

U.S. Relations with other Powers on the Korean Peninsula in the Global Financial Crisis

David C. Kang¹
University of Southern California

ABSTRACT

The Korean peninsula continues to be a geostrategic and economic nexus for Northeast Asia. As such, relations involve economic, social, historical, and larger regional issues, as well as the nuclear issue. While the specifics are yet to emerge, this article surveys the Obama administration's strategic approach to the region and the peninsula, concluding that it is working with a broad tradition of U.S. approaches to the region: engage China, uphold traditional alliances, and contain the North Korean threat. The economic crisis has affected the specifics of this grand strategy, but not the overall U.S. approach to East Asia.

Keywords: financial crisis, Obama administration, East Asian regionalism, North Korea

The global financial crisis that began in 2007 continues unabated, and has caused a major rethinking of the Washington consensus about economic policy that emerged in the 1990s, the United States' global role as hegemon, and a number of other enduring international institutions.² In Northeast Asia, "comprehensive coordination" involves much more than the Korean peninsula, and much more than merely North Korean policy. These tasks involve U.S. policies over a number of issues, including reassuring China, assuaging Japanese fear of isolation, and maintaining Korean relevance. As for economic issues, these include managing relations with three of the most vibrant economies in the world, which comprise a major portion of U.S. trade and among themselves have deep economic ties.

In this way, there is renewed debate over how best the U.S. might conduct its policies toward the region. Although 2009 began with cautious optimism regarding the denuclearization of North Korea, as we approach winter much of that hope has dissipated, and an old cycle of tension escalation has resumed on the Korean peninsula. North Korea has conducted a nuclear and missile test, refused to return to the six party talks, and declared in early September 2009 that it had completed a uranium enrichment program in addition to its known plutonium nuclear program. For their part, the U.S. and South Korea have joined together to apply greater sanctions on North Korea under the auspices of UN resolution 1874, increased the "Proliferation Security Initiative" patrols that aim to restrict North Korea's ability to export any weapons or nuclear technology, and scaled back economic and humanitarian assistance. Lurking in the background to all this is the expectation that current North Korean leader Kim Jong-il's health is rapidly deteriorating, and that a succession struggle for political leadership in North Korea can only make a bad situation worse.

What are the prospects, then, for cooperation among the U.S. and other countries in their policies toward the Korean peninsula?

Although most of the focus is on the North Korean nuclear issue, the peninsula continues to be a geostrategic and economic nexus for Northeast Asia. As such, relations involve economic, social, historical, and larger regional issues, as well as the nuclear issue. This article will review the Obama administration's emerging strategic approach to the region and the peninsula, concluding that while the specifics are yet to emerge, the U.S. government is working with a broad tradition of approaches to the region: engage China, uphold traditional alliances, and

contain the North Korean threat. The economic crisis has affected the specifics of this policy, but not the overall approach to East Asia. Indeed, although the financial crisis has been a deep problem for all countries around the world, it also appears that the U.S. role in East Asia remains central, and that the crisis has not had as great an effect as might have been believed a year ago. The one area where Obama might be seen as slightly “evolutionary” in comparison his predecessors in his approach to Northeast Asia lies in the area of international and multilateral institutions. The Obama administration, although lacking specifics and as yet not having presented a positive vision for regional relations, has signaled a greater willingness to entertain the notion that the traditional U.S. hub and spokes approach to Northeast Asia might be supplemented by greater regional institutions.

The Obama administration’s emerging Asia policy

The Obama administration’s emerging Asia policy is based on two basic principles: emphasizing the importance of its traditional allies such as South Korea and Japan; and a desire for a cooperative engagement and partnership with emerging powers such as China. Although in other regions of the world Obama has made a sharper break with the policies of the previous Bush administration, in Asia the Obama approach appears to be incremental, building upon the Bush successes and largely approaching the region in roughly the same manner, with a similar set of goals. Dealing with the financial crisis has occupied U.S. attention, but it has not fundamentally changed the U.S. role in East Asia. Although the days of unquestioned hegemony for the U.S. are perhaps on the wane, the U.S. remains the most trusted leader in East Asia, and states in the region want more U.S. attention, not less.

