
Competing Worldviews and the Changing Order in Asia

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As the regional balance of power in East Asia continues to evolve and tensions in a number of hot spots - from the Korean Peninsula to the East and South China Seas and the Taiwan Strait - either simmer or intensify, the future of regional stability is increasingly uncertain. Within this context, the region's major players are elaborating strategies, from the “*Belt and Road*” to a “*Free and Open Indo-Pacific*”, that could either prove sources of greater stability, or of division and further tension. This conference will bring together points of view from across the region to discuss the latest developments and broader trends, and delve more deeply into the risks to stability on the Korean Peninsula, and the implications for Asia’s shifting geo-economic order.

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Agenda

9:30 **Opening Remarks**

- **Thomas Gomart**, Director of Ifri
- **Ming-zhong Zhang**, Representative, Taipei Representative Office in France

Morning Sessions

Systemic change in Asia and the future of the regional order

9:45-11:45

- **Seong Whun Cheon**, Visiting Research Fellow, ASAN Institute for Policy Studies, Seoul
- **Cheng-yi Lin**, Research Fellow, Academia Sinica, Taipei
- **Harsh V. Pant**, Distinguished Fellow and Head of the Security Studies Programme, Observer Research Foundation, New Delhi
- **Dingli Shen**, Professor, Institute of International Affairs, Fudan University, Shanghai
- **Sheila Smith**, Senior Fellow, Council on Foreign Relations, Washington DC
- **Dmitry Streltsov**, Head, Department of Oriental Studies, MGIMO, Moscow
- **Hideshi Tokuchi**, Senior Fellow, Graduate Institute for Policy Studies, Tokyo

Interactive debate moderated by **Françoise Nicolas**, Director, Center for Asian Studies, Ifri

France's strategic vision towards Asia

12:00-12:45

- **Pauline Carmona**, Deputy Director for Asia, Ministry for Europe and International Affairs, France

Afternoon sessions

What options for stability on the Korean peninsula?

14:00-15:30

- **Seong Whun Cheon**, Visiting Research Fellow, ASAN Institute, and former Secretary to the President of the Republic of Korea for Security Strategy
- **Discussants: Dingli Shen** (Fudan University), **Sheila Smith** (Council on Foreign Relations), **Dmitry Streltsov** (MGIMO), **Hideshi Tokuchi** (GRIPS)

Moderated by **Alice Ekman**, Research Fellow, Head of China Research, Center for Asian Studies, Ifri

The changing geo-economic order in Asia and implications for European trade policy

15:45-17:30

- **Françoise Nicolas**, Director, Center for Asian Studies, Ifri
- **Heungchong Kim**, Senior Research Fellow, former Vice President, Korean Institute for International Economic Policy (KIEP)
- **Zhang Ming-zhong**, Representative, Taipei Representative Office in France

Moderated by **Patrick Messerlin**, Emeritus Professor, Sciences Po, Paris

Opening Remarks

Thomas Gomart, Director of Ifri, opened the day's discussions by welcoming the audience and asking participants to reflect and discuss throughout the day on the implications of the fundamental shift underway in the geopolitical and geo-economic order in Asia. Indeed, since Ifri's 2016 annual conference on the regional order in Asia, new factors have come into play such as the arrival of Donald Trump at the White House, the reconfirmation of Chinese leader Xi Jinping, and the deepening of the North Korean nuclear crisis. Dr. Gomart commented the place of Asia in French strategic thinking by underlining three key points raised in the French strategic review: the rapid and deep deterioration of the regional environment of France due to terrorism and power competition in Europe; the weakening of the multilateral framework mainly due to China, Russia, and the United States; and the situation in Asia, a region with the highest military spending, a fragile security architecture and two hot spots, namely the South China Sea and North Korea.

Ming-zhong Zhang, Representative of the Taipei Representative Office in France, underlined that 2017 has been a decisive year, with leadership changes in the U.S. and South Korea, while Japanese and Chinese leaders were reinstated. He iterated that a number of security threats in Asia persist, such as: the North Korean missile launches and nuclear tests, which challenge the U.S. and to a certain extent the PRC; the possible amendment of the Japanese constitution to restore the armed forces; and China's expansionism. At the same time, H.E. Zhang explained that Asia remains the center of global economic activity, with China and Japan being respectively the second and third economic powers and Taiwan standing as the world's twenty-second largest economy in terms of nominal gross domestic product. China has remained Taiwan's first trading partner since 2003, a position reinforced by the 2010 Economic Cooperation Framework Agreement and the tourism and education exchange authorization in 2011. Despite the "cold peace" that has hung over cross-strait relations since last year, he explained that cross-strait trade, educational and tourism exchanges have risen to historically high levels. Through these exchanges Taiwan aims to showcase its universal values such as democracy and human rights, and demonstrate that they could be applied successfully in Asia, and in Chinese society in particular. More broadly, Taiwan not only intends but is bound to play a role as a responsible stakeholder in the changing regional order. For instance, H.E. Zhang explained that Taiwan's new Southbound Policy seeks to advance cooperation with 18 countries, including South Asian and ASEAN countries, New Zealand and Australia, as a way to forge a sense of economic community and create mutual benefits via the private sector. Taiwan aims to achieve these goals by applying its soft power in culture, education, tourism, technology, medicine and agriculture. In spite of increasing pressure from China, H.E. Zhang explained that the current Taiwanese government is looking forward to pragmatically managing cross-strait ties and establishing a consistent, predictable, sustainable relationship based on the outcomes of over 20 years of interactions and negotiations.

