



**Institute of Strategic and International Studies (ISIS) Malaysia**

**POLITICAL CONFLICTS  
(SELECTED ARTICLES FROM MAGAZINES)**  
*Amendment & updated version*

**June 2009**

**INFORMATION SERVICES DIVISION  
ISIS MALAYSIA**

## **CONTENTS**

### **POLITICAL CONFLICTS**

1. Sharing hopes and opportunities. **Beijing Review**, June 4, 2009, pp. 10-11.
2. South China Sea: controversies and solutions. **Beijing Review**, June 4, 2009, pp. 14-15.
3. Nuclear test opposed. **Beijing Review**, June 4, 2009, pp. 15.
4. The ties that bind by Ding Ying. **Beijing Review**, June 11, 2009, pp. 10.
5. Time to make a choice by Shi Yongming. **Beijing Review**, June 11, 2009, 12-13.
6. Strategic view by Yan Wei. **Beijing Review**, June 18, 2009, pp. 10.
7. Common values, strong ties. **Beijing Review**, June 18, 2009, pp. 11.
8. A story of six nations by Yan Wei. **Beijing Review**, June 25, 2009, pp. 10-11.
9. Collective opposition by Yan Wei. **Beijing Review**, June 25, 2009, pp. 11.
10. A new start by Chen Shuanqing. **Beijing Review**, June 25, 2009, pp. 12-13.
11. Tell it straight. **The Economist**, June 6, 2009, pp. 11.
12. Let's be friends. **The Economist**, June 6, 2009, pp. 42.
13. Let nations speak peace. **The Economist**, June 6, 2009, pp. 55-56.
14. Blood and treasure. **The Economist**, June 6, 2009, pp. 73-74.
15. Heating up or cooling down? **The Economist**, June 13, 2009, pp. 29.
16. Chasing ghosts. **The Economist**, June 13, 2009, pp. 34.
17. Kim family saga: third and final act. **The Economist**, June 13, 2009, pp. 32.
18. The Iran push backfires by Alon Pinkas. **Newsweek**, June 8, 2009, pp. 17.
19. How Kim affords his nukes by Takashi Yokota. **Newsweek**, June 8, 2009, pp. 16.
20. The N word by Takashi Yokota. **Newsweek**, June 22, 2009, pp. 22.
21. Ignore the skeptics by Andrew Moravcsik. **Newsweek**, June 29, 2009, pp. 16.
22. Terrorism on trial by Joe Klein. **Time**, June 1, 2009, pp. 13.
23. Your move, China by Bill Powell. **Time**, June 15, 2009, pp. 15.

# Sharing Hopes and Opportunities

Malaysian prime minister on Sino-Malaysian relations

2009 marks the 35th anniversary of the establishment of diplomatic relations between China and Malaysia. On May 18, prior to his official visit to China scheduled for early June to celebrate this grand occasion, among others, Malaysian Prime Minister Najib Tun Razak met with a Chinese media group at the prime minister's department in Putrajaya, and answered their questions. *Beijing Review* reporter Zhou Jianxiong was also part of the press corps. Excerpts from the interview follow:

**We know that your late father, the second Prime Minister of Malaysia, Tun Abdul Razak, opened a new chapter in our bilateral ties by establishing diplomatic relations with China. This year marks the 35th anniversary of our diplomatic relations. Do you have any comment on current Sino-Malaysian relations, and how do you envision future relations between our two countries?**

**Najib Tun Razak:** I believe that when my late father and others who were responsible for establishing diplomatic ties with China 35 years ago decided to start this relationship, they did not envision that the relationship would flourish and blossom in the way it has over the years. We have seen very impressive figures—bilateral trade and economic figures, in particular, have increased by leaps and bounds over the years, and I am confident that our relations will develop by leaps and bounds in the years to come.

**While China and Malaysia have maintained very good relations with each other over the past 35 years, we do have some minor difficulties, the territorial dispute over the South China Sea, for instance. How do you want to talk about this issue during your China visit?**

The issue of overlapping claims is a very complex one and we have similar issues with some of our neighboring countries. It is important for us to use existing mechanisms to resolve such overlapping claims. Although complex, these problems are not insurmountable. There are various ways we can resolve our differences. China



**"I am a great believer in a strong Malaysia-China relationship."**

—Malaysian Prime Minister Najib Tun Razak

is committed to settling any dispute in a peaceful manner, and so is Malaysia. So I see it not so much as a problem but as a challenge for our two countries and governments to put our minds to resolving this

issue in an amicable manner.

**What will be the most important part of your trip and what will be the highlights of your visit?**

There are two things that come to mind as very important parts of my visit. One, of course, will be my meeting with Chinese President Hu Jintao and Premier Wen Jiabao, and second will be that I have proposed to the Chinese side that we hold a ceremony to commemorate the 35th anniversary of our diplomatic relations. It

could be in the form of both premiers making speeches at the same venue where the late Premier Zhou Enlai and my father met in 1974 and issued the joint communiqué establishing our diplomatic relations. That

was a historic statement for both countries. We have made this suggestion, but it is up to the Chinese Government to think of the most appropriate way for us to commemorate this anniversary.

And I want to add that when Malaysia decided to establish diplomatic ties with China, China was a very different country than it is today. Back then, it was a very bold and momentous decision for Malaysia to make.

**In what ways do you think China and Malaysia can join hands in fighting against the ongoing world economic crisis and promoting regional prosperity?**

There are several ways in which we can work together in terms of trying to deal with the effects of global recession. One is for both countries to ensure that there is enough domestic demand. If China, for example, can ensure that domestic demand remains high in its country, it will help the Malaysian economy and the regional economies because it can generate demand for some of our products. And we have seen in the last four months some of the figures have slightly increased, which is due to renewed demand from China. Second, the purchase of important products such as palm oil from Malaysia will certainly help the Malaysian economy and ensure that the price of such products stays at a reasonably high level. Third, it will be important that we have some sort of understanding that we both support open trade, we don't embark on protectionism and we encourage investment flows between our two countries.

**There is a growing economic view that if we address the global imbalances which caused this global financial crisis, that will mean a reduction in demand for exports in many importing countries that suffer from trade deficits. That could have severe implications for countries like Malaysia, which has benefited from the export development model, and China as well. What are your views on the issue in the long term?**

There are indications that it will take a few more years before our demand is back at the same level it was prior to the financial crisis. For example, the U.S. banking system is still dysfunctional, and they are talking about an additional \$75 billion to re-capitalize the banks. So we have to look at different modalities, looking in terms of how we can leverage on Malaysia's opportunities to attract foreign investment. Some investors may not have the needed technologies, so our classical way of encouraging foreign investment will be inviting them to invest in specific areas. We have to take a fresh look at the

situation and I am coming up with a new economic model for Malaysia. We will try to transform Malaysia from a high middle-income country to a high-income country, so we do need a new economic model for this.

**Some people say Malaysia will become the center of finance for Islamic nations, could you please tell us more about that? And also, you mentioned a new economic model and transforming Malaysia from a high middle-income to a high-income country. What criteria do you have for this goal?**

Malaysia is already the most advanced economy among Islamic countries around the world, because we have the whole range of Islamic products in this country. We are the leader in terms of Islamic finance—for example, more than 60 percent of Islamic bonds are issued in Malaysia, which is a good indication of our strength. The Central Bank of Malaysia has also set up institutions to develop our capacities and offer opportunities for others to learn, for instance, Islamic banking and Islamic finance. We have the necessary legislation in place, and that is one of the reasons I announced part of the liberalization in financial services. We will create giant Islamic banks in Malaysia. I have been told it has aroused great interest for Islamic countries to establish new banking licenses in Malaysia. I think the future looks good in this regard.

In terms of the new economic model for Malaysia, basically, we know where we want to go, but the question is how we shall get there. We are looking for a new economic model but haven't yet found the growth areas that will give us high-value income. For example, we have been talking about making Malaysia into a regional center for medical tourism, including treating patients from China, or even undergoing plastic surgery. That is only an example of the high-value industry we can create, because we know that when you build a hospital, you will have a lot of

people as support staff—medical technicians, for instance—who will be well paid. So the key for us is to identify the most appropriate areas. Even in agriculture, we can develop high-value agriculture, selling bird's nest to China and Hong Kong, which is a big industry in Malaysia. I am keen to push Malaysian people into high-value sectors. So we are in the process of identifying those industries or sectors that can generate high income, including the services sector.

**The Sino-Malaysian relationship is in a golden period now, but can you think of any problems that might affect our relations? What do you want to see happen the most in our relations?**

I believe that we can deepen our relationship. I am looking at attracting more investment from China, so that Chinese capital will be more visible in Malaysia. Although we are beginning to see Chinese investment, we think this is a good time for us to increase the impact and profile of Chinese investment in Malaysia. We are also looking at some new technologies that China can offer. I would like to see more visitors from China. I would also like to establish a warm official as well as personal relationship with Chinese leaders, so that there is a great deal of comfort as we deal with one another. I would like to send a very clear signal to the business communities of both sides: We should look at each other in terms of opportunities, and promote the enlargement or enhancement of our trade, investment and business opportunities.

**People are saying you will follow in your father's footsteps and open a new chapter in our bilateral ties. Do you have any constructive plan for that?**

I don't want to raise your expectations so high. I will certainly do my best, because I am a great believer in a strong Malaysia-China relationship, so I will be looking at ways and means by which I can really strengthen and deepen our relationship and bring it to a higher level. ■

## The Concept of "One Malaysia"

"One Malaysia, People First, and Performance Now"—this slogan was put forward by Najib Tun Razak as he was sworn in as the sixth prime minister of Malaysia on April 3. The concept of "One Malaysia" is meant to develop a sense of belonging and togetherness as well as creating mutual respect and acceptance among the people of Malaysia. It is aimed at engaging all Malaysian ethnic groups to unite and work together as one people, overcoming the existing racial barriers and looking at the needs of each community so as to build Malaysia into a more harmonious and prosperous nation.

# South China Sea: Controversies And Solutions

Disputes have recently broken out between China and some Southeast Asian countries and the United States in the South China Sea. The Beijing-based *Economic Information Daily* spoke to **Liu Nanlai**, a research fellow at the Institute of International Law under the Chinese Academy of Social Sciences, on the origin of the South China Sea issue and China's position on it. Excerpts follow:

The South China Sea issue is a complicated matter concerning a number of countries. The disputes generally fall into three categories: territorial disputes over islands, the demarcation of the sea and navigation in the sea. Clashes between China and Viet Nam, the Philippines and Malaysia belong to the first two categories, whereas the third category involves the United States and Japan.

Since their discovery in the Qin and Han dynasties 2,000 years ago, the Chinese have been active in developing the islands in the South China Sea. Historical records show that the South China Sea islands had become part of Chinese territory by the Tang Dynasty (618-907). In the Ming Dynasty (1368-1644), jurisdiction over the South China Sea was exercised by officials' inspection tours there.

In the 1920s and 1930s, China made representations when some Japanese and French people conducted commercial explorations in the South China Sea. Japan seized the islands in the sea during World War II. China took them back after the war. It not only sent warships and officials, but also put the South China Sea under the jurisdiction of Guangdong Province, moves that attested to China's sovereignty over the sea. No neighboring countries challenged the moves at that time. The Chinese Government announced that the South China Sea islands were Chinese territory in its territorial sea statement in 1958. Pham Van Dong, the then Vietnamese Prime Minister, supported this decision.

The international community began to establish the continental shelf system in 1945. The UN formulated the Convention on the Continental Shelf in 1958. At the same time, some Latin American countries asserted maritime rights over a 200-nautical mile zone. At its Third Conference on the Law of the Sea beginning in 1973, the UN discussed the continental shelf and the 200-nautical mile ex-

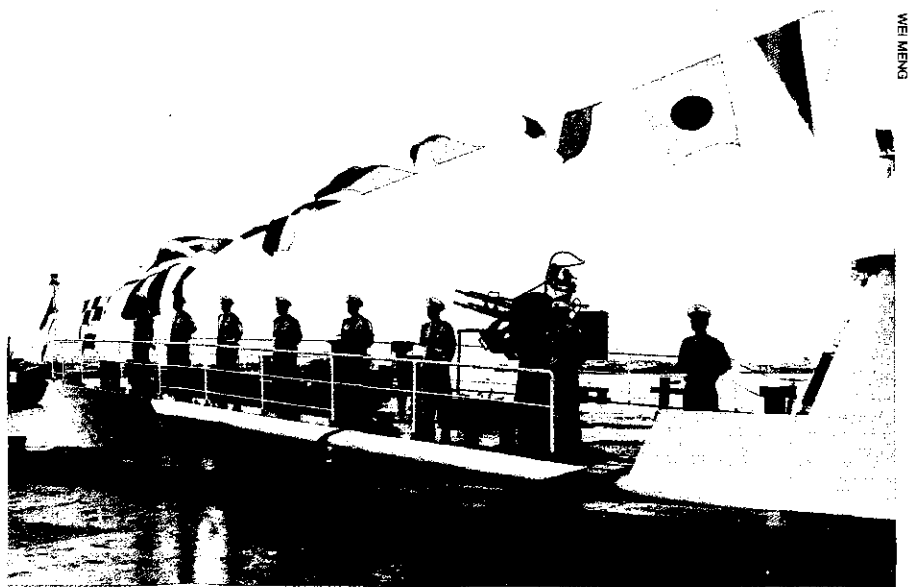
clusive economic zone. The UN Convention on the Law of the Sea adopted at the conference states that the continental shelf shall be determined according to the principle of "natural prolongation of the land territory" and that coastal countries have the right to establish a 200-nautical mile exclusive economic zone.

A coastal country has control of all resources on or under its continental shelf, living or not, but no control over any living organisms above the shelf that are beyond its exclusive economic zone, according to convention. An exclusive economic zone extends for 200 nautical miles beyond the baseline of the territorial sea, thus including the territorial sea, which extends up to 12 nautical miles from the baseline, and its contiguous zone.

The exclusive economic zone beyond the territorial sea is not part of a coastal country's territory. However, coastal countries have sovereign rights over the natural resources in their exclusive economic zones and exercise jurisdiction over maritime research, environmental protection and the construction of manmade islands there. The zones are therefore believed to be part of the waters under the countries' jurisdiction. While territorial sea is regarded as the sovereign territory of a country, foreign ships are allowed innocent passage through it.

The UN Convention on the Law of the Sea provides that an island, as a country's land territory, can have a 12-nautical mile territorial sea and a contiguous zone. Islands that can sustain human habitation can have a continental shelf and an exclusive economic zone.

In the late 1940s, a Filipino labeled some islands in the South China Sea islands, without human habitation and called for the Filipino seizure of the islands. Despite this claim, the South China Sea remained peaceful until a UN resource agency issued a report in 1968 saying that the South China Sea is rich in oil resources. After that, countries in the region vied to claim sovereignty over the South China Sea islands, putting



**PROTECTING THE SEA:** A Chinese fishery administration ship sets sail for the Xisha Qundao Archipelago in the South China Sea on a patrol mission in Zhuhai on May 16

themselves at odds with China.

It should be noted that countries contending with China for the South China Sea islands have begun to exploit oil and gas resources in the areas they have occupied. If they exhaust these non-renewable resources, the areas will not be as valuable even if China recovers them in the future.

With regard to the navigation issue, the South China Sea is located in a strategic area through which ships traveling from Northeast Asia to the Indian Ocean, the Middle East and Europe must pass. It is the lifeline of China's marine trade and a sea of which major marine powers such as the United States and Japan are trying their best to control.

In a statement issued in 1995, the United States asserted its interests in the South China Sea, urging protection of its freedom of navigation in the sea.

According to the UN Convention on the Law of the Sea, foreign ships, including warships, have the freedom to sail in the exclusive economic zones of sovereign states. However, while enjoying this right, they should take the

countries' interests, especially security interests, into consideration. The U.S. surveillance ship *USS Impeccable* posed a threat to China's security with its spying activities. China therefore had the right to interfere with and supervise the ship and take other action.

Islands in the South China Sea and the territorial sea surrounding them are part of China's territory. China has the right to delimit continental shelves and exclusive economic zones around large islands, a right that other countries should respect. Overlaps in jurisdiction should be resolved through consultation and negotiation. China has long stood for resolving the South China Sea issue peacefully through consultation and negotiation on the basis of equality and mutual respect according to international law, including the UN Convention on the Law of the Sea. It has also suggested shelving disputes to conduct joint development.

There are generally three ways to resolve disputes between countries—military, political and legal.

