

# Conflict Prevention and Conflict Management in Northeast Asia

Edited by  
Niklas Swanström



*Central Asia- Caucasus Institute  
Silk Road Studies Program*

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A Joint Transatlantic Research and Policy Center  
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[www.silkroadstudies.org](http://www.silkroadstudies.org)

The *Conflict Prevention and Conflict Management in Northeast Asia* is a Central Asia-Caucasus Institute & Silk Road Studies Program publication.

The Central Asia-Caucasus Institute and the Silk Road Studies Program is a joint transatlantic independent and externally funded research and policy center. The Joint Center has offices in Washington and Uppsala, and is affiliated with the Paul H. Nitze School of Advanced International Studies of Johns Hopkins University and the Department of East European Studies and Peace and Conflict Research of Uppsala University. It is the first Institution of its kind in Europe and North America, and is today firmly established as a leading center for research and policy worldwide, serving a large and diverse community of analysts, scholars, policy-watchers, business leaders and journalists. The Joint Center aims to be at the forefront of research on issues of conflict, security and development in the region; and to function as a focal point for academic, policy, and public discussion of the region through its applied research, its publications, teaching, research cooperation, public lectures and seminars.

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ISBN: 91-85473-01-4

Printed in Sweden by Uppsala University.

Distributed in North America by:

The Central Asia-Caucasus Institute  
Paul H. Nitze School of Advanced International Studies  
1619 Massachusetts Ave. NW, Washington, D.C. 20036,  
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Distributed in Europe by:

The Silk Road Studies Program  
Uppsala University  
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Sweden  
Ph. +46-18-471-2217; Fax. +46-18-106397  
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This publication was made possible by the kind support of



**The Asia Foundation**  
◀ Celebrating Fifty Years ▶

The conference on Conflict Prevention and Conflict Management, held in Beijing in December 2004, of which this publication is the outcome, was generously sponsored by



We also wish to acknowledge the sponsorship of



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**Utrikes**  
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to the overarching project "Security and Conflict in Asia" of which both the publication and conference constitute a part.

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## Chapter I: Introduction

Niklas Swanström, Mikael Weissmann and Emma Björnehed

Violent conflicts have been a tormenter of human society since the dawn of man, but in modern times the occurrence and consequences of conflicts have changed. War has, for example, become increasingly costly in terms of the fatalities, the value of the destroyed property and the scope of social misery and human suffering. Through increased efforts, the international community has become more effective in dealing with international conflicts and the United Nations Development Program (UNDP) has noticed a three times decrease in fatalities related to interstate conflicts in the 1990s, compared to the 1980s.<sup>1</sup> However, the same report also states that there still were some 3.6 million fatalities in conjunction with *internal or intra-state* conflicts in the 1990s. Consequently, these statistics illustrate an overall failure by the international community to prevent the actual occurrence of military conflicts. In addition, the seemingly positive development regarding casualties in international conflicts should be seen in light of the often more brutal and violent internal conflicts, of which Rwanda, Nigeria and Chechnya are telling examples.

Another factor contributing to the changing picture of modern day conflicts is the decreasing attention devoted to traditional military conflicts, or the military aspects of a conflict. The situation is worsened by, not only the lack of interest in internal conflicts, but also by the limited attention paid to the (re)emergence on non-traditional security threats in the post Cold War era, i.e. non-military threats. The non-traditional threat is a common, but broad, classification of threats encompassing, for example, environmental issues, poverty and starvation, failed economic development, organized criminality

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<sup>1</sup> United Nations Development Program, *Human Development Report 2002* (Oxford: Oxford University Press, 2002), 11.



and political violence by non-state actors. The international community has been slow, or in some cases, inactive in its response to these new security threats. It has also been slow to adapt to the non-conventional manner in which these threats materialize and the levels they are materializing on, i.e. the trans-national and non-governmental levels.<sup>2</sup>

Needless to say, the resolution of internal conflicts should be given high priority on the international agenda. However, it is arguably even more important to prevent new conflicts from emerging, and if they do occur, to manage them in a way that stop them from escalating. Conflict prevention and management does not only save human lives and prevent human suffering, it also creates confidence between actors and saves a great deal of financial resources that would otherwise have been wasted through destruction of property and increased military spending.

In terms of simple economics, it is generally accepted that 'a penny of prevention is worth a pound of resolution', i.e. that minor economic investments at an early stage of a conflict can prevent large economic commitments later. For example, the conflict related costs in Bosnia has surpassed US\$15 billion according to official statistics but the actual figure is without doubt even higher. There is also no doubt that this conflict could have been prevented at an early stage, thereby saving billions of dollars and the lives and suffering of millions of people. Michael Brown and Richard Rosencrane have showed that, in addition to the reduction in human suffering and moral decay, there are great financial gains to acting early. According to some estimates, the cost of early prevention could be as low as 5 per cent (varies between 5 and 50 per cent) of the cost of late intervention, crisis management and peace creation.<sup>3</sup> Early intervention, or in economic terms; early investment, is not only preventing high financial and humanitarian costs, but also increases the political prestige and will toward resolving conflicting issues and prevent further destruction.

With regard to conflict prevention and conflict management, Northeast Asia is one of the regions most urgently in need of the development and

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<sup>2</sup> Steve Smith, "Singing Our World into Existence: International Relations Theory and September 11", *International Studies Quarterly* 48, 3 (2004): 504-507.

<sup>3</sup> Michael Brown & Richard Rosencrane, *The Costs of Conflict* (New York: Carnegie Commission on Preventing Deadly Conflict, 1999).

implementation of such mechanisms. Northeast Asia is not only the most militarized region in the world, but also a region that to date lack any regional organizations through which conflicts can be handled. The distrust among the actors in the region has virtually made any attempt to conflict prevention and management a stillborn venture.<sup>4</sup> The political will and commitment by states in the region to deal with their neighbors in new ways has been modest at best. Daily, challenges to the peaceful interaction between neighboring states are being added to the already less than favorable regional environment. Yet there are also positive developments that favor the possibility of a culture of conflict prevention and management in the region. The dynamics of Northeast Asia, with regard to conflict prevention and management, are largely unexplored. In addition, the possibilities for creating measures suited for this regional context are all but untapped, yet further inaction in this field could be devastating.

### **Purpose and Aim**

The purpose of this compilation of papers is to combine theoretical research on the issues of conflict prevention and management with a regional Northeast Asian perspective that is policy relevant, thereby filling a gap in the existing literature. This is accomplished through a holistic view of conflict prevention and conflict management in an effort to develop tools for regional prevention and management. The book has a strong regional perspective to facilitate an analysis of a region that is virtually lacking preventive and management mechanisms and is in a desperate need to develop such.<sup>5</sup> The question is, however, if the region is ready for this. This can only be determined by examining the view of prevention and management in the region and how the regional tool box is structured.

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<sup>4</sup> Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002); Niklas Swanström, "Regional Cooperation and Conflict Management in Northeast Asia", *The Korean Journal of International Studies* 30, 1 (2003).

<sup>5</sup> Hugh Miall, *Peacemakers: Peaceful Settlement of Disputes Since 1945* (London: Macmillan, 1992); Michael Lund, *Preventive Diplomacy and American Foreign Policy* (Washington, DC.: United States Institute of Peace, 1995); Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002); Niklas Swanström, "Regional Cooperation and Conflict Management in Northeast Asia", *The Korean Journal of International Studies* 30, 1 (2003): 35.

It has been pointed out that many tools for conflict prevention are not regionally transferable, even if the principles are similar. This, in turn, indicates an explicit need of regional oriented tools.<sup>6</sup> The aim of the cooperation leading up to this publication is therefore to further develop both the theoretical understanding and the practical mechanisms of conflict management and conflict prevention with specific regard to the Northeast Asian setting. This book aims at setting the stage by introduce theoretical concepts. In addition, it broadly identifies the conflicting issues and the potential mechanisms in all the political entities that are involved in these conflicts. The examination of theoretical assumptions and empirical problems is thus one of the major contributions of this volume, which strives to develop theories and increase the understanding of practical issues of prevention and management in Northeast Asia.

The book aspires to form part of the foundation of a common language and culture of conflict prevention and management in the region. Shared understanding and knowledge of conflict prevention and management in general, and the interpretations made by potential opponents in particular, will provide regional and international actors with means to prevent conflicts from escalating. This, in turn, will increase the possibility for a peaceful development of the region. Such efforts have been undertaken in other regions, but they have never been successful in NEA – a region where they are badly needed.<sup>7</sup>

The uniqueness of this project lies in its combination of: the utilization of a theoretical perspective that integrates the traditionally separated issues of conflict prevention and conflict management; its geographical focus on Northeast Asia, and the highly recognized researchers and policy makers involved in the process. This enables us to provide new information, develop theory and to identify new challenges to conflict prevention and management in Northeast Asia.

This book focuses on the prevention and management of conflicts in the non-military phase. Conflict resolution will only be touched upon briefly in

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<sup>6</sup> Chandra Lekha Sriram, "Refining Conflict Prevention – Sharing Best Practices and Improving Partnering", *Sharing Best Practices on Conflict Prevention* (New York: International Peace Academy, 2002), 4.

<sup>7</sup> For an overview of regional attempts see Niklas Swanström in chapter 4 in this volume.

the section dealing with the life cycle of conflicts, simply because its exclusion from this section would have been problematic. Moreover, this publication has a strong regional focus despite the theoretical generality. These limitations are, of course, also the strengths of the book as it allows for a deeper penetration of the issues discussed.

### **Conflict Management and Conflict Prevention**

Before utilizing and/or developing the concepts of prevention and management, there is a need to go a few steps back and look at where the concepts derive from and their initial meaning. In this question, we stand on the shoulders of giants, many of whom are unknown or have been lost in history. Although the study of the concepts of conflict prevention and conflict management has a relatively short academic history, the thinking on how to manage and prevent conflicts has preoccupied philosophers and scholars for centuries. Throughout human history, people have been exploring ways to manage and prevent conflicts, ranging back to Sun Tzu in the East and philosophers in the Greek city states in the West. They seldom used the terms explicitly and did not necessarily see their actions as preventive or managing. Indeed, they often focused on the study of war and warfare. Nonetheless, throughout history, numerous measures have been undertaken that proved to have preventive and/or managing features and effects, including pre-emptive interventions, giving out privileges or bribing potential enemies and minorities, paying off opponents in wars, using the family as a preventive mechanism through marriage, using deliberate administrative structures to keep potential enemies and conflicts in line (as the Chinese and Romans did).

More deliberate, early attempts to create a conflict managing and preventive mechanism were put forward during the Congress of Vienna in 1815. During this conference, certain mechanisms were agreed upon, such as frameworks for mutual consultation and peaceful settlement of conflicts. In addition, demilitarized zones and neutral buffer states were put in place. The Congress of Vienna was but a sign of the structures to come in the 20<sup>th</sup> century with the creation of the United Nations, NATO and the European Security Community.

The United Nations is a prime example of a conscious development of conflict prevention and conflict management mechanisms – both in theory and practice. The idea of conflict prevention and management is central to the UN and its charter.<sup>8</sup> Its Secretary-Generals have since the organization's creation progressed the understanding of conflict prevention and management. The UN Secretary-General Dag Hammarskjöld introduced the term “preventive diplomacy” already in the 1950’s and his thinking and actions, until his unfortunate death, substantially progressed both theory and practice within this field. Hammarskjöld’s conceptualization on preventive diplomacy referred to actions taken to keep regional conflicts localized, preventing violent spillover from superpower conflicts onto the international arena. Since Dag Hammarskjöld’s time, the concept has been broadened, most notably by Secretary-General Boutros Boutros-Ghali who defined preventive diplomacy as “[a]ction to prevent disputes from arising between parties, to prevent existing disputes from escalating into conflicts and to limit the spread of the latter when they occur.”<sup>9</sup> This broadening has been continued by other scholars, like Michael Lund. Lund has defined preventive diplomacy as

“actions taken in vulnerable places and times to avoid the threat or use of armed force and related forms of coercion by states or groups to settle the political disputes that can arise from destabilizing effects of economic, social, political, and international change.”<sup>10</sup>

Another example is the Carnegie Commission’s report on *Preventing Deadly Conflict* which include efforts to pressure, cajole, arbitrate, mediate, and/or lend 'good offices' to encourage dialogue and facilitate a non-violent resolutions of crisis in its definition of preventive diplomacy.<sup>11</sup>

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<sup>8</sup> The United Nations Charter authorizes the Secretary-General, the Security Council, and the General Assembly to settle disputes peacefully and to prevent the outbreak of wars and other forms of armed conflicts (Chapter VI and VII). It also includes a number of preventive tools including negotiation, mediation, fact finding, conciliation, judicial settlement and arbitration.

<sup>9</sup> Boutros Boutros-Ghali, *An Agenda for Peace: Preventive Diplomacy, Peacemaking and Peacekeeping* (New York: United Nations, 1992), 5.

<sup>10</sup> Michael Lund, *Preventing violent conflicts. A strategy for preventive diplomacy* (Washington D.C: United States Institute of Peace Press, 1996), 37.

<sup>11</sup> Carnegie Commission on Preventing Deadly Conflict, *Preventing Deadly Conflict, Final Report* (New York: Carnegie Corporation, 1997). Distinctions are also made between different categories of preventive diplomacy, for example between “early preventive

The Marshall plan is another important structural prevention mechanism that was implemented after the Second World War, as well as the two superpowers' goal of preventing nuclear conflict between each other. Another example is the actions taken in the aftermath of the Korean War to prevent future violent conflicts on the Korean Peninsula. Until today, these measures are managing a conflict prone area and a fragile armistice between two states. This conflict moreover involves a number of other states with indirect or direct interests in the development on the peninsula. In the same conflict, a number of preventive measures have also been taken, including north-south confidence building measures, different forms of formal and informal contacts between the two Koreas and/or China, the US, Japan and to some extent Russia. These forms of actions may not have been a progression of conflict prevention and management theory in themselves, but they indicate that the idea of prevention and management have been existing in the minds of the leaders, even in the most tense of situations. To a great extent, neither governments nor academics have drawn any lessons from the conflicts in the world and therefore failed to develop effective conflict management and prevention mechanisms.<sup>12</sup>

Research on conflict management and conflict prevention has proliferated in the 1990s. This is both due to the end of the Cold War and the following move from a bi-polar world order to a multi-polar one, which is less ideological and more open to new ideas, as well as to a greater sensitivity to the devastating conflicts and the humanitarian suffering and economic ruin they create. There are, today, an extensive array of books and other writings trying to answer the question of how to best prevent and manage conflicts within the subject area of prevention and management. However, as will be illustrated below, there are still significant gaps in the current research (not

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diplomacy" focusing on actions (good offices, mediation etc) taken to resolve conflicts well before they turn into violent conflicts, and "late preventive diplomacy" referring to attempts to persuade parties to call off their actions when escalation into active violent conflict seems imminent (Graham Evans quoted in Alex P. Schmid, *Thesaurus and Glossary of early Warning and Conflict Prevention Terms (Abridged version)*, PIOON/FEWER (Synthesis foundation Erasmus University), May 1998). It should be noted that Evans' definition focuses on the UN, and hence these attempts are presumed to go through the Security Council and include actions by the Secretary-General.

<sup>12</sup> Steve Smith, "Singing Our World into Existence: International Relations Theory and September 11", *International Studies Quarterly* 48, 3 (2004): 504-507.

least in regard to Northeast Asia).

As mentioned above, the concept of preventive diplomacy was broadened, and further research on conflict prevention was diversified and expanded to include a much wider variety of issues than before. For example, in 1992, Boutros Boutros-Ghali did list five specific forms of measures: confidence building, fact-finding missions, early warning networks, preventive deployment, and demilitarized zones.<sup>13</sup> Examples of other terms that have been introduced are preventive engagement, escalation prevention, relapse prevention, preventive deployment, early warning<sup>14</sup>, targeted sanctions, and direct prevention. A wide range of definitions have been presented, ranging from broad ones, including all possible forms of actions that can have direct or indirect effect as managing or preventive mechanisms, to narrow ones focusing only on specific measures taken by the UN.<sup>15</sup>

Negotiation and mediation are tools that have been used in conflicts around the world with varying outcomes. Several researchers have developed negotiation and mediation, both in theory and practice. In regard to conflict prevention, research on the hurting stalemate<sup>16</sup>, as well as other important

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<sup>13</sup> Boutros Boutros-Ghali, *An Agenda for Peace: Preventive Diplomacy, Peacemaking and Peacekeeping* (New York: United Nations, 1992).

<sup>14</sup> "Early Warning" is an aspect of conflict prevention that will not be addressed in this chapter.

<sup>15</sup> Gabriel Munuera, "Preventing Armed Conflict in Europe: Lessons learned from recent experience", *Chaillot Paper*, 15/16, 1994; Michael Lund, *Preventing violent conflicts. A strategy for preventive diplomacy* (Washington D.C.: United States Institute of Peace Press, 1996); Michael Lund, "Preventing Violent Intrastate Conflicts: Learning Lessons from Experience", in *Searching for Peace in Europe and Eurasia: An Overview of Conflict Prevention and Peacebuilding Activities*, eds. Paul van Tongeren, Hans van de Veen & Juliette Verhoeven (Boulder, CO: Lynne Rienner, 2002); Peter Wallensteen, *Preventing Violent Conflict. Past Record and Future Challenges* (Uppsala: Department of Peace and Conflict Research, 1998); Hugh Miall, Oliver Ramsbotham & Tom Woodhouse, *Contemporary Conflict Resolution. The prevention, management and transformation of deadly conflicts* (Oxford: Polity Press, 1999); *International Alert, Resource Pack for Conflict Transformation* (London: IA, 1996); Peter Wallensteen & Frida Möller, *Conflict Prevention: Methodology for Knowing the Unknown* (Uppsala Peace Research Papers No. 7, Department of Peace and Conflict Research, Uppsala University, 2004). More on conflict prevention and management theory and definitions will be found in this volume in the chapters by Peter Wallensteen.

<sup>16</sup> A hurting stalemate is a situation in which neither party thinks it can win a given conflict without incurring excessive loss, and in which both are suffering from a continuation of fighting.

factors for successful handling of conflicts has been undertaken.<sup>17</sup> Researchers like Hiroshi Kimura and Cecilia Albin have, respectively, developed the understanding of values and justice in international negotiations.<sup>18</sup>

Negotiation and mediation research has also addressed the importance of change in relative legitimacy and power increase, both of which increase an actor's propensity to negotiate<sup>19</sup> and to explore problem solving approaches.<sup>20</sup> The fields of negotiation and mediation are important when dealing with conflict management and the creation of preventive mechanisms since negotiation and mediation theories offers explanations and solutions on how, when and with whom to interact to make prevention and management possible.

The importance of intervention has also been thoroughly explored in its different forms.<sup>21</sup> Research on how to best use sanctions as a tool for conflict management and conflict prevention has also been undertaken, where some

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<sup>17</sup> William I. Zartman, "Ripeness: The Hurting Stalemate and Beyond", in *International Conflict Resolution after the Cold War*, eds. Paul Stern and Daniel Druckman (Washington, DC: National Academy Press, 2000); William I. Zartman, "The Timing of Peace Initiatives: Hurting Stalemates and Ripe Moments", *The Global Review of Ethnopolitics* 1, 1 (2001): 8-18.

<sup>18</sup> Peter Berton, Hiroshi Kimura & William Zartman, *International Negotiation: Actors Structures/Process, Values* (Palgrave MacMillan, 1999); Cecilia Albin, *Justice and Fairness in International Negotiation* (Cambridge: Cambridge University Press, 2001).

<sup>19</sup> Daniel Druckman and Justin Green, "Playing Two Games", in *Elusive Peace: Negotiating an End to Civil Wars*, ed. William I. Zartman (Washington, D.C.: Brookings Institution, 1995).

<sup>20</sup> Connie Peck, *The United Nations as a Dispute Settlement System. Improving Mechanisms for the Prevention and Resolution of Conflict* (The Hague: Kluwer Law International, 1996)

<sup>21</sup> Michéle Griffin, "A Stitch in Time: Making the Case for Conflict Prevention", *Security Dialogue*, 32, 4 (2003): 481-496; Stanley Hoffman, Commentary on Ernst B. Haas' "Beware the Slippery Slope; Notes toward the Definition of Justifiable Intervention" in *Emerging Norms of Justified Intervention*, eds. Laura Reed and Carl Kaysen (Cambridge, Mass.: American Academy of Arts and Sciences, 1993); Ernst B. Haas "Beware the Slippery Slope; Notes toward the Definition of Justifiable Intervention" in *Emerging Norms of Justified Intervention*, eds. Laura Reed and Carl Kaysen (Cambridge, Mass.: American Academy of Arts and Sciences, 1993); Ramses Amer, *The United Nations and Foreign Military Interventions*, (Uppsala: Department of Peace and Conflict Research, 1994); Nicholas J. Wheeler, "Humanitarian intervention after Kosovo: emergent norm, moral duty or the coming anarchy?", *International Affairs*, 77, 1 (2001): 113-128.



of the more progressive research projects have addressed so called smart or targeted sanctions.<sup>22</sup>

The role of regional and international organizations (other than the UN) in conflict management and prevention has been strengthened and the research in regard to these actors has expanded. This is largely due to the increased importance given to economic development for successful management and prevention of conflicts.<sup>23</sup> The World Bank, the Organization for Security and Cooperation in Europe (OSCE), the European Union and sub regional agencies such as the Southern Africa Development Community and the Economic Community of West African States have been the focus of much research, and in recent years, some attention has also been given to regional cooperation and organizations in East Asia.<sup>24</sup> One important aspect of the focus on such organizations is that it has increased the emphasis among both scholars and practitioners on the need, importance and benefits of sharing best practices. The aim is to find effective ways to enhance the coordination between the UN, regional-, sub regional and civil society organizations, thereby creating better linkages between national, regional and international conflict prevention and management efforts, including the improvement of the planning in the field as well as at the headquarters.<sup>25</sup>

Finally, the idea of a so called "culture of prevention", an idea promoted both by the UN Secretary-General Kofi Annan, who has been trying to move the

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<sup>22</sup> Peter Wallensteen, Carina Staibano, and Mikael Eriksson, eds., *Making Targeted Sanctions Effective – Guidelines for the implementation of UN Policy Options* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2004).

<sup>23</sup> The importance of regional organizations will be discussed in greater detail in Niklas Swanström's chapter in this volume.

<sup>24</sup> Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002); Niklas Swanström, "Conflict Management in Northeast Asia", *Korean Journal of International Studies*, 30, 1 (2003); Rajshree Jetly, "Conflict management strategies in ASEAN: perspectives for SAARC", *The Pacific Review*, 16, 1 (2003), 53-76; R Foot, "The UN systems contribution to Asia-Pacific security architecture", *The Pacific Review*, 16, 2 (2003), 207-230.

<sup>25</sup> Chandra Lekha Sriram, "Refining Conflict Prevention—Sharing Best Practices and Improving Partnering", Albrecht Schnabel "Operationalizing Conflict Prevention: Opportunities and Challenges for Regional and Subregional Organizations", Augustine Touré, "Moving Towards A Culture of Prevention: Bringing in Local Actors", in *Sharing Best Practices on Conflict Prevention: The UN, Regional and Subregional Organizations, National and Local Actors*, IPA Policy Report, <<http://www.ipacademy.org>> (February 28 2003).

organization away from a culture of reaction to one of prevention<sup>26</sup> and by the OECD. In the OECD, the goal is to create a culture of prevention in both development cooperation and foreign policy. The OECD does, in its Development Assistance Committee (DAC) guidelines, urge the international community to make sure to always apply a conflict prevention lens to all its actions, and has regularly pointed out the need for a culture of prevention. This could be accomplished, according to the OECD, if the international community was better able to “analyze the causes and dynamics of conflict and peace in order to understand how their actions will affect the “structural stability” of a society or country”<sup>27</sup>. Furthermore, the international community needs to be more aware of “the political aspects of any activity and understand how its aims, design, and implementation may interact with the political and economic dynamics in that society, including their effect on poverty.”<sup>28</sup> The idea of a culture of prevention has also been discussed by scholars and practitioners in a recent volume published in the memory of the late Swedish Foreign Minister Anna Lindh.<sup>29</sup> There is no doubt that if a regional agreement on core principles, i.e. a culture of prevention, could be reached, it would greatly improve the prospects of creating functional preventive and management mechanisms at a regional level. This has, however, been difficult to reach at this point in time, and the success on the international arena has been even more limited.

This leaves us with a very broad concept that potentially could include most aspects of handling conflicts or preventing conflicts. What exclusively is being dealt with here is preventing a conflict from reaching military violence, either through structural or direct prevention, or management of a conflict that has not reached military violence, such as in the Taiwan Straits. In addition, only peaceful means are included in the definition, a distinct change from the old traditions of preventive strikes.

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<sup>26</sup> Kofi Annan, *Prevention of Armed Conflict*, Report of the Secretary-General, A/55/985-S/2001/574, June 7, 2001.

<sup>27</sup> OECD, *The DAC Guidelines: Helping Prevent Violent Conflict* (OECD, 2001), 31, <<http://www.oecd.org>>, (April 28 2003).

<sup>28</sup> Ibid.

<sup>29</sup> Anders Mellbourn, ed., *Developing a culture of conflict prevention* (Hedemora: Gidlund, 2004).

### Lack of Research: Practical and Theoretical

In simple terms, conflict prevention and management are general concepts for methods and mechanisms used to avoid, minimize, and manage conflicts between different parties.<sup>30</sup> Conflict prevention is a set of instruments used to prevent disputes from forming in the first place, or preventing them from developing into an active conflict.<sup>31</sup> Conflict management, on the other hand, is a theoretical concept focusing on the limitation, mitigation, and/or containment of a conflict without necessarily solving it.<sup>32</sup> These two concepts are often seen as distinct from each other as they differ significantly in their implementation. However, conflict prevention and conflict management are, in fact, different sides of the same coin, since without conflict management it would not be possible to initiate preventive action. Preventive actions, in turn, are essential to successful managing of active conflicts.

Prevention and management are, by far, the most financially sound mechanisms to deal with potential conflicts as they are relatively cheap for states and international organizations to put in place, both from an economic and a political perspective. To avoid a conflict requires fewer resources than to rebuild a society and recreate political capital. Not to mention the human costs, and the industrial costs following the loss of the productive part of the populations, or the rehabilitation of the victims of conflict. Indeed, preventing conflicts or managing them when prevention has failed, could save millions of people from violent deaths, rapes and suffering.

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<sup>30</sup> Bruce Russett, "Preventing Violent Conflict Through the Kantian Peace", in *Preventing Violent Conflicts: Past Record and Future Challenges*, ed. Peter Wallensteen, Report No 48 (Uppsala: Department of Peace and Conflict Research, 1998); Michael Lund, *Preventing Violent Conflicts* (Washington D.C.: United States Institute of Peace Press, Washington, D.C., 1996); Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002); Niklas Swanström, "Conflict Management in Northeast Asia", *Korean Journal of International Studies* 30, 1 (2003); Peter Wallensteen, ed., *Preventing Violent Conflicts: Past Record and Future Challenges*, Report No 48 (Uppsala: Department of Peace and Conflict Research, 1998).

<sup>31</sup> Sophia Clément, *Conflict Prevention in the Balkans: Case Studies of the Fyr Macedonia* (Alençon: Institute for Security Studies of WEU, 1997).

<sup>32</sup> Fred Tanner, "Conflict Prevention and Conflict Resolution: Limits of Multilateralism", *International Review of the Red Cross* (September, 2000).

Despite the apparent benefits of conflict prevention and management, there is a lack of effective mechanisms for this in the international system. Even though the equation 'a penny to a pound' is sound, what is gained through investment fails to materialize for the public and the politicians. In fact, the opposite occurs: if prevention and/or management measures are successful, nothing will materialize, i.e. the absence, or non-escalation of conflict is the reward for conflict prevention and management. Such a lack of political profitability and return of investment is a difficult motivator for action. Thus, one of the greatest obstacles for conflict prevention and management is to prove that attempts to avert a conflict succeeded, since it is difficult to prove a potential outcome that did not occur. To overcome this problem and change the focus of decision-makers is one of the major tasks within prevention and management.

Nevertheless, conflict management and conflict prevention are concepts that the international community has been increasingly eager to accept, at least on paper. The task is to implement measures in practice and to create an international culture of prevention and management that can replace the traditional view of crisis management and conflict resolution. This is a monumental undertaking as little has been done in the past. Indeed, the international community has increasingly been placing the burden of conflict prevention and management on regional actors and Non-Governmental Organizations (NGOs). This transfer of responsibility has met with different responses by the established regional organizations. Some member states and regional actors have been significantly engaged in both direct and structural prevention, but in general there exists little coordination of attempts and the resources put into preventive and management schemes are limited. This is directly connected to the lack of political engagement and fear by states and leaders that engagement in regional or international endeavors, of any kind, would undermine and limit national sovereignty.

The need for conflict prevention and management, at the state level and beyond, seems hard to accept, despite the fact that prevention and management are two of the most common social interactions of human life. Not a day goes by where individuals do not engage in conflict prevention or management of security threats. Nobody thinks twice about washing hands

before eating, looking both ways before crossing the road, wearing a safety belt in the car, taking medicine when sick or purchasing travel insurance before going on vacation. These are all preventive or management measures taken before a “conflict” has erupted or in the early stage of it. Amazingly, when millions of lives and billions of dollars are at stake, governments tend to neglect these actions. This is not only strange, but irrational both from a financial and humanitarian point of view.

## **Conflict, Conflict Management and Conflict Prevention: the Development of Concepts**

### *Definition of conflict*

The perception of a threat, or actual occurrence, of a conflict is necessary for the initiation of conflict prevention or management measures, and hence it is essential to address the concept of conflict before exploring how to prevent and manage such occurrences. Although conflicts can be positive and lead to inventions, understanding and friendship etc., the concern here is the negative affects of conflicts that could lead to political and economic stalemate, increased tension and/or violent military conflicts. In this chapter, the suggested definition of conflict is not simply confined to violent behavior or hostile attitudes, but includes also a notion of incompatibility or in “differences in issue position” (*Positiondifferenzen*).<sup>33</sup> Such a definition is designed to include conflicts that fall outside traditional military conflicts, for example those that are based on behavioral dimensions. The actions that are undertaken to handle or prevent differences in the issue positions are considered to be prevention and management.

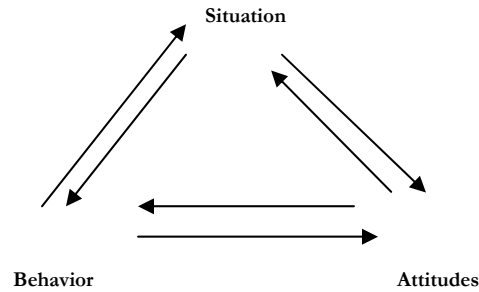
The first step is to understand exactly what a conflict consists of. The starting point for this volume will be the traditional definitions of conflicts (presented below), according to which a conflict is a situation of opposing interests involving scarce resources, goal divergence and frustration. It then moves on to address more current perceptions on the concept of conflict. According to C. R. Mitchell, the conflict structure consists of three parts:

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<sup>33</sup> Ernst-Otto Czempiel, *Internationale Politik; Ein Konfliktmodell* (Paderborn: Schöningh, 1981), 198-203.

attitudes, behavior and situation that interact and create conflicts between actors.<sup>34</sup> Mitchell's conflict structure simplifies the complex reality in an understandable way, even if it has limitations as any theory.

Mitchell's model was created for political and military conflicts, but is also applicable to the changes in perception of conflicts that the international community has experienced. Economic, environmental and human security became fundamental aspects of international and regional interaction and Mitchell's model is able to incorporate this. However, this model is complicated by the fact that conflict often occurs in mixed-motive relationships where the involved parties have both cooperative and competitive goals.<sup>35</sup> Mitchell's model seems to have neglected this more complex dimension to the relationship. The competitive element creates conflicts and the cooperative element creates incentives to negotiate in an effort to reach an agreement.<sup>36</sup> There are, however, studies that confirm that conflicts tend to occur even if the involved parties have highly compatible goals.<sup>37</sup> This can be explained by including frustration, obstruction, interference and other subjective aspects of conflict in the definition. The theoretical framework has here been adjusted to leave room for an interpretation of a conflict to include tensions, misunderstandings, political and economic interests, and historical animosity.



Model 1: Social structure

1. The situation impacts the behavior (failure to reach targeted goals, especially important goals, creates frustration and increases the willingness to reach these goals).
2. The situation impacts attitudes (incompatible goals increase the suspicion and distrust between the actors).
3. Behavior impacts the situation (success can introduce new questions in the conflict as demands increase).
4. Behavior impacts the attitudes (destruction increases hatred, success can impact the group solidarity and the notion of "us").
5. Attitudes impact the behavior (expectations such as "our traditional enemies will attack again" will impact the defensive planning and preventive actions).
6. Attitudes impact the situation (the longer the conflict continues the more questions will be introduced).

<sup>34</sup> C.R. Mitchell, *The Structure of International Conflict* (London: Macmillan, 1981), 55.

<sup>35</sup> Kwok Leung and Dean Tjosvold, *Conflict Management in the Asia Pacific: Assumptions and Approaches in Diverse Cultures* (Singapore: John Wiley & Sons, 1998); R. Walton and R. Mckersie, *A Behavioural Theory of Labour Negotiations* (New York: McGraw-Hill, 1965).

<sup>36</sup> M Deutsch and M. Krauss, "Studies in interpersonal bargaining", *Journal of Conflict Resolution*, 6 (1962).

<sup>37</sup> M. Deutsch, *The Resolution of Conflict* (New Haven: Yale University Press, 1973); Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002).

Conflicts have generally been defined as a situation in which two or more parties strive to acquire the same scarce resources at the same time.<sup>38</sup> There is no disagreement among scholars that there needs to be more than one party to have a conflict, nor is there usually a dispute about the time factor. What does cause concern is the term "scarce resource". Although the central point in the argument is scarcity, resources should also be included in the discussion. Peter Wallensteen has pointed out that resources not only are economic in nature,<sup>39</sup> but that the terminology excludes conflicts over economic orientation, human security, environment, religion, historical issues, etc. Such conflicts are not always about resources, and where they are, these resources are, more importantly, not necessarily scarce.<sup>40</sup> Conflicts are, moreover, in many cases based on positions, rather than on attitudes or behavior as it has generally been defined. In addition, when discussing the definition of conflict, perception should be included as a central concept, as conflicts and the opponent's intentions not always are objectively defined, but rather based on subjective perceptions. There could be an abundance of room for an agreement (or resources), but the parties perceive the conflict as being irresolvable. Consequently, it may not be possible to compromise with an unbeliever or an opponent that is perceived as untrustworthy.

The normative disputes, many times subjectively defined, are also excluded from the rational definitions. Normative disputes are disputes involving religion, values and beliefs. Such conflicts do not always have a military outcome and are regularly disregarded despite their indirect or direct conflict potential. Consequently, in this chapter, the following, more inclusive, definition of conflict is being suggested: *perceived differences in issue positions between two or more parties at the same moment in time.*

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<sup>38</sup> Peter Wallensteen, *Från krig till fred - Om konfliktlösning i det globala systemet* [From war to peace - conflict resolution in the global system] (Stockholm: Almqvist & Wiksell, 1994), 14-15; Peter Wallensteen, *Understanding Conflict Resolution War, Peace and The Global System* (London: Sage Publishing, 2002), 16.

<sup>39</sup> Peter Wallensteen, *Understanding Conflict Resolution War, Peace and The Global System* (London: Sage Publishing, 2002), 16-17.

<sup>40</sup> Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002).

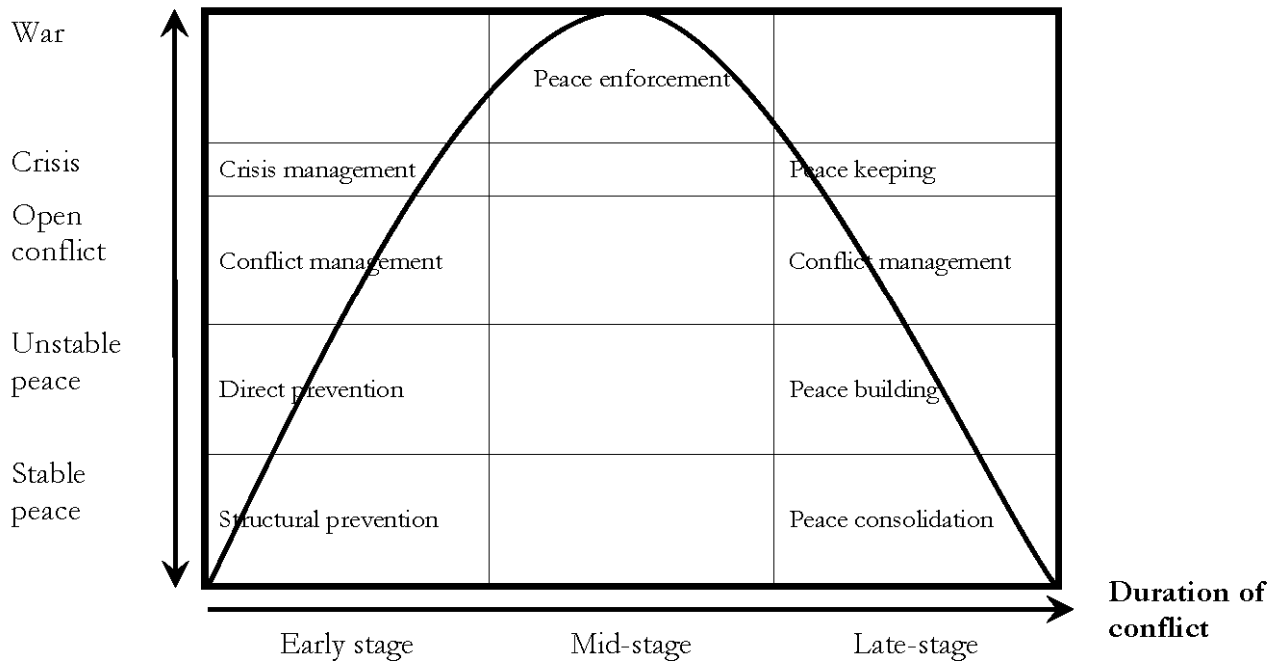
### *The life cycle(s) of a conflict*

It is important to define a conflict cycle in order to understand how, where and when to apply different strategies. A conflict is not a static situation, but a dynamic one – the intensity level changes over its life cycle. Over time, numerous suggestions and models of what these patterns look like have been suggested. Some models have the form of a spiral, while others involve different types of curves (often U-shaped). Among these models, a number of patterns stand out. Conflicts are often described as cyclical in regard to their intensity levels, i.e. escalating from (relative) stability and peace into open violent conflict (war), thereafter deescalating into relative peace. Most scholars also agree that these cycles are reoccurring. This proposition is strongly supported by empirical research on conflict patterns. Here, it should also be noted that many scholars have added stable or durable peace as concepts, in which the conflict is considered resolved – i.e. the re-occurring pattern of conflict has been stopped. Also, most models divide both the escalation and de-escalation parts of the conflict cycle into phases.

The division into phases, and the cyclical perception of conflict, has also become the starting point for research on conflict prevention, management and resolution. In principle, conflict prevention, conflict management and conflict resolution are regarded as applicable in different phases of a conflict. In sum, conflict prevention measures are designed for the early phases, before a conflict has become manifest (open). Management measures are applied in later phases when a conflict is manifest, but before violence has occurred. As illustrated below, this is a very much simplified description of reality. Also, there are large disagreements both within the academic and the policy community, as well as between the two.



### Conflict intensity level



The model of the life-cycle of conflicts presented here includes both the conflict process itself and possible prevention, management and resolution measures (Model #2). This conflict cycle is presented in the form of an upside-down U-curve, illustrating a conflict cycle in its most simplified form, i.e. the rise from stable peace to war and the de-escalation to stable peace. As will be noted, this is not in line with the empirical reality, but simply a theoretical outline.

The curve is divided into five levels of conflict intensity (stable peace, unstable peace, open conflict, crisis and war) in a total of nine chronological phases. Stable peace is a situation where tension between the parties is low and there exists different forms of connections and cooperation between them, often including economic and environmental cooperation, as well as cooperation within other non-sensitive issue-areas. During a period of *unstable peace*, tension has increased. This is a situation where, albeit the existing negative peace, there are such high tensions between the parties that peace no longer seems guaranteed. An *open conflict* is when the conflict is defined and the parties have taken measures to deal with it, even if militarized options are not adopted. In the *crisis phase*, the risk of an open

violent conflict is imminent and militarized options are the preferable or likely option. There may be sporadic violence between the parties at this stage, but there is no *open* violent conflict (war). In the *war phase*, the parties are in open violent conflict.

In the de-escalation phase the pattern is reversed, moving from crisis to stable peace and the conflict intensity follows the same pattern as well. However, the measures targeting the de-escalation phase are often much more financially and politically demanding and often involve third parties, such as the UN or stronger military actors that can guarantee security for all actors involved. Trust is often lacking and is tremendously difficult to rebuild. Empirically, there are often no, or limited, trust until the peace consolidation phase has been initiated. Resolution of the conflict can be initiated in all levels of the conflict curve, although some authors confine such actions to after the militarized phase. It is, of course, possible to resolve differences in issue positions without going to war, as seen during the Cuban Missile Crisis, in Cyprus, in the border conflicts between China and Kyrgyzstan etc. These are all examples of conflicts and crisis that were managed or prevented before war erupted, even if the underlying issues were not always resolved.

Just as the phases of the conflict cycle are important, the connection between prevention, management and resolution needs to be developed further. The easiest way to separate between the concepts is by focusing on the time factor. Starting with conflict prevention, it is by definition applied before the conflict has become open and violent (or to prevent a conflict from re-escalating in a post-conflict phase). Conflict prevention measures are effective at the level of stable- and unstable peace. Here, it is important to differentiate between structural- and direct preventive measures. The former are most applicable in the stable peace phase. The reason for this is simply that the acceptance of preventive measures tends to be higher at low levels of intra-party suspicion. If structural preventive measures are implemented at an early stage, including both the building of institutions and development of trust and (longer-term) cooperation, they decrease the perceived need to, and hence risk of, escalating a potential conflict issue into the level of unstable peace. In the unstable peace phase, the direct preventive measures are directed at the issues (conflicts) with a more short term goal in

mind, i.e. to reduce tension and create trust between the actors. Simultaneously, the window of opportunity for longer-term initiatives, such as the building of institutions, fades away slowly. Examples of direct measures include sanctions, coercive diplomacy, the dispatch of special envoys, and problem-solving workshops.

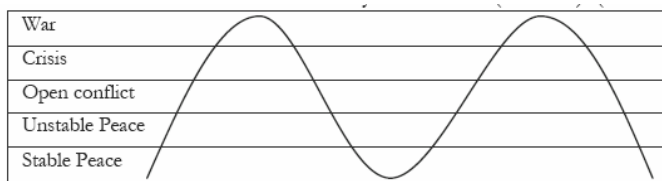
Crisis and conflict management, on the other hand, involves tactics that are enforced when violent conflict is deemed as likely, but before it escalates into open war. Conflict management can be enforced as soon as the conflict has been identified by the actors. Direct measures can be designed to handle the conflict and reverse destructive behavior into constructive. The measures are often bilateral and range from CBMs to direct negotiations. Crisis management is employed in the short time frame before a war is to erupt, when the conflict escalates rapidly and the time for management measures are limited. These measures are often more drastic and aims at containing the outbreak of militarized conflicts with all means possible. Examples of such measures include peace-keeping missions and intervention by other actors such as NATO. Some analysts also view preventive strikes as possible crisis management measures. However, in this paper, management and prevention measures are, per definition, strictly peaceful.

During the stage of war, neither prevention nor management is possible (apart in a negative sense, i.e. prevention of peace). The actors either have to fight things out and reach a hurting stalemate where both realizes the need to end the conflict, or peace has to be enforcement by external actors. If the militarized conflict is contained, either through a peace treaty or a cease fire, there are possibilities to reverse the positions of the actors and make them adopt a more constructive behavior. Initially, the focus is on separating the actors and preventing further escalation, either by mistake, or by calculated measures. This stage is comparable to the crisis stage in the escalation phase and often involves third party actors that assist with peacekeeping or monitoring. This is followed by a phase of peace building and peace consolidation where the aim is to make actors more cooperative and create an inclusive peace for all involved parties. This is often a financially very costly stage requiring enormous political and economic commitment from the international community as well as the involved actors. Thus, the notion that resolution or other mechanisms to deal with conflicts have to be

applied after (potential) conflicts are militarized, is humanitarilly, as well as, financially unsound.

*Different conflict curves*

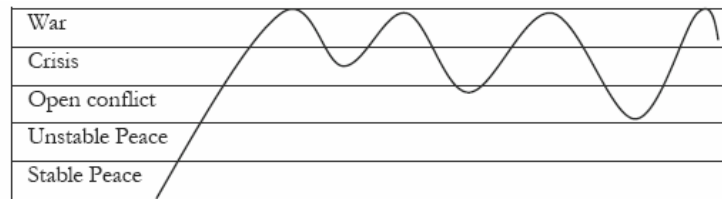
As mentioned earlier, the conflict cycle is re-occurring over time. In a first version, the conflict curve moves trough all stages and the conflict is eventually transformed into stable peace. In this case, the upside down U-curve will look like a wave of U-curves, reaching the level of war and then de-escalating to the level of stable peace, until the conflict is ultimately resolved (if ever) (model 3:a).



Model 3:a

However, here it is important to note that all waves of the conflict do not look the same. The pattern in the figure simply does not

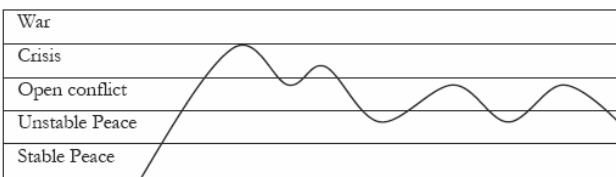
correspond to the patterns of real conflicts. A re-escalation of a conflict can occur at any point during the de-escalation phase and does



Model 3:b

not normally follow the standardized theoretical curve. In fact, it is more likely that a conflict re-emerges the higher the intensity level is. Thus, there is a reason why the crisis phase is called crisis phase also in the post-war part of the conflict (model 3: b). The conflict “bounces” between the higher levels of the conflict cycle and it proves difficult or impossible, to reduce the conflict intensity or increase the long-term trust.

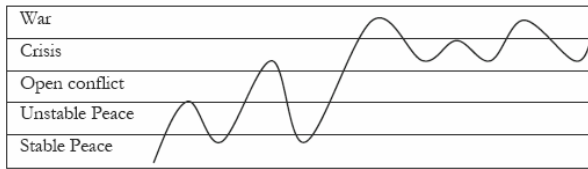
Here it is also important to note that each escalation not necessarily, and not even likely, will reach the intensity level of a war (model 3: c). The parties



Model 3:c

will not find any means to resolve the conflict, or create even unstable peace, but the conflict never reaches the level of militarized conflict.

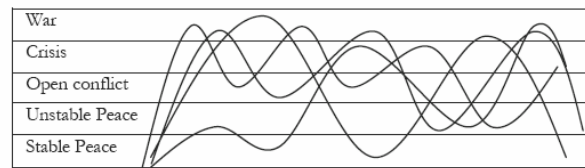
To add further complexity to the wave pattern, it should be noted that the same kind of pattern can, and is, occurring in the escalation phase of the conflict (model 3: d).



Model 3:d

However, the wave pattern is far more complex than has been indicated to this stage. Indeed, each conflict arguably includes a large number of sub-conflicts. The

idea is that a conflict consists of numerous sub-conflicts over a wide array of issues. Each of these sub-conflicts has its own conflict cycle (model 3: e). As each of these sub-conflicts has its own conflict curve, at any set point in time these sub-conflicts will be at different points on their respective curve. As a result, they will also be in different conflict phases, phases that need not overlap with the one of the overarching conflict. In other words, each sub-conflict requires a unique kind of prevention, management or resolution measure, suitable for the conflict intensity and phase of that particular conflict. In short, at each point in time, different kinds of measures need to be applied to maximize the ability to handle the conflict. If overarching conflicts between two or more actors are to be managed or prevented, there is a need to focus on more issues than the core ones to build trust and prevent the conflict from further escalation.



Model 3:e

### What are the Existing Problems with Theory?

Although the inconsistency in the definitions of the two terms conflict prevention and conflict management is a problem within the existing theory, it will not be the direct focus of this book. Quite contrary, within this publication, they will be treated as different sides of the same coin. Instead, a number of other problems and gaps in the existing theoretical frameworks will be addressed by the different authors in the volume.

Existing theories on conflict prevention and management are, in most cases, not directly applicable to actual or potential conflicts in the world. Of

course, simplifications are needed to create theoretical frameworks. However, a model for conflict prevention and conflict management that is far too simple risk losing track of the specific local context where actual conflicts occur, be it on a regional, sub-regional, state, or sub-state level. Most scholars, at least partially, accept the fact that each and every (potential) conflict is depending on its specific circumstances and the local context (historical, cultural, geographical etc.). Some would even argue that each conflict is unique and need its own management and preventive tools.

It is simply not possible to create a theory that fits all conflicts in all contexts. We, the authors, even argue that each regional cluster has its own dynamics and attributes, both physical and cultural.<sup>41</sup> This problem is illustrated by the fact that most writings on conflict management and prevention have an empirical focus, either focusing on a single case and the lessons that can be drawn thereof, or trying to provide methods and tools in different forms of toolboxes or best practices.<sup>42</sup> Consequently, there is still a lack of theoretical frameworks. The attempts to develop a far-reaching framework have, on the other hand, often been too general to create theories directly applicable to actual conflicts. In this volume, we will try to bridge between the two ends, trying to create an integrated foundation for theory, methods, and tools for conflict prevention and conflict management. However, we will strive to ensure that such measures are customized for the environment in which the findings are to be implemented. This seeks to meet the commonly agreed upon need for integration of theory and policy experienced by leading scientists and practitioners.<sup>43</sup>

One other major, although often neglected, problem with the existing theory relates to the separation of the two concepts of conflict prevention and

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<sup>41</sup> Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002).

<sup>42</sup> Annelies Heijmans, Nicola Simmonds, and Hans van de Veen, eds., *Searching for peace in Asia Pacific : an overview of conflict prevention and peacebuilding activities* (Boulder, Colo.: Lynne Rienner, 2004); Monique Mekenkamp, Paul van Tongeren, and Hans van de Veen, eds., *Searching for peace in Central and South Asia : an overview of conflict prevention and peacebuilding activities* (Boulder: Lynne Rienner, 2002); Paul van Tongeren, Hans van de Veen, and Juliette Verhoeven, eds., *Searching for peace in Europe and Eurasia: an overview of conflict prevention and peacebuilding activities* (Boulder, Colo.: Lynne Rienner, 2002)

conflict management. In theory, it has been seen as necessary to make a distinction between management and prevention of conflicts. However, this separation is not only artificial and non-coherent as different scholars use their own definitions of the respective concepts. There is also a risk that such a distinction proves to be counterproductive since the differences between conflict prevention and conflict management are empirically indistinguishable. In practice, these measures can be seen as working side by side at different levels and in different issues in a larger conflict. It is easy to visualize that certain issues in a conflict can be managed as, at the same time, the forming of others is being prevented. However, this does not mean that the conflict has been successfully prevented or managed, or even that tension has been reduced, as new issues can be brought into the conflict.

The problem of separation will be addressed in a number of the chapters in this volume, as will the possibility to integrate the two concepts into one single framework. This theme will also be further developed in a coming volume, in which the thoughts of both practitioners and scholars will be presented.<sup>44</sup> The problem of separation becomes particularly clear when observing real world conflict prevention and conflict management. In each and every case, a wide array of different methods and tools is used simultaneously at different levels and aspects of a conflict to prevent and/or manage the large number of tensions and issues that may arise, are present, or in risk of escalation.

The practical need for an integrated view on prevention and management is, for example, evident in some of the conflicts in the region of interest in this book. Northeast Asia has unique features that have to be considered when developing relevant theories if they are to be operationalized and implemented in the region. In the region, there is a lack of institutionalization and a general preference for informal and consensus

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<sup>43</sup> William I. Zartman, "Conflict Management: The Long and Short of It", *SAIS Review* 20, 1 (2000); Michael Lund, *Preventing Violent Conflicts* (Washington D.C.: United States Institute of Peace Press, 1996).

<sup>44</sup> The authors acknowledge that to develop a well grounded and working theory simplifications need to be made, such as, for example, a separation of the three concepts addressed in this article. However, we argue, not only, that such an integration is possible and would enhance theory, but also that a theory with high empirical relevance has the potential of minimizing conflicts, both in number and intensity, and hence need to be explored.

based interaction between the actors. At the same time – against most existing economic and trade theory – the economy is working well and there is a high level of intra-regional trade and economic cooperation. Northeast Asia has a long cultural, philosophical and religious history that is very different from in the West. In regards to the existing theories, this is an unfortunate fact since most of them are based on Western culture, historical heritage, religious values and philosophy. This is also an important fact, as the last thing that can be said about Northeast Asia is that it lacks historical and cultural history and context.

Despite, or possibly due to, the historical and cultural interaction, there is a high level of intra-regional distrust, but still a lack of open conflicts. Furthermore, the region does not have any dominant regional power, and there is a strong suspicion of each and every rising power. Moreover, the region hosts a number of potentially devastating conflicts, the most evident ones in the Taiwan Strait and on the Korean Peninsula. Indeed, these are hotspots in which not only Mainland China, Taiwan, the two Koreas have a stake, but also Japan, the US, and Russia.

### **Northeast Asia and the Study of Prevention and Management**

The importance of Northeast Asia to conflict prevention and management is twofold. Firstly, and as mentioned before, the region has been largely neglected academically from a conflict prevention and management perspective. Secondly, the region presents such dynamic with regard to factors that promote or impede the establishment and implementation of conflict prevention and management mechanisms. It is therefore of utmost importance to avoid further neglect if the future of intra-regional, and arguably international, relations is to be safeguarded.

Presently, Northeast Asia is the most militarized region in the world. This is the consequence of an arms race between states due to, among other things, a lack of trust, fear of regional dominance and the close proximity to conflicts with a real potential for escalation. According to the Centre for Strategic and International Studies (CSIS), the arms race in Northeast Asia



cost the participating states a total of US\$ 109.1 billion in 2001 alone.<sup>45</sup> And the trend in military spending follows an almost constantly increasing curve.<sup>46</sup> Also, the region is host to three actors in possession of nuclear weapons (China, Russia and the USA), three with the capacity for constructing nuclear arms (South Korea, Japan and Taiwan) and one with unknown capacity (North Korea). In instances where armaments is the threatening factor, it is uncommon for actors to act according to an optimistic scenario, and the presence, or unknown status, of nuclear weapons only increases the predisposition of states to prepare for a worst-case situation.