Systemic change in Asia and the future of the regional order

The morning's discussion began with speakers giving a brief assessment of the risks to regional stability from their own perspectives.

View from South Korea

Seong Whun Cheon, Visiting Research Fellow at ASAN Institute in Seoul and a secretary to the President of the Republic of Korea for security strategy until 2017, shared his view on the situation in the region from a South Korean standpoint.

He pointed out the role of China in changing the existing order – which democracies would strive to protect – as part of Xi Jinping's grand strategy of placing power back into China's hands in the long-term. Global-scale initiatives such as the Chinese Dream, OBOR and the Shanghai Cooperation Organization would be instrumental in achieving this goal. Another challenger to regional order would be Putin's Russia, which is developing a policy of expanding influence in order to resurrect Russian power and influence not held since the days of the USSR.

Furthermore, as a reaction to the two security threats that North Korea and China represent for Japan, Abe's policy has been to seek a reinforcement of the U.S. alliance and push for a revision of the Japanese constitution to make Japan a war-capable country. Abe's long-term perspective on the regional order would entail the creation of an Asian democratic "security diamond" formed by Japan, Australia, India and the U.S. state of Hawaii to counter China's expansionism. On the other hand, Trump's strategy in Asia so far would reflect his "principled realism", driven by the search for mutual interests based on fairness and reciprocity, as was set out in his Indo-Pacific strategy.

In Dr. Cheon's view, the relationship between authoritarian regimes such as Russia and China is growing parallel to the cooperation between the U.S. and Japan, leaving Korea to its historical position of a "shrimp caught between whales", i.e. between powerful oceanic and land neighbors. The Korean peninsula's division, as well as the interconnections caused by globalization, make Korea all the more impacted by any confrontation. In the nuclear crisis context, South Korea is left with less room to maneuver to advance an agenda of reunification and denuclearization. On these issues, two factions have emerged in the ROK: the conservative faction, which advocates closer cooperation with the U.S. and wishes to move beyond historical disputes with Japan, and the liberal faction, which is more attached to national sovereignty. Liberals seek to bring the U.S. alliance to a more equal footing, multiplying economic exchanges with Russia and China while distrusting Japanese potential militarism. President Moon Jae-In, who during his campaign had defended a more benevolent attitude to the North, originally belonged to this latter faction but his stance hardened following continued North Korean provocations. His turnaround culminated with the installation of THAAD, the U.S. ballistic missile defense, on Korean soil.

View from Taiwan

Cheng-yi Lin, Research Fellow at Academia Sinica in Taipei, currently serving as a Deputy Minister on the Mainland Affairs Council, describes the waters of the Taiwan straits as "cold but not rocky". Political dialogue between the People's Republic of China and Taiwan is suspended, as Beijing has taken two strategic allies – Sao Tome e Principe and Panama – away from Taiwan in the past eighteen months, and continues to prevent Taiwan's participation in international fora such as the International Civil Aviation Organization's symposium in September 2017.

Dr. Lin highlighted the fact that military tensions are ongoing, with the "Liaoning" aircraft carrier patrolling in the Taiwan strait in January and July 2017, reconnaissance planes identified in the international air space around Taiwan lately, and the People's Liberation Army changing its area of responsibility and military focus from the strait to the east of Taiwan. In contrast to this, economic interaction between China and Taiwan continues to expand: in the past eleven months, the volume of

bilateral trade has grown by 19% and cooperation on functional issues such as food safety or criminal activity, has slowed down but continues, while Mainland Chinese tourists are back in the RoC.

Concerning China's relations with Taiwan, the XIXth Party Congress report sets the goal of a peaceful settlement of issues between Taiwan and China; such a position coincides with Taiwanese leader Tsai's "policy of four no's (we will not change our goodwill, our commitments, nor will we revert to the old path of confrontation or bow down to pressure). There should be no competition in the international cooperation domain either: OBOR's strategy looks west and rests on large-scale, critical infrastructure development, while Taiwan focuses on the south and the development of agriculture, technology, medical care, SMEs and human resources.

All in all, Taiwan has adopted a policy of caution vis-à-vis China that aims at maintaining the status quo.