Before the 20th century, war was regarded as a legitimate means to resolve disputes. The Pact of Paris of 1928 prohibited the use of war to settle disputes. The UN Charter of 1945 further provides that countries should not use or threaten to use force in international relations. China pursues an independent foreign policy of peace. War is not an option to resolve the South China Sea issue.

Political means mainly refer to consultation and negotiation. China takes these means as the basic approach to resolving the South China Sea issue. This approach has not worked effectively in practice, as China has yet to start formal negotiations with other countries on the issue.

From a legal perspective, China can seek arbitration at the Permanent Court of Arbitration or resort to the International Court of Justice. At present, the country is not willing to submit disputes over its sovereignty and territory to a third party for judgment. In the future, this method may well be worth consideration. ■

# Nuclear Test Opposed

## The DPRK's most recent nuclear test draws strong reactions from the international community

**C**hina is resolutely opposed to the nuclear test by the Democratic People's Republic of Korea (DPRK), the Foreign Ministry said in a statement on May 25.

According to a report by the official Korean Central News Agency (KCNA), earlier that day the DPRK announced it had successfully conducted an underground nuclear test.

"The DPRK ignored the universal opposition of the international community and once more conducted a nuclear test. The Chinese Government is resolutely opposed to it," the statement said.

It has been the firm and consistent stance of the Chinese Government to achieve denuclearization on the Korean Peninsula and oppose the proliferation of nuclear weapons in an effort to maintain peace and stability in Northeast Asia, the statement said.

The statement voiced a strong demand that the DPRK live up to its commitment to denuclearization on the Korean Peninsula, stop any activity that might worsen the situation and return to the six-party talks.

The statement noted that maintaining peace and stability in Northeast Asia conformed to the common interests of all parties

concerned, called for a calm response from all parties and urged them to pursue peaceful resolution of the issue through consultation and dialogue.

China would continue its unremitting efforts to this end, the statement added.

According to a statement released by the KCNA, the DPRK Government said the test was "part of [its] measures to bolster its nuclear deterrent for self-defense in every way, as requested by its scientists and technicians." The brief statement gave no details about the test, including its location.

The United Nations also voiced strong opposition to the nuclear test.

In a May 25 statement issued by his spokesperson, UN Secretary-General Ban Ki-moon said he "strongly deplores" the DPRK test, which he says was "in clear and grave violation of the relevant Security Council resolutions."

The Security Council was called into an unusual session and quickly came up with a unanimous statement condemning the test.

South Korea's defense ministry said on May 25 that it had launched a "crisis management team" of general-level officers.

"The team will come up with measures

to respond to the nuclear test," said Lee Bung Woo, a spokesperson for the Ministry of National Defense.

On the same day, Japanese Prime Minister Taro Aso said that the DPRK nuclear test is a "grave challenge" to the Nuclear Non-Proliferation Treaty regime and a "clear violation" of a UN Security Council resolution banning the country from nuclear activity.

The Japanese Government has set up a special task force at the emergency management center in Aso's office.

U.S. President Barack Obama condemned the test as a "threat to international peace and security" and accused the DPRK of "recklessly challenging the international community" with its new underground nuclear test.

The behavior increases tensions and undermines stability in Northeast Asia, Obama said in a statement, adding that such provocations will only serve to deepen the DPRK's isolation.

The Russian Foreign Ministry voiced concern about the test, saying that it threatens regional stability, violates the will of the UN Security Council and is a blow to non-proliferation efforts.

"Initiators of decisions on nuclear tests bear personal responsibility for them to the world community," Russian presidential spokesperson Natalya Timakova said. "It is absolutely clear that politics and diplomacy are the only way for the DPRK to achieve security for itself." ■

(Source: Xinhua News Agency)



**NEW BEGINNING:** Chinese Vice Premier Wang Qishan and visiting U.S. Treasury Secretary Timothy Geithner greet each other before their talks in Beijing on June 1

# The Ties That Bind

China and the United States prepare for their first Strategic and Economic Dialogue

By **DING YING**

**U**.S. Treasury Secretary Timothy Geithner's China trip from May 31 to June 2 sent a clear message that the two countries plan to establish stronger ties not only in the economic field, but also in other areas where they have common interests.

Observers pointed out that the top task for Geithner was to lay the groundwork for the upcoming first round of the Sino-U.S. Strategic and Economic Dialogue.

"Geithner reached the goal of his China visit, which was exchanging views between the two sides and removing obstacles before the dialogue is held," said Shen Shishun, Director of the Department for Asia-Pacific Security and Cooperation at the China Institute of International Studies (CIIS). Shen said that under the current circumstances of financial crisis and economic recession, strengthening ties is of common interest to both sides.

During his three-day visit, Geithner not only exchanged views with China's top economic team, including Vice Premier Wang Qishan and the chiefs of finance, commerce, banking and securities, but also met with Chinese President Hu Jintao and Premier Wen Jiabao. Hu said that the Strategic and Economic Dialogue should serve as an important platform for China and the United States to deepen understanding, mutual trust

and cooperation. "As influential nations in the world, China and the United States share extensive common interests and shoulder important responsibilities in tackling global economic challenges and resolving hot-button world issues," Hu said.

The two sides agreed that the first round of dialogue would open during the last week of July in Washington. According to the schedule, the strategic dialogue will be co-chaired by Chinese State Councilor Dai Bingguo and U.S. Secretary of State Hillary Clinton, while Wang and Geithner will chair the economic track as special representatives of their respective presidents.

As the global financial crisis influences the world, China and the United States are discovering they share more and more common interests. "Although many observers don't agree with the new concept of a 'G2' of China and the United States, they cannot deny that their bilateral cooperation is so important that it can influence the world," Shen told *Beijing Review*. The United States has also realized that China's growing economic strength is having a greater impact on the U.S. and world economies. In a speech at Peking University, Geithner said that his meetings with Chinese officials offered a chance "to discuss the risks and challenges on the economic front, to examine some of the longer-term challenges we both face in laying the foundation for a more balanced and sustain-

able recovery, and to explore our common interest in international financial reform." He expressed support for enlarging China's role in the international system, saying, "A greater role for China is necessary for China, for the effectiveness of international financial institutions and for the world economy."

During the meeting between Chinese President Hu Jintao and U.S. President Barack Obama in April on the sidelines of the G20 London summit, the two leaders agreed to set up a "positive, cooperative and comprehensive relationship for the 21st century," and to upgrade the bilateral strategic economic dialogue of the Bush era into a strategic and economic dialogue. The two countries decided the new dialogue will be held annually and that the two sides will host the dialogue in turn.

Gong Li, Director of the International Strategic Research Institute of the Party School of the CPC Central Committee, told Xinhua News Agency that the new dialogue mechanism illustrates the growing mutual demands and reliance between the two countries.

Gong believes the dialogue mechanism will move in an active and right direction, since the bilateral relationship has been repositioned. "The political and economic cooperation between us is too close to separate," he said.

Shen from CIIS said that unlike the past strategic economic dialogue between the two sides, the new dialogue system would have more practical rather than symbolic significance. The dialogue will continue on topics related to both long-term and strategic bilateral events as well as ongoing regional and global issues. But he most pressing issue right now is how to revitalize the bilateral and world economy. When meeting Geithner, Wen suggested that the two sides make more efforts in addressing the global economic downturn, opposing protectionism in trade and investment, promoting reform in the international financial system, and tightening oversight of international reserve currency so as to ensure the stability and growth of China, the United States and the world.

Shen pointed out that global issues like climate change, energy security and non-proliferation are also important topics and shared interests for the two sides. For example, because the tense situation on the Korean Peninsula is jeopardizing regional security and damaging the interests of related countries, including China and the United States, the two sides must exchange views on this issue.

Observers said another goal of Geithner's China trip was to promote the sale of U.S. treasury bonds, which is why he emphasized that the U.S. financial system is starting to heal, discussed positive economic signs and stressed the safety of buying treasury bonds. ■

# Time to Make a Choice

How should the international community overcome the current stalemate in the North Korean nuclear crisis?

By SHI YONGMING

**N**orth Korea conducted its second underground nuclear test on May 25, sparking a strong reaction from the international community. This was in sharp contrast to less than a year ago when the world cheered at the country's blast of its Yongbyon nuclear facility. Things have taken a dramatic turn since then. North Korea cut its links with South Korea, declaring its intention to enter into an all-round confrontation with its southern neighbor. It then launched a satellite, announced its withdrawal from the six-party talks, carried out a nuclear test and disavowed the 1953 armistice that ended the Korean War. The flurry of events has completely reversed the situation on the Korean Peninsula.

## A desperate Pyongyang

North Korea's latest nuclear test is outwardly similar to the one in 2006, when it also test-fired missiles before conducting the nuclear test. There are, however, two obvious differences. This year, North Korea did not raise clear demands on its opponents, leaving them at a loss even if they wanted to negotiate a solution. It abided by international rules when it launched the satellite. Given the international community's excessive reaction to the launch, North Korea turned desperate when it conducted the nuclear test.

At the beginning of the six-party talks, many people thought that the talks could hardly succeed because North Korea's very aim was to acquire nuclear weapons. Its recent nuclear test provides new evidence for these people. However, they cannot explain why North Korea signed a series of documents demanding that it abandon its nuclear programs at the six-party talks. No matter how we look at the country, it should be acknowledged that the six-party talks, at the very least, have succeeded in persuading North Korea to agree to abandon its nuclear programs on paper. The demolition of the Yongbyon cooling tower ahead of schedule demonstrated North Korea's sincerity in implementing the agreements reached at the talks. So what prompted it to take a U-turn in its attitude?

A review of the six-party talks last year shows that America's hesitance to honor its commitments dampened North Korea's con-

fidence in the Bush administration in the first place. Under the pretext of North Korea's abduction of Japanese citizens during the Cold War, Japan also refused to offer economic compensation to North Korea according to the agreements of the six-party talks. South Korean President Lee Myung Bak's adjustment of his predecessor Roh Moo Hyun's policy toward North Korea heightened Pyongyang's doubts and concerns as well. Despite all this, North Korea continued to fulfill its denuclearization commitments based on a common understanding with the United States. The Bush administration, however, was reluctant to remove North Korea from its list of "state sponsors of terrorism" under pressure from Japan and some political forces at home. It said North Korea's nuclear declaration must be verified before it could delete the country from the list.

While the United States delayed honoring its promise, several incidents tilted the balance. South Korea played up the incident in which a North Korean soldier shot dead a South Korean tourist who wandered into a military area near the Mount Kungang resort in North Korea. South Korea not only politicized this accident but also took it to the multilateral ASEAN (Association of Southeast Asian Nations) Regional Forum. At the same time, it turned a deaf ear to Pyongyang's calls to put into practice the achievements of the summit between North Korea and South Korea. In addition, some anti-North Korean forces were obsessed with rumors about the health of the North Korean leader, still displaying an interest in seeking regime change in North Korea. Because of these disturbances, North Korea's trust in the outside world, which had just been established through the six-party talks, gradually ebbed away. The United States finally took North Korea off the list of "state sponsors of terrorism" in October last year. The

move seemed too late as the Bush administration had only a few months to go and as the relations between Pyongyang and Seoul had begun to deteriorate.

In order to address its security problem through political means, North Korea needs not only to improve its relations with the United States but also to achieve reconciliation on the Korean Peninsula. Roh's role as a "balancer" on the peninsula and his policy of reconciliation contributed greatly to North Korea's acceptance of the denuclearization agreements at the six-party talks. Lee's policy adjustment, which heightened mutual distrust between North Korea and South Korea, posed barriers to negotiations on a peace mechanism on the Korean Peninsula, something that is essential to the peninsula's denuclearization. Although it stands for resolving the North Korean nuclear issue through dialogue, the Obama administration, haunted by an economic crisis and troubles in the Middle East, cannot afford to devote too much attention to North Korea. It also tends to be indecisive under the influence of the hard-line policy of Japan and South Korea. All this has prompted North Korea to adjust its strategy from seeking a political solution to building up its military power.

## Regional wrangling

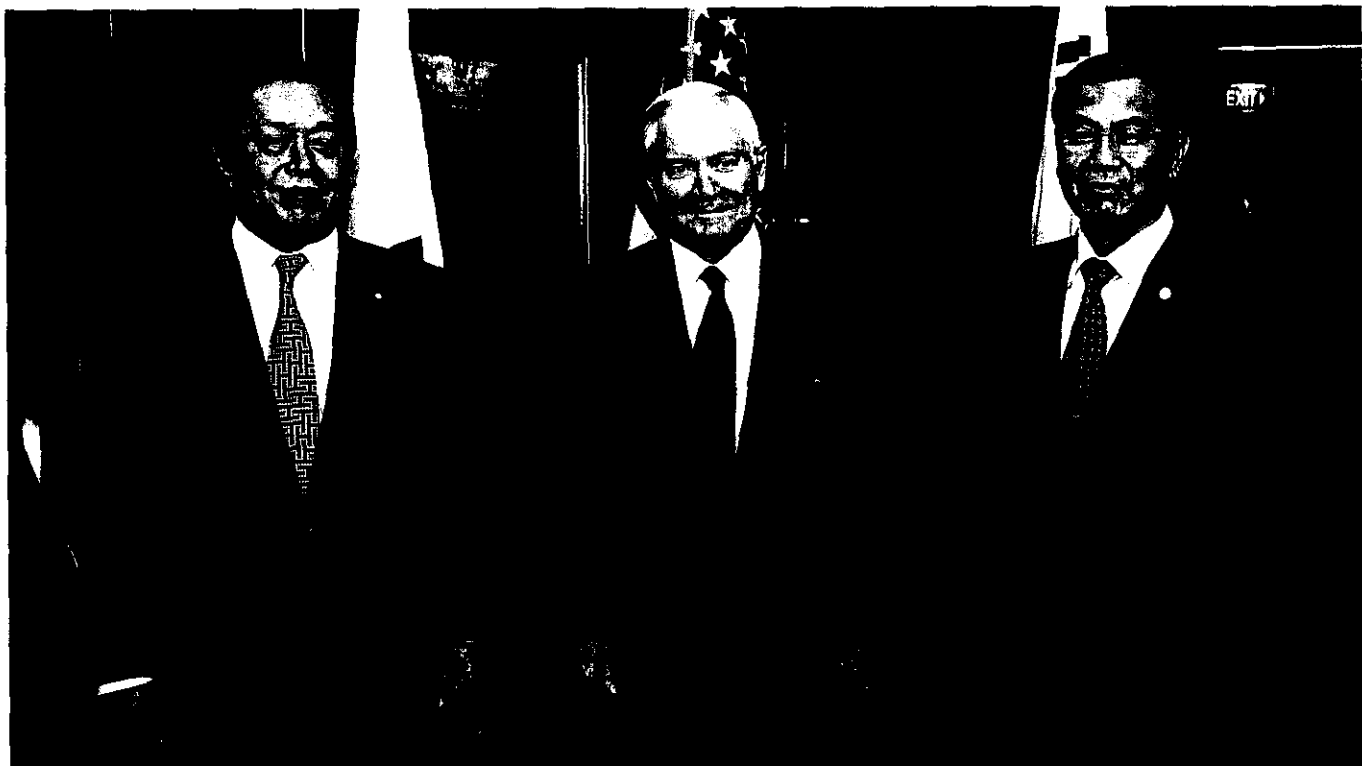
Underlying the North Korean nuclear issue is the ongoing wrangling in Northeast Asia. At the beginning, the crux of the issue lay in the conflict between North Korea and the United States. It seemed that as long as this conflict was resolved, other problems would be easily settled. But the United States advocated a multilateral approach, trying to bring Japan and South Korea to the negotiating table. This was meant to meet the demands of these two allies, which also had stakes in the North Korean nuclear issue, strengthen their alliance and mount more pressure on North Korea.

Since the end of the Cold War, the United States no longer has any opponents, but it continues to enhance its military power and strengthen its military alliances with other countries to build an "absolutely safe" world. It has stepped up efforts to transform its defensive military alliances with Japan and South Korea into global strategic alliances, a policy that has fostered the development of right-wing forces in Japan and

**North Korea's possession of nuclear weapons has put other countries in Northeast Asia at a new strategic crossroads**

The author is an associate research fellow at the China Institute of International Studies





**ALLIED RESPONSE:** Japanese Minister of Defense Yasukazu Hamada (left), U.S. Defense Secretary Robert Gates (center) and South Korean Minister of National Defense Lee Sang Hee (right) meet in Singapore on May 30, vowing to strengthen trilateral cooperation to address the North Korean nuclear issue

escalated South Korea's social fragmentation. Right-wing Japanese and South Korean conservatives share a tough stance toward North Korea. That's why Japan and South Korea were unable to follow suit when the United States adjusted its policy toward North Korea.