Most centrally, the US-China relationship has become one of the most important bilateral relationships in the world, and managing and adjusting that relationship is a key task of the new administration. There is, of course, increasing concern in some U.S. quarters that the arrival of a new superpower may challenge the U.S. politically and perhaps even lead to military conflict, and the U.S. Pentagon’s 2008 assessment of China’s military power concludes that “much uncertainty surrounds China’s future course, in particular in the area of its expanding military power and how that power might be used.”³ Aaron Friedberg, former advisor to Vice-president Dick Cheney, recently argued that, “It is past time for Americans to take seriously the challenge posed by the

continuing growth of China's military power."⁴ Whether China can rise peacefully, or whether it can even continue to rise, is thus one of the major policy and scholarly issues of our time.⁵

However, seven consecutive U.S. presidents have encouraged China's integration into the global system, from Richard Nixon's belief that "dealing with Red China . . . means pulling China back into the world community," to President George Bush's welcoming "the emergence of a China that is peaceful and prosperous, and that supports international institutions."⁶ The U.S. has generally viewed China as more an opportunity than threat, and official U.S. policy under the Bush administration was to encourage China to become a "responsible stakeholder" in international affairs.⁷ As former U.S. Deputy Assistant Secretary of State for East Asian and Pacific Affairs Thomas Christensen noted, "Especially if one uses the United States' containment policies toward the Soviet Union as a basis of comparison, the [argument] that the United States has been dedicated to a grand strategy of containment of China as a general policy to maintain U.S. hegemony – is, for the most part, divorced from reality."⁸

President Obama and his advisors appear to be clearly within the mainstream of previous U.S. presidential approaches when it comes to China. As Scott Snyder has observed, "the conventional wisdom among Asia specialists on both sides of the aisle has been that there would be little need or change in policy toward Asia under the Obama administration."⁹ As evidence of the priority given to Asia, Secretary of State Hilary Clinton's first international trip was to Japan, Korea, and China, and President Obama himself spent ten days in Asia in November 2009, visiting Japan, Singapore for the APEC meeting, China, and Korea. During his visit, Obama said that the U.S. had no wish to contain China, and that, "in an interconnected world, power does not need to be a zero-sum game," saying that the U.S. and China need to engage in "pragmatic cooperation."¹⁰ In February 2009, Hillary Clinton concluded that it was "essential to have a positive, cooperative relationship," with China, and indicated that pressing China about human rights "can't interfere with the global economic crisis, the global climate change crisis, and the security crisis."¹¹ This pragmatic approach to human rights and China-U.S. relations in general, although angering a number of conservatives and liberals, also falls within the mainstream U.S. approach to China. Thomas Keating, the top U.S. military commander in Asia, described himself as "cautiously optimistic" about U.S.-China

relations, saying that, “We want to draw the Chinese out, we want to ask them to manifest their intentions forward for a peaceful rise and harmonious integration.”¹²

At the same time, Obama has been reassuring traditional allies such as Japan and South Korea, that American policies will not only take them into account, but also that Obama will actively work to renew those alliances. Assistant Secretary of State for East Asia Kurt Campbell was deeply involved in a security strategy for a new administration that called “the U.S.-Japan alliance . . . the foundation for American engagement in the Asia-Pacific” while also “[re]affirming the importance of the US-ROK alliance.”¹³ Clinton and then Ambassador Bosworth have called the US-Japan alliance the “cornerstone” of stability in the region, and have begun to lay out a plan that moves the alliances past their cold war focus on deterrence of enemies to include climate change, energy security, and other out of area operations.¹⁴

Economic issues also appear to top the Obama administration’s agenda, which comes as little surprise, given the state of the world economy in 2009. China and the U.S. merged two previous meetings into one, the “U.S.-China Strategic and Economic Dialogue,” co-chaired jointly by Treasury Secretary Timothy F. Geithner, Secretary of State Clinton, and Chinese State Councilor Dai Bingguo and Vice Premier Wang Qishan.¹⁵ Obama has also made global climate change and energy security major topics, and his appointment of Todd Stern as special envoy for climate change is evidence of the seriousness with which he views that problem.¹⁶

However, although these principles appear clear and also lie well within the mainstream of traditional U.S. foreign policy approaches to East Asia, the Obama administration has been relatively silent on the specifics of this approach. As yet the administration has not set forth a detailed agenda, nor listed a set of regional priorities.¹⁷ Although this is due in no small measure to the startling number of truly massive crises that greeted Obama when he took office, it still reveals the fact that reality may overcome rhetoric when it comes to U.S. policy toward Asia.

U.S. policies and the Korean peninsula

More specifically, the Obama administration has concerns about the economy, environment, energy, and terrorism, all of which occupy a higher priority under the new administration than does the North Korean nuclear threat. As it applies to the Korean peninsula, this means an

opportunity for the states in the region to forge new relationships with each other over areas of common concern.

Although the U.S. has made vague reference to exploring “new structures of cooperation, both in the region and across the world, structures which link Asia to the global order,” that willingness to consider multilateral institutions has been largely devoid of substance.¹⁸ The dormant six party talks had included building multilateral institutions as one of its follow-on “working groups,” although this as well has received little attention or energy.