View from India

Harsh V. Pant, Distinguished Fellow and Head of the Security Studies Programme at the Observer Research Foundation in Delhi, highlighted that the mere fact that India was represented in the panel reflects a changing order moving towards a more holistic view of Asia.

He pointed out three characteristics of the Indian foreign policy during the term of an ambitious Prime Minister who sees India's profile rising in the regional order, and wishes to achieve strategic autonomy. First, India's challenges are more domestic than external, with key challenges being how to maintain growth and make the best of the demographic dividend (represented by the youth ratio), which should be tapped to the fullest. It should not be forgotten that foreign policy is often a tool for achieving a domestic agenda. Second, as expectations at home are rising for India to achieve a greater role in the international community, foreign policy must reach past the non-alignment doctrine and establish new ties with other countries. In other words, ideological rigidity constraining India's foreign policy is gone. Third, India needs to ensure the stability of its regional environment, which is currently volatile due to several factors such as terrorism: India can be a balancing element as the champion of international rule of law and the promoter of dialogue platforms such as BRICS, but it is also facing pressure as China is being both an important economic partner and a confrontational neighbor with border disputes, and as the maritime domain has become the terrain of rivalry between major powers in the region. However, such ambitions are mismatched with India's current military capabilities.

View from China

Dingli Shen, Professor at the Institute of International Affairs of Fudan University in Shanghai, explained China's strategy as a way to mitigate slower economic growth, and spoke on the prospect of TPP to the east, which would isolate China from a part of the regional trade. China's "Belt and Road" (OBOR) is an initiative that will allow China to shift focus to the west and export infrastructure expertise in building pipelines, bridges, telecommunication facilities or airports. This "look west strategy" goes hand in hand with the China Dream.

According to Dr. Shen, China's foreign policy does not threaten U.S. interests, and building an Indo-Pacific partnership may not be harmful to China, as China is uninterested in limiting freedom of navigation in the region, for instance. Moreover, China's rise does not equate to decline in the U.S., as illustrated by the package deal brokered during Trump's trip to China.

As to China's stance on the North Korean nuclear crisis, it is one of cooperation with the rest of the international community and the U.S. where China strictly follows the UN sanctions regime and goes even further in closing land-based communication and air transport. China is currently making efforts towards expelling North Korean workers and disallowing North Koreans from opening bank accounts. All of this tends towards the single goal of improving the conduct of North Korean leadership and not encouraging further provocations.

Dr. Shen expressed his opinion on China-Taiwan relations, highlighting the vital importance to mainland Chinese leadership that Taiwan acknowledges itself as a part of China rather than as a different nation, even under a different regime. He stressed the need for constructing a harmonious relationship through cooperation and dialogue that would reduce uncertainty.

View from the United States

Sheila Smith, Senior Fellow at the Council on Foreign Relations in Washington DC, began her statement by underlining that the Asia-Pacific is no longer a region, but rather the core of a globalized economy that is undergoing a power transition. It is the place for great power competition. The Asia-Pacific is faced with a dearth of problem-solving institutions: whereas ASEAN-centric instruments should be strengthened – with U.S. support – many challenges cannot be solved within ASEAN, and Asia-Pacific powers should rely on international law regimes to solve issues, such as the UN law of the sea in maritime access disputes. She also stressed that it is difficult to disentangle regional from global issues in Asia.

Dr. Smith added that the role of the U.S. in such issues varies, and that the regional or global character of many issues is yet to be determined, as is the case in tensions linked to national identities between China, South Korea and Japan. The proliferation challenge in North Korea involves the U.S. and its alliance system, especially in the form of extended nuclear deterrence. In that regard, the Trump administration, which demonstrated an early revisionist approach to foreign policy, has remained consistent with the previous administration's policy.

However, in other domains, Trump has overturned some of the pieces of the Obama administration; an example would be his withdrawal from TPP. As a conclusion, Dr. Smith stated that she expected to see a reactive U.S. in the years to come, one that is more focused on deficit reduction and that relies less on an Asian "grand strategy".

View from Russia

Dmitry Streltsov, Head of the Department of Oriental Studies at MGIMO in Moscow, described the new factors of risk and instability in Northeast Asia as the North Korean nuclear crisis, the territorial spats and the lack of mutual trust between Japan, China and South Korea. He explained that in this context, doubts had arisen about the viability of the international system of crisis control for the first time in post-war history, putting stress on multilateral institutions and the regional security architecture – including the U.S. hub-and-spoke system. A new international architecture could be emerging in the region.

According to Dr. Streltsov, Russia could hold a unique position in the region as it is pivoting to the Far East for economic purposes, while not involved in any deep conflict with any East Asian country, and wishes for a stable and effective regional security system. He also mentioned the possible spillover effect of such a system at the global scale, in order to build sustainable mechanisms that could ensure trust and transparency in other parts of the world. However, Russia's limited political and economic role in the region would not put it in the best position to act there as an influential power.

