

Relevance of European CBM s in inter-Korean and Chinese-Taiwanese relations

Ambassador Ingolf Kiesow, The Institute for Security and Development Policy (ISDP)
www.isdp.eu

This article tries to give provocative answers to four questions, each indicated in the headline of one of the four chapters, namely

- What is the relevance of experiences from CBM s in Europe during the Cold War for East Asia today?
- How have fluctuations in the relations between the two main actors China and USA in North East Asia today been reflected in inter-Korean and Chinese-Taiwanese relations respectively?
- What is the nature of the relationships on a bilateral respectively on a regional level?
- Is it important to deal with North East Asian relations on a multilateral level?

1st Issue; CBM S in Europe¹

A Long and Tedious Process

The first stage of the process which led to the end of the Cold War in Europe was completed with the signing of the Final Document of the Conference on security and Cooperation in Europe in Helsinki 1975 (the CSCE Conference).

¹ For sources for this chapter, see
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The Final Act of the Helsinki CSCE Conference contained provisions about negotiating further Confidence Building Measures (CBMs) during follow-up conferences. All CBMs of the Helsinki Act as well as in the Stockholm Document 1986 and the Vienna Document European 1992 were explicitly politically binding only, not legally binding by treaty (which is for instance made clear in paragraph 156 in the Vienna Document).

The initiative to the European Security process lay with "the Nine", (that is the nine European nations who were then members of the originally purely economic organisation of the European Economic Community). They were preparing what would eventually evolve into the European Foreign and Security Policy Cooperation that we see today as one important element of the European Union. The aim was to present a more distinct European identity in international politics.

After Helsinki, there was a long period of mutual distrust between the West and the Soviet block. These were the years of President Reagan's Strategic Defence Initiative. It was only after a worsening of the relations because of a (temporary) resumption of the arms race that both camps realised the need for resumed negotiations.

One expression of this insight was the establishing of an Independent Commission for Disarmament and Security questions, the so-called Palme Commission, Sweden's then Prime minister Olof Palme being its chairman, Georgij Arbatov (USSR) and Cyrus Vance (USA) being among the other members. The commission agreed upon certain principles for Common Security, a concept that became hotly debated, but which has been accepted in many countries today. Among them was that "it is impossible to win a nuclear war."

That common understanding was an important precondition for the success of the CSCE process and for the CBMs to become accepted as important steps. Without reaching that understanding - after years of fruitless efforts influenced by the doctrines of Mutually Assured Destruction (MAD) and efforts to plan for winning a nuclear war as well as a slowly emerging awareness of the fact that such efforts would forever be in vain - there could not have been such a thing as a process of Confidence Building in Europe.

We know today that in the early 1980s the Soviet military were seriously planning for winning a war even after it had escalated up to the nuclear level. As a matter of fact, the Warsaw pact was planning to use several dozens of tactical nuclear weapons during an initial assault on Western Europe. This appears from a war plan that was shown to western military after the dissolution of the Soviet bloc. At this time, the Warsaw Pact had a clear advantage in the number of ground assault vehicles and mobile armed forces for

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overrunning the heavily populated central parts of Western Europe. The addition of nuclear grenades was intended to increase the shock effect and weaken the resistance. It was, however, the likely nuclear response and follow-on exchange of ICBMs that made the Soviet leaders realise that immense destruction would be inflicted on both sides and possibly make the entire globe uninhabitable for human beings.

Both sides needed and wished to have some concrete evidence of a lessening of tensions. CBMs were perhaps not terribly important per se, but they acquired a significant symbolic importance and did a great deal to accelerate an improvement of relations between East and West at the time.

It is today possible to say with some accuracy that Confidence Building was the most important result of the CSCE process. The process took 20 years and led to the confidence that was a most important contributing factor to the end of that division of the world into two competing power blocs that constituted the Cold War.

To avoid any misunderstanding it should be stressed in this context that it was not the new confidence per se that ended the Cold War. What really made it happen was the U.S. policy during presidents Reagan and George Bush and the response by the Soviet side to that policy. The confidence was a prerequisite, not an initiator, but as a prerequisite it was a necessary one.

Rethinking in a global context

After the agreements in Helsinki, Stockholm and Vienna, there was a great deal of rethinking about CBMs in Europe and the experiences from them. CBMs were looked upon with interest by the international community. Already in a 1979 report by governmental experts to the UN, it was suggested that European type CBMs could be a model because

- A major cause of insecurity was a lack of information about the military activities of other states
- CBMs could facilitate the process of arms control and disarmament.

However, some Third World countries (especially in Asia) had objections to the European model of CBMs because

- Threat perceptions outside Europe were different and seldom emanated from outright military conflicts or surprise attacks but non-traditional issues like ethnic, religious and economic disputes.

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- Creating confidence was more important in the broader sense and could not emanate from one sector or be created by military confidence alone.
- CBM:s needed to be developed for each region and take into account the unique situation in each case.

A caveat was also made: States which do not trust one another need comprehensive agreements with strict implementation. But if the purpose of CBM:s is seen as more political than military, the requirements can be allowed to be less strict in order to establish working relations. At a time when friends and foes are not clearly defined CBM:s provide a useful framework for cautious action, a low-cost tactic to bring adversaries together.

On the other hand, even critics of the European CBM model acknowledge that at debating, negotiating and implementing CBM:s enable participants to become more aware of each others' perceptions and interpretations. The European model has the clear advantage that the risk for war can be decreased by reducing misunderstandings and misinterpretations. It can also establish principles, rules, norms or standards of conduct for behaviour of states. Mutual restraint on certain military activities on their operations can reduce risk of conflict and promote better relations.

All CBM:s in Europe have been made in declarations, not in binding treaties. They are only politically binding, but that has appeared to function. It also functioned during the process leading to this mutual trust, but only because the parties wanted it to happen. It was in their interest to make it happen.