China has proposed a trilateral US-Japan-China dialogue, and it appears the Obama administration looks favorably on such a possibility.¹⁹ The trilateral dialogue would discuss stability, security, and transparency among the three countries, and decrease mistrust and misunderstanding. As Scott Snyder notes, “a trilateral dialogue might ease Chinese concerns about the U.S.-Japan alliance while ensuring that Japan is engaged fully on critical issues in the U.S.-China relationship.”²⁰

Yet President Obama has also embraced the close coordination and consultation for its policies with its traditional allies. For South Korea, this means more attention and less unilateral actions by the U.S. Such a trilateral dialogue would necessarily leave out South Korea; and it is possible that the U.S. and ROK could forge other, quadrilateral or even larger talks, or a US-Japan-ROK dialogue, with which to allay South Korean fears. For its part, South Korean president Lee Myung-bak has responded with a proposal for “five party talks,” involving all members of the SPT except for North Korea. Continuing the China-Japan-Korea dialogue is one step to involve the ROK, and it is even possible that Lee Myung-bak’s “New Asia Initiative” could propose a dialogue involving the ROK-Australia-Indonesia, or other such configurations that help expand South Korean ties in the region.

Energy security and environmental issues are also ways in which the U.S. and ROK could cooperate with other countries in the region. The Lee Myung-bak government has promoted a “low carbon, green growth” initiative, and the Obama administration is making environmental and energy concerns a high priority. Although negotiations with China over carbon emissions and climate change appear to be somewhat difficult, it is also increasingly clear that governments around the region are at least recognizing the issue, and willing to discuss ways in which they can cooperate.²¹

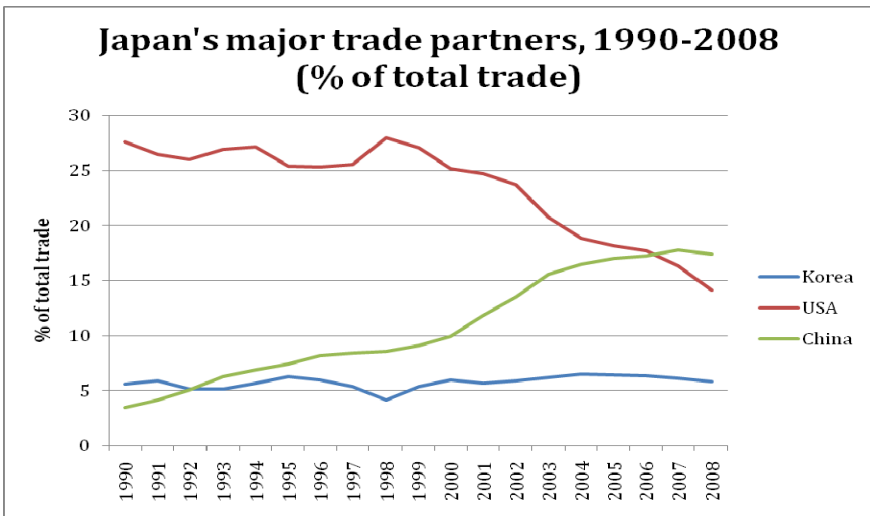
Economic issues appear increasingly important over the next decade, as the economies of Japan, Korea, and China become ever more closely integrated, and the need to create stable economic institutions becomes even more important for the region. The US-Korea Free Trade Agreement is clearly most important in the mind of South Korean President Lee Myung-bak, and there was intense speculation in the South Korean press before Obama's November visit about whether or not the U.S. president would commit to a timetable for submitting the FTA to the U.S. Congress. Although Obama did mention the FTA positively, he also refused to commit himself to a timetable. The Koreans, for their part, have negotiated an FTA with the European Union and are in the process of negotiating an FTA with India. While it is clear that South Korea would prefer to sign an FTA with the United States first, it is also just as clear that they are moving on with their trade agenda with the region and the world.

Regarding U.S. economic policies toward the region as a whole, new Japanese Prime Minister Yukio Hatoyama recently argued for "regional currency integration as a natural extension of the rapid economic growth begun by Japan, followed by South Korea, Taiwan and Hong Kong, and then achieved by the Association of Southeast Asian Nations (ASEAN) and China."²² This idea has also been floated by the Chinese, who are increasingly viewing the dollar as a reserve currency as becoming problematic in the future. Chinese Central Bank governor Zhou Xiaochuan argued this summer that the dollar should eventually be replaced by a new global reserve currency.²³ The dollar, a reserve currency for well over half a century, has come under increasing pressure as U.S. deficits continue to mount and much of that gap has been filled with foreign borrowing. Given the intricate economic relationship between the U.S., China, Japan, and South Korea, the lack of a viable alternative means the U.S. dollar remains the "safe haven" and most stable reserve currency. It is unlikely in the foreseeable future that any substitute can be found for the dollar. However, long-term pressures are weakening the dollar's role, and the most likely replacements for a reserve currency will come either from the Euro, or from some type of currency arrangement in Northeast Asia.