View from Japan

Hideshi Tokuchi, Senior Fellow at the Graduate Institute for Policy Studies in Tokyo and a former Vice Minister of Defense for International Affairs, stated that Japan is surrounded by regions that are authoritarian and hostile, and is protected by its alliance with the U.S. Japan keeps good relations with Taiwan, which are nevertheless constrained by its unique status excluding the institutionalization of bilateral ties. Japan's relationship with Australia is deemed stable as well, while its relations with South Korea remain sensitive in spite of mutual interests and the complementary nature of being U.S. allies and hosting American forces on their territory. Japan's greatest bridge to the world remains the seascape, which connects it to France and the U.S.

Mr. Tokuchi considered the impact of China's maritime expansion as narrowing this security buffer of the sea, and affecting the balance of power. The nine-dash-line doctrine used to claim

territory in the South China Sea is harming a rule-based order, and so does the show of force orchestrated by China in the Senkaku [/Diaoyu] islands.

Another security challenge is the North Korean nuclear ambition, which affects the mindset of Japan and of surrounding countries and constitutes a test of the U.S. extended nuclear deterrence, even in the presence of considerable conventional forces. Indeed, the U.S., at the pinnacle of the global power hierarchy, is increasing its hard power while its soft power decreases, a tendency that may be aggravated by Trump's remarks against the fundamental engagement of the U.S and the absence of a clearly-defined policy. As such, a more robust security structure involving China is needed, which may be constructed by networking with other countries.

As to North Korea, Mr. Tokuchi noted the absence of short-term solutions in spite of the containment from Japan, South Korea and the U.S. A solution can only be brought forward through multilateral cooperation, and the reinforcement of Japan's security role and support to the U.S. in establishing a clearly defined security policy.

Discussion

On a regional security architecture

For Dr. Smith, the U.S. should support multilateral frameworks such as the ASEAN institutions, particularly in Northeast Asia. The U.S. should sponsor events where it does not sit at the table, such as the annual trilateral summit between China, Japan and South Korea to discuss security issues, in order to foster a networked problem-solving approach. For now, the Trump Administration's strategy seems to be parting from the Obama administration's in that it walked back from a multilateral order. Dr. Smith also evoked Europe's strategic engagement in Asia, and the role it could play in promoting norms and rules that are acceptable to all on issues such as climate change and maritime navigation. In the event of a conflict in Korea, the Security Council could also be in position to wield power in a collective defense framework.

Dr. Streltsov, meanwhile, underlined the domestic implications of a foreign policy agenda and their impact on the construction of regional security mechanisms. As Northeast Asian countries experience nationalist undercurrents, the patriotic argument holds important political leverage and compromises with the neighbors are sometimes perceived as betrayal. Such stiff positioning as a demonstration of statehood may hamper the development of a regional security architecture.

Mr. Tokuchi explained that the hub and spoke system around the U.S. is not gone and that this key feature of regional security architecture may be evolving into a security web, with greater cooperation among U.S. allies themselves.

On the territorial disputes involving China in the South and East China Seas

According to Dr. Shen, the Diaoyu [/Senkaku] islands were subject to a status quo in claims from Japan and China for the past forty years, when the first incursion by a Chinese official vessel within twelve nautical miles of the islands' baseline occurred in 2013. A tacit agreement had been concluded between both countries in 1972, enshrining the status of the island as belonging to a private company. However, when the Japanese government reclaimed ownership of the Diaoyu [/Senkaku], China interpreted it as a violation of the 1972 agreement, leading to provocations. In other words, Japan's initiative led to a race that could be abandoned if it relinquished ownership of the islands.

Mr. Tokuchi underlined the unofficial and unverifiable character of the 1972 agreement, while according to him China's rejection of the 2016 Permanent Court of Arbitration ruling on the South China Sea territorial disputes with the Philippines highlights disrespect of the rule of law. Adding insult to injury are the incursions of Chinese official boats in August 2016 in the vicinity of the Senkaku [/Diaoyu] islands which could be interpreted as direct retaliation against Japan supporting the Permanent Court of Arbitration ruling.

On Trump's policy in Asia and the Indo-Pacific strategy

For Dr. Smith, it is unclear what Trump's policy for Asia is: while the Indo-Pacific strategy takes democratic norms to the forefront, it has not been precisely defined nor is it known how it will be implemented, even as a clear strategy is a driving element in the collaborating strength of countries. From Rex Tillerson's speech at CSIS, the Indo-Pacific strategy seems to frame China as a "predatory" power in its economic practices.

On the Indo-Pacific debate, Dr. Pant described the concept as originally introduced by Shinzo Abe in 2008, and then rejected due to China's strong reaction; in the context of deteriorating Sino-Indian relations, preserving bilateral ties has become of lesser concern. In the Indian case, the strategy stems from a more bottom-up process with a demand from Indian citizens for an India-led security architecture-building. Dr. Pant considers that the difficulty the Trump Administration has in drafting a foreign policy is not unique, as the Obama Administration struggled as well to coherently balance the multiple expectations of partners and allies.