In addition to, and in parts a reason for, the arms race, the region hosts two almost sixty-year long conflicts - on the Korean peninsula and in the Taiwan Strait. These prolonged conflicts have varied in intensity over the years, but never been resolved. Although sources of much dispute and conflicting interests, these conflicts provide significant empirical information for the understanding and development of measures of conflict prevention and management for the region. There is ample information to be gathered regarding existing conflict prevention and management methods, as well as patterns of conflicts in the region. Yet in order to implement regional conflict prevention and management mechanisms, and subsequently develop a culture of prevention, the interaction between the actors needs to be positive and mutual beneficial. Such interaction do, indeed, already exist between some actors in the region, but two areas of special importance for the development of common mechanisms of conflict prevention and management need to be highlighted.

Northeast Asia hosts three of East Asia's largest consumers of fossil fuels. China, Japan and South Korea together consumed a total of 780.4 million tons of oil and natural gas in 2003, or 17.7 per cent of the world's total.<sup>47</sup> With only China and North Korea having any proved, yet fairly small,

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<sup>45</sup> Center for Strategic and International Studies, *The Asian Military Balance: An Analytic Overview A comparative Summary of Military Expenditures; Manpower; Land, Air and Naval Forces; and Arms Sales* (May 2003): 7. Individual political entities' expenditure in billion US\$: China 46, Japan 39.5, North Korea 2, South Korea 11.2, and Taiwan 10.4.

<sup>46</sup> *Ibid.*, 31.

<sup>47</sup> British Petroleum, *Statistical Review of World Energy*, (2004), 10, 25  
<<http://www.bp.com/subsection.do?categoryId=95&contentId=2006480>>(September 13, 2005).

reserves of oil or natural gas, all actors, including Taiwan, are net importers of energy. This common need to achieve energy security could offer a venue for cooperation. In securing for example oil supplies from the Middle East, the regional states would benefit from cooperation over shipping routes or cooperative projects involving pipelines or hydroelectricity. The need for increased energy could even create the base for a Northeast Asian coal and steel union that could, in turn, create the basis for preventive work in the region. In addition, the reliance on imports, and the volatile fuel market, could also be a source of friction and competition if a firm foundation for cooperation is not established.

One of the most poignant areas of cooperation in the region is trade. Asia at large has the second highest intra-regional merchandised trade in the world, with US\$ 949 billion circulating within the region in 2003. This equals almost half (49.9 per cent) of the region's total merchandise exports. According to the WTO, the greater region of Asia has the second largest share, 13 per cent, of regional trade flows in world merchandise exports.<sup>48</sup> China, Japan, South Korea and Taiwan have all had strong trade relations and have all assisted in driving and developing the region's economy at various intervals. Japan, to a large extent, drove the regional economy during the 1950s and 60s, South Korea in the 1970s and 80s, and China in the 1980s and 90s. Thus, there is considerable interaction between some of the strongest financial actors in the entire region of East Asia and they are all located in Northeast Asia. However, there are very few financial structures that assist integration and cooperation. The lack of formal cooperation structures, especially political ones, in Northeast Asia makes existing venues for cooperation even more important for the development of a common foundation, from which trust can be built and cooperation extended. As argued before, each region has different frameworks for existing cooperation and it is vital that those are recognized for their worth and potential as building blocks for other forms of cooperation, such as conflict prevention and management.

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<sup>48</sup> The World Trade Organization International Trade Statistics 2004  
[www.wto.org/english/res\\_e/statis\\_e/its2004\\_e/its04\\_byregion\\_e.htm](http://www.wto.org/english/res_e/statis_e/its2004_e/its04_byregion_e.htm) (September 13, 2005).

## Propositions and Roadmap

The basic assumption behind this book is that conflicts should be dealt with peaceful means and that they are easier and less costly to deal with the earlier they are detected. There are no dispositions how conflicts should be handled or prevented. Here, this first step has been taken to identify possible conflict lines, understand the differences in the perception of conflict prevention and conflict management and finally to assess how the concepts can be integrated into a regional culture of prevention and management. The project behind this book is a holistic process and tries to keep an open mind in a region of controversy and conflicts where different political actors often are locked in antagonistic positions, at least officially. The diversification between the different actors in regard to perceptions of the concepts, and the importance of potential conflict lines can be seen in the different chapters of this book. In many cases, these are incompatible at the surface, but a closer look at the conflicts often reveals an honest interest in compromising and seeking peaceful resolutions to the conflicts in the region.

This book attempts to integrate conflict prevention and conflict management, seeing them as two integrated phases in a conflict process rather than separate entities. The hypothesis is that such integration will enhance our ability to understand and minimize the risk of militarized conflicts. Traditionally, these have been separated, but since it does not mirror the operational reality, many policy people are skeptical against the concepts. It should also be noted that the assumption that a conflict is linear similarly is disputed on empirical grounds. Any conflict, such as the Taiwan Straits, is characterized by a main conflict line, for example political status, but involves several other sub-conflicts such as trade, fishery etc., which affects the overall conflict. It is problematic to separate the different conflicts as they form a close relationship. In addition, smaller conflicts offer possibilities for compromise and confidence building when the larger issues cannot be agreed upon.

Bridging theory and practice is a primary objective in this project and this book offers the structures for future research. It is necessary to include practitioners at one stage of theory development to make it operational. Conflict prevention and conflict management are highly delicate and

practical issues, both politically and operationally and the theoretical development in this field must be closely connected to the implementation phase. Thus, theory and practice must be integrated and developed parallel to avoid creating a theory without practical relevance. Without practical relevance or compatibility, prevention and management will be met with increased skepticism, especially towards the idea of early engagement, and the international community will continue to focus on crisis management, peace enforcement and other highly costly measures. Therefore, this theoretical approach integrates the practical and analytical know-how of regional practitioners and academics in the field from the region at large. Only in this way will it be possible to offer policy recommendations that are empirically grounded and suitable for implementation.

The book investigates local, national, regional and international perspectives on conflict management and prevention in order to provide a multi-levelled analysis. It is assumed that general prevention and management mechanisms do exist and are global in nature. Similarly, there also exists a region specific perspective of how to prevent or deal with conflicts. This book aims at identifying these perspectives in each individual state. The next step will be to integrate the general and region specific tools in a coherent theory of conflict prevention and management, which will be done in the next volume.

The foundation is laid by the introduction chapter and Peter Wallensteen's chapter that puts the different concepts into their positions and examines their mutual relationship and challenges to the concepts. Wallensteen's chapter analyzes the concepts of direct and structural prevention, the differences between applicability and operationality and the problems thereof. He also focuses on regional security building and the regionalization of the concepts in Northeast Asia. This is followed up by Chyungly Lee that ties the theoretical foundations to the practical applicability in Northeast Asia and the implementation of prevention measures in the region. She addresses the distinctions between the security and peace paradigm and makes a comparison with structural and direct prevention. Lee notes that both the security and peace paradigms have drawbacks in the region, and suggests an approach of realist constructivism to move forward. This is followed by two chapters by Niklas Swanström

and Mikael Weissmann that examine the regional structures, and, respectively, the formal and the informal mechanism for preventing and handling disputes. Shoichi Itoh, Vladimir Ivanov and Daojiong Zha examine a practical case - the energy security sector - with a major, unprecedented impact on national security. They propose that energy cooperation should be seen as a means both to prevent further conflicts as well as managing existing ones. This is mirrored by Kyodok Hong's chapter that takes the energy issue as one example that offers the possibility of both conflict and cooperation. Interestingly, energy is an issue that takes the face of a conflict, but carries the force of cooperative possibilities if the political and economic elites are brave enough to engage in cooperation rather than competition. The bulk of the book looks at the individual political entities' perception of conflict prevention and management. Arthur Ding, Ingolf Kiesow, Hiroshi Kimura, Kyudok Hong and Yao Yunzhu each presents a national perspective on how prevention and management could function. They also discuss the strengths and weaknesses, as well as the limitations to each of the concepts. In this way, they provide an overview of the political entities' view of what constitutes a threat. It should be noted that each of the author represents themselves and not their national governments, nor their institutions. There is a wide gap between the different authors both regarding the perceptions of the concepts and the understanding of the root causes of the regional conflicts. However, they are united in their understanding of the necessity of finding tools for handling and preventing conflicts. This is noted shortly in the final chapter that also looks at the future and the necessary undertakings to minimize conflicts and monetary losses.

Taken together, this provides the reader with an overview of the theoretical development in and outside the region, national perceptions and engagement in prevention and management, as well as a section on the practical applicability of the concept in the region. This is in no way a complete overview of the region, nor is it a theoretical merger of different concepts. These aspects are left for a second volume in this matter.





## Chapter II: Northeast Asia: Challenges to Conflict Prevention and Prevention Research

Peter Wallensteen

### Conflict Prevention

The literature on conflict prevention emerged as a result of the many wars in the early 1990s. The international community tried to draw lessons that would prevent further war experiences. This has also been true for those concerned with regional security in Asia-Pacific in general and in Northeast Asia in particular. To many writers, preventive actions deal with reducing the number and scale of armed conflicts by finding solutions at an early stage. Others, however, draw attention to the need of finding long-term arrangements that can handle and even absorb conflicts, maybe even before a problem has been defined as a conflict. This means that we need to distinguish between direct and structural forms of conflict prevention.

The direct prevention approach comes into play when disputes are formed, but where violence still not is the dominant trait of interaction among the parties. This type of prevention aims at reducing or eliminating violence in a conflict, not necessarily at eliminating a conflict as such, but the incompatibility between the parties. It includes constructive actions taken by third parties to avoid the likely threat, use or diffusion of armed force by parties in a political dispute. This is referred to as 'preventive action' or 'preventive diplomacy'. A broad spectrum of actions is included, even military measures.<sup>1</sup>

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<sup>1</sup> Kevin Cahill, (ed.), *Preventive Diplomacy. Stopping Wars before They Start* (New York: Basic Books; Carnegie Commission on Preventing Deadly Conflict 1997); Carnegie Commission, *Preventing Deadly Conflict: Final Report* (Washington, D.C.: Carnegie Commission on Preventing Deadly Conflict, 1997); Elizabeth M. Cousens, "Conflict Prevention", in *The UN Security Council. From the Cold War to the 21st Century*, ed. David Malone (Boulder, London:



The events of September 11, 2001 have seemingly turned the focus away from preventive measures. In many parts of the world, however, they remain a significant element. The US acted to reduce the severity of the clashes between India and Pakistan in 2002. The UN has continued to send peacekeeping forces into troubled areas (most notable to the Democratic Republic of Congo in 2002 and to Liberia in 2003). During 2004, the UN Security Council threatened to apply targeted sanctions in two cases, clearly with the ambition of preventing situations from deteriorating further (Sudan with respect to the Darfur region, Ivory Coast to maintain a shaky cease-fire agreement). Other actors have taken similar, supportive measures, notably the African Union and the Economic Community of West African States (ECOWAS). Thus, conflict prevention remains high on the agenda of international security institutions.

Structural prevention means taking a more long-term look at particular situations. Politically, such prevention often comes into play after serious conflicts have occurred: how does the international community make sure these events are not repeated? How a peace agreement is implemented is one dimension, the reconstruction of societies after a war is another, the ability to get the economy going is a third. There are many issues involved, and taken together they actually border on state building and state reconstruction.

In case of inter-state conflicts, furthermore, this includes the construction of new, integrative regional and international frameworks into which former adversaries can be brought. One example that often comes to mind is the relationship between Germany and France in Europe, where the First and Second World Wars led to two contrasting outcomes and post-war developments. The sixty years of peaceful relations between these two protagonists testify to the fact that something fundamental has actually

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International Peace Academy and Lynne Rienner, 2004), 101-116; Fen Osler Hampson and David Malone eds., *From Reaction to Conflict Prevention. Opportunities for the UN System* (Boulder, London: International Peace Academy and Lynne Rienner, 2001); Michael S. Lund, *Preventing Violent Conflicts. A Strategy for Preventive Diplomacy* (Washington, D.C.: United States Institute of Peace, 1996); Stephen John Stedman, "Alchemy for a New World Order: Overselling 'Preventive Diplomacy'", *Foreign Affairs* 73, 3, (1995):14-20; Peter Wallensteen ed., *Preventing Violent Conflicts. Past Record and Future Challenges* (Uppsala: Department of Peace and Conflict Research, 1998).

been altered. No doubt, regional cooperation is part of the explanation. The expansion of the EU into Central and Eastern Europe, furthermore, works as an incentive for settling conflicts, well in advance of them restarting.

Intellectually, structural prevention has much to learn from the causes of war studies, which highlight elements that are found to be associated with the outbreak of inter-state wars, such as lack of consolidated democracy on both sides of the divide, low economic integration and the absence of shared organizations.<sup>2</sup> In development cooperation, this has now become an important theme.<sup>3</sup> The events on September 11 2001 served to reinforce the importance of a long-term perspective for global security. The issue of failing states, whether called ‘weak’, ‘disrupted’ or even ‘collapsed’, is important from the point of view of conflict prevention but also, obviously, in counter-terrorism programs. However, few have, as of yet, addressed the problem of ‘failing regions’, the fact that regions do not manage to work out their inter-state and internal relations in amicable ways. This is one of the challenges facing conflict prevention thinking today. It also makes the study of Northeast Asia significant for the general study of prevention. It is a region that clearly has failed to act in concert, but where security may require actually doing just that. In this chapter, this is illustrated by building on some of the findings of prevention studies and by relating this to further research needs as well as to policy prescriptions. The focus is on suggesting preventive measures before renewed conflict has occurred, with emphasis on Northeast Asia.

### **Direct Conflict Prevention Measures and Northeast Asia**

As we have seen, the measures of the prevention tool box have long been known. To understand how they actually work in a particular conflict is different, however. Are all measures equally important? Are they all relevant for inter-state as well as intra-state conditions? These are further

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<sup>2</sup> Bruce M. Russett & John R. Oneal, *Triangulating Peace: Democracy, Interdependence and International Organizations* (New York: W. W. Norton, 2001).

<sup>3</sup> OECD/DAC Guidelines, *Conflict, Peace and Development Co-operation on the Threshold of the 21<sup>st</sup> Century*, Development Co-operation Guidelines Series (Paris: OECD, 1998, 2001); Peter Wallensteen et al, *Conflict Prevention through Development Co-Operation* (Uppsala: Department of Peace and Conflict Research, 2001).

challenges to conflict prevention research.<sup>4</sup> In this context, we are particularly concerned about inter-state relationships, as Northeast Asia at the time harbors fewer acute internal conflicts than previously, but still is home to many complicated international relations. As a matter of fact, Northeast Asia is a unique 'region' in that it lacks an understanding of itself as a 'region' with a purpose. Instead, it is an area with a large number of conflictual relationships.<sup>5</sup> Let us have this in mind for our further deliberations.

Obviously, the efficiency of preventive actions is difficult to ascertain. For instance, how do we know that there is/was an imminent threat? If there is no crisis, do we know that one was likely to occur? It is easier to establish that preventive actions have failed than to show that they have succeeded. However, history is full of examples of crises that many expected would become serious, or even develop into wars. The Cuban Missile Crisis of 1962 is but one case. There were severe tensions between Russia and Ukraine over the division of the Black Sea Fleet in the first part of the 1990s. These were two 'newly' independent states; was it likely that they would want to wage war over this issue, or was it more likely that the sovereignty issue was more prominent to these new states? Other debatable situations are the missile crisis in the Taiwan Straits in 1996 and the downing of the US aircraft in China in 2001. Were these events likely to lead to armed action? If so, how was this averted? In the four cases mentioned, the key actors restrained themselves. Why was this the case? Could it be that they were worried about having outsiders enter into the conflict – for preventive or other reasons? This would mean that prevention, without taking place, actually served to reduce tension! Some of the actors may, afterwards, claim that the issue was not so serious, but is this to be believed? To establish whether a threat is serious enough for international action is not easy. Over the years, there might be a trend. Rather than acting late, often too late, international actors may now prefer to act earlier than has been the case before. The alert threshold might be lower. This combines with the fact that the threat may be more destructive if it was to materialize. In the post-

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<sup>4</sup> Peter Wallensteen & Frida Möller, *Conflict Prevention: Methodology for Knowing the Unknown* (Uppsala Peace Research Papers, 7, 2003).

September 11 2001 era, governments are not willing to sit idle if they face credible threats, particularly not if they involve nuclear weapons. Northeast Asia is a case in point.

The four examples are telling as they demonstrate that inter-state conflicts can be defused, even by the actors themselves, and that such activities can be regarded as normal practice. Interesting is that tools employed in other regions of the world, such as inspections, observer missions, and neutral civilian and/or military peacekeeping troops, have had a role in Northeast Asia as well, but have been quite marginal in more recent attempts at reducing tension in the region. Nuclear inspectors in North Korea were important in diffusing the crisis in the early 1990s. Such measures should still be important, and might again be introduced. Today, they might also take on a regional field of operation. The observer mission in the demilitarized zone (DMZ) has been in place for fifty years and continues to play a significant role. It was an innovation at the time and has been seen as successful. This fact should spur further use of this instrument, here as well as elsewhere. One may, thus, legitimately ask whether such a measure could help reduce other elements of tension in the region. These are challenges to researchers as well as practitioners: why are such measures - proven to be useful - not applied more frequently in this region? What are the conditions under which they could be developed?

The disputes in Northeast Asia are well-known to decision makers and analysts. Many of the conflicts have been 'frozen' in an uneasy state of affairs for a long time. To predict that such conflicts are dangerous is not difficult but to specify more exactly when acute danger will arise is not simple. This brings us to the issue of early detection. How can such conflicts be identified at an early stage, particularly if the parties, or even only one of them, would like to prevent others from understanding what is going on? The initiation of large-scale hostilities includes planning. Egypt and Syria planned carefully and their joint attack on Israel in October 1973 aimed at surprising the other side. Information was not made available, weapons deliveries were not stepped up but spread out over time, troop movements were credibly described as maneuvers. The initiation of the war was, from

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<sup>5</sup> Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, 2002).

that point of view, a success. It was purposefully done so as to avoid preemptive action by the adversary or by the major powers. This means that the full picture is not easy to understand even if bits and pieces of information are available.

These lessons have been firmly integrated into early warning systems around the world, particularly those belonging to one or the other of the concerned parties. There are also lessons for third parties to build on. Information collection, however, has often fallen outside the scope of international governmental organizations. The UN does not have a central unit for such tasks, neither does the EU. Even though satellites are available and may communicate pictures and information, at times of crisis such transmission can be blocked by the member states. Thus, third parties concerned about prevention will find themselves in the same situation as the media: piecing together public information from many different sources. Such "watch-functions", nevertheless, are important. One may wonder whether a particular, non-governmental watch system would serve a constructive purpose for the Northeast Asian region.

Furthermore, conflict prevention is not aimed at competing with intelligence gathering or war planning on the contending sides. The lessons for prevention and early warning are different. The aim is to warn the primary parties, neighboring states and the international community alike about possible coming events. In most cases, a state does not want to start a war, but rather sees its particular measures as defensive. The logic of the security dilemma, however, makes the defensive action of one actor appear offensive to the opponent, particularly when there is little additional information available. Thus, it is in the interest of all states to institute confidence-building measures of a type that warn against impeding attacks by providing more information. This means routinely notifying neighboring states of upcoming maneuvers, major troop movements or planned missile tests. By giving information, confidence is created. Refraining from doing so, result in mistrust and suspicion. Either way, this becomes a significant indicator of early intentions and can serve to set in motion international efforts aiming at conflict prevention. These are possible preventive measures that may well be conceivable for Northeast Asia. Certainly, such measures require further elaboration and researchers need to look at

experiences from South Asia and Europe when determining the right mixture of actions. They should be on the agenda. The types of activities need to be discussed. If combined with the "watch-functions" mentioned above, it may constitute a way in which universities in the region can cooperate and together form a network of importance for conflict prevention.

Considerable thought has been given to predicting conflict from internal affairs of a particular country. It is often argued that domestic instability will lead to aggression towards others. This is seen as a form of deflection of tension. There is surprisingly little support for such notions in the systematic study of causes of war.<sup>6</sup> It seems instead that countries with troubled regimes avoid creating more hazards for themselves, and thus normally avoid the added dangers of international conflict. Some might dispute whether this is applicable to Northeast Asia and, for instance, point to the events of 1950 as examples. However, the leaders of the region are no longer the same, and the sense of revolutionary mission that may have driven earlier generations may not be there any longer. These are important matters that affect the understanding of likely threats and the actions undertaken to deal with them. For prevention purposes, however, it may be more important to trace the actual actions and reactions of the actors than to think about the impact of the rise or decline of domestic problems as a predictor of military action.

Domestic problems are still of concern to neighboring states as they may result in unexpected flows of refugees and large-scale humanitarian tragedies that require political action. This is to say that even beyond the direct security threat, states have a self-interest in the plight of their neighbors. In this regard, Northeast Asia is not an exception. Humanitarian issues should not be seen as a new arena for pursuing conflict, but a field for common action. It is interesting that several countries in this region have the word "people" in their names, suggesting that they should be humanly concerned over the fate of inhabitants in distress. It has been reported from

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<sup>6</sup> Birger Heldt *Public Dissatisfaction and the Conflict Behavior of States: A Theory Reconstruction with an Empirical Application* (Uppsala: Department of Peace and Conflict Research, 1996); Birger Heldt, "Domestic Politics, Absolute Deprivation, and the Use of Armed Force in Interstate Territorial Disputes, 1950-1990", in *Journal of Conflict Resolution* 43, 4, (1999):451-78.

other contexts that 'humanitarian diplomacy' may not only ameliorate particular acute dangers, but also help to establish more constructive relations between warring parties.

An important issue is to ask if there are third parties available for conflict prevention in Northeast Asia. Normally, the United Nations' Secretary General is seen as a resource of global significance. The presence of this office in Northeast Asia is limited, however. We have to go back in history to find the UN Secretariat central to conflicts in the Asian region (e.g. Dag Hammarskjöld in the mid-1950s). It is symptomatic that the present Secretary General has appointed Special and Personal Representatives for conflicts and issues around the globe, except for Northeast and East Asia. This reflects a reluctance to involve extra-regional actors, a reluctance that seems to be shared among all states in the region. It also mirrors the UN's anomalous situation on the Korean peninsula, where its record hardly is one of an impartial third party. It should be possible, however, to detach the office of the Secretary General from this historical connection and turn it into a source for conflict prevention. Such avenues require further exploration. Third parties can also be sought further away, notably from the ASEAN where the ASEAN regional forum (ARF) is an innovation of significance. It may be sought in Europe, where the EU at times has had a role, notably during the Swedish Presidency in 2001. Identifying and engaging third parties is important for regional security.

In lieu of the UN or extra-regional frameworks, Northeast Asia faces the daunting task of creating arrangements of its own. For the time being, it resorts to direct negotiations between the parties. This is important, but for more success it would benefit from bonds of a more durable kind. This brings us into the field of structural conflict prevention.

### **Structural Conflict Prevention and Northeast Asia**

Structural preventive measures have increasingly become a part of the development cooperation agenda. The OECD/DAC has developed guidelines for an implementation of such measures, based on a categorization of conflict. Its focus is, however, on internal conflict. This is highly pertinent in some parts of the world. For the time being, this is not

the case for the region we are discussing here. Still, it gives some indicators of successful prevention. If an inter-state relationship is turned from a recent history of threat, fear and military armaments to one of contact, civilian behavior, reduction of armaments and increasing feeling of security, this relationship has been transformed.<sup>7</sup> This, one may argue, is the goal of structural prevention. It is a long-term program, but needs to be on the agenda now. It implies that relations are moved from being determined by deterrence and balance-of-power to being marked by the traits of a security community. This is still far from integration and unification, of course, as the states are maintained as separate sovereign units.

Such developments have been seen in inter-state relationships. Historically, Northern Europe was a highly conflictual zone. So were the relations between the United States and Britain. Moreover, Britain and France were serious competitors for control in Africa. These examples illustrate that relations can change, sometimes quicker than anyone may think is possible. Only twenty years ago, the tensions between the Soviet Union and the United States were described as a 'second Cold War'. Five years ago, the US book market saw publications on the 'coming conflict with China'. Changes are possible.

Building such changes requires facing legacies left by the most recent war. The repetition of war is one of the most frequent factors cited in the causes-of-war literature. This means that it is important to deal with the war experiences in constructive ways. It is now a long time since Northeast Asia experienced a war, but the memories and possible future scenarios remain vivid. This is maintained by real threats but also by unsolved issues that are reminding of the dangers. Such issues can be dealt with, one by one. The return of displaced populations is one possible starting point for ameliorating lingering effects. If not dealt with in a constructive way, such issues are likely to continue to recreate images of hate and revanchism. It seems that legalized moves of populations would serve to promote conditions of long-term stability.

In the present global debate, matters of reconciliation and war crimes are

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<sup>7</sup> Karl W. Deutsch et al., *Political community and the North Atlantic area: international organization in the light of historical experience* (Princeton, N.J.: Princeton University Press, 1957).



also addressed as preventive measures.<sup>8</sup> The outcome of this is more mixed and it is too early to determine what is appropriate, and - not the least important - at what time. It points, however, to the role of media and the information that is transmitted to the broader populations. What is the responsibility on such accounts?

Obviously, structural prevention also includes the amassing of weapons. In many studies, arms purchases and arms transfers turn up as significant indicators of impending conflicts (e.g. as part of the alarm signals in the direct conflict prevention toolbox). The UN Security Council often imposes arms embargoes as a way to contain particularly threatening situations. In a structural perspective, attention is drawn to the long-term impact of armaments in the allocation of resources in a society. It tilts social development in directions which make neighbors uneasy and the own population dissatisfied. Thus, international regimes limiting the armament options of governments, such as the NPT, serve long-term conflict prevention purposes. Similarly, the Land Mines Convention of 1997 is an important achievement. Both these international arms control arrangements have obvious implications for the Northeast Asian region and should be part of the change of relations.

An important distinguishing feature of the Northeast Asian region is the slow development of democratic forms of government. The push is nevertheless there in most societies and is likely to have long-term consequences. Many studies show that democratic states can relate more easily to one another. At the same time, studies also point to the uneasy process of going from authoritarian rule to democratic conditions. The road forward on this score needs to be thoroughly debated and faced in innovative ways. This is a definite challenge to the scholarly community that will have particular implications for this region.

A preventive approach may require a regional framework where common interests, such as the sharing of resources, could be a starting point. As has been repeatedly pointed out, Northeast Asia has a 'cooperation deficit'. The question is if new forms of cooperation can be developed. Sharing

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<sup>8</sup> Karen Brounéus, *Reconciliation – Theory and Practice for Development Cooperation* (Stockholm: Swedish International Development Cooperation Agency, 2003).

transportation systems is one possibility, not only in terms of railways but also of sea routes. Access to maritime resources is another issue that possibly could be treated as a concrete field of cooperative endeavors. Of course, in the forefront of international discussion has been, correctly so, energy issues. All these issues do not have to be brought into one forum. On the contrary, much may be gained from having separate bodies, all building on functionalist ideas of shared interests. The combined impact may still be one of improving the chances of lasting peace.

In many of these issues, furthermore, international development assistance has a role in enhancing forms of cooperation as well as ensuring that local capacity is generated. A further avenue would be to establish international university connections throughout the states of the region. Both these measures will inevitably make Northeast Asia a more regular party to global interaction.

### **Towards Regional Security Building**

This overview has illustrated that the international discussion on conflict prevention is applicable to the Northeast Asian region. However, Northeast Asia has some pertinent challenges that are not seen elsewhere, notably the lack of a shared regional framework. Its democratic development lags other areas. On the other hand, it has so far been spared some of the problems faced by other regions, notably those associated with state failure in a basic sense. The study of this region thus has significance for understanding the conditions of conflict prevention as well as regional security.

All this provide challenges that have to be faced by researchers and policy makers alike. Much point to the likelihood, however, that this region would benefit from further regional security building. Conflict prevention, whether direct or structural, has a key role to play.



## Chapter III: Conflict Prevention in Northeast Asia: Theoretical and Conceptual Reflections

Chyungly Lee

The concept of conflict prevention is commonly used in both security and peace studies. It refers to policies and strategies for preventing political tension from turning into armed or violent conflicts. The paradigms stress different conceptual elements of conflict prevention, like the scope, the measures, the actors, and the time-series. Yet both agree that the implementation of conflict prevention measures should be context-specific and case-based and that there is no universal resolution to conflicts across regions or cases.

In Northeast Asia, the dynamics of political tensions and potential armed conflicts are well documented within the literature of geo-politics and regional security, but relatively understudied in the emerging paradigm of conflict prevention. The concept of “preventive diplomacy” and the “culture” of conflict prevention were introduced into the region only in recent years as alternatives to geo-strategic competition and military means to achieve security. Although academic exercises on the subject are progressing, the political will of the involved parties to adopt conflict prevention measures remains insufficient. The uniqueness of the root causes of political tensions and conflicts in the region have challenged many prevailing concepts of conflict prevention and prompted the necessity of further theoretical and conceptual reflections.

This chapter highlights the contending notions of conflict prevention as seen through the lenses of the security and peace paradigms respectively. Their translations into policies and their applicability to the two flashpoints in Northeast Asia – the Korean Peninsula and the Taiwan Strait are analyzed. The optimal objective of this chapter, however, is to suggest

pragmatic conflict prevention strategies for the region.

### **Conflict Prevention through the Lenses of the Security and Peace Paradigms**

The notion of conflict prevention is linked to the missions of the United Nations. It was first introduced in the United Nations Charter to prevent the outbreak of interstate armed conflicts and became increasingly used during the 1990s when violent intrastate conflicts came to preoccupy the international security and peace agenda. The UN approach to conflict prevention can be described as a ladder of preventive steps: 1) early warning research based on information gathering and reactions to minor signs of conflicts; 2) fact-finding missions operated by either the UN or other organizations; 3) the use of the eight measures enumerated in Article 33 of the Charter; 4) the initiatives of peace-keeping operations, such as preventive deployment; 5) the use of coercive measures, such as sanctions; and 6) the threat to use force as the UN muscle.<sup>1</sup> After the UN Secretary General Kofi Annan put focus on long-term conflict prevention as a new strategic option of the organization in the Millennium Report of March 2000,<sup>2</sup> academic contributions in translating rhetoric policy statements into pragmatic measures and strategies boomed and re-phrased the paradigm of conflict prevention.

Despite of contextual differences in the development of conflict dynamics both regarding interstate and intrastate conflicts, there appears to be an emerging consensus on some of the conceptual elements and practical concerns among theorists and practitioner in the various fields of conflict prevention. First, instead of a comprehensive definition of conflict prevention that separates the operational issues into the following three phases: pre-conflict, in-conflict and post-conflict, a pragmatic modification

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<sup>1</sup> Peter Wallensteen, *Executive Summary of the 1997 Executive Seminar on Preventing Conflicts: Past Records and Future Challenges* (Department of Peace and Conflict Research, Uppsala University, in cooperation with the Swedish Ministry for Foreign Affairs, August 20-22, 1997), 4.

<sup>2</sup> For discussions on the UN initiatives of conflict prevention in late 1990s, see Tapio Kanninen, "Recent Initiatives by the Secretary-General and the UN System in Strengthening Conflict Prevention Activities", *International Journal on Minority and Group Rights* 8 (2001): 39-43.

is now being applied. This approach consists of a more narrowly defined conceptual core, limiting conflict prevention only to the measures undertaken during the early phases of conflict, rather than broadening it to other two stages.<sup>3</sup>

Second, in terms of approaches to pre-conflict prevention, it is widely accepted that both direct (operational) prevention and structural prevention are equally important. The former aims at reducing or eliminating violence in conflicts but not necessarily at rooting out conflicts as such. The latter is tied to long-term efforts of changing the environment of political tensions and preventing the occurrence and reoccurrence of violent conflicts.

“A tool box” with many different measures, including structural and direct actions has been suggested among academics.<sup>4</sup> In practice, both approaches are mutually exclusive but can be applied in sequences, in parallel, or as mutually supportive. Nevertheless, both scholars and policy makers are aware of the ineffectiveness of both measures if there is no coherent, preventive action strategy between the two.

As mentioned above, the notion of conflict prevention is commonly used in both the security and peace paradigms. However, the conceptual variations of their respective perspectives - realism and internationalism - differentiate the prescribed policies and strategies of conflict prevention at both the state and regional levels. Security studies, traditionally based on realist rationales, see conflicts as an inherent part of international politics and armed (or violent) conflicts as potential consequences of evolving political tension. Military capabilities are thus necessary and imperative to assure state power as well as to safeguard the security interests of individual states. Such so-called deterrence strategies easily lead to a security dilemma in which a state's security interests are enhanced at the risk of war. The policies or strategies of conflict prevention, in line with the concept of cooperative security, are crafted mainly in response to such war preparations to reduce the risk of war. Following this line of thought, the political will to adopt a

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<sup>3</sup> Alice Ackermann, "The Idea and Practice of Conflict Prevention", *Journal of Peace Research*, 40, 3 (2003): 339-347; Michael Lund, "From Lessons to Action", in *From Reaction to Conflict prevention for the UN System*, eds. Hampson and Malone (Boulder, CO: Lynner Rienner, 2002), 159-184.

conflict prevention strategy depends heavily on the cost-benefit calculation of the parties. In other words, the basic rationale of conflict prevention from a realist perspective is to increase the benefits of peace and reduce the risk of war.

In contrast, the theoretical foundation of the peace paradigm is internationalism, a combination of idealism and liberalism. Internationalists do not see deadly and violent conflicts as a natural part of the international society. Hence, the main theoretical assumption of conflict prevention is that peace is a possible and desirable state of nature.<sup>5</sup> Conflicts resulting from evolving political tensions can, according to this paradigm, be resolved by peaceful means. Instead of responding to war preparations, internationalists apply proactive initiatives of peacekeeping and peacebuilding as a response to evolving political tensions. The basic rationale of conflict prevention from the internationalist perspective is to transform a “culture of reaction” into a “culture of prevention”. This transformation is achieved by embracing all possible actions, policies and procedures to avoid the threat or use of armed force and related forms of coercion by states or groups as the way of settling political disputes”.<sup>6</sup>

The direct prevention measures to avert imminent crises suggested by the peace paradigm comprise of a dual system of early warning and early response. Early warning is a systematic collection and analysis of information coming from a crisis area and the provision of policy options to influential actors.<sup>7</sup> Early response consists of timely and targeted actions, undertaken by the affected actors on the basis of the early warning system with the aim of preventing the (re-)emergence of violent conflict. Action options include fact-finding and monitoring missions, negotiation, mediation, and dialogue among contending groups, etc. Early warning oriented research with the aim of developing “detection tools” (e.g.

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<sup>4</sup> Michael Lund, *Preventing Violent Conflicts: Strategy for Preventive Diplomacy* (Washington, DC: United States Institute of Peace Press, 1996).

<sup>5</sup> Carnegie Commission on Preventing Deadly Conflict, *Preventing Deadly Conflict*, Final Report (New York: Carnegie Corporation, 1997).

<sup>6</sup> Alex P. Schmid "Thesaurus and glossary of early warning and conflict prevention terms", edited by Sanam B. Anderlini for FEWER. – (London : Forum on Early Warning and Early Response, 2000), xii, 83, A51p.

<sup>7</sup> Forum on Early Warning and Early Response, FEWER (1999), 3.

indicators) has been undertaken to detect potential conflicts and to understand their cause and dynamic. However, an early warning analysis without prominent responding capacity has been identified as a major obstacle to conflict prevention. More recent research, striving to develop viable conflict prevention capabilities, shows a strong shift of emphasis from warning to response and adopts an “end-user” approach that focuses not only on the individual conflict, but on the state/institution that tries to prevent and manage conflicts.<sup>8</sup> In this regard, institutionalization of international organizations and international norms are crucial but underdeveloped.

The direct (operational) prevention measures stressed by realists aim at establishing a regional security mechanism which encompasses all the parties involved in the dynamics of the conflict. Three steps are suggested to overcome the low level of trust and the lack of political will to adopt conflict prevention measures among disputants. The first step involves undertaking confidence building measures, broadly defined as activities and measures to enhance trust in other countries. The second step involves adopting the norm of preventive diplomacy to prevent armed and violent conflicts from occurring. This can be done by, for example, direct interactions between the disputants, good office provided by third parties, or multilateral conferences designated to discuss and solve the issue. The final step involves agreeing on the conflict resolution methods, which detail out the steps of how to settle the disputed issues in general, particularly after violence erupted.<sup>9</sup>

To both scholars in security and peace studies, conflict prevention missions are not transitory, ad hoc reactions to emerging and potential problems. They are medium to long-term, proactive strategies with structural prevention measures that are undertaken to create conditions for a stable and more predictable international security environment. From the internationalist perspective, structural prevention measures are designated

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<sup>8</sup> Luc Van de Goor and Suzanne Versteegen, *Conflict Prognosis. Bridging the Gap from Early Warning to Early Response. Part One* (Hague: Netherlands Institute of International Relations, 1999).

<sup>9</sup> All three steps toward regional security are accepted in the process of the ASEAN Regional Forum. Currently, the ARF process is at the transition to preventive diplomacy. Preventive diplomacy can be conducted by many different actors including international governmental organizations, non-governmental organizations, and individual nations.



to eliminate the underlying causes of conflicts, such as underdevelopment, injustice, and the existence of weapons of mass destruction. According to this perspective, this can be achieved through good governance, the promotion of human rights and socio-economic stability, and the building of a civil society. The internationalist structural prevention approach is often adopted in improving situations of intrastate political tensions.

The realists, however, stress the importance of transforming the security environment and shifting the dynamics of tensions by developing cooperative strategies and enhancing the engagement between the involved parties. The strategy is to change the structure of the conflict by transforming the nature of the parties' relation, including political and economic ties, to enhance common interests and trust. Initiatives of functional cooperation in non-military sectors are the major elements in such structural strategies. The long-term goal is to transform the relation between political adversaries from a relationship based on deterrence and balance-of-power to one marked by the traits of a security community.

Single states, the civil society, NGOs, and international institutions are often invited to act as third parties in conflict prevention operations. Both the security and the peace paradigm substantially address the role of a third party as an important conceptual element. To internationalists, the third party, not the disputing parties, is the primary actor to undertake conflict prevention strategies. As a result, external intervention is legitimized and justifiable in order to carry out conflict prevention missions.<sup>10</sup> To realists, the third party can play a role as mediator, facilitator, or arbitrator. However, it is the parties involved in the political tension that should carry out the conflict prevention measures.

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<sup>10</sup> Carnegie Commission on Preventing Deadly Conflict (1997).

Table 1. Summary of Conflict Prevention Measures

	Security Paradigm	Peace Paradigm
Direct prevention measures	Security Mechanism --- confidence building --- preventive diplomacy --- conflict resolution	Early warning system Early response system
Structural prevention measures	Establishing a security community through functional cooperation	Improving economic and social development by good governance and/or external assistance

### Adopting Conflict Prevention Measures in Northeast Asia

The diagnosis and knowledge of conflict dynamics are critical prerequisites of effective conflict prevention since most conflicts are contextually bounded.<sup>11</sup> In Northeast Asia, the evolution of political tension and the conflicts on the Korean Peninsula and in the Taiwan Strait - the two flashpoints in the region - are well documented in the literature on regional security. Instead of a detailed analysis of the causes, the evolution and the implications of the two cases, this section focuses on how conflict prevention has been practiced in the region and to what extent the dynamic and environment of these two conflicts have been transformed through the process of conflict prevention.

#### The Korean Peninsula

In Northeast Asia, military deterrence has been an essential element of the mindset of security policy makers. The mentality of regional players is more akin to the realist paradigm than to internationalism. On the Korean Peninsula, there are three underlying forces of conflict development. These include the historical political tensions and military confrontation between North and South Korea, the hostile American position against North Korea, mainly due to North Korea's possession of weapons of mass destruction, and the poor human security conditions (both economic and

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<sup>11</sup> Karin Aggestam "Conflict Prevention: Old Wine in New Bottles?" in *Mitigating Conflict. The Role of NGOs*, eds. Henry F. Carey & Oliver P. Richmond (London, Portland: Frank Cass Publishers, 2003), 14.

political) in North Korea.<sup>12</sup> The probability that political opponents will use military force against each other remains high. Meanwhile, avoiding inadvertent war has not yet been the common interest of the adversaries. With such a low level of mutual trust, the direct prevention measures suggested by the security paradigm have hardly been considered in the region. The type of military confidence building measures (CBMs) outlined by the Conference of Security and Cooperation in Europe (CSCE),<sup>13</sup> such as hot lines and mutual notification of military exercise, designated for hostile situations are basically not existing in Northeast Asia

The Agreement on Reconciliation, Non-aggression and Exchange/Cooperation signed between the two Koreas in 1991 and the Joint Declaration of Denuclearization in Korea signed in 1992 could have opened for a formal system of confidence building between North and South Korea. However, the initial inspection by the International Atomic Energy Agency (IAEA) failed to produce a convincing report. In 1993, North Korea announced its intention to secede from the Nuclear Nonproliferation Treaty. The IAEA presented the case before the UN Security Council for the inquiry of coercive means – sanctions, against North Korea. The mounting hostility between North Korea and the US pushed the region to the brink of war and indicated that the inter-Korean agreements, by themselves, were not sufficient to resolve the conflict. The crisis was managed through mediation by the former US president Jimmy Carter. A framework agreement was signed by the US and North Korea in 1994. North Korea agreed to allow international inspection of its nuclear sites and to replace its nuclear reactors with light-water reactors in exchange for fuel oil supplies.

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<sup>12</sup> For a brief summary of the background of the conflict and tensions on the Korean Peninsula, see Francis Daehoon Lee, "Korea: Perilous Crossing and New Dangers", in *Searching for Peace in Asia Pacific*, eds. A. Heijmans, N. Simmonds, and H. Van de Veen (Boulder CO: Lynne Rienner), 278-293.

<sup>13</sup> The term CBMs was first used in the mid-1950s in connection with the United States and the Soviet Union open skies and group post control proposals at the United Nations. It was later adopted to refer to the modest, politically binding, largely voluntary provisions on exercise notification and observation in the 1975 Helsinki Final Act of the Conference on Security and Cooperation in Europe, CSCE.

The Sunshine Policy, initiated by Kim Dae-jung's government in 1998, successfully introduced the first-ever summit between the two Koreas. The summit in 2000 aimed to increase mutual understanding and resulted in a joint declaration in which basic principles of reconciliation and mutual progress were reaffirmed. Tension between the two Koreas seemed to be mitigated through the summit and the following joint declaration. Nevertheless, the launch of the Taepodong missile close to the Japanese coast in 1998 caused great anxiety in the US and Japan. What in the early 1990s largely had been a conflict confined to the Korean Peninsula, changed character and became a high-level political conflict between the United States and North Korea towards the end of the decade.

Despite of the various agreements reached by the involved parties, the low level of trust undermines any efforts to institutionalize military confidence building measures. Since the institutionalization of military CBMs remains a far-reaching goal, direct prevention measures such as dialogue become essential in order to deal with crises. The six-party talks first held on August 27-29, 2003, aims to find a peaceful resolution to the current nuclear crisis and to rid the Korean Peninsula of nuclear weapons. It is thus an example of preventive diplomacy, characterized by interaction among the involved parties, with the purpose of preventing the crisis from escalating into war. If the six-party talks could be extended to address other issues but the nuclear crisis, such as finding a solution to the underlying problem of the Korean Peninsula, it could indeed develop into a more permanent regional conflict resolution mechanism. In other words, the significance of the six-party talks to conflict prevention strategy is its potential to become a regional security mechanism.

In terms of structural prevention measures, to internationalists the improvement of economic and political rights in North Korea is crucial to narrow the political and socio-economic disparities between North Korea and the other parties to the conflict. Donations from the international community, including the UN and various NGOs, have played an important role in alleviating famine and poverty in North Korea. As a result of the Sunshine Policy, the elite and public in two Koreas have begun to develop a new trust in each other's intentions for reconciliation and cooperation. According to advocates of the security paradigm, this

cooperation approach has reshaped the security environment and increased the costs of war, which in turn has enhanced the economic and social ties between two Koreas. Increased tourist exchange and trade have generated great economic profits for North Korea. The South Korean government and opposition leaders in South Korea have also been crucial in the process of ameliorating the security environment of the region. With strong recommendation from Kim Dae-jung, the Clinton Administration formalized the Perry Process,<sup>14</sup> a soft line toward North Korea in managing the nuclear crisis. Later, in October 2000, Kim's government took the same approach to the diplomatic normalization between North Korea and Japan.

Table 2. Conflict Prevention on the Korean Peninsula

	Security Paradigm	Peace Paradigm
Direct Prevention measures	YES (six party talks involving all parties concerned)	NO (denuclearization regimes failed)
Structural prevention measures	YES/NO (on-going inter-Korean functional cooperation, but no functional cooperation between the US and the Democratic People's Republic of Korea DPRK)	YES/ NO (Basic needs and food aid provided by the international community )

### The Taiwan Strait

The military and political tension across the Taiwan Strait has a political root cause. To the Beijing government, Taiwan is a renegade province of the People's Republic of China; to the Taipei government, Taiwan is a de-facto sovereign state. Since their separation, Beijing has threatened to use military force should Taiwan declare de-jure independence while it asserted peaceful means only for "reunification". In contrast to Beijing's unswerving position on the cross-Strait tensions, the Taipei government has shifted its stance over the years: from "one country, two governments", the position of the

<sup>14</sup> The Perry Report, named after US secretary of defense William Perry, was released on September 14, 1999. According to this report, the US would make efforts to gradually normalize its relations with North Korea. In return, Pyongyang would freeze its missile activities.

former Kuomintang (KMT) government, to “one country on each side of the Taiwan Strait”, the position of the ruling Democratic Progressive Party (DPP). This conflict has long been characterized by politics of deterrence and a fierce arms race. The American posture of 'strategic ambiguity' and its export of high-technology weapons to Taiwan have prevented the PRC from invading and taking over the island.<sup>15</sup> The US is thus also a primary actor in the cross-Strait conflict.

The direct prevention measures suggested by the internationalist approach, i.e. the use of international institutions as a third party to conduct the conflict prevention missions, can hardly be applied to the cross-Strait tensions. The perception of 'a rising China' substantially increases China's geo-strategic leverage in international institutions and exacerbates Taipei's already limited participation in the international community. The alleged “internal affairs” character of the cross-Strait conflict asserted by Beijing and its policy of non-intervention in domestic affairs of other countries have hindered both global and regional institutions, including the UN and the ASEAN Regional Forum, from taking any preventative initiative against war eruption in the Taiwan Strait.

In contrast to the emphasis on third party involvement by the peace paradigm, security strategists see the directly involved parties as the primary actors in direct conflict prevention. Confidence-building measures (CBMs) that have been in use in conflict areas for decades have also been discussed by the cross-Strait research communities. However, such measures have not yet been introduced by the Beijing and Taipei governments. The perceptions of state-centrality as well as the military requirements for confidence building measures have stopped both Beijing and Taipei from taking such initiatives in the past. On the one side, Beijing has reiterated that CBMs is a concept only applicable to relations between states. The “one-China” position held by the PRC has made it impossible for the Beijing government to apply CBMs to cross-Strait relations. On the other side, Taipei has also been very reluctant to adopt military CBMs due to the dilemma of military transparency and the sensitivities involved,

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<sup>15</sup> For a brief summary of the background, see Chyungly Lee, "Building Cooperation Across the Taiwan Strait" in *Searching for Peace in Asia Pacific*, eds. A. Heijmans, N. Simmonds, and H. Van de Veen (Boulder CO: Lynne Rienner, 2004), 221-238.

especially since it regards itself as the physically weak party in the asymmetrical conflict.

With the increasing human security concerns associated with the growing social and economic interdependence across the Taiwan Strait since the late 1980s, developing a mechanism of functional cooperation has become a pragmatic policy concern for both sides. In the early 1990s, the Taiwan-based Strait Exchange Foundation (SEF) and the China-based 'Association of Relations across the Taiwan Straits' (ARATS) were established to negotiate institutional arrangements for people-to-people exchange as a strategy to help prevent civil disputes. After the 1992 mutual acknowledgement of the "one China" policy, with each side being entitled to its respective interpretation, Taipei and Beijing were able to put aside the highly sensitive issue of sovereignty and reunification and initiate more constructive contacts through official proxies. On this basis, SEF and ARATS, the two semi-official proxies of the Taipei and Beijing governments, met in Singapore in April 1993. This initiative has been followed by several meetings.

However, the semi-official communication across the Taiwan Strait has had a history of both ups and downs. The cooperation between SEF and ARATS was suspended after President Lee's trip to the US in 1995 but resumed again in October 1998. The dialogue was suspended once again after Lee articulated his "special state-to-state" statement. To Beijing, Taiwan's acknowledgement of the 1992 mutual understanding of "one China", although with a different interpretation, is a necessary condition for resuming the cross-Strait dialogue.<sup>16</sup> Contrary to what the security paradigm suggests the economic and social cooperation approach to increase the cost of war and thus change the dynamics of the political conflict seems to reveal its limitations in the case of the cross-Strait conflict. The traditional liberalist belief that extended economic interdependence will lead to political integration has never been realized in the Taiwan Strait. When

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<sup>16</sup> Although China has made some modification on the "equal footing" position regarding negotiations, and no longer insists on bilateral talks to be conducted between a central government and a provincial government, Beijing still maintains that in order for talks to resume, the government in Taiwan must explicitly acknowledge the principle of "one China". Anything can be discussed under the general, mutually accepted rubric of the "one-China" principle — even that the "one China" does not have to mean the PRC.

the root cause of the conflict is political, informal tracks of political discussions on the contending issues should be brought up in the process of forming the security community. The multi-track diplomacy thus plays a particularly critical role in easing the political differences among the policy research communities on each side of the Taiwan Strait.

Track Two diplomacy here refers to interactive collaborative reflection and problem-solving, as well as reciprocal and non-committal discussions involving academics, think tank researchers, and both former and current officials participating in their private capacities. More importantly, it provides an alternative to the more constrained format of official diplomacy. At the regional level, the Council for Security Cooperation in the Asia Pacific (CSCAP) provides a platform for track two diplomacy. Established in 1993, it is currently comprised of 20 leading think tanks from countries across the Asia-Pacific. Although the CSCAP does not engage in official diplomacy, China has effectively blocked Taiwan's membership by insisting that security issues only can be discussed by sovereign states. In December 1996, the governing committee of the CSCAP agreed on a set of conditions for Taiwan's unofficial participation, in exchange for China's consent to take part. Think tanks from Taiwan would not be allowed as formal members of the CSCAP and cross-Strait issues would not be included on the Council's formal agenda. However, scholars and security experts from Taiwan would be invited to participate in working group meetings on their individual capacity. The CSCAP is thus, despite these restrictions, the only multilateral security forum in which delegations from both Taipei and Beijing have the chance to engage and exchange views on regional security.<sup>17</sup>

In terms of the role of the third party, US-based think tanks try to influence policies on both sides of the Taiwan Strait. The former KMT regime in Taiwan did not welcome US mediation through track two diplomacy. It is also clear that Beijing has preferred cross-Strait issues to be addressed only in bilateral discussions between Taipei and Beijing. However, since the suspension of the communication between the SEF and the ARATS in 1995,

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<sup>17</sup> Currently, the Institute of International Relations at the National Chengchi University is coordinating Taiwan's participation while the China Institute of International Studies, an official think tank linked to the PRC's Ministry of Foreign Affairs, is representing Beijing in the CSCAP.



track two diplomacy has been envisaged by some as an alternative to the currently stalled semi-official contacts between SEF and ARATS. American think tanks have been welcomed by the DPP government in Taiwan to act as facilitators, but not as mediators, in the dialogue between Taipei and Beijing.<sup>18</sup> At the bilateral level, think tanks and research institutes on both sides have engaged in intellectual exchanges and informal dialogues. So far, this cross-Strait intellectual interaction has not amounted to actual policy discussions and has thus been less affected by the political impasse.<sup>19</sup>

Table 3. Summary of Conflict Prevention Measures in the Taiwan Strait

	Security Paradigm	Peace Paradigm
Direct prevention measures	NO (the focus on state-centrality and the military components have undermined measures such as CBMs)	NO (impeded by China's and Taiwan's asymmetrical political leverage within the international community)
Structural prevention	YES/NO (on-going multi-track intellectual dialogue, but suspension of functional cooperation)	YES (operated by NGOs through de-politicized activities)

### Moving Forward: A Realist Constructivist Approach

The implementation of both the direct and the structural prevention measures suggested by the security and peace paradigms have their limitations in Northeast Asia (see Tables 2 and 3). In regards to the conflict

<sup>18</sup> The *Roundtable on US-China Policy and Cross-Strait Relations*, organized by the US-based National Committee on American Foreign Policy, was initiated in 1996 to bring together important security experts and scholars from Washington, Taipei, and Beijing to exchange views on issues of security in the Taiwan Straits. Nevertheless, Beijing has recently indicated that it will not talk with Taiwan through this communication channel.

<sup>19</sup> In Taiwan, institutions actively involved in cross-Strait exchanges include the Institute of International Relations at the National Chengchi University, the Foundation on International and Cross-Strait Studies, the Prospect Foundation Taiwan, and the China Reunification Alliance. On the Mainland, active institutions include the Institute of Taiwan Studies at the Chinese Academy of Social Sciences, the Institute of International Relations at Beijing University, the China Institute of Contemporary International Relations, the Fujian Academy of Social Science and the Shanghai Academy of Social Science.

on the Korean Peninsula, the six-party talks might be the first steps in the establishing of confidence building measures. However, a regional mechanism of preventive diplomacy or conflict resolution, as a direct prevention measure, suggested by the security paradigm remains a far-reaching goal. The effectiveness of the inter-Korean agreements on nuclear issues and the inspection program of IAEA as an early warning tool of direct prevention have been questioned by frustrated advocates of internationalism. In regards to functional cooperation as a tool for structural prevention, an approach stressed by realists, it is clear that economic and social ties between two Koreas remain weak, while functional cooperation between North Korea and the US is almost non-existing. The internationalist approach to change the structure of the conflict by improving economic and political rights in North Korea has gradually been adopted by the international community and various NGOs.

