the United States and North Korea would talk about if they were to begin talks. One participant noted that the United States has been involved in bilateral negotiations with North Korea but it did not produce results. Another participant believed that the talks should be about capping the number of North Korea’s nuclear weapons, even though this would require the United States to back down from its position of not accepting North Korea as a nuclear power. There was no consensus reached about the utility of pursuing negotiations with North Korea.

Session 4: North Korea, South Korea, and Regional Stability

Remarks by Speaker 1

North Korean television today warns against the United States trying to target its “nerve center,” provides ultimatums against the United States to cease and desist supposed “decapitation strikes,” and even threatens a preemptive attack on Seoul. In particular, North Korea worries about two perceived threats from the United States and South Korea: the possibility of an aerial assassination on North Korean leadership and an attack on North Korea’s military forces.

How did we get here? The past few years have seen the emergence of a strategic triangle between the United States and the two Koreas in which events in one country have potential repercussions for the rest. The United States has tried to reassure South Korea of its defense commitments through visits by stealth fighters, submarines, and the recent F-22 visit, the last of which was explicitly done in response to North Korea's February 2016 space launch. These exhibitions have triggered sincere paranoia in North Korea. North Korea has since obliquely referred to the practice of Americans killing state leaders from the air, bringing to mind perhaps the 2003 attempt to kill Saddam Hussain from the air and the airstrikes on Libya which paved the way for the assassination of Gadhafi.

North Korea has a two-pronged strategy: to protect itself and to reassure itself. Unfortunately we do not pay enough attention to reactions in South Korea. The North Koreans are attuned to conventional counterforce threats on their leader in part because the ROK has been pursuing such capabilities and systematically signaling them to the North. In 2012, for instance, after North Korea's Taepodong-2 (TD2) launch on April 13, 2012, coupled with aggressive rhetorical threats toward the ROK government, the President of the ROK publically toured a missile research and development facility. The tour showed a practice target for a cruise missile strike that looked a lot like the Kumsusan Palace in North Korea. This set off a cycle of threats and counter-threats that continued into June or July of 2013.

After Kim made an appearance in the North Korean media with an SLBM test in early 2016, one week later the South Korean media covered President Park observing a South Korean missile test of a moving target in the water. A close look at the images reveals that it was a mock-up of a partially-submerged submarine. South Korea has shown great determination to develop a "kill-chain" system to hunt North Korea's mobile missiles and to enable precision-guided counterforce options for the South. This type of technology, however, has not tested well. It did not prove successful for the United States in Iraq, where the terrain is more favorable than on the Korean peninsula. Regardless, the point remains that South Korea would like to have a more independent defense posture and not have to rely on the goodwill and commitment of the United States.

Remarks by Speaker 2

Over the last several decades, the Korean peninsula has seen variations of the stability-instability paradox. This paradox is intensifying, leading to four possible trends. First, North Korea is on a trajectory to establish a de facto secure second-strike capability, which causes instability at lower levels of violence. Second, South Korea is strengthening its nuclear discourse, empowering fringe arguments for South Korea either to have its own nuclear weapons or for the United States to station nuclear weapons on the peninsula. Similarly, South Korea is also intensifying its conventional military modernization. Third, the increasing paradox creates pressure for South Korea to adopt a more aggressive military posture. U.S. policy-makers are particularly concerned about the potential for a spiraling conflict. Fourth, the intensifying situation makes previously unthinkable North Korean attack options possible, such as limited artillery strikes against Seoul, chemical attacks where there is some plausible deniability, or even rockets, which could likewise escalate.

One of the consequences of this paradox is reputation. North Korean and South Korean perceptions of behavioral history influence perceptions of B-52 military signals. North Korean tactical violence has always been premised on the idea that the alliance will not respond with

force. Conversely, when we have made actual threats in the past, such as in 1976, they have been over-interpreted and essentially too credible. Thus, on the one hand U.S. military signals perpetuate North Korea's perception that the United States is merely saving face through these signals and will continue to exercise restraint, and on the other hand too credible a signal (such as massing forces in Japan or targeting North Korean sites) might lead North Korea to launch a preemptive strike.

The United States must be careful not to incentivize North Korean first use, but should try to convince North Korea that in the event of retaliation against North Korea, the United States would have limited intentions that would not include regime change or total war.

