

## **Trilemma of Strategic Stability in East Asia: How Do We Escape the Coercion Loop?**

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The international community's reaction to North Korea's fourth nuclear test at the start of 2016 was varied and swift. As usual, the United Nations and individual countries, including the United States and the Republic of Korea, condemned Pyongyang's provocative behavior. Pundits competed for air time and column space to give their readings of the test's implications. The nuclear scientific community and related authorities weighed in on whether or not it was really an explosion of a hydrogen bomb as North Korea had claimed. One reaction that was missing was China's. Chinese officials did not make any statements on the test until South Korean President Park Geun-hye hinted at deploying THAAD, Terminal High-Altitude Area Defense, one week after the nuclear test.<sup>1</sup>

In March 2016, the United Nations adopted a new round of sanctions against North Korea—the harshest yet—in response to the January nuclear test and a ballistic missile test that followed on its heels a month later. While the implications for these provocations were slightly different from the previous tests, as the world now understands that North Korea's nuclear technology is far more advanced than previously thought, the reaction from the world was very similar to that to the previous three tests. Did the world not see the fourth test coming? Also, how do we stop a possible fifth test? The ROK government claimed ahead of the rare congress of the ruling Workers' Party in May that Pyongyang could conduct another test at a moment's notice.

In dealing with North Korea's nuclear program, the international community, especially the actors that share interests and have stakes in North Korea's provocations, have to consider two important things. How long will the concerned states, especially the United States and the Republic of Korea (here I call them the Allies<sup>2</sup>), confine themselves to low-level reactions? Also, what are the broader implications of states' reactions, and how can they undermine the strategic stability in East Asia?

In this paper I discuss how East Asian states can try to maintain strategic stability in this heightened security environment. I also argue that the United States and its East Asian allies need to escape the coercion loop which gives North Korea leverage over the other states and which can undermine the strategic stability of East Asia. I maintain that the deployment of a new and advanced missile system is not necessary to deter North

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<sup>1</sup> <http://www.wsj.com/articles/korean-missile-defense-upgrade-1453249796?cb=logged0.7368321924004704>.

<sup>2</sup> This primarily includes the United States and South Korea, but as an ally of the United States and another actor who shares the threats from North Korea and China, Japan is also included in this concept.

Korea's threat and that only talks with North Korea can break this vicious cycle. It is true that my suggestions are easier said than done, and in this trilemma<sup>3</sup> situation not every state can be satisfied at the same time.<sup>4</sup> Yet, while there cannot be a sole victor in this game, there can be a shaper of events.

### *Coexistence of Security Dilemma and Trilemma in East Asia*

#### *Security Dilemma and Offense-Defense Balance*

One week after North Korea's January 6, 2016 nuclear test, South Korean President Park Geun-hye raised the possibility of deploying on Korean soil a U.S. antimissile defense system known as THAAD, for Terminal High-Altitude Area Defense. THAAD deployment is a measure that the two allied governments had been discussing for a couple of years, much to the frustration of China.<sup>5</sup> Beijing's response to the possible deployment of THAAD in the ROK, which is on the PRC's doorstep, was swift. Indeed, it was much swifter and more resolute than Chinese Premier Xi Jinping's lukewarm response to the North Korean nuclear test. Beijing warned Seoul that "every country must not undermine the security interest of other countries while pursuing its own security interests"<sup>6</sup> and summoned the South Korean Ambassador.

The current situation in East Asia is a classic security dilemma environment,<sup>7</sup> where the actions taken by the Allies, the Republic of Korea, and the United States to improve their security from North Korea ended up making it less secure by inviting a hostile response from China. In response, China escalated by warning that it would increase military deployments if THAAD deployment materializes, thus undermining South Korea's

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<sup>3</sup> Trilemma is a concept I borrow to explain the complex situation in East Asia surrounding North Korea's nuclear program. It is an international economics proposition that a state cannot have more than two of the following three simultaneously: a fixed exchange rate, free international capital flows, and monetary autonomy. In an East Asian trilemma, states could not have more than two of the following three: North Korea's nuclear weapons, strategic stability, and additional missile defense by the Allies.

<sup>4</sup> I rule out the possibility of mutual concessions, as per the Iran agreement. It is true in this trilemma that an Iran type of agreement would be the best win-win scenario, if the United States were willing to take the action. However, the negotiations would be extremely difficult even compared to the Iranian one because, unlike Iran, North Korea already has nuclear weapons. Furthermore, when the United States is negotiating with North Korea, it has to constantly consider the implications for the security of the entire Korean peninsula and Northeast Asian region, as well as how the South Korean ally views this negotiation (such as how much South Korea was included in meetings and the U.S. calculations). Since there would be so many parties and *formal* allies involved, there has to be winners and losers in this game, even if all parties want peace and stability in the region. It is because as seen in the past negotiations between the United States and North Korea, South Korea does not prefer bilateral negotiations (which is the most effective in my view) between the United States and North Korea because that can provide legitimacy to North Korea.