In the case of the cross-Strait tensions, bilateral, regional or global mechanisms of direct conflict prevention, as envisioned by the security paradigm, are impeded by Beijing's and Taipei's head-on disagreement of the "one China" principle. An early warning or response system that could be conducted by a third party has never been discussed, mainly due to China's strong opposition to external intervention in the cross-Strait issue. As for the functional cooperation and engagement with the aim of shifting the cost-benefit calculation of armed conflict, track II intellectual cooperation exists and mutual efforts to fight crime have been undertaken for some time now. However, this has only had a marginal effect on the overall conflict environment and the dynamics of the political tensions. Third party efforts to improve human security conditions across the Taiwan Strait, including basic needs, human rights, and environmental cooperation, as suggested by peace advocates, have been undertaken by NGOs and the civil society on Taiwan and the mainland. In this way, other issues but the political dispute and the sovereignty controversy have been prioritized.<sup>20</sup>

It is commonly recognized that conflicts are extremely complex to resolve, and that they lack a clear beginning and end. Studying the causes and dynamics of the conflict itself is not sufficient according to the paradigm of

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<sup>20</sup> One of the leading NGOs is the Peacetime Foundation of Taiwan.

conflict prevention. Although academics have made great contributions in identifying the proximate or underlying causes of conflict, there is still no predictable linear pattern of causes of conflicts and effects of responding measures. Although the causes of the two conflicts in Northeast Asia are political, the dynamics and measures of conflict prevention on the Korean Peninsula and in the Taiwan Strait can hardly be repeated elsewhere. Therefore, to designate a fixed model of conflict prevention would be inappropriate and inapplicable. Instead of an institutional approach to crisis management, it would be more feasible to adopt an incremental approach to conflict prevention in order to enhance regional capacities and to construct a regional framework.

In Southeast Asia, the ASEAN has been successful in maintaining peace among nations that have a history of conflicts and territorial disputes and between which bilateral political tensions are high. The three main mechanisms of conflict prevention of the ASEAN are: 1) the consultative processes during which member states can discuss, consult, and deliberate different matters of mutual interests; 2) the normative and legal devices including the Treaty of Amity and Cooperation in Southeast Asia, the Declaration of the Zone of Peace, Freedom, and Neutrality in Southeast Asia, and the ASEAN Declaration on the South China Sea; 3) functional cooperation and socio-economic development to strengthen the foundations of peace and stability and enhancing the culture of cooperation in the region.<sup>21</sup> At present, ASEAN has begun a process of building a security community in which conflict prevention will constitute the founding principle. These principles will also have a constitutive and transformative function in regards to regional identity.<sup>22</sup> The conceptual basis of the so-called ASEAN way is, indeed, better described as security constructivism, which stresses the impact of social interaction processes on security perception and regional identity of individual actors.

While constructivism provides an overall picture of interactive patterns

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<sup>21</sup> Carolina G. Hernandez, *Conflict Prevention and Peace-Building in Southeast Asia: Summary Report*, International Conference on Conflict Prevention and Peace Building in Southeast Asia: Regional Mechanisms, Best Practices, and ASEAN-UN Cooperation in the 21<sup>st</sup> Century (Manila, Feb. 19-22, 2002).

<sup>22</sup> Amitav Acharya, *Constructing a Security Community in Southeast Asia* (London and New York: Routledge, 2001).

among the parties involved in a conflict, the rationales of realism help explaining specific actions, as well as changes in behavior and norms. Such a realist constructivist approach to conflict prevention highlights the principle of “inclusiveness” in shaping norms of interaction and engagement. In practice, a realist constructivist approach to conflict prevention combines direct and structural prevention measures by creating an integrative regional and international framework consisting of both the political adversaries and the third party from the international community. Based on the principle of “inclusiveness”, the aim of conflict prevention is thus not to compete with intelligence gathering or military strategies. Rather, it aims to warn, through constructive steps, the primary parties (including adversarial parties), neighboring states and the international community of the cost of war.

In Northeast Asia- where the dynamics of conflict involve regional powers and geo-political struggle, where political and sovereign issues keep dominating the agenda of conflict management, and where the political will to adopt conflict prevention strategies is limited, - a security mechanism cannot be institutionalized over night. Instead of rushing into establishing a regional institution for crisis management, a realist constructivist approach, as suggested in this article, stresses conflict prevention as a process and a strategy. Through interaction and engagement, political adversaries, the third party, neighboring states, and other stakeholders, are encouraged to re-calculate their interest of preventing armed conflict and to utilize this interest in the establishment of a regional framework for conflict prevention.

In practice, measures in the “tool box” of both the security and peace paradigm are often mixed. Given the sensitivity of the issues, the following regional process of conflict prevention is suggested (as illustrated by Table 4): from cell IV, clockwise toward cell II. In other words, the best approach is to start with the structural prevention measures that are advocated by the peace paradigm. Such measures include constructive engagement, mainly through efforts by the third party, the improvement of human security conditions in North Korea and in Mainland China while avoiding the sensitive issue of sovereignty as well as other political controversies. Second, after the political, economic and social disparities between disputants are narrowed, functional cooperation at both governmental and

non-governmental levels should be encouraged in order to re-shape the environment of conflict prevention and move toward a cooperation-driven security environment,<sup>23</sup> as suggested in the security paradigm.

Third, the expansion of functional cooperation will increase the anxiety of war. Thus, the establishment of a mechanism - comprising of confidence building measures, preventive diplomacy and conflict resolution - to directly manage the escalation of political tension will be necessary and crucial. Finally, early warning and early response systems, conducted by a third party in order to tackle inter-state political conflicts, can be achieved only when the adversaries overcome the conceptual barriers of the non-intervention principle and agree on the norms of conflict prevention. In Northeast Asia, an ASEAN way of building norms according to the process suggested in cell one in Table 4, would be a way of fulfilling the preconditions for successful operations of early warning and early response systems.

Table 4. Dynamics of a Regional Process of Conflict Prevention

	Security Paradigm	Peace Paradigm
Direct prevention measures	I → II	
Structural prevention measures	↑	
	III ← IV	

<sup>23</sup> Chyungly Lee, "Maritime Confidence Building Measures Across the Taiwan Strait: Technical Collaboration for Human Security at Sea", *Occasional Paper No. 26* (Albuquerque, NM: Cooperative Monitoring Center, 2003).





## Chapter IV: Regional Cooperation and Conflict Prevention

Niklas Swanström

### Regional Cooperation and Conflict Prevention

David Mitrany wrote in 1943 that “the problem of our time is not how to keep nations peacefully apart but how to bring them actively together”.<sup>1</sup> Today it is evident that Mitrany underestimated the success of bringing states together in regional and international organizations. The problem we face today is not how to bring them together, but how to handle disputes and maintain good relations once cooperation has been initiated. As regional organizations have become more dominant in international affairs, it is especially interesting to see how they work in relation to conflict prevention. Regional organizations in general have been noted to enforce preventing mechanisms or even to act as such in political disputes. One well-known example of such a regional organization is the forerunner of today's European Union, the European Coal and Steel Union, which was created in the immediate post World War II era. The Association of the Southeast Asian Nations (ASEAN) and the Andean Community are among other regional organizations cited as successful in this regard.<sup>2</sup> Similarly, the Asia-Pacific Economic Cooperation (APEC) and the North American Free Trade Area (NAFTA) are arguably examples of organizations that have prevented disputes in the economic sphere.<sup>3</sup> It should be noted,

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<sup>1</sup> David Mitrany, *A Working Peace* (Chicago: Quadrangle Books, 1966), 28.

<sup>2</sup> Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002); International Crisis Group, *Increasing Europe's Stake in the Andes*, Latin American Briefing, June 15, 1994.

<sup>3</sup> Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002); Mattli



however, that what is referred to as prevention today has not been the norm earlier. Indeed, earlier attempts are better described as conflict management in the best of cases and as crisis management in most cases. Although the need of preventive action always has been apparent,<sup>4</sup> conflict prevention has not until relatively recently been noted as an important concept when dealing with conflicts, both on a domestic and state-to-state level. But they saying that 'an ounce of prevention is worth a pound of cure' is, however, widely accepted today.

After the end of the Cold War, states, regional and international organizations have also adopted a more diversified view on security that also encompasses humanitarian, environmental and economic issues. This move away from the traditional concepts of security is positive, especially since the nature of conflict also has changed. According to estimates made by the United Nations Development Program (UNDP), deaths related to interstate conflicts dropped by two thirds – from 660,000 in the 1980s to 220,000 in the 1990s. This can be contrasted to the 3.6 million people who were killed as a result of internal conflicts in the 1990s.<sup>5</sup> Moreover, this is not taking into consideration the societal and humanitarian disasters, like poverty, diseases and environmental degradation, that follow, especially, intrastate conflicts. The combination of old and new security threats has increased the need and potential for conflict prevention, and it has become necessary to expand the focus to include, among other things, the prevention of social, environmental and economic degradation. Today, it is therefore vital to deal with more complex conflict patters and move away from the single-minded focus on military threats. Military threats are no longer the sole security threats and the focus has moved beyond the interstate level to

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Walter, *The Logic of Regional Integration: Europe and Beyond* (Cambridge: Cambridge University Press, 1999).

<sup>4</sup> Preventive action has not always been seen as a peaceful means, in the classic Chinese texts – the Three Kingdoms – and Greek classics such as the Peloponnesian war – or the late Christian texts from Augustino – conflict prevention was preemptive strikes against the enemy. This even if Sun Tzu did argue in the Art of War (孙子兵法) that the emergence of a conflict and the usage of military violence is a failure in itself. This preemptive strike mentality continued until the end of the Cold War when the argumentation was directed towards a more peaceful conflict avoidance pattern.

<sup>5</sup> United Nations Development Program, *Human Development Report 2002* (Oxford: Oxford University Press, 2002), 11.

encompass individuals, sub-national and regional entities.<sup>6</sup> This has led to a realization that the costs of inaction, or late action, can be tremendous since military conflicts, in combination with the new security threats, tend to be more devastating both in terms of human suffering and economic losses.<sup>7</sup> In addition, in contemporary military conflicts, there is always at least a potential risk that nuclear weapons will be used, something which could end in total destruction as several states in the region are armed with nuclear weapons. Academics, Non-Governmental Organizations (NGOs) and policy institutions have both noted the increased risk that this combination of security threats implies, as well as its increased destructiveness. Thus, the central issue is no longer whether conflict prevention is needed or if it can work, but rather under what conditions it can be effective and how it should be implemented.<sup>8</sup>

There has also been a positive change in the political arena towards using

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<sup>6</sup> It has been argued that the international community has been slow to pick up the new security threats, and that the focus still, to a large extent, is on state actors and military threats. Steve Smith, "Singing Our World into Existence: International Relations Theory and September 11", *International Studies Quarterly* 48, 3 (2004): 504-507.

<sup>7</sup> Michael Brown and Richard Rosenkrane have showed that, on top of the reduction of human suffering and moral decay, there are also great financial gains involved in preventative or early action. According to some estimates, the costs of early prevention could be as low as 5% (varies between 5-50 %) of the cost of late intervention, crisis management and peace creation (Michael Brown & Richard Rosenkrane, *The Costs of Conflict* (New York: Carnegie Commission on Preventing Deadly Conflict, 1999)). These estimates were made before the initiation of the expensive operations in Afghanistan and Iraq, which are likely to become the most expensive operations so far for the US. John Stremlau has pointed out that the cost of the UNHCRs relief intervention in Somalia has surpassed US \$ 3 billion. However, it should be noted that the costs of the UNHCR are marginal in comparison to the military costs (John Stremlau, "People in Peril: Human Rights, Humanitarian Action, and Preventing Deadly Conflict", *The Journal of Humanitarian Assistance* 6 (1998)). The mission in Bosnia has surpassed US \$15 billion according to official statistics but the figure is undoubtedly higher. These are only two examples of conflicts that could have been prevented on an early stage. Thereby, billions of dollars could have been saved and the suffering of millions of people could have been avoided.

<sup>8</sup> Michael Lund, "Early Warning and Preventive Diplomacy", in *Managing Global Chaos: Sources of and Responses to International Conflict*, eds. Chester Crocker, Fen Osler Hampson & Pamela Aall, (Washington D.C.: USIP Press, 1996); David Carment & Albrecht Schnabel, *Building Conflict Prevention: Methods, Experiences, Needs* (Tokyo: UNU Workshop Seminar Report Series, 2001); Michael Brown & Richard Rosenkrane, *The Costs of Conflict* (New York: Carnegie Commission on Preventing Deadly Conflict, 1999). Brown and Rosenkrane convincingly argue that preventive efforts are cost-effective in regards to political, economic and military measures. The evidence that they present to support their argument points to a clear correlation between early preventive actions and lower human and capital costs.

conflict prevention measures instead of emergency actions – at least on paper.<sup>9</sup> Indeed, the operational effects do not always mirror the content of the well-intended agreements or the beautiful language of the documents. The failure to implement conflict preventive measures is endemic, but far worse among certain states and organizations than others. Far too little is also being done by states and regional organizations to increase the implementation of conflict prevention measures.<sup>10</sup> The failure, or unwillingness, of states to implement conflict prevention measures is somehow illogical since everyday society is filled with conflict prevention measures, such as the social security system, insurances, traffic rules, legal norms or simple rules such as washing your hands before dinner to prevent you from becoming sick. All these rules are simple prevention measures that nobody would think twice about, but preventive measures that could save millions of lives and billions of dollars are often contested or neglected by politicians and policy-makers.

There are at least two reasons for this. On the one hand, many decision-makers do not believe in the possibility of conflict prevention. On the other hand, following the prevailing Cold War mentality, prevention is not considered realistic and military options seem many times as the logical solution. The reluctance towards conflict prevention can also be the result of a fear among states that conflict prevention implies an intervention in internal affairs. However, regional organizations seem to have had greater success than international organizations in implementing conflict prevention measures. This is because trust and integration normally is deeper in a regional setting, which in turn eliminates some of the fear of intervention in internal affairs. In addition, conflicts, even domestic ones,

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<sup>9</sup> Nicole Ball, *Spreading good practices in security sector reform: Policy options for the British government*, Saferworld, November 1998

<<http://www.saferworld.org.uk/publications/pubspread.htm>> (September 6, 2005); Cynthia Gaigals & Manuela Leonhardt, *Conflict-Sensitive Approaches to Development*, Saferworld, International Alert & IDRC, 2001; David Nyheim, Manuela Leonhardt & Cynthia Gaigals, *Development in Conflict: A Seven Steps Tool for Planners, Fewer*, International Alert & Saferworld, 2000; Regeringskansliet (Government Offices of Sweden), *Preventing Violent Conflict – Swedish Policy for the 21<sup>st</sup> Century* (Stockholm: Government Communication 2000/01:2, 2000); International Peace Academy, *Creating Conditions for Peace: What role for the UN and Regional Actors* (New York: International Peace Academy, 2002), 2.

<sup>10</sup> International Peace Academy, *Creating Conditions for Peace: What role for the UN and Regional Actors* (New York: International Peace Academy, 2002).

often have regional effects and reasons.

Moreover, regional organizations are becoming increasingly important as the UN has delegated the responsibility of conflict prevention and resolution to regional organizations. As a result, states need to interact in a regional setting in order to be effective in developing prevention strategies. Very few conflicts can be prevented with solely national methods as globalization has made the world smaller. Today, national borders are neither a good defining line, nor are they capable of containing conflicts. Scholars and practitioners have devoted great efforts, both in theory and practice, in regards to regional cooperation and its effects on conflict related issues in politics and trade.<sup>11</sup> States are also becoming increasingly involved

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<sup>11</sup> For an overview of current and past generic studies on regional cooperation see: Alao Abiodun, "The Role of African Regional And Sub-regional Organizations in Conflict Prevention and Resolution", *The Journal of Humanitarian Assistance*, Working Paper No. 23, 2001 <<http://jha.ac/articles/u023.htm>>; Gerhard Bebr, "Regional Organizations: A United Nations Problem", *American Journal of International Law* 49, 2 (1955); Edward Chen & Kwan C H eds., *Asia's Borderless Economy: the emergence of sub-regional zones* (St Leonards: Allen & Unwin, 1997); Inis Claude, "The OAS, the UN, the United States", *International Conciliation* 54, March (1964); William Dixon, "Research on research revisited: another half decade of quantitative and field research on international organizations", *International Organization* 31 (1977):65-82; Ellen Frey-Wouters, "The Prospects for Regionalism in World Affairs", in *Trends and Patterns*, eds. Richard Falk & Cyril Black (Princeton: Princeton University Press, 1969); John Halderman, "Regional Enforcement Measures and the United Nations", *Georgetown Law Journal* 52, 1 (1963); Mattli Walter, *The Logic of Regional Integration: Europe and Beyond* (Cambridge: Cambridge University Press, 1999); John Moore Norton, "The Role of Regional Arrangements in the Maintenance of World Order", in *The Future of the International Legal Order: Volume III Conflict Management*, eds. Cyril Black & Richard Falk (Princeton: Princeton University Press, 1971); Joseph Nye, *International Regionalism* (Boston: Little and Brown Company, 1968); Richard Stubbs, "Signing on to liberalization: AFTA and the politics of regional economic cooperation", *The Pacific Review* 2 (2000); Thant Myo, Min Tang & H Kakazu eds., *Growth Triangles in Asia* (Hong Kong: Oxford University Press, 1998). For literature on the effects of regional cooperation on politics and trade see: Akrasanee Narongchai & David Stifel, 1994, "The political economy of the ASEAN Free Trade Area", in *Asia Pacific Regionalism: Readings in International Economic Relations*, eds. Ross Garnaut & Peter Drysdale, (Pymble: Harper Educational Publishers, 1994); Amer Ramses & Niklas Swanström, "Konflikter och samarbete i Stillahavsasien", *Internationella Studier* (Stockholm: Utrikespolitiska Institutet, 1996), 52-71; Michael Anatolik, "The ASEAN Regional Forum: The Spirit of Constructive Engagement", *Contemporary Southeast Asia* 16, 2, (1994); Kamarulzaman Askandar, *ASEAN as a Process of Conflict Management*, unpublished Ph.D. Dissertation, Bradford: Department of Peace Studies, University of Bradford (1996); Helga Haftendorn, Robert Keohane & Celeste Wallander, *Imperfect Unions: Security Institutions over Time and Space* (Oxford: Oxford University Press, 1999); Sree Kumar "Policy issues and the formation of the ASEAN Free Trade Area" in *AFTA: The Way Ahead*, eds. Pearl Imada & Seiji Naya (Singapore: Institute of Southeast Asian Studies, 1992); Robert Lawrence,

in regional organizations to prevent such conflicts. Conflicts, both internal and international, in many cases have regional implications, dimensions and connections that necessitate a multilateral approach to conflict prevention. Michael Lund has pointed out that preventive diplomacy in its nature is multilateral, and that organizations such as the Organization of Security and Cooperation in Europe (OSCE), the EU, the Organization of African Unity (OAU), later African Union (AU) and the Organization of American States (OAS) - all working in a multilateral context - have been very active in conflict prevention.<sup>12</sup> There also seems to be a consolidation and expansion of regional structures such as the EU, APEC, ASEAN, ASEAN Regional Forum (ARF) and NAFTA. As a result, new roles are being carved out for international and regional organizations.<sup>13</sup> This is in line with the United Nations' policy to increase the importance of regional organizations.<sup>14</sup> The effectiveness and impact of regional organizations on regional structures is, however, still relatively unclear. This said, it is important to realize that regional organizations do not operate in a vacuum. In fact, their success in preventing conflicts is directly dependent on cooperation between nations (their member states) and international entities such as the WTO, the UN and NATO.<sup>15</sup>

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"Emerging regional arrangements: building blocks or stumbling blocks?", in *Finance and the International Economy*, ed. R O'Brien, (The AMEX Bank Review Prize Essays, Oxford: Oxford University Press, 1991), 24-36; Ronald Scheman, "The Alliance for Progress: Concepts and Creativity", in *The Alliance for Progress*, ed. Ronald Scheman (New York: Praeger, 1988); Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002); Niklas Swanström, "The Prospects of Multilateral Conflict Prevention in Central Asia", *Central Asian Survey* 23, 1 (2004).

<sup>12</sup> Michael Lund, *Preventive Diplomacy and American Foreign Policy* (Washington, DC: United States Institute of Peace, 1995), 78-79.

<sup>13</sup> Aggarwal Vinod, Beverly Crawford and Cédéric Dupont, *European Integration as a Model for Asia-Pacific Regionalism* (Paper presented at the Conference on Global and Regional Economic Security and Integration, Swedish Institute of International Affairs, December 14-15, 2001).

<sup>14</sup> United Nations Charter, <<http://www.un.org/>>.

<sup>15</sup> There are a multitude of successful NGO attempts to prevent violent conflicts from erupting, and to consolidate the peace in a post-conflict situation. The work of the Italian Community of Saint Egidio in Mozambique, the Kettering Foundation's Inter Tajik Dialogue (John Stremlau, "People in Peril: Human Rights, Humanitarian Action, and Preventing Deadly Conflict", *The Journal of Humanitarian Assistance* (1998)) are significant, but also the NGO work to prevent conflict between Czechs and Roma, the Palestinian Centre for Rapprochement between people that aims at increasing dialogue between Jews and Palestinian (Marina Ottaway, "An Ounce of Prevention Is Worth a Pound of Relief" in

There is no doubt that conflict prevention, both as a theoretical concept and an instrumental tool, is increasingly important as it enhances the possibilities for peaceful development at a low cost for the international community and individual states. Early intervention in conflicts, even before they have erupted, makes prevention easier and militarized disputes or open conflicts can be avoided. At the early stages of conflict, the disputed issues are less politicized and therefore fewer resources, both political and economic, need to be invested. Moreover, militarized conflicts imply a greater cost than structural or direct prevention. It has been suggested that regional organizations could function more effectively as conductors of conflict prevention than other units within the international system (international or state level), but more research is needed on this issue before any conclusions can be drawn.

### **Conflict Prevention and Regional Organizations as Integrated Concepts**

The linkage between regional cooperation and conflict prevention has received less attention than crisis management and security at large, especially regarding the relation to international actors or states.<sup>16</sup> There is a great amount of literature on conflict management and negotiation in

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*Countries in Crisis: Sixth Annual Report on the State of World Hunger* (Silver Spring: Bread for World Institute, 1996)).

<sup>16</sup> When dealing with conflicts and regional cooperation, a definition of the terms 'conflict' and 'region' is needed. Conflict is here defined as perceived differences in issue positions between two or more parties at the same moment in time (Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002), 31. When considering regional cooperation, we need to look a bit closer at regions as a phenomenon. Regional definitions are, as Chris Dixon and David Drakakis-Smith noted, "notoriously difficult to establish" (C. Dixon & D. Drakakis Smith *Economic and Social Development in Pacific Asia* (London & New York: Routledge, 1993), 1). This is partly because the regions' essential character often does not coincide with their physical character (Iyanatul Islam & Anis Chowdhury, *Asia-Pacific Economies* (London: Routledge, 1997), 3) and partly because different researchers use widely different definitions. Björn Hettne has pointed out that regions are dynamic concepts that change over time (Björn Hettne, *The Globalization of Development Theory and the Future of Development Strategies* (Gothenburg: Gothenburg University, Padrigu Development Studies, Padrigu Papers, 1989), 55), which makes the study of a region more difficult. It is however clear that regions are entities, made up by states that share a cultural characteristic and which define themselves as being a region.

transnational settings and cultures,<sup>17</sup> but far less on conflict prevention.<sup>18</sup> The theoretical discussion on the correlation between regional cooperation and conflict prevention has been limited in earlier studies and offers little guidance. Ernst Haas, Robert Butterworth and Joseph Nye, who conducted one of the first studies directly focusing on regional cooperation and conflict management (but not prevention), came to the conclusion that international organizations can influence the conflict management processes.<sup>19</sup> The drawbacks, which they acknowledge, were that they were unable to base their study on an existing theory, but also to produce a new theory at the time of writing.<sup>20</sup> However, studies on cooperation and conflict management have since been conducted and their results have lead researchers and policy makers to assume that a positive correlation exists between conflict prevention and regional cooperation. Yet the theoretical basis, on which such assumptions are founded, does not acknowledge the differences between conflict prevention and conflict management.<sup>21</sup> Thus,

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<sup>17</sup> For examples see: Kevin Avruch, *Culture & Conflict Resolution* (Washington D.C.: United States Institute of Peace, 1998); Hans Binnendijk ed., *National Negotiating Styles* (Washington D.C.: Foreign Service Institute, US Department of State, 1987); Herman Kahn, *World Economic Development: 1979 and beyond* (London: Croom Helm, 1979); Kwok Leung & Dean Tjosvold, *Conflict Management in the Asia Pacific: Assumptions and Approaches in Diverse Cultures* (Singapore: John Wiley & Sons (Asia), 1998); Jeswald Salacuse, *Making Global Deals: What every executive should know about negotiating abroad* (New York: Random House, 1991); Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002).

<sup>18</sup> International Peace Academy, *Creating Conditions for Peace: What role for the UN and Regional Actors* (New York: International Peace Academy, 2002); International Peace Academy, *Cooperative Prevention and Management of Conflicts in Europe* (New York: International Peace Academy, 2001); Connie Peack, *Sustainable Peace: The Role of the UN and Regional Organizations in Preventing Conflicts* (Lanham: Rowman & Littlefield, 1999); Abram Chayes & Antonia Handler Chayes eds., *Preventing Conflict in the Post-Communist World: Mobilizing International and Regional Organizations* (Washington D.C.: Brookings Institution, 1996); Niklas Swanström, "The Prospects of Multilateral Conflict Prevention in Central Asia", *Central Asian Survey* 23, 1 (2004).

<sup>19</sup> Ernst Haas, Robert Butterworth & Joseph Nye, *Conflict Management by International Organizations* (Morristown: General Learning Press, 1972).

<sup>20</sup> *Ibid.*, 4.

<sup>21</sup> Conflict and crisis management has traditionally been focusing on "hard" issues such as military or strategic issues and the focus have often been on the combatants. This holds true also for conflict prevention. This is not only a dangerous focus, but also a focus that does not mirror the reality. In the beginning of the twentieth century, 90 per cent of the casualties in war were combatants. Today, 90 per cent of the victims are civilians. Of the surviving civilians, 14.5 million are refugees around the world, and another 30 million are internally displaced persons (IDP) (John Stremlau, "People in Peril: Human Rights, Humanitarian

the assumed positive correlation lacks theoretical differentiation and reflects the researchers' conceptual simplification. There are also considerable risks in basing assumptions on too inclusive definitions. To assume a positive correlation is insufficient, since the initiation of regional cooperation is costly and can have potentially destabilizing effects if it fails.

Further research is needed, first in regards to the definition of these concepts and second on the relationship between prevention and regional organizations. Cooperation between regional entities differs from national and international, as do regional, preventive strategies. The difference between intra-national, regional and international cooperation (and integration) is not only the number of states involved but also, and more important, the dynamics behind the cooperation.<sup>22</sup> Intra-national cooperation is defined as cooperation between political and economic entities within a single state as it is defined by its membership in the United Nations. International cooperation constitutes cooperative relations between states that are all-inclusive, i.e. open membership for states, such as the United Nations (UN), the World Bank (WB) and the World Trade Organization (WTO) without regional focus. Regional cooperation focuses on cooperation between regional actors with a regional aim. Regional cooperation is, furthermore, exclusive in its membership (non-regional actors are not members).<sup>23</sup> The distinctions and difference in power between regional, international and national units are important to understand in order to make a correct analysis of the prospects of prevention in regional organizations.

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Action, and Preventing Deadly Conflict", *The Journal of Humanitarian Assistance* (1998). This is in itself problematic, but the situation is even more complicated since IDP camps are virtually recruiting camps for rebels, extremists and freedom fighters. The problem is partly that the IDPs do not enjoy the same rights as "normal" citizens. To promote human rights and human security in these camps, and at large, would be a more effective security strategy. There is, in similar fashion, a multitude of "soft" issues such as environment, gender, education, economic equality, health care, etc. that directly and indirectly impact conflict development and the consolidation of peace.

<sup>22</sup> William Wallace, *Regional Integration: The West European Experience* (Washington, D.C.: The Brookings Institution, 1994), 104-107; Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002).

<sup>23</sup> For a discussion that includes further variables on state-regional cooperation (institutions) see: Helga Haftendorn, Robert Keohane & Celeste Wallander, *Imperfect Unions: Security Institutions over Time and Space* (Oxford: Oxford University Press, 1999), 12-13.



Sovereignty and the unique enforcement power of national entities are one of the more important aspects that differentiate them from international and regional entities. The aspect of sovereignty has traditionally made each individual state legally “immune” from external intervention and external involvement in the domestic decision-making process.<sup>24</sup> Conflict prevention in regional and international organizations makes the state, per definition, open for external intervention in accordance with the treaty that establishes the mechanism. Despite attempts to protect their sovereignty, a sovereign state will have to give up certain aspects of its sovereignty when it enters into regional or international cooperation.<sup>25</sup> This includes the exclusive power of enforcement and the right to rule in disputes.<sup>26</sup> This transfer of authority strengthens the regional or international entity's ability to act. At the same time, it weakens the national entity's ability to act independently. The actual degree of sovereignty that states surrender is, however, mostly relatively low and at best there is enough to empower the international or regional organization.<sup>27</sup> The South Asian Association for Regional Cooperation (SAARC) and the African Union (AU) are examples of organizations with little independent power over the individual member states and they are thus dependent on the more powerful members. On the other hand, the EU has limited the sovereignty of all its members to empower the organization, which coordinate and act for its members as a unit.<sup>28</sup> How the transfer of sovereignty has impacted conflict prevention

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<sup>24</sup> For more information on the principle of sovereignty see: *Foreign Sovereign Immunities Act* (United States, Public Law 94-583, 94<sup>th</sup> Congress, 1976,); International Court of Justice, *Portugal v. India* (Judgment of April 12 1960,); *Mayo Gerald v. Satan and His Staff* (Misc. No. 5357, United States District Court, W.D. Pennsylvania, December 3 1971).

<sup>25</sup> Alastair Iain Johnston, "The Myth of the ASEAN Way? Explaining the Evolution of the ASEAN Regional Forum" in *Imperfect Unions: Security Institutions over Time and Space*, eds. Helga Haftendorn, Robert Keohane & Celeste Wallander, (Oxford: Oxford University Press, 1999).

<sup>26</sup> The principle of sovereignty is still the ruling principle in international law, despite recent international interventions in the "internal" affairs of Iraq, Chile and Serbia. I do not argue that states will surrender the power over internal problems such as separatism, but that they are more inclined to do so in regards to trade and other mutually agreed areas of cooperation.

<sup>27</sup> The disputes are not necessarily about the factual sovereignty, but rather over the political implications of the perceived loss of sovereignty. The distance between actual and perceived loss of sovereignty could be abyss-like, but since perceptions, rather than factual conditions, determine the conflict development, the interest will be on the perceptions.

<sup>28</sup> Mattli Walter, *The Logic of Regional Integration: Europe and Beyond* (Cambridge: Cambridge University Press, 1999); Nkosi Nthabiseng, "The African Union: Forging links for greater

varies between the different regional organizations, but generally a higher degree of transferred sovereignty means more effective preventive mechanisms.

However, the definition of what prevention is varies between regions and states and it is at times unclear what structures are strengthened or weakened. It is clear that in the post-Cold War era, preventive measures have been given a new meaning and now emphasize peaceful prevention of disputes at an early state. During the Cold War, preventive action was altogether synonymous with pre-emptive strikes and crisis management.<sup>29</sup> Anders Bjurner has pointed out that conflict prevention is a fairly new sub-culture of security and foreign policy studies.<sup>30</sup> This explains why there is a shortage of studies in the field and why there traditionally has been a focus on military and political security. Regional cooperation is a further addition to this equation and integrated studies on the subject are even fewer.

Conflict prevention can be a very wide or a very narrow term for mechanisms created to deal with the prevention of violent conflicts. Track-two diplomacy, high-level official meetings, disarmament, economic development and cooperation, democratization, etc. are all different aspects of conflict prevention and its definition depends on the authors' individual purpose.<sup>31</sup> However, the focus of all these aspects of conflict prevention is

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unity and security", *Conflict Trends* 1 (2002); Pran Chopra, "SAARC and the Asymmetry Issue" in *The Challenge in South Asia: Development, Democracy and Regional Cooperation*, eds. Poona Wignaraja and Akmal Hussain, (New Delhi: Sage Publications, 1989); Saleem Farrukh, "A South Asia Free Trade Zone?", *Far Eastern Economic Review* (April 9, 1998).

<sup>29</sup> Peter Wallensteen, "Preventive Security: Direct and Structural Prevention of Violent Conflicts" in *Preventing Violent Conflicts: Past Records and Future Challenges*, ed. Peter Wallensteen (Uppsala: The Department of Peace and Conflict Research, Uppsala University, 1998).

<sup>30</sup> Anders Bjurner, "Security for the Next Century: Towards a Wider Concept of Prevention", in *Preventing Violent Conflicts: Past Records and Future Challenges*, ed. Peter Wallensteen (Uppsala: The Department of Peace and Conflict Research, Uppsala University, 1998), 279-290.

<sup>31</sup> Bruce Russett, "Preventing Violent Conflict Through Kantian Peace" in *Preventing Violent Conflicts: Past Records and Future Challenges*, ed. Peter Wallensteen (Uppsala: The Department of Peace and Conflict Research, Uppsala University, 1998), 260; Michael Lund, *Preventing violent conflicts: a strategy for preventive diplomacy* (Washington, D.C.: United States Institute of Peace Press, 1996); Regeringskansliet (Government Offices of Sweden ), *Preventing Violent Conflict – Swedish Policy for the 21<sup>st</sup> Century* (Government Communication 2000/01:2, 2000). According to the democratic peace argument, democratic states rarely engage in war against each other. However, nothing is said about the peacefulness of democratic states per se since

the prevention of violent conflicts. The focus on violence is important since conflicts per se are not negative. The easiest way to separate prevention from other forms of intervention is to focus on the time factor. Crisis management and dispute resolution are both tactics that are initiated after the conflict has erupted. Conflict prevention is by definition applied before the outbreak of conflict or in a post-conflict phase to prevent a conflict from reoccurring. In this chapter, conflict prevention will be analyzed as concerted actions designed by organizations to deter, resolve or halt disputes before they erupt.<sup>32</sup>

In order to clarify strategies and implementation, prevention should be divided into two sub-definitions; direct and structural prevention. Direct conflict prevention includes measures that are aimed at the short-term prevention of conflicts, while structural conflict prevention includes measures aimed at long-term conflict prevention.<sup>33</sup> Economic development is, for example, a structural prevention mechanism that has been relatively successful in the EU and the Americas. The distinction between structural and direct prevention is important, especially in the policy field as it translates into different strategies. It is too often argued that long-term and short-term measures are the same. Lund, for example, argues that all preventive diplomacy is short-term measures because he does not take into account the possibility of long-term preventive diplomacy tactics.<sup>34</sup>

At the operational level of conflict prevention, Lund argues that preventive measures are especially effective at, what he labels, the "level of unstable peace", which is a "situation where tension and suspicion among parties run high but violence is either absent or only sporadic".<sup>35</sup> I argue that this is not

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they tend to be as militant as non-democratic states. Indeed, research has shown that the development of democratic norms and values will prevent democratic states from engaging in war against other democratic states, but not necessarily against non-democratic states.

<sup>32</sup> Sophia Clément, *Conflict Prevention in the Balkans: Case Studies of Kosovo and the FYR Macedonia* (Alençon: Institute for Security Studies of WEU, 1997).

<sup>33</sup> Peter Wallensteen, "Preventive Security: Direct and Structural Prevention of Violent Conflicts" in *Preventing Violent Conflicts: Past Records and Future Challenges*, ed. Peter Wallensteen, (Uppsala: The Department of Peace and Conflict Research, Uppsala University, 1998); Peter Wallensteen, *Understanding Conflict Resolutions: War, Peace and the Global System* (London: SAGE, 2002), chapter 10.

<sup>34</sup> Michael Lund, *Preventing violent conflicts: a strategy for preventive diplomacy* (Washington, D.C.: United States Institute of Peace Press, 1996).

<sup>35</sup> *Ibid.*, 39.

necessarily the case since some preventive measures are best operationalized at an earlier stage, preferable during the level of stable peace where there is a minimum of suspicion between the potential adversaries. The reason for this is simply that the acceptance of preventive measures is higher when suspicion does not disturb the situation. By building institutions, trust and cooperation at an early stage there is little, if no, reason for a stage of unstable peace. It is at this stage that the creation of regional organizations and economic cooperation per se could have positive structural effects on the prevention of conflicts.

However, it is clear that many states and regional organizations see little or no point in working with conflict prevention if there are no open military conflicts and are thus often reluctant to coordinate conflict prevention within and across regions.<sup>36</sup> In theory, the OSCE is an exception to this rule. In reality, however, the OSCE's implementations are often introduced relatively late. With regard to conflict prevention, the old saying why fix it when it is not broken, becomes a sad reality in many instances. This line of reasoning would translate into an argument of why buy an insurance policy if you are not suffering from an illness. The counterargument and actual reality, however, is that when you need an insurance it is too late to get it. I do not argue that it is possible to prevent all potential conflicts – only that early prevention will decrease the number of conflicts that move to the level of unstable peace or war. Thereby, human suffering and the loss of economic capital can be prevented.

### **Global or Regional Prevention?**

Regional cooperation has been viewed as an important factor in handling conflicts for some time now. Despite initial recognition by a few scholars, regional cooperation had been largely neglected as a field of study up to the 1970s.<sup>37</sup> Ernst Haas and John Moore concluded, for example, in the early 1970s that it was of great importance to study regional integration, as it

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<sup>36</sup> International Peace Academy, *Creating Conditions for Peace: What role for the UN and Regional Actors* (New York: International Peace Academy, 2002), 3.

<sup>37</sup> John Moore Norton, "The Role of Regional Arrangements in the Maintenance of World Order", in *The Future of the International Legal Order: Volume III Conflict Management*, eds. Cyril Black & Richard Falk (Princeton: Princeton University Press, 1971), 122.

would provide a laboratory for observing the peaceful creation of human communities.<sup>38</sup> Along the same line, Haas argued for studies that should compare the peacekeeping machinery of regional organizations with the United Nations' structure and capacities.<sup>39</sup> The neglect of regional cooperation as a research area was to cease, and the numbers of studies on regional cooperation increased in the 1970s and 1980s. However, this coincided with a general decrease in political reliance on regional organizations,<sup>40</sup> although a few organizations, like the European Economic Community (EEC) increased its importance.<sup>41</sup> It was not until the 1990s that regional arrangements gained a central position in international affairs.

Conflict prevention is arguably most suitable for the regional level. The reason for this is that states have a greater interest and are more committed to resolving conflicts in their immediate neighborhood, since such conflicts tend to have implications for the whole region and are thus a cause for regional concern. The International Peace Academy has moreover argued that, in many cases, states prefer to refer their disputes to regional bodies rather than to the UN.<sup>42</sup> This is partly due to the states' fear of losing control over the situation if it is dealt with within an international organization, and partly due to the common culture of prevention, i.e. a common set of core principles,<sup>43</sup> that often exist in a regional setting. The notion of core principles was the basis for attempts by the UN to generate an international culture of prevention<sup>44</sup>, a task that is far from being

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<sup>38</sup> Ibid.; Ernst Haas, "The study of Regional Integration: Reflections on the Joy and Anguish of Pretheorizing", *International Organizations* 24, (1970): 607-646.

<sup>39</sup> Ernst Haas, "The study of Regional Integration: Reflections on the Joy and Anguish of Pretheorizing", *International Organizations* 24 (1970): 608.

<sup>40</sup> William Dixon, "Research on research revisited: another half decade of quantitative and field research on international organizations", *International Organization* 31 (1977): 65-82.

<sup>41</sup> Ernst Haas, "Regime Decay: Conflict Management and International Organizations, 1945-1981", *International Organization* 37 (1983): 189-256.

<sup>42</sup> International Peace Academy, *Creating Conditions for Peace: What Role for the UN and Regional Actors* (New York: International Peace Academy, 2002), 3.

<sup>43</sup> Albright Schnabel, "Post-Conflict Peacebuilding and Second Generation Preventive Action", in *Recovering from Civil Conflict*, eds. E. Newman, A. Schnabel and Julian Roberts (London: Frank Cass, 2002), 7-30.

<sup>44</sup> Kofi Annan, *Millennium Report – We, the Peoples: The Role of the United Nations in the 21<sup>st</sup> Century* (New York: United Nations, 2000); International Peace Academy, *Creating Conditions for Peace: What Role for the UN and Regional Actors* (New York: International Peace Academy, 2002).

completed due to the differing perceptions globally. The UN Secretary General Kofi Annan has proposed an idea of a “loose and temporary global policy network” that would deal with prevention.<sup>45</sup> This wide and unclear approach has failed to establish a common understanding of the need and benefits of prevention and until this day, no global culture of prevention has developed.<sup>46</sup> On the international level, the actors are too diverse and lack trust in each other. As a result, it has been difficult to reach a common understanding and acceptance of prevention.

Although attempts to establish a common perception of conflict prevention failed on the international level, studies on intra-regional relations indicate that regional actors are important. In addition, the UN has pointed out regional actors as crucial in the creation and implementation of a culture of prevention. The creation of common cultures of conflict prevention on a regional level is hoped to create a regional base for prevention, which later could be transformed into a more or less defined global culture of prevention.<sup>47</sup> The importance of regional actors, in this regard, is highlighted by, for example, the International Peace Academy, which has pointed out that the UN can not act on its own in conflict prevention, but needs to link up to regional organizations.<sup>48</sup> Due to the greater political commitment regionally, and the lack of a global structure and a common understanding of prevention, the creation of regional cultures of conflict prevention, which are shared by all regional members, are essential for

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<sup>45</sup> Kofi Annan, *Millennium Report – We, the Peoples: The Role of the United Nations in the 21<sup>st</sup> Century* (New York: United Nations, 2000).

<sup>46</sup> Michael Lund, "Creeping Institutionalization of the Culture of Prevention?" in *Preventing Violent Conflict*, Report of the Krusenberg Seminar, organized by the Swedish Ministry for Foreign Affairs, Stockholm International Peace Research Institute (SIPRI) and the Institute for Foreign Affairs, June 19-20, 2000 (Stockholm: SIPRI, 2000), <<http://editors.sipri.org/pdf/PVC.pdf>> (September 7 2005).

<sup>47</sup> David Carment, Abdul-Rasheed Draman & Albrecht Schnabel, *From Rhetoric to Policy: Towards workable conflict prevention at the regional and global levels*, Occasional paper 23, 2003, <[http://www.carleton.ca/csds/publications/occasional\\_papers.htm](http://www.carleton.ca/csds/publications/occasional_papers.htm)> (September 7 2005); Kofi Annan, *Millennium Report – We, the Peoples: The Role of the United Nations in the 21<sup>st</sup> Century* (New York: United Nations, 2000); International Peace Academy, *Creating Conditions for Peace: What Role for the UN and Regional Actors* (New York: International Peace Academy, 2002).

<sup>48</sup> *Sharing Best Practices on Conflict Prevention*, International Peace Academy Workshop Report, 2002, <[http://www.ipacademy.org/PDF\\_Reports/SHARING\\_II.pdf](http://www.ipacademy.org/PDF_Reports/SHARING_II.pdf)> (September 7 2005); International Peace Academy, *Creating Conditions for Peace: What Role for the UN and Regional Actors* (New York: International Peace Academy, 2002).

conflict prevention to be fully effective. Regional actors are often best equipped for handling disputes in their own region and have also an incentive for long term commitment that other actors lack. Moreover, local disputes that states feel uncomfortable referring to the UN can be better dealt with at a local level through regional organizations.<sup>49</sup> It is also more likely that a regional, as opposed to a global, culture of prevention could be created as the regional identification is somewhat based on a cultural similarity and shared norms and values, even if there is always more variation in a region than expected.<sup>50</sup> The creation of a regional culture of prevention would stabilize and simplify peace-related work, especially in a region like Northeast Asia where there are no regional organizations and very little regional cooperation.<sup>51</sup> But as institutions are important for the creation of regional cultures of prevention, many regions that lack effective regional organizations seem to be somewhat deadlocked.<sup>52</sup>

Regional organizations function as an aggregated form of national conflict prevention. By engaging in multilateral cooperation, some prevention is already achieved through acting as a unit with a specific purpose. The fact is that regional cooperation is often considered to be conflict preventative by nature. John Stuart Mill and Jean Monnet assumed that regional cooperation would create a more peaceful Europe. Robert Schuman and

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<sup>49</sup> Chandra Lekha Sriram, Albrecht Schnabel, John Packer & Augustine Toure, *Sharing Best Practices on Conflict Prevention: The UN, Regional and Subregional Organizations, National and Local Actors*, International Peace Academy Policy Report, April 2002  
[http://www.ipacademy.org/PDF\\_Reports/PROMISE\\_TO\\_PRACTICE\\_FINAL.pdf](http://www.ipacademy.org/PDF_Reports/PROMISE_TO_PRACTICE_FINAL.pdf)  
 (September 7 2005).

<sup>50</sup> Examples of the creation of regional cultures could be the Organization of American States (OAS), North American Free Trade Area (NAFTA), The Andean Community, Association of Southeast Asian States (ASEAN) and the European Union (EU). Examples of regional organizations that have been stalemated include the ASEAN Regional Forum (ARF) and the Asian Pacific Economic Cooperation (APEC). Characteristic for these organizations is their lack of regional consensus and cultural similarity and, as a result, regional cultures have clashed and prevented further cooperation and integration. Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002).

<sup>51</sup> The current "regional" organizations in Northeast Asia are trans-regional or even international. Examples include the Korean Peninsula Energy Development Organization (KEDO), ASEAN+3 and the Six-party talks that all involve one or more non-Northeast Asian actor.

<sup>52</sup> Niklas Swanström, "Regional Cooperation and Conflict Management in Northeast Asia", *The Korean Journal of International Studies* 30, 1 (2003): 35.

Konrad Adenauer also built on this assumption in their attempts to create peace by uniting Europe in a regional structure. The positive spirit continued and in 1966 Mitrany claimed, as noted earlier, that "the problem of our time is not how to keep nations peacefully apart but how to bring them actively together". However, the nature of the problem has proved to be harder than so. Regional organizations and cooperation, per se, is not necessarily a good conflict prevention mechanism. Rather, it is the mechanisms inside the organization and its mandate that largely determines the success of the preventive functions of the organization.<sup>53</sup> It could be argued that regional organizations that fail to fulfill their purpose generate conflicts. Examples of such organizations include SAARC, APEC and ARF that arguably have added more tension than they deducted from regional relations. The logic behind such arguments is that the expected outcome is not received, which creates tension and puts blame on the members. Even though the initiation and failure of cooperation may create increased tension that could be destabilizing rather than preventive, several authors have pointed out the importance of regional organizations as hubs for conflict prevention in their regions, such as OSCE, OAU, ASEAN, OAS and EU.<sup>54</sup>

There are several important factors, which work in favor of using a regional approach to conflict prevention. Some of the positive traits are that the geographical proximity makes it easier for states to identify potential conflicts and that the limited size of the organization – in comparison to the UN and other global organizations– makes it easier to reach consensus and

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<sup>53</sup> Kamarulzaman Askandar, *ASEAN as a Process of Conflict Management*, unpublished Ph.D. Dissertation, Bradford: Department of Peace Studies, University of Bradford (1996); Kiichi Fujiwara, "State Formation and Regional Order: Southeast Asia in the International Environment", in *Peace Building in the Asia Pacific Region*, eds. Peter King & Yoichi Kibata, (St Leonards: Allen & Unwin Pty Ltd., 1996); Haftendorn Helga, Robert Keohane & Celeste Wallander, *Imperfect Unions: Security Institutions over Time and Space* (Oxford: Oxford University Press, 1999); Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002).

<sup>54</sup> Mattli Walter, *The Logic of Regional Integration: Europe and Beyond* (Cambridge: Cambridge University Press, 1999); Kao Kim Hourn & Din Merican, *Peace & Cooperation in ASEAN: Alternative Paradigms* (London: ASEAN Academic Press, 1997); Alao Abiodun, "The Role of African Regional And Sub-regional Organizations in Conflict Prevention and Resolution", *The Journal of Humanitarian Assistance*, Working Paper No. 23, 2001 <<http://jha.ac/articles/uo23.htm>>; Nkosi Nthabiseng, "The African Union: Forging links for greater unity and security", *Conflict Trends* 1 (2002).



undertake action. In addition, by adopting a regional approach to conflict prevention, the measures become potentially more effective since they can be developed to suit the context and specific circumstances of a particular region.<sup>55</sup> Moreover, regional trade and economic interdependence facilitates a positive development in conflict prevention and integration.<sup>56</sup> Also, there are many internal conflicts that have substantial regional dimensions and would benefit, or even require regional solutions. For example, the ethnic diversification in Central Asia, potential refugee flows from for example North Korea and Nigeria in the case of conflict, and other “spillover” effects necessitate regional solutions. Despite the advantages of regional organizations as hosts for conflict preventive measures, there are also some negative aspects to the regional framework. The negative traits of regional organizations are their relative weakness and lack of logistical capability to deal with conflict prevention. Moreover, it is by definition impossible for any regional state to be impartial to a conflict in its neighborhood. Finally, regional organizations are many times constrained by their members' preferences, demand for consensus, and refusal to give a strong mandate to the organizations.<sup>57</sup> The OSCE is one of the major exceptions to this rule as it is given a strong mandate to act independently.

### **Conflict Prevention in Regional Organizations**

Previous publications on regional organizations include several generic studies on Africa, Asia, Central America, Europe, North America, and the Middle East. However, few comprehensive studies on the conflict prevention mechanism in regional organizations have been conducted,

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<sup>55</sup> Michael Lund, *Preventive Diplomacy and American Foreign Policy* (Washington DC.: United States Institute of Peace, 1995), 176-78; Niklas Swanström, "China and the Security of Southeast Asia", *Journal of Malaysian Studies* 18, 1-2 (2000).

<sup>56</sup> Geert Laporte, "Regional cooperation and integration in Africa: An agenda for action at the national level", in *Regional Cooperation and Integration in the World Today* (Papers from the First Open Forum, Maastricht, 20 April 1993). Too great interdependence could potentially also be problematic. In the case of the Taiwan Strait, both Beijing and Taipei are worried that the strong economic interdependence will negatively impact the political independence towards the other unit.

<sup>57</sup> Michael Lund, *Preventive Diplomacy and American Foreign Policy* (Washington DC.: United States Institute of Peace, 1995), 176-78.

especially in regards to Asia.<sup>58</sup> This is problematic, as Asia has emerged as one of the most important regions in the world both politically and economically, but also as a region with some of the worst conflicts and threats to regional and global stability. There is a growing fear among smaller states in all regions that stronger states will grow too strong and develop a strategy of regional intimidation to reach a position of regional domination. This has led to a situation where states in some regions are virtually involved in an arms race as a vain attempt to prevent one or a few states to dominate the other states. This is especially apparent in Northeast Asia, but it is a global problem and has worked against conflict prevention in several regions.<sup>59</sup>

The ending of the Cold War and the development of post-Cold War values in Northeast Asia, such as democracy, human rights (HR), and free trade that are considered to be structurally preventive, have at least initially, somewhat paradoxically, created new problems. It has created societal and interstate tension that potentially could lead to violence and other serious challenges to states and societies.<sup>60</sup> A large number of states and regions are in the process of changing from autocratic or totalitarian forms of governance to open and free systems in the post-Cold War era. The problem is that many states in transition encounter large-scale violence and war, and in this regard democracy and free trade could, in the short run, be destabilizing, rather than conflict preventing.<sup>61</sup> In addition to the newly created tension, there is an array of old conflicts that have continued at a high level or even intensified. These include secessionist, demographic, and environmental conflicts, as well as disputes over water and resources. In

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<sup>58</sup> Hugh Miall, *Peacemakers: Peaceful Settlement of Disputes Since 1945* (London: Macmillan, 1992); Michael Lund, *Preventive Diplomacy and American Foreign Policy* (Washington DC.: United States Institute of Peace, 1995); Gabriel Munuera, "Preventing Armed Conflict in Europe: Lessons learned from recent experience", *Chaillot Paper* 15/16 (1994).

<sup>59</sup> Elisabeth Sköns, Evamaria Loose-Weintraub, Wuyi Omitoogun and Petter Stålenheim, "Military expenditure", in *SIPRI Yearbook 2000: Armaments, Disarmament and International Security* (Oxford: Oxford University Press, 2000).

<sup>60</sup> Michael Lund, "Early Warning and Preventive Diplomacy", in *Managing Global Chaos: Sources of and Responses to International Conflict*, eds. Chester Crocker, Fen Osler Hampson & Pamela Aall, (Washington D.C.: USIP Press, 1996), 16-30; Gordon Chang, *The Coming Collapse of China* (New York: Random House Inc., 2001).

<sup>61</sup> Edward Mansfield & Jack Snyder, "Democratization and the Danger of War", *International Security* 20, 1 (1995): 5-38.

many ways, this has created more insecurity and potentially more conflicts around the globe.

To counter these new and old threats there are many regional organizations that have made conflict prevention a part of their mandate, at least on paper. The tremendous diversity among these organizations regarding mandate, members, focus and structure can be seen in the considerable organizational differences. These organizations do, however, share the desire to prevent conflicts at a multilateral level and increase good relations among their members. Among the international organizational actors, the United Nations remains the only one with a global mandate to intervene with conflict prevention measures. On a regional level, the OSCE is the only organization with a similar mandate.<sup>62</sup> Yet this is slowly changing on the international arena, where for example NATO has adopted a more global approach in its strategies and arguably also in regards to conflict prevention. However, in the regional sphere, the OSCE still remains the only organization with a strong mandate to undertake conflict prevention. Jan Eliasson et al have argued that the European experience is unique, as Europe is the only region that has given an organization (the OSCE) an explicit *carte blanche* to penetrate national sovereignty in an effort to increase conflict prevention.<sup>63</sup> Nonetheless (from a perspective of conflict

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<sup>62</sup> Michael Bothe, Natalino Ronzitti & Allan Rosas eds., *The OSCE in the Maintenance of Peace and Security* (The Hague: Kluwer Law International, 1997); Organization for Security and Co-operation in Europe, *Charter for European Security* (Istanbul: November 1999); United Nations Charter (<http://www.un.org/>).

<sup>63</sup> Jan Eliasson & Robert Rydberg, "Preventive Action and Preventive Diplomacy", in *Preventing Violent Conflicts: Past Record and Future Challenges*, ed. Peter Wallensteen (Uppsala: Department of Peace and Conflict Research, Uppsala University, 1988), 43. The OSCE experience is very interesting and differs widely from the experience made by many of the other regional organizations, especially regarding depth, function and mandate. It is a possible draw-back of this study to exclude this organization, but the European experience has been markedly different from the Asian so to gain interesting results it would be necessary to compare Asia and Europe in an in-depth study, which is not the purpose of this study. For an in-depth study of the OSCE see Kari Möttölä, "The OSCE: Institutional and Functional Developments in an Evolving European Security Order", in *The OSCE in the Maintenance of Peace and Security*, eds. Michael Bothe, Natalino Ronzitti & Allan Rosas, (The Hague: Kluwer Law International, 1997). For the institutional and functional aspects see Arie Bloed, "The OSCE Main Political Bodies and Their Role in Conflict Prevention and Crisis Management", in *The OSCE in the Maintenance of Peace and Security*, eds. Michael Bothe, Natalino Ronzitti & Allan Rosas, (The Hague: Kluwer Law International, 1997). For conflict prevention see Merja Pentikäinen, "The Role of the Human Dimension of the OSCE in Conflict Prevention and

prevention), the development of conflict prevention in regional organizations is not only positive, but could have a darker side to it as well. The UN Secretary General Kofi Annan warned that "conflict prevention, peace-keeping, and peacemaking must not become an arena of competition between the United Nations and regional organizations", i.e. NATO.<sup>64</sup> This is currently not a problem but could very well become one if the interests of the UN and NATO, or any other regional organization, may come to differ in the future. However, not all regional or international organizations have developed a conflict prevention strategy. NATO has, for example, been relatively successful in crisis management, but has, as of today, not established successful tools for conflict prevention. However, the OAS, ASEAN, OSCE, EU, AU, OAU and to some extent the Andean Community has established both structural and direct preventive strategies that impact regional security.