There has also been some discussion about which was the hen and which was the egg, the mutual confidence or the CBM:s? That is not very relevant. There was a political will to make it happen. That political will was codified by both sides at the same time. There has also been a discussion about whether the process itself might have been more important than the CBM:s. Confidence was maybe created by the negotiations about CBM:s and not by CBM:s themselves. That is also not so relevant.

There was definitely an interaction between the will to create confidence and CBM:s during the 20 years between the initiation of the Helsinki process in 1972 and the acceptance of the final Vienna Document in 1992. The CBM:s and the process supported each other and were mutual preconditions for each others' existence, not mutually exclusive.

This is probably also the case in bilateral negotiating processes about CBM:s. To a certain extent they can be modelled upon experiences gained in Europe during the Cold War, but they must of course also begin with the painful p

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rocess of sounding out the other party, establishing the common ground and will to eliminate the condition of conflict potential and to establish a proper forum for the negotiations.

Conclusions about Preconditions for CBM:s

We have seen that CBM:s in the classical (European-American) sense were basically military in nature and multilateral in implementation.

In today's terminology, CBM:s are close to all measures that are used as instruments in Conflict prevention, Conflict Management and Conflict Resolution. That is a concept very far from the original concept of CBM:s in Europe during the Cold War, which was military in nature and applied in a multilateral context. However, the basic idea is the same; to create confidence by all means that work to prevent conflicts. Since today's conflicts are mostly intra-state, only rarely inter-state and never multilateral between power-blocks, entirely different instruments are needed in Confidence Building.

Still, there are remaining bilateral conflicts or potential conflicts. They need military CBM:s and the appropriate negotiating process that can be applied is also not so different from the negotiating process in Europe during the Cold War.

The entire structure that is today called the European Union started in 1952 with a small co-operation in the field of energy, the European Community for Coal and Steel.

A first step in any confidence-building process could have a positive impact on security relations. One basic precondition for success remains: there has to be a positive will on both sides to make the effort complete.

Therefore it seems necessary to reach a basic mutual understanding of several steps in any possible plan. This understanding includes the intended use of these steps as CBM:s as well as carrying a symbolic meaning, and not just being intended as "practical measures."

Confidence Building is such a delicate and laborious process and failures are so likely to have damaging effects that efforts should be made to avoid them. Confidence Building can only succeed when both sides have a real will to make it succeed, and military CBM:s is a more treacherous field than economic CBM:s. Building confidence in the military field is often not safe enough until the ground has been prepared by CBM:s in the economic field, as shown by the post-war history of Europe.

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It should be observed that just one measure is not enough to build confidence, many building blocks are required. At the same time it should be remembered that the process is often as important as the measures themselves. We are after all talking about a mutual exercise in a change of attitudes.

2nd Issue; Chinese-American, inter-Korean and Sino-Taiwanese Relations interrelated

The two Koreas; Efforts at détente

In 1969, President Kim Il Sung declared that “we have absolutely no intention to invade the South, nor have we an intention to achieve unification by force”. During the following years North Korea and South Korea initiated bilateral talks through their Red Cross societies and even made a common governmental declaration in 1972 saying that they aimed at inter-Korean official talks.² It should be observed that this development took place after a substantial improvement in relations between North Korea and China in the aftermath of the end of the Cultural revolution in China and parallel to the secret visit to Beijing in 1971 by Henry Kissinger and normalisation of relations between China and USA during the visit to Beijing by President Nixon in 1972.³ The inter-Korean talks resulted in a joint communiqué about intentions to seek peaceful and independent unification of Korea, refrain from armed provocations and promote various exchange programs. A hot line was installed between Pyongyang and Seoul and a North-South Coordinating Committee was installed.⁴ An improvement in Sino-U.S. relations seems to have been an important background for these first steps towards improved North-South relations almost twenty years after the Korean War.

The beginning of a normalisation process

After the Korean War both Koreas remained outside the United Nations. In 1973 President Park Chung Hee suggested that the Democratic People's Republic of Korea along with the Republic of Korea enter the United Nations as a member nation. North Korea responded by asking for convocation of a grand people's congress for implementation of the Koryo Confederate system

² Choue..p.64-66.

³ Lee, Chae-jin (1996) *China and Korea; Dynamic Relations*, Hoover Press Publications, No 434, Stanford, p. 64-65.

⁴ Lee, Chae-jin (1996) *China and Korea; Dynamic Relations*, Hoover Press Publications, No 434, Stanford, p. 66

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proposed by North Korea's President Kim Il Sung some years earlier. These positions remained until the 1990 s, when Russia, as inheritor of Soviet international relations, established diplomatic relations with South Korea.

China immediately initiated a cautious diplomatic work, starting from the mutual establishing of trade offices with South Korea in the same year. It aimed at making the two Korea enter the United Nations simultaneously, as separate nations. It became possible to convince North Korea about the advantages of this procedure, and in 1991 the North Korean government announced its decision to apply for admission to the United Nations. During the following year the People's Republic of China established diplomatic relations with the Republic of Korea.

By staying at North Korea's side and helping it to adapt to the changing conditions after the dissolution of the Soviet Union, China had managed to achieve a major step forward in the relations between North Korea and South Korea as well as to maintain its own relations with both parts of Korea. It had to be done in close contacts with USA and under generally favourable conditions in the Sino-U.S. relations.⁵

Bilateral follow-Up and Continuation of North-South Relations

During the year of 2000, the North Korean leader Kim Jong Il seemed to focus on improving conditions for his country to obtain foreign investments and normalize foreign relations. Inter alia he invited South Korean president Kim Dae-jung to visit Pyongyang, which was accepted. The summit meeting in June 2000 was successful, and a number of agreements were made. It initiated an inter-Korean trade that made South Korea's share of North Korea's trade to one quarter of the total in 2002 from not having existed at all.⁶

Kim Dae Jung's policy of taking seriously the North Korean invitations to improvements of relations was called the "Sunshine policy" and was both criticized and applauded, in South Korea as well as abroad. It should be seen as a continuation of the growing insight in South Korean think-tanks, which had emerged already after the Rangoon-incident, about the dangers caused by any continuation of a confrontation type of policy.