On the response to the North Korean nuclear and missile crisis

Mr. Tokuchi highlighted the importance of the U.S. hub-and-spoke system in Northeast Asia as a factor of stability, and foresees the system evolving into a security web with Japan-Korea/Australia/U.S. cooperation. He illustrated his thought with the recent GSOMIA intelligence agreement between South Korea and Japan, and welcomes the dissociation from the South Korean government of security, political and history issues.

France's strategic vision towards Asia

Pauline Carmona, Deputy Director for Asia at the Ministry for Europe and International Affairs discussed France's goals and strategy in Asia.

Ms. Carmona started by stating the relative absence of Asia in France's foreign policy discourse, and the necessity to move interests in Asia up the French agenda. France nurtures relations with the largest players in Asia such as China, India or Japan as well as smaller powers – through its diplomacy “of the interstices”.

According to Ms. Carmona, defining a strategy requires an analysis of the key issues and fault lines in Asia, and the identification of French interests and how they can best be served and defended. Five key characteristics in Asia are of interest particular interest for France: Asia is a region with multiple crises and tensions which have failed to be settled in a cooperative way; China is becoming a power shaping the regional and global landscape; the rise of Islamic radicalism in the region is proving a destabilizing factor in some areas of Asia and is connected to internal priorities of the French government; the region is marked by social and demographic changes, leading to both positive and challenging dynamics; and, finally, is the increasing footprint of the region on the environment and climate change in particular.

French interests in international affairs, as defined by President Macron in his August speech to French Ambassadors in August, may be defined within a triptych of security, independence and influence.

Ms. Carmona explained that France's security goals in Asia can be seen as contributing to peace through a multi-polar and stable balance of powers. When defining its leverage within this sphere, France needs to consider its bilateral relationships, but also its place as a foundering member of the EU and a permanent member of the UN Security Council. France can act in all three of these capacities in dealing with the North Korean nuclear issue, for instance. Seeking a multi-polar order also means supporting partners such as ASEAN in capacity-building and maritime security (France is after all a neighboring country in the region), promoting cooperation in the Pacific Ocean with Australia and New Zealand, and contributing to the fight against terrorism through capacity-building, support to civil society, and contributing to a regional solution in Afghanistan.

On the concept of independence, Ms. Carmona stressed the diplomacy of interstices, and the core concepts of mutual interest and reciprocity that must be present in any bilateral relationship. On the latter, while Europe is the most open market on the planet, it has to be “less naïve” and must defend strategic interests, a level-playing field and the respect of human rights. In the case of the Chinese “Belt and Road” program, France must stand firm on its principles while promoting development and supporting the initiative: it sees the potential in implementing concrete projects and people-to-people ties in coordination with the EU, but must demand a level-playing field with China and a sustainable approach to development.

Finally, on influence, Ms. Carmona iterated that economic diplomacy will continue to be a priority, but France will also play on promoting its expertise in many areas to accompany the region in responding to the myriad of challenges in areas such as transport, connectivity, health and aging, smart cities, sustainable energy themes and agribusiness. France must also strive to attract students from the region and open campuses abroad in order to develop an offer in the field of higher education. Tourism is also important as, for instance, the Chinese middle class is bound to travel increasingly to Europe. Influence also entails the engagement of Asian partners and triggering common positions on global issues in fora such as the G20. Finding common ground with India on the launch of the International Solar Alliance is a further illustration.

What options for stability on the Korean peninsula?

The session addressed the issue of security options for South Korea and solutions to the North Korean nuclear and ballistic missile crisis. Indeed, strategic questioning in South Korea was recently reinforced by the acceleration of nuclear tests by North Korea, as well as the election of Trump and the domestic political crisis that led to the resignation of Park Geun-Hye. Foreign policy and security analysts in the ROK frequently asking how Koreans can better protect themselves and reinforce their defense capabilities. At the core of the questioning is the nuclear issue. For instance, should US nuclear tactical weapons be reintroduced on the ROK territory, or should the ROK build up its own nuclear capabilities? Liberals and conservatives are strongly divided on these questions and on their overall approach towards North Korea.

Seong Whun Cheon, a Visiting Research Fellow at ASAN Institute for Policy Studies in Seoul and a secretary to President Park until 2017, provided his perspective on the current security dilemma for South Korea. He treated the issue in three parts: the history of the North Korean crisis; scenarios for how the crisis may be managed; and what South Korea is bound to do in the future. South Korea is under a North Korean nuclear monopoly since 2006 in spite of U.S.-led policies to denuclearize the peninsula starting in 1991, with the unilateral pledge from South Korea to never possess nuclear weapons. Dr. Cheon explains the policy's failure by a series of mistakes. The first mistake was underestimating North Korea in terms of economic leverage through sanctions and rewards and towards its hereditary leadership. But more importantly, for Dr. Cheon, is the misunderstanding of North Korea's goal in acquiring nuclear weapons. The DPRK's goal is not principally the accession to a bargaining chip to use on the U.S. and ensure regime survival, as some might think, but rather domination over South Korea to achieve reunification on North Korean terms. As such, from a North Korean point of view, the South Korean response is most important.