The strategy behind conflict prevention in regional organizations differs from attempt to attempt and is very different from the strategies of non-regional organizations and national governments.<sup>65</sup> The experience in Asia's regional organizations is also very different from that of European organizations, especially regarding sovereignty which in the Asian case is highly protected at the expense of effective conflict prevention. The focus in Asia has to a much larger extent been on informal mechanisms, such as consultations. This stands in sharp contrast to the much more legalistic approach to conflict prevention in the Americas and Europe.<sup>66</sup> This does not, however, hinder the positive development of conflict prevention in regional organizations in Asia. Bjurner has pointed out that the role of

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Crisis Management," in *The OSCE in the Maintenance of Peace and Security*, eds. Michael Bothe, Natalino Ronzitti & Allan Rosas, (The Hague: Kluwer Law International, 1997).

<sup>64</sup> Kofi Annan, *Millennium Report - We, the Peoples: The Role of the United Nations in the 21st Century* (New York: United Nations, 2000).

<sup>65</sup> Smith has studied the World Bank and a number of US organizations to understand the instruments for conflict prevention, to learn more about the possibilities for the European Union and to gain a more in-depth knowledge about the experiences of other organizations (Julianne Smith, *Instruments for Peace-Building and Conflict Prevention: Learning from other Actors for the European Union Selected Contributions 6* (Berlin: Stiftung Wissenschaft und Politik, Conflict Prevention Network, 1999)). This study is relevant for other regional experiences and lessons can be drawn from this research.

<sup>66</sup> Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002), 247-248.

regional and sub-regional organizations, such as the ARF and ASEAN, is increasingly important, even if their efficiency still is limited.<sup>67</sup> The protection of sovereignty has also played an important role in the work of African organizations, which has resulted in a failure to create effective early warnings systems. Yet the failure of both the AU and the Economic Community of West African States (ECOWAS) to function as tools for conflict prevention is due to their lack of leading organization and lack of resources. In addition, regional agreements are rarely integrated into national legislation on the African continent.<sup>68</sup> Moreover, ECOWAS has basically focused on crisis management through its military observer groups rather than long term prevention (even if its strategies among the refugees in Guinea add up to effective prevention).<sup>69</sup> Most regional organizations have, however, enjoyed the creation of a new set of norms and values, most strikingly in the EU and least noticeable in SAARC.<sup>70</sup> South Asia's development of conflict prevention strategies, both within and outside the existing organizations, is effectively prevented by the Indian-Pakistani dispute that overshadows the region. There are, moreover, some organizations that remain untested by political disputes among its members, such as the Shanghai Cooperation Organization (SCO). However, the Central Asian experience shows that most organizations, such as the Commonwealth of Independent states (CIS), NATO PfP (Partnership for Peace), and the Turkic State Grouping, are secondary to bilateral relations

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<sup>67</sup> Anders Bjurner, "Security for the Next Century: Towards a Wider Concept of Prevention", in *Preventing Violent Conflicts: Past Records and Future Challenges*, ed. Peter Wallensteen (Uppsala: The Department of Peace and Conflict Research, Uppsala University, 1998).

<sup>68</sup> Anyang'Nyong'o, *Regional Integration in Africa: Unfinished Agenda* (Nairobi: African Academy of Sciences, 1990); Alao Abiodun, "The Role of African Regional And Sub-regional Organizations in Conflict Prevention and Resolution", *The Journal of Humanitarian Assistance*, Working Paper No. 23, 2001 <<http://jha.ac/articles/u023.htm>>; William Zartman, *Security, Stability, Development and Cooperation in Africa*, The Johns Hopkins University & UN Vision Project on Global Public Policy Networks (2001), <<http://www.globalpublicpolicy.net>>.

<sup>69</sup> International Peace Academy, *Creating Conditions for Peace: What role for the UN and Regional Actors* (New York: International Peace Academy, 2002), 3.

<sup>70</sup> Hossain Kamal, "Towards a Single Market for South Asia" in *SAARC 2000 and Beyond*, eds. L.L. Mehrotra, H.S. Chopra and Gert W. Kueck (New Delhi: Omega Scientific Publishers, 1995); Chopra Pran, "SAARC and the Assymetry Issue" in *The Challenge in South Asia: Development, Democracy and Regional Cooperation*, eds. Poona Wignaraja and Akmal Hussain, (New Delhi: Sage Publications, 1989); Musharraf Pervez, "President's Speech at 11<sup>th</sup> SAARC Summit," Kathmandu, January 5 (2002); Mattli Walter, *The Logic of Regional Integration: Europe and Beyond* (Cambridge: Cambridge University Press, 1999).

and their focus seems to be crisis management in general, and the battle against terrorism in particular.<sup>71</sup>

The OAS has emerged as a very positive example of how regional organizations can include prevention in their mandate. The focus has been on democratic and economic development, human rights, civil society and fighting the trade in narcotics.<sup>72</sup> The structural prevention of OAS' engagement can not be underestimated, even if some argue that the US has used the organizations to achieve its own goals.<sup>73</sup>

The above discussion has, so far, not taken into consideration the preventive effects that economic cooperation can have. Several researchers have argued that economic interdependence decreases the likelihood of conflict.<sup>74</sup> This argument rests on the presumption that conflicts are more costly when the economies of states are intertwined. Thus, as the interdependence increases between states, the risk of war decreases. Bruce Russett has reinforced this argument by finding support for the hypothesis that the more international organizations a state belongs to, the less prone it will be to engage in conflicts, i.e. the higher the interdependence, the lower level of conflicts.<sup>75</sup> These arguments increase the relevance to deal, in detail, with economic as

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<sup>71</sup> Niklas Swanström, "The Prospects of Multilateral Conflict Prevention in Central Asia", *Central Asian Survey* 23, 1 (2004); Roy Allison, "Regional Threats and Prospects for Multilateral Defence Cooperation", *Caspian Sea Basin Security Conference* (Seattle, April 2003).

<sup>72</sup> Organization of American States, AG/RES 1080 Representative democracy (1991); Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002), 158-164.

<sup>73</sup> The OAS was highly unpopular for a long time and several Latin American states abandoned the organization in the 1960's and 70's and relied on the UN and other strong states in the international community. The Spanish abbreviation of OAS, OEA, was translated to *Otro Engaño Americano* - Another American Fraud (Slater Jerome, "The Limits of Legitimization in International Organizations: the organization of American States and the Dominican Crisis", *International Organization* 23, 1 (1969): 63).

<sup>74</sup> Mattli Walter, *The Logic of Regional Integration: Europe and Beyond* (Cambridge: Cambridge University Press, 1999); Richard Higgot, "The international political economy of regionalism: the Asia-Pacific and Europe compared", in *Regionalism & Global Economic Integration*, eds. William Coleman & Geoffrey Underhill, (London: Routledge, 1998); M. Dutta, "Economic regionalisation in Western Europe: Asia Pacific economics (macroeconomic core: microeconomic optimization)", *American Economic Review* 82 (1992).

<sup>75</sup> Bruce Russett, "Preventing Violent Conflict Through Kantian Peace", in *Preventing Violent Conflicts: Past Records and Future Challenges*, ed. Peter Wallensteen (Uppsala: The Department of Peace and Conflict Research, Uppsala University, 1998), 260; Michael Lund, *Preventing violent conflicts: a strategy for preventive diplomacy* (Washington, D.C.: United States Institute of Peace Press, 1996).

well as political regional organizations as tools for conflict prevention. North Atlantic Free Trade Area, EU, OAS, the Andean Community etc, but also Northeast Asia that lacks regional organizations but where trade has made the region financially interdependent, are examples of how interdependence decreases the likelihood of armed conflict. Other organizations like the SCO, SAARC and AU are trying to decrease the number of conflicts through increased economic interdependence.<sup>76</sup> On the other hand, increased interdependence could also increase tension and the fear of being dominated by a larger actor, i.e. a regional hegemonic power. This is something that the Central Asian governments have begun to realize and their focus has increasingly been to balance China, Russia, the EU and the US against each other.<sup>77</sup> It is evident from the European and NAFTA experience that economic integration has functioned preventively, but strong evidence points to the fact that prevention is far from dependent on economic factors. It should also be noted that several organizations, such as the Central American Common Market (CACM) and ASEAN, have functioned preventively with a high degree of success although little economic interdependence exist despite a formal interest in financial integration.<sup>78</sup>

When analyzing conflict prevention and regional organizations, it is important to note that conflict prevention is much more than the formalized conflict prevention and conflict enforcement that seems to be the preference of Western institutions. The argument has been made that some regional organizations, such as the AU and the ASEAN, are failures since they have no functional formalized conflict prevention and crisis management system. These organizations are, however, much more effective than is proposed as

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<sup>76</sup> Mattli Walter, *The Logic of Regional Integration: Europe and Beyond* (Cambridge: Cambridge University Press, 1999); Niklas Swanström, "The Prospects of Multilateral Conflict Prevention in Central Asia", *Central Asian Survey* 23, 1 (2004); Monica Rosell, *Institutional framework and judicial security in the Andean Community*, Andean Community 2002, 4, <<http://www.comunidadandina.org/ingles/document/Canada.htm>>.

<sup>77</sup> Niklas Swanström, "The Prospects of Multilateral Conflict Prevention in Central Asia", *Central Asian Survey* 23, 1 (2004); Roy Allison, "Regional Threats and Prospects for Multilateral Defence Cooperation", *Caspian Sea Basin Security Conference* (Seattle, April 2003).

<sup>78</sup> International Peace Academy, *Creating Conditions for Peace: What role for the UN and Regional Actors* (New York: International Peace Academy, 2002), 6; Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002).

they create a new set of informal norms and values for economic development, which in turn decreases the tendency for violent conflict. The informality of these mechanisms also keeps the conflicts out of the public eye and facilitates the continuation of interstate relations even in times of conflict. The argument can be made that the developing world will face major problems if it attempts to formalize its institutions and thereby its conflict prevention mechanism.<sup>79</sup> This is, it is argued, due to the relative weakness of the states involved and their need to protect sovereignty and the, in many cases, relatively newly won independence. Although the formalization of regional conflicts is positive for many regional structures, such as NAFTA and the EU, for others, such as SAARC, ASEAN and ARF, the formalization of structures could threaten to destroy multilateral as well as bilateral relations. Indeed, I have argued elsewhere that informality in regional organizations, like the ASEAN, is a prerequisite for successful conflict management and conflict prevention in.<sup>80</sup> I argue that the need and possibility for formalization is dependent on three major factors: trust, cultural attitudes and state strength. First, low levels of trust and a lack of mutual confidence will not support a formalization of preventive mechanisms, such as early warning and structural prevention at a regional level. Second, the cultural attitudes towards the character of a relationship differ. There are cultural differences between the legal and formal cultures in the Americas and Europe and the informal cultures of Asia, the Middle East and, to a certain extent, Africa.<sup>81</sup> Finally, the relative weakness of the states and the regional organizations involved in prevention do matter.

Amitay Acharya has argued that there is a close linkage between an effective conflict resolution mechanism and regional cooperation in the

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<sup>79</sup> Mohammed El Sayed Said, "The Arab League: between Regime Security and National Liberation", in *Regional Security in the Third World*, ed. Mohammed Ayoob (London: Croom Helm, 1986), 258-259); Amitav Acharya, "Regional Military-Security Cooperation in the Third World: A Conceptual Analysis of the Relevance and Limitations of ASEAN", *Journal of Peace Research* 29, 1, (1992): 9; Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002).

<sup>80</sup> Niklas Swanström "China and the Security of Southeast Asia", *Kajian Malaysia* 18, 1-2 (2000); Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002).

<sup>81</sup> Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002).



military-security field.<sup>82</sup> This argument is based on the hypothesis that without the willingness and active participation of the members in the organization, there will be no effective policy. Geert Laporte argues, in the case of Africa, that political will is essential for effective prevention in regional organizations, and that this partly can explain some of the drawback in African multilateral cooperation.<sup>83</sup> The same logic follows conflict prevention and regional cooperation in most regions - without the willingness and active support there will be little success in preventing conflicts. Looking at the South Asia (SAARC) and Northeast Asia, there has been no political will to use or create regional organizations, which can explain the low levels of preventive strategies. The unwillingness to create or engage in regional organizations can be traced to a strong emphasis on the centrality of the state and the protection of sovereignty, largely following a realist perception of world affairs with focus on power and a lack of trust.

External support will not, over the long term, create the necessary engagement for an effective conflict prevention mechanism since it cannot stimulate the creation of organizations with a regional "soul". In financially weak regions, financial assistance from outside actors is needed to keep the organizations running. However, the low levels of political engagement and financial commitment from, for example, the African states have to a large extent made the organizations appear as external creations that attempt to dominate regional affairs.<sup>84</sup> The conflict on the Korean peninsula is another example of the problem with external interference. In this case, external intervention (by the US) has impacted the conflict negatively over the past

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<sup>82</sup> Amitav Acharya, "Regional Military-Security Cooperation in the Third World: A Conceptual Analysis of the Relevance and Limitations of ASEAN", *Journal of Peace Research* 29, 1 (1992): 9.

<sup>83</sup> Geert Laporte, "Regional cooperation and integration in Africa: An agenda for action at the national level", in *Regional Cooperation and Integration in the World Today* (Papers from the First Open Forum, Maastricht, 20 April 1993).

<sup>84</sup> Between 1993 and 1996, 75% of the OAU budget came from non-African sources, and OAU pointed out that without the external support it would not have been possible to deploy the observer missions to Burundi, Rwanda and the Comoros. There is a similar tendency for conflict prevention and confidence building. The reliance on external sources limits the independence of OAU and many states are reluctant to use the organization to solve their internal disputes. Indeed, the solution is not found in the pockets of the foreign governments. Rather, the regional states need to learn to take responsibility for their own organization. If the African governments do not find the OAU worth sustaining, it is questionable if the efficiency of the organization would improve with external resources.

years and a solely regional approach would be immensely more constructive.<sup>85</sup> There is, however, a need for regions, like Northeast Asia, with little trust or unclear leadership to permit assistance from external actors. Northeast Asia is one of the more apparent cases where the US or ASEAN are needed - whether or not the regional states appreciate it - since they seem unable to engage in regional cooperation by themselves. Examples of external involvement in Northeast Asia include the six-party talks, KEDO and ASEAN+3.

Regional organizations are, as has been pointed out, only a small part of the conflict prevention mechanisms in the world at large. The regional conflict prevention mechanisms have, however, proven to be of increasing importance. Today, regional organizations take a more active role in regional conflicts and the UN is also actively encouraging regional organizations to be more proactive in conflict prevention in their regions.<sup>86</sup> Empirically, in some regions not much has been accomplished in the area of conflict prevention, despite longstanding regional cooperation structures, such as the Arab League and SAARC. Crucial to note is that Northeast Asia, in general, has become a relatively neglected region in the field of conflict prevention and more attention from scholars and practitioners is needed.<sup>87</sup> Further studies are required, both in specific regions and on how

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<sup>85</sup> Niklas Swanström, "The Korean Peninsula in the U.S.'s Post-9/11 Military-Security Paradigm, in Taeho Kim, ed, *The Changing ROK-U.S.-China Relationships and the Future of the Korean Peninsula*, 2004, Hallym University.

<sup>86</sup> There are several interesting studies about regional organizations and conflict prevention, but hardly anything has been published in regards to Asia (Sophia Clément, *Conflict Prevention in the Balkans: Case Studies of Kosovo and the FYR Macedonia* (Aalen: Institute for Security Studies of WEU, 1997); Alao Abiodun, "The Role of African Regional And Sub-regional Organizations in Conflict Prevention and Resolution", *The Journal of Humanitarian Assistance*, Working Paper No. 23, 2001 <<http://jha.ac/articles/u023.htm>>. The assumption that regional organizations will manage this better than national or international actors is dangerous since the organizations will lose their legitimacy if the attempt fails. This could be devastating, as the regional organization will not be able to carry the regional identity and confidence building function over the longer time-span.

<sup>87</sup> Few comparisons have been made between the experience of Asia and that of other regions, both empirically and theoretically (Vinod Aggarwal, Beverly Crawford and Cédric Dupont, *European Integration as a Model for Asia-Pacific Regionalism*, Paper presented at the Conference on Global and Regional Economic Security and Integration, Swedish Institute of International Affairs, December 14-15, 2001; Alan Dupont: *The environment and security in Pacific Asia* (London: Oxford University Press for the International Institute for Strategic

regions interact with each other in conflict preventive work to maximize the positive outcomes.

### **Regional Cooperation and Conflict Prevention: A Future?**

The relationship between conflict prevention and regional organizations is a theoretically underdeveloped area, even though regional organizations seem to be important carriers of the preventive thought. But before going into a discussion on the impact of regional organizations, it should be stressed that regional organizations do not operate in a vacuum. They are, quite contrary, directly dependent on the cooperation between nations (their member states) and international entities such as the WTO, the UN and NATO. It is clear that all levels and dimension of conflict prevention have a function but that this function varies from situation to situation.

A closer look at regional organizations and conflict prevention at large reveals that there are many positive, as well as negative aspects. For example, in regards to prevention, regional approaches seem to have more success than trans-regional and national prevention schemes. This is not only due to the regional organizations capacity and their success rate. Regions have been forced to take up the challenge of preventing conflicts due to the failure of international organizations and states to do so. Regions do so with the assistance of national and international actors, but nonetheless as the primary actors despite their shortcomings. Regional actors seem better equipped to handle preventive measures as potential conflicts (inter- as well as intra-state) often involve regional issues. Moreover, regional organizations have a greater political commitment to take a long-term approach than do international actors and there is also often a greater willingness to accept solutions that might have negative political effects for the own state if it is linked to the greater good of the region. Regional actors also tend to be more concerned with long-term prevention, as opposed to crisis management and resolution of already initiated military conflicts, which tend to be the focus of other actors. In short, there are both greater incentives as well as greater possibilities for regional organizations

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Studies, 1998). The lack of comparison is especially notable between Asian and Western institutions.

to act.

Regional organizations have shown to be important for the creation of 'cultures of prevention' (acceptance of core principles by more than one actor). This is, however, in many regions a case of default as the international level has been less than successful in creating a global culture of prevention. However, it does seem like regional organizations have a greater tendency to accept a common set of core principles, which is the basic foundation of a culture of prevention which in turn makes prevention possible beyond the national borders. The major drawback for many regional organizations dealing with conflict prevention is that the regional culture of prevention often is weak and very difficult to develop. Since successful conflict prevention rests upon a regional understanding (regional culture) of what conflict prevention should encompass and enforce, the lack of core values explains the absence of regional cultures of prevention. To create effective regional cultures of prevention, the levels of trust and confidence between the regional member states need to increase. The level of trust and the states' relative weakness also determines the structure of the preventive mechanism in the regional organization. Without trust the levels of prevention are very low and the organizations seem incapable of creating effective mechanisms.

Some aspects of the culture of prevention are grounded in the legal versus the informal traditions of different regions. It has been noted that in high context societies, such as in Asia, there is a reliance on long term relationships and informal prevention. In low context societies, such as the Americas, there is a reliance on legal traditions and formality. This has created problems regarding the implementation of preventative measures in trans-regional organizations such as the ARF. Other trans-regional organizations are likely to share this experience and this has to be recognized if effective preventive measures are to be established.

In regions where states or the region at large are weak, there is a reluctance to let other states interfere in internal affairs in fear of being dominated. This concern, or even fear, can at least to some extent be bridged by international organizations such as the UN. The weakness of the states does not only create concerns about other states intent, it also affects the actual implementation process as infrastructure in many cases is lacking and

political commitment is, at best, whim.

The implementation of conflict prevention measures in regional organizations is, moreover, stalled by the lack of political will, lack of resources, fear of giving up sovereignty and historical animosity among its (potential) member states. These premises indicate that regions in need of prevention, in many cases are incapable of implementing effective mechanisms. On the other hand, regions such as EU and North America, where prevention is less important, are able to implement far reaching measures. This does not mean that regional organizations have failed in the construction and enhancement of conflict prevention measures. Rather, they have implemented some very interesting mechanisms, but the primary challenge in relatively weak regions is related to norms and values.

One of the more important effects of regional organizations in relation to conflict prevention is their ability to create new norms and values among its member states. Regional organizations have proven able to create regional cultures of interaction, even if the success of creating regional cultures of prevention has been limited to Europe and possibly the Americas. This is due to the long term interaction within these regions and the organizations' ability to break down old norms and values and create new. Other regions are only in the beginning of this process, but the AU and ASEAN have been very successful in the process of creating values and norms and they are also likely to provide strong assistance in creating regional cultures of prevention.

When examining regional cultures of prevention, the preventive strategies can be separated into two categories: structural and direct prevention. Structural prevention aims at hindering conflicts from erupting in the first place, and direct prevention refers to measures applicable for immediate crisis. Structural prevention is, in many cases, easier to apply as it follows as a consequence of interaction in other spheres, such as economic integration. There has been a problem to engage states and regional organizations in direct prevention of specific issues, such as border or minority issues since they see it as a threat to the sovereignty of the state. The limited success of prevention in regional organizations can be traced back to the sovereignty issue and the low level of trust between actors. In regions where trust has been greater, the implementation rate of preventive mechanisms is higher.

Regional approaches and cultures of prevention are hoped to bridge regions and create an international culture of prevention. It is, however, not easy to transfer regional mechanisms and ways to create regional cultures from one region to another. Chandra Lekha Sriram has pointed out that many tools for conflict prevention are not even transferable to other regions, even if the principles are similar. This indicates an explicit need for regional oriented tools.<sup>88</sup> In Northeast Asia, this would transfer to tools are specifically designed for informality and different second-track processes. Theoretical and practical tools designed in the West have been exported to other parts of the world. Often, these tools have created more instability rather than less. The assumption that 'what works for us should work for them' has repeatedly been proved wrong and it is clear that regional and national differences do matter. This is not to say that efforts to create an international culture of prevention should be abandoned, only that it will be far more difficult than earlier expected. The best way to achieve this still seems to be by strengthening regional cultures of prevention and furthering the understanding that prevention is a necessity, rather than a luxury. Over time, globalization will make regions increasingly compatible. Although this process may be less satisfactory, it is still the only realistic one. Conflict prevention is, however, here to stay and regional organizations seem to hold the banner of prevention. But it is, so far, moving slowly and patience has to be a virtue if conflict prevention is to succeed. Regional, national and international actors need to engage in a process to change norms and values and make them more prone to prevention and long term strategies. This is a process that has been initiated and needs to continue over the long term if prevention and peaceful management of relations is to be improved.

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<sup>88</sup> Chandra Lekha Sriram, "Refining Conflict Prevention - Sharing Best Practices and Improving Partnering", *Sharing Best Practices on Conflict Prevention* (New York: International Peace Academy, 2002), 4.



## Chapter V: Informal Networks as a Conflict Preventive Mechanism

Mikael Weissmann

Informal networks will for the purpose of this article be defined as social networks of individuals and/or collectives without formal structures, linked together by one or more social relationships, such as kinship and friendship. Informal networks, as a form of informal cooperation and institution, have played and still play, a vital role in both the economic and political sphere, where informal connections, contacts, agreements and mutual understanding are of foremost importance. Potential conflicts are, for example, more likely to be prevented and ongoing conflicts easier to manage, if people on the two sides have some form of connection and understanding of each other - something that informal networks provide.

Informal networks are especially important in Northeast Asia, which is a region of paradoxes.<sup>1</sup> On the one hand, there is a lack of institutionalization in the region. On the other hand, interregional trade and business exchange is well developed.<sup>2</sup> The political as well as the business interaction works on an ad hoc basis, and there are no mechanisms for effective formal conflict management, prevention, and resolution in the region.<sup>3</sup> At the same time, there are no open conflicts<sup>4</sup> albeit high and rapidly increasing military

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<sup>1</sup> In this chapter, Northeast Asia is defined as the two Koreas, Japan, Mainland China and Taiwan, plus the South China Sea.

<sup>2</sup> Mark Fruin, "Prospects for Economic Cooperation in the Asia-Pacific Region", *Asian Survey* 35, 9 (1995); Mark Fruin, ed., *Networks, Markets and the Pacific Rim: Studies in Strategy* (Oxford: Oxford University Press, 1998).

<sup>3</sup> Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002).

<sup>4</sup> Margareta Sollenberg, ed., *States in Armed Conflict 2000 Report No 60* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2001); Niklas Swanström, *Conflict*



spending <sup>5</sup> and a high level of intra-regional distrust <sup>6</sup>. Research has shown that this, at least partially, can be attributed to the impact of informal conflict management and prevention mechanisms within formal regional cooperation, but no studies have been done focusing either on informal mechanisms as such, or on informal regional cooperation and institutions.<sup>7</sup> The existing work has focused on mediation and negotiation <sup>8</sup> or the cultural aspects in the handling of conflicts<sup>9</sup>. However, no theoretical study has been done either mapping the possible informal conflict prevention mechanism(s), or trying to either explain what the informal mechanism looks like or could be assumed to look like, either towards the successful but non-institutionalized economy, the lack of open conflicts, or the informal networks themselves.

Some work has also been done within the field of security studies, especially by Peter Katzenstein, J.J. Suh and Allen Carlson. These scholars have addressed the impact of cultural norms and networks of power on national

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*Management and Negotiations in the South China Sea: The ASEAN Way?* (Oslo: Centre for Development and Environment, University of Oslo, 1999).

<sup>5</sup> Elisabeth Sköns, Evamaria Loose-Weintraub, Wuyi Omitoogun, and Petter Stålenheim, "Military expenditure" in *SIPRI Yearbook 2002. Armaments, Disarmament and International Security* (Oxford: Oxford University Press, 2002).

<sup>6</sup> Deng Young, "The Asianization of East Asian Security and the United States' Role", *East Asia: An International Quarterly* Autumn (1998); Niklas Swanström, *Foreign Devils, Dictatorship, or Institutional Control: China's Foreign Policy towards Southeast Asia* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2001).

<sup>7</sup> Niklas Swanström, *Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala: Department of Peace and Conflict Research, 2001).

<sup>8</sup> Raymond Cohen, *Negotiating across cultures: international communication in an interdependent world*, 2nd ed., (Washington, D.C.: United States Institute of Peace Press, 1997); Guy Olivier Faure and Jeffrey Z. Rubin, eds., *Culture and Negotiation* (Newbury Park: Sage, 1993); Glenn Fisher, *International Negotiation: A Cross-Cultural Perspective* (Yarmouth, ME.: Intercultural Press, 1980); John L. Graham, "The Japanese Negotiation Style: Characteristics of a Distinct Approach", *Negotiation Journal* (1993); J.W. Salacuse, "Ten Ways That Culture Affects Negotiating Style: Some Survey Results.", *Negotiation Journal* July (1998): 221-240; William I. Zartman, "A Skeptic's View" in *Culture and Negotiation*, eds., G.O. Faure and J.Z. Rubin (Newbury Park: Sage, 1993), 17-21; J.W. Breslin, "Breaking Away from Subtle Biases" in *Negotiation Theory and Practice*, eds. J.W. Breslin and J.Z. Rubin (Cambridge: PON Books, 1991), 247-250; Kenneth Stein and Samuel Lewis, "Mediation in the Middle East" in *Managing Global Chaos*, eds., Crocker and Hampson (USIP Press, 1996), 463-773; Tony Fang, *Chinese Business Negotiating Style* (London: SAGE, 1999).

<sup>9</sup> Leung Kwok and Dean Tjosvold, *Conflict Management in the Asia Pacific: Assumptions and Approaches in Diverse Cultures*, (Singapore: John Wiley & Sons, 1998).

and regional security<sup>10</sup>, but they have not addressed informal networks as such or their impact on conflict prevention. Research has also been done on “new regionalism”, which accepts the existence of informal mechanisms, but this research has not addressed informal networks as such nor directly addressed conflict prevention.<sup>11</sup> Also international political economists have addressed the issue of informal networks, but their studies have not paid attention to the possible impact informal networks can have on conflict prevention.<sup>12</sup>

The author believes that some form of mechanism exists, and this chapter will be a first step filling the gap in existing knowledge. This chapter will first look into previous research on informal networks and theoretically examine what the term refers to. It will also examine the concept of conflict prevention and the idea of Asian characteristics. I will then explore if and how informal networks can have a potential impact on conflict preventive mechanisms, or function as such mechanism by themselves. Finally, I will look into their possible potential as part of a "Northeast Asian Way" of conflict prevention.

### **Informal Networks**

Informal networks will, for the purpose of this chapter, be defined as social networks of individuals and/or collectives without formal structures.<sup>13</sup> It should be noted that these networks often are institutionalized through

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<sup>10</sup> Peter Katzenstein, *The Culture of National Security: Norms and Identity in World Politics* (New York, N.Y.: Columbia University Press, 1996); Peter Katzenstein and Takashi Shiraishi, eds., *Network Power: Japan and Asia* (Ithaca, N.Y.: Cornell University Press, 1997); Peter Katzenstein, J.J. Suh and Allen Carlson, eds., *Rethinking Security in East Asia: Identity, Power, and Efficiency* (Stanford: Stanford University Press, 1997).

<sup>11</sup> Björn Hettne, Andras Inotai and Osvaldo Sunkel eds., *Studies in the New Regionalism*. A five-volume mini-series published by Palgrave Macmillan (1999-2001); Fredrik Söderbaum and Timothy M. Shaw, eds., *Theories of New Regionalism* (Basingstoke: Palgrave, 2003).

<sup>12</sup> Richard Stubbs and Geoffrey R.D Underhill, eds., *Political Economy and the Changing Global Order* (Oxford: Oxford University Press, 2000).

<sup>13</sup> I have chosen to use the term informal network rather than informal institutions to avoid the scholarly debate on the definition of institutions – a concept where there is an array of definitions among scholars from different fields of the social sciences and humanities. Furthermore, the term informal network is more suitable for the focus of this chapter since only institutions consisting of individuals and/or other forms of collectives are included in this analysis. This said, informal networks are also a concept that lacks a commonly accepted definition.

deeply embedded patterns of social practices and norms, though no formal (written) structure of the network exists. These structures are linked together by one or more social relationships, such as kinship and friendship. In most cases, the members of these networks have some form of mutual interests. There are numerous forms of informal networks, ranging from larger networks such as the bamboo network, the chaebols, and the keiretsus, to other forms of informal inter-personal and/or family based networks.<sup>14</sup>

It is the formal (written) structure that separates informal networks from formal ones. However, informal networks need not be totally separated from formal networks, cooperation organizations and structures. Rather, they can, and do, exist within formal structures such as international and regional organizations. Two good examples of formal structures in which informal networks and institutions exist are the Asian Regional Forum (ARF) and ASEAN+3, where cooperation and interaction on an informal level is essential. Formal cooperation, as within ARF and ASEAN+3, also offer an opportunity to create and deepen networks, create trust and build long term relationships between individuals from the different member states.

Previous research on informal networks in Northeast Asia has, at large, been empirically focused. The overall aim has often been to provide business advice to foreigners wanting to invest in the region.<sup>15</sup> Research has, for example, been done on the Asian financial crisis at the end of the 1990s. In

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<sup>14</sup> Although the *chaebols* often are rather formal business organizations, they are also largely dependent on long term relationships, trust, understanding and similar forms of informal linkages between individuals.

<sup>15</sup> Andersen Consulting, *Beyond the Bamboo Network: Successful Strategies for Change in Asia* (London: Economist Intelligence Unit, 2000); Michael L. Gerlach, *Alliance Capitalism: The Social Organization of Japanese Business* (Berkeley: University of California Press, 1992); Eun Mee Kim, *Big Business, Strong State: Collusion and Conflict in South Korean Development, 1960-1990* (Albany: State University of New York Press, 1997); Yeon-ho Lee, *The State, Society, and Big Business in South Korea* (London: Routledge, 1997); Dennis L. McNamara, ed., *Corporatism and Korean Capitalism* (London: Routledge, 1999); Richard M. Steers, *Made in Korea: Chung Ju Yung and the Rise of Hyundai* (London: Routledge, 1999); Murray L. Weidenbaum and Samuel Hughes, *The Bamboo Network: How Expatriate Chinese Entrepreneurs are Creating a New Economic Superpower in Asia* (New York: Free Press, 1996); Henry Wai-chung Yeung, *Transnational Corporations and Business Networks: Hong Kong Firms in the ASEAN Region* (London: Routledge, 1998).

this regard, the role of informal networks in the region is still being debated. The proponents of informal networks argue that they have proved to be beneficial to the Asian economy whereas the opponents argue that it was in fact the Asian lack of institutionalization that caused the downfall. The opposite side argues that in fact the lack of mechanisms, informal or formal increases transactions costs and political costs thereby causing or at least being an important underlining factor of the crisis - if preventive mechanisms would have been in place it might have been possible to avoid the downfall. The empirical focus of these discussions is limited to the networks' possible impact on the Asian financial crisis.

On a more general level, Robert Putnam has also addressed informal networks, but his focus has been on democracy, civil society, and Western networks.<sup>16</sup> His theories cannot easily be applied to the informal networks in Northeast Asia, at least not to the forms of networks included in this chapter. There are also theoretical writings on the cultural and philosophical aspects of informality and the family in the Northeast Asian region, but these do not address the practical implications of the theoretical findings.<sup>17</sup> There are also studies about social movements, which can also be defined as a kind of informal networks/institutions.<sup>18</sup>

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<sup>16</sup> Robert D. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton, N.J.: Princeton University Press, 1993); Robert D. Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon & Schuster, 2000).

<sup>17</sup> Robert E Allinson, ed., *Understanding the Chinese Mind: The Philosophical Roots* (Oxford: Oxford University Press, 1991); Wing-tsit Chan, ed., *Chu Hsi and Neo-Confucianism* (Honolulu: University of Hawaii Press, 1986); Thomé H. Fang, *The Chinese View of Life: The Philosophy of Comprehensive Harmony* (Taipei: Linking, 1980); Charles A. Moore, ed., *The Chinese Mind: Essentials of Chinese Philosophy and Culture* (Honolulu: University of Hawaii Press, 1967); Harry C. Triandis, *Culture and Social Behaviour* (New York: McGraw-Hill, 1994); Harry C. Triandis, *Individualism & Collectivism* (Boulder, Colo.: Westview Press, 1995).

<sup>18</sup> Joseph Gusfield. 1981. "Social Movements and Social Change: Perspectives of Linearity and Fluidity". in *Research in Social Movements, Conflict and Change vol. 4*, ed. L. Kriesberg (Greenwich: JAI Press, 1981); Margaret E. Keck and Kathryn Sikkink, *Activists Beyond Borders: Advocacy Networks in International Politics* (Ithaca, N.Y.: Cornell University Press, 1998); Pamela Oliver, "Bringing the Crowd Back In: The Nonorganizational Elements of Social Movements" in *Research in Social Movements, Conflict and Change vol. 11*, ed., L. Kriesberg (Greenwich: JAI Press, 1989); Ashok Swain, *Social Networks & Social Movements: Are Northern Tools Useful to Evaluate Southern Protests?* Uppsala Peace Research Papers No. 4 (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002); Mikael Weissmann, *Bridging a Divide - The Creation of a Third Path for Conflict Resolution* (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2002).

## Conflict Prevention

Conflict prevention is a general term for methods and mechanisms used to avoid, minimize, and/or manage potential conflicts before they have developed into active conflicts.<sup>19</sup> Today, the writings on conflict prevention are extensive and there is a lack of consensus on the definition of the term.<sup>20</sup> Conflict prevention is often divided into two categories: direct and structural prevention.<sup>21</sup> Direct prevention refers to mainly short term actions taken to prevent the often imminent escalation of a potential conflict, while structural prevention focuses on more long term measures that address the underlying causes of the potential conflict, as well as potentially escalating and triggering factors.

There is a wide range of both narrow and broad definitions of conflict prevention. Narrow definitions include, for example, preventive diplomacy, a term that has been defined by Michael Lund as

“actions taken in vulnerable places and times to avoid the threat or use of armed force and related forms of coercion by states or groups to settle the political disputes that can arise from destabilizing effects of economic, social, political, and international change.”<sup>22</sup>

Former UN Secretary General Boutros Boutros-Ghali defined preventative diplomacy as “the use of diplomatic techniques to prevent disputes arising, prevent them from escalating into armed conflict ... and prevent the armed

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<sup>19</sup> Sophia Clément, *Conflict Prevention in the Balkans: Case Studies of the Fyr Macedonia*. Alençon (Paris: Institute for Security Studies, Western European Union, 1997).

<sup>20</sup> Alice Ackerman, "The Idea and Practice of Conflict Prevention", *Journal of Peace Research* 40, 3 (2003): 339-347; Karin Aggestam, "Conflict Prevention: Old Wine in New Bottle?", *International Peacekeeping* 10, 1 (2003); Fen Osler Hampson and David M. Malone, eds., *From Reaction to Conflict Prevention: Opportunities for the UN System* (Boulder, CO: Lynne Rienner, 2002); Bruce W. Jentleson, "Preventive Diplomacy: A Conceptual and Analytic Framework" in *Opportunities Missed, Opportunities Seized: Preventive Diplomacy in the Post-Cold War World*, ed. Bruce W. Jentleson (Lanham, MD: Rowman & Littlefield, 2000); Paul van Tongeren, Hans van de Veen and Juliette Verhoeven, eds., *Searching for Peace in Europe and Eurasia: An Overview of Conflict Prevention and Peacebuilding Activities* (Boulder, CO: Lynne Rienner, 2002); William I. Zartman, "Preventing Deadly Conflict", *Security Dialogue* 32, 2 (2001): 137-154.

<sup>21</sup> Peter Wallensteen, "Preventive Security: Direct and Structural Prevention of Violent Conflicts" in *Preventing Violent Conflicts: Past Record and Future Challenges*, ed. Peter Wallensteen (Uppsala: Department of Peace and Conflict Research, Uppsala University 1998).

<sup>22</sup> Michael S. Lund, *Preventing Violent Conflicts* (Washington, D.C.: United States Institute of Peace Press, 1996), 37.

conflict from spreading.”<sup>23</sup> Among the broader and more inclusive definitions are David Carment and Albrecht Schnabel’s definition of conflict prevention as “a medium and long term proactive operational or structural strategy undertaken by a variety of actors, intended to identify and create the enabling conditions for a stable and more predictable international security environment.”<sup>24</sup> Gabriel Munuera provides an even wider definition of conflict prevention as “the application of non-constraining measures (those that are not coercive and depend on the goodwill of the parties involved), primarily diplomatic in nature.”<sup>25</sup>

Some researchers are arguing for the need of a more narrow definition to make conflict prevention researchable<sup>26</sup>, while others consider a broader definition more beneficial<sup>27</sup>. This chapter applies a broader definition, based on Michael Lund’s definition of conflict prevention as

“any structural or intercessory means to keep intrastate or interstate tension and disputes from escalating into significant violence and use of armed forces, to strengthen the capabilities of potential parties to violent conflict for resolving such disputes peacefully, and to progressively reduce the underlying problems that produce these issues and disputes.”<sup>28</sup>

This is an inclusive definition that can be separated into three different parts. In this chapter, conflict prevention includes any structural or intercessory means to:

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<sup>23</sup> Boutros-Ghali Boutros, "Challenges of Preventive Diplomacy - The role of the United Nations and its Secretary-General" in *Preventive diplomacy: Stopping wars before they start*, ed. Kevin M. Cahill (New York: BasicBooks and the Center for International Health and Cooperation, 1996), 18.

<sup>24</sup> David Carment and Albrecht Schnabel, "Introduction – Conflict Prevention: A concept in search of a policy" in *Conflict Prevention. Path to Peace or Grand Illusion?*, eds. David Carment & Albrecht Schnabel (Tokyo: The United Nations University Press, 2003), 11.

<sup>25</sup> Gabriel Munuera, "Preventing Armed Conflict in Europe: Lessons learned from recent experience", *Chaillot Paper 15/16* (1994): 3.

<sup>26</sup> Peter Wallensteen and Frida Möller, *Conflict Prevention: Methodology for Knowing the Unknown* Uppsala Peace Research Papers No. 7 (Uppsala: Department of Peace and Conflict Research, Uppsala University, 2004).

<sup>27</sup> David Carment and Albrecht Schnabel, eds., *Conflict Prevention. Path to Peace or Grand Illusion?* (Tokyo: The United Nations University Press, Carment, 2003).

<sup>28</sup> Michael Lund, "Preventing Violent Intrastate Conflicts: Learning lessons from experience" in *Searching for Peace in Europe and Eurasia: An Overview of Conflict Prevention and Peacebuilding Activities*, eds. Paul van Tongeren, Hans van de Veen and Juliette Verhoeven (Boulder, CO: Lynne Rienner, 2002), 117, note 6.

1. keep intrastate or interstate tension and disputes from escalating into significant violence and the use of armed force,
2. strengthen the capabilities of potential parties in a violent conflict to resolve such disputes peacefully,
3. progressively reduce the underlying problems that cause these issues and disputes.

This chapter will be limited to explore structural conflict prevention mechanisms. The reason for this limitation is that it is possible to assume that informal networks have their greatest impact on structural preventive mechanisms. This is possibly the most important impact of informal network and it happens through changes in norm systems and the perceptions of others. Other essential aspects include the building of trust and long term relationships, the creation and redefinition of which are long term processes.

### **The Northeast Asian regional cluster**

The Northeast Asian region has a number of specific, sometimes unique features, which are important to be aware of when exploring the region's conflict prevention mechanisms and the role and impact of informal networks. Northeast Asia is characterized by low levels of institutionalization and there is a general preference for informal and consensus based interaction between the actors. At the same time, however, contrary to most existing economic and trade theories, there is a high level of intra-regional trade and economic cooperation. There is even a general skepticism of formal regional cooperation. Northeast Asia also has a long historical, cultural, philosophical and religious tradition that differs significantly from Western traditions. This is an unfortunate fact as most existing theories are based on Western culture, historical heritage, religious values and philosophy. This is an important fact, as the last thing that can be said about Northeast Asia is that it lacks a historical and cultural context. There is a high level of intra-regional distrust, but still no open conflicts even though a number of potentially devastating hotspots can be found in the region, like for example the Taiwan Strait, the Korean Peninsula, and the South China Sea.

In the region, emphasis is put on history, which is both an integrated part of the individuals, nations, and the mindset of different regional cultures. The importance of history can be seen clearly in, for example, the tense Sino-Japanese relations, as well as in other states' relations with China. In the region, the concept of "face" is one of great importance, which affects interactions among individuals. Prominence is given to trust and long term relationships rather than to formal agreements and contracts. As a result, personal ties are important and the family is a central structure. It is important to remember that there is no such thing as a Northeast Asian culture, or a Chinese culture, that everyone adheres to, nor do these traits fit all individuals. At the same time, it is important to realize that Northeast Asia is not Europe, nor the US.

The Northeast Asian region is a cluster of states with both geographical proximity and cultural similarities, i.e. a so-called regional cluster. Regional clusters are self-constructed, by states or state-like entities with geographical proximity and cultural similarities. This chapter will focus on the cultural attributes of the entities and their populations - attributes in which the construction and reconstruction of informal networks plays a role and may have a potentially substantial impact.

### **Informal Networks and Conflict Prevention**

One of the main reasons why informal networks are important for conflict prevention is that they imply norm systems (shared values). Unless there are some form of common understanding and perception of underlying norms (shared values), an informal network can not exist.<sup>29</sup> The similarities of the members within a network's norm systems will also increase over

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<sup>29</sup> This can be contrasted with formal (written) structures, where one becomes a member through signing, or in other ways agreeing to accept the conditions of, a set of written (legal) documents. In this case, the benefits are received solely through formal membership. Such formal structures include formal organizations and cooperation, both in- and outside Northeast Asia. This said, membership in forums for formal cooperation is also, at least in theory, built on shared values. However, many states and individuals often sign formal agreements and join organizations without any intent to adhere to (or without belief in) the underlying norms and values of the agreement. Forums for formal cooperation can, however, provide a platform for building a shared norm system through informal interaction (e.g. the UN and ARF which give people an opportunity to meet and discuss, thereby increasing their understanding both of each other and the reasoning behind their respective positions).



time through different forms of interaction among the members.

Norm systems (shared values) are important for one's conception of legitimacy and power. Furthermore, the understanding of legitimacy and power is important for the understanding of the social, moral, and cultural aspects of conflict dynamics. This, in turn, is essential since successful prevention and management of (potential) conflicts is largely dependent on an accurate understanding of the underlying dynamics. In addition, the conflict dynamics are highly dependent on the conflicting parties' construction of their respective interests and attitudes. Hence, over time, the understanding of conflicts, its social dynamics, its underlying morals, and its cultural interpretation will increase through the interactions within informal networks. As a result, the development of a common perception of the conflict will be facilitated.

As a large number of interconnected networks co-exist, sharing the same members, there will be a gradual move towards a shared understanding of what a conflict is and how it works. Even if it is not possible, or possibly not even desirable, to reach a shared understanding among actors in different states in and outside the region, the actors will be able to relate to one another's understandings through a shared framework that has been developed.

In sum, through understanding each others' perceptions of conflict and conflict dynamics, or possibly even through reaching a shared understanding, it will be easier to reach some form of agreement (either formally or informally) of what one is to prevent and how its dynamics work.<sup>30</sup>

In regards to the understanding of the dynamics of conflict prevention, it is not only essential to understand legitimacy and power, but also the norm

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<sup>30</sup> In this paper, conflict is defined as a social situation “when two or more parties perceive that their interests are incompatible, express hostile attitudes, or... pursue their interests through actions that damage the other parties. These parties may be individuals, small or large groups, and countries.” (Michael Lund, *Preventing and Mitigating Violent Conflicts: A Revised Guide for Practitioners* (Washington, D.C.: Creative Associates International, 1997). Conflicting interests can be over 1. access to and distribution of resources; 2. control over power and participation in political decision-making; 3. cultural, social and/or political identity; 4. status (particularly the status embodied in systems of government, religion) and 5. ideology.

systems themselves. In order to strengthen the capabilities of potential conflicting parties to resolve the disputes peacefully before they escalate, it is essential to know how legitimacy and power is created and how it changes. This is important since if the preventive measures, direct or structural, are not considered legitimate by all parties, or if they are not powerful enough, they will not be effective.<sup>31</sup>

Increased understanding of how underlying norm systems are created and changes is in itself a structural mean to prevent potential disputes from escalating. If the actors share the same norm systems, or at least have an understanding of the others' norm system, the escalation of the conflict will have to be the result of an active decision rather than a misunderstanding. Shared norm systems will also help to regressively reduce the underlying tensions that cause these issues and disputes. In short, informal networks help making conflict prevention a possible policy choice, as well as they hinder misunderstandings to cause an escalation of the conflict.

Another aspect that is important in regards to conflict prevention is the role and impact of informal networks on regional cultures. The networks of individuals and/or collectives, expanding over group and state borders, such as the Chinese Guanxi, the Japanese Wa, and the Korean Inhwa networks, business networks, academic networks and elite networks are important for cultural identity, language and citizenship. These are features of regional cultures that cannot be separated from the informal networks, since these networks are an integrated part of the culture and culture, in turn, is a part of the networks. This re-construction of identity and culture through informal interaction will alter the perceptions of cultural belonging and cultural differences and the mutually constructed, highly polarized insecurity in the region. Over time, informal networks will help facilitate both the reversal of the perceived insecurity and help develop more coherent regional norm systems and increase the understanding and acceptance of each other's differences. This is, however, a process that will take decades, rather than years.

One more concrete area where the impact of informal networks has been

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<sup>31</sup> This has been illustrated in the case of Central Asia. (Niklas Swanström, "The Prospects of Multilateral Conflict Prevention in Central Asia", *Central Asian Survey* 23, 1 (2004).

substantial is in regard to the emergence of sub-regional zones and growth triangles<sup>32</sup> in Northeast Asia. In addition, the region is also experiencing a growing level of economic interdependence and regionalism.<sup>33</sup> Although the development and proliferation of sub regional-zones and sub-regional economic cooperation in Northeast Asia is founded on suitable economic conditions and policy decision taken by the governments of the region, the proliferation of cooperation is still highly dependent on cross-border business, family and elite networks. Networks based on ethnicity have been particularly essential in the establishment of business connections across national borders, especially in the case of the ethnic Chinese business networks, and have showed to be more effective than formal institutions in the region<sup>34</sup>. For example, cultural affinity has been important for the success of economic cooperation in the greater South China region. Most Chinese in Hong Kong and Taiwan can trace their roots to the Guangdong and Fujian provinces and in this case language and common historical heritage is of great importance.

This development can potentially have a very real impact, not only as a confidence building measure and as a structural conflict preventive mechanism, but also as an incentive for the development and utilization of preventive and management instruments. Increased tension, and even more so violent conflicts, has instantaneous direct monetary costs which are measurable. Measurable effects, especially in the form of monetary losses, create a larger incentive to invest in prevention and management instruments. Cooperation on economic issues is also a good since such issues are less sensitive than issues addressing the military, territory and

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<sup>32</sup> The level of formal institutionalization of growth triangles and sub-regional zones differ. However, regardless of the level of institutionalization, informal networks are of foremost importance since different networks will utilize the growth triangles and the sub-regional zones. This not only on the economic level, but also on the political level where they help to ensure non-interference and/or good governmental policy.

<sup>33</sup> Edward Chen and C H Kwan, eds., *Asia's Borderless Economy: The Emergence of Subregional Economic Zones* (St Leonards, NSW: Allen & Unwin, 1997); Willem van Kemenade, *China, Hong Kong, Taiwan, Inc: The Dynamics of a New Empire* (New York: Random House, 1997); Myo Thant, Min Tang and Hiroshi Kakazu, *Growth Triangles in Asia: A New Approach to Regional Economic Cooperation*, 2nd ed. (Oxford: Published for the Asian Development Bank by Oxford University Press, 1998); Dajin Peng, "Subregional Economic Zones and Integration in East Asia", *Political Science Quarterly* 117, 4 (2003): 613-641.

sovereignty. The lower degree of sensitivity makes it possible for political entities such as China and Taiwan, or the two Koreas, to cooperate. Such cooperation is confidence building and increases trust between actors in the region. It also facilitates the development of long term relationships between actors in different areas of the region. Such trust and long term relationships are most valuable, and essential for the gradual reduction of the underlying problems that cause tension and disputes in the region, as well as for the ability to solve potential issues before they reach a critical level.<sup>35</sup>

Although economic issues can be separated from political ones, the trust and long term relationships that economic cooperation and interaction has generated will be beneficial also for the political sphere. It should also be noted that the elite level of the business networks consists of individuals who, in most cases, either belong to or have good connections to the political elite networks. This creates an indirect link of trust and understanding between political actors in potential disputes. In fact, on the elite level, informal interactions that help build trust occurs in all sectors. This includes the internationalization of education, which leads to a gathering of the best students from around Northeast Asia at top universities around the world, giving them an opportunity to meet, to study the same curricula and to learn the same language. Furthermore, academics within the international research community and practitioners within the international diplomatic community are given the opportunity to meet each other at gatherings in and outside the region.

Today, there is so much interaction in different forms of informal networks that promote shared understanding and help building relationships and trust among individuals who previously never got the chance to even meet. Furthermore, individuals and collectives are so interlinked, at least on the elite level, that it is no longer possible to have a conflict with someone totally unknown. Thus, through informal networks there exists a possibility to prevent violent conflicts, if one sincerely wants to avoid them. It might

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<sup>34</sup> Dajin Peng, "Ethnic Chinese Business Networks and the Asia-Pacific Economic Integration", *African and Asian Studies* 35, 2 (2000): 229-250.

even be that informal networks are the way to build a common regional culture of prevention in Northeast Asia.

## Conclusion

Following Michael Lund's definition that has been applied in this chapter, it is clear that informal networks have an impact on all three aspects of conflict prevention (Table 1). The development of shared norm systems among the members of informal networks will have a preventive effect both across national borders, since networks exist across borders, and across networks since each individual or collective belong to more than one informal network. As Tarja Väyrynen points out, norms and values condition what is worth fighting for. They also

Table 1

Type of preventive effect (Lund 2002)	Benefit from Informal Networks
1. structural or intercessory means to keep intrastate or interstate tension and disputes from escalating into significant violence and use of armed forces	<ul style="list-style-type: none"> <li>• (Shared) norm systems</li> <li>• Increased trust and understanding</li> <li>• Long-term relationships and interaction</li> <li>• Perception of cultural belonging and cultural differences</li> <li>• Economic interdependence</li> <li>• Development of sub-regional cooperation</li> </ul>
2. structural or intercessory means to progressively reduce the underlying problems that produce these issues and disputes	<ul style="list-style-type: none"> <li>• (Shared) norm systems</li> <li>• Increased trust and understanding</li> <li>• Long-term relationships and interactions</li> <li>• Perception of cultural belonging and cultural differences</li> </ul>
3. structural or intercessory means to strengthen the capabilities of potential parties to violent conflict for resolving such disputes peacefully	<ul style="list-style-type: none"> <li>• (Shared) norm systems</li> <li>• Increased trust and understanding</li> <li>• Long-term relationships and interactions</li> <li>• A platform for direct preventive measures</li> </ul>

warrant conflictual actions and determine what kind of solutions that is

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<sup>35</sup> Formal institutions are of foremost importance for confidence building through economic cooperation. Niklas Swanström's chapter in this volume addresses the impact of formal institutions in further detail.

acceptable.<sup>36</sup> The vast number of interconnected networks existing across borders, connecting individuals and collectives from all parts of Northeast Asia, will expose their members to numerous informal connections. Over time there will be a move towards the creation of different forms of, at least partially, shared norm systems. These shared norm systems will, in combination with increased intra-regional trust and understanding, and the development of different forms of long-term relationships between individuals and collectives across the region, has a positive effect as a structural prevention mechanism. These mechanisms help keeping tension and disputes from escalating into violence. Over time, they also create a possibility to reduce the underlying problems that cause the disputes. Indirectly, the structural prevention mechanisms also strengthen the capabilities of potential parties to violent conflict to resolve such disputes peacefully, as prevention and cooperation becomes the norm (as opposed to conflict).