This is especially the case with Japan. Since the North Korean nuclear issue constitutes a major threat to Japan's security, it should have shown great concern over the settlement of the nuclear issue. But Japan gave priority to North Korea's abduction of Japanese citizens in the six-party talks. It also cited this reason to oppose America's removal of North Korea from its list of "state sponsors of terrorism." Needless to say, Japan's cart-before-the-horse approach has had a negative impact on the six-party talks. What's worse, Japan tended to react strongly to North Korea's inappropriate actions instead of addressing problems in a constructive way. It often hindered the flexible measures the United States took to facilitate progress in the six-party talks. Japan's actions raise doubts that it may have ulterior motives in building regional security.

Lee changed Roh's policy of advancing Pyongyang-Seoul relations and the six-party talks at the same time. He made North Korea's denuclearization a precondition for developing bilateral relations. Ostensibly de-

signed to persuade North Korea to abandon its nuclear programs, the change in fact aims to help South Korea gain dominance on the Korean Peninsula in the future. It has shattered the political mutual trust indispensable to North Korea's denuclearization, providing it with the best excuse for a policy change.

With their hard-line stance, Japan and South Korea not only put North Korea at a disadvantage in multilateral negotiations but also undermined the Obama administration's ability to negotiate.

### Calmness matters

North Korea's possession of nuclear weapons has put other countries in Northeast Asia at a new strategic crossroads. They have to investigate the country's intentions as well as the implications of its nuclear capability while thinking of ways to deal with it.

It is difficult to make an accurate assessment of North Korea's intentions. While Pyongyang claims that its nuclear capability is for the purpose of self-defense, the United States, Japan and South Korea all regard it as a threat. The Japan Institute for National Fundamentals pointed out bluntly that North Korea's aim is to prevent U.S. intervention when it annexes South Korea by force. This extremist judgment is apparently not well founded. The institute made this judgment precisely to call on the Japanese Government

to revise its principles on the North Korean nuclear issue. For Northeast Asian countries, making a strategic choice is more important than probing North Korea's intentions.

If they cope with the issue in a sober, rational manner and strengthen dialogue and cooperation on regional security, they will be able to minimize the harm done by North Korea's nuclear weapons to regional stability and effectively curb irrational military actions. If they deal with the issue radically and enter a vicious circle, Northeast Asia will plunge into chronic turbulence.

Facts have shown that radical actions cannot solve problems, but rather justify such actions of opponents. Some countries pushed for a strong reaction by the UN Security Council to North Korea's satellite launch. It turned out that their attempts only rendered the Security Council's reaction to North Korea's nuclear test meaningless.

Calmness is most needed at a time when many parties have been thrown into agitation. Only when we calm ourselves down can we come up with a solution to the North Korean nuclear issue rationally. A rational solution calls for the creation of a win-win situation in regional security. If the parties are at odds with one another and each emphasizes its own security unilaterally, common security—the true security that we all aspire to achieve—will never materialize. ■



**A SPECIAL GIFT:** On June 3, Chinese Premier Wen Jiabao presents visiting Malaysian Prime Minister Najib Tun Razak a photo featuring his late father Tun Abdul Razak, then Malaysian Prime Minister, signing the joint communiqué establishing diplomatic relations between China and Malaysia with Chinese Premier Zhou Enlai on May 31, 1974

## Strategic View

Malaysian prime minister's visit opens up new prospects for China-Malaysia cooperation

By YAN WEI

**C**hina and Malaysia seem poised to advance their bilateral relations by building on achievements in the past 35 years, a prospect that Chinese leaders advocated with visiting Malaysian Prime Minister Najib Tun Razak.

Najib, who took office in April, visited China on June 2-5. It was his first foreign tour as Malaysian Prime Minister outside the Association of Southeast Asian Nations (ASEAN), a group of 10 Southeast Asian countries of which Malaysia is a member.

At a meeting with Najib, Chinese Premier Wen Jiabao raised a four-point proposal for upgrading the two countries' relationship: promoting trade diversification and maintaining trade growth; enhancing mutual investment and stepping up key projects; deepening financial cooperation and safeguarding financial stability; and strengthening coordination on regional affairs and further developing regional cooperation.

Malaysia was China's largest trading partner among ASEAN countries in 2008, with two-way trade amounting to \$53.47 billion, ac-

ording to China's Ministry of Commerce.

"This year marks the 35th anniversary of the establishment of diplomatic relations between China and Malaysia," Wen said. "China is ready to work with Malaysia to take this opportunity to actively implement the joint action plan on strategic cooperation and lift bilateral ties to a new level."

Malaysia, under then Prime Minister Tun

Abdul Razak, Najib's late father, established diplomatic relations with China on May 31, 1974, becoming the first ASEAN country to do so. The two countries signed the joint action plan on strategic cooperation on June 3, ushering in a new stage of strategic cooperation in their relations.

While meeting with Najib, Chinese President Hu Jintao said China and Malaysia have seen their relations develop smoothly over the past 35 years. They have had frequent high-level visits, enjoyed increasing political mutual trust and carried out fruitful cooperation in the fields of trade, energy, infrastructure and culture. They have also maintained close coordination on such issues as promoting East Asian regional cooperation and addressing the international financial crisis, he said.

With regard to the territorial disputes in the South China Sea, Wen told Najib that China and Malaysia should beef up dialogue and cooperation and properly handle relevant issues in a joint effort to safeguard peace and stability in the South China Sea.

The Declaration on the Code of Conduct on the South China Sea should be strictly observed, he said. The document, signed by China and ASEAN in 2002, is the first political document they have concluded on the South China Sea issue.

During his visit, Najib also met with Chinese Vice Premier Li Keqiang. Both vowed to create a bright future for China-Malaysia relations. He and Chinese Vice Premier Hui Liangyu attended a business forum aimed at fostering strong ties between the two countries' business communities. ■

### Joint Action Plan

During Malaysian Prime Minister Najib Tun Razak's visit, China and Malaysia signed a joint action plan on strategic cooperation, charting the course for their cooperation in the fields of politics, the economy, culture, education, science and technology, and energy.

The 35th anniversary of the establishment of diplomatic relations between China and Malaysia and the signing of the joint action plan present opportunities for the development of the two countries' relations, said Chinese President Hu Jintao. China is ready to take these opportunities to expand and upgrade its cooperation with Malaysia on both bilateral and multi-lateral levels and work for an even better future for China-Malaysia relations.

Najib said the joint action plan is a fundamental strategic framework. Relevant departments in the two countries will implement the action plan in a bid to deepen the two countries' cooperation in various fields. Malaysia will attract more Chinese investment as well, he added.

(Source: Xinhua News Agency)

# Common Values, Strong Ties

The official visit of Malaysian Prime Minister Najib Tun Razak to China on June 2-5 is seen as an important step in furthering the strategic and cooperative relationship between the two countries. In an interview with *Beijing Review* reporter Zhou Jianxiong, Mohamed Jawhar Hassan, Chairman and CEO of the Institute of Strategic and International Studies, a top think tank and consulting institution in Malaysia, outlined why Malaysia made its decision to establish diplomatic ties with China 35 years ago and why it looks forward to the development of this relationship in the future.



Mohamed Jawhar Hassan

**Beijing Review:** Malaysia was the first country among the then five-member ASEAN [Association of Southeast Asian Nations] bloc to establish diplomatic relations with China in 1974. Could you brief us on the historical background?

**Mohamed Jawhar Hassan:** Malaysia's decision to give diplomatic recognition to China was actually influenced by both domestic political considerations and developments in the international strategic situation. Internally, the Malaysian Government needed to win support from the Chinese population and strengthen national unity among all the ethnic groups at home. The then Prime Minister Tun Abdul Razak concluded that an official visit to China would help fulfill this end, and it later proved to have achieved the desired effect. Externally, Malaysia wanted to shift from a pro-Western foreign policy to a non-aligned neutral stance, and lend credibility to the concept of the "Zone of Peace, Freedom and Neutrality" that Malaysia had championed. The idea was adopted by ASEAN in 1971. By establishing diplomatic relations with China, Malaysia wished to show to the world that its foreign policy was truly independent. The global attitude toward China had also changed by that time. Several Western countries, including Canada, Italy, Belgium, Britain and Australia, had established relations with China, and in 1972 U.S. President Richard Nixon also paid a visit to China, the first ever by an American head of state. It was against this historical backdrop that the then Malaysian prime minister assumed it

was the most opportune time for Malaysia and the other ASEAN members to follow suit.

**China and Malaysia have maintained very good relations, particularly in recent years. What do you think forms the cornerstone of this relationship?**

Indeed, our bilateral relationship is very good at the moment. The two countries not only have enjoyed very good government-to-government relations, but also maintained close contact in non-government and private sectors. Especially during recent years, Malaysia and China have intensified their ties in almost every sphere—trade, investment, tourism, culture, education, science and technology, energy and so on. According to our statistics, bilateral trade amounted to some \$50 billion last year, up from \$20 billion in 2003. Tourism has also been booming. Tourist arrivals from China totaled 950,000 last year, double the figure in 2003. Our relations have been reinforced by regional processes, including cooperation between ASEAN and China, the ASEAN+3 mechanism, the East Asia Summit, as well as the ASEAN Regional Forum.

I think the cornerstone of our friendly and cooperative ties lies in the fact that Malaysia and China have based their relationship on mutual respect and interests. They share many common values and are committed to multilateralism, non-hegemonism, and peace and stability in the Asia-Pacific region and in the world as well.

**Are you aware of any major problems that will likely affect our generally friendly and cooperative ties?**

The only major problem is the overlapping claims in the South China Sea and issues related to them. The latest round of submissions by Malaysia and Viet Nam on the continental shelf to the United Nations Commission on the Limits of the Continental Shelf have again brought to the fore occasional differences that will arise between all the claimant countries.

Territorial disputes are always protracted and difficult to resolve. The important point is to ensure that any differences are resolved quickly and amicably through peaceful negotiations.

**You have said Malaysians generally see China as an economic challenge rather than a security threat. What makes them see China in such a light?**

Suspicion of China as a potential threat—which is not altogether absent in Malaysia—is influenced by several factors. The first is China's sheer size, its growing power and strategic influence. Then there remains residual Cold War sentiment against China. Third is the concern among some countries that China can challenge and displace them in terms of military and strategic superiority in the Asia-Pacific region.

China can reduce these suspicions by the following means: initiating a massive and effective public communication campaign; introducing greater transparency in its military expenditure and policy; and pointing out, more persuasively, how China in fact is significantly weaker than some other major powers militarily.

**With your prime minister's official visit to China, do you expect our bilateral relationship will be brought to new heights?**

I am not able to answer you fully because I am not privy to the preliminary discussions that are taking place within government circles and with their counterparts in China. But I believe that current Prime Minister Najib Tun Razak will try to expand and deepen our relations further and bring them to a higher level. The aim will be to develop a "strategic partnership" between the two countries, with a focus on developing further economic cooperation, trade and investment.

Malaysia and China, like other countries, face great challenges in the ongoing economic crisis that is affecting the world. While the situation in the East Asian region is peaceful, there are serious concerns with regard to developments on the Korean Peninsula. I believe that Malaysia and China can exchange views on these issues and enhance mutual understanding and common perspectives. ■



**A BIG REUNION:** Heads of state from the Shanghai Cooperation Organization (SCO) pose with leaders from the organization's observer states and guests at the annual SCO summit in Moscow on June 16

## A Story of Six Nations

President Hu Jintao brings forth new thoughts on the Shanghai Cooperation Organization at its annual summit

By YAN WEI

**C**hinese President Hu Jintao addressed concerns about the economic slowdown, regional coordination and new security threats at this year's summit of the Shanghai Cooperation Organization (SCO) with a series of proposals, including granting a \$10 billion credit loan to other SCO members.

"In the face of the international financial crisis, we should bolster confidence, support each other, tide over difficulties in the same boat, make every effort to promote the SCO's practical cooperation in the fields of politics, security, the economy and culture, enhance its competence and properly handle its own affairs," he said in a speech.

Heads of state from all SCO member states—China, Russia, Kazakhstan,

Kyrgyzstan, Tajikistan and Uzbekistan—as well as leaders from the organization's observer states attended the annual summit in the central Russian city of Yekaterinburg on June 16.

The SCO held its first special conference on Afghanistan in Moscow in March. Member states agreed with Afghanistan that they would make joint efforts to ban drugs, combat terrorism and crack down on organized crime. SCO defense ministers met in

### Five-point Proposal

Chinese President Hu Jintao made a five-point proposal at the recent SCO summit.

**First, to strengthen political mutual trust.** Member states should make full use of their meeting and consultation mechanisms to promote strategic dialogue, coordinate policies and build consensus. They should work for common prosperity, regional peace and stability and a more just and reasonable international political and economic system.

**Second, to deepen economic cooperation.** Member states should jointly cope with the impact of the international financial crisis and contribute to the recovery of the world economy. They should enhance coordination in macroeconomic and financial policies, speed up their cooperative projects in the fields of energy, transportation and telecommunications, work closely together to develop emerging industries, and ensure an open and free environment for trade and investment.

**Third, to strengthen security cooperation.** The document on antiter-

rorism signed at the summit would enable member states to jointly hunt for and repatriate criminal suspects. The organization should intensify its efforts to fight against drug production and smuggling, devise a framework agreement on combating cross-border organized crime, and implement the consensus that was previously reached among member states on checking money laundering and protecting energy transportation pipelines.

**Fourth, to expand people-to-people and cultural exchanges.** Member states should strengthen

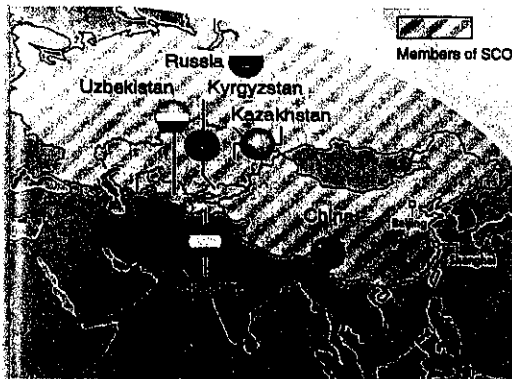
Moscow in April, charting the course for defense cooperation in the next two years.

The SCO currently has four observers—Mongolia, India, Pakistan and Iran. Sri Lanka and Belarus are the first countries to become dialogue partners since SCO leaders adopted the regulations on dialogue partners at their last summit in Dushanbe, Tajikistan.

The Chinese President said China would honor its promises to continue to support bilateral and multilateral cooperative projects within the framework of the SCO. It will send trade and investment promotion missions to these countries to help boost foreign trade and mutual investment among SCO members, he added.

By the end of 2008, China had provided other SCO members with \$900 million in concessional buyer's credit to facilitate bilateral trade. Trade volume between China and the other five SCO members increased from \$12.1 billion in 2001, when the SCO was founded, to \$67.5 billion in 2007, representing an annual growth of 30 percent. By the end of 2007, China's investment in the other five SCO member states totaled more than \$13 billion.

Following the summit, SCO leaders signed a series of documents, including the Yekaterinburg Declaration and a joint communiqué. ■



cooperation in the fields of culture, education, public health and tourism. China hopes to work together with other member states on disaster relief and reach agreements with them on the establishment of disaster relief centers as soon as possible.

#### **Fifth, to persist in opening up.**

China supports the SCO in deepening cooperation with its observers on antiterrorism, drug control, transportation, energy, disaster relief and culture to jointly contribute to regional stability and development. It welcomes Belarus and Sri Lanka as dialogue partners of the organization.

## Collective Opposition

The international community unanimously condemns North Korea's nuclear test in a UN Security Council resolution

By YAN WEI

**T**he UN Security Council's recent resolution on North Korea's nuclear test not only made clear the international community's firm opposition but also sent a positive signal that there is still room for a peaceful solution, China's Foreign Ministry said.

"The Chinese Government is firmly opposed to this act by the DPRK [Democratic People's Republic of Korea]," Foreign Ministry spokesman Qin Gang said in a statement on June 13. "By conducting another nuclear test, the DPRK violated the relevant resolutions of the Security Council, impaired the effectiveness of the international nuclear non-proliferation regime, and affected regional peace and stability."