⁵ Lee, Chae-jin (1996) *China and Korea; Dynamic Relations*, Hoover Press Publications, No 434, Stanford, p.112-131.

⁶ Chung, Chien-peng, (2003) *Democratisation in South Korea and Inter-Korean Relations*, in *Pacific Affairs*, University of Columbia, Volume 76, No 1 Spring 2003,. p28.

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Today the “Sun-shine policy” is largely not a popular concept in the South any more, since a number of scandals have tainted the reputation of its most influential promoters, including the former founder of the Hyundai business group, who not only had illicit transfers of funds made to North Korea but also invested heavily in tourism projects in the Diamond Mountains north of the demarcation line, which became highly unprofitable. The latter is especially problematic for North Korea, because lack of cooperation from local authorities and obstacles from bureaucracy were to blame for some of the problems.

However, the South Korean government continued to have a consistent policy of aid and trade toward North Korea. In 2000, 300,000 tons of fertilizer was sent to the North as well as 300,000 tonnes of Thai rice and 200,000 tons of Chinese corn. More important was an agreement between the Hyundai group and the North to build a multibillion-dollar industrial complex in Kaesong, just north of the line of demarcation.⁷

The Multilateral Context of the Korean question

During the crisis in 1993-94 about North Korea’s nuclear weapons program, it was revealed that serious planning for an attack on North Korea had been carried on in the White House at the same time as then ex-president Carter was on a free-lance negotiating visit in Pyongyang. Had Carter not been able to secure a package-deal that was accepted by president Clinton, the staff at the White House would have continued with the preparations for keeping open the option of a military solution to the problem.⁸

China’s friendship pact with North Korea from 1961 has never been abrogated and is still formally valid. It means that China is obliged to intervene with military forces on behalf of North Korea if USA decides to attack North Korea in order to stop it from gaining nuclear capability. However, China is showing obvious signs that it wants to avoid any military confrontation and even wants to intensify and improve its own relations with USA.

North Korea announced on the 12 December, 2002, that it was restarting nuclear facilities that had been frozen since 1994, and it ordered international monitors to leave the country. As a reason for the action it was said that compelling needs for electricity had made it necessary. This was followed up

⁷ Kim, Hakjoon (2003) *North Korea since Kim Jong Il became general secretary of the Korean Workers’ Party in 1997*,

article in *Korea and World Affairs/Winter 2003*, Seoul, p. 528.

⁸ Oberdorfer, Don (2001) *The Two Koreas; A Contemporary History*, USA. Basic Books, p. 330.

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on the 10 January 2003 with an announcement that North Korea was immediately withdrawing from the NPT. In April 2003, when the ninety days period after the withdrawal announcement had expired, the withdrawal by North Korea from the NPT became effective, the first time that any country had withdrawn from that treaty. Formally, North Korea was now not any more bound by treaty obligations to refrain from production of nuclear weapons. After intense diplomatic efforts by China and USA, the six party talks about the denuclearisation of the Korean Peninsula between China, Japan, North Korea, Russia, South Korea and USA could begin in Beijing. North Korea had not been easy to persuade. It appears that the military had been behind much of the North Korean unwillingness. According to a statement by the General Staff of the Korean People's Army, published by the (North) Korean Central News Agency in May, 2009, "*the army of the DPRK has never pinned any hope on the six-party talks from their outset but closely followed the moves of the U.S. and Japanese aggressors and the Lee group of traitors.*"

The efforts to make the six-nations talks in Beijing a success mean more than just mending fences between USA and North Korea in order to avoid becoming involved in a conflict between the two. The talks are seen as a possible beginning of a regional cooperation system for common security in the Western Pacific.

China and USA, China and Japan, South Korea and North Korea, Japan and Russia all have bilateral problems to solve, which may otherwise spill over into problems of concern to the entire region. They may not be solved by the Beijing talks, but a beginning of a mechanism may be created. Chinese think-tank members at an Asia-Europe Foundation meeting in Beijing in April 2004 praised the procedure and talked highly of its merits, which go beyond the immediate problem at hand, namely how to make the Korean peninsula free from nuclear weapons.

Destruction of Emerging Confidence in Korea

During the first four decades since the Korean War, North Korea had a clear lead in both numbers of different kinds of weapons and personnel prepared for a possible war with the South. That is still the case as far as numbers are concerned, but the economic squeeze in which the North Korean regime has found itself has made new acquisitions and replacement of outdated equipment and no more functioning material difficult or nearly impossible.

North Korea has seen its own conventional advantage over the South slipping away under the pressure from economic constraints caused by its

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economic problems, especially in the agricultural sector. These structural problems began to become serious already around 1979-80. Decades of dedicated focusing on efforts in a military build-up were rendered less and less useful. At first, the hopes for a unification of the two Koreas with the help of military means had to be postponed. Then the continued success of South Korea's economic policy in combination with the democratisation process eliminated the hopes for social and political discontent in the South to be of much help in destabilising the regime in that part of the peninsula. Finally, the continuation of North Korea's economic woes diminished the resources needed for keeping up with the South in conventional weapons and even put it at a disadvantage in the competition – and to make matters worse signals came from America about a wish to create a change of regime in North Korea. There is a paradox here. It is not inexplicable, it is only unusual. North Korea is trying to create more security by means of nuclear deterrence, which itself brings new elements of insecurity because of the U.S. non-proliferation policy. North Korea launched a rocket on the 5th April, 2009, carrying a payload that was said to be a research satellite and on the 25 May, it made its second – and this time obviously successful - nuclear test explosion of a device that was intended for military use.

There had been an intense media campaign focusing on both the rocket test and US-North Korean relations as well as relations between the two Koreas. Since more than a year ago North Korea has, in increasingly aggressive terms, claimed that South Korea's policy is hurting bilateral relations and inflicting long-lasting damage to the paramount aim of Korean reunification .