Managing and coordinating economic relations within Northeast Asia and between the U.S. and these countries will only become more important over time. Economic adjustment and competition—not territorial conquest—appears to be the arena most needing coordination

among states in the region. The increasing interdependence and integration of these economies in the past two decades has been remarkable. For example, since 1990, China has become the major trade partner of both Japan and South Korea, and mutual and cross-investment has also increased accordingly (Figures 1, 2, and 3 here). The U.S. remains an important and central economic actor, but increasingly states in the region are finding it necessary to work with each other as much as they concentrate on their economic relations with the U.S.

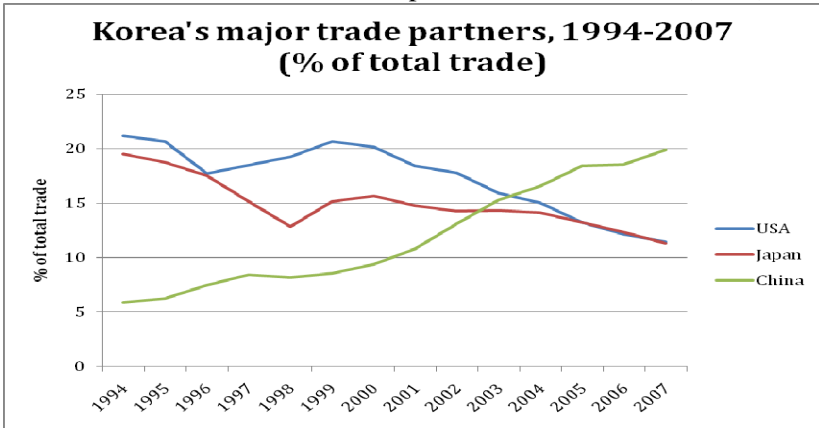
Figure 1. Japan's major trade partners, 1990-2008 (% of total trade)



Source: data extracted on 25 Sep 2009 21:52 UTC (GMT) from OECD. Stat

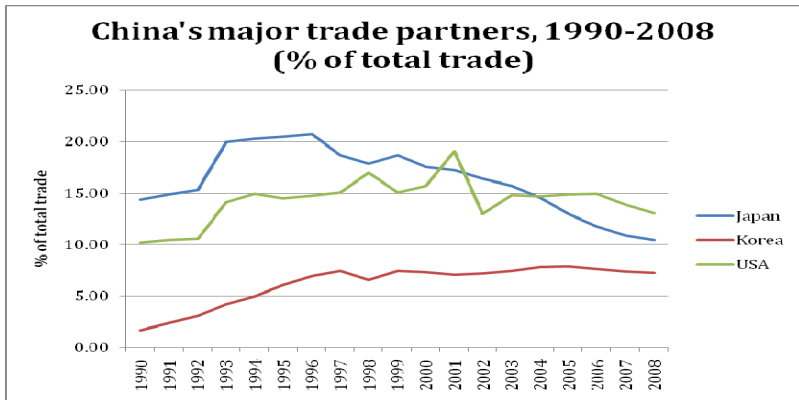
Figure 2. ROK major trade partners, 1994-2007 (% of total trade)

Source: data extracted on 25 Sep 2009 21:52 UTC (GMT) from



OECD.Stat

Figure 3. PRC major trade partners, 1994-2007 (% of total trade)



Source: data extracted on 25 Sep 2009 21:52 UTC (GMT) from OECD. Stat

Managing a careful transition to a set of economic institutions—such as currency swaps and trade agreements—that are influenced by not solely formed around the U.S. will be a major task for economic policymakers in Northeast Asia over the next generation. Their own economic relations and their economic relations with the U.S. and

Europe all appear likely to begin to change from the Cold War institutions that have served so well in the past.

North Korean policy

In the short term, it appears that the Obama and Lee governments hold quite similar views towards the peninsula. There is widespread agreement among all types of analysts in the U.S. that the current policies are appropriate, and the U.S. should not be offering concessions to a North Korea that has obviously violated international norms. And this should be cause for optimism that both countries may be able to act in concert with each other and present a more consistent and unified approach toward North Korea. Previously, it was possible for North Korea to have one relationship with one country and a different relationship with a different country. So to the extent that policies and overall strategies are consistent, this is a positive step.

The Obama administration is determined to “break the cycle” of crisis escalation with North Korea. As Obama said on June 16, 2009, “there has been a pattern in the past where North Korea behaves in a belligerent fashion and, if it waits long enough, is rewarded . . . The message we are sending them is that we are going to break that pattern.”²⁴ Within this broad approach, the Obama administration’s North Korea policy emphasizes a desire for diplomacy and the desire for close coordination with its allies.