The day before, the UN Security Council unanimously adopted a resolution condemning "in the strongest terms" North Korea's nuclear test in May and imposing new sanctions on the country. North Korea conducted its first nuclear test in October 2006, prompting the Security Council to pass Resolution 1718, which introduced a series of economic and commercial sanctions.

China supports an appropriate and balanced reaction from the Security Council to the recent nuclear test, Qin said, adding that it had taken part in discussions on the resolution with a responsible and constructive attitude.

"The Security Council action is not all about sanctions, and political and diplomatic means is the only way to resolve the relevant issues on the Korean Peninsula," he said.

In its newly adopted Resolution 1784, the Security Council called on states and international credit and financial institutions not to enter into new commitments for grants, financial assistance or concessional loans to North Korea, except for humanitarian and developmental purposes or the promotion of denuclearization. It also created a framework for cargo inspection.

"Countries need to act prudently in strict accordance with domestic and international laws, and under the precondition of reasonable grounds and sufficient evidence," said Zhang Yesui, China's Permanent

Representative to the UN, while explaining China's vote at the Security Council. "All parties should refrain from any words or deeds that may exacerbate the conflict. Under no circumstances should there be use or threat of force."

The action of the Security Council should not adversely impact the livelihood and development of the DPRK or humanitarian assistance to the country, he added.

China believes that the sovereignty, territorial integrity and legitimate security concerns and development interests of the DPRK as a sovereign country and UN member should be respected, Qin said. After its return to the Treaty on the Non-Proliferation of Nuclear Weapons, the DPRK will enjoy the right to the peaceful use of nuclear energy, he said.

Under the current circumstances, the Chinese Government calls on all parties concerned to remain calm and restrained and persist in seeking a peaceful solution through consultation and dialogue, Qin said.

U.S. State Department spokesman Ian Kelly said at a press briefing that the "extremely tough resolution" passed on June 12 showed incredible unity among Security Council members. The United States is going to be focused on implementing the resolution, he said.

Both Russia and South Korea welcomed the resolution, according to media reports. Japan also called for its implementation. "We demand North Korea take seriously the international community's unbending message in the resolution and comply with it," the Xinhua News Agency quoted Japanese Prime Minister Taro Aso as saying in a statement shortly after the resolution's adoption.

North Korea "opposed and denounced" the Security Council resolution in a statement issued by its Foreign Ministry. It also vowed to produce more nuclear weapons. Pak Jae Gyong, Vice Minister of the DPRK People's Armed Forces, warned that North Korea would launch a preemptive attack against the United States at a mass rally attended by some 10,000 people to protest against the resolution in the capital city of Pyongyang on June 15. ■

# A New Start

Goodwill to the Islamic world and willingness to mend ties highlight Barack Obama's new Middle East policy

By CHEN SHUANGQING

**U**.S. President Barack Obama started to implement his new Middle East policy soon after he assumed office. He paid a state visit to Turkey, dispatched Secretary of State Hillary Clinton to the Middle East, appointed distinguished diplomat George Mitchell as his special envoy to the Middle East, and on June 4 gave a speech at Egypt's Cairo University stating his intention to mend relations with Islamic countries. These diplomatic activities not only served a clear goal, but also were orderly in design, which primarily showed the flexible art of "smart power."

## Failed policies

The reason Obama is making such major changes to U.S. strategy in the Middle East is to bail the United States out of the Middle East swamp, as well as to maintain the country's strategic interests and reassert its supreme position in the region.

It is well known that the Middle East has ample gas and oil resources, and is of geopolitical and strategic importance. Here also are concentrated several U.S.-listed "failed states" and extremist forces that have long disrupted international affairs. Therefore, the region is closely linked to U.S. antiterrorism, non-proliferation of weapons of mass destruction and energy security policies.

George W. Bush launched two wars in the Middle East in the name of anti-terrorism after the September 11 terrorist attacks in 2001. Then, Bush issued his Middle East policy known as the "Greater Middle East Initiative." According to the initiative, the United States would pursue democratic reform in moderate Arab countries, including its old allies. Palestine was also included in the reform framework, while the United States showed a clearer bias in favor of Israel. The tough Bush style left nothing but a mess in the region. Iraq is now in long-term turmoil, the Iranian nuclear issue is no closer to a solution, and the Israeli-Palestinian conflict has become even more complicated. With all these problems combined, an anti-U.S. tendency is growing in the Middle East. Bush's Middle East policy did not benefit

any country or region there, but greatly damaged U.S. interests in the region and even its global interests.

Obama has completely changed the hard line of the Bush Doctrine. Instead, he frequently expresses American goodwill toward the Islamic world centered on the Middle East. In this way, Obama hopes to ease hostilities and make peace with countries there, and then reach the goal of mastering the region in U.S. hands once again.

## A new approach

Obama's new Middle East policy is enlightened by a strong will to mend relations with the Islamic world. In his speech in Cairo, Obama praised the Islamic world's historical achievements and recognized Islamic culture as an important part of American society. He stressed that the United States and the Islamic world share the common values of justice, development and supreme human dignity, and that they have more common interests than differences. He discarded Bush's "New Crusade" theory and paid special attention to violent extremism in the Islamic world.

Obama stressed that the Islamic world is also the victim of terrorism, and that Islam is a religion that also promotes peace.

Obama's new policy was reflected in several other aspects. He is conducting a strategy of placation instead of force deterrence against those so-called "outposts of tyranny," publicly expressing the U.S. desire to establish a "constructive relationship" with Iran on the basis of mutual respect, and to carry out negotiations with Iran without any preconditions. Obama also places stability above democracy in the Middle East. He will refrain from pushing moderate countries like Egypt too hard on democratic reform, and encourage them to play an active role in regional affairs. In his speech, he called for cooperation with Islamic countries in the region in various aspects, trying to promote dialogue and communication with them by fully distributing U.S. "smart power" in science and technology, education, and economy and trade and offering help to them.

Obama's new Middle East policy focuses on proper treatment of the difficult issues in the region. Dealing with the Israeli-Palestinian issue from an all-round point of view is at the top of the agenda. The all-round point of view connects the settlement of the Israeli-Palestinian issue with the settlement of related issues in Syria, Lebanon and Iran, because settling these issues could hasten the Middle East peace process. To pacify Arab anger caused by U.S. ties with Israel, Obama clearly tipped the scale in Palestinians'



**TRIP OF MEDIATION:** U.S. Middle East peace envoy George Mitchell (second left) arrives at the Palestinian National Authority's presidential compound in Ramallah on June 10

The author is an associate researcher with the Institute of Asian & African Studies, China Institutes of Contemporary International Relations

## The issues in the Middle East are too complicated and difficult to be settled with "smart power" alone

favor. In his speech he emphasized their right to establish a state, and denied the validity of Israeli settlements.

He also appeared flexible and practical on the Iranian nuclear issue, using the tactic of seducing rather than pressing. The Obama administration intends to persuade Iran to give up its nuclear program by fully mending the U.S.-Iran ties. In the meantime, Obama stressed the common interests between them in supporting Iraq's Shiite administration, fighting against Al Qaeda and Taliban forces, and cracking down on drug trafficking in Afghanistan. The United States expects to establish a solid basis for dialogue with Iran, as the room of cooperation between them grows.

Obama also described his plan to withdraw U.S. military forces from Iraq and explained that because of the changed security situation, the United States has transferred its antiterror focus east to Afghanistan and Pakistan.

The U.S. Government is also strengthening cooperation with its Arab allies in the region to keep Iran within limits. Obama has approved a nuclear energy cooperation agreement with the United Arab Emirates, arguing the agreement will push forward bilateral cooperation on regional defense and security in the Middle East and the Gulf region. Actually, according to intelligence agencies of Western and Arab countries, Dubai is the nerve center of international illegal trade. Therefore, one U.S. goal in signing the agreement is to cut off Iran's nuclear material smuggling from Dubai.

### Obstacles

But the issues in the Middle East are too complicated and difficult to be settled with "smart power" alone. Issues concerning core interests cannot be resolved unless the related countries agree to make compromises. Although the United States, which acts as a force from the outside world, has great influence in the region, its "smart power" cannot work as expected without practical measures.

First, the Israelis' policy toward the Palestinians has become even more hard-line since the Likud, headed by current Israeli Prime Minister Benjamin Netanyahu, won the parliamentary elections and organized a right-wing coalition. Although Netanyahu expressed support for a separate Palestinian state for the first time on June 14, Palestinian and Arab leaders rejected his conditions, which include a de-

militarized Palestinian state and Palestinian recognition of Israel as a Jewish homeland. He previously rejected a two-state solution in favor of an "economic peace," under which the Israeli settlements would be guaranteed "natural growth." Despite the change in rhetoric, the dominant conservative forces in Israel will make it difficult to change its tough policy and conduct peaceful talks with the Palestinians, especially on core issues like territory plotting, the return of Palestinian refugees and the status of Jerusalem. Therefore, disputes between Israel and the United States are inevitable.

Second, the conflict between Iran and the United States on Iran's regional role and nuclear program is hard to reconcile. To the United States, a nuclear-armed Iran would pose a serious threat to the security in the region and the international community at large and is unacceptable. To Iran, developing nuclear program is crucial to becoming a regional power and coping with the threat from Israel. Iran will not give up its nuclear program without a fight. Besides, the United States considers a stronger Iran to be a potential menace in the Middle East. It will never give up its efforts to contain Iran. Moderate Arab countries also consider Iran a potential threat because of its influence on Shiite Muslims throughout the region. They might work to obstruct U.S. efforts to mend relations.

Third, the situation in Iraq might make an orderly withdrawal of U.S. forces nearly impossible. With the U.S. invasion ending Sunni dominance, Shiites and Kurds have rapidly gained influence in the country. The Shiite United Iraqi Alliance is the biggest party in the Iraqi parliament. In addition to controlling the government, it also receives support from the top Shiite authority, Grand Ayatollah Ali Sistani. But Sunnis continue to stage violent revolts, and Kurdish separatists raise the possibility of the country's split. The security situation in Iraq cannot improve in the short term. Iraq's neighbors, namely Iran, Saudi Arabia, Turkey and Syria, exert strong influence on the country, while Russia and the European Union are also trying to cut themselves a slice of the Iraq reconstruction pie. It will be a tough test for the Obama administration to properly deal with the complicated situation in Iraq and establish a secure future.

Finally, interference from extremist Islamic forces is a big variable. What all extremist Islamic forces share in common is opposition to the United States. They will not sit back and do nothing while the United States tries to improve relations with the Arab and Islamic world. It is quite possible they will use this as an opportunity to take disruptive action that creates obstacles for Obama's new Middle East policy. ■



**SPEECH OF GOODWILL:** U.S. President Barack Obama gives a speech at Egypt's Cairo University on June 4, stating his intention to mend relations with Islamic countries

## Barack Obama and the Middle East

## Tell it straight

The president must make the most of a surge of goodwill towards him from Muslims and Arabs



**B**ARACK OBAMA'S biggest bonus on his first presidential trip to Arab parts of the Middle East was not being George Bush. Many Arabs in the region, as well as Turks and Persians, are rightly ready to give him a chance to restore his country's tattered reputation. So his honeyed words, delivered from a font of Islamic learning in Cairo, will have helped him, at least a bit, in that arduous task. But they will not have drawn all the poison of the past eight years, when many of the world's 1.4 billion Muslims came to believe, erroneously if understandably, that America was their enemy. Mr Obama's ringing oratory, which drew waves of applause and a rousing ovation, will soon be forgotten unless it is followed by deeds.

In a nutshell, and if you leave aside Afghanistan-Pakistan on the region's rim, he has four main tasks. First, he must help persuade Israelis and Palestinians to live in peace in two states, side by side. Second, he must quit Iraq as he has promised, but leave behind a reasonably stable and decent regime. Third, he must reach an accommodation with Iran that acknowledges its place as a regional power while dissuading it from getting a destabilising nuclear weapon. Fourth, he must tilt American policy back towards a more realistic balance between naïve idealism and cynical pragmatism, without either alienating autocratic allies such as Egypt and Saudi Arabia or ditching America's support for democracy and human rights. On all those fronts, Mr Obama was eloquently sensible, frequently quoting the Koran to reinforce his message of peace.

Mr Obama again displayed his zeal for trying to crack the Israel-Palestine puzzle from the very start of his presidency, whereas Mr Bush tried only at the end of his. He rightly scolded recalcitrant Israelis for their refusal even to accept the idea

of two independent states and for letting Jewish settlers continue to build or expand towns and villages on the West Bank. Mr Obama also encouraged the Palestinians in their so-far abortive quest for unity among themselves, in the implied hope that the Islamists of Hamas might eventually accept Israel's existence so that they may be sucked into negotiations; for without them, no plan will stick. The president rightly urged Arab leaders to continue to press all Palestinians to embrace Israel, provided it offers a decent two-state deal.

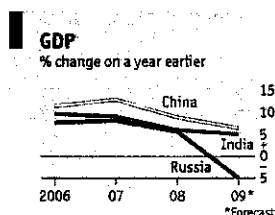
As expected, Mr Obama held back from producing a detailed new plan for dealing with Iran's nuclear ambitions. But he avoided his predecessor's threatening talk of "keeping all options on the table" and dangled no prospect of regime change in Tehran, as many of Mr Bush's people once did. Some say Mr Obama should heed an argument, now gaining ground in the West, that it is too late to stop Iran processing uranium as a precondition for negotiation, and that the least bad course now would be to push for intrusive international monitoring of Iran's nuclear activity in the hope that it remains civilian and not hell-bent on weaponisation. On this tricky score, Mr Obama has probably not yet made up his mind how to proceed. But in Cairo he stated that Iran "should have the right to access peaceful nuclear power if it complies with its responsibilities under the nuclear non-proliferation treaty".

Mr Obama rightly eschews Mr Bush's crudely Manichean simplifications of the "war on terror". But he makes it admirably plain that he is no less determined to fend off the still rising tide of Muslim jihadism, to contain the Taliban, and to beat back al-Qaeda, which most Arabs and Muslims abhor. He knows he can do this only with the co-operation of Muslims across the world. If they accept the sincerity of his protestations of good faith in Cairo, he should get more help from them than his hapless predecessor did. America sorely needs it. And Mr Obama deserves it. ■

## Russia's ailing economy

## Red square blues

Russia's failure to diversify away from oil should worry the Kremlin



10% in the year to the first quarter, Russia is in deep recession.

This is upsetting and worrying for the country's political masters in the Kremlin. Upsetting because, as late as last autumn, they dismissed the economic crisis as a Western problem that would leave Russia unscathed. But the collapse in

**N**OT long ago, Russia proudly counted itself as one of the BRICS—with Brazil, India and China, the four emerging-market giants that were outgrowing the rich world. Yet it now makes more sense to talk of the BICS. With GDP shrinking by almost

the oil markets has shown just how much Russia still depends on getting a good price for its natural resources. Neither President Vladimir Putin in 2000-08 nor (since last May) President Dmitry Medvedev has done anything like enough to diversify the economy—indeed, it depends more on oil and gas now than it did. The government has utterly failed to create a legal and political infrastructure to support business and enterprise.

The Kremlin may not care much about either of these shortcomings, especially now that oil once again costs \$70 a barrel. Yet even at this price it must worry, for it can no longer honour its side of Mr Putin's original bargain: that, in return for a guaranteed rise in living standards, ordinary Russians would accept curbs on the media, rigged elections and a slide into auto- ➤





## Barack Obama speaks to the Muslim world Let's be friends

CAIRO

America's president used his oratory to superb effect. Now for the hard part

**"WE AWAIT** your arrival impatiently because we admire your noble principles and lofty virtues," gushed an open letter from Sheikh Ali Yusuf, a Muslim cleric who, long ago, was Egypt's most popular columnist. Printed in an Arabic daily, it went on to express hope that in his speech at Cairo University, the American president would show support for Egyptian aspirations to freedom and dignity.

Those words were penned 99 years ago in advance of a lecture by Theodore Roosevelt, an American president whose imperialist tone then sourly disappointed Egyptian hopes. But now the long-dead sheikh may rest reassured. In a rousing speech on June 4th Barack Obama used the magnifying force of the American presidency, his own charisma and a podium at the heart of the Arab world to address the concerns of the world's 1.4 billion Muslims. Speaking at Cairo University, he sought to project an openness to Islam, a sense of shared values, support for Muslim aspirations and a determination to use American power to help fix the problems that most trouble them. It won praise as a superb oratorical performance.