Today, South Korea and Japan are within reach of ballistic missiles that could pose an existential threat. Several scenarios may be envisioned in this context: the U.S. military option aiming at the destruction of North Korean capabilities, which is not realistic in the presence of a second-strike capability; a surgical strike from the U.S. that would target either the nuclear stockpile or command, but could degenerate into a full-blown military conflict; a natural freeze of the nuclear program as North Korea continues to develop its capabilities under sanctions, but should be confronted with the issue of nuclear control and economic demands from its population; and finally, a negotiation-induced freeze where North Korea would refrain from further developing nuclear-tipped ICBMs and middle-range capabilities in exchange for incentives such as the limitation of U.S. activities on the Korean peninsula.

South Korea remains a virtual hostage to the North as long as the latter maintains a certain level of nuclearization, and the former has to rely on the U.S. alliance system of extended nuclear deterrence just as Europe did in the Cold War after the USSR launched the Sputnik satellite. Dr. Cheon then raised the question of whether South Korea should be independent from this "nuclear umbrella", and how. According to him, two main paths are available in order to get this independence: either to invite a limited number of U.S. tactical nuclear weapons on Korean soil or to develop one's own nuclear program. For Dr. Cheon, temporarily reintroducing U.S. weapons on the South Korean territory constitutes the least bad option in order to obtain a disarmament agreement. Thus, the U.S. could uphold the non-proliferation principle while offering a strong security commitment, enhancing deterrence through visibility and reassuring the South Korean public.

It is only if this option is not manageable that the second option of the ROK developing its own nuclear weapons should be considered.

View from Japan

Hideshi Tokuchi, Senior Fellow at the Graduate Institute for Policy Studies in Tokyo, stressed that the North Korean nuclear crisis is a global and military issue affecting several regions (through direct threat or material, technological proliferation) and potentially impacting the world economy. A resolution to this conflict seems difficult as North Korea already defied many agreements, such as the 1991 denuclearization accord, the 1994 Framework Agreement, and the 2005 Six-Party Talks agreement: dialogue has failed.

Mr. Tokuchi deemed that more pressure must be applied from the international community on North Korea but that some opposing forces subsist mainly in Russia – as it is surrounded by ballistic missile defenses in Japan, South Korea and the U.S. – and China – which is more concerned with the influence of the U.S. army and potential migrant outflows from the DPRK. In this context, Japan-South Korea-U.S. cooperation is more important than ever.

Mr. Tokuchi agreed with the idea of reintroducing tactical nuclear weapons, but questioned the compatibility such a move with the transition of wartime U.S. operational control to South Korean command, which was programmed according to a 2010 condition-based roadmap for transfer but not yet underway. On the contrary, South Korea nuclearization would not be desirable as it would breach the Non-Proliferation Treaty regime.

View from Russia

Dmitry Streltsov, Head of the Department of Oriental Studies at MGIMO in Moscow, underlined the vital character of the North Korean nuclear program to answer some existential security issues, as well as in its quality of national achievement enshrined in the constitution that would not be easily changed.

Responses to this nuclear program are difficult to formulate, as uncertainty increased because of a risk of preemptive military strikes from the U.S., and of decoupling in Japan and South Korea: aggravating sanctions could prove ineffective as the regime's resilience has already demonstrated.

Russia does not support North Korea as a nuclear state, especially as it could constitute both direct and indirect threats in the form of missile firing into the territorial waters of Russia or leakages of nuclear technology.

Dr. Streltsov is in favor of pressuring North Korea through moderate sanctions while keeping the doors open for negotiations, and argued that only a multilateral mechanism could be sustainable enough, as excluding China and Russia would not lead to any fruitful outcome to the crisis. He called for a combination of coercive diplomacy and keeping the door open to dialogue.

View from the United States

Sheila Smith, Senior Fellow at the Council on Foreign Relations in Washington DC, began by stating that the North Korean crisis is independent from the Trump administration, as previous administrations have failed to denuclearize the regime and all instruments proved fruitless. Furthermore, denuclearization may be one goal, but how to ensure the defense of allies holds priority: reintroducing tactical nuclear weapons into South Korean territory may or may not fulfill more than a psychological role, and contrary to Europe during the Cold War, South Korea does not appear to be targeted by North Korean nuclear weapons, while the U.S. is – although, as Mr. Tokuchi noted, the U.S. presence in Japan or South Korea is a target.