The sad fact is that the range of policy options available to both the U.S. and other countries involved in the six party talks quite thin. Few countries would consider military action to cause the regime to collapse, given the fact that Seoul is vulnerable to their conventional weapons and that war or regime collapse could potentially unleash uncontrolled nuclear weapons and potentially draw all the surrounding countries into conflict with each other. At the same time, the US, South Korea, and Japan are unwilling to normalize relations with North Korea and offer considerable economic or diplomatic incentives in the hopes of luring Pyongyang into more moderate behavior. As a result, U.S. and other regional governments are faced with the choices of rhetorical pressure, quiet diplomacy, and mild sanctions.

Sanctions are another option for putting pressure on the North Korean regime, and the Obama administration is following the Bush administration by punishing North Korea with sanctions after its 2009 nuclear and missile tests. The U.S. is currently cooperating with UN

resolutions 1718 and 1874 (both of which apply various sanctions on the DPRK), and its own proliferation security initiative (PSI), aimed at interdicting any transport or exports of North Korean weapons or nuclear technology and arms to other countries.

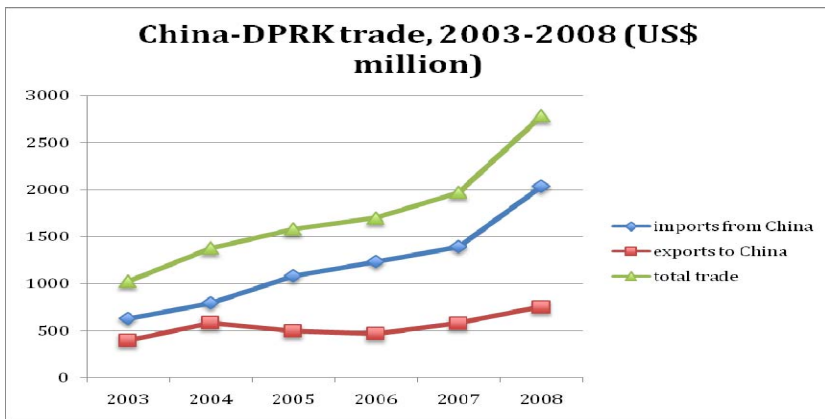
Yet sanctions are also unlikely to achieve their stated goal of changing North Korean behavior. The problems are two-fold. First, even the U.S. is unwilling to punish North Korean citizens by engaging in blanket economic sanctions against the North that would include basic foodstuffs and other materials. Thus, the sanctions have been “targeted” at the regime; focused on luxury goods and the like. But these will have a limited impact. Sanctions rarely force a country to change its ways; they remain more symbolic than practical for changing behavior.²⁵ Stephan Haggard and Marcus Noland argue “it is highly unlikely that the sanctions by themselves will have any immediate effect on North Korea’s nuclear program or on the increasing threat of proliferation. Sanctions need to be coupled with a nuanced policy that includes a strongly stated preference for a negotiated solution as well as defensive measures, of which the sanctions are only one part.”²⁶ As Ruediger Frank concluded in his study of sanctions against North Korea, “in the long run, [sanctions] lose their impact and become a liability.”²⁷

The second difficulty with sanctions involves the coordination problem that neither Russia nor China is eager to push sanctions too hard on the North; and thus any sanctions the U.S. puts on the regime are likely to be cosmetic in nature. The only country that could realistically impose severe enough sanctions on North Korea is China. Were China to impose draconian sanctions on North Korea, it could have a devastating effect. The Chinese appear to be fairly angered at North Korea’s latest moves, and the nuclear test in particular has been a real insult to Chinese diplomatic efforts. After the first North Korean nuclear test in 2006, China called the test “flagrant and brazen,” and voted with other UN Security Council members for resolution 1718, which imposed a series of sanctions on North Korea.²⁸ There has also been intense debate within China about the best way to deal with North Korea and even whether North Korea remains strategically important to China.

Yet Chinese economic and political influence is more limited than popularly believed. As Adam Segal noted, “The idea that the Chinese would turn their backs on the North Koreans is clearly wrong.”²⁹ The Chinese (and Russians) have also interpreted sanctions in a way that rendered them to be essentially ineffective. Marcus Noland estimates

that Chinese exports, and even exports of luxury goods, have actually increased 140% since the imposition of sanctions.³⁰ Indeed, China is North Korea's main trading partner, and, despite the economic sanctions imposed by UN resolution 1718 and 1874, trade between the two countries continues to increase. Total trade in 2008 was 41.3 percent greater than trade in 2007, and amounted to between half and two-thirds of North Korea's total foreign trade (Figure 4).³¹ In fact, Chinese trade now accounts for between 60 and 80 percent of North Korea's entire foreign trade.³²

