

## **Global Governance**



# **GLOBAL GOVERNANCE**

Enhancing  
Trilateral Cooperation

The Trilateral Commission Seoul Plenary Meeting 2003

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The Trilateral Commission was formed in 1973 by private citizens of Europe, Japan and North America to foster closer cooperation among these three democratic industrialized regions on common problems. It seeks to improve public understanding of such problems, to support proposals for handling them jointly, and to nurture habits and practices of working together. The European group has widened with the ongoing enlargement of the European union. The Japanese group has widened into a Pacific Asia group. The North American group now includes members from Canada, Mexico and the United States.

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## Introductory Note

The 34th annual plenary conference of the Trilateral Commission was convened on April 11–14, 2003, at the Shilla Hotel, Seoul, Korea. It was the first plenary conference that was held in a non-Japanese Asian city since the inception of the Commission in 1973. Fears of SARS deprived this historic plenary of, in the end, some 45 of 175 committed members and guests, including some of the designated panelists. Nevertheless, we were able to have a very successful meeting characterized by intimate and lively discussions throughout the sessions. It was fortunate that we were able to visit the Blue House on April 12 and hear directly from President Roh Moo-hyun of the Republic of Korea about his view on Korea's agenda and the objectives of his government.

The Seoul Plenary Conference showed three distinctive features that are quite different from any of the previous plenaries. First, it was a heavily Asia Pacific oriented conference with five of the eight sessions devoted to discussions related to this region. From the forenoon of April 12 through lunch on April 13, we had sessions on "the Socio-Political and Economic Agenda of South Korea," "Prospect for Pacific Asian Integration," "Japan's Domestic and International Agenda," "The Rise of China and Its Global Implications," and "New Security Challenges in East Asia." While it has been a tradition of the Commission to devote an earlier session to discussion of the domestic and international agendas of the host country, the fact that the Seoul Plenary had such a heavy concentration on the region should be interpreted as a reflection of the increased importance of Asia Pacific for the trilateral world.

Second, the Seoul Plenary will be remembered as a forum of intensive discussions of reflections on the fundamental changes in the international system and international relations since September 11, 2001, through the Iraq war in 2003. In the session on "Addressing the New International Terrorism: Prevention, Intervention and Multilateral Cooperation," the task force of Joseph Nye, Yukio Satoh, and Paul Wilkinson presented its

discussion draft, on which Ali Alatas, former foreign minister of Indonesia, the world's largest Islam country, commented. Full report of this task force has already been published as *Addressing the New International Terrorism*, whose introduction and conclusion are included in this volume. On the realization that the process which ended up in the war against Iraq included such fundamental issues as the new unilateralism on the part of the United States and the powerlessness of the multilateral framework, notably the United Nations, a session was organized around the theme of "Restructuring of the International Order After the War in Iraq." Lively discussion took place in search of the way to reconstruct international order after the war in Iraq.

Finally, the plenary witnessed a chain of outstanding presentations, comments, and interventions from all the participants as usual, but, this time, it was particularly rich because of contributions from our Pacific Asian friends. One may say that they strongly impressed members from the other two regions both in quality as well as in numbers. This goes to show that the newly enlarged Pacific Asia group has proved itself to be a viable third leg of the Trilateral Commission along with the North American and European groups.

What follows is the record of vivid discussions which took place during the Seoul Plenary Conference. Presentations by panelists were condensed by the Commission's secretariat, which is also responsible for the summary of discussions following the presentations.

In retrospect, the Seoul Plenary Conference was convened against one of the most uncongenial international backdrops in the history of the Commission, e.g., imminent threats from SARS in Asia and the war in Iraq, whose conclusion was uncertain at the time of the conference. These were only two examples of the global problems. The Trilateral Commission is all the more grateful for the utmost efforts made by the Korean members and supporting staff, particularly Profs. Han Sung-Joo, Pacific Asia deputy chairman, who was appointed to be the Korean ambassador to Washington, D.C., and Lee Hong-Koo, chairman of the Commission's Korean group.

