

## DEBATE

**Tatsuo Masuda, Professor, Nagoya University of Commerce and Business Graduate School, Japan**

I have a hypothetical question for the three panellists. A short answer is fine. North Korea is developing nuclear weapons and seems to be almost unchecked. They are possibly ready to install missiles. While they install all these weapons systems, which they might use against any of the three countries, how will China, America or Japan react? What are the possible scenarios in terms of reaction?

**Richard Cooper, Professor of Economics, Harvard University**

Picking up on what Professor Jia has said, maybe I can say something about the Trump administration. We actually have no idea of what Trump's foreign policy will be in general, particularly toward this part of the world. Obviously, he has an animus towards Chinese imports to the US, and he has said he is happy with the contribution to the US-Korea alliance and the US-Japan alliance. I am not aware that he has addressed North Korea at all, but North Korea is trying very hard to develop a three-stage missile, and there is only one reason for this. We had an interesting session on space, and I am positive that North Korea has no interest in space exploration as such; it wants to reach the US with a weapon. That comes close to being an act of war, and the question is how the Trump administration would respond to it. One possibility is that they will shoot down the missile, and Professor Jia has said that some of his advisers have suggested that. He also said that China wants stability in the area, but North Korea does not want stability in the area, so it is moving to destabilise the area, at least in respect of nuclear weapons.

I turn it over to Mr Jia. I know this involves conjectural history, which Chinese scholars are uncomfortable with. However, how might China respond if North Korea moves very seriously to further missile testing and the US threatens to shoot down the missile?

**Jia Qingguo, Professor and Dean of the School of International Studies of Peking University**

It is in China's interests to stop North Korea from developing nuclear weapons, but China has to balance the means of doing so. Regarding means, we are talking about economic sanctions at different levels. At the maximum level, we have a humanitarian problem; in other words, if we stop food from going to North Korea, the North Korean people may starve to death. Then you have the military means, which create a lot of uncertainty in terms of how you will deal with the situation – whether you will be able to secure the nuclear weapons or destroy them and create a nuclear disaster. What if the situation became chaotic and you had some army officers taking control of the nuclear weapons? That would become a problem. What about the refugee problem in the case of a military conflict? All kinds of things are involved when you try to think about the best way to deal with the North Korean nuclear problem.

Furthermore, we have a problem in coordinating with other countries, especially with the US. Many Chinese suspect that the US wants to contain China, so if this is the case, for these people, China should not coordinate with the US because, however much of a problem the North Korean nuclear programme can be for China, it can also be a distraction for the US, and these people have their own voice in China and influence the policies of the Chinese Government.

Therefore, it is a complicated problem. Over time, as North Korea develops more nuclear weapons and conducts more tests, the Chinese position would harden to the extent that, hypothetically, if the US were to shoot down one of the test missiles, China would probably not feel bad about it. Were North Korea to attack another country with nuclear weapons, then China would definitely side with that country, if the attack were not provoked. Therefore, it depends on



the situation, but I believe that it is in China's interests to stop North Korea from developing nuclear weapons. It is in China's interests to work with other countries to make sure this does not happen, but on tactics and strategy, we probably need to have more consultation.

**Richard Cooper, Professor of Economics, Harvard University**

Some years ago, although I have forgotten the exact date, China found that it had some problems with the pumps that pump oil to North Korea, and for three days North Korea did not get any oil. That got their attention, and I suggest that should be added to the menu of possible things which can send a message, without being as provocative as some of the other issues you mentioned.

**Fujisaki Ichiro, Chairman of the Institute of International Relations, Sophia University, Japan, Former Ambassador of Japan to the United States**

This may not be the time for my colleagues to ask me questions, but I was intrigued by two words uttered by each one of them. My Korean friend, Ju Chul-Ki, twice said that Korea may have to take bold action. What does that mean? That is the first point. Regarding China, our Chinese colleague just said that there might be a possibility of the Trump administration engaging in a pre-emptive strike. Before a pre-emptive strike, I think that the Americans would ask China whether they could twist the arm of North Korea a bit more. What would be China's reaction in that case? These are the two issues that arise for me.

**Ju Chul-Ki, President of the Overseas Koreans Foundation, former Senior Secretary for Foreign Affairs and National Security to the President, Korea**

Because of all these critical elements, we need better negotiations and diplomacy in order to find solutions while we still have a year or two. I used to say, at the start of my tenure in the Korean government 4 years ago, that we had two or three years to find a solution, but we spent the past 20 years without doing so. We only have two to three years, and we have to find a clue from next year. That is why we need to talk very candidly among the key partners and have deep talks, not just cosmetic ones where we just suggest things. We need to get very serious and to discuss all the problems.