The interaction within networks across borders will increase the understanding of cultural differences between different cultural, national and ethnic groups. The interaction also forces individuals to reflect over, or even problematize, their own perception of their respective cultural identity. This process will have the potential to affect the currently highly polarized inter-cultural perceptions - or even demonizations - that create tension and disputes in the region. Although the governments and the people often differ in their perceptions, this process will affect both of them in a positive, but not necessary identical way.

The development of sub-regional economic zones and cooperation, and the continually increasing economic interdependence through the actions of informal networks is a structural preventive mechanism since economic interdependence and a high level of sub-regional cooperation decreases the likelihood of violent conflicts.

Informal networks also have a potential role as a platform for more direct preventive measures both through informal pressure and informal diplomacy. They also create a common ground for more open and even

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<sup>36</sup> Tarja Väyrynen, *Culture and International Conflict Resolution* (Manchester: Manchester University Press, 2001), 4.

formal actions. The use of existing informal networks is likely to be highly suitable in the Asian setting where there tend to be a preference for informality and informal mechanisms rather than formal mechanisms.

### **Informal Networks – A Possible Way for Northeast Asia?**

Since skepticism toward formal regional cooperation and a preference for consensus-based cooperation (e.g. ASEAN) and informality are distinct characteristics of interaction within Northeast Asia, the conflict preventive mechanisms offered by informal networks could play an important role. Conflict prevention through such networks is most likely to be suitable for the Asian culture(s) that emphasize face, trust and long term relationships. The importance of long term relationships and trust can, for example, be seen in the North Korean conflict. In this conflict, Beijing has played an essential role as informal mediator between Pyongyang and Washington, thereby facilitating the four-party talks leading to the 1994 Geneva Agreed Framework, as well as the more recent multi-party talks in Beijing. How important long term relationships and trust really are becomes even clearer when noting the changes to the Sino-North Korean relations after the death of Deng Xiaoping and the retirement of his generation of leaders. Deng had strong personal ties to Kim Il-Sung and his regime and after his death, the Chinese influence over Pyongyang has decreased.<sup>37</sup>

As such networks in practice already are the preferred form of interaction and already have a position of foremost prominence in Northeast Asia, it is not far-fetched to believe that they have an important role to play also in the prevention of conflicts. It is in many cases better to use an already institutionalized platform for interaction also when addressing new issues, rather than trying to create a new platform.

This said, it should be clear that informal networks are no panacea for conflict prevention and peace. Nevertheless, they are expanding the prevention toolbox to include better developed and customized methods and

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<sup>37</sup> Niklas Swanström and Mikael Weissmann "Chinese Influence on the DPRK Negotiations", *Peace Review* 16, 2 (2004): 219-224; Niklas Swanström and Mikael Weissmann, "Can China Untie the Gordian Knot in North Korea?" *Korean Journal of International Studies* 1, (2004).

they are limiting the risk that conflicting parties are drawn in to unwanted conflicts. As different forms of informal networks are important in Northeast Asia, and informality a preferred way of interaction, it is not only important to include such networks in conflict prevention theory, but also to understand their potential benefits in the different stages of conflict. As many conflict preventive actions are highly sensitive publicity is often unwanted both to protect the legitimacy and face of the involved parties. Therefore, the potential of informal networks shall not be underestimated. In practice, informal networks are already in use, even though it is unclear how and when they work, and why and when they fail. Increased understanding would however be beneficial for the peaceful development in the region.





## Chapter VI: China, Japan and Russia: The Energy Security Nexus

Shoichi Itoh, Vladimir I. Ivanov, Daojiong Zha

### Defining the Problem

Over the past decade, logistical and bureaucratic barriers between the economies of Northeast Asia have been lowered. New air routes have been opened and the time required for issuing visas has been reduced. Face-to-face interactions in business and other domains have improved and intellectual and cultural contacts have intensified. An overseas business trip can now be completed in three to four days. In recent policy formulations, trade and investment facilitation looms over distressing experiences of the past. The examples are multiple, including: the ASEAN+3 process; the economic engagement between China and the Republic of Korea (ROK); Japan's growing trade and investment in China; as well as the new links between the two Koreas. Russia, too, is expanding its ties with its eastern neighbors, as illustrated by, for example, the oil shipments and the liquefied natural gas (LNG) contracts from the Sakhalin projects.

Albeit swift changes to the better, the long-term policy future for Northeast Asia is not predetermined and the outbreak of conflict cannot be ruled out. Regional causes for concern include the growing power of China; China's strained political and security policy dialogues with Japan; North Korea's nuclear program; and a number of territorial disputes. Yet another source of tension that has recently surfaced is between China, Japan and Russia over the new sources of oil supply and the pipeline routes.

There is a strong link between energy supply and traditional definitions of national security. This paper, however, argues that today's energy mega-projects are presenting an opportunity to promote interdependence between

Japan, China, and Russia and beyond.<sup>1</sup> These three countries would reap common benefits if they were to establish a cooperative energy security regime in the sub-region.

In the array of possible measures and policies aimed at achieving greater energy security, trilateral cooperation deserves special attention. The sub-region of Northeast Asia is part of the problem, due to the growing demand for oil on the part of China, which alone could require net imports of 10 million barrels per day (Mbd) by 2030, approaching the level of U.S. imports of oil and oil products in 2000. The sub-region is also gradually becoming part of the solution, thanks to the progress of the Sakhalin projects and other plans that involve Russia. Furthermore, building up additional supplies could help balancing the markets. The implementation of these and other mega-projects require long-term commitment on the part of the involved countries and could potentially benefit from policy support from Japan and the US.

Moreover, the development in Eastern Russia serves as an example of the geopolitical developments that have improved access to resources not only for the economies of Northeast Asia, including Japan, but also for the U.S. In the long run, Russia, along with the countries of the Middle East, will contribute to the stability of the international energy market by balancing the growing demand with increased supply.<sup>2</sup>

However, careful policy management will be needed to ensure that such a regime would not be constrained by 'hot issues' and other hurdles, such as territorial disputes, which could precipitate paranoia among the conflicting parties<sup>3</sup>. We try instead to turn the, *prima facie*, "Great Game" of energy

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<sup>1</sup> The authors dare to use the word "beyond" for two reasons. First, it is posited that the trilateral cooperation could be more smoothly pursued by positively sanctioning the participation of the U.S. in Northeast Asia. Second, it seems like cooperation in the energy field could be better promoted if it coincided with environmental cooperation.

<sup>2</sup> Within the next ten years, Russia's oil exports to the eastern markets could reach 2.5 million barrels per day (Mbd), provided that the importers support these plans. Yet natural gas is another energy source highly relevant to Northeast Asia. It is an attractive fuel, both in terms of uncertainties on the oil market and the environmental problems associated with oil.

<sup>3</sup> An exemplary type of regime is defined by Stephen Krasner as "principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given issue-area." (Stephen Krasner, "Structural causes and regime consequences: regimes as intervening variable", *International Organization*, 36, 3 (1982): 185-205.

trade in Northeast Asia, paying attention to the positive tendencies for mutual interdependence which may facilitate further regional political and economic cooperation.

This chapter focuses on China, Japan and Russia and aims to answer the following key question regarding energy trade in Northeast Asia: “Does China's and Japan's emerging interest in Russian energy entail problems for regional stability, or does it create an opportunity for greater stability?” In answering this question, we will first argue for an alternative conceptualization of the links between energy and security in the sub-region. Second, we will provide a brief overview of the growing awareness within China and Japan of their dependence on offshore sources of energy, principally oil. Third, we will suggest policy measures upon which attention could be focused, helping decision-makers in each country to find more feasible ways to protect national energy security interests. Finally, we will review some of the basic premises behind the steps taken by Russia in its penetration of the energy markets of Northeast Asia.

### **An Alternative Conceptualization**

China's growing dependence on imported sources of energy, particularly oil, is already a decade-old phenomenon. In 1993, China became a net oil importer. Due to the rapid growth of its economy, China's energy demand has been accelerating. In 2003, the volume of China's imports of crude oil and products exceeded 100 million tons (Mt), an increase of more than 30% on the previous year. In 2004, China's import of crude oil alone surpassed 100 Mt. Some predict that China's import dependence on crude oil will increase from 30% in 2000 to as much as 62% in 2020.<sup>4</sup>

In November 2002, speaking at the Chinese Communist Party's Sixteenth Plenum, President Jiang Zemin outlined China's development goal of quadrupling its GDP from 2000 to 2020. However, accelerating economic development inevitably implies a higher demand for energy. The “Medium- and Long-Term Energy Development Program from 2004 to 2020”, adopted by China's State Council in June 2004, reaffirms the importance of securing and diversifying sources of energy supply as well as the need of building a

system of national oil stockpiles.<sup>5</sup>

### *China's energy vulnerability*

China's imports of energy sources are growing fast, making it the second largest importer globally and the largest importer in Asia. According to estimates by the International Energy Agency (IEA), China's average annual growth in primary energy demand during 2000-2030 will be 2.7%, surpassing the global average estimated at 1.7%.<sup>6</sup> During the same period, the average annual growth in oil demand in China will be 3.0%, or almost twice as large as in the world as a whole. The rapidly growing number of motor vehicles, including privately owned cars, makes China the second-largest importer of oil after the U.S. Some analysts argue that China's strong demand for oil is one of the reasons behind the increasing oil prices worldwide. From 2000, China accounted for two-fifths of the global growth in oil demand and in 2003 its oil consumption exceeded that of Japan. China also leads in product demand and imports in Asia. Demand for oil is expected to reach 12 million barrels per day (Mbd) in 2030, which is 2.5 times the level of 2000. Following these estimates, China will then account for 10% of the world's total estimated demand, compared with 6.5% in 2000. With regard to natural gas, the average annual growth rate in China in these three decades will be 5.5%, which is more than twice as fast as the world average.

In year 2003-2004, however, a number of external and internal developments served to remind the Chinese leaders about their country's economic vulnerability when it comes to oil supplies from overseas. From January to February 2003, China's import of crude oil rose by 78% compared to the same period in 2002. Payments for oil imports accounted for the first month-to-month trade deficit in six years. In the absence of a strategic oil stockpiling capacity, the pending U.S. invasion of Iraq led Chinese oil

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<sup>4</sup> 刘新华、秦仪「中国的石油安全及其战略选择」《现代国际关系》2002年第12期, 35-39.

<sup>5</sup> 《人民日报》2004年7月1日。The State Development and Reform Commission (SDRC) has estimated that, by 2020, gas consumption in China will reach 200 Bcm, two-thirds of which will be consumed by power plants and urban users. It has also been estimated that China's gas imports could reach 80 Bcm by 2020. The gas imports will use two main channels, shipments of LNG to coastal areas and supplies via pipelines from Russia, Uzbekistan and Kazakhstan.

<sup>6</sup> *World Energy Outlook 2002* (Paris: International Energy Agency, 2004).

companies into panic buying of oil on the world market. When crude oil prices fell after the invasion, the external dimension of China's energy security began to give rise to discussion among economic policymakers and the public at large.

It is thus hardly surprising that energy security became a prominent issue of debate among the deputies of the National People's Congress and the Chinese People's Political Consultation Congress, when they convened in March 2003. The major question under discussion during these two congresses was how China's dependency on foreign sources of oil could be reduced. Policy proposals included the establishment of a national strategic oil stockpiling system; further development of the coal industry; diversification through extending the country's nuclear power capacity; promotion of hydropower generation and clean energy; and the relaxation of government policies for the purpose of enlisting private capital to finance the development of oil fields both on land and within China's territorial waters. Obviously, such proposals were informed by a desire to reduce China's dependence on imported sources of energy.

Energy security has also become a topic for discussion among the general public. This is partly due to the relaxed government control on media reporting of international affairs, which started with the coverage of the war in Iraq. More importantly, the new national leadership champions the notion 'governing for the people'. Since energy is an issue that is closely connected with the wellbeing of the Chinese people and the energy security of the nation as a whole, this focus is hardly surprising. Over the past couple of years, there has been an unprecedented coverage of energy-related developments – both domestic and overseas – within the Chinese media. As in many other societies, such discussions may give rise to society-based initiatives for energy conservation. However, at the same time, they can complicate the effective implementation of well-intended national policies.

Nevertheless, although energy independence is a desirable goal, its fulfillment would require massive capital injections. In addition, it would be necessary to re-centralize the energy policy decision-making by re-establishing a ministerial level bureaucracy. In 1998, the government abolished the Ministry of Energy and transferred some of its functions to the Ministry of Land and Natural Resources. The idea was to let the market

play a larger role in meeting China's energy needs. The new leadership chose to maintain the status quo by setting up a small energy bureau under the restructured State Development and Reform Commission. A State Electricity Regulatory Commission to oversee the nation's electricity development policies was also created, but its success appears to have been limited. Also, the de facto fiscal federalism did not augment well for policy coordination countrywide.

*"Competition" for an oil pipeline*

Against this background, the initiation of the construction work on the Angarsk-Daqing oil pipeline was highly awaited. As Japan revealed its interest in the same sources of oil and a pipeline route to the Pacific coast in January 2003, this was perceived, at best, as an untimely change of dynamics. It would take a separate research project to provide a full account of the range of Chinese views about the pipeline project and the ups and downs of its progression. However, a few recurrent themes in the reactions to the protracted period of what the Chinese perceived as Russian indecisiveness deserve attention.

First, the problem was the failure to start the construction of the pipeline, which was designed to transport annually 20 Mt of crude oil with the beginning in 2005. This amount was projected to later increase to 30 Mt annually for at least 25 years. The failure to start the construction was largely due to the changing dynamics of government-business relationships within Russia. With hindsight, the China National Petroleum Corporation (CNPC) probably overlooked the complexities of Russian domestic politics in the post-Yeltsin era by choosing to cooperate with privately owned Yukos rather than the state-controlled Gazprom, Rosneft or Transneft.

This seems to have been particularly true when the idea of a pipeline to Nakhodka emerged. Although this idea was promoted by Transneft, the CNPC still went ahead and presented the agreement with Yukos as a virtual certainty even when President Hu Jintao visited Russia in May 2003. This is somewhat remarkable since, after all, Gazprom had both the experience and a share in CNPC's West-East gas pipeline project. It might have been more comfortable politically to Russia had CNPC opted for dealing with

Gazprom and Rosneft.

Second, in January 2003, Japan formally entered the equation after a visit by the Japanese prime minister to Moscow. In Beijing, this was seen in the light of ongoing political tension between Beijing and Tokyo. Therefore, Japan's interest in a pipeline further complicated the geo-strategic implications of the project. Some Chinese experts challenged the Russian government to live up to its prior commitments as a manifestation of a Sino-Russian 'strategic partnership' – a term that has characterized bilateral relations in the post-Cold War era. Yet the willingness to provide funding for the construction of the pipeline provided the Japanese with an undeniable advantage over the Chinese who did not offer to fund the construction. It is still unclear why Beijing did not adopt a similar approach.

Third, although analyses showed that it would be both desirable and feasible to import between 20% and 30% of the needed oil from Russian sources, imports via the Pacific coast had now become a viable option. Thus, the CNPC would have to work harder to convince both Russia and Japan that its participation in the project is in their interest as well.

#### *An alternative conceptualization*

On the other hand, there is no cause-and-effect relationship between the political tension in Sino-Japanese relations, and Japan's pursuit of a Russian pipeline. After all, Japan, like China, wants to diversify the sources of its energy supply. Moreover, energy was a key commodity in Chinese exports to Japan until the mid-1980s. Since then, Japan has become a key supplier of oil products (aviation fuel, for example) to China. In other words, there continues to be mutual Sino-Japanese dependency in terms of energy needs. The challenge now facing both governments is to apply wisdom and utilize the competitive setting as an opportunity for a trilateral cooperation. Unfortunately, the current negative atmosphere in Sino-Japanese diplomacy has made it difficult, if not impossible, to put the competitive interests in a context of developing bilateral ties.

Following a realist approach to international relations, the competition between China and Japan for Russian oil becomes a zero-sum game. Also, the security postures from the Cold War era remain unchanged in



Northeast Asia: bilateral alliances and agreements with the U.S. are still highly important. In this context, China's success in diversifying its sources of oil supply would mean a strategic gain in several ways. The Daqing pipeline would not only boost China's strategic ties with Russia, but also help the development of China's northeastern provinces, an industrial region that has fallen behind the coastal areas. In this way, China's gain would arguably mean a loss for Japan - a country struggling to regain the regional prominence it enjoyed until the Asian financial crisis in the end of the 1990s. Therefore, there appears to be strategic reasons behind the Japanese support for a pipeline built to Nakhodka since such a pipeline also would serve Japan's strategic ally the United States, as well as South Korea and Taiwan. However, such logic fails to pay adequate attention to a number of important issues associated with the aim to reduce the dependence on oil from the Middle East.

First, if China could secure oil supplies through a pipeline, it could avoid repeating the panic buying of oil that it was forced to in early 2003. Such panic buying works against the interests of all oil importing countries, as it pushes up the oil prices. On the contrary, it is in the interests of all oil importing countries, Japan included, that China feels confident about its ability to secure a continuous oil supply from sources overseas.<sup>7</sup> Second, economic damages to China, caused by interrupted energy supply, would have far-reaching implications. In sum, continued economic growth in China, without major oil supply interruptions, serves the interests of all China's economic partners. Third, China has quietly changed its approach to military security in Northeast Asia. It has shifted towards an acceptance of international collaboration in order to put an end to the nuclear weapons program of the Democratic People's Republic of Korea (DPRK). Although the parties involved in the resolving of the conflict may have different views as to how the process should progress and how and if the DPRK should be engaged, China has demonstrated its willingness to cooperate in a multilateral setting.

Also, the Sakhalin projects may generate more alternatives for natural gas

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<sup>7</sup> Theoretically, China can also avoid panic buying through building strategic oil reserves. The country has just begun to take concrete steps towards constructing such a stockpiling system.

supply to both Japan and China.<sup>8</sup> Therefore, an alternative conceptualization of the Sino-Japanese competition for energy sources stresses the importance to de-emphasize the geo-strategic conceptions of the pipeline route. Instead, it should be asked:

- What do China, Japan, and Russia each stand to gain from the joint development of oil and gas in Siberia and the Far Eastern region?
- How can China and Japan contribute to the overall economic development in the Russian regions that, in turn, could serve as long-term alternatives for meeting the energy security needs of both countries?

Energy diplomacy has become a central theme in China's overall foreign policy agenda. At a conference in 2004, Chinese President Hu Jintao outlined China's views regarding international economic cooperation:

"It is China's sincere wish to cultivate with its fellow Asian countries an overall and close partnership geared to Asian rejuvenation, a partnership that features equality and mutual trust politically, mutual benefit and win-win [approach] economically, exchange and emulation culturally, and dialogue and cooperation on the security front.... China will work actively to promote the institutional building of all kinds of economic cooperation organizations with a view to consolidating resources, prioritizing the key areas and conducting performance-oriented cooperation."<sup>9</sup>

On June 22, 2004 during his address at the opening ceremony of the Asia Cooperation Dialogue (ACD) Foreign Ministers' Meeting<sup>10</sup> in Qingdao, Chinese Premier Wen Jiabao stated that, "We stand ready to conduct energy dialogue and to cooperate with other countries in Asia and the world at large on the basis of equality and mutual benefits." Twenty-two participating countries – both oil producers and importers – approved the "Qingdao Initiative" on energy cooperation, pledging to stockpile strategic energy reserves and develop a regional energy transportation network.

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<sup>8</sup> See Agency for Natural Resources and Energy, *The Energy and Resources Today*, 4. *Natural Gas* <<http://www.enecho.meti.go.jp/english/energy/lng/examination.html>> (September 7 2005).

<sup>9</sup> Speech by Chinese President Hu Jintao at the Opening Ceremony of the Boao Forum for Asia 2004 Annual Conference, Boao, 24 April 2004.

<sup>10</sup> The ACD Foreign Ministers' Meeting is an informal, non-institutionalized forum for dialogue and consultation, established in 2002.

On the other hand, the Japanese government identified Russia as an “important partner in view of supply source diversification” and referred to the Sakhalin oil and gas projects and the Pacific pipeline as a “reinforcement” of the diplomatic and economic relationship with Russia.<sup>11</sup> In 2004, also the government of Japan came close to the central premise of the “Qingdao Initiative” when stating that:

“Geographical proximity obviously matters significantly in supply-demand relations and trading of energy resources. It is also quite natural that a nation would try to cooperate with neighboring nations facing a similar energy situation. In my view, European integration in the form of the European Union is a case in point. I understand that the EU-Russian Energy Partnership and the EU-Mediterranean Energy Partnership are part of the process of energy cooperation between the EU and the surrounding regions.”<sup>12</sup>

Moreover, in late 2002, the Ministry of Economy, Trade and Industry (METI) announced plans to increase the share of natural gas as a total of the primary energy supply towards 2020. According to these plans, Japan would strive for natural gas consumption in line with the average for OECD countries, and considered also the possibility of constructing a gas pipeline between Sakhalin and Honshu.<sup>13</sup> On April 12, 2004, the METI presented a concept for an “Asian Energy Partnership” that would serve as a major pillar of Japan’s international energy strategy until 2030.

### **An Emerging Policy Agenda**

Securing a sovereign state’s access to energy resources is a very sensitive issue that could give rise to patriotism. However, the economic interdependence between Japan, China, and South Korea is increasing rapidly and distrust has to be avoided through interstate dialogues. Japan,

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<sup>11</sup> *Global Energy Strategy towards 2030* [Focused on the Relationships with Asian Consuming Countries], April 2004, Agency for Natural Resources and Energy, p. 15.

<sup>12</sup> Shoichi Nakagawa, Minister of Economy, Trade and Industry, “Achievements of the Osaka IEF and the International Energy Situation Since Then”, paper presented at the 9th International Energy Forum, Amsterdam, May 22, 2004, p. 3  
<<http://www.enecho.meti.go.jp/info/ief2.pdf>> (September 7 2005).

<sup>13</sup> Agency for Natural Resources and Energy, *The Energy and Resources Today*, 4. *Natural Gas*, <<http://www.enecho.meti.go.jp/english/energy/lng/examination.html>> (September 7 2005).

China and South Korea are all net importers of energy and do already discuss energy security issues within the ASEAN+3 framework.

*A multilateral approach?*

A similar regime-and-institution creation as the ASEAN+3 would be relevant also for Northeast Asia. Japan, China and South Korea – the three major importers of energy resources are all highly dependent on the Middle East as a source of oil supply.. In addition, contrary to Europe and North America, Japan, China and South Korea are still not relying on competitive oil pricing. A shift to competitive pricing would require a diversification of the sources of supply. By encouraging energy imports from Russia, the Northeast Asian states could avoid the “Asian premium”, which the countries pay for imports of crude oil and LNG.

In April 2004, the Japanese Agency for Natural Resources and Energy (ANRE) published a report called “Global Energy Strategy towards 2030”. As mentioned above, the Ministry of Economy, Trade and Industry also presented a concept for an “Asian Energy Partnership” that would serve as a major pillar of Japan’s international energy strategy. This concept aims at furthering cooperation among the Asian countries in order to meet common energy challenges. The following areas are covered:

- Energy security should be achieved through a strengthened oil stockpile program in Asia, as well as through a future cooperative emergency response scheme to supplement measures taken by the IEA.
- Market reforms – particularly for oil and natural gas – through nurturing spot and futures markets for oil and LNG; trade and investment liberalization through free trade agreements and the abolition of destination clauses in oil and LNG contracts
- Formulation of policies for environmental protection and policies regulating energy consumption domestically, regionally and globally, as well as efforts to implement these policies and persuade others to follow suit
- The enhancement of energy supply security through resource

development, improved transportation (pipeline and sea-lane shipments) and cooperation between the affected authorities

The report states that Japan should work towards a flexible and sustainable international energy system.<sup>14</sup> It should establish multilevel and multilateral frameworks and consolidate energy links with other energy importing countries in Asia.

#### *Engaging Russia and the U.S.*

The so-called North Korean nuclear crisis has remained the single largest destabilizing factor in Northeast Asia. For example, Russia has begun to draw up a plan for constructing a natural gas pipeline to Pusan in South Korea, but the realization of this plan depends on the settlement of the Korean crisis. As long as the north-south division of the peninsula remains, building up transportation networks, including pipelines will be more or less impossible. On the other hand, the Korean crisis has provided a prototype framework for policy coordination in the form of the six-party talks.

Greater American or Russian influence could help establish an energy security regime in the area. In addition to policy influence, the U.S. and Russia are important in terms of investment, technologies and resources. At a summit in Houston in October 2002, the U.S. and Russia agreed to enhance cooperation in the development of oil and natural gas resources in East Siberia and the Far East. This could be a step forward in advancing the New Energy Dialogue launched at the summit in May 2002. U.S. oil majors, including ConocoPhillips are extending their involvement in energy projects in the Russian region west of Sakhalin. Furthermore, American companies plan to import LNG from Russia. In addition, Moscow and Washington have agreed to cooperate in the building of strategic oil reserves.

Both the U.S. and Japan are providing “investment support” for the Sakhalin oil and gas projects. In doing so, they are contributing to the development of future supply capacity and the identification of new resources, not only in regards to oil, but also natural gas - a source of energy

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<sup>14</sup> In the report, the international energy system is defined as a chain of energy supply and consumption in international oil and gas markets.

for which the demand at present is much greater than the output.<sup>15</sup> Advanced exploration methods have somewhat checked the decline in newly discovered reserves, albeit in areas with a challenging operating environment, such as the Sakhalin continental shelf. On the part of Japan and the U.S., promoting energy cooperation with Russia and within the Northeast Asian sub-region as a whole can be seen as a way of “policy bridging” concerning various gaps and uncertainties.

Moscow has been restructuring the oil and gas sector for the purpose of tightening governmental control over the development of energy resources since these are seen as strategic goods. For developing Eastern Siberia and the Far East, export-oriented energy projects could serve as the biggest lever. Currently, the revenues from oil and natural gas exports, together with products manufactured in related industries, account for more than half of the federal government’s total revenue.<sup>16</sup>

#### *Russia’s turning East*

The Energy Strategy 2020<sup>17</sup>, approved in August 2003, envisages the expansion of the Russian energy sector and the growth of energy exports. Russian energy planners proposed to diversify the energy exports and to penetrate new oil and gas markets in the Asia-Pacific, especially in Northeast Asia. The government is proposing to diversify energy supplies to the “north, east and south”, in light of new projects aimed at oil and natural gas production in capital-intensive environments, including Eastern Siberia, the Far Eastern region, the Arctic and the continental shelf of the northern and Caspian seas. The economies of Northeast Asia and the US are seen as supplementary markets. The Energy Strategy 2020 predicted that oil exports to the Asia-Pacific region could reach 100 Mt, including 25 Mt produced by the Sakhalin offshore fields. According to this document, Russia aims at increasing the shares of its oil exports to the Asia-Pacific,

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<sup>15</sup> Remarks made by Harry J. Longwell, Executive Vice President, ExxonMobil, at the Offshore Technology Conference, Houston, May 7, 2002.

<sup>16</sup> In 2002, Russia produced 380 million tons (Mt) of crude oil and exported 180 Mt. In 2003, oil production reached 421 Mt (11% of the world total) and exports 228 Mt. For 2004, the forecast for production was 450 Mt, with 255 Mt to be exported.

<sup>17</sup> The Energy Strategy 2020 is available at <<http://www.mte.gov.ru/docs/32/189.html>> (September 7 2005).

from 3% to 30% of its total exports.

Gazprom, Russia's leading producer of hydrocarbons also began to pay attention to Northeast Asia and the Pacific only recently. The blueprint for the company's natural gas transportation schemes in Eastern Russia was announced in Tokyo in June 2003 and referred to a Trans-Siberian gas pipeline and two LNG terminals located in the vicinity of Vladivostok and Vanino Port.<sup>18</sup> It is also projected that gas exports to China and the Korean Peninsula via pipelines could reach 25-35 billion cubic meters by 2020. However, these volumes could be even larger, given that advanced natural gas conversion and utilization technologies could help moderate the region's dependency on oil. Following these expansion plans, the representative office of Gazprom in Beijing will be transformed into a regional office that will cover Japan and the Korean Peninsula as well. This office will promote gas exports and Gazprom's participation in various projects, including gas-to-liquid (GTL) production.

In sum, the share of Northeast Asia in Russia's gas exports could reach 15-20% by 2020. The integrated West-East trunk pipeline plan envisages the building of a high-capacity gas pipeline parallel to the Pacific oil pipeline. Yet, the Sakhalin 2 LNG project will export 9.6 Mt of LNG annually by 2015 and these volumes could double if the demand increases.

In his 2004 address to the Federal Assembly, President Vladimir Putin made a special reference to energy projects and transport infrastructure in Eastern Russia, including oil and gas pipeline projects.<sup>19</sup> According to Transneft, the project was revised and the target capacity of the pipeline rose from the initial 50 Mt to 80 Mt. Moreover, another branch of the pipeline could deliver an additional 30 Mt to China. Furthermore, from 2007 onwards, Russia will be prepared to export another 15 Mt of crude oil to China by rail.

These plans are related to the energy security interests of the economies of Northeast Asia. Japan, China, the ROK, as well as the U.S. are seen as the principal export markets for oil, oil products, natural gas, coal, and, in some

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<sup>18</sup> Alexey B. Miller, "The Eurasian Direction of Russia's Gas Strategy", Keynote Address, 22<sup>nd</sup> World Gas Conference, Tokyo, June 4, 2003, p. 6. See also *Green Paper – Towards a European Strategy for the Security of Energy Supply* (Technical Document), European Commission, 2000, Figure 5 "Gas of the Russian East".

<sup>19</sup> Vladimir Putin, Address to the Federal Assembly of the Russian Federation, May 26, 2004.

cases, electricity. However, the scale of the ongoing and proposed ventures, the enormous costs involved, and the energy security concerns of the energy-importing economies would require new partnership-type relationships and foreign investment.

The investment needed to support these planned projects is estimated to be in the tens of billions of dollars. However, cross-border energy undertakings are expected to serve several strategic purposes by (1) cementing already improved political relationships, (2) promoting trade, investment, and technological and manufacturing links among regional neighbors, (3) providing additional incentives for economic development at the local and regional levels, and (4) supporting increased energy efficiency and lowering the impact of energy use on the environment.

### *Strategic oil stockpiling*

During the second oil crisis of the late 1970s—to early 1980s, Japan succeeded in maintaining oil reserves equivalent to 90 days of imports. By 2001, Japan's total reserves in the government and private sectors exceeded the equivalent of 150 days of imports. South Korea, on the other hand, achieved the IEA's 90-day minimum requirement in 2001 and attained official membership of the organization in 2003. As for China, the Tenth Five-Year Plan, endorsed by the Fourth Session of the Ninth National People's Congress in March 2001, also acknowledges the need to build a strategic oil stockpiling system.

The concept of a Joint Oil Reserve System (JORS) could be relevant to Northeast Asia. It would ameliorate the risks arising from conflicting interests. The system could also help reducing the maintenance costs of oil stockpiling. In September 2002, when the energy ministers of Japan, China and South Korea met in Osaka, they proclaimed an “Energy Cooperation Initiative” that includes the establishment of a joint oil reserve system. In June 2004, the ASEAN states decided to establish such a system as well, and Japan and South Korea showed their readiness to provide technological support. In addition, Japan offered to provide financial assistance for the feasibility study.<sup>20</sup> However, a similar multinational effort would be of benefit for Northeast Asia. Also, the existing forums for regional economic

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<sup>20</sup> 『日本経済新聞』朝刊、2004年6月21日。



cooperation, such as “ASEAN+3” and an “East Asian Community”, should show flexibility when it comes to energy security and the involvement of both Russia and the U.S. in regional energy efforts. Japan, China and South Korea should also support Russia’s intentions to become integrated into the region.

The East Asian countries should also aim to convince Moscow of the need to develop energy infrastructure, not only for its own benefit, but also to act as a responsible regional power and an important energy supplier. As a supplier, Russia can also expect significant benefits from the emerging JORS in this region, since this will expand the market for Russian oil exports, provided that stability, adequate volumes and pricing can be guaranteed.

#### *Energy and environment*

In order for an energy security regime take root in the region, it is not enough to build efficient energy supply routes and increase the energy trade. It is also essential to make efforts to achieve more effective energy utilization. For example, due to different levels of energy efficiency, the U.S. needs about twice as much crude oil as Japan, relative to a unit of GDP, while China needs about five times as much.<sup>21</sup> Japan is less vulnerable to crude oil prices than China and the United States, both because it has managed to enhance its energy efficiency by approximately 30% since the 1970s, but also because the increased value of the yen. Due to the interdependency of the economies, Japan would nevertheless be indirectly affected by a potential economic slowdown in the U.S. or China.

The benefits generated by international technology transfers are not limited to energy conservation in a narrow sense, but could also support environmental protection. With the Kyoto Protocol coming into effect, the basic schemes of Clean Development Mechanism (CDM) and Joint Implementation (JI) could support environmentally friendly projects. China has the biggest potential for new businesses in this field. China’s energy

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<sup>21</sup> 『讀賣新聞』朝刊、2004年9月14日。The IEA’s estimate suggests that, if crude oil price rises by \$10 per barrel, the world’s GDP growth will slow down by 0.5%. Consequently, the GDP of the U.S. and China would drop by 0.3% and 0.8%, respectively.

development program for the next fifteen years aims at environmental protection, efficient energy utilization and sustainable development. Many of the same concepts are also incorporated into the energy strategies of Japan (2030) and Russia (2020).

In order to meet the rising energy demand and simultaneously promote environmental protection (e.g. the reduction of greenhouse gas emissions) in China and Russia, Beijing and Moscow may well find it advantageous to cooperate with Japan. At the same time, Japan can find lucrative markets in China and Russia, well beyond simple business matters. Such promising markets include greenhouse gas emissions trading by way of the CDM and JI schemes as well as joint development of renewable energy sources.

#### *Energy cooperation and conflict prevention*

The ROK government has also made a proposal regarding the future of Northeast Asia.<sup>22</sup> In 2003 alone, the South Korean Presidential Committee on a Northeast Asian Business Hub conducted 26 working meetings, conferences and workshops. The result of these efforts was the development of a comprehensive plan for regional economic cooperation in a number of areas, including the energy sector. The Committee stated that since the “super consumers” of Northeast Asia (the ROK, China and Japan) lie adjacent to a “potential super supplier” (Russia), this could give rise to a framework for energy cooperation within the subregion. The Committee proposed the following steps in order to promote energy cooperation:

- The construction of a natural gas pipeline network
- Joint exploration and processing of petroleum
- Cooperation in supplying energy to the DPRK on a long-term basis
- The development of cleaner energy sources, such as Siberian hydroelectric power.

The Committee also proposed that, in pursuing energy cooperation, broader considerations than the immediate economic needs should be taken into account, including long-term energy security, environmental constraints

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<sup>22</sup> See: *Toward a Peaceful and Prosperous Northeast Asia*, (Seoul: Presidential Committee on a Northeast Asian Business Hub, 2003), 24.

and the impact of energy cooperation on the overall relations of the countries of Northeast Asia. The South Korean government is supportive of new initiatives by the Korean energy companies, which are approaching the companies involved in the Sakhalin projects in order to discuss the prospects for imports and investment. During the Russian-ROK summit in Moscow in September 2004, the two sides agreed to cooperate in oil and natural gas resources development in Eastern Russia and to work towards an agreement on long-term natural gas cooperation, thereby launching a strategic energy dialogue.

Basically, there are three major existing and/or planned infrastructure projects that involve the ROK, the DPRK and Russia:

- The reconnection of the railway system between the two Korean states, linking South Korea to Europe via Russia and China
- A natural gas pipeline from Sakhalin to South Korea via North Korea
- Power grid interconnection, involving the electric power plants in the southern part of Far Eastern Russia and the two Koreas.
- Provided that the political obstacles can be removed, these mega-projects could serve as the long-term foundations of stability in Northeast Asia and the basis for change in North Korea. The economics of the two energy projects appears sufficiently strong and the projects are attracting interests of several industrial entities.<sup>23</sup>

## Conclusions

In other regions, cooperative relationships in the field of energy are proliferating. In Europe, an energy dialogue is developing between the EU and Russia, which could potentially become an energy partnership. There is room for cooperative arrangements in Northeast Asia as well, but this also depends on the policies of neighboring countries. The ASEAN+3 energy

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<sup>23</sup> See Victor Minakov, "The 500kV Cross-Border Transmission Line Project Linking the Russian Far East with the DPRK (Chongjin)" and John Fetter and Rimtaig Lee "Energy and Political Cooperation in Northeast Asia: The KoRus Gas Pipeline," in *The Niigata Energy Forum 2004, ERINA Booklet 3*, eds. Vladimir I. Ivanov and Eleanor Goldsmith, (December 2004), 65-75.

dialogue brings together consumers, but not potential producers such as Russia. However, the expansion of this framework should not be seen as a goal in itself. Rather, important here is that cooperation, even in “soft formats”, could both speed up large-scale energy projects and bring about concerted policy changes. Indeed, some changes in policies are already obvious.

Compared with Europe, where the desire for unity has prevailed, the legacy of the Cold War is still deeply rooted in Northeast Asia. Against this background, competition over the access to natural resources may well heighten the “walls” between sovereign states. At the same time, the instability in the Middle East and the increasing number of terrorist attacks has put a focus on energy supplies worldwide. In addition, the demand for oil is increasing rapidly, especially in China.

The realist school of international relations argues that state policies are ultimately zero-sum-based. This refutes the possibility of positive-sum outcomes, which, according to the liberal approach, could be encouraged by institution-building, respect for international law, interdependence and regional cooperation. Indeed, realist explanations usually provide a more clear-cut picture that easier gains support from the general public. People tend to prefer simple pictures and simple answers, of which the mass media is key provider. In the contemporary world, unfortunately, this tendency is becoming even stronger when impending issues touch upon limited sources of energy.

Our goal is to shed light on this problem and to illustrate that there are unlimited opportunities for cooperation. In reality, it is not China or Japan, but Russia that wants to bring large volumes of its oil and gas to the markets of Northeast Asia in the most economical way. Also, it is not Japan and China who are the main contenders for a pipeline route, but rather diverse interests within Russia. Indeed, some interest groups would prefer to explore the oil and natural gas reserves in a way that would not necessarily gain local industries and communities, and without considering the overall development needs, including the discovery of new reserves. There are also groups that prioritize regional development, social advancement and national energy security, as well as access to multiple markets in Northeast Asia.

The problem is that the Chinese decided to side with the former, while the Japanese aimed towards the latter. Tokyo was only supporting, not proposing, the pipeline route that Transneft already advocated and President Putin strongly favored. In this context, it is clear that Russia should be included rather than excluded in the emerging energy partnership system in order to consolidate the security of oil and gas supply for all East Asian states.

On the other hand, the establishment of a JORS in Northeast Asia could be a starting point for the establishment of a regional energy security regime. If the decision-makers of the region seriously intend to institutionalize a multilateral partnership for achieving greater energy security at affordable prices, they must ensure that all states share the burden. Also, in the broader meaning, an energy security regime would require policy coordination in the field of energy conservation. Given the potential for new business in the environmental industry, the current opportunity to promote environmental interdependence as a “substructure” of the overall energy cooperation should be utilized.

Technological transfer as a means of raising energy efficiency could well be the most important element of this substructure. In other words, in order to promote energy security throughout Northeast Asia, the experts should not think in terms of competition between the countries, but of competition between fuels and technologies, as well as between the sources of oil supply.

The benefits can be multiple and significant, or few and limited, depending on the willingness of the parties to develop strong, long-term bonds in the energy sector. In order to adopt and implement such policies effectively, a willing political leadership and long-term commitment is needed, as well as a tradition of working together. Among the economies of Northeast Asia, such a tradition has yet to be cultivated. However, this sub-region obviously has the opportunity to enhance energy security by promoting long-term investment planning, diversification of supply sources and competition of fuels.





## Chapter VII: The "One China" Principle as Foundation for Cross-Strait Conflict Prevention and Management: A Perspective from Beijing<sup>1</sup>

Yao Yunzhu

The current cross-Strait situation is critical. The Taiwanese President Chen Shuibian is in his second term. His periodical but consistent provocative moves challenge the status quo. Beijing is increasingly concerned with Taiwan's drifting toward permanent separation. The relations between both sides are getting worse and worse. The lack of trust dilutes the political will to find a peaceful solution and increases the risk of a non-peaceful or military solution to the problem. Both sides are engaged in preparations for possible military actions across the Strait. Therefore, studies on conflict prevention and maybe also conflict management across the Taiwan Strait have special significance at this time. In addition, confidence building measures are urgently needed in such a situation.

### **Asymmetries in Conflict Prevention Calculations**

The first ready-made argument concerning the current cross-Strait situation is that Beijing and Taipei share a strong common interest in the avoidance of war. A war, or even a minor armed conflict, would undermine the economic prosperity, social stability, peace and security that are enjoyed by the people in Taiwan. On the other hand, a military conflict would likewise endanger the many strategic opportunities available to Beijing in the beginning of the 21<sup>st</sup> century, which if fully utilized, might render China a nation of moderate prosperity. So it seems safe to say that both Beijing and

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<sup>1</sup> Views expressed in this paper are those of the author. They do not represent the author's organization.



Taipei would be highly motivated to seek military confidence building measures to alleviate the present tensions. However, a closer look reveals some fundamental discrepancies in the calculations of both sides concerning conflict prevention. There seems to be at least three asymmetries.

*Asymmetrical interest prioritization in conflict prevention*

The first asymmetry lies in the acceptance of the cross-Strait status quo. Although at first, the tensions cross the Strait seem to be caused by the Mainland's persistence on reunification and Taiwan's pursuit of independence. However, further examination illustrates that Beijing has much more patience than Taipei to live with the status quo in order to avoid an eminent armed conflict. Taipei, on the other hand, is trying to manipulate Beijing's reluctance to give up peace, and America's vaguely defined defense commitments, in order to break the status quo and push for independence.

Although the independence movement in Taiwan has a long history, leaders of both sides agreed, until the mid-1990s, that there is only one China. At this time, the Taiwanese pro-independence leader Li Denghui stepped up the independence activities and helped push the movement into momentum. The Taiwanese leaders began to use the "independence or reunification choice" as a political issue in party politics and election campaigns. In May 1999, Li Denghui published a book entitled "The Road to Democracy", which advocated the division of China into seven regions, each enjoying "full autonomy." Then, apparently losing patience with the status quo, he made a statement defining cross-Strait relations as a "special state to state relationship"<sup>2</sup>. His successor Chen Shuibian has persistently been making efforts at provoking the status quo in the last few years, which serve as the direct cause for the recent deteriorations of the cross-Strait situation. Starting from "a state on each side" statement<sup>3</sup>, he pushed for the passage of

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<sup>2</sup> Li Denghui, July 9 1999, "The two sides are not yet unified, but are equals, ruled separately. We both exist concurrently. Therefore, the two sides can be defined as sharing a 'special state-to-state relationship' prior to unification".

<sup>3</sup> Chen Shuibian made the statement on August 3, 2002 in a video-link to Taiwanese living in Japan. He said, "Simply put, with Taiwan and China on each side of the [Taiwan] Strait, each side is a country. This needs to be clear."

a referendum law<sup>4</sup>, which paved the way for an independence vote. On March 14 2003, Chen expressed his intention to rewrite the current Republic of China (ROC) Constitution, promote an independence referendum by 2006, and implement the new constitution by 2008. This has been interpreted as a timetable set for Taiwan independence. With Chen's encouragement, all kinds of de-sinification actions - including renaming, revision of history text books and so on - have been undertaken. In his attempt to get reelected, Chen used a "defensive referendum" as a campaign tactic on the Election Day. In his 2004 "National Day Speech", he explicitly defined the Republic of China as Taiwan, with a population of 23 millions and a territory consisting of 36,000 square kilometers.<sup>5</sup> His persistent independence rhetoric has helped convince Beijing of his determination to go independent. In addition, Chen's caprice has illustrated his untrustworthiness as a negotiator for a peaceful solution.

Beijing, on the other hand, has set reunification as its ultimate objective - an objective that it pursues by peaceful means with the greatest sincerity and effort. Beijing needs a peaceful and stable environment in order to concentrate on domestic economic and social development. It realizes that the possible loss incurred by a military conflict across the Strait is too high to be afforded. At the same time, Beijing has never agreed to renounce the use of military force as a last resort to stop Taiwanese independence. In Beijing's interest assessment, integrity of the nation is a vital interest that must be protected by all means and at any cost, even at the cost of economic development. In short, Taiwanese independence is the very thing that has to be avoided even if this means war.

Although Beijing is the side that has not renounced the use of military force, Taiwan is actually the side that challenged the status quo and evoked the danger of military conflict. Beijing has linked the use of force, not with reunification, but with independence, while Taiwan has only been seeking

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<sup>4</sup> The so called "Taiwan's Referendum Law" was passed by the Legislative Yuan on November 27, 2003.

<sup>5</sup> In a speech made by Chen Shuibian on October 10 2004, he stated that "The sovereignty of the Republic of China is vested with the 23 million people of Taiwan. The Republic of China is Taiwan, and Taiwan is the Republic of China...In Taiwan--a country of 36,000 square kilometers with effective governance and a sound political system--sovereignty is vested with the people..."

independence and condemning Beijing for not giving up the option to use military force. In essence, Beijing's vital interest is the integrity of the nation. The maintenance of the status quo is thus preferred before an immediate military conflict. Taipei, on the other hand, has made independence a higher priority than cross-Strait stability, which hinges at least on the status quo.

*Asymmetrical motivation for conflict prevention*

Following the first asymmetry, the second one lies within the motivation for conflict reduction measures. The Mainland has not renounced the use of force in order to keep Taiwan within the framework of 'one China'. Taiwan has so far not publicly announced its intention to resort to force for independence. Rather, it strives for a peaceful secession. The possibility of a military conflict is thus an instrument of deterrence employed by Beijing, not a means for Taipei to achieve independence. Logically, taking away such possibility would weaken the effect of Beijing's deterrence, but have no impact on Taiwan's means to achieve independence. It is thus only natural that, so far, Beijing has been less motivated than Taiwan concerning cross-Strait military CBMs.

*Asymmetrical gains from conflict prevention*

The third asymmetry lies within the calculation of gains and losses concerning military CBMs made by the two sides. If conflict prevention aims only at reducing the risks of military conflict, more leverage would be given to Taiwan than to Beijing, since Taiwan could escape the risks of war while Beijing could not escape the risks of an independent Taiwan. Instead, Beijing would be deprived of its last resort to stop such independence, i.e. the use of force.

Following this, Beijing interprets any CBM initiative from Taipei as a show to win credits from the international community and to please the US in particular; or as a means to win votes and domestic political support; or as a trick to shun away from Beijing's serious call for political negotiation. There have been cases in which Beijing's serious CBM building efforts have been frustrated by Taipei's unexpected move towards independence. One

example of this was Li Denghui's "state to state relationship" statement in 1999, which was made when Association for Relations across the Taiwan Strait (ARATS) and Taiwan Strait Exchange Foundation (SEF) were engaged in close interaction. Such moves are substantive (or strategic) enough to neutralize the tactical progress made in CBM building. Beijing may also fear that its CBM initiatives could be used by Taipei to promote "peaceful independence", or be misinterpreted as a sign of weakness.

The three asymmetries above may partially explain why conflict prevention measures, though urgently needed to ease the cross-Strait tension, have had a difficult start. Beijing needs more assurance before engaging in any military CBMs. That assurance is the adherence of both sides to the "one China principle".

### **The 'One China' Principle as the Foundation for Conflict Prevention Measures**

Beijing has requested the acceptance of the 'one China' principle and insisted on it as the foundation for any possible solution of the current issue. If a consensus on 'one China' can be reached, Beijing would be relieved of its utmost concerns over Taiwan independence and could mobilize more domestic support for exercising patience. With 'one China' assured, Beijing could live more confidently with the status quo. And Taiwan's concerns over the Mainland's use of military force would also be removed, since the mainland only would use force in case of Taiwanese independence. By reaching consensus on the 'one China' principle, the interests of both sides can be maintained to the greatest extent and peace and stability can be preserved across the Taiwan Strait. Therefore the 'one China' principle is suggested as the foundation for conflict prevention and management. Without such a foundation, it will be difficult for Beijing to find the political will and the public consensus to start and proceed with any political and military CBMs.

What is the 'one China' principle? Put very simple, 'one China' is an overarching general principle which defines the status quo, describes the past and suggests the future.

*'One China' principle defines the status quo*

The 'one China' principle defines the current situation, or the status quo. At present, there is only one China, accepted by the UN, by all the major players in the international community including the United States, and by the overwhelming majority of the world's countries. The UN Resolution 2758, adopted in October 1971 at the 26<sup>th</sup> Session of the United Nations General Assembly, restored all the lawful rights of the People's Republic of China in the world's body and denied Taiwan's representation either of China or of an independent country. Ever since then, it has become generally accepted that there is only one China and that Taiwan is part of China. For more than a decade, Taiwan's bid for representation in the UN has been turned down time and again. Last September, Taiwan again failed to place its membership issue before UN for the 12<sup>th</sup> year. Of the world's countries, only about 2 dozens have diplomatic relations with Taiwan, mostly motivated by huge financial assistance promised in return. The US officially pursues a "one China policy"<sup>6</sup>, which has been repeated many times by every administration. Former US Secretary of State Colin Powell, in his interview with Phoenix TV in October 2004, said explicitly that "Taiwan is not independent. It does not enjoy sovereignty as a nation, and that remains our policy, our firm policy." Needless to say, the status quo is one China, which is the starting point for any future settlement of the Taiwan issue.

*'One China' principle describes history*

It is not this paper's purpose to run into a detailed historical research on why Taiwan belongs to China. Some simple facts will be enough to support the argument. Taiwan, an island off the southeastern coast of the Chinese mainland, was first developed by ancient Chinese and inhabited by the Chinese people. Chinese governments of different dynasties including Song,

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<sup>6</sup> U.S. President Richard Nixon visited China in February 1972 and later both countries issued a joint communiqué in Shanghai stating that: "The U.S. side declared: the United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position." On December 10, 2004, in an interview with the PBS television station, US Deputy Secretary of State Richard Armitage stressed that there was only one China and that Taiwan was part of it.

Yuan, Ming and Qing have exercised jurisdiction over Taiwan. After being defeated in the Sino-Japanese war in 1894, the Qing government was forced to sign the Shimonoseki Treaty, ceding Taiwan to Japan. In 1937, the Chinese people started the war of resistance against Japan's occupation of China and the Japanese aggression. In its declaration of war against Japan, the Chinese government proclaimed that all treaties, conventions, agreements, and contracts regarding relations between China and Japan, including the Treaty of Shimonoseki, had been abrogated. On December 1 1943, China, the United States and the Great Britain issued a joint declaration (later referred to as the Cairo Declaration) stating:

"It is the purpose of the three great Allies that Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the First World War in 1914, and that all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa [Taiwan] and the Pescadores [Penghu], shall be restored to China."

Later, on July 26 1945, the three countries again signed the Potsdam Proclamation reiterating: "The terms of the Cairo Declaration shall be carried out." On August 15 of the same year, Japan declared surrender. The instrument of Japan's surrender stipulated that "Japan hereby accepts the provisions in the declaration issued by the heads of the Governments of the United States, China and the Great Britain on July 26, 1945 at Potsdam, and subsequently adhered to by the Union of Soviet Socialist Republics." On October 25, the ceremony for accepting Japan's surrender was held in Taipei. Since then, the Chinese government reinstated its administrative authority in Taiwan Province. This retrospection of historical facts shows that at no time in history has Taiwan been a state in its own right, and since 1945 Taiwan has not been a foreign colony, nor has it been under foreign occupation.

#### *'One China' principle suggests the future*

As this paper will elaborate in the following section, 'one China' suggests the future solution in a very flexible, comprehensive and open way. It might be the only possible concept to accommodate the interests of both the Mainland and Taiwan since it addresses the multifaceted concerns of both sides.

## The 'One China' Principle and Taiwanese Concerns<sup>7</sup>

As argued above, the 'one China' principle, if agreed upon by both sides, would remove the concerns of the Mainland over Taiwanese independence, which in turn relieves Taiwan of its concern over the use of military force by Beijing. But to make it workable, the 'one China' principle has to address the Taiwanese concerns as well, especially the concerns over the 'one China' principle itself. What is 'one China' in its substance? Is it so terrible, so resentful that it must be rejected by Taiwan as soon as it is raised? In my view, the 'one China' principle has so far been distorted, misinterpreted and demonized by some politicians in Taiwan that its real meaning has somewhat got lost.

To interpret the 'one China' principle in more concrete terms and see how it can address the Taiwanese concerns, we need first to group some of the primary Taiwanese concerns into the following five categories: social system, imbalanced development, equal footing, international space and a Taiwanese identity. Beijing has, over several decades, incorporated in the 'one China' principle some very concrete and specific policies that do address these concerns.

### *Concern one: the social system*

Does the 'one China' principle address the Taiwanese concerns that they do not like the social system being practiced on the mainland? The answer is affirmative. The Mainland offers in this regard include, but are not limited to, the following:

1. Taiwan's social system will remain unchanged while the Mainland has its socialist system. The maintenance of Taiwan's social system has been guaranteed since as early as 1958 when late Chairman Mao Zedong told Chao Juren:

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<sup>7</sup> In writing this part of the paper, I have relied very much on the following, excellent essay: Wang Weixing, "A Retrospect of Beijing's Policies of Peaceful reunification Over Half a Century", *Outlook Weekly* 1067, July 26 (2004): 11-20. Wang gives a very comprehensive and detailed account of China's policies to solve the Taiwan issue peacefully.

“If Taiwan ever comes back to the motherland, they (referring to Chiang Kai-shek and other Taiwanese leaders) can live their own way...if he parts with the US, he can link his branches with those of the mainland. The branches are linked while the roots remain his own. He can still live on.”<sup>8</sup>

This concept has been developed into very explicit policy and consistently reiterated by all generations of Chinese leaders and officially documented in many government statements.<sup>9</sup> President Jiang Zemin, in his 1995 eight-point proposal, makes it clear that after a reunification, “the main part of the country will stick to the socialist system, while Taiwan will retain its current system...Its social and economic systems will not change, nor will its way of life.”<sup>10</sup> Furthermore, such promises are not considered mere favors given to the Taiwanese, they are constructive measures to benefit both sides, as stated by Deng Yingchao, “After reunification of the motherland, the Communist Party and the Kuomintang will supervise each other, cooperate and coexist for a long time to come...so that the two will complement and support each other.”<sup>11</sup>

2. Taiwan’s government structure will remain unchanged. This policy has been most clearly stated by Vice Premier Qian Qichen when he met with the New Party delegation from Taiwan on July 12, 2001.<sup>12</sup> This also includes that Taiwan’s election system will remain unchanged.