Figure 4. PRC-DPRK Trade, 2003-2008



Source: Mary Beth Mitkin, et al., “North Korea’s Second Nuclear Test: Implications of UN Resolution 1874” Congressional Research Service R-40684 (Washington, D.C.), July 1, 2009, pp. 10-11

Thus, China retains considerable economic leverage over North Korea. However, it is unlikely that China will use such economic pressure, nor that such pressure would work. China has continued to build economic relations with North Korea over the past few years, and to a considerable degree, Chinese economic policies toward North Korea have been designed to prevent instability through expanded economic assistance. That is, China faces the same problem that other countries do—how to pressure and persuade North Korea to take a more moderate stance, without pushing so hard on North Korea that it collapses. In this way, North Korea’s dependence on Chinese aid limits China’s ability to pressure North Korea—North Korea is so vulnerable that China needs to

be quite careful in its policies toward it. Thus, the prospects of China putting any significant pressure on North Korea are dim.

As for Japan, the two dozen of its citizens who were abducted by North Korea in the 1970s has fixated the country on that issue, and become a major driver of Japanese policy toward North Korea.³³ The previous Japanese government made progress on resolving the abductee issue a prerequisite for cooperating on the nuclear issue during the six party talks, which led to difficulties in coordinating policies among the parties. With a new Japanese government headed by DPJ leader Hatoyama, it is still too early to tell how the Japanese will conduct their foreign policy toward North Korea. Early indications are that the policies will be similar to previous governments—attention to both the nuclear threat and the abductee issue.³⁴ How this manifests itself in actual policy decisions remains to be seen.

I do, however, have a few concerns. The first is that while North Korea remains South Korea's first priority in its foreign policy, North Korea is a very low priority for the U.S. Of greater concern is the global financial crisis, Afghanistan, Iran, Iraq, and Palestinian-Israeli relations. Thus, the attention and energy the U.S. will provide on North Korea is likely to be less consistent and less focused, and the question is whether the U.S. can provide enough leadership in a part-time capacity to be effective.

Additionally, while the U.S. and South Korea have repeatedly claimed a desire to return to negotiations with North Korea if the leadership in Pyongyang backs down, it should be noted that it might not be so clear from a North Korean perspective that the U.S. has put as much energy into dialogue as it has into pressure. From discussions about childlike behavior by Secretary of State Clinton to imposition of sanctions, both sides appear caught in a cycle of escalation. While "who started it" is one way to assign fault, it would be a tragedy if the cycle continues and everyone ends up worse off than they are today.

For the time being, U.S. and South Korean policies are closely coordinated and share the same goals regarding North Korea, and this in and of itself is a good thing. The Obama and Lee administrations appears to cooperate quite well, and even share similar views towards China and Japan. The real question will come down not to process and goals, but to outcome: North Korea remains a major danger to regional stability, and both the U.S. and South Korean governments will need to make this a top priority going forward.

A more fundamental concern is that as this process has dragged on for almost fifteen years, the beliefs of both sides may have changed. While in the mid-1990s North Korea may have been willing to exchange nuclear weapons for normal diplomatic relations with the U.S., leaders in Pyongyang may very well believe that events over the years have shown that the U.S. and South Korea will never choose to live with a North Korea. As for South Korea and the U.S., while it was previously possible to imagine that North Korea might give up its nuclear weapons under certain conditions, many observers now believe that will never happen. Thus, the leadership in all three countries may now believe that no real solution is possible.

As a result, the real issue facing countries may not be “how to denuclearize North Korea,” but rather how best to manage living with a nuclear North Korea, contain the problem, and ultimately to enhance political change in the North that is peaceful. This is a much more difficult problem, especially given the fact that putting too much pressure on North Korea could very well cause either a devastating war on the peninsula or regime collapse that threatens stability throughout the region.

Some believe that coercion will eventually cause the North to capitulate, and that “just a little more” pressure on the regime will force it to submit. Unfortunately, past history reveals that this appears unlikely. North Korea has little history of giving something for nothing; but the leadership in Pyongyang has a consistent policy of meeting external pressure with pressure of its own.³⁵ There is little reason to think that applying even more pressure will finally result in North Korea’s meeting U.S. demands and de-escalating tension.