Remarks by Speaker 3

Although Japan has been threatened by North Korea, Japanese leadership has largely tried to ignore such provocations and instead prioritize China over the Korean peninsula. Moreover, although South Korea would be Japan's natural strategic partner and Japan would like to engage with South Korea on security cooperation vis-à-vis China, domestic politics in both countries make security cooperation between them very costly. Rather, when security concerns regarding North Korea increase, Japan has reliably risen to meet them through military acquisition and closer ties with the United States.

There are two possible pathways to cooperation between Japan and South Korea. First, if the United States continues to pressure both countries, the infrastructure of cooperation may slowly build over time. The second and less likely pathway is that Japan and South Korea can build a stronger relationship and unite against China as a common threat.

Remarks by Speaker 4

The structure of two states on the Korean peninsula competing for legitimacy leaves us with two questions. First, will there be perpetual instability? North Korea is determined to signal its identity as a socialist state with nuclear weapons, trying to convince South Korea and the international community that working with them as an equal partner (rather than as an object of change) is the only way to move forward. Both North and South Korea have an interest not to push the other over the brink. After the miner incident, for example, South Korea demanded an apology from the North but in the end accepted "regret" and crisis management instead. In this sense there is some kind of deterrence on the Korean peninsula, although nuclear deterrence cannot guarantee stability in the long run. Nevertheless, the U.S. commitment to South Korea creates more rather than less stability, in the speaker's view, since efforts by the United States can help assuage the nuclear discourse favoring South Korean nuclear armament and reintroduction of tactical U.S. nuclear weapons.

One additional implication of this instability is rigidity in South Korea's position. South Korea cannot exercise anticipatory self-defense. The United States tries to show willingness to defend South Korea, but this also sparks discontent in China, which is furthermore concerned about Japan's militarization and the United States pushing forward on trilateral cooperation with South Korea and Japan.

The second question raised by the structure of the Korean peninsula is: What does perpetual instability mean to the other regional players? In a January 2016 poll in South Korea almost two-thirds reported that they support the idea of deploying THAAD to South Korea. Slightly more than half said they would support reintroduction of U.S. tactical nuclear weapons back to South

Korea. On the other hand, a similar survey in 2011 had reported two-thirds of respondents as saying they would support reintroduction of U.S. tactical nuclear weapons, so this number has actually dropped.

Engaging North Korea in negotiations for a peace treaty would mean having to recognize the North Korean state. In this context we need to think about Track 1 and Track 2 diplomacy because deterrence does not work. Because of the rest of the world's uncertainty about North Korea's rationale, the United States does not know where appropriately to stop in providing nuclear assurance to South Korea.

Discussion

One participant asked if the act of the United States and its allies preparing for limited nuclear war will be perceived by North Korea as a hostile signal and lead to more provocations. Another participant responded that it is more dangerous to have a half-way hostile posture and then not show resolve in our behavior. The United States and its allies should follow through with small-scale retaliation in order to demonstrate this resolve, whereas instead we have backed ourselves into a choice of doing nothing or going to war, with nothing in between. We cannot get deterrence on the cheap.

Another participant pointed out that in Japan's case, Japan is less sure that the United States would come to its defense against China, but more sure that the United States would come to Japan's defense if North Korea were to attack.

Another participant wondered why the South would think decapitation of Northern leadership would effectively neutralize conflict, and whether conventional capability actually provides stability or merely enables North Korea to act beneath the nuclear threshold. Another participant argued that if indeed the United States is deterred from starting a war, we would also be unlikely to take military action short of war, knowing that the possibility for escalation exists.

Session 5: Non-Proliferation and the Search for Stability

Remarks by Speakers 1 and 2

The two presenters focused on the role of technology in the Asia-Pacific and what effect it might have on strategic stability over the coming years. Technology can affect a country's military capabilities, and also its pathways to proliferation. The discussion focused primarily on six technologies—satellite capabilities, cyber capabilities, hypersonic boost-glide weapons, autonomous weapons, 3D printing technology, and bio weapons—and how they interacted with each other in ways that impacted strategic stability. It quickly became clear that all participants saw many linkages and interactions between all these technologies, and the coupling of some of these technologies produced new capabilities that pose new dilemmas for strategic stability. It was also noted that many of these technologies are dual use and have civilian and commercial applications as well as military ones, making restricting the technology difficult if not impossible.