<sup>5</sup> In 2014, the United States conducted a site inspection for the missile interceptor. Kang Seung-woo, "Park hints at THAAD deployment," *The Korea Times*, [http://www.koreatimes.co.kr/www/news/nation/2016/01/116\\_195361.html](http://www.koreatimes.co.kr/www/news/nation/2016/01/116_195361.html). Shannon Tiezzi, "It's Official: US, South Korea Begin Talks on THAAD," *The Diplomat*, <http://thediplomat.com/2016/03/its-official-us-south-korea-begin-talks-on-thaad/>.

<sup>6</sup> Jane Perlez, "North Korea's Rocket Launch Frays Ties Between South Korea and China," *The New York Times*, <http://www.nytimes.com/2016/02/11/world/asia/china-south-korea-thaad.html>.

<sup>7</sup> On the security dilemma, see, for example, Robert Jervis, *Perception and Misperception in International Politics* (Princeton: Princeton University Press, 1976), pp. 58-113.

security. Also, Chinese Foreign Minister Wang Yi asked his South Korean counterpart in Munich on February 12 not to undermine Chinese security interests due to the situation on the Korean peninsula, and indicated that THAAD deployment was targeting not only North Korea but also China.<sup>8</sup> The Chinese government has also been asking the U.S. government to seriously reconsider THAAD deployment.<sup>9</sup> According to the underlying logic of the security dilemma, the uncertainty of others makes a state paranoid when others build up their strength. China is not certain of the U.S. intentions and its paranoia, whether or not it is rhetorical or strategic, is understandable.

The second IR concept that could help us understand the security dilemma situation in East Asia is Offense-Defense Balance.<sup>10</sup> The relationship between offense and defense—the dominant technology at any given time—can exacerbate or ease the security dilemma and arms races. According to the Offense-Defense Theory, when offensive weapons and defensive weapons are indistinguishable, the security dilemma will be heightened. For Korea and the United States, THAAD is a defensive anti-ballistic missile system that could potentially be used to destroy North Korea's short- to intermediate-range ballistic missiles during their terminal phase.<sup>11</sup> They maintain that THAAD on the Korean Peninsula cannot intercept missiles that are launched in China and directed towards the United States. But for China, it is possible that the U.S and South Korean governments' intentions are not clear as they deploy the system, and it becomes indistinguishable from an offensive weapons system. Furthermore, the intentions behind the current THAAD system could change in the future, if the situation in East Asia or the South China Sea were to change, and the system could be directed against China.

One could argue that the X-band radar system that concerns Chinese officials so much has no attacking ability, and therefore THAAD technology should not be perceived as a threat to China which could heighten the security dilemma or arms race. However, THAAD is a military and technological threat to China, as THAAD's radar could be used to monitor Chinese missile facilities behind Baekdu Mountain along the border between China and North Korea. If THAAD deployment is expanded in South Korea, the radar system could cover other Chinese cities such as Beijing and Shanghai. If the United States started to utilize THAAD's radar system, it could be used against China's short and mid-term missile capabilities in the scenarios of a U.S.-China conflict if another Taiwan Strait crisis were to happen again in the future. Any capability that can undermine China's second-strike capability could undermine the strategic stability in East

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<sup>8</sup> "Wang Yi Talks about US's Plan to Deploy THAAD Missile Defense System in ROK," [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1340525.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1340525.shtml).

<sup>9</sup> Nicole Gaouette and Elise Labott, "South China Sea, North Korea tensions at issue in Kerry-Wang Meeting," *CNN*, <http://www.cnn.com/2016/02/23/politics/u-s-china-kerry-wang/>.

<sup>10</sup> For foundational pieces on offense-defense theory see Robert Jervis, "Cooperation under the Security Dilemma," *World Politics*, Vol. 30, No. 2 (January 1978), pp. 167-214; George H. Quester, *Offense and Defense in the International System* (New York: John Wiley and Sons, 1977); and Stephen Van Evera, *Causes of War: Power and the Roots of Conflict* (Ithaca, NY: Cornell University Press, 1999), chapter 6. For a critique, see Keir A. Lieber, "Grasping the Technological Peace: The Offense-Defense Balance and International Security," *International Security*, Vol. 25, No. 1 (Summer 2000) and Keir A. Lieber, *War and the Engineers: The Primacy of Politics over Technology* (Ithaca, NY: Cornell University Press, 2005).

<sup>11</sup> Remarks With Chinese Foreign Minister Wang Yi, John Kerry, Secretary of State, Ben Franklin Room, Washington, DC, February 23, 2016. <http://www.state.gov/secretary/remarks/2016/02/253164.htm>.