We are open, at the same time, to help North Korea to develop its economy, because we are a divided country and we need to help level up the North Korean economy for an eventual reunification, should it abandon its nuclear weapons programme. Then we could realise a nuclear-free Korean Peninsula. Therefore, we very much need keen and frank talks among the partners and between the permanent Security Council members, and in that way we can find a clue to the solution. North Koreans do not even want to talk to the Chinese about this nuclear problem for the time being, but they want to preserve the dignity of the regime, which might face charges at the International Criminal Court. That would be an even more serious blow to North Korean regime than a strike.

Therefore, we need to engage in serious dialogue with North Korea, both bilaterally and trilaterally, to bring them to the conference table. It requires bold action, but if, in doing all these things, we fail to prevent North Korea from developing 100 nuclear warheads, the South Korean public will not want to live with it, so it is a very serious problem. However, we still have an optimistic approach, and we should engage all available means. We hope that the new government in the US will go in that direction, and will engage in serious discussions toward finding a solution.



**Kiyoto Ido, Vice Chairman, The Institute for International Economic Studies, Japan**

I would like to ask all three speakers about trade cooperation. Japan participated in the TPP negotiations, as Mr Ju Chul-Ki has commented, and Korea has expressed the intention to join these negotiations. China and Korea, on the other hand, have made huge progress with the FTA. However, in comparison with the major progress in financial cooperation in East Asia between the three countries after the Asian currency crisis, under the framework of ASEAN, we still have further progress to make in the area of trade cooperation.

We have also heard in Japan that, considering the latest situation around TPP, we should put more effort into negotiations around RCEP and so on. I would like to hear the views of all the speakers about trade cooperation in East Asia.

**Richard Cooper, Professor of Economics, Harvard University**

I could supplement that question. It is fairly clear, at least for the next two years, that president-elect Trump will not touch TPP; he will not submit it to Congress and the US will not join. Eleven other countries have signed on, and it raises the question of whether TPP could go forward without the US, perhaps with the US joining at a later time. If I could supplement the question that has been asked by adding that, who wants to begin?

**Ju Chul-Ki, President of the Overseas Koreans Foundation, former Senior Secretary for Foreign Affairs and National Security to the President, Korea**

Trade liberalisation is all the more necessary, and we have to help save the WTO mechanism, along with regional trading mechanisms. We have built a lot through the WTO process and made bold declarations and decisions. Many achievements have been made, and it is still ongoing. We can readdress all the trade related issues in a comprehensive manner in due course of time, and of course the TTP is alive and we may join it in the second tier, but from the Korean perspective, it is better to engage China as well. That argument goes for RCEP as well. We are the only country that has FTA with China, the EU and the US at the same time, and as we very much promote trade liberalisation, we really hope this continues. We have a responsibility, as major trading countries in the world, to push forward the liberalisation agenda in order to keep it alive, while the EU is suffering from setbacks.

**Jia Qingguo, Professor and Dean of the School of International Studies of Peking University**

The Chinese Government certainly favours RCEP because the threshold for membership is lower and it is also more inclusive. President Xi Jinping recently talked about the Asia-Pacific region and a free trade area on the basis that this is inclusive and not exclusive. I think that TPP is not a bad idea –in fact it is a good idea – but the problem with TPP, from the Chinese perspective, is the way President Obama tried to sell it at the US Congress. He used China as an excuse, and maybe he thought this was a good idea to get congressional support for TPP. He said that they should pass TPP because, in this way, the US would make the rules rather than the Chinese. This makes a lot of Chinese people think that TPP is against China.

Personally, I think that US championship of TPP is more a reflection of the US pursuit of its own interests more than an intention to target China, but the problem is that most people, when they hear the rhetoric, and also the rhetoric of those in the US who do not like China, think that US efforts to promote TPP were a conspiracy against China.



**Fujisaki Ichiro, Chairman of the Institute of International Relations, Sophia University, Japan, Former Ambassador of Japan to the United States**

It is really saddening to hear such negative stories about TPP. However, I think we are now living in a world without TPP, so why can we not wait for some time until the US changes? Should it be clear that the US cannot change the attitude towards TPP, there is a possibility that we may change the GDP clause regarding the validation of TPP and start it without the US, but we would rather have the US in it, and we would like to have Korea and China in it as well. I agree with my Chinese friend that it was not a very good way of selling TPP to say that China could not be allowed to make the rules, so it is not easy for China to join with that kind of statement. However, that does not mean that it is exclusive, and after four years we have been able to make a very high-level FTA, which we have never done, so we should keep to that and try to maintain it rather than trying to restart everything. It is like a pearl necklace; each pearl of 12 was polished very carefully over four years, and the biggest one is now out, but we would still like to finish it, if possible, with the biggest pearl. We were able to attain it because the US was there, and without the US we would not have come this far, so we would really like them to rethink it, but regarding how practical that would be in the next two years, I share what Richard just said.

**Richard Cooper, Professor of Economics, Harvard University**

I think I can share all the views we have heard from three very authoritative and interesting speakers.