3D printing is a technology that is just beginning to take off, with implications for nuclear proliferation. Many missile components, as well as nuclear weapons components, can be produced with additive manufacturing, which reduces the cost and labor necessary to produce those items. This will lower the barrier to acquiring these capabilities. Because many countries in

the Asia-Pacific are leaders in additive manufacturing, this technology could become destabilizing.

Satellite technology is also becoming available to more and more states—and even non-state actors, who can purchase commercial satellite imagery that was once only available to the superpowers. The types of sensors that commercial satellites have are also more sophisticated now, including synthetic aperture radar (which may one day have the ability to track nuclear submarines).

Autonomous weapons will also almost surely play a role in the development of the East Asian security architecture. Especially when coupled with some of the other emerging technologies discussed during this session, autonomous weapons could change the nature of warfare and create unstable conditions between countries in the region.

Bio weapons could also become more attractive as a nuclear deterrent because the barriers to acquiring nuclear weapons are still quite high—producing enough fissile material for an arsenal is still extremely difficult. However, it is relatively easy to make biological weapons; individuals can even do it in their house or at a community lab. In the future, scientists will be able to make ethnically-focused bio weapons that only infect people of a certain ethnicity. There is debate about whether bio weapons could be used to hold nuclear-armed states at risk. One participant argued that bio weapons are unattractive to the military and to non-state actors because of their uncertain effects and the difficulty in delivering them. Bio weapons, however, could be used in conjunction with other capabilities, or as a way to gain a tactical advantage by making certain people sick before a battle or overwhelming a nation's healthcare system during a crisis as a mechanism of coercion.

The United States and China are both looking into hypersonic boost-glide weapons for a long-range strike capability. One participant said that the danger with these weapons—even though they are only theoretical at this point, as no nation has deployed them—is that they will pose a threat to strategic forces, especially in conjunction with missile defenses.

Many participants expressed their belief that the technological innovations taking place with these technologies made a definition for strategic stability almost impossible. The range of possibilities is simply too large and the ways that these technologies interact with each other are simply too complex to derive a formulaic definition for strategic stability. One response to these emerging technologies is to prepare nations to be more resilient to certain types of attacks—if a nation has the capacity to recover from a limited cyber or bio attack, it may dissuade an adversary from launching such an attack in the first place.

Remarks by Speaker 3

There are a handful of U.S. allies in Northeast Asia and the Middle East who have expressed a desire to retain or develop enrichment reprocessing (ENR) technologies for nuclear energy. The concern is that ENR technology can be used to produce the fissile material that forms the core of a nuclear weapon. The United States has taken measures to prevent this possibility, although technology denial and sanctions are difficult to enforce. Some U.S. measures have included new supply barriers and working with the Nuclear Suppliers Group (NSG) to impose conditions on nuclear technology sales. President Bush in 2004 called for banning the sale of ENR technology, although that idea failed to garner consensus. The Obama administration has employed a more

bilateral approach using Section 123 agreements (U.S. Atomic Energy Act). Some countries have accepted this approach; many have not.

China, India, Pakistan, North Korea, and Iran present their own challenges. Although China's implementation of export controls has been lax in the past, they have new legislation that will hopefully have a positive impact. India, Pakistan, North Korea, and Iran remain outside the Nuclear Suppliers Group. Washington supports India's bid to join the NSG. Iran's production is curtailed temporarily under the terms of the JCPOA. Pakistan and North Korea present enduring supply challenges. Pakistan is interested in following India in joining the export control regimes, but it is unlikely to meet the requirements in the near future. North Korea runs an illegal trade network.

In addition, rapid innovation in manufacturing technology has lowered barriers to acquisition, making it even more costly politically for the United States to deny access to these technologies, especially if an ally's program is in full compliance with the IAEA. Its nonproliferation goals sometimes conflict with our geopolitical goals.

Essentially, the instruments of economic coercion are neither credible nor prudent options to employ against an ally to shape the trajectory of a civilian nuclear program. The United States should therefore consider pursuing a strategy of buying out an ally's sensitive nuclear program. Japan and South Korea serve as examples. Libya and Saudi Arabia have also been known to make concessions at a price. Libya, for instance, traded away its stalled gas centrifuge program for sanctions relief.

Buyout is likely to be most successful in luring an ally away from sensitive nuclear technology if the offer is made at the earliest stage of technical development, when the ally can trade away early ambitions for a package of benefits. Admittedly, this option faces commitment problems. To be credible, the ally has to pursue an iron-clad commitment not to pursue ENR technology in the long-term. These incentives are unlikely to work if a country is already invested in ENR.