The foremost symbol of the improving relation between North and South Korea after mutual signals from the two capitals on the peninsula and the visits to Pyongyang of two consecutive South Korean presidents had been the Kaesong project, already agreed upon in 2003. It aims at attracting South Korean and foreign capital, importing technology and management skills, starting new industries and exploiting cheap labor in the North Korean city of Kaesong.⁹ This worked reasonably well for several years.

Today, however, the relations between North Korea and South Korea seem to be worsening rather than improving and the Kaesong project is one prominent example of this. When South Korea's newly elected president Lee Myung-bak was inaugurated in February 2008, he stated that he would stop the free flow of aid from South to North unless North Korea ended its nuclear program. Talking about his "*Initiative Denuclearisation and Opening*

⁹ Lim Eul-chul, *Keasong Industrial Complex: History, Pending Issues, and Outlook*, Seoul 2007, Haenam Publishing Company, p.1-32,

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3000” he outlined a reunification program whereby the North first should dismantle its nuclear program, and then receive aid over a period of 10 years in order to raise its income level from the present level of approximately 500 USD per capita to 3000 USD. He also declared that a previous joint declaration in 2007 about economic cooperation projects between North and South Korea was invalid unless North Korea first dismantle its nuclear program. Even after that his government would make an evaluation of each project and the costs must be shared equally.¹⁰

North Korea reacted with concrete measures. In January 2009 The Committee for the Peaceful Reunification of Korea in Pyongyang announced that North Korea abrogated all previous agreements reached between the North and the South. According to KCNA “ *all the agreed points concerning the issue of putting an end to the political and military confrontation between the north and the south will be nullified. Second, the Agreement on Reconciliation, Non-aggression, Cooperation and Exchange between the North and the South and the points on the military boundary line in the West Sea stipulated in its appendix will be nullified.*”

Simultaneously North Korea has demanded increases in severance payments and allowances for extra work at the Kaesong project, which are difficult to accept for the South Korean companies. Railway traffic was halted, the movements of people was restricted and for a while completely stopped, and other restrictions on the operation of factories were also made.

This situation may have historic importance. Never before had so good conditions existed in theory (and because of the existence of the Kaesong project also in practice). A step-by step improvement of confidence could begin with economic relations. It could then be followed by political and finally military measures to build confidence between North and South Korea in a manner that could resemble the process between China and Taiwan. In both cases reunification can be seen as the logical final product of such a process; whether in the form of a federation, confederation, or something else is immaterial.

There is a strong tendency among the younger people in South Korea to forget about the Northern part of the peninsula or at least be concerned about by the prospect of reunification of the two Koreas. It is also becoming

¹⁰ *Initiative for 'Denuclearisation, openness and 3000': Tasks and Prospects*, by Prof. Yoon Duk-min in Korea Focus 2009-05-4-29
http://www.koreafocus.or.kr/design2/layout/content_print.asp?group_id=102041
visited 2009-07-28

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increasingly clear that reunification will carry a very high price tag for South Korea and that not all of its neighbors will be enthusiastic about the idea. North Korea may change its attitude and agree to apply acceptable conditions for the South Korean companies at Kaesong, but the consequences of continuing a policy of drastic restrictions can become very serious for the North-South relationship.

China, Taiwan and USA

The Post-War period

Immediately after the victory of the communist forces in China and the escape to Taiwan of the nationalist (or Kuomintang) forces, USA did not openly declare any support for Chiang Kai-shek's rule on the island. The U.S. position was completely revised, however, when the Korean War broke out in 1950. When the Republic of China (PRC) intervened in the war on the side of North Korea, the U.S. assistant Secretary of State for Far Eastern Affairs, Dean Rusk declared that "we recognise the National Government of the Republic of China... That Government will continue to receive important aid and assistance from the US."

China's position remains the same today as it was then: The Founding of the People's Republic of China meant "the end of the history of the Republic of China. It was a case, when an old regime was replaced by a new one in a situation, where also the International Law ... was not changed and also the sovereignty and natural territory of China were not changed. Therefore, it is the People's Republic of China that administrates China's sovereignty, also its sovereignty over Taiwan".¹¹

In Taiwan the position was completely the opposite one. Kuomintang took all power over the people on the island. During Chiang Kai-shek's lifetime the policy was formulated by the words "Taipei is China", implicating that Taiwan represented the entire Chinese people. The Constitution was China's constitution, and the communist regime was not a government, only leaders of a rebellion.¹²

¹¹ *Principen om ett enat Kina och Taiwanfrågan*", April 2000, Stockholm, the Culture and Information Department of the Embassy of the People's Republic of China.

¹² Kiesow, Ingolf, editor,(2002) *From Taiwan to Taliban; Two Danger Zones in Asia*, Swedish Defence Research Agency FOI-R-0393-SE, p. 106.

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Opening up of China and Cross-Strait Relations

At the end of the 1970s, the Communist Party of China decided to open up for economic exchange with the outside world. Seen from the outside world, the most important step on the road toward a liberalised economic system is China's accession to the World Trade Organisation (WTO) that came into force on 1 January 2002.

The WTO-accession is a part of a “grand strategy”, a long-term plan to reform the Chinese society. The foundation shall be laid for an economic system that is based on market forces and is opening up toward the globalised outside world. A large part of this work has already been done and has already had a significant impact on the Chinese society.

On that day, also Taiwan, which had by now introduced a democratic political and completely liberalised economic system, became a member of the organisation. For Taiwan, the change following its accession to the WTO would not be that significant. Nevertheless, the consequences of the simultaneous accession of China had a significant impact on Taiwan since, firstly, Taiwan is generally treated as a part of the mainland country by China and, secondly, a large share of the Taiwanese trade and investments is made in China.