## **Global Governance**



## **Executive Summary**

The 2003 annual meeting of the Trilateral Commission opened in Seoul, Korea, at one of the most uncertain times in the Commission's 30-year history. The sense of international unity that followed September 11 had given way to disagreements over the tone and conduct of the war on terrorism, and the lead-up to the invasion of Iraq had fueled an open split among the traditional allies of Western Europe and the United States. As these developments called into question the utility of many of the institutions at the core of the post-World War II international order, it seemed to many that we were in the midst of a transition to some sort of new international system, yet the eventual outcome remained unclear.

Against this backdrop, discussions at the April 11–14 meeting revolved around three core themes. The Trilateral Commission recently expanded beyond Japan to include members from throughout the Pacific Asia region, and the Seoul meeting marked the first time that the annual meeting had been held in a Pacific Asia country other than Japan. Therefore, it was fitting that a major focus of the discussion was on topics related to Asia and the prospects for regional integration. Likewise, the looming showdown with Pyongyang over its nuclear weapons program was clearly in the forefront of the discussants' minds, and the prospects for a peaceful resolution were a recurring theme throughout most of the sessions. And finally, the shape of the international system after the war in Iraq emerged as the central topic of the meeting, as participants urged a renewed commitment to international cooperation in combating global terrorism, seeking deeper and more just economic liberalization, and overcoming the animosity that had emerged in transatlantic relations.

### **TOWARDS A NEW PACIFIC ASIA REGIONAL ORDER**

The international and domestic agendas of three regional powers—South Korea, China, and Japan—and the prospects for further Pacific Asia integration were taken up in the first series of sessions. The meeting began with an address by President Roh Moo-hyun in which he outlined his

vision of making the Republic of Korea the “hub of logistics and business in Northeast Asia.” The key, he asserted, is for the nation to enhance its capacity to meet global economic standards, specifically by improving transparency and corporate governance. In keeping with this, one goal of his administration will be to advance Korea’s ranking on Transparency International’s Global Transparency Index from 40th place to around number 20. Meanwhile, in regards to North Korea’s nuclear ambitions, he stressed the willingness of his government to provide support for North Korea when it becomes a responsible member of the international community.

In a later session, *JoongAng Ilbo* publisher Hong Seok Hyun and former Finance Minister SaKong Il discussed the challenges facing President Roh after his dramatic election victory. Hong focused on the president’s personality and beliefs, arguing that despite his liberal ideological tendencies, President Roh is ultimately a pragmatist and his slim margin of victory will ensure that he hews to a moderate course. SaKong Il, for his part, concentrated on South Korea’s economic agenda, noting that the reforms implemented after the Asian financial crisis have led to a sea change in the country’s economic structure. Still, he added, further reform is needed, and the overarching goal should be to make the entire country into the “most business-friendly zone in the region.”

In the session convened to discuss the rise of China to regional and global prominence, Chinese foreign policy analyst Wang Jisi outlined China’s international strategy, explaining that at its core is a conviction to avoid becoming entangled in potential conflicts that do not directly affect the country’s vital interests. This necessitates efforts to avoid confrontation with the United States as well as a commitment to maintain manageable relations with Taiwan. The one exception to this conservative stance is the issue of Pyongyang’s nuclear weapons program—Beijing regards a nuclear-armed North Korea as a critical threat and finds itself sharing more common ground on this issue with Washington than with Pyongyang.

Heinrich Weiss and Wendy Dobson added their thoughts on China’s economic and political rise to Wang’s formulation, with Weiss noting that it is widely understood by everyone involved that domestic political reform will unavoidably follow the current economic reforms. Meanwhile, Dobson counseled prudence to policymakers pushing for a revaluation of the renminbi, warning that the still immature structure of China’s domestic financial institutions makes it perilous for the country to pursue this course and maybe even impossible to control such a process if

launched. Still, she argued, the Chinese leadership's justifiable reluctance to undertake such policies should not deeply hurt the country's trading partners since China is actually not a major source of global deflation and, on other counts, it has demonstrated its commitment to act as a responsible member of global economic institutions.