Additionally, in the absence of actual capabilities it is difficult to define the genuineness of a country's announcement of an intent to pursue ENR technology. This can lead to moral hazard, for instance, a situation in which many countries declare their intent simply to receive buy-off benefits from the United States. On the other hand, a country that does not have capabilities in this area will not have a strong position in negotiations, reducing the danger of successful bluffing.

Proliferation stability may be a better way of thinking through these issues than "strategic stability." Proliferation stability would mean having no incentives for states to use their underlying technical ability to pursue nuclear weapons as a coercive political strategy. In the context of East Asia, Japan and South Korea are going to retain advanced nuclear energy programs, yet there are strong incentives for South Korea and Japan to remain non-nuclear weapon states. Japan and South Korea today represent strong proliferation stability.

Discussion

One participant asked what happens if the United States has to buy off countries over and over again, especially those with which it does not have a close relationship. The benefits package could, furthermore, turn into sunk costs, creating a serious predicament. In this scenario, the type of country matters for negotiations. Another participant commented that it would be difficult to convince certain supplier countries, such as Pakistan, to buy into what is essentially an American

strategy, especially if the world is becoming more multipolar and the United States loses some of its superpower influence. Can the United States multilateralize the ENR denial campaign and convince countries such as China to drive as hard a bargain as the United States does? In terms of purchasing ENR technology, the Vietnamese, the Saudis, and the Jordanians are determined to keep their options open, whereas the South Koreans and the Taiwanese will continue to purchase their technology from the United States. It was agreed that this is a significant problem, and a suggestion was made that the United States for now could consider buying out suppliers.

Another participant raised the issue of interpretation. Article IV of the NPT assures states of their right to develop and use nuclear energy for peaceful purposes. Some states interpret this to include a right to ENR. What kind of price tag, then, is good enough to convince partners to accept no ENR, and how could the strategy work in a multilateral framework to include China and Russia? This participant added that one option would be to have the United States and South Korea team up to create a gold standard for 123 agreements which could then be adapted to use with other countries.

A further participant commented that the promises made by the United States would lose some credibility because the United States does not know what to do with its own spent processing material. The Russians, to be more competitive, are offering take-back services, but it is difficult to imagine the United States following suit. One participant commented in response that our East Asian allies might help to find solutions to these problems and create potential business opportunities in the process.

Another option, according to a participant, could be multilateral fuel enrichment facilities. This led to discussion regarding several challenges to such an approach. For instance, transportation of materials from host countries to other countries may pose security risks. Second, the United States does not support civil reprocessing facilities, making a take-back offer seem unlikely. Third, the bilateral relationship between states would still play an important role in a multilateral context.

Session 6: Agenda for Advancing Stability: Views of 2030

Session 6 followed a different format from the previous sessions, one designed to facilitate discussion and creative thinking regarding potential proliferation outcomes in the future. The National Intelligence Council, through the Office of the Director of National Intelligence, has published a document entitled "Global Trends 2030: Alternative Worlds."¹ This document outlines several different models and discusses potential global trajectories over a 15-year outlook. The Session 6 speaker walked the group through three scenarios and led discussion on the impact of each of them on the future of nonproliferation efforts.

Scenario 1: Stalled Engines

In this scenario, the United States and Europe turn inward, becoming increasingly isolationist as globalization stalls, both economically and politically.² As the speaker pointed out, for the purpose of discussion the point is that the world no longer has either a hegemonic leader or the interconnections that are vital to thinking about the contemporary environment. In this future

¹ "Global Trends 2030: Alternative Worlds" is available for download from the Director of National Intelligence website: <https://www.dni.gov/index.php/about/organization/global-trends-2030>.

² See "Global Trends 2030: Alternative Worlds," 110.

scenario, trade agreements like the Trans-Pacific Partnership (TPP) are dead and measures like the 123 agreements have become meaningless.

Participants commented that in this scenario we might see withdrawals from the NPT and potentially increased proliferation, especially from countries like Taiwan which currently rely on an active U.S. presence for their security. Nuclear and cyber weapons might replace large conventional forces as cheaper ways for other countries to counter China.