The U.S. has consistently stated that a range of political and economic relationships and initiatives is available to North Korea, provided that they first resolve the nuclear problem. This basic policy has spanned the Clinton, Bush, and now Obama administrations. For example, former Secretary of State Condoleezza Rice said that, “the first step is to have, from the North Koreans, a clear indication to the rest of the world and a plan for the dismantling of those programs. Much is possible after that.”³⁶ This year, Special U.S. Representative for North Korea Policy Stephen Bosworth recently said that:

President Obama came into office committed to a willingness to talk directly to countries with which we have differences and to try to resolve those differences. This commitment to dialogue

was communicated directly to North Korea in the President's first days in office. . . . It is North Korea that faces fundamental choices...We will welcome the day when North Korea chooses to come out of its cave, and we will be prepared to receive them.³⁷

Dealing with the nuclear challenge, then, will most likely require more than the coercive components of sanctions and potential military strikes. This will include engagement, inducements, and hard negotiating from the U.S. The willingness by the U.S. and other countries to engage in consistent negotiations with North Korea has wavered, and talks have been sporadic at best. The mood for such negotiations is often described as "appeasement" or "blackmail," and thus U.S. administrations are hesitant to appear too soft on a regime such as North Korea's. As such, the situation has incrementally deteriorated over the years.

Conclusion

The challenges of cooperation on the Korean peninsula are much greater than merely coordinating North Korea policy. The U.S., China, and Japan—not to mention Russia—have a number of concerns that have a direct impact on the peninsula. Coordination of increasingly integrated and complex economic relations, environmental concerns, and overall strategic and security institution building are tasks that as yet have been much discussed but little implemented. The future will see only greater pressure for coordination, with corresponding greater risks if steps are not taken.

Regarding North Korea itself, a broad consensus appears to have emerged that the mainstream approach of engaging North Korea but also being consistent in punishing bad behavior is the best way to proceed. Japan and China have their own interests regarding North Korea, and may prove to be wild cards in this process. But coordination among traditional allies and between all the interested parties appears more likely now than it did in the previous few years. While North Korea itself is undergoing a highly unstable succession of power, and has taken a number of provocative steps during 2009, there is still the possibility that careful and sustained efforts by the countries involved may see some progress in the future.

¹ This article was originally prepared for the Twenty-third annual conference of the Council on Korea-U.S. Security Studies, “Comprehensive Korea-U.S. Security Cooperation Under the New Governments in the Global Financial Crisis,” October 29-30, 2009, Seoul, South Korea.

² Yoichi Funabashi, “Keeping Up With Asia: America and the New Balance of Power,” *Foreign Affairs* 87, no. 5 (September/October 2008); Kishore Mahbubani: “The US Risks Losing Asia,” *Global Asia* 2, no. 2 (2007), pp. 16-23.

³ Department of Defense, 2008.

⁴ Aaron L. Friedberg and Robert S. Ross, “Here Be Dragons,” *National Interest Online*, August 26, 2009. <http://www.nationalinterest.org/Article.aspx?id=22022>

⁵ E.g., John Mearsheimer and Zbigniew Brzezinski, “Clash of the Titans,” *Foreign Policy*, (Jan/Feb., 2005), 46-50.

⁶ Nixon, R.M. (1967/68) “Asia after Viet Nam,” *Foreign Affairs*, 46: 111-133: 123; *Washington Post*, 2006

⁷ U.S. Department of State, 2005, “Deputy Secretary Zoellick Statement on Conclusion of the Second U.S.-China Senior Dialogue,” <http://www.state.gov/r/pa/prs/ps/2005/57822.htm>

⁸ Thomas Christensen, “Fostering Stability or Creating a Monster?” *International Security*, 31 (2006), pp. 81-126, esp. p. 108.

⁹ Scott Snyder, “The Foreign Policy of the Obama Administration and Northeast Asia,” Remarks to the Tenth World Korean Forum, August 18, 2009.

¹⁰ Peter Nicholas, “Obama says U.S. does not wish to 'contain' China,” *Los Angeles Times* November 14, 2009. <http://www.latimes.com/news/nationworld/world/la-fg-obama-asia14-2009nov14,0,3735684.story>

¹¹ Quoted in CNN, February 22, 2009. <http://www.cnn.com/2009/POLITICS/02/21/clinton.china.asia/>

¹² Shaun Tandon, “US commander 'cautiously optimistic' on China,” AFP, September 16, 2009 AFP. <http://www.google.com/hostednews/afp/article/ALeqM5hBJ0gy9fghxnD1aCooOBZsIZwOrw>.

¹³ Ralph Cossa et al., *The United States and the Asia-Pacific Region: Security Strategy for the Obama Administration*, Center for a New American Security, February 2009. http://www.cna.org/documents/CampbellPatelFord_US_Asia-Pacific_February2009.pdf.

¹⁴ Amelia Newcom, "Clinton to Japan: You're our 'cornerstone'," *Christian Science Monitor*, February 17, 2009. <http://features.csmonitor.com/globalnews/2009/02/17/clinton-to-japan-youre-our-cornerstone/>.

¹⁵ U.S. Department of the Treasury, "U.S.-China Strategic and Economic Dialogue," <http://www.ustreas.gov/initiatives/us-china/>.