The session devoted to Japan featured two Diet members who took up the topic of their country's international agenda. Upper House member Keizo Takemi outlined two trends that are helping drive a more assertive international involvement: the growing conviction among younger political leaders that Japan should be better prepared to exercise political and military power in the Asia Pacific region and the increasing desire of many younger Japanese to take individual action to help improve the lives of the less fortunate around the world. The willingness to play a more active role in security issues is reflected in the determined stance of the country's leaders not to accept the acquisition and possession of nuclear weapons by North Korea and a commitment to use all means necessary to prevent it. At the same time, the growing ambition of many of the younger generation to participate directly in international cooperation activities is manifesting itself in the increased overseas presence of Japanese non-governmental organizations, particularly those whose efforts are in keeping with the concept of human security.

Meanwhile, Lower House member Yasuhisa Shiozaki focused on Japan's economic reform efforts, explaining that the country's major task lies in overcoming the anti-market, inward-looking trends that have appeared, both domestically and in its international activities. Warning that recent years have seen a reemergence of government intervention in financial markets, Shiozaki called for a renewed political commitment to pursue domestic structural reform and a deeper national commitment to open markets and globalization.

The prospects for Pacific Asian integration were taken up by former Philippines Finance Minister Jesus Estanislao and Singaporean scholar Wang Gungwu in a later session. Estanislao spoke about the future of economic integration, arguing that regional trade liberalization efforts may have reached the point of diminishing returns although there is fertile ground for future cooperation in the areas of finance and development. In particular, he advised that the regional agenda be expanded to include areas such as macroeconomic risk management, financial supervision, and corporate governance practices. Where Estanislao focused on the economic aspects of regional integration, Wang turned his attention to the sociocultural dimension. Noting how political legitimacy in many

Asian countries is steeped in traditional value systems, Wang concluded that modernity and the political integration it can usher into the region cannot be stable or meaningful if built on the denigration of the roles of religion and spirituality.

### REBUILDING TRILATERAL COOPERATION

Five additional sessions focused on global issues central to the eventual shape of the emerging post-September 11, post-Iraq War international system. In one of these sessions, former U.S. Trade Representative Carla Hills urged the leaders of rich countries to resist pressure to restrict trade and to redouble their efforts to successfully complete the Doha Round at the World Trade Organization (WTO). Noting that the extended period of global growth that began in the mid-19th century and continued through to the start of World War I was followed by an era of trade restrictions and then World War II, she warned that the Doha Round is in peril and that the outcome of these talks will help determine the fate of the global economy for the next quarter century. Meaningful steps by rich countries to integrate poor countries into the global economy are far overdue, she declared, and this round represents our best chance for success in this venture.

Meanwhile, Peter Sutherland, former director-general of the WTO, tackled the transatlantic split over the war in Iraq, arguing that an abject failure of basic diplomacy was a major contributor to the current divisions between the two sides, which share far more than divides them. Noting that both Europe and the United States must examine their failures or else risk repeating them, he traced the rapid rise of mutual antipathy that threatens to become embedded in public opinion. It is critical, he warned, that both sides commit themselves to strengthening the transatlantic partnership and come to a full realization that unilateralism is not a sustainable option in our interdependent world.

Former Korean Foreign Minister Han Sung-Joo and former U.S. ambassador to Korea Stephen W. Bosworth outlined the security challenges in East Asia, focusing particularly on the tensions on the Korean peninsula. Comparing the 1993–1994 North Korean nuclear crisis to the current one, Han argued that, this time, the options for responding to Pyongyang's actions are more limited and the situation is more urgent. Characterizing regime change in North Korea as unrealistic and a military response as deeply problematic, he recommended a multi-layered dialogue with North Korea that is built on close coordination among the

United States, South Korea, and Japan and that allows them to communicate their intention to use a mixture of carrots and sticks to reward and punish North Korean behavior. In the end, he noted, any comprehensive resolution is likely to involve a package deal, one that participants in the subsequent discussion period seemed to feel would be a “larger medium-sized package” of aid and incentives, in contrast to the “small package” that emerged from the 1993–1994 negotiations.