One participant commented that nuclear hedging is a useful strategy in today's world, where there are substantial costs to passing the nuclear threshold, but that in this scenario there would be significant incentives for going further to form one's own nuclear weapons program. If future U.S. policymakers see the spread of nuclear weapons as a way to reinforce strategic stability while turning inward, the United States could potentially help our former allies to develop second-strike capabilities. If, on the other hand, U.S. officials see the spread of nuclear weapons as negative, increased surgical strikes could become an attractive option. Another participant agreed that nonproliferation policy, to the extent that it would exist, would be only about preventing strikes by countries about which the United States has worries.

Another participant pointed out that the rapid development of technology will make it easier to attempt nuclear proliferation activities. Countries would likely make accusations at the first sign of suspicious activity so that we might see more Iran-type situations. The result would be instability based on suspicion, not only instability by nuclear weapons actually being developed.

One participant pointed to a useful historical parallel. From 1870 to the beginning of the 20th century the United States was largely isolationist, seeking out allies when the United States had a particular interest or was affected by something directly. International relations were more issue-specific and more region-specific, but the United States did not make extravagant promises. In essence, during this time period the United States was a far less significant player than today, especially in military power. During the Civil War, however, the United States adapted a number of new technologies to the battlefield which had not been used before, giving the United States something to offer its military allies in terms of military innovation, but only on an issue-to-issue basis. International developments were often responded to with a "wait and see" approach. This suggests that in the Stalled Engines scenario there will be incidents of nuclear ambitions to which the United States may not respond, potentially including Japan and South Korea.

Scenario 2: Nonstate World

The Nonstate World scenario imagines that governments have become less important and less powerful compared to nongovernmental organizations (NGOs), multinational businesses, academic institutions, and wealthy individuals. The role of governments becomes organizational, coordinating coalitions of state and nonstate actors.³ In this scenario, corporate identity becomes more important than national identity, and thus territorial sovereignty becomes less of a focus. IAEA and nonproliferation agreements would become less important than company agreements.

One participant commented that this scenario would have implications for communities crossing national boundaries. If one's identity is primarily based on religious or ethnic concepts, conflicts like that between the Sunni and Shia could become more common.

³ "Global Trends 2030: Alternative Worlds," 128.

Another participant speculated that companies would increasingly take on the role of dealing with local-level crime. One concern is that companies would be able to coerce the state because they would not be subject to a strong government. There would be no export controls.

Scenario 3

This scenario, specifically designed for the workshop, imagines that ten years prior, a terrorist attack occurred in India with fingerprints that were traced back to Pakistan. In the ensuing crisis Pakistanis used a limited number of tactical weapons, India responded in kind, and the war stopped there, as the countries realized the horrific scale of damage. Now, ten years later, we do not have the nuclear taboo that goes back to 1945 and we have experienced crisis management nuclear warfighting that stopped further escalation. Each side can give a narrative about why they stopped conflict escalation. However, extended deterrence is now more difficult in the absence of a nuclear taboo. Some commentators might argue for the utility of nuclear weapons having been used, further setting a dangerous precedent.

Several participants agreed that in this scenario, prior use of nuclear weapons could also reinforce the nuclear taboo. What matters most is the response of the international community. In reality, Japan is the only country that has experienced a nuclear attack, and Japan is strongly opposed to nuclear weapons.

The taboo against nuclear weapons use is subject to norms cascades. One participant pointed out that although in 1946 the nuclear taboo was not very strong, it cascaded into a taboo as everyone began to consider it a taboo. Another participant observed that there is a literature on how norms die, which is based on the idea of a norms violation cascade. In this scenario, if people watch violations by like actors and note that these violations go unpunished, the norm may die.

One participant stated that Washington, D.C. includes a constituency that believes in the utility and even necessity of limited nuclear warfighting today. Some of these advocates are considered highly credible. Another participant added that this line of thinking is fueled by the United States looking into smaller precision nuclear warheads. Continuing in this direction might reduce a country's reluctance to use nuclear weapons.

Another participant stated that this scenario illustrates the fact that the cutoff between counter-force and counter-value is a nicety without a distinction. It also blurs the line between tactical and strategic weapons. Another ten years after this scenario, India and Pakistan could be viewed as villains of 21st century history for having employed nuclear weapons. A final participant stated that discussion regarding this scenario hinged on competing conceptions of reality. Some used instrumental arguments (e.g., the cost of violating the taboo), while others pointed to violating one's identity and sense of self by using nuclear weapons.