As a result, the U.S. must both reassure allies in their fears of decoupling and abandonment, and defend the American homeland, which is achieved by accelerating ballistic missile defense (BMD) capabilities. Indeed, decoupling could trigger a chain reaction among allies of nuclear proliferation, but Dr. Smith asks whether reintroducing tactical weapons in South Korea, together with some discretion devolved to the South Korean leadership over use, would give less security than an indigenous weapon?

To Dr. Smith, nuclear weapons provide North Korea with an ability to extract power from the stability/instability paradox: namely that the potential to strike the U.S. equates to getting more

leeway for North Korea to pursue its own interests in the peninsula, as demonstrated by a history of provocations. This would prove particularly problematic for Washington.

View from China

Dingli Shen, Professor at the Institute of International Affairs of Fudan University in Shanghai, first reckoned that China's lack of early and sufficient pressure on North Korea partly facilitated nuclearization. This situation has changed now that China applies firm sanctions such as cutting off financial contracts, reducing oil exports by 30%, restricting seafood and garment imports and attempting to close air and land linkages.

Explaining this lack of early cooperation, Dr. Shen argues, is a fundamental distrust of the U.S. in China: as the U.S. will not withdraw its forces from South Korea, its protection of Taiwan creates a need for North Korea to act as a hedge in the eventuality of a war involving China and Taiwan.

Most powers would allow a reunification of the peninsula under South Korean terms, but its security is not completely ensured under U.S. protection despite the potential chain effects on other allies from decoupling. If South Korea considered starting a nuclear program, it would risk further decoupling from the U.S. and would lose a moral high ground in the confrontation – and would be subject to sanctions.

Further Discussion

On Containment as a policy towards North Korea

Dr. Cheon pointed out that containment in the long run was a viable policy as exemplified by the U.S. doctrine in the 1940s, which promoted structural transformation in the USSR: strategic patience, he argued, pays off contrary to short-term policies that aim at solving the North Korean crisis within a single political term. Extensive and energetic campaigns in the North Korean society are necessary to communicate with the citizens and introduce change by raising awareness of the outside world.

On Washington's policy and linkages

Dr. Smith explained that the North Korean crisis was unique in that we may see the combination of an ICBM and a nuclear warhead, which would constitute the ultimate red line for Washington. Signaling from the U.S. leadership seems to indicate that a BMD demonstration could occur if a missile was directed at Guam. Furthermore, Kim Jong-Un seems ready to escalate tensions with the U.S., perhaps by declaring in 2018 North Korea's status as a nuclear state.

Dr. Shen underlined that in spite of a dilemma on the Chinese side whether or not to apply further pressure on North Korea, China does not rejoice in the perspective of North Korean nuclear weapons – just as the U.S. does not with Indian weapons.

Dr. Tokuchi pointed out that, contrary to India, North Korea seeks to develop ICBMs that pose an advanced threat not only to its regional environment but potentially to the world.

The changing geo-economic order in Asia and implications for European trade policy

The last session revolved around trade policy between Asian economies and with the European Union as well as France, centering in particular on the post-TPP12 initiative, the bilateral trade policy of the EU in South Korea, and Taiwan's unique place in this regional picture.

View from France

Françoise Nicolas, Director of the Center for Asian Studies at Ifri, presented the different free trade agreement schemes that are currently on the table in Asia: until last year, the TPP12 competed with the ASEAN-centered RCEP; China supported a free trade area for the Asia-Pacific while implementing OBOR.

Both RCEP and TPP suffer from a number of obstacles. Originally, the U.S. joined the TPP talks when the negotiations involving Singapore, Brunei, New Zealand and Peru were broadened to include investment clauses; when Trump decided to withdraw the U.S. from the TPP, Japan reclaimed leadership in the negotiations to bring TPP back to life without the U.S. (TPP11). RCEP, although upgraded from its initial version, is still plagued with a number of difficulties – and not being supported by China is not the least of them.

On TPP11, Dr. Nicolas highlighted that few changes were operated since its evolution from TPP12, which was thought out as a high-quality trade arrangement covering wide issues going beyond trade issues. Its final signature is expected in early 2018 for the agreement to be enforced shortly after with only ten TPP12 provisions suspended. These are meant to be reintegrated at a later stage, as Japan is certainly motivated by the prospect of the U.S. rejoining TPP and did not push forward further modifications of the accord. The final agreement counts 30 chapters covering areas such as market access for goods, services, investment regulation, the temporary movement of business persons, government procurement or SOE regimes. All goods are included and almost all tariffs are cut to zero.

As to RCEP, negotiations are still ongoing and content upgraded with sixteen substantive chapters that reveal extensive investment coverage, but only modest goods and services coverage and incomplete tariff elimination. The absence of any strong leader in the negotiations is a major weakness. According to Dr. Nicolas, RCEP could have been designed as a consolidation of the five ASEAN+1 FTAs, while being hindered by their various discrepancies in WTO+ and WTOX areas.