3. Taiwan's government will have much autonomy and the government in

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<sup>8</sup> Zhou Enlai Zhuan [The Biography of Zhou Enlai] 1st ed., (Zhongyang Wenxian Press, 1998), 1437.

<sup>9</sup> See “Yi Gan Si Mu [One Principle and Four Points]” as summarized by Zhou Enlai, *Zhou Enlai Nian Pu 1949-1976* [Zhou Enlai’s Chronology: 1949-1976] (Zhongyang Wenxian Press, 1997), 321; *Message to Compatriots in Taiwan*, by the Standing Committee of the Fifth National People’s Congress at its Fifth Plenary Session on December 26, 1978, published on January 1, 1979; Interview with Ye Jiangying, Xinhua News Agency, September 30, 1981, in which he made the Nine-Point Proposal; Deng Yingchao, *Opening address to Chinese People’s Political Consultative Conference*, June 1983; Deng Xiaoping, *An Idea for the Peaceful Reunification of the Chinese Mainland and Taiwan*, June 26, 1983; Taiwan Affairs Office & Information Office of the State Council, PRC, *The Taiwan Question and Reunification of China*, a defense White Paper released on August 31, 1993; Jiang Zemin, *Continue to Promote the Reunification of the Motherland* January 30, 1995; Taiwan Affairs Office and the Information Office of the State Council, PRC *The One-China Principle and the Taiwan Issue*, a defense White Paper released on February 21, 2000.

<sup>10</sup> Jiang Zemin, *Continue to Promote the Reunification of the Motherland*, January 30, 1995.

<sup>11</sup> Deng Yingchao, *Opening address to Chinese People’s Political Consultative Conference*, June 1983.

<sup>12</sup> Wang Weixing, “A Retrospect of Beijing’s Policies of Peaceful reunification Over Half a Century”, *Outlook Weekly* 1067, July 26 (2004): 11-20.



Beijing will not interfere with Taiwan's affairs. In late 1950s, the idea was to set up a special zone like the one the Kuomintang (KMT) government had allowed the Chinese Communist Party (CCP) to establish in the northern Shanxi Province when the two parties were cooperating in fighting the Anti-Japanese War. Later, Zhou Enlai explained this autonomy as “apart from foreign affairs, all the other authorities and rights concerning political and military affairs, all personnel assignments will be in the hands of Chiang Kai-shek”.<sup>13</sup> Based on this interpretation, similar offers have been made repeatedly and Taiwan’s wish to govern and administer itself has been taken into consideration. The 2000 White Paper released by the Taiwan Affairs Office and the Information Office of PRC’s State Council shows Beijing’s flexibility on the degree of autonomy by acknowledging “the differences between Taiwan on the one hand and Hong Kong and Macao on the other and, after peaceful reunification, is prepared to apply a looser form of the ‘one country, two systems’ policy in Taiwan than in Hong Kong and Macao”.<sup>14</sup>

4. Beijing will not assign any officials or administrative personnel to the Taiwanese government. Instead, the government in Beijing will reserve positions at the national level for people from all walks of life in Taiwan to participate in the governance of the nation. Ye Jianying, then Chairman of the National People’s Congress, in his speech with reporters from Xinhua News Agency on September 30 1981 said, “people in authority and representative personages of various circles in Taiwan may take up posts of leadership in national political bodies and participate in running the state”. Jiang Zemin expressed the same idea in 1995 by stating, “The Central Government will not station troops or send administrative personnel there. What is more, a number of posts in the Central Government will be made available to Taiwan”.<sup>15</sup> The 2000 White Paper again pledged not to send any troops or administrative personnel to Taiwan.

5. Taiwan will continue to have its independent judicial power including

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<sup>13</sup> “Yi Gan Si Mu [One Principle and Four Points]” as summarized by Zhou Enlai, *Zhou Enlai Nian Pu 1949-1976* [Zhou Enlai’s Chronology: 1949-1976] (Zhongyang Wenxian Press, 1997), 321.

<sup>14</sup> Taiwan Affairs Office and the Information Office of the State Council, PRC, *The One-China Principle and the Taiwan Issue*, a defense White Paper released on February 21, 2000.

<sup>15</sup> Jiang Zemin: *Continue to Promote the Reunification of the Motherland*, January 30, 1995.

that of the final adjudication. It will not need any judiciary approval from Beijing.<sup>16</sup> This assures that Taiwan's legal system will remain intact and that it will be governed by its own laws.

*Concern two: imbalanced development*

Does the 'one China' principle take into consideration that the Taiwanese might not want to share their hard-earned economic achievements with the poorer mainlanders? Apart from the promise to keep the social system unchanged, Beijing has tried to ensure that the people in Taiwan will not suffer any economic losses under the 'one China' principle.

“Taiwan's current socio-economic system will remain unchanged, so will its way of life and its economic and cultural relations with foreign countries. There will be no encroachment on the proprietary rights and lawful rights of inheritance over private property, houses, land and enterprises, or on foreign investments.”<sup>17</sup>

In more specific details, Beijing has pledged that

1. Taiwan will maintain its financial and monetary system as it is, and has the full power to decide on its own currency policies and control its own foreign currency.
2. Taiwan will have the status of an independent taxation area and may control and use all its tax revenues. “The mainland will not levy a single cent of tax from Taiwan, nor will it divert a single cent of fund from Taiwan.”<sup>18</sup>
3. Taiwan's membership in WTO and other financial and economic organization will not be adversely affected.
4. Taiwan will have its independent financial and budgetary system. It develops, administers and supervises its own financial budget. Taiwan will have more resources for the improvement of people's living standard, for economic development and for the construction of infrastructure on the island.
5. In addition, “when Taiwan's local finance is in difficulty, the central

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<sup>16</sup> Ibid.

<sup>17</sup> Interview with Ye Jianying, Xinhua News Agency, September 30, 1981.

<sup>18</sup> Qian Qichen, "Speech at the International Forum on China and the World in the 21 Century", September 10, 2001.

government may subsidize it as is fit for the circumstances”.<sup>19</sup> This is a reiteration of earlier offers made in the 1960s by Zhou Enlai.<sup>20</sup>

*Concern three: equal footing*

Does the 'one China' principle address the concerns that people in Taiwan do not want to be treated like second-rate citizens? They want to deal with the mainland on an equal footing. From the evolution of the 'one China' principle, Beijing has showed great care for Taipei's yearning for respect and equality. In the 1970s and 1980s, Beijing's official statement defined one China as:

“There is only one China in the world; Taiwan is an inalienable part of China and the government of the PRC is the sole legitimate government of China.”

By early 1990s, the formula was carefully reworded to be less provocative to the Taiwan authorities:

“There is only one China in the world; Taiwan is an inalienable part of China; and the seat of China's central government is in Beijing.”<sup>21</sup>

In the white paper released early in 2000, the 'one China' principle focused on the indivisibility rather than on the legitimacy of the government:

“There is only one China in the world; Taiwan is a part of China and China's sovereignty and territorial integrity are indivisible.”

Later in the same year, Vice Premier Qian Qichen formulated the 'one China' principle in an even more flexible way which put Taiwan on equal terms with the Mainland. The only emphasis is on the integrity of the nation:

“There is only one China in the world; both the Mainland and Taiwan belong to one China; and China's sovereignty and territorial integrity are indivisible.”

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<sup>19</sup> Ibid.

<sup>20</sup> Zhou Enlai sent letters to the KMT leaders in the early 1960s in which he proposed that all the financial gaps in military and administrative expenses and economic development could be covered by the central government. See also “Yi Gan Si Mu [One Principle and Four Points]” as summarized by Zhou Enlai, *Zhou Enlai Nian Pu 1949-1976* [Zhou Enlai's Chronology: 1949-1976] (Zhongyang Wenxian Press, 1997), 321.

<sup>21</sup> Taiwan Affairs Office & Information Office of the State Council, PRC, *The Taiwan Question and Reunification of China*, a defense White Paper released on August 31, 1993.

To further relieve Taiwan's concern about equal footing, Beijing has made it very clear that negotiations will be defined as 'cross-Strait', rather than negotiations between a central and a local government. As early as the 1950s, Mao Zedong, drawing on the historical experience of the two previous rounds of cooperation between CCP and KMT,<sup>22</sup> came up with the idea that the move toward reunification could be dealt with as the "third cooperation between the CCP and the KMT".<sup>23</sup> In the 1980s, Deng Xiaoping promised not to describe the negotiations as talks between a central and a local government.<sup>24</sup> Ye Jianying further elaborated how to start the political negotiations and how to grant equal footing to both participants. He proposed that talks be held between the Communist Party of China and the Kuomintang of China "on a reciprocal basis so that the two parties will cooperate for the third time to accomplish the great cause of national reunification."<sup>25</sup> In the 1990's and in the new century, Beijing has many times reiterated that negotiations are of the nature of 'cross the Strait' in order to ensure Taiwan's participation as an equal negotiating partner.

*Concern four: international space*

Does the 'one China' principle care for the Taiwanese concerns of more international space? The problem of international space would have been easily solved if the Taiwanese authority had not pushed so hard for independence. Beijing has to be very prudent and cautious in deciding how much international space it can afford to give Taiwan for such decisions are always linked with concerns over the integrity of sovereignty. However, Beijing has not only expressed its readiness to negotiate on detailed solutions,<sup>26</sup> but also suggested some useful concepts in this regard:

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<sup>22</sup> The CCP and KMT first joined hands in the period from 1924 to 1927 in fighting the warlords, and then again in the period from 1936 to 1945 in fighting the Japanese.

<sup>23</sup> Mao Zedong, *On the Resumption of PRC's Legitimate Seat in the United Nations*, September 30, 1956.

<sup>24</sup> Deng Xiaoping, *An Idea for the Peaceful Reunification of the Chinese Mainland and Taiwan*, June 26, 1983.

<sup>25</sup> Interview with Ye Jianying, Xinghua News Agency, September 30, 1981, in which he made the Nine-Point Proposal.

<sup>26</sup> As stated in *The One-China Principle and the Taiwan Issue*, a defense White Paper released by the Taiwan Affairs Office and the Information Office of the State Council, PRC on February 21 2000, "The Chinese government believes that Taiwan's international space for economic,

1. Taiwan will maintain a certain degree of authority in foreign affairs such as signing trade, commercial, cultural treaties with foreign countries, issuing its own passports and visas, and establishing and maintaining offices in other countries dealing with foreign affairs.
2. Taiwan will maintain the relationship it has with the US, Japan and other countries.
3. Taiwan has participated and will continue to participate in such international organizations like APEC, WTO that permit non-sovereign state members.
4. The Taiwanese authority is to protect the overseas rights and interests of the Taiwanese, and the Mainland will provide assistance in their dealings with foreign countries.

*Concern five: a Taiwan identity*

Does one China principle take into account the Taiwanese desire for a Taiwan identity? Both Hong Kong and Macao have kept their own identities as special administrative areas of the PRC. Taiwan, with more autonomy assured, will certainly enjoy its own identity. These are the very things that Beijing is ready to talk about with its Taiwanese counterparts. Up to the present, many suggestions have been made by Beijing, including:

1. Taiwan may keep its own emblem, flag and anthem.
2. Taiwan may maintain its own armed forces and decide on its own defense. The retaining of a Taiwanese military was first suggested by Mao Zedong in 1958. He went on to say that he would not even press Chiang Kai-shek to reduce his force level.<sup>27</sup> This will constitute a very unique case since no nation-state in the world has this kind of a system. In all countries, including those practicing a federation system, the central or the federal government manages defense and military affairs and commands the armed force of the nation, while the local or member states of a federation has no

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cultural and social activities compatible with its status, the political status of the Taiwan authorities and other questions can be finally settled in the process of peaceful reunification through political negotiations” within the framework of one China.

<sup>27</sup> *Zhou Enlai Zhuan* 1st ed., [The Biography of Zhou Enlai], (Zhongyang Wenxian Press, 1998), 1437.

right in dictating the nation's defense or military affairs. In June 1983, Deng Xiaoping echoed Mao's idea by saying that Taiwan "may maintain its own military, provided it does not threaten the Mainland". And for the purpose of defense against foreign aggression and military training, weapon acquisition will not be a problem. However, such weapons must not be used to threaten the Mainland or for separatist purposes.

3. Taiwan administers its own party, government, and military affairs and controls its government organizations. Beijing has no intention to interfere with local affairs in Taiwan.<sup>28</sup>

The above mentioned ideas and concepts embodied in the 'one China' principle only predict what can be included in the principle. The open and evolving nature of the principle invites, not only further elaboration from Beijing, but also inputs from Taipei. When the Beijing leaders interpret the 'one China' principle, they always welcome innovative ideas from the Taiwanese side. Ye Jianying called "people of all nationalities, public figures of all circles and all mass organizations in Taiwan to make proposals and suggestions regarding affairs of state through various channels and in various ways."<sup>29</sup> Deng Yingchao repeated his appeal by stating "It is our sincere hope that the people of all nationalities in Taiwan, our other compatriots in Hong Kong and Macao and the Chinese nationals residing abroad, together with the people of various nationalities on the mainland, will continue to offer suggestions, so as to contribute to peaceful reunification."<sup>30</sup> And Jiang Zemin, in his famous Eight Points speech, invited Taiwan "to exchange views with us on relations between the two sides and on peaceful reunification."<sup>31</sup>

A frequently heard complaint is that Beijing has been too stubborn in pursuing the 'one China' principle and insisting on it as a premise for official negotiations. In actuality, if the 'one China' principle is stripped to its very core, it means only one thing - the indivisibility of a country. Such a simple and straight forward principle provides enough flexibility that promises to accommodate the most important interests of both sides and address the

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<sup>28</sup> Interview with Ye Jianying, Xinhua News Agency, September 30, 1981.

<sup>29</sup> Ibid.

<sup>30</sup> Deng Yingchao, *Opening address to Chinese People's Political Consultative Conference*, June 1983.

<sup>31</sup> Jiang Zemin, *Continue to Promote the Reunification of the Motherland* January 30, 1995.

gravest concerns of both sides. It relieves Beijing of its genuine fear that Taiwan would be separated permanently from China. Consequently, it also removes the possibility that China would use force regardless of costs.

## **Conclusions**

The situation across the Taiwan Strait is really critical. Military tension has been mounting and may lead to an unwanted armed conflict. Given the lack of military conflict prevention mechanisms in the area, conflict prevention measures are urgently needed to reduce such danger. However, Beijing and Taipei have different conflict prevention calculations. Three asymmetries, namely asymmetry in interest prioritization, asymmetry in motivation, and asymmetry in loss and gains balance, greatly reduce Beijing's willingness to engage in any military CBMs, for CBMs cannot be accomplished without some basic political trust. In the cross-Strait scenario, an agreement on the 'one China' principle will lay the political foundation for conflict prevention measures.

The 'one China' principle, put in very simple words, defines the status quo, describes the past and suggests the future. The 'one China' principle, while relieving Beijing of its gravest concern over Taiwanese independence, may provide enough flexibility and compatibility to address the concerns of Taiwan over such issues as social system, imbalanced economic achievements, equal footing, international space and a unique Taiwanese identity. The openness and evolving nature of the 'one China' principle allows input from the Taipei side. Unfortunately, the Taiwanese authority has so far given no positive response to the principle.







## Chapter VIII: Conflict Prevention and Management in Northeast Asia: A Perspective from Taipei

Arthur S. Ding

### Flash Points in Northeast Asia

Northeast Asia has attracted worldwide concern since the mid-1990s for two main reasons: the conflicts on the Korean peninsula and across the Taiwan Strait.

The conflict on the Korean peninsula involves weapons of mass destruction and a consequential arms build-up. In the early 1990s, North Korea threatened to withdraw from the Nuclear Non-Proliferation Treaty and attempted to develop nuclear weapons.<sup>1</sup> Later, in 1998, a mid-range Taepo Dong ballistic missile was test launched by North Korea. The range of the missile was reportedly long enough to reach all parts of Japan and the northwestern parts of the US.

North Korea's actions have given rise to many concerns, like proliferation and the following arms build-up in Northeast Asia. Japan, frightened by the Democratic People's Republic of Korea's (DPRK) nuclear program and missile development, was left with few alternatives but to join the US missile defense program and to further enhance its military capability. Japan's undertakings in this regard justified those in Beijing arguing that Japan would return to militarism and that Beijing had to step up its military modernization as a countermeasure.

Some mechanisms were developed to help stabilize the situation on the peninsula. In 1994, the US and North Korea signed the so-called Agreed Framework. According to this framework, the DPRK was to freeze its

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<sup>1</sup> For a comprehensive outline of DPRK's nuclear issue, see *North Korea Nuclear Profile*, <[http://www.nti.org/db/profiles/dprk/nuc/nuc\\_overview.html#chrono](http://www.nti.org/db/profiles/dprk/nuc/nuc_overview.html#chrono)>.

nuclear program while the US, along with other countries, agreed to provide fuel aid to meet North Korea's energy needs. In order to accomplish this, an international consortium - the Korean Energy Development Organization - was established.<sup>2</sup> Later, in 2003, after the DPRK had been found to clandestinely continue the development of its nuclear program, the directly involved parties engaged in negotiations to halt the potential international crisis.<sup>3</sup> These so-called six-party talks included the US, China, Russia, Japan, and the two Koreas.

### **In Need of Conflict Prevention in the Taiwan Strait**

Taiwan Strait is the other source of concern. In the late 1980s, both sides of the Taiwan Strait entered a "honeymoon period". On the one hand, Taiwan, in line with the liberalization trend, lifted the ban on family visits to the mainland. This meant that those who fled mainland China in 1949 together with the defeated KMT government could return to their home towns in China. On the other hand, during this period, both sides agreed to work together toward an eventual reunification. Efforts aiming in this direction include frequent interaction and negotiation of agreements like the interpretation of the "one-China" principle in 1992.<sup>4</sup>

However, in the mid-1990s, cross-strait relations went sour and tension gradually rose. One reason was that Taiwan had not dropped the goal of pursuing international recognition, despite the reiterated goal of a reunification with mainland China. Since the early 1970s, Taiwan has gradually been isolated diplomatically and today less than 30 countries have established diplomatic ties with Taiwan. Proud of its economic and political achievement made since 1949, which can be illustrated by the per capita income growth and political democratization, Taiwan argued that its

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<sup>2</sup> For a brief history of the Agreed Framework, see "North Korea Nuclear Program Overview: History and Status," at < [http://www.nti.org/db/profiles/dprk/NKN\\_OGO.html](http://www.nti.org/db/profiles/dprk/NKN_OGO.html) > (January 13 2005).

<sup>3</sup> For a recent analysis on the development of the six-party talks, see James L. Schoff, Charles M. Perry, and Jacquelyn K. Davis, *Building Six-Party Capacity for a WMD-Free Korea* (Boston, MA: Institute for Foreign Policy Analysis, 2004).

<sup>4</sup> In 1992, both sides met in Hong Kong and worked out the interpretation of the "One China" principle. Taiwan's position under the KMT government was that both sides agreed to disagree: each side could have a different interpretation of "One China," while Beijing's position was that both sides agreed on the "One China" principle.

international status should correspond to this achievement. However, Beijing, upholding an outdated idea that Taiwan has not existed since 1949, regarded, and still regards, any Taiwanese move towards greater international status as a move towards Taiwanese independence and adamantly opposes it.

At the same time, Beijing had no confidence in Taiwan's former president Lee Teng-hui. Lee, who succeeded President Chiang Ching-kuo, was born in Taiwan under Japan's colonization and educated in a Japanese environment. Contrary to his predecessor, who was born on the Mainland, Lee did not have any ties to China. Further, China regarded Lee Teng-hui's democratization efforts as a plot for separating Taiwan from mainland China forever. In addition, China accused Lee of being responsible for Taiwan's rising trend for independence because Lee had encouraged self-identification in the form of democratization and liberalization.

China's suspicion toward Lee Teng-hui was "justified" by some of his remarks. In 1994, interviewed by a Japanese writer, Lee argued that Taiwan was not a part of China, but rather a state of its own. Later, in July 1999, Lee, pointing to the cross-strait relations, said to a German journalist that cross-strait relations should be of "special state to state" status.<sup>5</sup> These two remarks by Lee clearly irritated China.

Beijing had also been very suspicious of the political intentions of the US with regard to its overall China policy. In the fall of 1992, during the final period of the 1992 American presidential election, the US, under former President Bush, agreed to sell Taiwan the long requested F-16 jet fighters. Beijing regarded this as a violation of the August 17 Communiqué of 1982, which stipulates that the technology level of arms sold to Taiwan in the future must not exceed that of the arms Taiwan had in 1982 when China and the US signed the communiqué.

Other moves taken by the US reinforced Beijing's suspicion.<sup>6</sup> The US

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<sup>5</sup> After his 1999 remark, Chinese jet fighters flew across the virtual middle line in the Taiwan Strait with two apparent purposes: to send warning signals to Taiwan, as well as to indicate that Taiwan is part of China and that, consequently, Chinese jet fighters are entitled to fly wherever they please.

<sup>6</sup> Harry Harding argues that in 1993 and 1996, during the first term of President Clinton, policy priority was placed on economy and little attention was dedicated to policies towards

reversed a promise made to Beijing by issuing a visa to Lee Teng-hui in 1995, allowing Lee to visit his alma mater, Cornell University in the summer of 1995. Earlier, in 1994, the White House announced a reviewed policy toward Taiwan, allowing a higher level of interaction with Taiwan regarding economic and commercial policies. It also agreed to change the name of Taiwan's representative office in the US. Beijing, suspicious that the collapse of the Soviet Union and the political liberalization in Taiwan would decrease China's importance to the US, regarded this adjustment as a US conspiracy to test China's bottom line.

The 1995/1996 Taiwan Strait crisis formally dashed the "honey-moon" period and created a stalemate in cross-strait relations.<sup>7</sup> During the crisis, China test fired two rounds of short range ballistic missiles targeting the water area of Taiwan's two major ports. It also undertook live fire demonstration and amphibious military exercises in July 1995 and March 1996, respectively. The US sent two aircraft carrier battle groups to the surrounding area to stabilize the situation.

There was no doubt that the military exercise had very serious ramifications for the cross strait relations. Among these, first, China has alienated Taiwan people's feeling toward China, paving the way for stronger self-identification toward Taiwan in the years to come. Further, in order to preserve its credibility both as security provider to Taiwan and as the region's predominant leader, the US was forced to develop close military and security tie with Taiwan. The close tie reinforced Beijing's observation that the US is behind Taiwan to oppose the re-unification with Taiwan. Thirdly, the both sides of the Taiwan Strait boosted their effort for military modernization, opening the door for arms race in the strait.

The cross-strait tension entered another turning point in 2000 after Taiwan's opposition party won the presidential election in March the same year. Beijing had been very suspicious of the Democratic Progress Party

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China. As a result, in the end, the China policy was manipulated by the Congress and media, and the executive branch of the government did not have any proactive measures at all. See Harry Harding, "Clinton Missteps: Asia Policy to the Brink," *Foreign Policy Fall* (1994).

<sup>7</sup> For analyses on the origin of the crisis, see Suisheng Zhao, *Across the Taiwan Strait: Mainland China, Taiwan, and 1995-1996 Crisis* (New York: Routledge, 1999); John Garver, *Face Off: China, the US, and Taiwan's Democratization* (Seattle, Washington: University of Washington Press, 1998).

(DPP) during its years as opposition party, since the DPP, as a Taiwan born political force, lacked ties to China. Even worse, in the view of Beijing, was that independence for Taiwan was a goal inscribed in DPP's charter, which was ratified in 1991. The 1991 charter stipulates to establish an independent and sovereign Republic of Taiwan and a new constitution, if the idea is accepted by the people on Taiwan. In 1999, the DPP, switching to a more moderate line, ratified a new resolution to replace the old clause. In the new resolution, Taiwan is regarded as an independent country - the Republic of China.<sup>8</sup> Needless to say, Beijing remained suspicious.

President Chen Shui-bian's campaign strategy for the 2004 presidential election reinforced Beijing's established distrust toward the DPP and the president himself. In order to fully mobilize his constituents' support, Chen advocated to establish a new constitution in 2006, and to let it enter into force in 2008. In 2002, Chen, speaking to a group of overseas Taiwanese businessmen, advocated "one country on each side of the Taiwan Strait." In addition, to mobilize his supporters, Chen, echoing those advocating Taiwan independence of Republic of Taiwan, agreed to change the government name currently used.

All these incidents led to serious consequences. First, exchange and interaction at official levels was completely cut off in 1999, and there is no sign of resumption any time in the near future despite the fact that Taiwan's opposition parties' chairmen have made visit to China in the spring of 2005. Second, due to the lack of direct communication, neither side can correctly comprehend the other side's behavior. Miscalculation is likely to be ensued and a crisis is likely to escalate in this context. Third, China's decision makers, in order to show political determination, have stepped up their military modernization toward the direction able to conclude a rapid and preemptive strike against Taiwan, for a later political negotiation in China's favor. Due to these circumstances, many have been concerned that China and Taiwan are entering into an arms race and that a potential conflict is imminent.

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<sup>8</sup> The DPP has a new argument with regard to the definition of independence after the resolution was ratified. The new argument goes that after the 1996 presidential election, Taiwan has been independent because the president was elected by the people on Taiwan. Being the case, there is no need to announce independence any more.

There are differences between the two flash points. The first is that there has been international involvement in the crisis on the Korean Peninsula, and that a mechanism for conflict management has been developed, i.e. the six-party talks. Both the US, which perceivably has been aiming at overthrowing the North Korean regime, and North Korea, which seemingly took a calculated radical stance, are both constrained by the mechanism. Second, all parties involved have reached a consensus: the North Korea issue has to be dealt with by peaceful means. Although real progress has been limited, the crisis has nevertheless been defused and contained.

Regarding the Taiwan Strait case, the situation is different. As mentioned above, direct dialogue between the two sides at the official level was completely cut off in 1999. In addition, no international involvement has been allowed by Beijing because it wants to avoid an internationalization of the Taiwan issue.

Further, Beijing has stepped up its military deployment in the provinces opposite of Taiwan. Beijing, learning from Taiwan's experience of a tumbling stock market during the 1995/1996 Taiwan Strait crisis, has perceived the use of force as an effective stick. On the other hand, China has attempted to make Taiwan feel insecure. With this belief and calculated behavior, China has deployed a growing number of ballistic missiles in the provinces opposite of Taiwan.

Coupled with rising nationalism and self-identification on each side, a conflict could easily arise in the Taiwan Strait. The lack of direct communication, deep distrust, domestic political pressure, military modernization in preparation for a worst case scenario, strong nationalism and self-identification - all these factors add up to brew a crisis. The only thing lacking is a triggering incident to instigate a conflict. In the case of a crisis, domestic pressure may force the political leaders of both sides into a corner of no return, further heightening the crisis and possibly causing a direct conflict or war.<sup>9</sup>

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<sup>9</sup> Some argue that economic interdependence between Taiwan and China can help prevent conflict. See "Dancing with the Enemy," *Economist*, January 17 2005, <[http://www.economist.com/world/asia/displayStory.cfm?story\\_id=3535207](http://www.economist.com/world/asia/displayStory.cfm?story_id=3535207)>. However, this argument is flawed since the economic interdependence has risen simultaneously with the tension and hostility.

In other words, when comparing the two flash points in Northeast Asia, the situation across the Taiwan Strait is more dangerous than the crisis on the Korean peninsula. Under this circumstance, it is necessary to find a resolution to the rising hostility. Concepts relating to conflict prevention and management are appropriate in this context and should be applied to avoid a potential conflict and maintain peace and stability in the Taiwan Strait.

### **Growing Research in Confidence Building Measures (CBMs) in Taiwan**

Conflict prevention and management is a relatively new research area in Taiwan due to obvious reasons. Between 1949 and the late 1980s, both sides of the Taiwan Strait were locked in a mode of military confrontation in which each side attempted to militarily overwhelm the other side. During this period, Taiwan, under the KMT government, attempted to recover mainland China, while Beijing attempted to “liberate” Taiwan.<sup>10</sup> Both sides gradually realized that the goal of overwhelming the other side by military means was not realistic. During this zero-sum game, it was completely impossible to apply measures of conflict prevention and management to the Taiwan Strait.

Even in the 1980s, the concept of conflict prevention and management was not considered. Both sides had, by then, forgone the military option and the focus of competition had shifted. Each side now attempted to adopt political means to win the other side over. In other words, the competition between the two sides continued, although slightly different in focus, despite the improved atmosphere across the strait.

The two sides made different calculations in the 1980s. China calculated that America's diplomatic de-recognition of Taiwan would leave Taiwan with no choice but to return to the “motherland”. Consequently, Beijing attempted to impose the “One country Two Systems” formula on Taiwan. Taiwan, calculating that early integration with the world market and political liberalization would work to its advantage, proposed to China that both

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<sup>10</sup> Immediately after 1949, Beijing's slogan was to recover Taiwan in wholesale slaughter [xiexi Taiwan], but it was later amended to “liberate” Taiwan. Taiwan, on the other hand,



sides should be re-unified in a democratic system.

In other words, the nature of the cross-strait relations remained unchanged also in the 1980s when the two sides started to interact. It remained a zero-sum game, in which each side still attempted to win the other side over. The only difference was a change in means - from military confrontation to political competition. As a result, conflict prevention and management mechanisms were not considered. Rather, a grand strategy was needed to win the other side over.

Taiwan's diplomatic isolation has also contributed to the lack of a conflict prevention and management concept, especially since it was expelled from the United Nations in the early 1970s. The isolation has blocked Taiwan's participation in any international regimes related to CBMs. Consequently, no government agency was set up to deal with CBMs related functions, and eventually, Taiwan was deprived of the opportunity to learn about CBMs although conflict prevention and management began to emerge in the world.

Nevertheless, since the mid-1990s, conflict prevention and management has become an emerging field in Taiwan and resources have been devoted to relevant research.<sup>11</sup> Five factors, at least, have contributed to the growing attention paid to this field.<sup>12</sup> The first has to do with the 1995/1996 Taiwan Strait crisis.

The crisis clearly illustrated that, despite an almost decade-long interaction, cross-strait relations remained shaky. The political differences were so fundamental that military means were likely to be applied to address them. Under such a shaky circumstance, conflict prevention and management mechanisms were simply necessary to prevent the fundamental political differences from escalating into military conflict, thereby preserving peace

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attempted to recover the Mainland as early as possible, right after 1949. Taiwan's goal was changed in 1970s when it encountered diplomatic isolation.

<sup>11</sup> For instance, a special issue of *Zhanlue yu guoji yanjiu* [Journal of Strategic and International Studies] was completely devoted to the discussion of the origin and development of CBMs in Europe, CBMs undertaken by the ASEAN Regional Forum, CBMs on the Korean Peninsula, China's practice of CBMs, as well as CBMs in the Taiwan Strait, see *Zhanlue yu guoji yanjiu* (Taipei) 2, 1 (2000). Various government agencies also contracted out research projects within this field, and many graduate students write CBMs related graduate papers to fulfill the requirement for advanced degrees.

<sup>12</sup> Kuo Lin-wu, "Confidence-Building Measures and Cross-Taiwan Straits Relations," *Zhanlue yu guoji yanjiu* (2000): 138-141.

and stability in the Taiwan Strait.

The second factor derived from the first. The widening differences between the two sides after the 2000 presidential election in Taiwan made CBMs even more important. Since the likelihood of bridging the political differences with China has become more and more remote because of the growing self-identification on the island and the nationalist upswing in China, there is a need for more concrete and feasible options. In this regard, CBMs have an important role to play.

The third factor has to do with the lack of crisis management mechanisms between the two sides. So far, the achievement in the interaction since the late 1980s includes the establishment of a communication channel, document verification and the repatriation of illegal immigrant workers from China. However, no crisis management arrangements have been made. Nevertheless, the achievements, although limited, were dashed in the 1995/1996 Taiwan Strait crisis - a crisis in which these kinds of mechanisms are urgently needed.

The fourth factor has to do with economic interdependency. To some extent, both sides need each other for their economic development. In regards to Taiwan, the majority of its foreign exchange reserve came from its trade surplus with China, and its business relies heavily on the Chinese market to expand its size and boost its revenue. For China, on the other hand, Taiwan's continued investment is essential to help absorb the rising unemployment rate. Taiwan also offers China a unique chance to learn from its experience in industry development by taking advantage of the language and cultural similarities. Consequently, CBMs is not only a useful tool regarding the maintaining of peace and stability, but also in providing the structure needed for economic development.

The fifth factor is related to the growing military modernization. Both sides of the Taiwan Strait have procured advanced weapon systems in recent years and there is an imminent risk for an arms race across the Taiwan Strait. The advanced weapon systems are more lethal and precise than previously and any unexpected accidents are likely to cause a serious conflict. In this regard, the CBMs are needed to regulate the military behavior of both sides.

In brief, Taiwan's rising need for CBM-related research is closely connected with the growing tension in the Taiwan Strait. The post-1996 crisis environment is characterized by growing political hostility and increasing military modernization. In this context, the growing Taiwanese interest in CBMs reflects an increasing concern on the island and these measures are seen as a means of stabilizing the Taiwan Strait. To some extent, the function of the CBMs is regarded as more applicable to crisis management in this situation.

### Concept

In Taiwan, the CBMs that were developed in Europe during the Cold War and post-Cold War era are regarded as core elements of conflict prevention and management. Since the mid-1990s, Taiwan has done extensive research on, and endorsed, similar CBM-elements.<sup>13</sup> The reason for the endorsement is simple: these elements, and related concept, developed in Europe under the Conference for Security and Cooperation in Europe (later, the Organization for Security and Cooperation in Europe, OSCE) have been successfully applied in Europe, indicating that they are mature, applicable, and established.

Taiwan is also closely watching the CBM-development in Southeast Asia. Since the early 1990s, the Association of Southeast Asian Nations (ASEAN) has developed relevant CBMs measures to address various security concerns, for example in its relations with neighboring powers. In Taiwan's perspective, the principles used in Europe and Southeast Asia are wisdom of mankind that should be applied to the Taiwan Strait in one way or another, although the concrete steps taken may be different.

Information on these concepts is also easily accessible. Many relevant books and articles have been published in the West, offering both illustrative case studies as well as theoretical frameworks. Needless to say, the Internet has also made the relevant information more easily accessible. All these factors have contributed to make the study of CBMs a growing popular topic in

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<sup>13</sup> For a brief analysis on the origin and development of CBMs in Europe by a Taiwanese analyst, see Jer-ming Chang and Tieh-shang Lee, "Confidence-Building Measures: Review

Taiwan since the mid-1990s.

There is no unified typology regarding the CBMs measures in Taiwan, and some classifies the CBMs measures into four major categories.<sup>14</sup> The first involves communication measures, including the establishment of a hot line between top political and military leaders; regular dialogue and communication between top political and military leaders; communication and verification networks; military personnel, expert and institutional exchange; regional dialogue arrangement; military accident report system; and conflict prevention and consultation.

The second has to do with transparency measures. The purpose of such measures is to make military action transparent and they include: publishing of defense white papers; exchange of defense related information; advanced notification for military action and exercise; joining the UN Register of Conventional Arms; announcement of annual military actions; inviting military observers to watch military exercises; open military bases to visits; exchange on strategic development; and transparency on military deployment.

The third category deals with constraint measures and includes: placing restrictions on large scale military exercises, restricting the number and types of military forces and weapons in military exercises, setting restriction on the types and volumes of deployed weapons, and establishing demilitarized zones and neutral zones.

The fourth category contains verification measures to assure that the above measures are complied with. Concrete measures in this category include: inviting military observer to inspect military exercises; requesting on-site verification; and opening the skies for verification.

Others add another three components to the four mentioned above.<sup>15</sup> They are:

- normative measures, including no-first use, military de-targeting, and

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and Prospect," *Zhanlue yu guoji yanjiu* (2000):1-20; Kuo Lin-wu, "Confidence-Building Measures and Cross-Taiwan Straits Relations," *Zhanlue yu guoji yanjiu* (2000): 130-151.

<sup>14</sup> Jer-ming Chang and Tieh-shang Lee, *ibid.*

<sup>15</sup> Kuo Lin-wu, "Confidence-Building Measures and Cross-Taiwan Straits Relations," *Zhanlue yu guoji yanjiu* (2000): 130-151.

- the establishment of a code of conduct for the sea;
- comprehensive security measures, including rescue and search on the sea; jointly protecting the oceanic ecology; jointly taking action against crime, narcotics and smuggling in the sea, economic cooperation, and human rights protection, as well as joint scientific cooperation;
  - declaration measures, including respecting existing borders and the status quo, respecting sovereign integrity, avoiding military threats, no interference in internal affairs, non-aggression, and peaceful settlement of dispute.

Despite their different categorization, all the cited sources agree that CBMs can help stabilize the Taiwan Strait. At least, to some extent, it can serve as a crisis management mechanism to reduce the risk of accidents and to defuse the growing hostility in the Taiwan Strait. Thereby, such measures can help pave the way for long term peace and stability.

## Proposals

Proposals relating to CBMs emerged after the 1995/1996 Taiwan Strait crisis. Although CBMs are desirable, Taiwan is realistic about the difficulties in implementing them in the Taiwan Strait. Also, the merits and benefits of CBMs have been debated within the Taiwanese research community.

The first CBM-related idea was raised in Taiwan by the former president Lee Teng-hui. During the special national affairs meeting in Taiwan in 1991,<sup>16</sup> among issues, Lee proposed that China should withdraw its forces three hundred kilometers. However, overwhelmed by the domestic political tension at the time – deriving from Lee's attempts to reform Taiwan's representative body - this idea did not attract sufficient attention.

After the 1995/1996 Taiwan Strait crisis, a similar idea emerged again in Taiwan. In April 1998, former premier, Vincent Siew, made a CBMs

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<sup>16</sup> The special national affairs meeting was held amid increasing political tension in Taiwan in 1991. The meeting was a response to those who adamantly argued that those legislators and National Assembly members who were elected in mainland China in 1947 should step down so that Taiwan's representative body could be re-structured to represent people's opinion.

proposal in an address to the Parliament.<sup>17</sup> Siew called on Beijing to establish a CBM-mechanism in the Taiwan Strait. However, no response was made from Beijing.

The media reported that Vincent Siew's remark reflected long term planning by the relevant government agencies. The staff dealing with mainland China affairs reportedly planned to introduce some cooperation programs directed towards China, thereby making use of the improved cross-strait relations in 1997 and 1998.<sup>18</sup> Such programs were to include economy and trade, agriculture, public security, as well as military CBMs.<sup>19</sup> The purpose was to exchange military information so that people on both sides of the Taiwan Strait could be free from the shadow of military confrontation.

Transparency was the major focus of the proposal, at least at this stage. Some levels of transparency had already been achieved. For example, China had irregularly announced its military exercises through the Xinhua news agency so that fishermen could avoid unnecessary damage. However, the Taiwanese strived for more and routine transparency with regard to Chinese military actions so that people on Taiwan could be assured of Beijing's good will.<sup>20</sup>

There has been very high consensus on CBMs with China in Taiwan. This consensus was clearly illustrated during the 2000 presidential elections as it was included in the different campaign platforms of all the presidential candidates regardless of party. The KMT candidate Lien Chan made proposals for CBMs when campaigning in Quemoy, expressing his hopes that peace and mutual trust could be accomplished through a military CBM-mechanism.<sup>21</sup> The DPP candidate, Chen Shui-bian, advocated that "under the precondition of peaceful settlement and equal status, any issue can be negotiated and dialogued, including peace treaty, notification of military

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<sup>17</sup> This section is drawn from *United Daily News (UDN)* April 19 1998, p. 10.

<sup>18</sup> The political atmosphere in the Taiwan Strait improved somewhat in 1997/98, and this resulted in a high level talk between Taiwan and China. In the fall of 1998, Taiwan's chief negotiator, Ku Chen-fu, visited Chinese Premier Jiang Zemin in Beijing.

<sup>19</sup> It seems that Vincent Siew's CBM-proposal was more comprehensive than purely military CBMs.

<sup>20</sup> *United Daily News (UDN)* April 19 1998, p. 10.

<sup>21</sup> *UDN*, January 30, 2000, p. 2.

exercise, CBMs, and hot line...”<sup>22</sup>

After the 2000 election, proposals for CBMs continued to be raised by the new Chen Shui-bian Administration. With regard to the establishment of CBMs with China, the new premier Tang Fei explicitly pointed out that three pre-conditions had to be met before real CBMs could be implemented. The three pre-conditions were: sincerity of the both sides to settle disputes peacefully, mutual respect, and not to provoke the other side militarily or in media.<sup>23</sup>

The above statement by Tang Fei was significant. It indicated a more sophisticated understanding of CBMs. Actually, Premier Tang emphasized that only when a political dialogue could be accomplished, military CBMs could follow. In other words, political dialogue was recognized as a precondition.<sup>24</sup> It also implied an implicit recognition of the political barriers for proposing CBMs with China.

Premier Tang’s remark was totally echoed by the then defense minister Wu Shih-wen.<sup>25</sup> Wu’s remark had several points. The first was that the peaceful settlement of disputes has become a major trend in the post-Cold War era, and that confrontation and hostility has been replaced by negotiation and cooperation respectively.

The second point Wu made was related to the CBMs by both sides of the Taiwan Strait. He said that, based on Beijing’s response toward Taiwan, CBMs would be incrementally proposed by the two sides. However, he emphasized that Beijing’s response would have to include the complete renouncement of the use of force and a promise not to invade Taiwan militarily.

The American factor should also be taken into consideration when making CBM proposals. Taiwan has been requested by the US to endorse CBMs as a means of addressing the growing tension in the Taiwan Strait.<sup>26</sup> The American motive is not difficult to image: in light of the rapid military modernization in the People's Republic of China (PRC) and Taiwan and the

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<sup>22</sup> UDN, January 30, 2000, p. 1.

<sup>23</sup> *United Daily Evening News (UDEN)*, July 4, 2000, p. 2.

<sup>24</sup> Ibid.

<sup>25</sup> Wu’s remark is drawn from UDN, September 18, 2000, p. 4.

political hostility, CBMs could serve to defuse a potential military conflict.

Following the US request, a CBM task force was established under the auspices of the Ministry of National Defense (MND). The mission assigned to the task force was to work out a short, mid, and long term plan for the implementation of CBMs in accordance with Taiwan's need. The ad hoc group did make a thorough study of relevant concepts and made recommendations to the MND.<sup>27</sup>

Some concrete approaches were also proposed. One of the most commonly mentioned suggestions was to have retired military officials play a brokering role in the beginning period, because it is impossible for China to receive Taiwan officials for the CBMs related dialogue before any political stalemate is broken. Dr. Chen Pi-chao, then Vice Defense Minister, also suggested this proposal.<sup>28</sup> Chen said that both sides could let retired military officials communicate with each other in order to gain mutual confidence. However, he was well aware of the problems such a proposal would encounter, knowing that Beijing required Taipei to endorse the "One China" principle, which the DPP government adamantly had opposed.

In fact, some elements of the CBM proposal have been implemented by both sides without prior coordination. In terms of transparency, both sides, for instance, regularly publish their defense white papers to explain their defense related policy, although Beijing needs to do more with regard to the information carried in their defense white paper.. Further, Taiwan's MND has unilaterally made public the timetable for different types of military exercises to be held in the beginning of every year.

## Debate

Although CBMs are desirable in principle, there were internal debates in Taiwan, involving the difficulties/problems in implementing the CBMs as well as the potential merits/benefits of CBMs.

In terms of merits/benefits, the debate has focused on the potentially negative consequences of CBMs. Those skeptical of CBMs have argued that

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<sup>26</sup> UDEN, July 19, 2001, p. 7.

<sup>27</sup> Ibid.



such measures may be detrimental to Taiwan's national interests. In the light of China's growing military capability, they warn that mutual military transparency may be in Taiwan's disadvantage, especially if the transparency measures are implemented in their full scale.

On the other hand, the likelihood that China will even discuss CBMs with Taiwan is not very great. China may regard CBMs with Taiwan as a sign of weakness that will limit their options for action if Taiwan chooses to go independent. The aim of such calculations is to make Taiwan feel insecure. Under this circumstance, there is no incentive at all for China to discuss CBMs with Taiwan.

In a public hearing at the Taiwanese Parliament, a high ranking army official made the above observation. Lieutenant General Sun Taoyu emphasized the fact that CBMs generally are implemented between two or more countries of relatively equal military capability. However, the military imbalance between the two sides of the Taiwan Strait has hindered the formation of a mechanism for CBMs.<sup>29</sup>

General Sun's observation was echoed by others. Some argued that the imbalance in military capability and the difference in geographical size made it unrealistic to expect China to embrace comprehensive CBMs with Taiwan. Consequently, the best Taiwan can hope for is to reach a less sensitive agreement with the Nanjing Military Region (MR).<sup>30</sup> The Nanjing MR is opposite of Taiwan and regarded as the main force that would be deployed against Taiwan in case of a military conflict.<sup>31</sup>

Another reason behind the worries that CBMs may be detrimental to Taiwan's interests is related to Taiwan's links with the US. Some are worried that CBMs may, in the end, tie the hands of Taiwan since China is likely to pressure the US not to sell arms and provide defense assistance to Taiwan once a CBM arrangement is reached between Taiwan and China. In that case, Taiwan will be completely disarmed and the blow to Taiwanese morale will be tremendous.

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<sup>28</sup> UDN, August 16, 2001, p. 2.

<sup>29</sup> UDN, June 24, 2000, p. 13.

<sup>30</sup> Ibid.

<sup>31</sup> UDN, July 4, 2000, p. 2.

Worry also arises in the likelihood of further isolation. Some analysts have argued that what China really has attempted to do for a long time is to bypass Taiwan and negotiate CBM-related arrangements with the US directly. In such a scenario, China's goal would be to further isolate Taiwan and ruin Taiwan's morale. Thus, if this holds true, China can hardly be said to be interested in negotiating CBMs with Taiwan at all.

Another major reason for skepticism is related to politics. Some has pointed out that China prioritizes political dialogue with the goal to pressure Taiwan to accept the "One China principle." If the principle is endorsed by Taiwan, China will be prepared to discuss the issue of "ending the hostility status" in the Taiwan Strait rather than CBMs.<sup>32</sup>

Another interpretation of the political barrier is related to the sequence of building CBMs. Many in Taiwan believe that only after a political dialogue has been initiated, the preconditions for CBM implementation will be met. Therefore, first priority should be placed on finding ways to ameliorate the political relations. Once political confidence has been built up, CBMs can easily be introduced. In other words, politics should be ahead of military CBMs in the Taiwan Strait.

The last difficulty is China's overall strategy. Judging from China's rapidly increasing deployment of ballistic missiles in the southeastern part of China, many analysts in Taiwan and the West hold the view that China is not interested in developing CBMs with Taiwan. Instead, they argue that Beijing attempts to breed panic insecurity in Taiwan, thereby forcing the island to negotiate in China's favor.

### **New Proposals by Taipei**

A new package of proposals was recently put forward by Taipei. The re-elected president, Chen Shui-bian, attempted to achieve a break-through in the stalemated cross-strait relations by presenting a comprehensive framework of proposals at a high level national security meeting on

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<sup>32</sup> UDN, January 20, 1999, p. 13. In a statement made on May 17 2004, China said that if the "One China" principle would be endorsed by Taiwan, both sides could negotiate CBMs. The statement was made three days before President Chen Shui-bian was inaugurated for the second term.

November 10, 2004.<sup>33</sup> The major points of the new proposal include:

- No use of nuclear, biological, and chemical weapons in the Taiwan Strait, following international humanitarian law and international norms. Taiwan will never develop these kinds of weapon, and hope that Beijing will publicly commit to renounce the development and usage of weapons of mass destruction.
- To establish a military buffer zone in order to avoid unexpected accidents and misjudgments. Military aircrafts and ships of both sides should not enter these zones unless absolutely necessary and only after notifying the other side in advance.
- To establish a military security consultation mechanism in the Taiwan Strait that gradually can develop into a code of conduct based on already existing agreements such as the US-China Military Maritime Consultative Agreement of 1998 and the 1972 Incidents at Sea Agreements between the United States and the USSR.
- Based on the 1992 Hong Kong dialogue, the ROC government should actively promote the “Three-Links”, enhancing the economic and trade relationship between the two sides and facilitating cultural exchange. Currently, based on the Taiwan-Hong Kong commercial air route model, issues such as direct chartered cargo flights and chartered passenger flights at the lunar festival, in both directions, are being discussed.

It should be noted that these points were in line with proposals in earlier policy statements. In the Double-Tenth National Day speech of 2005,<sup>34</sup> the above statements were included:

- The two sides should use the 1992 meeting in Hong Kong as a basis and seek possible schemes that are "not necessarily perfect but acceptable," as a preparation for a step forward in the resumption of dialogue and consultation.

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<sup>33</sup> For the public statement of the November 10 national security meeting, see <http://www.president.gov.tw/php-bin/prez/shownews/.php4>.

<sup>34</sup> For the October 10 National Day speech, see <http://www.president.gov.tw/php-bin/prez/shownews/.php4>.

- Both sides should seriously consider the issue of "arms control" and take concrete actions to reduce tension and military threats across the Taiwan Strait.
- Both sides should formally end the state of hostility across the Taiwan Strait and establish confidence-building measures through consultations and dialogues.
- The two sides should review the armament policies and seek to establish the "Code of Conduct across the Taiwan Strait."

In a policy statement, the Mainland China Affairs Council pointed out that the code of conduct covers a variety of concrete CBMs, such as "mutual visit by military officials, exchange of relevant military information, emergency rescue hot line and report mechanism, attending international security related symposia, joint efforts for countering crime, no use of force and no threat to use force, no first use of force, advanced notification of military exercises, no fly over the virtual middle line by military aircrafts, no use of radar to lock aircrafts and ships of the other side."<sup>35</sup>

The goal of the above policies is simple. They aim at developing a predictable and manageable relationship, thereby paving the way for eventual long term peace and stability in the Taiwan Strait. In the course of pursuing this goal, a final arrangement, also involving political re-unification, can be accepted as long as this corresponds to the wish of the Taiwanese people.

It should be emphasized that the above policy statement is not endorsed by the current ruling party alone. As mentioned previously, all major political parties in Taiwan have reached consensus on the issue of CBMs with China. Further, presidential candidates of both the DPP and KMT party promoted CBMs during their election campaign although merits and difficulties had not been extensively discussed at that time.

One of the differences between the two parties is that the currently ruling party, the DPP, has been more precise about the content of such measures. Previously, CBMs were discussed as an idea and principle but were not given any concrete content. The current ruling party has suggested concrete measures and relevant studies have been done after President Chen Shui-

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<sup>35</sup> Mainland China Affairs Council, <<http://www.mac.gov.tw/big5/mlpolicy/wu931014.htm>>.

bian began his second term of office on May 20, 2004.

### **Tacit Practice or Agreement?**

Contrary to what one may think, CBMs have existed between the PRC and Taiwan for more than forty years. Since the early 1950s, both sides have developed practices regarding the conduct of these measures. For instance, when warships of the two sides meet in the strait, they do not target each other, but let all guns in the warships point to the sky. Also, jet fighters of both sides do not lock the other side with radar. These practices illustrate how technical issues can be handled in practice.

The question is if and how this established practice could be translated into a written agreement. The answer to whether it should be done is affirmative since there is a growing need to do so, as stated earlier in this paper. Although the practices have existed for fifty years, the political environment has changed substantially in the past forty years, which makes it necessary to transform these practices into a written agreement.

The greatest change has been within the domestic politics on both sides of the Taiwan Strait. There has been an increasing self-identification in Taiwan, while in China, the leaders of revolutionary generation have been replaced by technocrats whose legitimacy constantly is being challenged. This is particularly the case regarding the rising Chinese nationalism, which has proven to be a difficult issue to handle for the Chinese leaders. Chances are that the changed political environment will make these confidence building practices difficult to sustain in case of a crisis.

As recent events have illustrated, the practice built over the past fifty years has not been enough to deal with the increasing tension. A written agreement can serve as a buffer arrangement, giving legitimate reason to respective political leaders to exercise self restraint in the event of an erroneous attack by the other side. This is especially important in the context of the rising nationalistic and self-identification sentiments among the two populations.

The militaries on both sides also need the CBMs to be written if such measures are to constrain their behavior. The Taiwanese media reported that Taiwanese jet fighters were locked by radar by Chinese jet fighters in

the fall of 2003. The Taiwanese pilots had been instructed not to fire back without prior permission under any condition. However, unilateral self-restraint is not enough to avoid conflict, because pilots under stress may react contrary to previous practices. In such a circumstance, a written CBM could serve as an order from above, which has to be executed rigorously.

## **Conclusion**

There is a growing political stalemate in the Taiwan Strait, which has its origin in political differences. In addition, there are no signs that these political differences will be ameliorated in the short term. Indeed, the Chinese military is preparing for the worst scenario. Under such circumstances, there is a growing need for CBMs.

Nevertheless, there are different views on where to start in this matter. According to Taipei, the political differences should be put aside temporarily and the focus should be to address the more urgent task of the growing military build-up, especially when seen in the context of rising political differences. This approach can be called crisis management oriented - to defuse a potential explosion while allowing more time for addressing the long term problems.

It seems that Beijing has a different perspective. The Chinese leaders require Taipei to accept the "One China" principle before the issue of CBMs can be addressed. However, they have refused to have contact with the currently ruling party because of political distrust. Also, they see no need for CBMs because of Taiwan's self-restraint policy, which means that Taiwan will not attack the PRC under any condition, unless it is being attacked first.

Consensus has been reached in Taiwan with regard to the CBMs with China, although some reservation has been raised. China needs to be realistic. Direct contact between the two sides has to be established although Beijing may distrust the sitting Taiwanese government. Action can be taken, starting with measures with low political sensitivity in order to gradually build up confidence.

Further, Beijing should not wait another four years. Proactive Chinese measures can help improve cross-strait relations. If agreeing to discuss CBMs with its Taiwanese counterparts, the PRC leaders can win the heart

of the people on Taiwan, and reciprocal actions are likely to be taken by Taiwan. Consequently, the frozen relation can be thawed, paving the way for positive development.







## Chapter IX: A Perspective from Pyongyang through Foreign Glasses

Ingolf Kiesow

This paper will try to give a background to the deadlock that exists today between North Korea and USA, focusing on the North Korean side of the problem. First, the economic factors will be analyzed as well as the consequences for North Korean military thinking in the conventional field. Moreover, the strategy in the field of nuclear weapons, as well as the second Non-nuclear Proliferation Treaty (NPT) withdrawal crisis, will be described. Finally, some observations and conclusions will be made.

### The Economic Background

#### *Emerging economic problems*

In the first planning period, during the years of reconstruction following the Korean War, economic growth in North Korea was almost thirty per cent. However, it soon started to slow down and was just above one per cent per year in the beginning of the 1960s. The economic growth then rebounded somewhat, but slowed down again and the national income started to contract toward the end of the 1980s. In the years from 1990 to 1998, the average annual decline was around five per cent. In the good agricultural year of 1999, GNI was growing by six per cent, but this figure went down to 1.2 per cent in 2000 and stayed around this level until the middle of 2002. These figures show how heavily the agricultural yield is affecting the GNI. Consequently, North Korea still has a highly agricultural economy.