"The cycle of suspicion and discord must end," Mr Obama declared, to enthusiastic applause. "I have come to seek a new beginning, based on co-operation and respect." Punctuated with quotations from the Koran, the speech ranged from pressing issues such as Iraq, Afghanistan and Iran's

nuclear ambitions to principles such as democracy and women's rights. It culminated in a vision of a more tolerant and peaceful world.

The American president did not shy away from chiding some Muslims for their reluctance to condemn violent extremism or the tendency to measure their own faith by rejection of another. He made a strong pitch for America's own vision of religious freedom, and called for understanding of the historical suffering of Jews. Castigating the denial of the Nazi Holocaust as "baseless, ignorant and hateful", he took an indirect swipe at Iran's president, Mahmoud Ahmadinejad. But he also evoked Palestinians' suffering, describing their situation as "intolerable". He forthrightly repeated his demand for an end to Jewish colonisation of Palestinian territory.

Mr Obama has addressed Muslims before. He granted his first interview as president to an Arab satellite channel, beamed a warm message to Iranians for their spring festival, and spoke at a conference on religious tolerance in Istanbul. But this speech fulfilled his pre-inauguration promise to make a bold bid to restore American prestige with a direct public address in a Muslim capital.

Will Mr Obama's rousing oratory bear fruit? Many Muslims are still embittered by the legacy of the Bush years, which accumulated injuries ranging from the invasion of Iraq in 2003 to scandalous treatment of

### Also in this section

- 43 Iran's presidential election
- 44 The Palestinians' persistent disunity
- 45 Zimbabwe's power-sharing problem
- 46 Eritrea rebuked by Africa

Muslim prisoners and a perceived deepening of American bias towards a belligerent Israel. Opinion polls, which showed a drastic slide in American prestige, have nudged upwards under Mr Obama, with his own popularity far higher than that of the nation he represents (see page 55).

Yet the constant refrain, heard on Cairo's streets as well as from media pundits, is that Arabs and Muslims would like to see Mr Obama's words matched by deeds. "To win our hearts, you must win our minds first, and our minds are set on the protection of our interests," declared one of the reams of editorials, columns and open letters from across the region before Mr Obama spoke.

Broadly speaking, and despite the latest internet tirades of Osama bin Laden, most Muslims recognise the sincerity of Mr Obama's effort to extricate America from Iraq—and its complexity. More grudgingly, they also understand his quandary in Afghanistan. The one issue where Muslim opinion converges with a demand for a change in America's approach is Palestine. Here, arguably, no American action can be expected fully to assuage Muslim and Arab grievances fast, partly because of what Mr Obama described as America's "unbreakable bond" with Israel and partly because half of the Palestinians' divided polity is run by Hamas, an Islamist group still seen as anathema to America. But Muslims are immensely cheered by the fact that Israelis are plainly rattled by Mr Obama's pressure over the issue of Jewish settlement on occupied land.

Mr Obama's determination to set America's relations with Muslims on a new footing will bring hope across the Middle East and farther afield. The difficulty now lies in translating the new goodwill into action, not just by America, but by its Arab and Muslim allies. ■



Also in this section

56 Progress on disarmament

57 Development aid from authoritarian regimes

Green.view, our online column on the environment, appears on Economist.com on Mondays. The columns can be viewed at [Economist.com/greenview](http://Economist.com/greenview)

The United States and Islam

# Let nations speak peace

After the chill of the Bush era, ties between American and Islam can only get better—but how much better?

IT IS three years since Senator Barack Obama pronounced that America “is no longer a Christian nation—at least, not just.” The words sounded harsher than he intended: he meant to make the point in a more positive way, stressing that the United States was as much a Jewish, Muslim, Buddhist, Hindu or non-believing polity as a Christian one. In Turkey in April the president seemed to turn the formula on its head, declaring that “We do not consider ourselves a Christian nation or a Jewish nation or a Muslim nation” but “a nation of citizens” bound by values.

And in a warmly received speech in Cairo on June 4th, which repeatedly cited the Koran, he called for a “new beginning between the United States and Muslims around the world” based on the “truth that America and Islam are not exclusive, and need not be in competition.”

The philosophy may not be perfectly coherent, but the mood music is clear—absolute opposition to sectarianism, to any emphasis on religious difference rather than commonality. And quite a lot of Muslims seem willing to hear it.

Take the reaction to a recent appointment that caused far more interest outside America than inside it. When Dalia Mogahed, an Egyptian-American social scientist, was invited in April to join a White

House advisory panel, the press in her native land gushed with excitement.

This was not just because Ms Mogahed, who analyses the Islamic world for Gallup, a polling organisation, is a devout Muslim. Her appointment (to a 25-strong panel on “faith-based and neighbourhood partnership”) was also hailed as an endorsement of her argument that Islamic and Western values are more compatible than civilisational warriors think.

The exuberant reaction to Ms Mo-

gahed's nomination suggests that, for those willing to look, there are easy ways to warm up relations between the United States and the Muslim world (including America's Muslims); the Obama presidency is busy finding them. Such was the suspicion between most Americans and most Muslims in the Bush era that it did not take much to improve the climate. One thing that helps is big presidential speeches (in Turkey in April and in Cairo this week); another is a sprinkling of domestic job offers, mostly to younger Muslim Americans.

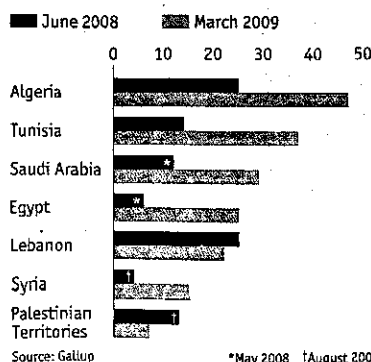
In Turkey Mr Obama's visit is remembered less for what he said, than for some neat choreography that managed to please devout Muslims without upsetting secularists. His body language went down well—“He's like us, eastern, warm.”

And as some recent Gallup findings show, the change of guard in the White House led to an immediate upturn in attitudes to America's leadership among most Arab Muslims (see chart 1), with the exception of Lebanese and Palestinians. Meanwhile the American public perceives the Muslim world as hostile to the United States, but it does not—to anything like the same extent—reciprocate that hostility. Although a steady 80% of Americans believe Muslim countries are unfavourably disposed to their homeland, only 39% of Americans (see chart 2) return the compliment by voicing “unfavourable” attitudes to the Muslim world.

This suggests that a section, at least, of America's electorate is open to the idea of better links with Islam. In Washington's establishment, meanwhile, venerable figures like Madeleine Albright (who as secretary of state gave military help to the Balkan Muslims) are rehearsing reasons ▶▶

## The Obama bounce

Do you approve or disapprove of the job performance of the leadership of the United States?  
% who approve



► why America and Islam can be friends.

For groups committed to that principle, the change in climate feels dramatic. Daisy Khan, co-founder of the American Society for Muslim Advancement, predicts that a wave of second-generation Muslim-Americans will now enter politics, unlike their cautious, apolitical parents. In Obama's America, she thinks, the overseas ties of Muslims can help with civic diplomacy.

Well, perhaps not all overseas ties. Parts of the American Muslim world are still in shock over long sentences handed out in May to five leaders of the Holy Land Foundation, a charity, on charges of helping Hamas. As a result of the trial, America's law enforcers have scaled down once-friendly ties with some Muslim-American bodies.

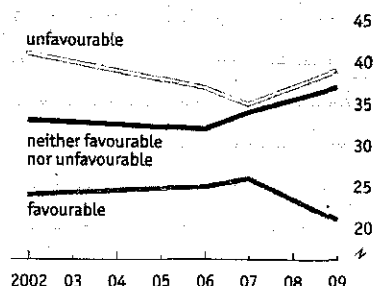
In its choice of Muslim personnel, the Obama administration has artfully sought out people with little involvement in the messy world of institutional Muslim politics. But making easy gains, and dodging controversies, including religious ones, has its limits. Hard choices may lie ahead in the area of religious liberty.

Philosophically, America's Commission on International Religious Freedom (a bipartisan body that advises Congress and the White House) is in step with the Obama mood. Its latest global report stresses that in many places, Muslims are victims of discrimination, not its perpetrators. Suffering Muslims (be they Uighurs in China or Shias in repressive Sunni states like Saudi Arabia) need America's support—as part of a foreign policy that favours just, tolerant societies. So the commission believes, and so the Obama people, in theory, say too.

But how far will the president go in scolding states identified by the commission? Its report adds five new countries (including Iraq, Nigeria and Pakistan) to the eight already classed as “countries of particular concern” over religious liberty. Among 11 countries placed on the commission's “watch list” are Afghanistan, Indonesia, Tajikistan, Turkey—and Egypt. Hillary Clinton, the secretary of state, will meet the commissioners soon, and they will have some hard questions for her. ■

## A steady state of suspicion

Americans' views of Muslim countries, % replying:



Source: Gallup

Banning bomb materials and bomb tests

## Making a start

But there are plenty of pitfalls ahead

IS NUCLEAR disarmament, however slowly, turning into something more than a slogan? When Barack Obama committed America, in a speech in Prague in April, to “seek the peace and security of a world without nuclear weapons”, he singled out two treaties as being essential first steps in realising his vision.

One, agreed on years ago though still not in force, bans all nuclear testing. The other would end the production of fissile materials for bombs. Last week the 65-nation Conference on Disarmament (CD) broke a decade-long stalemate, agreeing that negotiations on this treaty can now start. But how far will they get?

The agreement to negotiate a fissile-material cut-off treaty (FMCT, to disarmament buffs) involved a patchwork of compromises. Until recently China, backed by Russia, had blocked the path, insisting that there must also be parallel talks on a treaty to curb an arms race in space (read: American missile defences). Instead there will be less formal “discussions”. Two other working groups will explore more binding “negative security assurances” (promises by those that do have bombs not to use them against those that do not) and broader disarmament issues.

Yet an FMCT will still be hard to achieve. Even small diversions from civilian stocks can be militarily useful. According to recent studies published by the Washington-based Nonproliferation Policy Education Centre, such cheating is hard even for the International Atomic Energy Agency, the UN's nuclear guardian that backs up the Nuclear Non-Proliferation Treaty (NPT), to detect in a timely fashion.

And that points to the deal's most controversial compromise. The Bush administration had opposed negotiating a “verifiable” FMCT, as the original mandate required, on the ground that if they could be made effective at all, international inspections would be too costly and intrusive for governments to tolerate. Instead America supported a less ambitious treaty that relied on “national means and measures” (spy satellites and the like), which few others have. The treaty to be negotiated is now supposedly back to being “verifiable”, but it remains to be seen whether the CD can agree on how to do that.

The politics are as treacherous as the technicalities. North Korea eventually signed up last week, but it had just staged a bomb test that brought swift condemna-



Do you sincerely want to be enriched?

tion from the UN Security Council and had announced that it is stepping up plutonium production. It may enrich uranium too. Hardly encouraging.

Some governments had found the old, inflexible America useful to hide behind and will miss it. India could profess its commitment to an FMCT, thus burnishing its non-proliferation “credentials” despite the fact that it had built and tested bombs outside the NPT, in the certain knowledge that it could go on churning out weapons materials regardless. The treaty is still far from being agreed on, but India's ambassador to the CD insisted her country would accept no obligations that hinder its “strategic programme”.

Pakistan, seeing itself at a disadvantage to its bigger rival, has long argued that past stocks should be monitored too. India says no. With China's help, Pakistan had already been expanding fissile-material production. It was alarmed by a controversial nuclear deal between America and India last year that created a loophole in anti-nuclear rules. This allows India, uniquely among those like Pakistan and Israel that have stayed outside the NPT, to get civilian nuclear help and fuel from abroad. Inevitably India will now be able to direct more of its scarcer domestic uranium to its military needs. That development and talk of an FMCT, however remote, will in all probability encourage Pakistan to make the stuff even faster still.

At home, Mr Obama will have a fight to persuade the necessary two-thirds of the Senate to ratify the other treaty deemed essential for progress in disarmament: the Comprehensive Test-Ban Treaty (CTBT). It was rejected in 1999, on a partisan vote. Mr Obama's Democrats have more seats this time, but still not enough. Debate will once again revolve around whether a test ban can be properly verified, and whether ►►



## Also in this section

74 Early detection of arthritis

74 Fraud in science

76 Replacing chrome

**Tech.view**, our online column on personal technology, appears on Economist.com on Fridays. The columns can be viewed at [Economist.com/techview](http://Economist.com/techview)

## Warfare, culture and human evolution

# Blood and treasure

**People are altruistic because they are militaristic, and cultured because they are common. At least that is the message of a couple of new studies**

**T**WO of the oddest things about people are morality and culture. Neither is unique to humans, but *Homo sapiens* has both in an abundance missing from other species. Indeed, that abundance—of concern for the well-being of others, (even unrelated others), and of finely crafted material objects both useful and ornamental—is seen by many as the mark of man, as what distinguishes humanity from mere beasts.

How these human traits evolved is controversial. But two papers in this week's *Science* may throw light on the process. In one, Samuel Bowles of the Santa Fe Institute in New Mexico fleshes out his paradoxical theory that much of human virtue was forged in the crucible of war. Comrades in arms, he believes, become comrades in other things, too.

In the other paper, Mark Thomas and his colleagues at University College, London, suggest that cultural sophistication depends on more than just the evolution of intelligence. It also requires a dense population. If correct, this would explain some puzzling features of the archaeological record that have hitherto been put down to the arbitrary nature of what has survived to the present and what has not.

Dr Bowles's argument starts in an obscure cranny of evolutionary theory called group selection. This suggests that groups of collaborative individuals will often do better than groups of selfish ones, and thus prosper at their expense. It is therefore no surprise, according to group-selectionists,

that individuals might be genetically predisposed to act in self-sacrificial ways.

This good-of-the-group argument was widely believed until the 1960s, when it was subject to rigorous scrutiny and found wanting. The new theory does not pitch groups against groups, or even individuals against individuals, but genes against genes. It does not disallow altruistic behaviour, but requires that this evolve in a way that promotes the interest of a particular gene—for example by helping close relatives who might also harbour the gene in question. The "selfish gene" analysis, so called after a book by Richard Dawkins, makes good-of-the-group outcomes almost impossible to achieve.

## War and peace

A few researchers, of whom Dr Bowles is one, have been unwilling to give up on group selection completely. They note the word "almost" in the argument above and contend that humans, with their high intelligence and possession of language, and their tendency to live in small, tightly knit groups, might be exceptional. They also think people could be subject to a form of group selection that is genetically selfish.

Dr Bowles has focused the argument on war, since it is both highly collaborative and often genetically terminal for the losers. In his latest paper he puts some numbers on the idea. He looks at the data, plugs them into a mathematical model of his devising and finds a pleasing outcome.

To gather his data, Dr Bowles trawled through ethnographic and archaeological evidence about warfare between groups of hunter-gatherers. This is rarely war in the modern sense of planned campaigns. It is more a matter of raids, ambushes and fights between groups who have met accidentally. It is, nevertheless, quite lethal. Dr Bowles identified eight ethnographic and 15 archaeological studies that met his criteria of reliability and abundance of data. They suggest that 12-16% of mortality is the result of such low-level warfare. This is a figure much higher than, for example, the mortality caused in Europe by two world wars, and is certainly enough to drive evolution. But the question remained of whether it could drive group selection.

It was to test that idea that Dr Bowles devised his model. Although it pitches group against group, it is strictly based on the idea of selfish genes. It looks at the benefit to a notional gene that promotes self-sacrifice. The question is, does such a gene do well if individuals having it belong to a group that takes over the territory and resources of a similar, neighbouring group, but at the risk of some of those individuals losing their life in the process? What is the maximum self-sacrificial cost that can evolve in these circumstances?

In the absence of war, a gene imposing a self-sacrificial cost of as little as 3% in foregone reproduction would drop from 90% to 10% of the population in 150 generations. Dr Bowles's model, however, predicts that much higher levels of self-sacrifice—up to 13% in one case—could be sustained if warfare were brought into the equation. This, he contends, allows the evolution of collaborative, altruistic traits that would not otherwise be possible. Moreover, although warfare is an extreme example, other, less martial forms of self sacrifice may have similar group-strengthening virtues.