Bosworth explained the importance of analyzing the crisis within the context of a profoundly changed regional security framework, particularly in light of recent significant shifts in the U.S. security role in Asia. Changes over the past few years, many of them emerging from within the region, have driven U.S. thinking about regional security policy in unforeseen directions. As a result, he argued, we should continue to see U.S. bilateral alliances in Northeast Asia diminish in importance and U.S. strategic focus in the region shift toward Southeast Asia. Regardless of the eventual outcome of the North Korean crisis, one probable result is that, by the end of the decade, there are likely to be few if any ground troops forward-deployed in South Korea and Japan.

A variety of measures to combat the new form of terrorism characterized by al Qaeda were proposed by Joseph Nye of Harvard University; Yukio Satoh, president of the Japan Institute of International Affairs and former Japanese ambassador to the United Nations; and Paul Wilkinson of St. Andrews University. (The papers that were discussed in this session have been compiled separately as *Addressing the New International Terrorism*; therefore, the texts are not included in this publication.) While noting that terrorism has a long history, Nye, Satoh, and Wilkinson argued that September 11 was a dramatic manifestation of a “new terrorism,” one that is truly transnational in nature, reflects the desire and potential to wreak destruction of a greater magnitude than before, and is motivated by absolutist and grandiose goals rather than limited, political intentions. The struggle against this strain of terrorism will be a long and arduous one with no definitive victory, they predicted; therefore it would be a mistake to suspend civil liberties indefinitely. What is needed, instead, they asserted, includes more coordinated multilateral civilian cooperation, stronger actions to stem the proliferation of weapons of mass destruction, global steps to delegitimize the deliberate use of force against noncombatants, and major international efforts to resolve issues and conflicts that create sympathy and support for terror groups.

In the meeting’s final session, Ambassadeur de France Jacques Andréani, former French ambassador to the United States; former Speaker of the

U.S. House of Representatives Thomas Foley; and Tokyo University professor Akihiko Tanaka presented views from each of the Trilateral regions on restructuring the international order after the war in Iraq. Andréani set out by assessing the damage done to international institutions by the disagreements over the war in Iraq, concluding that too much has been made of the weakness of certain organizations such as the European Union, and that other institutions, particularly the United Nations, are now all the more important for the United States if it is to succeed in Iraq. He concluded by calling for the United States and Europe to work together to strengthen the Atlantic alliance but cautioned that U.S.-Europe relations need to be built on a respect for the autonomy of Europe.

Foley, meanwhile, maintained that the key to understanding the United States and its new approach to security issues is to comprehend the dramatic impact of September 11 on the American consciousness, an impact that is not fully understood by even most of the closest partners of the United States. Now, he argued, the fundamental changes in American thinking of the past two years dictate that, in order to garner U.S. consent, any new international system will have to avoid critically limiting the ability of the United States to deal with direct and immediate threats to its security. On the other hand, the United States must realize that it cannot effectively fight a war against terrorism without multilateral cooperation. This need, he noted, gives rise to hope that the international community will be able to find some sort of middle ground between the differing approaches of small ad hoc coalitions and broad-based multilateralism.

In closing the session, Tanaka, a political scientist, theorized about what exactly had changed in the international system as a result of the war in Iraq. Disputing the conventional wisdom of the day, he contended that it is “too hasty to conclude that a totally new order is emerging after the war in Iraq” and that, in actuality, very little has changed in terms of power relations or norms of international behavior. In his view, power relations in the near future will continue to consist of complex interactions centered on the United States and involving the United Nations and several major powers. At the same time, international norms, which have gradually been evolving to justify intervention to halt genocide or deal with failed states, have not shifted far enough to completely legitimize intervention against totalitarian or authoritarian regimes. In the post-Iraq world, he concluded, the United States still needs international collaboration, international politics remain as complex and messy as before, and diplomacy still matters.