North Korea was already beginning to feel structurally strained during the 1980s in two obvious respects: food and energy. In both respects, the

downturn has continued.

In a lecture at the Nautilus Institute for Security and Sustainable Development, Senior Associate David von Hippel<sup>1</sup> showed how the continuing degradation of electricity generation infrastructure has been caused by a lack of spare parts and the use of aggressive fuels (heavy fuel oil, shredded tires) in boilers designed for low-sulfur coal. One reason for this was the continued decline in the supply of crude oil from China.

von Hippel also illustrated how the ensuing lack of electricity caused a continuing degradation of the industrial facilities and reduced the availability of electricity in most parts of the country. In addition, the poor quality electricity caused damage to operating industrial electric motors. The industrial activity was hurt to the extent that eyewitnesses reported of industrial facilities that were being dismantled for scrap. One problem led to another: the lack of electricity led to mine flooding and difficulties in coal production, thereby further reducing the available amounts of energy, which in turn led to a continuing decline in cement and steel production etc.

According to von Hippel's estimates, North Korea's total energy production went down from about 46 terawatt-hours in 1990 to less than 15 in 2000. Following these estimates, in 2000 the industrial output was only 18 per cent of the output in 1990. In the same year, the diesel rail freight only reached 30 per cent and the electric rail freight only 24 per cent of the levels in 1990. For the citizens, this meant that residential coal use dropped to about 50 per cent, electricity use per household to about 29 per cent, diesel tractor use to 40 per cent and fisheries, marine catch to 42 per cent of the levels in 1990.

Although these figures are all estimates, they do indeed indicate that the lack of energy has caused serious problems for North Korea.

The agricultural story is similar. Another document from the Nautilus Institute<sup>2</sup> refers to the United Nations' estimates for cereal production. According to these estimates, the production in North Korea dropped from 4 million tons in 1995 to about 2.8 million tons in 1996 and 1997. This was

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<sup>1</sup> David von Hippel, *The DPRK Energy Sector: Current Status and Options for the Future* 2003 <<http://www.nautilus.org>> (March 15 2004).

<sup>2</sup> Bradley O. Babson, *Economic Cooperation on the Korean Peninsula* 2003, <<http://Nautilus.org/DPRKbriefingbook/economy/issue.html>> (August 15 2003).

followed by a modest recovery to about 3.5 million tons in 1998 - a figure that remained until 2000 when production dropped again to 2.6 million. . In 2001, the cereal production rose again to 3.5 million in the following year.

These figures and fluctuations are quoted to illustrate how vulnerable the North Korean agriculture is to weather factors that affect yields. More importantly, this shows that even in a good year such as 2001, cereal production remains far below the yields of the early 1990s. Consequently, a food deficit of between one and two million tons per year is a grim structural reality for the Democratic People's Republic of Korea (DPRK).

Naturally, the decline in energy and agricultural output has greatly affected the national product. North Korean statistics are based on the concept of Gross National Income (GNI) and estimates show that it fell from 21.3 billion USD to 12.6 billion between 1994 and 1998. Since then, the GNI seems to have stabilized and even recovered slightly. It should be added that since 1996, no economic plan has been announced.

#### *Beginning of economic reforms*

After his father's death in 1994, it took some time for Kim Jong Il to establish himself as the real leader of the country. It happened basically in connection with a number of constitutional amendments in 1998. At the same time, a number of economic reforms were initiated very carefully. Technocrats in charge of the economic management were freed from the oversight of the Central People's Committee, dominated by cadres of the Korean Workers' Party. In addition, in 1998, the local governments were given the responsibility of managing light industries and cooperative farms in local areas, while the cabinet ministers remained in control of the heavy industries. The changes were confirmed in a document entitled "Directives for Economic management", delivered by Kim Jong Il in late 2001.<sup>3</sup>

A whole package of far-reaching reforms was then announced 1 July 2002, including:

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<sup>3</sup> Dominique Dwor-Frécat, *Korea: Long-term Decline in the North Korea Premium* Barclays Capital Research, 2004, 1 <<http://www.barcap.com>> (March 2004).

- multifold increases in the price of food grains, fuel, electricity, transportation, rents and wages. For instance, the price of rice raised 550 times and basic wages 18 times;
- the devaluation of the exchange rate USD/KPW, from 2.15 to 150, close to the black market rate of 200;
- the official legalization of farmers' markets;
- the granting of some price-setting autonomy to consumption goods factories;
- the introduction of a cost accounting system and the abolishment of subsidies to make state enterprises profitable or force them to close;
- the creation of a special economic zone at Sinuiji, on the border with Dandong in China.<sup>4</sup>

While the growth in 2002 was modest, its quality seems to have improved with the presence of light industries and the contraction of heavy industries, suggesting more responsiveness to demand.

Under the “Public Distribution System” (PDS), qualified people in North Korea - excluding workers on collective farms - are allowed to buy a prescribed amount of food at a low price set by the government. This system traditionally applied to almost 80 per cent of the population. The amount of distributed food has gradually been reduced since the 1980s due to food shortage. In the beginning of the 1990s, the share was 450 grams per day for a general worker. Flood disasters and systematic problems in the agricultural sector made it more and more difficult to sustain the distribution system after 1995. In 1996, the daily amount was down to 200 grams and in 1997, it was reduced to merely 100 grams. The amount of food distributed had fallen to 30 per cent.<sup>5</sup>

Indeed, North Korea's problems do remain serious. Economic reforms and liberalization may generate export income, which in its turn can be used to purchase food on the international market, but so far this has not happened.

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<sup>4</sup> Ibid., 3.

<sup>5</sup> Hyun-Sun Park, "A study of the relationship between Strategies for Family Subsistence and Social Integration since North Korean Food Shortages", *Korea and World Affairs* 4 Winter (2003): 486.

In 2004, the food shortage was acute once again. The World Food Program ran out of food and made an appeal to donors to contribute new resources, without which six million North Koreans were said to go hungry. According to a spokeswoman a “funding shortfall caused by an unfavorable political context” was to be blamed. Twenty-eight per cent of North Korea's population is still in need of food aid. Malnutrition, especially among young children, remains a very serious problem.<sup>6</sup>

### *Political changes*

In North Korea, like in the former Soviet Union, the real power lies within the Korean Workers' Party, of which Kim Jong Il already has become the formal leader, albeit by a process that was not in accordance with party rules. The highest organ of the North Korean state is the Supreme People's Assembly (SPA). It has the same function as the parliament in a democratic state. After the death of Kim Il Sung, a new SPA was elected in July 1998 and convened on September 5 the same year. The meeting decided upon a number of revisions of the constitution.

The new constitution states in its preamble that "Kim IL Sung is the founder of the Democratic People's Republic of Korea and the socialist Korea" and that he "is the sun of the nation". It has also abolished the title of “chusok”, the title Kim Il Sung held as head of state. In reality, this title was used for the President of the State and, per definition, made Kim Il Sung the eternal president. The reason for the abolishment was no doubt to preserve for the new leadership of the nation some of the enormous prestige still carried by Kim Il Sung's image even after his death. The ceremonial role of the head of state, in relation to foreign countries, was given to the new post of chairman of the Standing Committee. According to the new constitution, this post is not held by the head of state Kim Jong Il, but by the former foreign minister and vice prime minister Kim Young-nam.

The really important change is that the power of the National Defense Committee has been strengthened. Its task has been widened and it is now "the organ that manages overall national defense issues" and its chairman empowered to "guide overall national defense tasks, to declare a state of war

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<sup>6</sup> BBC News February 9 2004.

and give mobilization orders". Kim Jong Il was declared (not "elected") Chairman of the committee - the highest post of the state. As Chairman, Kim controls and leads the state's total capacities (or potentials) in regards to politics, the military and the economy. In addition, he protects the destiny of the state and the people and symbolically represents the dignity of the people and the honor of the fatherland. This declaration confirms Kim Jong Il's accession to power, as well as the nature of that power. It lay with the military. Of the ten members elected to the committee, eight are professional military leaders on active duty and two are party leaders in charge of military functions.<sup>7</sup>

In the new constitution the working principles of the Supreme People's Assembly have been simplified. Today, a secretariat with eleven members, all heads of various social, labor, peasant and women's organizations, perform the preparatory functions of the assembly. The system of four to six standing committees has been reduced to two: the Bills' Committee and the Appropriations' Committee.

The relation between the SPA and the government has also been simplified. Formerly, the Central People's Committee acted as a kind of super-cabinet and was seconded by the Political Affairs Board, the actual cabinet. These two organs have both been abolished and replaced by the new "Inner House" (the Naegak). It is only administering economic and social policies of the government and is not involved with military affairs. The Ministry of the People's Armed Forces, the former Ministry of Defence, has been excluded from the cabinet and put directly under the guidance of the National Defence Committee.

During the tenth SPA, Kim Jong Il proclaimed his "military first politics" (sonkun Jongchi). The entire constitutional change is a reflection of these politics, which means that North Korea today has a constitutional military government - possibly the only country in the world with such a system. Power is now firmly in the hands of Kim Jong Il and the state has been further militarized.

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<sup>7</sup> Hyun-Suk Park, "North Korea since Kim Jong Il Became General Secretary of the Korean Workers' Party in 1997", *Korea and World Affairs* 4, Winter (2003): 511.

## The Conventional Weapons Dimension

### *Background*

Since no peace agreement was signed between the two sides in the Korean War, there are theoretically two adversaries still remaining on the Korean peninsula: the Korean Peoples Army (KPA) and the People's Liberation Army (PLA) of China in the North and the United Nations Command in the South. In reality, the PLA left North Korea in 1958, while the U.S. forces still remain. The commander of the U.S. Forces Korea (USFK) is in charge of the United Nations Command as well. The armed forces of North and South Korea have taken over all or, as in the case of South Korea, most of the responsibility for the defense.<sup>8</sup>

The U.S. general in charge of the United Nations Command/Combined Forces Command also commands the U.S. Forces Korea. At present, there are about 37,000 American troops in Korea. In case of a contingency on the Korean peninsula, the USFK commander leads the operations undertaken by the U.S. Seventh Fleet and the Seventh U.S. Air Force Command (with bases in Japan).

Growing Korean nationalism and the June 2000 inter-Korean summit have accelerated demands from within South Korea to reshape the structure of the unified command. Also in Washington, discussions about the future deployment of U.S. forces have intensified, especially after the September 11 2001 attack on the World Trade Center. Calls are being made for a reshaping of much of the U.S. military to more effectively cope with changing global security imperatives. Therefore, a negotiating procedure has been initiated.

### *North Korea's armed forces*

Probably because of its initial Soviet tutelage and the limited ground attack capability of the air force, the North Korean army has placed its emphasis on using massive artillery firepower. North Korean ordnance factories produce a variety of self-propelled guns, howitzers, and gun-howitzers. In

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<sup>8</sup> US department of Defense, 2000 *Report to Congress Military situation on the Korean Peninsula* September 12 2000, <<http://defenselink.mil/news/sep2000/korea09122000.html>>, (October 19 2000).



the late 1970s, North Korea began to produce a modified version of the 115 mm gunned T-62 tank, which used to be the main battle tank of the Soviet army. In the 1980s, in order to make the army more mobile and mechanized, there was a steady influx of new tanks, self-propelled artillery, armored personnel carriers and trucks within the North Korean armed forces. The ground forces seldom retire old models of weapons and tend to maintain a large equipment stock, keeping old models along upgraded ones in the active forces or in the reserve.

Over 90 per cent of all KPA personnel are in the ground forces- the North Korean army. The ground forces are made up by approximately 1 million troops today, which is twice as many as within the U.S. Army. In 1993, one U.S. military research report estimated that U.S. and South Korean forces would sustain large casualties in case of a conflict with North Korea. According to the report, 300,000 to 500,000 troops would be killed within the first 90 days of fighting, in addition to hundreds of thousands of civilian casualties.<sup>9</sup>

*What is behind the numbers today?*

The situation today is radically different from what it was after the Korean War. The Soviet Union has dissolved. Russia, its inheritor, is a much weaker power and has cancelled its defense pact with North Korea and the almost free of charge deliveries of oil and technology have ended. China has become an increasingly strong and rapidly modernizing power. Nevertheless, it has, just as Russia, limited its cooperation with and its support to North Korea, with the exception for a formal canceling of the mutual defense pact. It does, however, not seem very likely that China would go to war to defend North Korea in case of an attack by the USA, following the continued North Korean efforts to produce nuclear weapons. Already several years ago, China started demanding cash payment in hard currency for its deliveries to North Korea. However, China has not discontinued entirely the grant deliveries of fuel oil and cereals. North Korea's economy has declined for almost a decade, its people is malnourished, its industry has been brought to an almost complete standstill

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<sup>9</sup> Philip C. Saunders, *Military Options for Dealing with North Korea's Nuclear Program* 2003, <<http://cns.miis.edu/research/korea/dprkmil.htm>> (April 28 2003).

because of fuel shortage, and its GDP seems to have dropped by around one third between 1994 and 1998.<sup>10</sup>

These developments have had an obvious effect on the military balance on the Korean peninsula. During the first four decades following the Korean War, North Korea was clearly superior both regarding the number of different kinds of weapons, and the personnel prepared for a possible war with the South. This is still the case as far as numbers are concerned, but the economic squeeze of the North Korean regime has made new acquisitions and replacement of outdated and defective equipment difficult or nearly impossible. According to the available information, there has only been a short exception from this rule since around 1985. During the years immediately after the death of Kim Il Sung some new military aircraft and missiles were bought from Russia. Otherwise, purchases from abroad have been very few. The domestic weapons production also seems to have been rather limited, with the exception of research and production of certain missiles. Yet U.S. military planners estimate that 25 to 33 per cent of the North Korean GDP is being used for military purposes.<sup>11</sup> The corresponding figure for South Korea is around 3 per cent.<sup>12</sup>

One example may suffice to illustrate the nature of the problem. Reports often refer to estimates of the number of tanks at North Korea's disposal. It is said to be one and a half times as many as the South Korean tanks. However, when such observations are made without qualification, they fail to acknowledge that the North Korean tanks are outdated and, to some extent, possibly not even functioning. The North Korean leaders are not likely to be unaware of the destiny of the Iraqi tank force in the deserts of Kuwait during the first Gulf war. This was often referred to as "turkey shooting" by the allied forces, who could discover, target and hit the Iraqi tanks from the turrets of their own more modern and more sophisticatedly

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<sup>10</sup> Bradley O. Babson, *Economic Cooperation on the Korean Peninsula 2003*, <<http://Nautilus.org/DPRKbriefingbook/economy/issue.html>> (August 15 2003).

<sup>11</sup> Thomas A. Schwarz, General and Commander in Charge, UN Command/Combined Forces Commander and Commander, U.S. Forces Korea, Statement before the Senate Armed Services Committee (March 27 2001), <http://www.korea.army.milpao/news/CINC%20Posture%20Statement%20-%20Mar%202001.htm> (July 2 2003).

<sup>12</sup> The Ministry of National Defense, The Republic of Korea, *Defense White Paper 1999* (Seoul: KIDA Research Cooperation Team, 1999), 135.

equipped tanks before the Iraqis even had realized that they were under attack. In the event that they did realize that they were being targeted, they did not have the firing range to shoot back from the distance that separated them from their adversaries. The Iraqis sat in the same type of Soviet made tanks that still constitute the main stock of North Korea's tank force. However, the Iraqi tanks were actually mostly of a more modern type than the tanks in the North Korean forces of today. (The oldest ones date back to the WWII). To this should be added the threat from South Korean attack helicopters.

Given these disadvantages, it seems unlikely that the North Korean leadership would consider an attack on South Korea by conventional means a serious option, regardless of the presence of American troops. It may have been a serious option around 1980 and possibly not unthinkable before the Gulf war in 1990. Today, however, it is hardly a realistic option. Nevertheless, it would still be possible for North Korea to cause a great deal of damage to the South through an artillery barrage, possibly with weapons of mass destruction. However, it is highly unlikely that such an attack would result in a victory. Moreover, a defeat would likely bring about the downfall of the North Korean regime.

North Korea has seen its own conventional advantage over the South slip away under the pressure of economic constraints caused by its failed economic policy, especially in the agricultural sector. These structural problems began to become serious already around 1979-80. Despite decades of dedicated efforts to build up the military, the result was meager. At first, the hopes for a unification of the two Koreas, through military means, had to be postponed. Then, the continued success of South Korea's economic policy, in combination with the democratization process, eliminated the hopes that social and political discontent in the South would help destabilizing the regime in that part of the peninsula. Finally, the continuation of North Korea's economic hardship not only limited the resources needed to keep up with the South regarding conventional weapons, it even put North Korea at a disadvantage in the competition. In addition, to make matters worse, America signaled a wish to bring about a regime change in North Korea.

*The disappearance of the “Conventional Balance” on the Korean peninsula*

The U.S. military budget is now over 400 billion USD, almost as much as the total for the rest of the world. This policy took shape already during the first Gulf War and was further discussed in the early 1990s. For any medium or small sized country, it has become a hopeless task to deter the USA by conventional means. Thus, a poor nation is tempted to draw the conclusion that nuclear weapons are the only remaining available means to deter the USA. Indeed, for North Korea, this conclusion was further reinforced by the leaked version of the Bush Administration's January 2002 classified Nuclear Posture Review, which lists North Korea as a country against which the United States should be prepared to use nuclear weapons.<sup>13</sup> To the isolated leadership in Pyongyang, the only logical conclusion of this was that America was considering an attack on North Korea.

The whole population of North Korea has been brought up with a fear for the American enemy and his "evil intentions". Kim Jong-Il, the son of Kim Il Sung and present leader of North Korea, is not likely to be an exception. Thus seen from this perspective, his efforts to build a nuclear deterrent are logical.

It may seem unrealistic in the West that North Korea would fear an unprovoked American attack, but the entire North Korean society has focused on the task to reunite Korea by force and has long awaited a possibility to do so. American discussions about how to achieve regime change in Pyongyang are naturally taken as a serious existential threat in a society like North Korea. Indeed, it should not be forgotten that this perspective has been shaped during fifty years of isolation from the outside world and maintained by the vehement anti-American propaganda in the North Korean media.

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<sup>13</sup> Paul Kerr, *North Korea Quits NPT, Says It Will Restart Nuclear Facilities* 2003  
<<http://www.armscontrol.org/country/northkorea/>> (August 18 2003).

## The Nuclear Dimension <sup>14</sup>

### *Background*

North Korea first experienced the usefulness of nuclear weapons when, during the Korean War, the then U.S. secretary of State John Foster Dulles hinted at the possible use of nuclear weapons, should the peace talks in Panmunjom fail. Both he and President Eisenhower later claimed that this had been an important inducement for the Northern side to accept the armistice that finally was signed. In 1955, the Chairman of the U.S. Joint Chiefs of Staff, Admiral Arthur W. Radford announced a U.S. pledge to defend South Korea, if necessary, with nuclear weapons.<sup>15</sup> Already in 1958, following this pledge, the U.S. introduced nuclear artillery shells and nuclear-tipped rockets into South Korea and later on also cruise missiles, land mines and anti-aircraft missiles with nuclear warheads. From that time on, North Korea would operate at a fatal disadvantage in war.<sup>16</sup>

In 1961, North Korea managed to reach a mutual defense treaty with both China and the Soviet Union. In practice, this meant that a "nuclear umbrella" was displayed over the northern part of the peninsula as well. However, the Cuban crisis showed that the Soviet Union could not be counted upon in all confrontations with USA, and the political relations soured with Moscow over several matters. In addition, the Chinese nuclear force that was beginning to emerge after the first Chinese test explosion in 1964 was never a very impressive deterrent against the American nuclear weapons.

Consequently, Kim Il Sung started to pay attention to the possibility of a domestic development of nuclear weapons. During the 1950s, agreements were made with both China and the Soviet Union about the training of North Korean nuclear scientists. In 1964, a Soviet-made nuclear research facility was established at Yongbyon near Pyongyang, which is believed to have begun functioning as a reactor in 1967. Ten years later, North Korea,

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<sup>14</sup> Most of the facts and many of the comments in the following pages have been taken from Michael J. Mazarr's excellent case study in non-proliferation; Michael J. Mazarr, *North Korea and the Bomb, A Case Study in Nonproliferation* (London: Macmillan Press LTD, 1997).

<sup>15</sup> *Ibid*, 16.

<sup>16</sup> *Ibid.*, 21.

probably upon Soviet insistence, signed an International Atomic Energy Agency (IAEA) "type 66" safeguards accord and opened the plant for inspection. The Agency soon began regular inspections, which continued into the 1990s.<sup>17</sup>

During President Nixon's administration, a reduction of all U.S. troops in Asia was initiated toward the end of the war in Vietnam. This included a withdrawal of 24,000 men from South Korea in 1973. The South Korean president, Park Chung Hee was greatly disturbed by the prospects of further American troop withdrawals in view of the establishment of U.S.-Chinese diplomatic relations and a perceived softening of the U.S. defense attitude in Asia in general. A secret nuclear weapons research program was initiated in South Korea, but it was abandoned in 1975 as South Korea ratified the Non-Proliferation Treaty after considerable pressure from Washington.

Park Chung Hee had, however, made some open remarks about the possibility to acquire nuclear technology, if the U.S. nuclear umbrella would be weakened in any respect. North Korean comments from this time seem to indicate that the perspective of a possible secret continuation of the South's nuclear development was one of the reasons why North Korea, during this decade, initiated negotiations with Moscow about the construction of a second, much larger graphite type reactor.<sup>18</sup>

#### *North Korea's nuclear response takes shape*

As China gradually changed its attitude toward the United States and focused on its "Economy-First" policy, including improved trade relations with the West, it became obvious that the Chinese nuclear umbrella, which never had been totally convincing, was lacking in perfection. At the same time, the Soviet Union started to dissolve and Moscow established diplomatic relations with Seoul. It was not even clear that its mutual defense pact with North Korea was relevant any more – in fact it was not and the treaty was later declared invalid (in February 1993<sup>19</sup>). Thus, North Korea was left without any nuclear umbrella. As a result, it began accelerating its own nuclear program.

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<sup>17</sup> Ibid., 25.

<sup>18</sup> Ibid., 26-29.

In the late 1980s North Korea began to neglect its obligations under the IAEA treaty, using as excuse that the USA did not allow inspections of its military facilities in South Korea, which, according to North Korea, had been a precondition for its adherence to the treaty.<sup>20</sup> The USA accepted to hold a "nuclear weapons conference" with North Korea, but it became a difficult meeting with limited exchange of real information. However, North Korea finally accepted to sign a safeguards accord with IAEA in January 1992, covering all its nuclear facilities. In May 1992, the director general of IAEA, Hans Blix, was allowed to inspect a two hundred megawatt power plant construction site at Taechon, uranium ore plants in Pakchon and Pyongsan and research centers in Pyongyang. However, suspicions about unauthorized handling and a possibly production of weapons-grade plutonium then led to IAEA demands for special inspections, which were refuted.

#### *The first NPT withdrawal crisis*

In 1993, the so-called "first NPT withdrawal crisis" broke out. One year later, the crisis was settled though the so called "Agreed Framework" agreement between the USA and North Korea.

The main elements of this agreement have been summarized as follows by Don Oberdorfer (titles added):<sup>21</sup>

#### Light water reactors

- The United States would organize an international consortium to provide light-water reactors (LWR), with a total generating capacity of 2,000 megawatts, by a target date in 2003.

#### Freezing of the nuclear program

- In return, North Korea would freeze all activity on its existing nuclear reactors and related facilities, and permit them to be continuously monitored by IAEA inspectors. The eight thousand fuel rods unloaded from the first reactor would be shipped out of the country.

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<sup>19</sup> Ibid., 96.

<sup>20</sup> Ibid., 56.

<sup>21</sup> Don Oberdorfer, *The Two Koreas* (Revised edition 2001, USA, Basic Books, 1997: 357).

### IAEA special inspections

- North Korea would fully comply with the IAEA, i.e. accepting the "special inspections", before the delivery of key nuclear components of the LWR project, which was estimated to be within five years. The DPRK's existing nuclear facilities would be completely dismantled by the time the LWR project was completed (estimated within ten years).

### Shipments of fuel oil

- The United States would arrange to supply 500,000 tons of heavy fuel annually to make up for the energy losses in North Korea before the LWRs came into operation.

### Trade, relations and guarantees

- The two states would reduce existing barriers to trade and investment and open diplomatic liaison offices in each other's capitals as initial steps toward a full normalization of their diplomatic relations. The United States would provide formal assurances against the threat, or use, of nuclear weapons against North Korea.

### North-South Dialogue

- North Korea would implement the 1991 North-South joint declaration on the demilitarization of the Korean peninsula and re-engage in the North-South dialogue.

### *A missile threat over Japan*

On the August 31 1998, North Korea launched its first multi-staged rocket, named Taepo Dong-1, in an unsuccessful attempt to place a satellite in orbit.<sup>22</sup> It was a three-stage rocket<sup>23</sup>, meaning that North Korea, on its own, had been able to develop its earlier missile program into a more advanced long-range, and possibly, intercontinental program. In addition, its payload was heavy enough to be compared to a small nuclear device. Although the test-flight was unsuccessful in that the satellite (which North Korea claimed

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<sup>22</sup> Howard Diamond, *N. Korea Launches Staged Rocket That Overflies Japanese Territory* 1998 <<http://www.armscontrol.org/country/northkorea/>>, (August 18 2003).



was intended for peaceful purposes) was not placed in orbit, it had flown over the northern island of Japan and landed a little more than 1,000 miles away from its launching point. In Japan, this led to a revision of its defense policy. The Diet (or Parliament) requested the government to initiate a project that would place two reconnaissance satellites in orbit in order to provide Japan with an independent early warning system covering North Korea.

#### *Non-implementation of the Agreed Framework*

In August 2003, most of what had been promised by the two sides in the “Framework” had not happened. A consortium had been formed, called KEDO, between the United States, Japan and South Korea to provide North Korea with light water reactors. However, North Korea refused – as it had said it would – to accept that the reactors explicitly were specified to be of South Korean design and produce. The target date for delivery had already passed. North Korea had not allowed full inspections and referred to the non-fulfillment by the U.S. The fuel rods had been canned, but they had not been shipped out of North Korea, since no LWR had been delivered. Also, for the same reason, North Korea's nuclear facilities had not been dismantled.

Due to "financial difficulties" the KEDO rarely delivered the annual 500,000 tons of heavy fuel oil. Most years only a minor fraction of the agreed volume reached North Korea and in 2003 no oil at all was shipped. The USA had not reduced the trade barriers for trade with North Korea and had not issued any formal assurance against the use of nuclear weapons against North Korea. Moreover, no diplomatic liaison office had opened in any one of the capitals and there had been no demilitarization on the Korean peninsula.

#### **The Second NPT withdrawal Crisis**

North Korea announced on the December 12 2002, that it was restarting the

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<sup>23</sup> David C. Wright, *Assessment of the North Korean Missile Threat*, The Nautilus Institute, Policy Forum Online, 2003 <[http://www.nautilus.org/fora/security/032A\\_%20Wright.html](http://www.nautilus.org/fora/security/032A_%20Wright.html)> (May 25 2004).

nuclear facilities that had been frozen since 1994 and ordered the international monitors to leave the country. The reason for this was, according to North Korea, that compelling needs for electricity had made it necessary. This was followed, on January 10 2003, by the announcement that North Korea immediately was withdrawing from the NPT.

In April 2003, when the ninety day period after the withdrawal announcement had expired, North Korea's withdrawal from the NPT was a fact. This is the first time that a country has ever withdrawn from the treaty. Formally, from this date North Korea is no longer bound by the treaty obligations and need not to refrain from the production of nuclear weapons.

#### *North Korea's nuclear assets and options for a U.S. military response*

According to some sources, North Korea's nuclear weapons program was initiated already during the early 1960s, while the civil nuclear energy program was initiated during the 1950s. Although the nuclear weapons program did not attract much attention before the 1980s, a number of circumstances indicate that a nuclear program may have been undertaken parallel to the development of the civil nuclear energy program.

There were some indications during the 1980s that North Korea had contacts with Pakistan regarding nuclear weapons technology. In 1985, intelligence began to emerge about the nuclear weapons program and finally, in 1999, a high-ranking North Korean deserter revealed in an interview that North Korea had such a program.

It is difficult to say whether North Korea has any ready and functioning nuclear weapons since this may not be confirmed unless a test explosion is undertaken. According to U.S. Secretary of Defense, Donald Rumsfeld, North Korea is likely to have one to three functioning nuclear weapons. Others claim that it may as well have a capability to install them on intercontinental missiles. In regards to North Korean nuclear charge constructions no information is available at present.

Initially, North Korea was thought to only be using plutonium as fissile material. However, in 2002, some North Korean officials declared that uranium was also being used. If true, this means that two different methods

are being tried at the same time. Indeed, more indications point in this direction.<sup>24</sup>

An FOI study has been made about the options the USA would have to eliminate North Korea's infrastructure for the production of nuclear weapons –an option that President George W. Bush wants to keep open.<sup>25</sup> According to the findings in the FOI report, the USA could knock out a substantial part of North Korea's nuclear infrastructure by launching a surprise attack. Some important components would, however, remain intact, like the nuclear weapons (or fissile material) and the carriers of these weapons.

South Korea's government has refuted the idea of coercing North Korea to discontinue its nuclear program by military means, and the USA will find it difficult to gain support from its allies for such operations.

If North Korea feels forced to undertake a military operation (for a pre-emptive purpose or as a response to an American attack on its infrastructure) it will most likely be an artillery barrage on Seoul and its surroundings.

Due to political reasons, a North Korean counter-offensive in the form of a nuclear attack against South Korea is rather improbable. It is, however, possible that American bases in Japan, or American forces at sea, could come under attack.

### *One American logic blocking - and a North Korean one*

America, the rest of the world, and especially North Korea's neighbors now involved in the six-nation talks in Beijing, want to see the dismantling of both North Korea's openly admitted plutonium program, as well as its secret uranium enrichment program. However, President George W. Bush has repeated many times<sup>26</sup> that he will not reward North Korea for nuclear

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<sup>24</sup> Lars Wigg and John Rydqvist, *PM angående Nordkoreas kärnvapenprogram*, [Memorandum on North Korea's nuclear weapons program] (Stockholm: Swedish Defence Research Agency, 2002).

<sup>25</sup> Lars Wigg, *USA:s möjligheter att bekämpa Nordkoreas nukleära infrastruktur*, [The American possibilities to contest North Korea's nuclear infrastructure] MEMO 03-2665 (Stockholm: Swedish Defence research Agency, November 20 2003).

<sup>26</sup> For instance in an election speech reported by *The Chosun Ilbo* February 27 2004

blackmail. This means that the U.S. is not prepared to sign a treaty where it promises to refrain from nuclear threats. Neither will it provide fuel oil or power plants to North Korea in return for its dismantling of the nuclear program. Since the USA insists on first seeing a "CVID" (Complete, Verifiable and Irreversible Disarmament) of North Korea's nuclear assets and since North Korea insists on first being given reliable security guarantees, the talks has not yet produced any real results.

After having been forced to initiate far-reaching economic reforms, North Korea is in desperate need of aid in the form of capital and expertise to help it from total economic and social collapse. However, North Korea fears an American attack or nuclear blackmail and insists on security guarantees before it is willing to dismantle any facility that may deter America. Since such guarantees are not forthcoming, the talks cannot make progress for the time being.

## Observations and Conclusions

*North Korea seems to be preparing itself to withstand further isolation*

North Korea is suffering from two chronic and structural problems because it lacks arable land areas large enough to make the country self-sufficient in food production. In addition, it lacks suitable energy raw materials. A simple response to this situation would be to produce light industry goods suitable for export and thereby gain foreign currency that can be used for the necessary imports of food and energy raw material. However, the conflict with South Korea has made this impossible since it makes it mandatory (in the minds of the leaders) to focus on heavy industry and the production of arms. This policy was made into a propaganda platform by the introduction of the so-called Juche idea.

Today's situation was already beginning to emerge in the early 1980s, when the Soviet Union and China refused to play the role of main suppliers of food and fuel to North Korea without receiving proper payment. North Korea's difficulties have intensified by the effects of the vicious circle, by

which a lack of energy decreases the production of fertilizers and the activity of the pumping stations in the irrigation network. This, in turn, damages the agricultural production, which increases the need to import food, which decreases the amount of foreign currency available for fuel import and so on. The situation became an emergency as yearly natural calamities worsened the situation in the late 1990s which led to starvation or near starvation among large parts of the population.

In general terms, the economic situation is no longer deteriorating, but it has not improved either in the years 2000 to 2004. Any meteorological calamity of the type regularly occurring in Korea will greatly impact the economy, which still is heavily dependent on the agricultural sector. In previous years, North Korea was in need of about one million tons of cereals in aid from the international community every year. In 2004, however, North Korea seems to have managed with 540,000 tons. Nevertheless, in case of a new disaster, this figure can easily reach one million tons or more again. The average North Korean is still not receiving the daily amount of calories that is regarded as a minimum for a healthy consumption, not even with the international community paying for about one fourth of the total needs every year.

The recently introduced economic reforms aim at the roots of this problem, but they meet resistance from the adherents of the Juche Idea. They also collide with the military's wish to continue to receive the benefits from the heavy industry production. Some parts of the military establishment may understand that a richer country would produce more and better arms, but the more common reaction seems to be that heavy industry must get the highest priority with little regard for light industry or agriculture. Since Kim Jong Il is more dependent on the support from the military than his father, he must be facing a dilemma, but of this there is little evidence obvious to the outside world.

The political struggle between the different camps inside the North Korean leadership made it necessary to declare a reversal of the economic policy at the party congress in March 2004. The Party is now stressing planning, self-sufficiency in agriculture, central guidance and priority for the heavy industry and is only paying lip service to the need of finding new markets and fields of production for the export industry. In November 2004, the

DPRK notified the People's Republic of China (PRC) of its intention to cancel the important plan, announced July 1 2002, to create a special economic zone at Sinuiji, on the border with Dangong in China.<sup>27</sup> Furthermore, the Korean Central News Agency has carried strongly worded articles against the South Korean "vociferating" that its most important task is to lead the North to "reform" and "opening". Such calls are labeled "anti-ethical", "anti-national perfidy" and are seen as a proof of South Korea's ambition for "unification through absorption".<sup>28</sup>

This seems to be intended as a warning, both to North Korean citizens not to discuss the concepts of "reform" or "opening" with foreigners, and to the outside world that the time of reform policy and opening is over. In this way, North Korea wants to show that it is preparing itself for a continuation of its isolation from the outside world and a return to Kim Il Sung's old concept of "Juche".

*North Korea "does not buy" CVID without compensation*

As long as the USA continues to insist on unconditional Complete, Verifiable and Irreversible Destruction (CVID) of all nuclear weapons in North Korea, without offering any binding security guarantees, or promises regarding energy aid or trade, North Korea seems to be planning for further isolation (and possibly continuation of its nuclear program). This most likely means further deterioration of its economic situation and worse sufferings for the North Korean population.

It seems probable, however, that it will not be difficult to engage North Korea in serious negotiations (aiming at CVID) again, provided that there are real prospects for meaningful results, including security guarantees, aid etc. Meanwhile, North Korea is likely to attend working group meetings and other efforts to keep the process alive, but without making any real substantial offers.

The U.S. administration has responded to North Korea's nuclear and missile programs with pressure and tries to make its allies unite in sanctions against North Korea. Japan has, for instance, introduced a new system of sanctions,

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<sup>27</sup> *Napsnet Daily Report* <<http://www.nautilus.org>> (November 8 2004).

<sup>28</sup> *Korea Central News Agency* (November 3 2004)

which makes it impossible for the association "friends of North Korea" - mainly made up by ethnic Koreans living in Japan - to send money to North Korea. Such donations have become a quite important source of income to the regime in Pyongyang. Efforts have also been made to stop all North Korean economic activities that are not in conformity with internationally accepted rules.

*Options for non-proliferation efforts*

North Korea is close to having developed a nuclear device, or may already have produced one or several such devices. One or several of these devices may also have been made into weapons. This is impossible to know, but the longer the present stalemate continues, the more likely it will be that North Korea will develop such devices or weapons.

Non-proliferation seems to have come to a dead end in the case of North Korea, and the existence of a nuclear device in yet another state seems to be a fait accompli. The CVID does not seem to work and should consequently be reconsidered. The non-proliferation efforts regarding North Korea thus require a re-examination in an international perspective.

The six-nation talks are important for other reasons than non-proliferation. They should not be allowed to break down because they have failed to prevent the proliferation of nuclear weapons. The process is valuable and could, at least, bring about some measure of weapons control.

It does not seem probable that the outside world will be able to convince a majority of the North Koreans that their economic situation is the result of their own failed economic policy. They may realize, to some extent, that mistakes have been made and definitely that there are structural problems. However, the population in North Korea seems to be genuinely convinced that "American sanctions" are to blame for their inability to overcome the problems at hand. This illustrates an important problem of communication, since North Koreans are both nationalistic and tend to react strongly and united against outside pressure.







## Chapter X: Dilemmas of South Korea's New Approaches to Conflict Prevention

Kyudok Hong

### Introduction

The Korean peninsula remains one of the most heavily fortified territories in the world. The demilitarized zone on the Korean peninsula is still of great strategic importance at a time when traditional boundaries in other regions have lost some of their geographical significance as a result of the end of the Cold War. Deterrence against North Korean military threats remains a predominant concern among policy makers. Added to the already tense situation between the two Koreas, there are now a host of new problems related to environmental degradation and economic difficulties in North Korea that are pressuring the region and creating new security dilemmas. This makes the efforts begun under Kim Dae-jung's "sunshine policy" and now embodied in Roh Moo-hyun's "policy of peace and prosperity", a program to promote confidence and trust on the Korean peninsula, so important for the security of, not only the two Koreas, but to the broader Northeast Asian region as well.

Korea's dilemma is overwhelming since policy makers have to face not only an imminent security threat including nuclear proliferation but also non-conventional threats, arising from Pyongyang's economic crisis, famine, and environmental scarcity at the same time. Both are somehow closely related. As a matter of fact, North Korea's decision to pursue a nuclear weapons program and their demand for 500,000 tons of heavy oil and two light water reactors for suspending further development of their nuclear program in 1994 suggests that energy matters play deeply into security concerns in the Northeast Asia region.

It is significant that even after North Korea admitted to developing highly enriched uranium (HEU) and pulled out of the Nuclear Non-Proliferation Treaty, South Korea under President Roh Moo-hyun has continued to support dialogue and expand inter-Korean economic cooperation. However, his call for a softer approach toward the North created confusion at home by dividing the Korean society sharply into pro-Roh and anti-Roh lines. Moreover, his policy dramatically increased the level of confusion and discontent among those members of Bush administration over how to handle those threats from the North.

This chapter begins by introducing Seoul's conflict prevention efforts to bring both North Korea and the Bush administration to the table of six-party talks and looks into several problems and obstacles that remain in the process of solving the nuclear standoff peacefully. The second part makes a brief analysis of non-conventional threats South Korea currently faces. Special attention is made to explain how North Korea's economic and environmental problems including famine, refugees and the two dams that have been built during the past two years affect Seoul's security environment.

Thirdly, this chapter concludes with a brief analysis on the utility of Seoul's confidence building measures that were specifically designed in preventing and managing conflict on the Korean peninsula.

### **Korean Efforts for Preventing Conflict**

Conflict prevention has been the most urgent task for the Korean government since President Bush decisively won the November 2004 election. Concern has continued to grow over the national security amid speculation that the U.S. will get tougher with the North with the possible rise of hawkish neo-conservatives in the second-term Bush administration. President Roh strongly believes that the 2nd term of Bush administration would step up to increase the level of pressure against Kim Jong-il regime unless Washington is persuaded not to do so. In his speech at the World Affairs Council in Los Angeles on November 13, 2004, President Roh made it clear that a hard-line approach will only prolong the sense of instability and threat indefinitely and therefore he clearly expressed his objections to

any military options backed by ‘neocons’.<sup>1</sup> (See Table 1)

Table 1. Different Perspectives by Bush and Roh

ROK (President Roh)	U.S (President Bush)
Opposition of the use of military action against North Korea	No intention of preemptive attack against North Korea
North Korea’s nuclear weapons program is intended to deter outside threats	U.S did not pose a threat to North Korea in the first place.
No evidence that North Korea is connected with terrorist organizations	List North Korea annually on the State Department list of state-sponsored terrorism
North Korea will abandon nuclear weapons eventually.	Possible to arm with nuclear weapons for its regime security guarantee
Reserve USFK Strategic Flexibility	Strategic Flexibility is indispensable.

< Source *Chosun Ilbo* (November 15 2004) sec. A3>

It is Roh’s understanding that any failure to settle the North Korea’s nuclear quagmire through peaceful and diplomatic means bears serious negative security implications for the Korean peninsula, the Northeast Asia region, and the world. It can severely destabilize the situation by breaking inter-Korean military balance and heightening chances for conflict escalation.

A nuclear North Korea can also threaten regional strategic stability by precipitating a precarious nuclear domino effect in Northeast Asia. More importantly, nuclear proliferation through North Korea’s transfer of nuclear materials to rogue states and global terrorists can be accompanied by formidable threats to global security as well. Thus, the North Korean nuclear problem is not simply a peninsular issue, but touches on the common security of the region and the world.

That is why President Roh Moo-hyun has emphasized the necessity of close

<sup>1</sup> Jae-yun Shim, "Roh Opposes Sanctions Against North Korea" *Korea Times*, November 14 2004, <<http://search.hankooki.com>> (November 14 2004).

Seoul-Washington consultation to achieve the goal of a peaceful resolution to the nuclear standoff at the forthcoming six-party talks when he met President Bush administration at the APEC Forum in Chile on November 21, 2004. According to Foreign Minister Ban Ki-moon, President Roh and President Bush agreed to put a high priority on the swift resolution of the issue.<sup>2</sup> At the meeting President Roh underlined that the North Korean nuclear issue is the most important thing to South Korea and therefore it is necessary for the second Bush administration to make the issue its No.1 priority and resolve the issue in a peaceful way.<sup>3</sup>

South Korea works very hard to persuade the U.S. that it is necessary to look at the issue from Pyongyang's own perspective. In principle, President Bush agreed with him to resolve the North Korean nuclear standoff peacefully within the framework of the six-party talks. However, it is highly unlikely for President Bush to soften his stance against Kim Jong Il as President Roh and other progressive leaders in Korea wish. As a matter of fact, Bush emphasized the united efforts among allies against the North Korea and demanded Kim Jong Il once again to get rid of nuclear weapons programs.<sup>4</sup> President Bush carefully avoided criticizing Kim Jong Il at the bilateral meeting with Roh but he was clearly concerned that President Roh might diverge from the American strategy and will offer the North more aid and investment even before it agrees to surrender its nuclear capabilities, halt its production of new weapons and allow open inspection.

### **Problems and Obstacles**

One of the major difficulties in resolving the nuclear standoff is a deep-rooted mutual distrust between the U.S. and North Korea, which has produced several salient contending issues.

First, there is a new challenge of dealing with the highly enriched program (HEU). Whereas the United States demand Pyongyang to disclose all the

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<sup>2</sup> Key-note Speech by H.E. Ban Ki-moon at the Conference for International Economic Policy, organized by Samsung Economic Research Institute and Korea Institute, on December 10 2004 at Chosun Hotel, Seoul, Korea <<http://web@mofat.go.kr>>.

<sup>3</sup> Choi Hoon and Min Seong-Jae, "Bush, Roh said to agree on how to handle North," *Joong Ang Daily*, November 22 2004, <<http://service.joins.com>> (January 25 2005).

<sup>4</sup> Ibid.

details of its secret activities, North Korea consistently denied its existence by arguing that it is nothing but an American fabrication. North Korea first admitted to its existence during James Kelly's visit to Pyongyang in October 2002 but Kang Sok-joo, the first deputy foreign minister now denies what he said and insists that what he meant by was to emphasize its sovereign entitlement to nuclear weapons.<sup>5</sup>

However, the U.S. suspected that North Korea had already engaged in developing HEU even before it signed the Agreed Framework during the Clinton Administration. The U.S. intelligence seems to have acquired convincing information that Pyongyang was indeed constructing a uranium enrichment program through its recently revealed connection to Pakistan.<sup>6</sup>

Second, the two countries have shown a considerable gap in finding solutions to the current standoff. The United States has been calling for 'dismantle first, then security assurance and compensation for North Korea' but North Korea has rejected the offer by proposing a simultaneous exchange of its public declaration to eliminate its nuclear weapons for American security assurance and other "bold" initiatives that the Bush administration has suggested.

At the third six-party talks, Washington has finally proposed that it will give three months for North Korea to prepare for discarding nuclear weapons before allowing intrusive international inspections. During the period of three months, Washington is not going to supply heavy oils but allow Japan, South Korea, and China to provide Pyongyang substitute energies. The two-phase proposal, which was the Bush administration's first concrete offer to resolve the dispute by providing incentives for North Korea to freeze first and then dismantle its nuclear program should be considered as a moderated one that responds to recommendations of other participants.<sup>7</sup> Yet, Pyongyang apparently rejected Washington's offer.

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<sup>5</sup> Chung-in Moon, "The North Korean Nuclear Problem and Multilateral Cooperation: The Case of Six Party Talks," *The White Book on the North Korean Economy* (Seoul: Korea Institute for International Economic Policy, 2004)

<sup>6</sup> Kang Choi, "An Assessment of North Korea's Intentions and Strategies" *Coping with Korea's Security Challenges*, 1, North Korean Nuclear Issue (Seoul: Institute of Foreign Affairs and National Security, 2004) <<http://web.mofat.go.kr>> (December 23 2004).

<sup>7</sup> Paul Kerr, "U.S. Allies Split on North Korea; Talks Stalled as Pyongyang Waits" *Arms Control Today*, December 2004, <<http://www.armscontrol.org>> (December 12 2004).

North Korea has demanded economic aid provisions in addition to compensations for the delay in construction of the Light Water Reactors in package form. It seems that nuclear options might be considered as a means for North Korea to gain not only economic assistance but also its regime security. Therefore, Pyongyang considers that its best option would be to retain its nuclear capabilities by maintaining its ambiguity. Of course, Pyongyang wishes to be treated as a de facto nuclear-state as Pakistan, however, in the worst situation, North Korean leaders would eliminate its nuclear weapons program in exchange for regime security and provisions for economic aid and assistance.

Third, the United States argues that since North Korea clearly violated the Geneva Agreed Framework by clandestinely developing HEU, it deserves punitive measures. North Korea's behavior is an outright breach of trust, and there should be no incentives for negotiations. However, North Korea accuses the U.S. of having violated the letter and spirit of the agreed framework. Its accusations include non-delivery of one light-water nuclear reactor by 2003, suspension of heavy oil supply, premature demand of obligatory inspection of nuclear facilities that should have taken place only after the delivery of turbine and generator for the first LWR, no relaxation of barriers to trade and investment including telecommunication services and a financial and banking settlement within three months of signing the Agreed Framework, violation of negative security assurance provisions in the Agreed Framework and the NPT by positing North Korea as a target for preemptive nuclear attack, nullification of bilateral agreement on non-hostile intent, mutual respect, and non-interference with domestic affairs by declaring North Korea of a rogue state and 'axis of evil', and the attempt to overthrow its regime, and the breaching its pledge to support inter-Korean exchanges and cooperation by obstructing North-South economic cooperation.

Fourth, the United States and North Korea have also differed in the modality of negotiation. North Korea has persistently demanded direct bilateral talks with the United States since they believe that no other parties but the U.S. can guarantee the North its security. But the Bush administration rejected North Korea's offer of bilateral talks by pushing for a multilateral six-party talks. The Bush administration wants to exert the

collective pressures of the international community against North Korea.<sup>8</sup>

Against this backdrop, the Roh Moo-hyun government tries hard to bridge the gap between Pyongyang and Washington. (See Table 1) President Roh has openly demanded that the Bush administration needs to be more flexible in suggesting incentives if North Korea decides to give up the nuclear capabilities. According to Foreign Minister Ban Ki-moon, “the Korean government expects that stepping up economic interaction and humanitarian assistance will encourage North Korea to take a more positive stance, ultimately leading to North Korea’s cooperation for progress in the overall security environment.”<sup>9</sup> However, his government also made it clear to Pyongyang that it must make the strategic decision to dismantle its nuclear programs, including its uranium enrichment programs once and for all.<sup>10</sup>

Although it never officially admits, Seoul is preparing for another round of North-South summit meeting to discuss those pending issues including peaceful resolution of nuclear crisis. However, key question is whether inter-Korean summit would help to reduce such a fundamental gap between the Bush administration and Kim Jong-il regime. The second Bush administration is now emphasizing that ending the tyranny can be the goal that America must continue.<sup>11</sup> Can the second Bush administration live with Kim Jong Il regime if Pyongyang gives up its nuclear option? It is highly unlikely to expect that the second Bush administration will be able to compromise with the world’s longest surviving Stalinist dictatorship as President and Secretary of State Nominee describe North Korea as one of “outposts of tyranny”.<sup>12</sup> Considering the fact that the U.S. Senate and House of Representatives have already passed the North Korean Human Rights Act unanimously on October 2004 and it will be difficult for the Bush administration to accept Kim Jong Il as partner for future security

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<sup>8</sup> Colin Powell, "No Direct Bargaining with North Korea" *Washington File*, October 21, 2004 <<http://usembassy.state.gov/ircseoul/www/wh5340.html>>.

<sup>9</sup> Key-note Speech by H.E. Ban Ki-moon at the Conference for International Economic Policy, organized by Samsung Economic Research Institute and Korea Institute, on December 10 2004 at Chosun Hotel, Seoul, Korea <<http://web@mofat.go.kr>>.

<sup>10</sup> Ibid.

<sup>11</sup> President Bush’s Inaugural Address, *Washington Post*, January 21, 2005, sec. A. 24.

<sup>12</sup> Glenn Kessler, "Rice Goes From the Inside to the Front" *Washington Post*, January 17, 2005, sec. A.1, A4.



dialogue. There is little that South Korean leaders can do if President Bush continues to moralize his foreign policy and demonizes Kim Jong Il as an evil leader or a tyrant.

### **Non-Conventional Security Threats**

According to Thomas Homer-Dixon, the environmental scarcity could lead to international conflict competing ethnic groups, or significant out-migration to countries better able to cope with environmental stresses.<sup>13</sup> The impact of environmental decline in broad areas of North Korea has been evident for many years. Many North Koreans suffer from famine and extreme poverty. More than two million North Koreans are reported to have died from starvation and related diseases between 1994 and 1998, and large pockets of hunger and starvation remains in many rural areas.<sup>14</sup> At least 40 percent of children under five are malnourished, according to the World Food Program. Moreover, more than 300,000 people are reported to cross North Korea's borders with China and Russia in search for food and safe shelter.<sup>15</sup>

North Korea's environmental problems are loosely linked to its economic situation. Economic crisis has exacerbated food shortages and created vast health problems for the nation. It also has contributed to environmental degradation not just in North Korea but for the Korean Peninsula and the Northeast Asian region more generally.

Escapees from the North creates dilemmas for North Korea's neighboring states, which even if touched by humanitarian concerns, are understandably wary of permanently housing ever-growing numbers of North Korean escapees. As long as North Korea does not improve its food situation urgently, South Korea, China, Japan and the United States will have to face these festering humanitarian and environmental problems.

While currently, it is China that is bearing the brunt of the migrant flows, in the future if the scale of the problem gets worse, the United States, Japan,

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<sup>13</sup> Thomas Homer-Dixon, "Environmental Scarcity and Intergroup Conflict," in *World Security: Challenges for a New Century*, eds. Michael T. Klare and Daniel C. Thomas (New York: St. Martin's Press, 1994), 298-99.

<sup>14</sup> Roberta Cohen, "Aid Meant for the Hungry," *New York Times*, May 16, 2002, sec. A19.

and the European Union might have to open their doors for permanent resettlement. This issue must be regarded as a major concern not only for South Korea but also the greater Northeast Asian region. There are many who concerned that the refugee/escapee issue could grow worse and that it has the potential to lead to massive human rights violations or even to a deadly conflict among ethnic groups or concerned states in the region. Therefore, some suggest that measures to prevent such a crisis must be taken. Strengthening the capacity of regional organizations to engage in mediation and preventive diplomacy will be one of the important options for the future.<sup>16</sup>

Another important environmental threat that South Korea currently faces is related with North Korea's "Innam" Dam, which was recently built near Mt. Geumgang on the east coast just beyond the DMZ.<sup>17</sup> While it is understandable that the energy-starved North has been building dams, the dams are wreaking havoc for South Korea's water ways. As a result of the Innam Dam and "the Fifth of April" dam, the south's Bukhan River, which is the northern part of the Han River, and the Imjin River, which runs across the DMZ in the northwest of Seoul, have dwindled into small streams. South Korea's hydroelectric generators at Hawcheon, Uiam, and Chuncheon have been forced to suspend operations when water levels are too low. The diversions could lead to a weakening of the river's self-purification ability, raising concerns about the water quality at the Paldang Dam, which is the major source of drinking water for the 12 million inhabitants of Seoul. Furthermore, the areas around Imjin River, including Paju, Munsan and Yeoncheon have been seriously hit by floods since the completion of the "Fifth of April" Dam in March 2001.

There are mounting concerns among South Koreans about the possible collapse of the Innam Dam due to its suspected shoddy construction. On June 2002, the South Korean government released the U.S. satellite photos showing two large cracks in the upper portion of the dam. According to

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<sup>15</sup> Ibid.

<sup>16</sup> See John Feffer, "Forgotten Lessons of Helsinki: Human Rights and U.S.-North Korean Relations" *World Policy Journal* XXI, 3 Fall (2004): 31-39.

<sup>17</sup> The story of the consequences of dam construction in North Korea is prepared as a chapter for the book on Environmental Security which will be published by the United States Institute of Peace in 2005.

government sources, the dam can hold 2.6 billion tons of water, and therefore, flood damage along the river would be overwhelming if the structure collapsed. North Korea denied Seoul's claims of cracks and strongly rejected Seoul's expressions of concern. Despite the North's rebuttal, Seoul began to prepare for a possible collapse of the dam and they decided to strengthen the structure of Peace Dam that was constructed in 1980s in order to prevent the potential water offensive from North Korea.

As a result of problems, many people in South Korea is now coming to recognize that North Korea's inter-locking problems of poverty, environmental degradation, lack of energy and famine pose real security threats. While the nuclear crisis is capturing the headlines, the reality is that in the future it will be difficult to deter pending man-made disasters unless North Korea is offered help and accepts that help. Cooperation for the safe management of dams and the shared water resources of the Han and Imjin Rivers is essential.