Dr Thomas and his colleagues also rely ►

► on a mathematical model. They are trying to explain the pattern of apparent false-starts to modern human culture. The species is now believed to have emerged 150,000-200,000 years ago in Africa and to have begun spreading to the rest of the world about 60,000 years ago. But signs of modern culture, such as shell beads for necklaces, the use of pigments and delicate, sophisticated tools like bone harpoons, do not appear until 90,000 years ago. They then disappear, before popping up again (and also sometimes disappearing), until they really get going around 35,000 years ago in Europe.

#### Early detection of arthritis

## Painful predictions

#### A new X-ray technique could spot trouble coming

**M**ANY medical conditions associated with growing older, such as cataracts and blocked arteries, can nowadays be readily treated. But aching bones still leave researchers perplexed. Osteoarthritis of the knees presents a particularly serious problem. Once the condition takes hold there is little that can be done about it. Sufferers often dramatically reduce their physical activities, which in turn can lead to the development of other health problems. A cure does not yet look likely, but a new technique could at least make predicting the onset of the disorder much easier.

Early prediction brings benefits because if people know they are vulnerable to osteoarthritis in their knees, there are things that they can do to mitigate it. Reducing weight, so less stress is placed on the knees, exercising and certain diets can all help. Usually, it is only when their knees become painful that people go to

The team drew on an earlier insight that it requires a certain number of people to maintain skills and knowledge in a population. Below this level, random effects can be important. The probability of useful inventions being made is low and if only a few have the skills to fabricate the new inventions, they may die without having passed on their knowledge.

In their model, Dr Thomas and his colleagues divided a simulated world into regions with different densities of human groups. Individuals in these groups had certain "skills", each with an associated degree of complexity. Such skills could be

passed on, more or less faithfully, thus yielding an average level of skills that could vary over time. The groups could also exchange skills.

The model suggested that once more than about 50 groups were in contact with one another, the complexity of skills that could be maintained did not increase as the number of groups increased. Rather, it was population density that turned out to be the key to cultural sophistication. The more people there were, the more exchange there was between groups and the richer the culture of each group became.

Dr Thomas therefore suggests that the reason there is so little sign of culture until 90,000 years ago is that there were not enough people to support it. It is at this point that a couple of places in Africa—one in the southernmost tip of the continent and one in eastern Congo—yield signs of jewellery, art and modern weapons. But then they go away again. That, Dr Thomas suggests, corresponds with a period when human numbers shrank. Climate data provides evidence this shrinkage did happen.

According to Dr Thomas, therefore, culture was not invented once, when people had become clever enough, and then gradually built up into the edifice it is today. Rather, it came and went as the population waxed and waned. Since the invention of agriculture, of course, the population has done nothing but wax. The consequences are all around you. ■

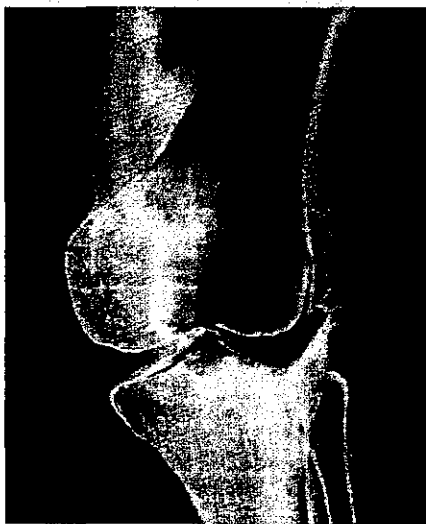
#### Fraud in science

## Liar! Liar!

#### Scientists are not quite as honest as might be hoped

**T**HAT people, from politicians to priests, cheat and lie is taken for granted by many. But scientists, surely, are above that sort of thing? In the past decade the cases of Hwang Woo-Suk, who falsely reported making human embryonic stem cells by cloning, and Jan Schön, a physicist who claimed astonishing (and fabricated) results in the fields of semiconductors and superconductors, have shown that they certainly are not. However, on these occasions the claims made were so spectacular that they were bound to attract close scrutiny, and thus be exposed eventually. In the cases of Dr Hwang and ex-Dr Schön, the real question for science was not whether it harbours a few megalomaniac fantasists, but why the frauds were not exposed earlier when the papers that made the claims were being reviewed by peers.

Lower-level fraud, however, is much harder to detect: the data point invented or ►►



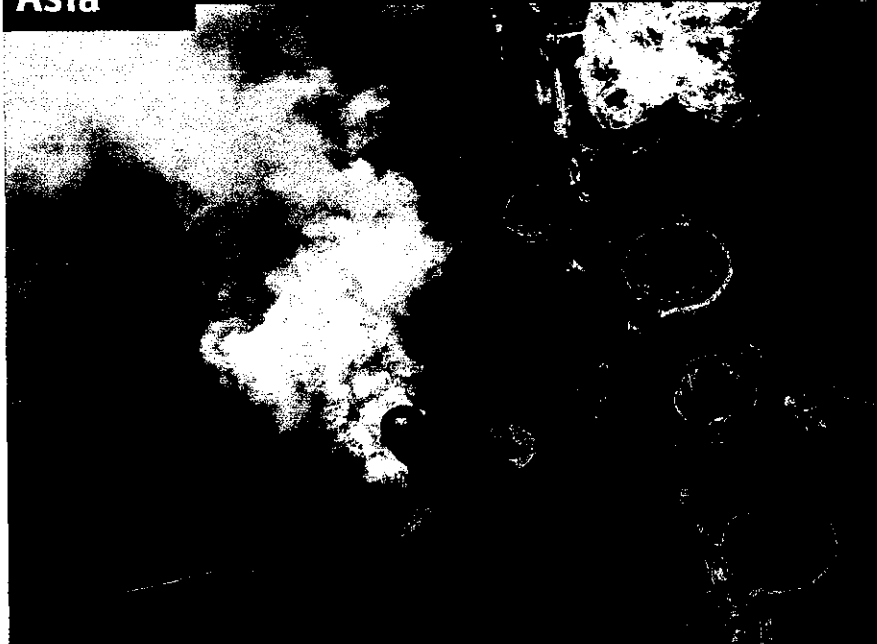
A knee that will hurt

see a doctor and osteoarthritis is diagnosed. Even in its early stages, radiologists can find it difficult to notice the condition on x-rays.

Lior Shamir and his colleagues at the National Institutes of Health in Baltimore, Maryland, decided to tackle this problem by seeing if a computer program could be designed to analyse x-rays of knees and give early warnings of osteoarthritis. Dr Shamir's team digitised 200 x-rays taken during the mid-1980s as part of a project to document the ageing of the human body. At the time, the knees of all the people involved had been diagnosed by expert radiologists as normal but, as those people aged, many developed osteoarthritis.

The researchers analysed the pixels of the scanned knee images to see if they could detect any chemical or structural alterations in the cartilage and bone of the type that are often associated with degeneration of the joints. The data were then used to build a computer algorithm which attempted to predict who would go on to develop osteoarthritis and who would not. The result, reported in *Osteoarthritis and Cartilage*, was that the algorithm could say with an accuracy of 72% which knees were destined to become arthritic—nearly 20 years before symptoms were reported.

Dr Shamir admits there is still a high margin of error, although with tweaking the algorithm may be improved. In any event, it could still provide a useful guide, not least by showing that the chemical and mechanical processes of osteoarthritis start long before patients feel pain and doctors diagnose the condition. As baby-boomers age, many will welcome the opportunity to take some preventive action against one of the painful consequences of increased longevity.



America and China talk climate change

## Heating up or cooling down?

BEIJING

The big two emitters try to stop finger-pointing and save the planet

**T**HOUSANDS of officials from all over the world this week neared the end of two weeks of difficult talks in Bonn under the United Nations' climate convention. But they were conscious that even more difficult and probably more important negotiations were under way in Beijing. America's most senior climate-change officials were meeting their Chinese counterparts. The two countries are by far the world's biggest emitters of greenhouse gases. They will determine whether a worthwhile global treaty to limit emissions can be concluded as planned in Copenhagen in December.

The treaty is to replace the Kyoto protocol, which expires in 2012. Some 180 countries will take part in the negotiations, but many feel that, on this issue more than any other, China and America make up a "G2" that determines the global post-Kyoto agenda. Shortly before travelling to Beijing, America's climate-change envoy, Todd Stern, said that, though China may not be the "alpha and omega" of the international process, it was close. His delegation included President Barack Obama's science adviser, John Holdren, and David Sandalow, the assistant energy secretary.

Details of the talks were scanty. Mr Stern was able to call them "a step in the right direction on the road to Copenhagen". But progress is painstaking. Zha Dao-jiong, an energy-security expert at Peking

University, says that, although he himself disagrees, many Chinese still feel the world's original big polluters should be the first to pay for cleaning things up. Others suspect American critics see the issue as yet another stick in a relentless campaign to bash China. As one American official acknowledges, climate change is emerging as the biggest issue in bilateral relations, supplanting trade and human rights.

For their part, American critics of China make much of the rapid growth in its energy consumption. Indeed, in 2007 China overtook America as the world's leading carbon emitter, with an estimated 1.8 billion tonnes of fossil-fuel emissions. As it decides how America should curb its own emissions, Congress remains keenly aware that potentially painful and costly steps will mean little if China stays on anything approaching its current trajectory.

China asserts its simple right to develop rapidly and make progress towards attaining Western living standards. It also points out that its consumption and emission levels per head remain a mere fraction of America's. Moreover, a large chunk of its emissions come from producing goods consumed by rich developed nations, which have exported much of their manufacturing industry to China.

Lastly, China points to its impressive improvements in energy efficiency and coal-plant cleanliness in recent years, and

its increasingly ambitious commitments to invest in renewable energy sources. According to Deborah Seligsohn, based in Beijing for the World Resources Institute, an American think-tank, China has received too little credit for the steps it has already taken and its commitment to do more. Others argue that China's leaders have decided both that the Obama administration is serious about climate change, and that China, especially in its drought-prone north, will be a big loser from global warming. On this analysis, they may adopt even more ambitious energy-efficiency targets, if not emissions limits.

Mr Zha urges America to refrain from browbeating China into accepting distant targets for future reductions. That, he said, would be a narrow and empty victory, since it is too late for vague visionary principles. What is needed instead, he argues, is a workable timetable under which America agrees to rethink restrictions on sophisticated exports to China, and Beijing reduces tariffs to encourage the import of cutting-edge green technology.

In this context, another development in Sino-American relations strikes a discordant note. Sichuan Tengzhong, a private Chinese company, is to buy the division of General Motors, a beleaguered American carmaker, that makes the Hummer, a gas-guzzling hulk. There could be few clearer illustrations of the shifting contours of the quarrel between rich and poor countries over who is more to blame for climate change and who should do more to arrest it. Looking more like a tank than a car, the Hummer for years seemed to embody the worst excesses of American consumerism. Now, unless Chinese regulators reject the deal, as they may, it will become another symbol of China's commercial clout and polluting potential. ■

### Also in this section

30 Bangladesh's popular government

30 The sex industry in Cambodia

33 Islamists in Uzbekistan...

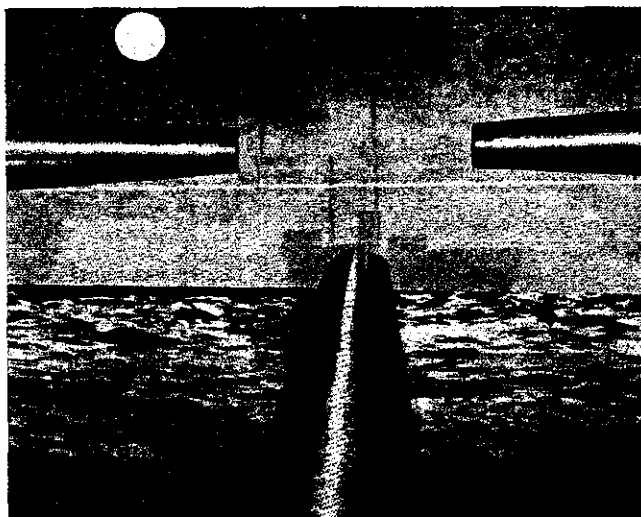
33 ...and their regional clout

34 Banyan: Asia's maritime rivalries



## Banyan | Chasing ghosts

The notion that geography is power is making an unwelcome comeback in Asia



**A** CENTURY ago the ideas of an American naval officer, Alfred Thayer Mahan—pal of Teddy Roosevelt, inventor of the term “the Middle East”, advocate of American expansionism in Asia and father of the modern American navy—were much in vogue among military strategists and great-power leaders. Now they are back in fashion again, this time among Asia’s rising powers.

Mahan was a founding father of geopolitics, in particular the notion that geography—poring over maps—should inform foreign policy more than any other consideration. It was the wine-dark sea that interested him most. His book, “The Influence of Sea Power Upon History”, was self-fulfilling, helping sea power shape history, though not for the better. Mahan concluded that command of seaborne commerce was the key to winning wars, and that what was needed was an “overbearing power on the sea which drives the enemy’s flag from it”. Wilhelm, the German Kaiser, loved the book, once saying he was trying to learn it by heart. The naval arms race between Germany and Britain that followed was both catastrophic and avoidable.

The understanding of sea power has since evolved, yet Mahan is now hugely admired in Asia’s two most populous powers. Banyan was recently in Singapore for the Shangri-La Dialogue, run by the International Institute for Strategic Studies, a London think-tank. It seems Britain’s former naval dominance of Asia has been forgiven or forgotten (or perhaps is recalled with admiration), for this forum is where defence types now get together with old friends and future foes. And whenever Banyan prodded a military man from India or China, out leapt a Mahanite.

For China’s strategic planners, securing sea lanes against hostile powers has become perhaps the chief preoccupation. For India’s, it is the growth of China’s presence in its backyard, in and around the Indian Ocean. In both countries Mahan is pressed into service in one planning paper after the next. James Holmes and Toshi Yoshihara of the United States Naval War College have followed the uses and abuses of Mahan. He is often selectively quoted, suppressing his equal emphasis on peaceful commerce. There is also this dictum: “Whoever controls the Indian Ocean dominates Asia. This ocean is the key to the seven seas in the 21st century. The destiny of the world will be decided in these waters.” Both Chinese and Indian papers quote it. But it is a fabrica-

tion; Mahan never wrote it.

That Asia should be looking to the sea makes sense. Threats to the two biggest countries historically came from their Central Asian hinterlands. But in terms of the spread of commerce, culture, religion and empire, Asia’s is a largely maritime history, carried on the monsoon winds. Asia’s modern “miracle”—economies plugged into globalised networks of supply and demand—is essentially a littoral story too, even when it falters, as now. A remarkable sight in Singapore is possibly the largest fleet ever gathered: hundreds of supertankers and bulk carriers from around the world, lying idly at anchor.

Despite the global slump, Asian growth continues. More than four-fifths of crude oil bound for China crosses the Indian Ocean before passing through the narrow Malacca Strait. Vast ship-borne imports of iron ore, coal and bauxite make up other raw ingredients for Chinese growth. India imports four-fifths of its oil, mostly from the Persian Gulf, plus liquefied natural gas from Qatar and Indonesia. Writing in *Foreign Affairs*, Robert Kaplan, an American journalist, whose poring over maps also suggests Mahanite tendencies, describes the whole Indian Ocean seaboard as “a vast web of energy trade”. Global energy needs are expected roughly to double by 2030, with India and China accounting for nearly half of the new growth in demand. Maritime security concerns are inevitable and legitimate.

The danger comes when concerns are amplified or imagined, and hitched to Mahanite prescriptions. The chief threats to peace in Asian waters come from non-state or pariah-state actors: Somali pirates, North Korean nuclear smugglers, water-borne jihadists, drug- and people-traffickers. For Chinese strategists, however, the threats are still America and India. In Singapore Robert Gates, America’s defence secretary, met his Japanese and South Korean counterparts, to reassure them in the face of North Korea’s nuclear bluster. Yet a Chinese general disapproved of the meeting and bluntly told Banyan that America’s alliances in North-East Asia were intended to threaten China.