¹⁶ Cheryl Pellerin, "Obama Makes Climate Change a National Priority," *America*, January 27, 2009. <http://www.america.gov/st/energy-english/2009/January/200901271618561cnirellep9.743899e-02.html>.

¹⁷ Stephen Costello, "The Missing Consensus: U.S. Specialist Views on Korea," Center for US-Korea Policy newsletter, 1, no. 7 (August, 2009), p. 2.

¹⁸ Deputy Secretary of State James B. Steinberg, "Engaging Asia 2009: Strategies for Success," remarks at the National Bureau of Asian Research, April 1, 2009. <http://www.state.gov/s/d/2009/121564.htm>.

¹⁹ Personal communication with a member of the Department of State, August 14, 2009.

²⁰ Snyder, "The Foreign Policy of the Obama Administration and Northeast Asia," p. 5.

²¹ For a sobering view of China's economic problems, see Elizabeth Economy, *The River Runs Black: The Environmental Challenge to China's Future* (Ithaca, N.Y.: Cornell University Press, 2004).

²² Yukio Hatoyama, "A New Path for Japan," *New York Times*, August 26, 2009. <http://www.nytimes.com/2009/08/27/opinion/27iht-edhatoyama.html?pagewanted=1>.

²³ Thomas Reuters, "China sees yuan's status matching economic rise," *Forbes*, September 15, 2009. <http://www.forbes.com/feeds/afx/2009/09/15/afx6888867.html>.

²⁴ Joint remarks by President Obama and President Lee Myung-bak, June 16, 2009, Council on Foreign Relations. http://www.cfr.org/publication/19646/joint_remarks_by_president_obama_and_president_lee_myungbak_june_2009.html.

²⁵ Suk Hi Kim and Semoon Chang, eds., *Economic Sanctions Against a Nuclear North Korea: an analysis of United States and United Nations actions since 1950* (London: McFarland), 2007.

²⁶ Stephan Haggard and Marcus Noland, "What to do about North Korea: Will Sanctions Work?" *The Oriental Economist*, July 3, 2009. <http://piie.com/publications/opeds/oped.cfm?ResearchID=1254>.

²⁷ Ruediger Frank, "The Political Economy of Sanctions Against North Korea," *Asian Perspective* 30, no. 3 (2006), pp. 5-36.

²⁸ David E. Sanger, William J. Broad, and Thom Shanker, "North Korea Says It Tested a Nuclear Device Underground," *New York Times* October 9, 2006 <http://query.nytimes.com/gst/fullpage.html?res=9E0CE0DC1330F93AA35753C1A9609C8B63&sec=&spon=&&scp=1&sq=%22North%20Korea%20Says%20It%20Tested%20a%20Nuclear%20Device%20Underground%22&st=cse>.

²⁹ Jayshree Bajoria, "The China-North Korea Relationship," *Backgrounder*, Council on Foreign Relations, July 21, 2009. <http://www.cfr.org/publication/11097>.

³⁰ Russia defined "luxury goods" loosely -- as watches costing over \$2,000 and coats over \$9,000. Marcus Noland, "The (Non)-Impact of UN Sanctions on North Korea," *Asia Policy* 7 (January, 2009), 61-88.

³¹ Figures from Mary Beth Mitkin, et al., "North Korea's Second Nuclear Test: Implications of UN Resolution 1874" Congressional Research Service R-40684 (Washington, D.C.), July 1, 2009, pp. 10-11.

³² Bajoria, "The China-North Korea Relationship."

³³ Tessa Morris-Suzuki, "Japan-North Korea relations : the forgotten agenda," *Asia Pacific Bulletin* 28 (February 10, 2009), <http://scholarspace.manoa.hawaii.edu/handle/10125/7782>.

³⁴ Leif-Eric Easley, Tetsuo Kotani, and Aki Mori, "Electing a New Japanese Security Policy? Examining Foreign Policy Visions within the Democratic Party of Japan," *Asia Policy* 9 (2009).

³⁵ Leon Sigal, "Punishing North Korea Won't Work," *Bulletin of the Atomic Scientists* (May 28, 2008) <http://www.thebulletin.org/web-edition/opeds/punishing-north-korea-wont-work>; David C. Kang, "The Avoidable Crisis in North Korea," *Orbis*, (Summer, 2003).

³⁶ Quoted on the Lehrer News Hour, July 28, 2008. http://www.pbs.org/newshour/bb/white_house/july-dec05/rice_7-28.html.

³⁷ Stephen W. Bosworth, "Remarks at the Korea Society Annual Dinner," New York, NY, June 9, 2009. <http://www.state.gov/p/eap/rls/rm/2009/06/124567.htm>.