Asia.<sup>12</sup> This is due to the fact that survivable strategic nuclear forces are crucial to the security and the strategic stability of both China and the United States.<sup>13</sup>

Due to the dynamics explained by the security dilemma and offense-defense balance concepts, China has reasons to believe that the purpose of the actions taken by the South Korean government and the United States is not to deter North Korea but to strengthen its alliance network in the region. Thus, the reaction of the Allies to North Korea can justify China's current trend—which is to modernize and expand its nuclear arsenal and capabilities—even more. This trend could potentially undermine the effectiveness of U.S. extended deterrence to Japan and South Korea. If the effectiveness of the U.S. nuclear umbrella is undermined, it brings states one step closer to breaking the strategic stability in East Asia. South Korea and Japan do not have an indigenous nuclear weapons capability, mainly due to the U.S. extended deterrence. Therefore, maintaining the effectiveness of the U.S. nuclear umbrella is critical for maintaining strategic stability in East Asia. If the reaction of the Allies to North Korea's growing capability invites reaction from China, strategic stability is further undermined in East Asia. This is why states that are involved in this cycle of provocation-reaction have to escape the coercion loop.

#### *Maintaining Strategic Stability in Trilemma*

As seen from North Korea's fourth nuclear test, the response of the Allies, and China's reaction, there is a trilemma in East Asia. In this trilemma, there are three alternatives, each of which is undesirable to at least one of the parties: nuclear disarmament for North Korea, the Allies' THAAD deployment for China, and North Korea's proliferation for the Allies. In this situation only one party of the three (Allies, China, and North Korea) can be satisfied at the same time. In the current situation, the party of South Korea-U.S. is satisfied by responding to North Korea's threat and making South Korea more secure and by implementing a harsh sanctions regime. However, in this trilemma situation the action taken by the allies can only be a temporary solution.

Unfortunately, it is hard to stop the trend of growing global strategic competition between the two great powers, the United States and China.<sup>14</sup> Furthermore, the elements of strategic stability in their relationship are not as clear as those in the U.S.-Soviet Union

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<sup>12</sup> The Chinese reaction to the U.S.' missile defense in East Asia is not unique to China. Putin's Russia also felt that the U.S. plans for missile defense in Eastern Europe were directly targeted against Russia and believed "one side's deployment of defenses undermines the deterrent effects of the other side's retaliatory nuclear offensive forces." Matthew Evangelista, "Nuclear Abolition or Nuclear Umbrella?" in Catherine M. Kelleher and Judith Reppy, *Getting to Zero: The Path to Nuclear Disarmament* (Stanford: Stanford University Press, 2011), p. 309.

<sup>13</sup> Amy Wolf, *Strategic Nuclear Forces: Background, Developments, and Issues*, Congressional Research Service 7-5700, [www.crs.gov](http://www.crs.gov), RL33640. <https://www.fas.org/sgp/crs/nuke/RL33640.pdf>.

<sup>14</sup> For example, China's expansionism in the South China Sea is growing and alarming neighboring countries. China will likely continue this trend because those provocative moves have great strategic value. See, for example, <http://www.economist.com/news/asia/21695565-sea-becomes-more-militarised-risks-conflict-grow-china-v-rest>.

relationship during the Cold War.<sup>15</sup> However, states could try to stop the coercion loop that invites reactions from all directions among the three parties in East Asia, reactions that can potentially undermine strategic stability. The only way to stop the coercion loop is by getting out of this cycle caused by one of the three players: North Korea. But, ironically, the only way not to deal with North Korea's nuclear bluff is by actually engaging with them. Talking and negotiating with the North Korean regime might be portrayed as buying into the aggressor's coercion. One could also argue that the United States tried to talk to them in the 1990s, as well as through the framework of six-party talks. But as much as we do not want to deal with North Korea, due to its provocative actions, we have two purposes for talking.

The first purpose is that escaping the coercion loop is important in and of itself. None of the involved Allies want North Korea's fifth nuclear test, which could trigger a similar or heightened response from the Allies and reaction from China that could undermine the strategic stability of East Asia even more.

The second purpose would be limiting the nuclear expansion of North Korea. Talking with North Korea gives the international community the opportunity to prevent it from transporting nuclear and missile capabilities to the hands of regimes or actors that will not use such capability as bluffs. In that hypothetical scenario we have to deal with not only nuclear proliferation but also nuclear terrorism. Allies need to start to recognize North Korea as a nuclear state and focus on limiting the number—and sophistication—of the weapons it could have in its arsenal in the future, rather than imposing nuclear disarmament as a precondition for talks.<sup>16</sup> Without communication, deterrence is not possible, and if deterrence is not possible, strategic stability is not possible in East Asia. The only way of limiting vertical and horizontal proliferation is negotiating with North Korea, because sanctions have proven that they cannot prevent the *capability* of proliferation. But talks might prevent the *willingness* of proliferation.