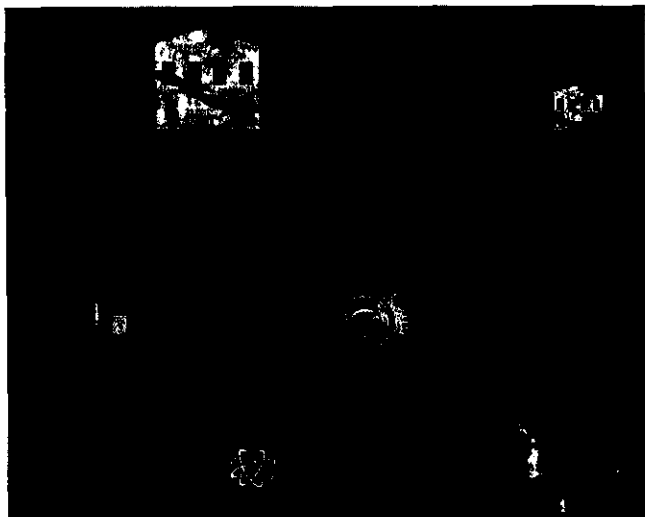
### Too much latitude

Other strategists gaze at maps and conjure up evil shapes. For Japanese imperialists (also Mahan fans), the Korean peninsula was a dagger at Japan’s heart; for Chinese strategists it is a threatening “bridgehead”. As for the Indian subcontinent, it is, in this Chinese analysis, “akin to a massive triangle reaching into the heart of the Indian Ocean” or, like Japan and Taiwan, “a giant and never-sinking aircraft-carrier”. India, in turn, espouses its own “Monroe doctrine”, demanding that outsiders keep out of its backyard. So it decries China’s “string of pearls” (roads, pipelines and ports being built in friendly countries around the Indian Ocean) as a provocation. Rivalry is helping drive a build-up of naval arms: three new aircraft-carriers for India; new destroyers, submarines and hints of an aircraft-carrier programme for China.

Mercifully, it is not all preordained to end in a rerun of 1914. The task of economic development concentrates Chinese and Indian minds at home. Smaller Asian navies are expanding as a counterbalance to the big powers, and they have an interest in keeping hands off the choke-point of the Malacca Strait. And America remains the defining force in Asia, able for now to enforce the peace. But, even if history never repeats itself, the persistence of Mahan’s doctrines suggests the past likes to have a try. ■

## Banyan | Kim family saga: third and final act

North Korea's dictator is on the way out; take aim at his successor



**B**RUTAL, pot-bellied and unpredictable: the same adjectives are always together on the larder shelf when editorial writers describe Kim Jong Il. But how helpful are they any more? There's no quibbling over Mr Kim's brutality. He runs his country like a gulag, and a Kim-made famine killed a twentieth of the population in the 1990s. As for pot-bellied, the description no longer holds, since, after a presumed stroke last summer, the Dear Leader looks frail, and as gaunt as his underfed subjects.

And unpredictable? The word has always been unhelpful, for it misses how foreseeably Mr Kim's Communist dynasty has blackmailed the outside world, defying the odds and the end of the cold war to cling to power. The notion of unpredictability is based on the tantrums North Korea throws. The latest began earlier this year with bellicose rhetoric, missiles and, last month, a presumed nuclear explosion (though spooks are puzzled at the lack of radiation, and wonder if this was simply a mountain-full of TNT). Yet ever since the North's push for a nuclear capability caused increasing concern in the early 1990s these hissy fits have been routine. Each time North Korea has cranked up the tension only to try to exploit it, usually by returning to multilateral negotiations on better terms—more aid goodies and respect.

With the latest nuclear test, Mr Kim has raised the stakes higher than usual. To many that belongs to the familiar wearisome pattern of abuse. President Barack Obama, who has yet to articulate a North Korean policy, has begun to talk of the country as if it were an ill-behaved toddler that should not be rewarded for bad behaviour. Robert Gates, his defence secretary, says that America is "tired of buying the same horse twice". President Lee Myung-bak of South Korea has reversed his predecessors' "sunshine policy" of unconditional aid. Fool me once, shame on you. Fool me again (and again), shame on me.

Yet now a growing band of North Korea-watchers, even in China, divines a new unpredictability which, they say, is more disturbing than the tired old blackmail. This band says North Korea no longer intends to return to the table. After the United Nations Security Council imposed fresh sanctions on June 12th, as punishment for the nuclear test, the North said it would not just make more plutonium bombs, but enrich uranium too. Unlike earlier bellicosity, today's rhetoric lacks calibration. When North

Korea now says it does not mean to give up its bid to be a nuclear-weapons power, blimey, perhaps it means it. This week Mr Lee was in Washington to seek Mr Obama's reassurance that South Korea sits under American protection, and to make it clear that neither country would accept North Korea as a nuclear state.

It was always wishful thinking to suppose that Mr Kim was developing his nukes in order to trade them away. His dynasty has spent half a century trying to acquire them, and the deal on offer from the outside world is unalluring. In essence it offers North Korea development aid and recognition in return for nuclear disarmament. Neither side of this bargain is in Mr Kim's interests. He would lose two powerful, related tools of totalitarian control: the claim to be holding the line against an outside world bent on war and destruction; and the enforced isolation of his benighted people. A nuclear deal would make a nonsense of the first claim, while development would bring much more knowledge about the outside world.

Now his own poor health and the looming succession make even the pretence of a negotiated process too risky. The alternative to the status quo is not gradualist modernisation, as in China. Rather, it is collapse and unification on South Korea's terms. Already, the broad population is profoundly embittered with the corrupt tinpot despotism. If Mr Kim and his cronies are not tried for crimes against humanity, it may be because they have already been strung up from lampposts. In trying to ensure his dynasty's survival, the hard line is the 68-year-old Mr Kim's only option. He is digging his regime in for the long term. Quite literally: the country is a vast network of tunnels and underground complexes for the leaders. Starved of cash, North Korea is drawn to other pariahs for business—even selling tunnelling advice to Myanmar's junta, another bunch of totalitarian troglodytes.

### Un-likely to succeed

After him is another matter. This Mr Kim has anointed as successor his 26-year-old third son, Kim Jong Un. The older Kim relied for his legitimacy on the strength of his father, Kim Il Sung. From his father he assumed the mantle of a neo-Confucian sun king, not unlike Emperor Hirohito before the war. The irony is rich since Kim and his fellow band of guerrillas swore oaths of fealty to each other when fighting the Japanese (and Japan remains a bogey). They became North Korea's ruling elite. The oaths passed with Mr Kim to the second generation, which holds all important posts of power. But now his pot belly is gone, his left arm looks nearly paralysed, and intimations of his mortality abound.

Can the third generation hang together? More likely, they will hang separately. These days other temptations distract the elite, which travels widely. Take Mr Kim's eldest son, accosted this month by Japanese television crews in Macau. Yes, he had also read the reports about his younger brother. Yes, the decision was his father's, with unerring judgment. No, he hadn't spoken to his father for a while. And (the subtext): could he please go gambling now? This generation of Kims does not look promising, and that is great news. At his Swiss boarding school, where he passed as the son of a chauffeur, Kim Jong Un was known for bossing players around on the basketball court. It is a start, but hardly adequate training for an absolute dictator. And that is just why the outside world should not give up on North Korea but stick with its inducements. They will yet prove the regime's undoing. ■



# The Iran Push Backfires

## How Netanyahu failed in Washington.

BY ALON PINKAS



EVEN BY THE FRENZIED standards of Israeli politics, the recent meeting between Benjamin Netanyahu and Barack Obama was unusual. Days after the confrontation

between a popular, resoundingly victorious agent of change (Obama) and a neo-conservative in his second stint as prime minister (Netanyahu), the Israeli media and chattering classes were still arguing over who had come out ahead.

Given the buildup and the fact that this was a first meeting, all Netanyahu needed to achieve was a degree of personal trust, leaving whatever differences there were for later meetings. "I can definitely work with this guy" is what Netanyahu wanted Obama to tell his staff after the meeting. Based on reports from Washington, it is unclear whether this objective was accomplished. The reason is that by pushing too hard on Iran, Netanyahu may have set himself up for failure.

In an asymmetrical relationship such as the one that exists between the U.S. and Israel, the lesser power needs to play ball and make the adjustments on issues that are not of vital national-security importance. Instead, at Netanyahu's insistence, the meeting was all about "the linkage," which now may prove to be highly contentious down the road. The linkage, of course, is the one between efforts to disrupt Iran's nuclear efforts and to promote the Israeli-Palestinian political process.

Currently, Israel wants the two issues delinked and claims that they each merit a distinct policy formulation. But in the

weeks preceding Netanyahu's visit to the White House, Israel presented a linkage of its own. Hamas-controlled Gaza is an Iranian forward outpost, both militarily and ideologically. Now there is an ominous possibility that Hamas will take over the West Bank too, helping to create another Iranian launchpad for further destabilization. Iran has a vested interest in preventing an Israeli-Palestinian peace process. Therefore, until Iran is curtailed and its nuclear program halted, no real progress can be made on the Israeli-Palestinian track.

President Obama reversed the linkage. He and Secretary of State Hillary Clinton made it unequivocally clear that an effective Iran policy is contingent on tangible signs of progress in the peace process, specifically a freeze on settlement building. If Israel wants a coherent, collaborative policy designed to prevent Iran from attaining a military nuclear capability, the Americans suggested, a regional coalition must be forged and be supported by Russia and the European Union. Such a coalition, composed of Egypt, Saudi Arabia, Jordan and the Gulf states, needs to see a real commitment from Obama

**Obama reversed the link to Iran, urging Israel to make progress on the peace process first.**

on the peace process. From Obama's perspective, this is what multilateralism is all about, and such alliances and balances are what political realism is all about. He does not see himself on some romantic or providential mission to achieve peace in the Middle East, but rather as a redefiner, promoter and enforcer of U.S. interests in the region.

Once Obama made the reverse linkage, Israel resorted to a delinking effort. In other words, if the idea was to convince Obama about the linkage, it backfired.

This leads to Iran policy. Netanyahu is sincere and profoundly serious in claiming that the West perilously underestimates the Iranian threat. Netanyahu draws an imperfect but nonetheless valid analogy between how Western powers dismissed Hitler's Germany in 1938-39 and how they belittle the consequences of a nuclear Iran today. This is the "gathering storm," as he quotes Winston Churchill. The rise of Islamic extremism, coupled with Shiite hegemonic aspirations and equipped with deliverable nuclear weapons, is a disastrous development.

Herein may lie the problem. Israel has been exuding hysteria (even if justified) about Iran both domestically and internationally. By making Iran the defining issue of our time and of his term as prime minister, Netanyahu also exposes a vulnerability. The shaping of a U.S.-led Iran policy could be used as a lever to extract from Israel policy concessions that Netanyahu is uncomfortable with. For example, the two-state solution. Netanyahu's reluctance to endorse it at this point is rooted in the eminent failure of 15 years' worth of futile negotiations that produced disillusionment and aggravated distrust on both sides. But President Obama and his predecessors, George W. Bush and Bill Clinton, believe in it. So do a majority of Israelis, provided the required provisions are implemented.

Obama and Netanyahu share some critical qualities. They defy their predecessors' policies and profess to think outside the box and to seek unorthodox solutions to colossal challenges. If that really is the case, then Netanyahu should have bonded with Obama on Iran and a broad regional peace plan while calibrating his Palestinian peace-process policies with those of the new administration. A freeze on settlement building and a commitment to the idea of a stable, demilitarized and politically transparent Palestinian state in exchange for closer cooperation on Iran would be a small price to pay for sharing a "think big" policy with the U.S. Obama and Netanyahu are still more likely to become partners than adversaries, but that will require a better second meeting.

PINKAS is the director of the U.S.-Israel Center at the Rabin Center in Tel Aviv.

PHOTOGRAPH BY KHUE BUI

# How Kim Affords His Nukes

## The myth of a failing economy.

BY TAKASHI YOKOTA



NORTH KOREA, WITH its malnourished populace, frequent famines and obsolete conventional weapons, is as famous for its poverty as it is for its provocations. That has many observers

now wondering how a country that can barely afford to keep the lights on can foot the bill for a missile and nuclear-weapons program.

Part of the explanation lies in the Stalinist nation's "military-first" policy, under which the Army gets to pocket a huge chunk of the national income—up to 40 percent, according to Marcus Noland, a North Korea expert at the Peterson Institute for International Economics.

The other answer is that, contrary to conventional wisdom, North Korea isn't broke—and its economy has been moving away from collapse in recent years. The Hermit Kingdom may not be getting rich—the CIA estimates its GDP at roughly \$40 billion, ranking 96th in the world. But it's not failing either, and for the past decade, its economy has grown at an average rate of about 1.5 percent a year, according to South Korean statistics. While Seoul estimates that the North's GDP shrank by 2.3 percent last year, some analysts say it actually expanded, arguing that South Korea's recent figures on the North are deflated for political purposes.

To understand how the Dear Leader has managed this, you must first drop a few of the myths surrounding his country. First, the North Koreans haven't been living in caves for the past two decades, nor is their economy de-industrializing, as is

sometimes reported. Instead, with help from Beijing, Pyongyang has revamped its outdated infrastructure in recent years and repaired the mining facilities that were battered by massive floods during the mid-'90s. It now aims to shift from recovery to growth, with a focus on steel production, mining and light-industrial manufacturing.

Second, the North doesn't have to rely on the black market to support itself. True, Pyongyang has sold missiles to Iran, Syria and Pakistan, and annual revenue from such exports is roughly \$100 million, but analysts say that other illicit activities like drug trafficking and counterfeiting add very little to that sum. According to a former U.S. diplomat in East Asia who asked not to be named discussing sensitive intelligence, during the Bush years Washington investigated the oft-heard counterfeiting accusations, and found that the notes in question had actually been produced privately by former Chinese military officials, in China. "The Treasury Department couldn't find a single shred of hard evidence pointing to North Korean production of counterfeit money," the American says.

The biggest myth is that North Korea remains isolated. Despite supposedly comprehensive sanctions, Pyongyang today has diplomatic and commercial relations with more than 150 countries, including most European Union members. North Korea trades its abundant gold reserves—estimated at 1,000 to 2,000 tons—in cities like London, Zurich and Hong Kong, and buys and sells shares on the New York Stock Exchange via a legitimate London-based brokerage firm it essentially owns. While there are no figures on the volume of such transac-

tions, the former U.S. diplomat says that such activities are "a substantial source of hard currency for North Korea." In recent years, European firms have also begun eyeing investment opportunities there; In 2004, the London-based energy firm Aminex signed a 20-year deal with Pyongyang for exclusive rights to explore on- and offshore oil-and-gas deposits. Other companies are looking for ways to exploit the North's cheap labor supply, and while most of these deals have yet to take off for technical and political reasons, ties to the outside world are expanding. In 2008, the country's overall trade rose 30 percent from the previous year, reaching a record \$3.8 billion, including imports of \$2.7 billion, according to Seoul's Korea Trade-Investment Promotion Agency.

North Korea has proved adept at avoiding restrictions: when Tokyo slapped it with sanctions five years ago, Pyongyang simply reshuffled its deals, turning to the BRIC economies as well as South Korea and Singapore. Meanwhile, China now accounts for nearly three quarters of North Korea's total trade, sending it crude oil, petroleum and manufactured goods in exchange for coal, steel and rare metals like tungsten and magnesite. The North's natural resources have become a major growth engine: the Musan mine in the country's northwest is now said to be one of the largest iron-ore fields in Asia, and could eventually yield 10 million tons of ore a year.

Finally, there's the southern connection. Despite deteriorating relations between Seoul and Pyongyang, factories at the joint Kaesong Industrial Complex are still operating at full gear, earning the North about \$35 million annually—enough for eight or nine No-dong missiles. And that figure was projected (before the current crisis hit) to jump to \$100 million by next year, says Lim Eul Chul of Seoul's Kyungnam University.

Of course, North Korea's economy could take a big hit this year if the U.N. Security Council imposes further sanctions and China imposes its own. The KIC is also in jeopardy, as South Koreans could pull out if tensions mount further. Still, the hard truth is that Kim Jong Il already has his stash of nukes and missiles—and perhaps the money to make more.

# The N Word

## Why Japan won't go nuclear.

BY TAKASHI YOKOTA



NORTH KOREA'S recent nuclear test has spawned many nightmare scenarios, including the possibility that pacifist Japan will go nuclear, triggering a new arms race.

Both U.S. Secretary of State Hillary Clinton and Defense Secretary Robert Gates have warned of just that possibility, and on May 31 former secretary of state Henry Kissinger said that unless Beijing reins in Pyongyang, it should expect to "live in an Asia in which South Korea and Japan have nuclear weapons."