A missing element remains China, as it is a major actor of trade in the region: trade between China and ASEAN has risen ten-fold since the late 1990s, which is one of the drivers of the Belt & Road Initiative, at least in the connectivity area, with projects such as the China-Laos high-speed railway, hydropower plants in Cambodia and Indonesia's first high-speed railway. A synergy between BRI and the Master Plan on ASEAN connectivity would therefore perfectly fit China's means and Southeast Asian demands, and has led to new talks on trade between these actors.

View from South Korea

Heungchong Kim, Senior Research Fellow and former Vice President at the Korean Institute for International Economic Policy (KIEP), presented the European Union's bilateral trade policy following the 2006 suspension of the Doha Rounds.

Out of six countries, South Korea was the only one successful in establishing an FTA with the EU, and as such it is the first example of the new generation of FTAs according to the 2010 WTO trade review: it offers a comprehensive coverage of intellectual property rights, non-tariff barriers and environmental issues. Surprisingly, after 2011 the FTA led to a 10 billion US\$ trade surplus of the EU over the ROK, to be compared to the previous EU 10 billion US\$ trade deficit. This deficit for South Korea is explained by heavy imports in the pharmaceutical, automobile and machinery sectors, and in particular a shift after the implementation of the EU-ROK FTA of robotics bids from Japan to Germany.

Still, the utilization ratio of the EU-ROK FTA is only of 80% for South Korea and 60% for the EU, and could be improved if subsidies alleviated some of the fixed costs linked to exportation.

While FTAs do not have such a big impact on a country's economy, Dr Kim argued, it has a big impact on specific industries, groups and people. For that reason, FTAs must be inclusive, as was highlighted by the EU paper titled "Trade for All". This report describes trade's role as enhancing everyone's life while providing transparency and responsibility on the part of the EU institutions. The trade package announced by Juncker thus includes four important areas – apart from heightened environmental standards: first, the screening of FDI to protect sensitive sectors from portfolio investments for security reasons, for public order or to preserve a high-tech edge; second, the negotiation of FTAs with Australia and New Zealand; third, the implementation of an investment court system with as a next step the creation of a multilateral court system as well. Such a court would be better than ISDS (investor-state dispute settlement) in terms of transparency, review mechanisms and expertise. Finally, a revision rule and a transparency clause would be included in new FTAs as well.

To Dr. Kim, the EU should examine as criteria the best interest of European firms and the spread of values – such as labor conditions, which are drastically different from the EU in East Asia – for example with a rule of origin clause. In the South Korean case, four out of eight International Labor Organization conventions were ratified following trade agreements.

View from Taiwan

Ming-zhong Zhang, Representative of the Taipei Representative Office in France, presented the economic environment of Taiwan and China. East Asia represented 45% of EU foreign trade in 2016, while China amounted to 63% of the total trade deficit of the EU. The region's sheer economic dynamism drives the European economic prospects up, and all the more so since China has become the second economic power in 2010.

H.E. Zhang also explained that China's economic rise goes hand in hand with military development (establishment of a first military base in Djibouti in 2017, construction of two aircraft carriers in addition to the Liaoning). It also marks the accession of China to political significance on the global stage, with Xi Jinping being the most powerful leader in China since Mao Zedong. In that context, China will push forward its One China principle to the detriment of the cross-strait status quo while respecting Taiwan's society and system.

In Taiwan, 80% of the citizens favor the status quo and only 7% support independence, with 3.5% wanting reunification with China; meanwhile, trade with the mainland continues to grow. In spite of diplomatic isolation, Taiwan plays an indispensable role thanks to its position in the region. It participates in APEC and will try to join TPP11 and RCEP.

As China transitions away from manufacturing to a service-based economy, it is losing its attractiveness to Taiwanese investors: in 2005, 70% of Taiwanese outbound investments went to China, versus 43% in 2016. In this context, Taiwan seeks to rationalize its outward investment structure, and reduce its dependence on China through projects such as Foxconn's 10 billion US\$ investment plan to build manufacturing facilities in Wisconsin. These new outlets may allow Taiwan to safeguard its economic interests and political model.

Discussion

On Taiwan's trade policy

H.E. Zhang expressed that Taiwan has sought potential trade partners such as India and ASEAN countries; it wishes to conduct talks with the EU in order to secure a bilateral agreement in the absence of diplomatic recognition. Indeed, Taiwan finds itself in a weaker position than competitors such as South Korea, which were able to broker FTAs with other partners. It is vital for Taiwanese trade to have access to the world market.

On new participants joining the TPP

Dr. Kim presented South Korea's position vis-à-vis the TPP as of moderate interest, since it already has FTAs with most of the participants except Japan and Mexico. He further argued that China would never be interested in joining the agreement because of its competition clauses that would be against Chinese mercantilism. He finally pointed out that Japan expected the U.S. to return to the TPP in spite of Trump's distrust of FTAs.