President Obama said in a speech in 2012 “An Iranian nuclear weapon could fall into the hands of a terrorist organization. It is almost certain that others in the region would feel compelled to get their own nuclear weapon, triggering an arms race in one of the world's most volatile regions.”<sup>17</sup> This could apply to East Asia as well. While the difference between North Korea and Iran is that unfortunately North Korea has nuclear weapons already, it is still possible to prevent vertical and horizontal proliferation.

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<sup>15</sup> Brad Roberts, “Extended Deterrence and Strategic Stability in Northeast Asia,” *NIDS Visiting Scholar Paper Series 1* (2013), p. 2.

<sup>16</sup> However, President Obama does not want to talk to North Korea unless North Korea shows seriousness in denuclearization. See for example, “Obama rejects North Korea's nuclear offer: ‘You'll have to do better than that.’” <http://www.theguardian.com/world/2016/apr/24/obama-response-north-korea-nuclear-tests-deal>.

<sup>17</sup> President Obama at 2012 AIPAC Policy Conference, March 4, 2012.

<https://www.whitehouse.gov/photos-and-video/video/2012/03/04/president-obama-2012-aipac-policy-conference#transcript>.

## *An option for maintaining strategic stability in East Asia*

Before the pattern we have seen from earlier this year gets repeated until it actually jeopardizes strategic stability of East Asia, we need to cap North Korea's nuclear program.

There are two critical requirements in sustaining strategic stability in East Asia. The obvious first answer is no more proliferation. North Korea is a *de facto* nuclear power with expanding capabilities. The only way we could get closer to nuclear zero is by not letting any other countries proliferate. As mentioned earlier, two main potential proliferators in the region are South Korea and Japan. Proliferation can only be stopped by maintaining a secure and credible U.S. nuclear umbrella.

The second requirement is not letting or incentivizing China to continue the trend of modernizing and expanding its nuclear arsenal. The only way to keep China from doing precisely what would break the strategic stability is not deploying any more defense systems closer to the Chinese border, in the name of defense from North Korea.<sup>18</sup> Accordingly, Allies need to do a cost-benefit analysis to determine how much security would be gained against North Korea by deploying THAAD, and how much security would be undermined by inviting further Chinese expansion and modernization of its nuclear capability.<sup>19</sup>

This is an important topic for the Allies for the future strategic stability of East Asia because China's threat perception can reinforce the current trend. This could potentially undermine the overall effectiveness of the U.S. extended deterrence to Japan and South Korea, which is the undesirable scenario that might trigger the two countries to convert their latent capabilities to develop their own nuclear weapons. Undermining the U.S. extended deterrence, therefore, would get us one step closer to breaking the strategic stability in East Asia from the Allies side.

All of the recommendations above are something easier said than done. However, as Robert Jervis posits, through a better understanding of one another's beliefs, perceptions, and values, states can overcome the problem of erroneous threat perceptions and heightened risk of the failure of deterrence.<sup>20</sup> When there is no alternative in this coercion loop, it is time for the Allies to find a different solution rather than just reacting to North

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<sup>18</sup> Then a question arises: would China not modernize and expand its military if the Allies do nothing? To be fair, the answer might be no. However, Allies should not justify their actions or incentivize such actions that could be a reaction to a security dilemma.

<sup>19</sup> I am not discrediting the grave threat of North Korea's nuclear weapons and its potentiality of nuclear proliferation and terrorism. However, as North Korea's state goal is regime survival, it will mainly use its nuclear capability for the purpose of deterrence and also for bluff. Furthermore, for decades Seoul was within reach of North Korea's conventional artillery threats. Due to the already close proximity, North Korea's nuclear capability poses a rather similar threat to the previously-existing artillery threats. Nicholas Evan Srantakes, "History Still Matters: Contemporary South Korean Strategy and Diplomacy," in Amit Gupta, ed. *Strategic Stability in Asia* (Ashgate Publishing, Ltd., 2008), p. 102.

<sup>20</sup> Robert Jervis, "Perceiving and Coping with Threat" in Robert Jervis, Richard Ned Lebow, and Janice Gross Stein, eds. *Psychology and Deterrence* (Baltimore: The Johns Hopkins University Press, 1985), p. 33.

Korea. One way is talking with the threat provider, North Korea, and another way is not provoking China, or both.

In conclusion, in this trilemma, in the short run, talking to North Korea once again would look like appeasing an irrational actor. However, in the long run, that is a path to limiting horizontal and vertical proliferation of North Korea, escaping the coercion loop which North Korea has leverage over, and maintaining the strategic stability of East Asia.