It sounds plausible. After all, Japan is one of the only great powers that doesn't already boast its own nuclear deterrent. Though Tokyo has officially vowed never to possess, build or even allow nuclear weapons onto its territory—promises born from Hiroshima and the pacifist constitution imposed on Japan by its U.S. occupiers after the war—some big-name Tokyo politicians have questioned that stance in recent years. In April, Goji Sakamoto, a lawmaker from the ruling Liberal Democratic Party, said that Japan should at least "threaten" to go nuclear. Shinzo Abe, who was prime minister from 2006 to 2007, once reportedly told a room full of college students that possessing nukes wouldn't violate Japan's constitution as long as the arsenal was "small in scale." And after Pyongyang's first nuclear test in 2006, senior LDP member Shoichi Nakagawa and Prime Minister Taro Aso (then foreign minister) called for public debate on the question.

**Japan's top nuclear hawks are a spent force: Abe quit, Nakagawa resigned in disgrace and Aso is a lame duck.**

Yet this is all just rhetoric. For one thing, despite North Korea's threats and China's growing military and political power, the Japanese people remain dead set against building nuclear weapons. Polls conducted over the past three years show that less than 20 percent of the public currently says it favors possessing such a deterrent.

For another, Japan—a crowded island nation—lacks the space to test a bomb. Japan has large stockpiles of plutonium for its nuclear-energy industry. But plutonium-type bombs require physical testing to verify their efficacy. (Uranium bombs are considerably simpler and so may not need physical testing, but Japan doesn't have the weapons-grade uranium to make such a device.) While some experts argue that Japan could test a plutonium weapon by detonating it underground, others—including former defense chief Shigeru Ishiba—insist that there is simply nowhere to do so in such a densely populated nation. Simulations would not be sufficient; those only work after at least one actual test.

Japan, moreover, now occupies the nuke-free high ground and would risk losing its innocence if it went nuclear. According to an internal 1995 study by Japan's defense establishment, reversing the country's no-nukes policy would trigger the collapse of the Nuclear Non-Proliferation Treaty regime, as the withdrawal of the world's only nuclear victim could fatally undermine confidence in the system. Such a move would also severely damage relations with Washington—Tokyo's most important ally—and the alarm in Beijing and Seoul could set off a nuclear race across East Asia. Japan would get the blame.

The consequences for Japan's energy supplies and economy could be equally catastrophic. If Japan broke out of the NPT, the countries that now supply it with nuclear fuel, including Canada, Australia and the United States, would surely hold back their shipments, which are currently conditioned on the fuel's peaceful use. That would be a nightmare for Japan, which relies on nuclear energy for nearly a third of its electricity.

There's one other roadblock to consider: Japan's top nuclear hawks have seen their power weaken considerably in recent years. Abe lost most of his clout after abruptly resigning as prime minister two years ago. In February, Nakagawa resigned as finance minister in disgrace after appearing drunk at a news conference. And Aso is practically a lame duck these days, with little room for bold moves.

Of course, the political environment may change if North Korea continues to act belligerently or if China proves to be a real threat, as Japanese hawks fear. But even then, most Japanese experts believe that their country would stop short of building a bomb of its own. At most, it might temporarily allow the United States to base nukes on Japanese territory. Another option would be to develop the means to stage a conventional strike against North Korea's launchpads.

But even the strike plan won't become reality anytime soon, as senior lawmakers and experts say current proposals are "amateurish" and poorly thought out. And any revision of the non-nuke policy would be a much greater stretch, given the weakness of the hawkish wing of the ruling LDP. There are still many good reasons to try to rein in North Korea's nuclear program, and its attempts to build missiles that could deliver those weapons to the U.S. and Japan. But the risk that Japan will go nuclear is not one of them.

EPA-CORBIS

# Ignore the Skeptics

## EU democracy is doing just fine.

BY ANDREW MORAVCSIK



THE CRITICISM BEGAN almost immediately after polls closed in the recent elections to the European Parliament. Fewer had turned out than ever: a third of Brits and Dutch, under a quar-

ter of Poles and less than 20 percent of Slovaks. Surely, goes the conventional view, such blatant voter apathy betrays deep disillusionment with the European Union. Brussels, charged Euro-skeptics, is a distant technocracy out of touch with the common people. Euro-federalists agreed, but responded that the solution is to "democratize" the European Union—by which they meant creating an elected European Commission president, pan-European rather than national slates of parliamentarians and multilingual debating forums. The solution to dysfunctional democracy, in this view, would be even more democracy.

Yet all this is too pessimistic. Elections aren't perfect anywhere. The fact that 43.4 percent of Europeans—around 160 million people—turned out to vote for a body of politicians that allegedly "no one cares about" is actually quite remarkable. Surely, American commentators should not cast stones: turnout in midterm U.S. elections is generally lower. Even more important, prophets of a Euro-malaise miss the most important fact about EU democracy: European elections are not about Europe. In the EU, even more than elsewhere, all politics is local. Most voters said they ignored Europe and focused on national issues like unemployment, which was a top concern for 57 percent of Euro-voters, economic growth (32 percent) or pensions (31 percent).

**The fact that roughly 160 million people turned out to vote for a body of politicians that allegedly 'no one cares about' is quite remarkable.**

A sizable minority vented its frustration by throwing votes away in protest—casting its lot with extreme right-wing parties. In Britain the Tories, weakened by scandal over parliamentary expenses, and Labour, dragged down by Gordon Brown's unpopularity, did poorly. Others voted Green to poke established Socialist parties. Right-wing parties did particularly well, fueled by anti-immigrant and anti-Islamic sentiment, fears about the economy and disenchantment with high taxes. In Sweden the "Pirate Party," formed to advocate unrestricted access to all audiovisual and Internet piracy, won 7.1 percent of the vote.

But little of this was aimed at Europe. Except in perennially Euro-skeptic Britain, uniquely anti-European parties fared poorly. Declan Ganley, leader of the "Libertas" party—the man almost single-handedly responsible for mobilizing to defeat the EU's Lisbon Treaty in the Irish referendum last year—was soundly defeated and will now retire from politics. The Irish referendum was reversed; polls indicate the treaty is set to pass in a second Irish vote.

It is time to rethink the EU's obsession with democratic perfectionism. In 2002, Brussels insiders sought to reach out to citizens with an ill-fated "European constitution" filled with idealistic language, culminating in unruly referendums. This time, the EP spent €18 million on a public-relations campaign, culminating in a Belgian astronaut announcing on TV that he was casting his absentee ballot from space. None of it generated meaningful public participation.

Europe's self-appointed democratizers need to step back and take more seriously how voters have responded to such initiatives. Meaningful mass democracy at the

European level is counterproductive, not simply because Europeans lack a common language or identity, but because millions of Europeans have no interest in discussing banking deregulation, farm subsidies and other everyday issues of European politics. Why should they, when it only distracts them from the pocketbook issues they really care about? Citizens prefer that Europe be managed quietly by national and Euro-parliamentary politicians.

Elitism by another name? Not at all. The lack of enthusiastic public participation does not render the EP illegitimate or ineffective. Polls consistently show that Europeans trust EU institutions, including the parliament, more than corresponding national institutions. Large majorities want the EU to take on new tasks, most notably foreign-policy cooperation. Except in a few countries, support for Europe as a whole remains relatively high. The European Parliament is, moreover, leaner, cleaner and greener than national legislatures, encumbered as national bodies are by campaign-finance scandals, party bureaucracies and industrial interests. While it is often hard for the national governments of 27 countries to agree on legislation, once they do, the parliament tends to consider it efficiently. The EP effectively advocates consumer and environmental protection.

In the end, along with the 27 national governments, each headed by a democratically elected government acutely sensitive to public opinion, elitist tendencies are kept in check. The fact that its elections are less than ideal should not distract us from seeing that the EP, far from being a failure, is utterly unique. It is a responsive legislative body within an international organization—the only one in the world with a direct democratic mandate at all.

MORAVCSIK teaches at Princeton and directs its European Union Program.

# Joe Klein

## Terrorism on Trial. Amid the mudslinging, the U.S. still hasn't found a good way to prosecute enemy combatants. Here's one

"THE SOLDIER AND THE LAWYER MAY both love this country with equal passion," Barack Obama said in his elegant Notre Dame commencement speech, "and yet reach very different conclusions on the specific steps needed to protect us from harm." You can say that again. In recent weeks, the President and just about every other major politician from both parties have been boggled by soldier-lawyer disputes. Some have been small: whether or not House Speaker Nancy Pelosi was adequately briefed on the CIA's use of waterboarding in 2002. Others cut to the core of asymmetrical warfare, especially the question of what sort of rights to grant prisoners captured in a war that is likely to be fought in perpetuity against an amorphous, stateless enemy.

**Soldiers and lawyers live at opposite intellectual extremes.** Lawyers—at least those who deal with constitutional questions—live in an abstract world of seemingly precise codicils, which often turn out to be maddeningly inadequate when confronted by the violent imprecision of war. Soldiers in combat live in the existential horror of right now; their decisions save or cost lives. The best of them understand the need for rules, but don't have the luxury of abstraction. And so, Guantánamo: the lawyers defend the rights of the detainees, the soldiers fear the consequences of granting undue rights to villainous fanatics—and the Obama Administration has to adjudicate.

It shouldn't be too hard to find a middle ground, theoretically. The soldier and lawyer arguments are being made, in this case, by unappealing extremists. The lawyers, led by the American Civil Liberties Union (ACLU), believe that the

detainees should be treated, more or less, under the civil-justice system as described by Article III of the Constitution. The soldiers, misled by former Vice President Dick Cheney, believe that in a time of war, the President has unlimited ability to set the rules necessary to protect the nation. "They're both wrong," says Senator Lindsey Graham, a lawyer-soldier who still serves as a JAG in the Air Force Reserve. "You need a hybrid system, which is why I favor military commissions."



A "hybrid" system would address the conflict between the rules of evidence and national-security needs. Obama has addressed one major objection to military commissions by proposing that evidence gleaned from coercive interrogations be inadmissible. The less melodramatic but more serious problem has to do with secrecy. The Bush—and now the Obama—Administration argues that much of the evidence accumulated against the detainees can't be revealed in open court, since it comes from top-secret intelligence sources and surveillance systems, as well as from third-country intelligence services that refuse to testify in U.S. proceedings. According to Chris Anders of the ACLU, an existing statute allows for classified evidence to be summarized, without source, for civilian courts. "The trouble is, in open court, the judges and the defense lawyers always want to know the source of the information," says former CIA director Michael Hayden, who says he made a

good-faith effort to cooperate in one civil terrorism case, "and we just can't go there."

Senator Graham favors the modifications to the military-commission system that Obama has proposed—and he favors one more: "Let's not kid ourselves. We're handing out de facto life sentences here, and there should be some sort of civilian review." So Graham—who believes these procedures should be applied to the prisoners both at Guantánamo and in Afghanistan—has proposed a National Security Court, similar to the panel that adjudicates FISA (Foreign Intelligence Surveillance Act) cases. The proceedings would be closed, but civilian judges would have top-secret clearance to review all the evidence in every case brought before a military commission. That seems an eminently reasonable middle course to me.

**Most of the other issues swirling in the lawyer-soldier tornado are either trivial or meretricious.** The recent fuss over where to put the Guantánamo prisoners is tawdry politics, incited by desperate Republicans with the supine complicity of congressional Democrats. There are plenty of convicted terrorists currently serving time in U.S. jails. That's why we have supermax prisons, like Administrative Maximum in Florence, Colo. Those convicted in military courts should be held in military prisons.

The question of whether to release additional photos of U.S. personnel torturing Iraqis is more difficult, but I believe the President's decision to block the release is the right one. The photos add nothing to the knowledge of this despicable behavior—and may well detract from the security of Americans serving overseas. I must admit a bias here: my son is a U.S. diplomat serving in Baghdad. His residence is rocketed almost every night. The threat to his safety from Iraqis infuriated by these photos is not theoretical. For me, this reality—lived each day by hundreds of thousands of parents of soldiers, diplomats and aid workers—transcends the redundant right to know something that is already known. It is simple common sense—the quality that should be foremost as Barack Obama addresses these issues. ■

**A National Security Court would give civilian judges clearance to review all the evidence**

# Your Move, China

North Korea's nuclear belligerence has placed its erstwhile ally in an uncomfortable spot

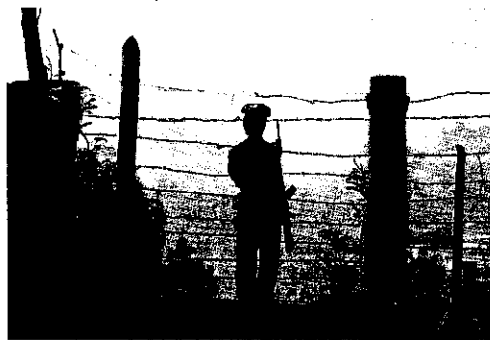
IF NORTH KOREA HAS IN THE PAST MADE a habit of annoying China, its only ostensible ally in the world, what must Beijing be thinking now? For most of the past six years, China has been the host and chief promoter of the so-called six-party talks. Their explicit goal: to get North Korea to give up its nuclear-weapons program. When the North launched another long-range ballistic missile in early April, China helped promote the fig leaf at the U.N. Security Council that the rocket carried a communications satellite and thus might not be a direct violation of two U.N. resolutions calling on the North to cease its nuclear and ballistic-missile programs. The result was a toothless "presidential statement" from the Security Council. But with the test of another nuke on May 25—this one over 20 times more powerful than the squib the North exploded in its first test three years ago—along with several missile launches, Pyongyang has put the Chinese leadership in the one place they hate to be during an international crisis: directly on the spot. Indeed, says Alan Romberg, a former U.S. State Department official now with the Henry L. Stimson Center in Washington, "Pyongyang has spit in [China's] eye."

The question everyone from President Barack Obama down is now asking—What does China want from Kim Jong Il?—isn't necessarily the right one. China's leaders have said that a nuclear North Korea is contrary to their "core interests." The more important question is: How much leverage does Beijing actually have over the North, and how much political will do the Chinese have to defend those core interests?

To begin to understand the situation, the outside world should start by

**Beijing needs to actively enforce whatever measures the U.N. may eventually pass**

ignoring the standard cliché that the two communist governments are "as close as lips and teeth." Over the years, says Bruce Klingner, a senior analyst at Washington's Heritage Foundation and a former deputy chief for the Koreans in the CIA's analysis section, "the talk in both capitals about the other has often been pretty scathing." Even during the Cold War, Kim Il Sung, Kim Jong Il's father, would routinely play the Soviet Union and China



**Watch out** A North Korean soldier minds the China border

off each other. But while China and North Korea have never been as close as the propaganda would have it, the two countries do have shared interests. It's how much weight to give those interests, relative to the costs of supporting Pyongyang internationally, that vexes China.

Just as there have been tensions in Washington over how to handle the North, so, too, are there conflicting opinions in Beijing over what to do. A diplomatic source who had direct involvement in the six-party talks says the Chinese Foreign Ministry has been more willing to accommodate the concerns of Washington, Tokyo and Seoul. But the other, and probably more powerful, influence in Beijing is the international department of the Chinese Communist Party, which tends to be pro-Pyongyang. Those two factions often struggle to influence the decisions of the senior leadership in Beijing, whose "red lines" seem to be a "constantly moving target," as John Bolton, the former U.S. ambassador to the U.N., puts it.

This tension stems mainly from the fact that China prefers North Korea to exist, even in its impoverished and infuriating current form, as opposed to what it sees as the other possibility: a unified Korean peninsula aligned with the U.S. Klingner says Beijing has for years feared a North Korean implosion, in the manner of the former East Germany's, because it would come with costs both economic (refugees crossing

the Chinese border) and diplomatic (the loss of a buffer state in a region that, though stable, is inhabited by countries that really don't like one another much). The costs to Beijing of kicking the North Korea can down the road by negotiating endlessly within the six-party talks were, with Washington's support, minimal.

But now Beijing has been humiliated by Pyongyang's latest provocations, which is why there may be hope that the U.N. Security Council will be able to up the ante by imposing tougher economic sanctions on Kim's regime.

In April, after the missile launch, Beijing did not stand in the way when three North Korean companies were moved from a U.S. sanctions list to a U.N. sanctions list—meaning that all nations are obliged to cut off business ties to those companies. The breadth of the sanctions is now likely to be much wider: not only must China not run interference for North Korea, diplomats say, it needs to actively enforce whatever measures the U.N. may eventually pass.

The North rebuffed U.S. Secretary of State Hillary Clinton's recent invitation to return to the six-party talks. China, in the wake of the test, suspended all government exchanges with North Korea and could inflict considerable economic pain on Pyongyang by cutting off trade and fuel shipments. China now must decide whether or not, in truth, a nuclear North is against its core interests. And it must do so with the world watching closely.