On the 1st January, 1979, the Standing Committee of the National People's Congress issued a "message to Compatriots on Taiwan", calling for cross-straits talks.¹³ In 1987, China opened for visits by Taiwanese tourists and businessmen.¹⁴ China opened its markets to Taiwanese investors and ten coastal ports were designated for Taiwanese investments, shipping and trade. Regulations were issued with tax incentives for Taiwanese. Although certain restrictions for trade and investments remained on the Taiwanese side, China has become Taiwan's second largest export market. According to Chinese sources, there are contracts on Taiwanese investments amounting to 44 billion USD and investments worth 24 billion USD have already been made.¹⁵

The trend towards more stress on economic factors in China's Taiwan-policy was carried further, when a body corresponding to Taiwan's Straits Exchange Foundation (SEF) was created in 1990 with the name "Association for Relations Across the Taiwan Straits"(ARATS), whereby reference was made to the "one

¹³ *The Taiwan Question and Reunification of China* (1993) Beijing, Taiwan Affairs Office & Information Office State Council, p.12.(Actually a preparation for the abovementioned nine principles of Marshall Ye Janying.)

¹⁴ *Principen om ett enat Kina och Taiwanfrågan*”, April 2000, Stockholm, the Culture and Information Department of the Embassy of the People's Republic of China, p. 13.

¹⁵ *Ibidem*.

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country, two systems" formula. Representatives from SEF and ARATS met in Singapore in 1993, and four agreements on communications across the straits were signed - and implemented.¹⁶ Economic Confidence Building had started to work.

However, further meetings between the two cross-straits bodies were not productive. When relations had worsened in connection with Chinese naval exercises near Taiwan in 1995, ARATS notified the SEF that the bilateral talks would be broken off.

Increasing nationalism at the end of the century

In Taiwan a generation gap seemed to develop, a fact that will become more important, since more than half of Taiwan's 21.7 million people is under 40. A poll by a TV station showed that more than half of respondents aged 20 to 29 backed the status quo in China-Taiwan relations, compared with 43 per cent of all people questioned. Nine out of ten people aged 18 to 44 said they considered their country to be Taiwan, rather than China or China and Taiwan combined.¹⁷

Also in China a more nationalistic tendency was reported after the dissolution of the Soviet Union. During this process, the Taiwan issue became more prominent in Chinese foreign policy making. Even though de facto Taiwanese independence had been tolerated to a certain extent, opposition was evident against everything that could lead to de jure independence. Taiwan's President Lee Teng-hui called on China in 1994 to accept that Taiwan was a separate political entity, with jurisdiction over a different part of China. In a stern response China's President Jiang Zemin issued an eight-point proposal on cross-straits relations in 1995, based on a 1993 declaration by the Chinese State Council.¹⁸

A sign of increased concern in Beijing appeared over the prospects that the pro-independence DPP candidate Chen Shui-bian could win the presidential election in Taiwan in February 2000. A new White Paper on "The One China Principle and the Taiwan Issue" was issued in Beijing.¹⁹ As compared with the previous White Paper (in August 1993) the urgency of initiating negotiations - on PRC's conditions - was stressed more explicitly. The paper concluded with

¹⁶ Lee, Bernice (1999) *The Security Implications of the New Taiwan*, Adelphi paper 302, London, International Institute of Strategic Studies, p. 22.

¹⁷ *Asia Weekly*, 19 November 1998.

¹⁸ *The Taiwan Question and Reunification of China* (1993) Beijing, Taiwan Affairs Office & Information Office State Council.

¹⁹ *Principen om ett enat Kina och Taiwanfrågan*, April 2000, Stockholm, the Culture and Information Department of the Embassy of the People's Republic of China.

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the warning that now, since Hong Kong and Macau had been handed over to China, PRC could not accept a solution of the reunification issue to be deferred indefinitely. The conditions under which PRC would use force were repeated:

- If Taiwan denies the principle of one China and tries to separate Taiwan from China's territory,
- If Taiwan is invaded by a foreign country,
- If Taiwan refuses peaceful reunification through negotiation.²⁰

The DPP won the 2000 presidential election. The Mainland authorities have declared that they would not negotiate with a DPP administration unless it accepted the so-called One China-principle, which President Cheng Shui Bian refused to do.²¹ On the other hand, Cheng Shui-bian declared that he and his Government would not declare independence as long as China does not attack, but that was not enough for the Mainland authorities.²²

In May 2008 Ma Ying-jeou was inaugurated as President of Taiwan. His party, the Kuomintang, also had got a very strong position in parliamentary elections. The power transition in Taipeh was greeted with satisfaction in Beijing and a period of improved bilateral relations has started. Taiwan and China have talks on relatively high levels and direct flights have been opened as well as cargo shipments. Taiwan has invested 150 billion in the mainland since 1988 and in 2009 Taiwan opened up one hundred of its industries to mainland investments. Negotiations about an Economic Cooperation Framework Agreement have been scheduled for the end of 2009 and China has allowed Taiwan to become an observer of at the World Health Assembly, the first time that observer status for Taiwan at a United Nations body was accepted by China since it took its seat in 1971.²³

There is one important obstacle to further confidence building. The KMT sees itself as having the right to make an agreement with the mainland about unification. Only about ten per cent of the population of Taiwan want unification on the conditions that China is offering, according to a number of opinion polls. The fact that KMT leads a coalition with a majority in

²⁰ Ibidem, p.18.

²¹ http://www.chinadaily.com/en/english/doc/2005-1t/17/content_495398.htm

²² *Principen om ett enat Kina och Taiwanfrågan*, April 2000, Stockholm, the Culture and Information Department of the Embassy of the People's Republic of China.

²³ *China-Taiwan Relations* by Michael Roberge and Youkyung Lee in *Council on Foreign Relations*,

http://www.cfr.org/publication/9223/chinataiwan_relations.html

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Parliament does *not* mean that an agreement with China about unification will be accepted by the people if, for instance, a KMT candidate wins the next presidential elections. The voters have obviously mostly voted for KMT for reasons of domestic politics – but KMT cannot master a majority for unification with China, if that question is put to the voters.²⁴

The Taiwan issue in the context of international relations

In September 1997, new guidelines for the American-Japanese Defence Co-operation were issued jointly by USA and Japan. They included "responses to situations in areas surrounding Japan".²⁵ This caused severe criticism from Beijing and a debate about whether this has changed the strategic picture around Taiwan.²⁶ Confidence had suffered.

Meanwhile President Clinton tried to carry on a "strategic dialogue" with Beijing. He also made statements that led to an unofficial doctrine called the "Doctrine of Strategic Ambiguity". Its basic meaning is that USA does not commit itself to the defence of Taiwan, should it be attacked by China, nor commit itself to abstain from defending it in case of an attack by China.²⁷

In spite of progress in trade and exchange of people this period had seen increasing nationalism in both China and Taiwan create problems in Sino-American relations.

PRC insists that negotiations be based on the principle of one China only, and that Taiwan can not claim statehood.²⁸ The abovementioned White-Paper warned that USA should not act in a way that could threaten peaceful reunification.²⁹ Beijing opposed any change of Taiwan's status as part of China through a referendum, Taiwan membership of UN or other international organisations that require statehood for membership as well as the "two Germanies" mode being applied to mainland-Taiwan ties.³⁰

²⁴ *BBC News Service world edition*, 3 December 2005

<http://news.bbc.uk>

Accessed 4 December 2005

²⁵ *Defense of Japan* (1999) Tokyo, Defense Agency of Japan, p. 132.

²⁶ Lee, Bernice (1999) *The Security Implications of the New Taiwan*, Adelphi Paper 302, London, International Institute of Strategic Studies, p. 60.

²⁷ Lee, Bernice (1999) *The Security Implications of the New Taiwan*, Adelphi Paper 302, London, International Institute of Strategic Studies, p. 61-63.

²⁸ *Ibidem*, p.14 and p.16.

²⁹ *Ibidem*, p.11.

³⁰ *Ibidem*, p.20, p.25 and p.21.

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3rd Issue; Comparing general characteristics

It is possible to make a number of generalizations about the inter-Korean relations, compared to the relations between China and Taiwan. This can supposedly be useful without going into a very deep analysis. Some quite “journalistic” impressions may suffice about matters such as

- Bilateral and international relations
- Bilateral and regional relations
- People-to-people contacts

Several sets of relations

In the inter-Korean relations, both sides are backed up by great powers with competing and often conflicting interests. North Korea has a Treaty of Friendship with China with a military clause about mutual assistance in case of an attack by a third country. There are, however, no Chinese troops on North Korean soil today. South Korea, on the other hand, has a security pact with USA and a substantial presence of U.S. troops on its territory. China has trade and some aid with North Korea and important trade with South Korea, but USA has no trade with North Korea. China has friendly and good relations with South Korea, but U.S. relations with North Korea are characterised by a deep mutual mistrust.

USA and China have a very complicated relationship with each other in the region. There are both elements of military competition around Taiwan, which spill over into a kind of nuclear-balance relationship and at the same time very important trade relations, so important that they have a deep impact on both military and civilian relations. War between China and USA seems almost unimaginable to the economists, and yet there is not yet any real confidence in the military field between China and USA, even if the situation is improving also in this field.

Bilateral and regional relations

Both Korean nations are members of the United Nations and both recognize each other, but they have no diplomatic relations with each other. However, none of the two is discouraging other nations from having diplomatic or other relations with the other party. Albeit having been extremely strained in the past,

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military relations between the two Koreas were until April 2009 no longer seen as representing any immediate danger, the reason being improving confidence because of

- increasing inter-Korean economic exchange,
- other forms of civilian exchange,
- a more or less balanced relation between the strength of the respective conventional forces.

Several other countries are in practice involved in any potential conflict that could erupt because of North Korea's nuclear ambitions and the wish of South Korea and USA to stop it from becoming a nuclear power. The other countries also have problems between themselves. Russia has formerly supported North Korea (during the time of the Soviet Union), and it still has no peace agreement with Japan after the Second World War. There are still some outstanding territorial disputes between Japan and Russia as well.

China does not recognize Taiwan as a country or a state. China refuses to accept the presence of any representative of Taiwan at any meeting of nations and/or states. Any treatment of a representative of Taiwan as such is regarded by China as interference in its domestic affairs and therefore an unfriendly act. This makes confidence building between Taiwan and other neighbors than China in a multilateral context impossible (which is intended) and also very difficult between China and Taiwan.

Military mistrust is also great, with China's larger economy giving its military forces more strength than Taiwan can afford to build up for itself. Consequently, increasing Taiwanese dependence on possible, yet "strategically ambiguous" U.S. support is making the situation more uncertain. Many observers argue that political and military instability is on the increase in the Western Pacific, in spite of growing economic interdependence, both on the regional and on the global level.

Taiwan is no longer a member of the United Nations and today only recognised by a small number of nations. However, it is likely that there would be strong reactions by public opinion in USA and its allies in Europe and the third world if China would make serious its threat to take Taiwan by force. The costs would be great for China, both in economic and political terms.

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4th Issue; Importance of the multilateral context

In the context of bilateral and regional relations a number of problems between the countries of the North East Asian region and USA were listed and it was pointed out that most bilateral problems related to the two Koreas (and Taiwan) also were connected to other sets of bilateral issues.

This is one aspect, where the experiences from Europe during the Cold War can be relevant. In order to discuss solutions that could mean really solving some problem, it was almost a must in Europe to have them dealt with in a multilateral context, where all nations involved could make their voices heard. It was only when a proposed solution had become generally accepted in this way that it was enough to make a communiqué that was morally binding only, without the additional force of being legally binding – and it was only then that there was enough force behind the agreed solutions to make them work at all.

That makes the European experience relevant to the context of the Korean peninsula. China has initiated the six-nations-talks in Beijing for the obvious reason that some pressure had to be added to any effort to solve the nuclear problem in order to have confidence in the prospects of seeing any kind of agreed order put into practice. China originally seems to have had only five nations in its mind, but North Korea insisted on having Russia added to the number of invited nations, possibly in order to gain some support for its demands about security and economic aid. Russia was after all in many respects the inheritor of the role of the former Soviet Union, more specifically being one of the neighbours with a land border to North Korea.

With Russia added, there immediately arises the desirability to have a solution to the outstanding problem between Japan and Russia, who have not yet made any peace agreement to end their part of the Second World War between them. Japan and Russia may find a solution outside the framework of the six-nation-talks, but by participating they are likely to be remembered that they ought to look for new impulses to find it.

China and USA do not seem to have seriously conflicting targets in Korea today, not at least as long as there is no return to the ambitions of former President Bush to work for a regime change in North Korea. China may in the long term wish to see the U.S. forces leave Korea, but in as much as that could mean that they also leave Japan, the People's Republic may prefer to have the U.S. troops remain in both countries –for the time being. USA does not accept the idea of a nuclear North Korea, and China is obviously sharing that opinion. Today USA has as its first priority to fight terrorism and nuclear proliferation and even if China does not share the same sense of urgency about the second matter, it shares the basic ambition to get rid of the nuclear risk in its own region.

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When it comes to Taiwan, China and USA seem to have opposing targets. In that relationship, the observer from the outside is asking himself to what extent there is a real will to build confidence. There is much mutual suspicion in connection with competing military power competition on one hand. On the other hand, there is a mutual very great interest in maintaining the gigantic economic exchange, which already goes on and which continues to grow. The global economic downturn of the last few years has made leaders and officials from the two countries consult and cooperate with each other on matters of the highest priority.

For the time being, China and Taiwan seem to have completely opposing targets. China cannot accept the idea of an independent Taiwan, and the people of Taiwan increasingly feel as something else than Chinese.

China's ambitions to have the whole area of the South China Sea and several groups of small islands east of China considered as China's exclusive economic zone according to the United Nations Convention on the Law of the Sea (UNCLOS) make Australia, Japan and USA openly nervous about any reunification between China and Taiwan. The ambitions of China to build a blue-water navy has reinforced these suspicions. The position of South Korea to the issue of the South China Sea could possibly be described as being one of apparent but muted concern. The ASEAN countries have tried to neutralise the issue by way of an agreed code of conduct among themselves and China.

Japan and China carry on a very important bilateral trade, but they also have outstanding territorial disputes in the East China Sea. China and Japan are involved in competition about energy resources and there is some mutual mistrust between the two countries in military matters. Their background in history makes it difficult to overcome the mutual animosity and makes Japan draw closer to USA in security policy matters.

There is great mistrust between Japan and North Korea, best illustrated by the strong reaction in Japan against the test firing of North Korea's Taepo Dong missile in 1998. Under the influence of North Korea's abduction of Japanese citizens and the negotiations about North Korea's nuclear weapons, trade between Japan and North Korea has practically vanished. U.S. pressure as part of the policy to put pressure on North Korea has also contributed to this effect.

In Europe, it was at first when both sides had realised how the nuclear weapons had made it impossible to "win" a war that the real mutual will could be mobilised to make the real breakthroughs. It may be said that it was the conclusions of the Palme Commission about Common Security that became the symbol for that will. The Stockholm Conference on Security and Confidence

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building measures was inaugurated in the same year and its wide-ranging end-result was among the first products of the new situation.

In Europe it was the Soviet Union, which led the East and USA was leading the West. Today in Asia it is China that is America's counter-part. However, it seems that they once took the threat from the Soviet Union. Certainly the American leaders do not portray the Ballistic Missile Defence as anything more than a limited insurance against limited attacks from so-called states of concern, among them North Korea. Public opinion, however, often seems to believe that the BMD system also protects them from China's nuclear arsenal, which seems to be wrong. China already can break through, and China is likely to work hard on new methods to preserve its small but, on a regional level, reasonably efficient nuclear deterrent.

Chinese officials have protested against the BMD project, saying that it will lead to an arms race. That can be taken as an indication of an ambition to challenge U.S. military domination over the Western Pacific, even if that is not necessarily so. American reactions to the recent build-up of China's arsenal of conventional weapons seem nervous enough to indicate that this is what the leaders are thinking in Washington. Former Secretary of Defense Donald Rumsfeld declared his concern over the growing investments in military hardware in China, while a spokesman for the Chinese Ministry of Foreign Affairs has refuted that claim as unfounded.³¹ President Obama has been cautious about this matter and seems to avoid making statements about it.

The recently added elements of concern over North Korea's missile test and second nuclear test explosion have also added to the arguments about a need for renewed efforts to create Confidence Building, not so much by illustrating the risk for a nuclear war but by showing that confidence is being destructed between North and South instead of being built up.

The greatly renewed mistrust between North and South Korea that has been demonstrated by the events during 2009 have, on the other hand, illustrated the risks involved in all communication between people in the two countries, as seen in the case of the Kaesong project. This has also increased the military and political cooperation between Japan and South Korea in defense against North Korea.

On the 23rd April the Japanese Minister of defense visited Seoul and signed a letter of intention with his South Korean opposite number about military cooperation between ROK and Japan and to develop a cooperative relationship on defense and

³¹ *Taipei Times*, 30 November 2005 <http://www.taipeitimes.com> accessed 30 November 2005
China Daily, 22 November 2005 <http://chinadaily.com> Accessed 22 November 2005

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security matters. The commander in chief of the US Pacific fleet, Admiral William Fallon declared in March that America plans to launch trilateral military cooperation with Japan and Korea. In August the commander in chief of the US forces in Korea declared that South Korea should participate in a US regional missile defense network including high-altitude level operations. That means a need for new equipment for the South Korean navy, and ROK is now building its first ship – a destroyer - that will be equipped with the US Aegis system, which is integrated with the systems of the Japanese and US navies.

There is also cooperation in the financial field between Japan and South Korea. There has been a new kind of trilateral cooperation in the field of economic policy in the face of the global slow-down. Already during the Asia crisis Japan made some suggestions about an Asian financial policy coordination. Again, during 2008, the global slow-down has motivated a renewal of the idea about financial cooperation in Northeast Asia and the first trilateral summit of the heads of government/state of Japan, China and South Korea took place in Fukuoka, Japan on the 13th December. They also talked about their intention to enhance political trust, but the main issue was increasing trade and economic contact and strengthening financial cooperation.

That process can become a confidence-building factor in as much as people-to-people contacts between Japan and Korea have been very frosty since WWII and any improvement in this relationship will be beneficial for future generations. For the time being, however, and as long as it rather works to increase the mistrust between North and South Korea, it also has a detrimental effect.

Conclusions

The North Korean missile tests in April 2009 and the second nuclear test explosion on the 25th May will not necessarily mean the end of the six-party-talks in Beijing about nuclear weapons on the Korean peninsula. That goes far beyond the immediate issue at hand and has the character of a process rather than just a negotiation about a certain matter.

Seeing the six-party-talks as a process is a promising parallel to the European peace-process that finally led to the end of the cold war. However, some prerequisites will have to materialize if they shall function as a confidence-building process. Most

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importantly, North Korea has to accept to go back to the table in Beijing and the Sino-US relations have to continue to develop in a positive way.

It may not be so important that the North Koreans make a real and final deal at the table in Beijing. They may prefer to keep a hard line there, but if a US-North Korean bilateral negotiations – possibly first of an informal nature – leads to a deal about the important issues, it can be enough if all the six parties agree to accept its contents and confirm that they will work for its implementation. The process may hopefully also continue after the immediate problem is solved and contribute to a stabilization of the relations among the six parties.

It seems on the other hand to be open to great risks if only US-North Korean talks are started without a restart of the six-party-talks. There is for instance a great risk that China would become suspicious and that would inflame Sino-US relations, which is a more negative development in a global perspective than that North Korea remains a “nuclear power”.

It is in other words important to keep the multilateral process working in Northeast Asia. Even if some problems can be solved through bilateral negotiations, these solutions can rarely have positive effects of the same magnitude and stability as arrangements agreed upon in a multilateral context. Also, the demonstration of real will to improve the situation is more important than the formality of a signed paper.³² An expressed obligation in front of six countries of importance in the region is likely to have more informal legitimacy as obligation than one accepted in a bilateral deal.

Neither China nor USA can control the public opinion on Taiwan. Both run a risk of being surprised by developments on the island, but none of the two wants to give away a position. These positions are in potential conflict with each other and there is a risk that a change in domestic politics on Taiwan can releases a situation, wherein China or USA deems it necessary to react strongly. Such reactions run a risk for escalation, when measures and counter-measures follow each other.

It seems apparent that nationalism in China tends to have an increasingly important influence over issues related to Taiwan and the South China Sea. On the other hand, the slow but steady improvement of relations between Taiwan and China both on the official level and in economic relations is working in the opposite direction and military exchange between China and USA is expanding

³² This argument is easier to get accepted in North East Asia because the cultural traditions in East Asia give almost as much importance to demonstrated intentions in contractual relationships as any written text that has been signed by the parties involved.

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in spite of occasional problems. Efforts at Confidence Building between Taiwan and China are at work on the bilateral level, supported by a similar trend in a multilateral context .

Bilateral Confidence-Building differs from multilateral Confidence Building. In the China-Taiwan bilateral relationship the process goes on and seems healthy, but there are underlying dangers, like U.S. weapon deliveries to Taiwan that can upset the military balance and such acts of symbolic importance as when Taiwan allows a visit by Dalai Lama to take place. KMT cannot go too far in meeting the wishes of the Mainland without awakening the fears for China and provoking nationalism among the Taiwanese population. Also, as long as KMT remains in power and the Sino-Taiwanese relationship improves, the confidence-building process can continue, but it also needs a continuation of the improvements in the Sino-American relationship or at least that it does not deteriorate. Here is again an example of the tendency that it is difficult to give enough strength to a confidence-building process, which is only bilateral, without the backing of a positive multilateral context.

There is a similar feature in the North-South Korean relationship. Confidence improved as long as the six-party-talks were kept alive, but after North Korea's exit from the talks, the mood changed and mistrust returned. For North Korea the mistrust is mainly caused by the change in military balance, which goes against North Korea's concerns about the safety of its regime. For South Korea the disappointments caused by North Korea's handling of the Kaesong-project cause mistrust and a decrease of the will to have anything to do with the North. Both causes for mistrust can still be removed, and the Kaesong project can still be saved within the framework of bilateral contacts, but in order to eliminate North Korea's anxiety about its military situation, both USA and the neighbors around the Korean peninsula have to be involved.

Most efficient is probably to show respect for North Korea's new status as a de facto "nuclear power" and to reassure the regime that neither USA nor South Korea intend to work for its elimination. Showing respect for the nuclear power status is basically incompatible with the efforts to strengthen the NPT- regime and a question that probably only can be handled by a concerted effort of the members of the six-party talks. And any potential effort by the president and government of South Korea to reassure North Korea about their intentions to let the North Korean regime in peace while power transition and solution of the food problem are carried through will be greatly enhanced if it is demonstrated within the framework of the six-party talks – and not very likely to be trusted without it.

A return to the table in Beijing is a better approach, seen in a global perspective, than for USA and/or South Korea to accept bilateral talks with North Korea without any multilateral framework. It is not exactly the six-party-format that is necessary for a

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reinforcement of the confidence-building effect, it is in more general terms the multilateral quality that has to be added. Other forms than Six-party talks may be considered (but then it has to be observed that any change of forum will entail extra costs and laborious negotiations).

A combination of both kinds of confidence-building is stronger, but every effort without the backing of a multilateral framework remains weak in both the case of Sino-Taiwanese relations and North-South relations in Korea.