While it seems futile to persuade North Korea to give up the nuclear card, it is in South Korea's long-term interests to help North Korea recover economically and protect its environment. North Korea should not be permitted or pushed to repeat the same mistakes South Korea and others made in the process of industrialization, and should be encouraged to protect the ecosystems it shares with South Korea.

### **Confidence and Security Building Measures**

As the case of dam construction clearly shows, the North and South paid a high price by not consulting each other regarding their energy problems. Pyongyang's decision to build a dam to generate more hydroelectricity causes enormous financial and environmental burdens for the South that could otherwise be spent to help the North. Seoul has had to spend billions of won to develop counter measures against the North's dam construction.

There have been fourteen ministerial talks and more than one hundred occasions where dialogues were held and ways to promote cooperation between the two Koreas were discussed. South Korea has provided aid to North Korea to deal with the famine and economic crisis that was crippling the country and causing widespread misery. Emergency relief efforts

included provisions of food and fertilizer that could be used to increase domestic agricultural production. South Korea also extended assistance in the areas of public health and medicine.

To increase the effects of its interventions, South Korea started to shift the focus of its assistance efforts from simple emergency relief to more systematic and sustainable cooperative projects. Kim Dae-jung strongly felt that inter-Korean economic cooperation should not only provide benefits to both Koreas but should also have a positive effect on the economic development of neighboring states. President Roh Moo-hyun has basically followed the line of his predecessor. Various proposals, such as the idea of building a railroad connecting the north and the south have had some success and now tourists from Korea travel to Mt. Geumgang and Gaeseong through DMZ by the chartered bus. President Roh also expanded economic cooperation to the north by investing in the building of the Gaeseong Industrial Complex, which lies 20 km to the north of the DMZ. The idea of industrial complex is to combine South Korean technology and capital with North Korean labor to produce goods and contribute to the revival of the North Korean economy. South Korea is also swiftly delivering huge amounts of emergency aid to North Korea when there was a large and fatal train explosion in Ryongchon on April 22, 2004.

While there is no doubt that the nuclear crisis on the peninsula is proving to be a real test of the principles of engagement enshrined in the policy of peace and prosperity, in the long-run dialogue and joint activities will be necessary to create momentum for better relations between the North and the South.<sup>18</sup>

There was also a meeting between the militaries to discuss the measures to lead to tension reduction. Confidence building in the military is at the very initial stage. In the Yellow Sea near Yeonpyong Islands, North Korean Navy patrol boats were frequently violating NNL (northern limit line) in order for nullifying South Korea's waters. Seoul has suggested the North to use the same radio frequency to inform the opposing side as a precautionary measure before firing against the unidentified enemy boat. Unfortunately, Pyongyang kept sending their boats to cross Northern Limit Line without

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<sup>18</sup> Sang-min Joo "A Strategic Year for Two Koreas" *Korea Herald*, January 1, 2005, 22.

answering the radio signal.<sup>19</sup>

At the General-level Inter-Korean Military Talks, both sides also agreed to get rid of all the speakers and structures that were used for the purpose of propaganda. While South Korea completed the job, North Korea has not done as promised.

Old habit dies hard. On October 26, 2004, for the first time in three years, barriers that separate the two Koreas were breached, prompting South Korea to order the highest-level military alert.<sup>20</sup> South Korean soldiers on a patrol found that three wire fences had been cut and penetrated along the tense inter-Korean border. Defense Ministry Spokesperson hurriedly announced that footprints indicated a single civilian have defected to the North from the South by quelling concerns that professional North Korean soldiers had infiltrated the heavily fortified DMZ. However, the UN command has different estimates and people in the South can hardly believe the official explanation since it is almost impossible for any civilian to get inside the highly restricted area in DMZ. People naturally consider that North Korea has not really changed if North Korean agents did so. No one knows exactly what happened. However, South Korean government does not want to publicize this story since this could be a spoiler when it is mobilizing public support for inter-Korean cooperation.

### **Unwanted Consequences of Confidence Building**

On July 14, when North Korean Navy was crossing the South Korea's NLL, the enemy boat sent an obviously deceptive radio transmission that they are chasing a Chinese fishing boat.<sup>21</sup> Although there was no Chinese fishing boat around, it was the same vessel that fired at and sank South Korea's patrol boat in a naval skirmish that took place in the Yellow Sea two years ago. Local commander of patrol boat decided not to report that there was

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<sup>19</sup> During the month of June 2004, South Korea called 43 times, but received only 20 responses when the North violated the lines "Hot line: A Good Idea Spoiled" *JoongAng Daily*, July 27 2004, <<http://service.joins.com>> (January 25 2005).

<sup>20</sup> Byung-gun, Chae and Myo-ja Ser, "DMZ fences cut; alert raised" *JoongAng Daily* October 27 2004, <<http://service.joins.com>> (January 25 2005).

<sup>21</sup> "Another Yellow Sea Incident" *JoongAng Daily*, July 15 2004, <<http://service.joins.com>> (January 25 2005).

indeed a communication between the enemy boat and he drove away the North Korean vessel with warning shots. However, after the incident, the Blue House investigated how the Navy fails to report to the commanding lines that there was indeed a communication with the boat from the North. Naval officers were accused of being belligerent because they were trained by under the military regime in the past.

As this incident indicated, military officers today are very confused and they tend to judge the situation politically whenever they come across the North Korean counterparts. Now Minister of National Defense strongly argues that South Korea should no longer define the North Korean military as the “main enemy.” (See Table 2) Disputes over calling North Korea the “main enemy” flared anew in Seoul after a report that the Defense Ministry plans to drop the phrase and come up with a new term.<sup>22</sup>

Table 2. North Korea's Demands and South Korea's Responses

D.P.R.K. Demands	R.O.K. Responds
Eliminating the term "Main enemy"	Two ministers indicate the deletion
Abolition of the National Security Law	Uri Party declaration of abolition
Activating Mt. Geumgang trip	Subsidies for Mt. Geumgang trip
Activating Gaeseong industrial zone	Discussion about strategic commodities
Prohibit acceptance of North Korean refugees	Discourage North Korean refugee inducement
Nuclear weapons are for deterrence	President Roh: "a valid argument"

< Source *Chosun Ilbo* (November 19 2004) sec. A3>

There is no doubt that unruly behavior by a nuclear North Korea can threaten not only South Korea but also a global security. Given North Korea's unpleasant track records, which include the transfer of missiles and components as well as smuggling of drugs, counterfeit dollars, and tobacco and alcohol, there is a growing concern about the transfer of nuclear materials, especially plutonium and highly enriched uranium, to global

<sup>22</sup> Min-seok Kim and Byung-gun Chae, "Main Enemy Term Vanquished" *JoongAng Daily*, July 16 2004, <<http://service.joins.com>> (January 25 2005).

terrorists and rogue states.<sup>23</sup>

The new evidence pointing to North Korea came from IAEA and was based on interviews with members of the clandestine network headed by Abdul Qadeer Khan. However, after the American intelligence failure in Iraq, critics do not want to believe the warnings of the Bush administration on the possibility of North Korea being an imminent threat of proliferation. President Bush is also using a far more subdued approach to the dangers of North Korea by urging it to follow the same path Libya has chosen a year ago and this also encourages those who call for a softer approach toward the North.

### Conclusion

Despite progress made in inter-Korean relations over the past several years, North Korean threats, the primary rationale for and function of the ROK-US security alliance, have not decreased or diminished yet. However, the announcement of the reduction plan by the U.S. has stirred up domestic debate over not only the reduction but also more fundamental question on the ROK-US security alliance itself.

While worries and concerns are spreading, no one is sure about where the alliance is heading. The question that North Korean threats diminished or disappeared becomes a judgmental one. For those who have supported the President Roh's policy of peace and prosperity argue that conflict can be prevented as we expand economic cooperation and providing incentives to the North. Like opening the Pandora's Box, a new thinking inevitably increases the level of confusion, fear and animosity of those who do not agree with President Roh in his optimistic view of North Korea. How to balance a dialogue with a pressure is an extremely difficult job. It seems clear to me that international society should be united in sending a strong and clear message to Pyongyang that status quo is no longer sustainable and it must dismantle the nuclear weapons program in a verifiable fashion in order to restore the confidence and trust that leads to a reciprocal aid and assistance from the international society. However, Seoul's dilemma is that,

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<sup>23</sup> Michael Horowitz, "Who's Behind That Curtain? Unveiling Potential Leverage over Pyongyang" *The Washington Quarterly*, 28, 1 Winter (2004-05): 21-44.

as a progressive regime, it is unable to acknowledge the fact that confidence-building efforts alone will not be sufficient to achieve the peace and regional stability.





## Chapter XI: Conflict Prevention and Management in Northeast Asia: A Japanese Perspective

Hiroshi Kimura

### Diversity Preventing Cooperation

The security situations in Northeast Asia differ greatly from those in Europe and are even different from those in Southeast Asia. Europe consists of countries that are relatively alike in terms of race, nationality, religion, culture, and civilization. The Cold War in Europe has come to an end. Almost all countries in Europe are now members of multilateral organizations such as the European Union (EU), the Organization for Security and Cooperation in Europe (OSCE), and the North Atlantic Treaty Organization (NATO). The countries in Europe cooperate, not only in the fields of trade, currency, and economic relations (low politics) but also in security matters (high politics). Countries in Southeast Asia have also succeeded, though to a lesser degree than Europe, in the creation of regional organizations for multilateral cooperation, such as the Association of Southeast Asian Nations (ASEAN), the Asia Pacific Economic Cooperation (APEC), and the ASEAN Regional Forum (ARF).

If we turn to Northeast Asia, however, what do we see? In this part of the world, there are wide diversities of races, nationalities, religions, political ideologies, and politico-economic systems.<sup>1</sup> For instance, the yellow-skinned Asian races (or Mongoloids) as well as Slavs, Anglo-Saxons, and people from other European nations (or Caucasoid) all live in this region. There are also many kinds of religions, including Confucianism, Shintoism, Buddhism, Russian Orthodox, Islam, and Christianity. Various economic

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<sup>1</sup> Edward J. Lincoln, *East Asian Economic Regionalism* (Washington, D.C.: Brookings Institution Press, 2004), 15, 36.

systems can also be seen in this region. There are relatively faithful and successful followers of market-based capitalism (Japan, Republic of Korea (ROK) and Taiwan), countries that are undergoing a transition from socialist economic planning to a free market system (the Russian Federation and the People's Republic of China (PRC)), and one country in which a socialist economic system still operates (the Democratic People's Republic of Korea (DPRK)).

Let us compare two groups of countries, one group of countries that have many similarities or commonalities and one group of countries that have many dissimilarities or heterogeneities. It seems reasonable to assume that countries in the former group have more opportunities to develop close contacts and engage in cooperation with each other than do countries in the latter group. Countries in the latter group, on the other hand, may be attracted to each other due to the differences and may be tempted to cooperate because of the economic complementarities. It is, however, more likely that countries with commonalities will develop cooperative relationships more smoothly than countries with diversities. Differences in political ideology and economic system constitute a great barrier for the development of close interaction and cooperation. In fact, during the Cold War, there were very few contacts or cooperative relationships established between countries with opposing politico-economic systems.

### **Remnants of the Cold War**

The Cold War is now over in Europe. It cannot, however, be definitively stated that this is also the case in Northeast Asia. Remnants of the Cold War can still be seen in this region. The existence of a few so-called "divided states" provides an illustration of this reality. In Europe, the two Germanys have achieved unification. In Southeast Asia, the two Vietnams have also been united. In Northeast Asia, however, the two Koreas as well as the PRC and Taiwan have remained separated from each other. These countries are, of course, not necessarily as bitterly antagonistic as they were in the midst of the Cold War. Yet they sometimes still refuse to sit at the same table during international meetings. This is an annoying situation for the other countries in Northeast Asia that even prevents not only bilateral, but also multilateral cooperation.

During the Cold War, the "liberal bloc" consisting of the U.S., Japan, South Korea and Taiwan and the "socialist bloc" consisting of the USSR, the PRC and the DPRK were sharply antagonized. Although this antagonism no longer exists, issues of confrontation such as the "North Korean nuclear problem," with the U.S., Japan and South Korea on one side and Russia, China and North Korea on the other side, still exist.

Now let us briefly review the bilateral relations among the major countries in Northeast Asia. Japan has maintained close relations with the USA through the US-Japanese Treaty of Mutual Cooperation and Security. Likewise, South Korea has close links to the United States through the Mutual Defense Treaty between the ROK and the USA. Taiwan [Republic Of China] and the U.S. did repeal their Mutual Defense Treaty in 1979 when the U.S. normalized relations with the PRC, but have maintained a good relationship through the Taiwan Relations Act (TRA).<sup>2</sup>

As for the former, or current, "socialist" countries, Russia and China have maintained a relationship of "strategic partnership" though the conclusion of the Russo-Chinese Treaty of Good-neighborliness, Friendship and Cooperation in 2001. Russia and North Korea concluded a Treaty of Friendship, Good-neighborliness and Cooperation in 2000. There is also an agreement between China and North Korea - the Treaty of Friendship, Cooperation and Mutual Assistance - signed in 1961. There is a clause in that treaty, though it has remained nominal and without any practical significance, stating that "both parties have an obligation to help each other when one party is attacked by any third country."

Japan and China completely normalized relations in 1978 by concluding the Treaty of Peace and Friendship. In contrast, Japan and Russia have not completely normalized relations due to the failure to conclude a peace treaty. North Korea has not yet normalized its relations with the U.S. or with Japan or South Korea.

The countries in Northeast Asia are tied by bilateral treaties but not by any multilateral agreements which could contribute to the promotion of mutual

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<sup>2</sup> Chai Winberg and Shao-chuan Leng, "The Taiwan Factor in U.S.-Beijing Relations," in *Beyond China's Independent Foreign Policy: Challenges for the U.S. and Its Asian Allies*, ed. James C. Hsiung (New York: Praeger, 1985), 97-98.

cooperation and assistance among the regional states. To make things worse, there are various disputes, conflicts and even crises in this part of the world. These include (1) disputes over demarcation of national borders, (2) disputes over how to interpret war crimes and aggressive misconduct committed by the Japanese military during the 1930s and 1940s, (3) disputes or conflicts over the issue of "abduction" by the North Korean regime, and (4) conflicts and crises caused by Kim's brinkmanship diplomacy using the threat of development of nuclear weapons. Yet Northeast Asia does not have any regional organization or mechanism, through which these disputes, conflicts, and crises can be dealt with.<sup>3</sup> I will discuss each of the points mentioned above, mainly from a Japanese viewpoint.

### **Japan's Territorial Disputes with Russia and the DPRK**

The terms disputes and conflicts are often used interchangeably, but in this paper they will be distinguished and the following definitions will be applied: "Disputes" involve negotiable issues, while "conflicts" are concerned with issues for which compromise solutions are not possible.<sup>4</sup> Unless disputes are not solved in a proper fashion, chances are that they may develop into conflicts.<sup>5</sup>

Russia and China have a long history of border disputes, dating back to the tsarist days.<sup>6</sup> China was unhappy about the demarcation line defined by the Treaty of Aigun and the Treaty of Beijing in the nineteenth century, which China at the time was compelled to accept because of its weakness and its war with Britain and France.<sup>7</sup> Later, China endeavored to rectify these and other "unfair and unequal treaties" but was not successful. In 1969, the Sino-

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<sup>3</sup> See Chapter 1 (Introduction) by Niklas Swanström, Mikael Weissmann and Emma Björnehed.

<sup>4</sup> John W. Burton, "Conflict resolution as a political philosophy," in *Conflict resolution theory and practice: Integration and application*, eds. Dennis J. D. Sandole and Hugo van der Merwe (Manchester University Press, 1993), 55.

<sup>5</sup> See Chapter 1 (Introduction) by Niklas Swanström, Mikael Weissmann and Emma Björnehed.

<sup>6</sup> John B. Alcock et al, eds., *Border and Territorial Disputes* (Harlow, Essex, UK: Longman, 1992), 439-53; George Ginsburgs and Carl F. Pinkele, *The Sino-Soviet Territorial Dispute, 1949-64* (New York: Praeger, 1978).

<sup>7</sup> Peter Berton, "The Territorial Issue Between China and Russia," *Studies in Comparative Communism* 2, 3-4 July-October (1969), 129-48.

Soviet border conflicts escalated into bloody clashes, which became known as the Damanskii (Zhenbao) Island incident.<sup>8</sup> Border negotiations between the Soviet Union and the PRC resumed, but for long time brought no tangible results.

It was Mikhail Gorbachev who finally made headway in the stalemated negotiations. Aiming at an improvement in Sino-Soviet relations, Gorbachev offered bold, concrete initiatives in his well-publicized Vladivostok speech delivered on July 28, 1986, stating that the official border on the Amur and Ussuri rivers should be "the middle of the main channel of navigation."<sup>9</sup> This was the long-standing position of the PRC, rooted in international law, which the USSR hitherto had rejected. As a result of the changes in Soviet's position, China and the USSR, under the rule of Gorbachev, finally reached an agreement on border demarcation in May 1991. After the breakup of the Soviet Union, the Russian government under Boris Yeltsin pledged to respect this agreement, which was ratified on February 13, 1992 by a large majority in the Russian Supreme Soviet.

During an official Russian three-day visit to Beijing in October 2004, Russian President Vladimir Putin and Chinese President Hu Jintao signed a Russo-Chinese border treaty. Although details of the final agreement have not yet been released, the three islands, i.e. the Bolshoi Island on the Argun River and the islands of Bolshoi Ussuriiskii and Tarabarov (Heixazidao Islands) near Khabarovsk, were divided approximately half-and-half between Russia and China (see Map 1). These three islands, which had remained an issue of dispute even after the conclusion of the above-mentioned agreement in 1991, account for about two percent of the total length of the border. In October 2004, the issue of the entire 4,300-kilometer-long border between Russia and China was finally settled.

In marked contrast, Russia and Japan have been unsuccessful in resolving their territorial dispute concerning the Northern Territories (as referred to by the Japanese, or the South Kuriles as referred to by the Russians), i.e. the

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<sup>8</sup> O. B. Borisov and B. T. Koloskov, *Sovetsko-kitaiskie otnosheniia, 1945-1977 (izdanie vtoroe, dopolnennoe)* (Moscow: Mysl', 1977); Oton Ambroz, *Realignment of World Order: The Russo-Chinese Schism Under the Impact of Mao Tse-Tung's Last Revolution 2* (New York: Robert Speller & Sons, 1972).

<sup>9</sup> *Pravda*, July 29, 1986.

Habomai group of islets and the islands of Shikotan, Kunashiri and Etorofu off the northeastern coast of Hokkaido (see Map 2). This issue has become the biggest thorn in their bilateral relations since the seizure, by Soviet military forces under Stalin, of the islands in the confusing situation immediately after World War II. Considering the four islands Japan's inherent territory, the Japanese government regards a resolution of the Northern Territories issue as a precondition for the conclusion of a peace treaty.<sup>10</sup> No Japanese prime minister has failed to make public that until these four islands are returned to the Japanese, there will be no further improvement in Russo-Japanese relations.

The three Soviet / Russian administrations under Gorbachev, Yeltsin and Putin have acknowledged that a territorial dispute exists between the USSR/Russia and Japan. They have also admitted that the dispute revolves around the question to which country, Russia or Japan, Etorofu, Kunashiri, Shikotan and Habomais belong. Furthermore, the current Russian President Putin has unequivocally acknowledged the validity of the 1956 Soviet-Japanese Joint Declaration, in which the Soviet government under Nikita Khrushchev agreed to transfer Habomais and Shikotan to Japan upon the signing of a peace treaty. On the other hand, President Putin has not conceded that his government will return to Japan the remaining two larger islands, Kunashiri and Etorofu. President Putin's second official visit to Tokyo is scheduled for early 2005, but few expect him to make any diplomatic concessions on the two remaining islands.

Japan has a territorial dispute also with South Korea over the rightful ownership of the Takeshima (Tokdo in Korean) islands. Takeshima is an outcrop of rocks in the Sea of Japan, about 200 kilometers east of the central South Korean mainland, and about 200 kilometers north of the main Japanese island of Honshu (See Map.3).<sup>11</sup> There are two main islets (surrounded by a number of reefs) rising about 150 kilometers above sea level and the total land area is 23 hectares (less than a tenth of a square mile). The islets do not have anchorage and access to them can only be

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<sup>10</sup> Hiroshi Kimura, *Distant Neighbors (1) Japanese-Russian Relations under Brezhnev and Andropov* (Armonk, N.Y.: M. E. Sharpe, 2000), 56.

<sup>11</sup> Alan J. Day, ed., *Border and Territorial Disputes*, 2nd ed. (Burnt Mill, UK: Longman, 1982), 337.

achieved by a small boat in calm weather conditions.

Japan refers to various extant documents and maps, which show that Japanese families exercised title to the islets in the early 17<sup>th</sup> century and that they have been regarded as part of Japanese territory ever since. Japan also points out that in 1905 (the year in which Japan established a protectorate over Korea, prior to the annexation in 1910), the Japanese government specifically announced the incorporation of the islets into Honshu's Shimane prefecture and that from then, until World War II, the Japanese authorities regularly issued licenses for sea-lion hunting on the islands.<sup>12</sup>

For its part, South Korea claims that the islets have been Korean territory throughout history and that any early attempts by Japan to exercise authority over them had no legal validity. It regards Japan's incorporation of the islets into the Shimane Prefecture in 1905 as an act of imperialism, characteristic of Japanese policy at that time, and essentially as illegal under present-day international law, just as the subsequent annexation of Korea itself.<sup>13</sup>

Although Japan and South Korea normalized diplomatic relations in 1960, the territorial issue has been left unresolved. The disputed islets have no permanent inhabitants. However, South Korea currently has a token force of about a dozen coastguards based on them. The Japanese government has regularly reiterated its claim to Takeshima by conveying diplomatic protests to South Korea and sending its maritime safety agency patrol boats round the islands.

### **Japan's Disputes with China in the South China Sea**

Japan also has a territorial dispute with the Peoples' Republic of China. This dispute concerns the issue of sovereignty of the islets in the East China Sea, - the Senkaku Islands (or Diaoyutai Islands in Chinese). They are situated about 320 kilometers west of Okinawa (in the Ryukyu Islands) and about 175

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<sup>12</sup> Ibid.; Masao Shimojo, *Takeshima wa Nikan dochirano monoka* [To which Country Takeshima Belongs, Japan or South Korea?], (Tokyo: Bungei-shunju, 2004), 127-28.

<sup>13</sup> Alan J. Day, ed., *Border and Territorial Disputes*, 2nd ed. (Burnt Mill, UK: Longman, 1982), 337.



kilometers northeast of Taiwan<sup>14</sup> (see Map 3 & 4).

The Senkaku were ceded to Japan by Imperial China under the 1895 Treaty of Shimonoseki, signed after China's defeat in the 1894-95 Sino-Japanese war. Under the 1951 San Francisco peace treaty, the disputed islands were included in the Ryukyu Islands and accordingly placed under US administration. The Beijing government denounced the San Francisco peace treaty, in which China did not take part, as "illegal" and its provisions as "null and void." In a statement made in 1971, China declared that the islands appertained to the island of Taiwan and that they were like Taiwan, "an inalienable part of Chinese territory." Thus, when the islands were reverted to Japan in 1972, China protested.

During negotiations in 1975 on a possible treaty of peace and friendship between China and Japan (which was eventually signed in 1978), it was believed in Japan that China would shelve the issue of these islands. In fact, during his visit to Tokyo in the fall of 1978 to officially sign a peace treaty with Japan, Deng Xiaoping made a suggestion of maintaining the status quo by shelving the Senkaku issue until "a future generation has the wisdom to settle it peacefully."<sup>15</sup> This statement coincided with Japanese interests, since the Senkaku islands were de facto controlled by Japan.

Nevertheless, the Beijing government has maintained its claim that the islands are part of Chinese territory. Although the Senkakus are only small rocky islands, they lie amid rich fishing grounds and possible oil and natural gas deposits. The dispute over the sovereignty of these uninhabited islands among energy-hungry nations such as Japan, China and Taiwan is not likely to cease anytime soon.

As a matter of fact, Japan and China are at odds over China's development of the natural gas field in the East China Sea. China is pursuing the development to secure energy resources. In August 2003, China started a development project in the Chunxiao gas field, which is about five kilometers from the boundary line of the Exclusive Economic Zone (EEZ) set by Japan in the East China Sea. The Japanese government protested to

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<sup>14</sup> Alan J. Day, ed., *Border and Territorial Disputes*, 2nd ed. (Burnt Mill, UK: Longman, 1982), 287.

<sup>15</sup> *Yomiuri Shimbun*, October 26, 1978.

China, pointing out the possibility that natural gas resources extend to the Japanese side of the line. If this is the case, natural gas on the Japanese side of the ocean bed could be siphoned off by China. The Tokyo government has thus sent exploration ships to conduct its own research on the Japanese side of the line.<sup>16</sup>

Working-level talks held on October 25, 2004 in Beijing were unable to bridge the divide between the two countries. In the meantime, China has stepped up its research at other points in the Japanese EEZs in the East China Sea and the Pacific Ocean, and the Tokyo government has protested strongly also in these cases.<sup>17</sup> In 2004, the Japanese Maritime Self-Defense Forces (MSDF) spotted Chinese military ships ten times and Chinese ocean scientific research vessels 16 times inside Japan's EEZ in the East China Sea.<sup>18</sup>

Then, in November 2004, an intrusion into Japanese waters off the Okinawa Islands by a Chinese submarine took place.<sup>19</sup> The vessel was a Han-class submarine, the first class of nuclear-powered attack submarines constructed by China.<sup>20</sup> Ships are free to navigate waters, including a nation's territorial waters, as a general rule. However, the UN Convention on the Law of the Sea stipulates that a submarine must surface and raise its national flag when cruising through another nation's territorial waters. The Chinese submarine, which remained inside Japanese waters for about two hours, did not do so. Also, a nation is prohibited from conducting exercises or engaging in espionage activities within the territorial waters of other nations. The Chinese submarine violated these conventions.<sup>21</sup>

Questions remain why the Chinese submarine was in Japanese waters. One school of thought argues that the reason must be of an economic nature, based on contested oceanic interests. Officials in the Japanese Defense Agency regard the reason as military in nature. One official suggested that the intention was to collect information on how Japan patrols its waters and

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<sup>16</sup> *Daily Yomiuri*, November 11, 2004.

<sup>17</sup> *Ibid.*

<sup>18</sup> *Yomiuri Shimbun*, December 21, 2004; however, according to the *Japan Times*, December 28 2004, a Chinese ocean research vessel entered Japan's EEZ more than "30 times."

<sup>19</sup> *International Herald Tribune*, November 13-14, 2004.

<sup>20</sup> *Asahi Shimbun* (English edition), November 13-14, 2004.

<sup>21</sup> *Japan Times*, November 11, 2004.

how it reacts to an intrusion by another country.<sup>22</sup> It was also suggested that the intrusion was part of preparations for a military emergency situation around Taiwan.<sup>23</sup>

The Tokyo government requested an explanation and apology from Beijing but refrained from making a fuss about it to avoid further straining its relations with China.<sup>24</sup> Speaking to reporters, Japanese Prime Minister Koizumi said that the intrusion into Japanese waters by a Chinese nuclear submarine was "extremely regrettable." However, he also added that "Japan-China relations are so important that mutual efforts should be made to minimize the effects of the incident on bilateral relations."<sup>25</sup> On November 16, China admitted that one of its nuclear-power submarines entered Japanese territorial waters for "a technical reason" in the process of a normal exercise. The Chinese side regarded the incident as "regrettable." Japan took the Chinese comments as an apology for the incidents.<sup>26</sup>

### Disputes over "History"

It has sometimes been pointed out that Japan's position in its territorial disputes with Russia, China, and South Korea has not been completely consistent. While the Tokyo government consented with Deng's statement in 1978 that both Japan and China should leave the final solution of the Senkaku dispute for future generations, it never agreed to do the same with Russia regarding the Northern territories. One of the main reasons for these apparently different attitudes on the Japanese side is as follows. First, the Japanese de facto rule Senkaku, which makes it beneficial for Japan to maintain the status quo, whereas the Russians currently control the disputed Northern Territories, which makes it unbeneficial for Japan to maintain the status quo. In this regard, Tokyo's position is not so inconsistent.

Next, let us compare the Japanese position toward the Northern Territories and toward Takeshima. A slight difference in the tone of protest can be

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<sup>22</sup> *Asahi Shimbun* (English edition), November 13-14, 2004.

<sup>23</sup> *Daily Yomiuri*, November 11, 2004.

<sup>24</sup> *Asahi Shimbun* (English edition), November 13-14, 2004.

<sup>25</sup> *Daily Yomiuri*, November 13, 2004.

<sup>26</sup> *Ibid.*, November 17, 2004.

detected: Tokyo's protest against Russia's seizure and continued occupation of the Northern Territories has been much more aggressive than its protest against South Korea's deployment of coastguards and other activities on Takeshima. One of the reasons for this difference is ascribable to historical facts. Russia's sudden military attack in 1945 violated the Japan-USSR Neutrality Treaty. During his official visit to Tokyo in 1993, Russian President Yeltsin apologized for the detention of 600,000 Japanese prisoners of war interned in Siberia after World War II.<sup>27</sup> This action of the top Russian leader, as the inheritor of the USSR, represented a major *Vergangenheitsbewältigung* (overcoming of the past). Since that time, however, no Russian top political leader has showed any intention whatsoever to rectify another serious mistake committed by Josef Stalin, i.e. the illegal seizure of the Northern Territories. On the other hand, most Japanese have maintained a guilt-consciousness toward the Koreans, over whom the Tokyo government enforced harsh colonial rule for a period of more than 40 years, up until the end of World War II. This, in my view, may explain why the Japanese have not been so enthusiastic in protesting against actions taken by South Korea aimed at strengthening their demands over Takeshima.

Apart from the question as to whether my speculation is close to reality, the abovementioned leads to important questions as to how long and to what extent the current Tokyo government has to keep apologizing for the misconduct of its predecessors during their imperialistic days.

The Chinese, Koreans, Taiwanese and people in other Asian nations have bitter memories of Japan's aggressions and the inhumane conduct of certain military units during and even prior to World War II,<sup>28</sup> and they are wary of any signs of, what they consider to be, ultra nationalism coming from Tokyo. One of the sources of such apprehension is the fact that the incumbent Prime Minister Junichiro Koizumi has refused to cease his official visits to the Yasukuni Shrine. The Yasukuni Shrine in Tokyo is a memorial that honors Japan's war dead, including 14 convicted class-A war

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<sup>27</sup> Hiroshi Kimura, *Distant Neighbors (2): Japanese-Russian Relations under Gorbachev and Yeltsin* (Armonk, N. Y.: M. E. Sharpe, 2000), 164-65.

<sup>28</sup> Mel Gurtov, *Pacific Asia? Prospects for Security and Cooperation in East Asia* (New York: Roman & Littlefield Publishers, Inc., 2002), 148.

criminals of World War II. For this reason, many non-Japanese Asians view the Shrine as a symbol of Japan's wartime aggression. Koizumi and other Japanese who support the Prime Minister's position argue that according to the Japanese way of thinking there is no discrimination of human souls after death, and that other countries are not entitled to change Japan's way thinking.

Of course, this is not the place to discuss whether Koizumi's arguments are reasonable or not. The important point here, in the context of this paper, is the fact that Koizumi's repeated visits in his capacity as Japanese Prime Minister to the Yasukuni Shrine have created bitter feelings in China, North Korea, South Korea, and other Asian countries. The Yasukuni Shrine issue is one of the major reasons for the suspension of exchange of official visits by Japan's and China's top leaders. Chinese President Hu Jintao and Premier Wen Jiabao, the replacements respectively for Jiang Zemin and Zhu Rongji, are of a generation that did not directly experience the 1930s war with Japan and appear less preoccupied with historical issues. Yet China's reaction toward Koizumi's visit to the Yasukuni has remained more or less the same.

### **Sino-Japanese Relations Strained Further**

In 2004, the Chinese phrase "While economy is hot, politics is cold" has become well-known in both Japan and Beijing as the one phrase describing the two contrasting aspects of Sino-Japanese relations. It means that while economic ties between Japan and China continue to develop, their political relations are in the deep freeze. In 2004, trade between the two countries was expected to reach US \$150 billion. Now, Japan is China's most important trading partner. Japan's trade with China exceeds that of its trade with any other country, except the United States.<sup>29</sup> Many are afraid, however, that political tensions, sooner or later, are bound to affect the economic relationship.<sup>30</sup>

In November 2004, when Japanese Prime Minister Junichiro Koizumi met separately with Chinese President Hu Jintao and Premier Wen Jiabao in

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<sup>29</sup> *Japan Times*, December 25, 2004.

<sup>30</sup> *Ibid.*

Chile on the margins of the APEC leaders' forum and in Laos, at a summit meeting of ASEAN, the Chinese leaders declined to accept Koizumi's invitation to visit Japan, pressing the Japanese leader not to pay homage at the Yasukuni Shrine. They also withheld China's support for Japan's aspirations to attain a permanent seat on the UN Security Council.

In December 2004, the Koizumi Cabinet announced Japan's new National Defense Program Outline, in which China and North Korea are mentioned as potential threats to Japanese security. As for North Korea, the outline states that developments in the reclusive communist country represent a "grave destabilizing factor in regional security."<sup>31</sup> Referring to China, the same document says that it is "necessary to take note of the fact that the country is modernizing its military capability, as well as its naval and air forces, and expanding the scope of its activity at sea."<sup>32</sup> It is the first time that a Japanese defense program outline has mentioned China by name.<sup>33</sup> Having clearly in mind the intrusion of a Chinese submarine into Japan's territorial water near Okinawa, which was described above, the updated defense guidelines called for "appropriate action to deal with foreign submarines navigating underwater in territorial seas."<sup>34</sup>

Around the same time, in December 2004, in its Defense White Paper, China also expressed its concern about Japan's increasing security consciousness. The paper says that "the security situation in the Asia-Pacific region is getting complicated, posing new challenges to countries in the area."<sup>35</sup> After making such a general observation, the Chinese White Paper states: "Japan, swayed by the right-leaning political current, is adjusting its military security policies, developing and deploying the anti-missile shield system."<sup>36</sup>

To make matters worse, the Tokyo government issued a tourist visa to Lee Teng-hui, former President of Taiwan, to enable him and his family to visit Japan at the end of 2004.<sup>37</sup> Tokyo said that 81-year-old Lee, who left office in

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<sup>31</sup> *Japan Times*, December 28, 2004.

<sup>32</sup> *Ibid.*

<sup>33</sup> *Ibid.*

<sup>34</sup> *Ibid.*

<sup>35</sup> *China Daily*, December 28, 2004.

<sup>36</sup> *Ibid.*

<sup>37</sup> *Japan Times*, December 28, 2004.

2000, now is a private citizen. There is thus no reason to stop him from touring historic sites in the country where he studied in his youth.<sup>38</sup> This decision, however, angered Beijing, which, regarding Lee as "a strong advocate of Taiwanese independence," warned that bilateral relations between Beijing and Tokyo would worsen as a result of the visit.<sup>39</sup>

Behind the deterioration of the Sino-Japanese relationship lays also the rise of nationalism in both countries. A survey conducted by the Japanese government in October 2004 shows that people feel less friendly toward China than at any point in nearly 30 years. The percentage of respondents who said that they felt friendly toward China fell from 47.9 per cent in 2003 to 37.6 per cent in 2004, the lowest level since the surveys began in 1975.<sup>40</sup> At the same time, those who did not feel friendly toward China rose from 48.0 per cent in 2003 to 58.2 per cent in 2004.

### DPRK's Nuclear Weapon Issue

Both territorial issues and some legacies of history are serious disputes, but they are negotiable. The totalitarian political regime under Kim Jong Il in DPRK, however, constitutes a real source of conflict that is not negotiable. The DPRK regime's brinkmanship diplomacy, backed by the threat of the development of nuclear weapons, poses the most immediate threat to security in Northeast Asia.<sup>41</sup> Here a "conflict" is defined as "a situation in which at least two actors, or their representatives, try to pursue their perceptions of mutually incompatible goals by undermining, directly or indirectly, the goal-seeking capability of one another."<sup>42</sup> If a conflict is not managed or resolved, chances are that it might escalate into a crisis, which is

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<sup>38</sup> Ibid., December 25, 2004.

<sup>39</sup> Ibid., December 28, 2004.

<sup>40</sup> *Gaiho-ni kansuru Seron-chosa* [Public Survey Opinion Concerning Foreign Policy] (Tokyo: Cabinet Office of the Prime Ministers, October, 2004), 15.

<sup>41</sup> Roger E. Kanet, ed., *Resolving Regional Conflicts* (Urbana, Il.: University of Illinois Press, 1998), 30.

<sup>42</sup> Dennis J. D. Sandole, "Paradigm, theories, and metaphors in conflict and conflict resolution: Coherence or confusion?" in *Conflict resolution theory and practice: Integration and application*, eds. Dennis J. D. Sandole and Hugo van der Merwe (Manchester University Press, 1993), 6. Dr. Swanström defines "conflict" as the "perceived differences in issue positions between two or more parties at the same moment in time." Niklas Swanström,

a "severe conflict, short of actual war but involving the perception of a dangerously high probability of war."<sup>43</sup> American President George W. Bush identified North Korea as part of an "axis of evil" along with Iraq and Iran. We do not necessarily have to agree with this political assessment made by the U.S. President. Yet it is, unfortunately, a deniable fact of life that North Korea today is the largest troublemaker, at least in Northeast Asia. There are three main reasons for this.

First of all, Kim's regime has continuously been conducting a dangerous diplomatic adventurism that uses the possible development and acquisition of nuclear weapon capability as a convenient instrument to achieve its own foreign policy objectives. One of the highest priority items for today's world is the prevention of the proliferation of weapons of mass destruction (WMD). Seen from this vintage point of view, what North Korea has been doing lately is exactly the opposite. Actions taken recently by Pyongyang include the test firing of Nodong ballistic missiles (1993) and Taepodong missiles (1998)<sup>44</sup>; the breaking of its own promise to suspend the operation of its Yongbyon nuclear plant, thereby violating the Agreed Framework and obstructing the ongoing activities of the Korean Peninsula Energy Development Organization (KEDO, 1995); the expulsion from North Korea of all international inspectors from the International Atomic Energy Agency (IAEA); and the formal withdrawal from the Nuclear Non-Proliferation Treaty (NPT) in 2003.

Second, Kim's regime has been exercising a policy of diplomatic isolation, closing its own country from almost all outside states. The DPRK has no diplomatic relations with the U.S., Japan or South Korea. Previously, the USSR and the PRC were rather enthusiastically supporting and assisting North Korea. Recently, however, the situation has changed. For instance, trade between Russia and North Korea is no longer conducted on a

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*Regional Cooperation and Conflict Management: Lessons from the Pacific Rim* (Uppsala, Sweden: Department of Peace and Conflict Research, Uppsala University, 2002), 31.

<sup>43</sup> Glenn H. Snyder and Paul Diesing, *Conflict among Nations: Bargaining, Decision Making, and System Structure in International Crisis* (Princeton: Princeton University Press, 1972), 6.

<sup>44</sup> Evgenii P. Bazhanov, "Military-Strategic Aspects of the North Korean Nuclear Program," in *The North Korean Nuclear Program: Security, Strategy, and New Perspectives from Russia*, eds. James Clay Moltz and Alexander Y. Mansourov (New York: Routledge, 2000), 103-04.



"friendship" basis, but mainly on a commercial basis. As a result, the amount of trade between these two countries has dropped from US \$3 billion to approximately US \$120 million. The DPRK's debt to Russia, inherited from Soviet days, amounts to one billion U.S. dollars. Russia has also refrained from exporting weapons to North Korea due to the latter's incapability to pay for them. Only China has been providing North Korea with economic assistance (oil, food, weapons and other commodities).

Third, the Kim Jong Il regime has not hesitated to resort to a variety of inhuman terrorist measures, including the Rangoon incident (1983) and the shooting down of a Korean Air Line passenger aircraft (1987). The Japanese are still shocked by the abduction of Japanese nationals to North Korea. As frankly admitted by Kim Jong Il himself, "elements of his regime abducted, in the 1970s and 1980s, a number of Japanese citizens from Japan and brought them to North Korea." It is quite reasonable that the Japanese Prime Minister Koizumi declared that "without resolving the abduction issue, there will be no normalization of Japan's bilateral relations with North Korea."

Faced with the potentially great danger caused by Kim Jong Il's adventurous diplomacy, Russian and Chinese perceptions of North Korea are changing rapidly. Previously, when viewing the DPRK as their little brother who was also aiming at establishing socialism in its country, Moscow and Beijing were generously providing assistance to Pyongyang. However, Kim's North Korea has recently been escalating its brinkmanship to such a dangerous extent that North Korea might become the next target of attack by the U.S. after Iraq. The possibility that Kim Jong Il's risk-taking diplomacy will lead to a military collision with the U.S. cannot be ruled out, and such a scenario might result in the collapse of the Kim dynasty. Should such a scenario occur, it would certainly have negative effects, not only on South Korea and Japan, but also on Russia and China. Both Russia and China would inevitably suffer profound damages, particularly because of their shared national borders with North Korea. In fact, the leaderships in Russia and China have not concealed their concerns about such a dreadful scenario.

In late August 2003, Russia conducted a large military exercise in its Far Eastern region, probably following a suggestion made by President Putin during his visit to the region. One of the reasons for this exercise was

clearly to prepare Russia's countermeasures to deal with "the threat from North Korea." In July 2003, during his visit to South Korea, Alexander Losyukov, Russia's Deputy Foreign Minister at that time, warned about the danger that might arise from unpredictable North Korean behavior. Losyukov was quoted saying: "Even if the DPRK dares to employ its nuclear weapons aimed at other countries, such weapons could not possibly reach its 'Number One' enemy, the United States. However, they would cause serious destruction to its neighbors in Asia." In response to this statement, Russians started to talk publicly about the need to establish a crisis prevention and management program to deal with such a scenario on the Korean peninsula.

Russia tried to make this exercise one of a multilateral nature, inviting the Japanese maritime forces, the ROK's navy and the U.S. coastguard, as well as military observers from the PRC and Canada. In this military exercise, conducted by Russia, regular types of military exercises accounted for only about one fourth of the entire exercises. The majority of the exercises involved operations aimed at prevention of emergency cases in itself, search and rescue operations, and operations aimed at prevention of terrorism, poaching, and smuggling of fish. Assuming the scenario of about 100,000 refugees from North Korea having crossed the DPRK/Russian borders to the Far Eastern part of Russia, the exercise was conducted in the following order: declaration of an emergency; inspection of the refugees, taking photo of the refugees; questioning them; providing them with food, water and clothing; and providing them with large tents, hospitals, and other facilities for temporary use.

China has been making similar preparations to deal with a possible flood of North Korean refugees. In early September 2003, for example, China made a decision to shift its coastguards' duties from Frontier Defense Troops to regular troops of the People's Liberation Army.

### **How to Manage Conflicts - Do Economic Sanctions Work?**

How can we prevent new conflicts from emerging, and if they do occur,

how can we manage them in Northeast Asia?<sup>45</sup> It seems to be almost impossible to prevent some conflicts from emerging in this region, given the various reasons described at the outset of this chapter. The final resolutions of the conflicts that already exist in this part of the world appear almost impossible too. The more important task for us is how to manage conflicts in a way that prevents them from escalating into a crisis.<sup>46</sup> There are basically only two means to manage conflicts: the use of peaceful means and use of force. More concretely speaking, methods used for conflict management are: the employment of peaceful means, such as negotiation, adjudication, mediation and arbitration. Only when it becomes clear that these methods are not working at all, and when there are no other available alternatives for preventing the situation from worsening, can the threat or actual use of force be justified. Even in this case, the peaceful means should be used simultaneously.

The Japanese Constitution stipulates that the Japanese people "forever renounce the threat or use of force as means for settling international disputes" (Article nine). Bound by this self-claimed principle, the Japanese government has thus since the end of World War II been deprived of military force as a means for solving "conflicts" with other nations. Instead, the Japanese government has been engaged in painstaking and time-consuming negotiations with other countries. Therefore, the most severe and forceful means Japan may resort to is economic pressure and sanctions. As a matter of fact, in the wake of the Soviet invasion of Afghanistan, Japan joined the U.S. and other Western states in boycotting the Moscow Summer Olympics and in enforcing economic embargoes against the USSR.

The Japanese have been growing increasingly irritated by North Korea's lack of sincerity toward the unresolved question of the abduction of Japanese citizens by North Korea. Despite repeated requests made by the Tokyo government in the last three rounds of working-level bilateral talks, Pyongyang has adamantly refused to provide substantial information on the

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<sup>45</sup> See Chapter 1 (Introduction) by Swanström, Weissmann and Björnehed; James A. Schellenberg, *Conflict Resolution: Theory, Research, and Practice* (Albany, N.Y.: State University of New York, 1996), 135-213; Jacob Bercovitch, ed. *Resolving International Conflicts: The Theory and Practice of Mediation* (London: Lynne Rienner Publications, 1996), 93, 199-200.

<sup>46</sup> See Chapter 1 (Introduction) by Swanström, Weissmann and Björnehed.

fate or whereabouts of ten missing Japanese believed to have been abducted by North Korea.

In November 2004, an Liberal Democratic Party (LDP) panel studying North Korea's abduction of Japanese nationals approved an interim report in which steps for imposing economic sanctions on the reclusive state are outlined as follows: (1) freezing or suspending humanitarian aid to North Korea, (2) banning cash remittances to, and trade with, North Korea, and (3) banning North Korean ships from entering Japanese ports. In the same month, Japanese Foreign Minister Nobutaka Machimura suggested that he was considering applying pressure to North Korea, including the imposition of economic sanctions, if there was no progress at the bilateral working-level talks over reinvestigations into ten Japanese citizens that Pyongyang has said died or never entered the country.

The approach of the Koizumi Cabinet toward North Korea is a combination of two methods - "dialogue and pressure." When the former method does not work, the Cabinet is obliged to employ the second. What kind of pressure can then the Koizumi Cabinet exert upon North Korea, when the latter refuses to have a dialogue with Japan? As post-war Japan cannot resort to the threat or actual use of military force, it can only rely upon economic sanctions.

Generally speaking, there are two kinds of economic sanctions to achieve political objectives, - positive and negative sanctions.<sup>47</sup> Both types of sanctions are imposed either in a specific way of directly linking economic rewards or damages with specific political action, or in a more general way of strengthening friends, weakening opponents, and conditioning both to respond to some future political demand.<sup>48</sup> In total, four types of economic sanctions can be distinguished - general positive, specific positive, general negative and specific negative sanctions.<sup>49</sup>

For instance, the Japanese government has been applying a general positive type of economic sanctions to China in the form of Official Development

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<sup>47</sup> David A. Baldwin, *Economic Statecraft* (Princeton, N.J.: Princeton University Press, 1985), 40-42, 137-38.

<sup>48</sup> Randall Newnham, *Deutsche Mark Diplomacy; Positive Economic Sanctions in German-Russian Relations* (University Park, Penn: The Pennsylvania State University Park, 2002), 2.

<sup>49</sup> *Ibid.*, 4.

Assistance (ODA). It has been using a specific positive type of economic sanctions to North Korea by participating in the KEDO. The KEDO (Korean Peninsula Energy Development Organization) provides North Korea with light-water reactors and, in return, the DPRK will refrain from developing its own nuclear military capabilities.

As mentioned above, the Koizumi Cabinet, greatly frustrated by North Korea's insincere attitude toward the abduction issue, appears to impose specific sanctions on the DPRK. Will such policy of sanctions work? This question has been debated in Japan.

Opponents of such sanction policy make the following points, arguing that economic sanctions would not be particularly effective: (1) As long as other countries, particularly China and/or South Korea, do not undertake similar sanctions against the DPRK, Japan's attempt of imposing sanctions on Pyongyang alone will not be effective; (2) Japan's imposition of sanctions on the North will terminate the Japan-DPRK negotiations on the abduction issue and may also adversely affect the six-party talks aimed at addressing North Korea's nuclear ambitions. As a result, North Korea will likely refuse to attend future talks unless Japan is excluded. It will thus only buy time for North Korea to develop its nuclear program.<sup>50</sup> (3) The imposition of sanctions will end up being very inhuman, making damages only to the mass public rather than hitting the elite in North Korea; (4) The sanctions will encourage the DPRK's military and other hawkish groups in North Korea and might trigger their decision of shooting their missiles at Japan.<sup>51</sup>

The proponents of the sanction policy, however, make the following counter-arguments: (1) Tokyo's way of dialogue has already completely exhausted its use, proving that it is not effective at all vis-à-vis North Korea. Even if Japan continues its policy of dialogue, it has now become clear that the Koizumi government has to resort to some form of pressure as well. (2) No matter how reckless the military brass of the DPRK's might be, it is hardly likely that they would dare to shoot their missiles against Japan.

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<sup>50</sup> *Japan Times*, December 24, 2004.

<sup>51</sup> Lee Young-hwa, "Tatta hyakuokuen no yunyû sutoppu demo chosenjinmin-gun to tokushukosaku-kikan wa himei o ageru" [If only Japan will stop imports from North Korea, at the volume of 10 billion yen, the North Korean Peoples' Army and the intelligence organizations will scream for help] *SAPIO* January 19 – February 2 (2005), 107.

Such military adventures would immediately invite the U.S. military and give rise to other type of countermeasures, which might lead to a war between the DPRK on the one hand and Japan and the United States on the other. (3) It is doubtful that the humanitarian aid from Japan to the DPRK is reaching the mass public in North Korea. (4) North Korea itself is interested in the six-party talks and if such talks fail, the United States and Japan may bring the issue of North Korea's nuclear development before the UN Security Council. (5) The trade volume between Japan and DPRK is large enough to force the North Korean leaders to think twice before acting hostile toward Japan. Japan is North Korea's third largest trading partner with a trade volume of about US \$280 million. This volume amounts to 20 per cent of China's and 50 per cent of South Korea's trade with the DPRK.<sup>52</sup> A closer look at the contents of Japan's imports from North Korea reveals that marine products and textile goods occupy about a half. Exports of both commodities are monopolized and controlled by the Pyongyang government, and constitute a major source of income for North Korea's military and intelligence organization. If Japan imposes economic sanctions, they will thus damage the organizations responsible for the abductions.<sup>53</sup> If these elites would lose such valuable source of income, they might be tempted to appeal to their leader Kim Jong Il to change his basic strategy toward Tokyo.<sup>54</sup>

Whether it works or not, the Koizumi cabinet has already decided to freeze its delivery to Pyongyang of half of the 250,000 tons of food aid that Prime Minister Koizumi promised Kim Jong Il during their summit in May 2004. In December 2004, Koizumi's Chief Cabinet Secretary Hiroyuki Hosoda announced that the Tokyo government will stick to this policy of economic sanctions even if the UN World Food Program would request Japan to fulfill its due.<sup>55</sup>

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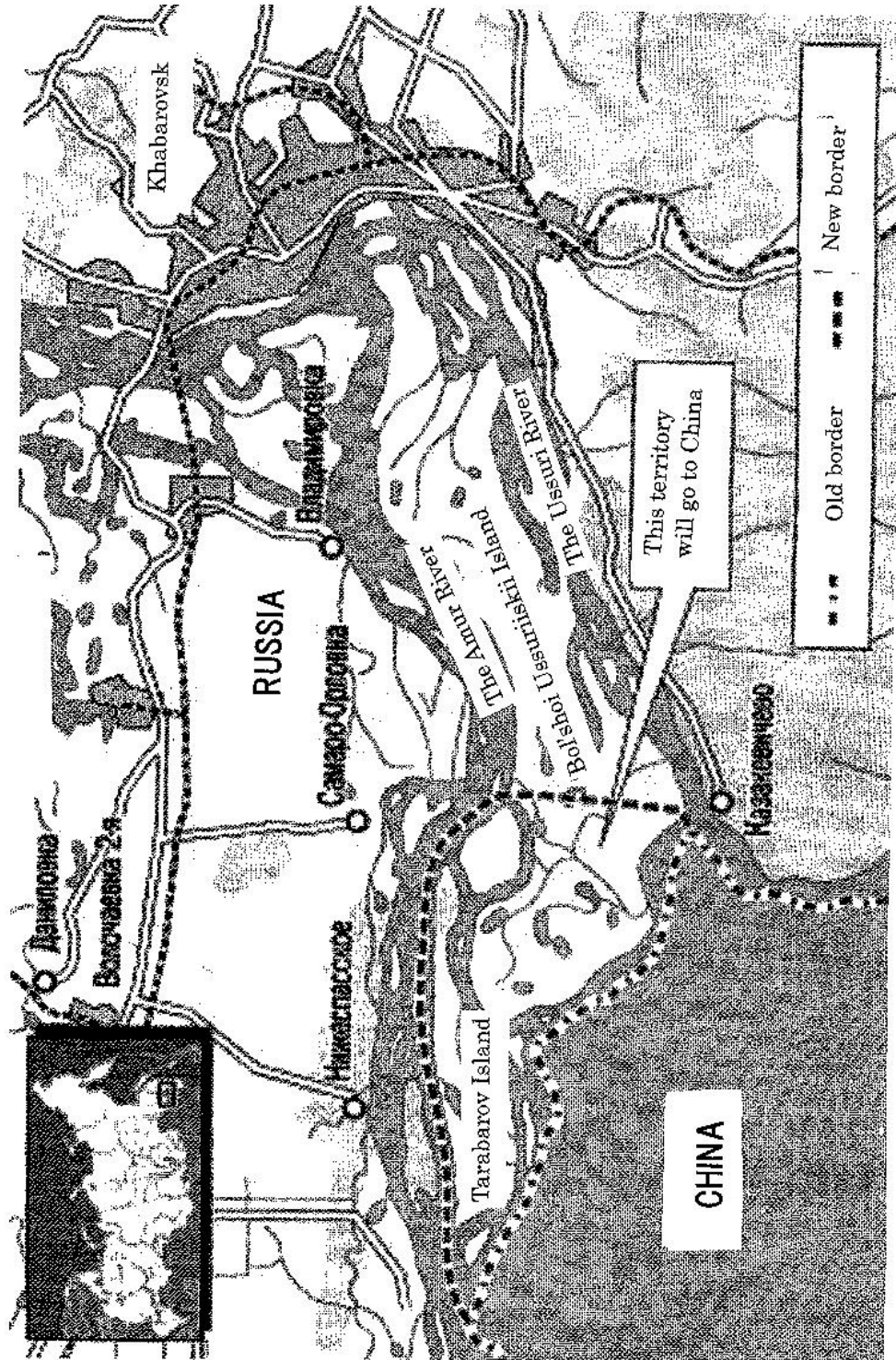
<sup>52</sup> Ibid., 108; See also *Sankei Shimbun*, December 10, 2004.

<sup>53</sup> *Japan Times*, December 24, 2004.

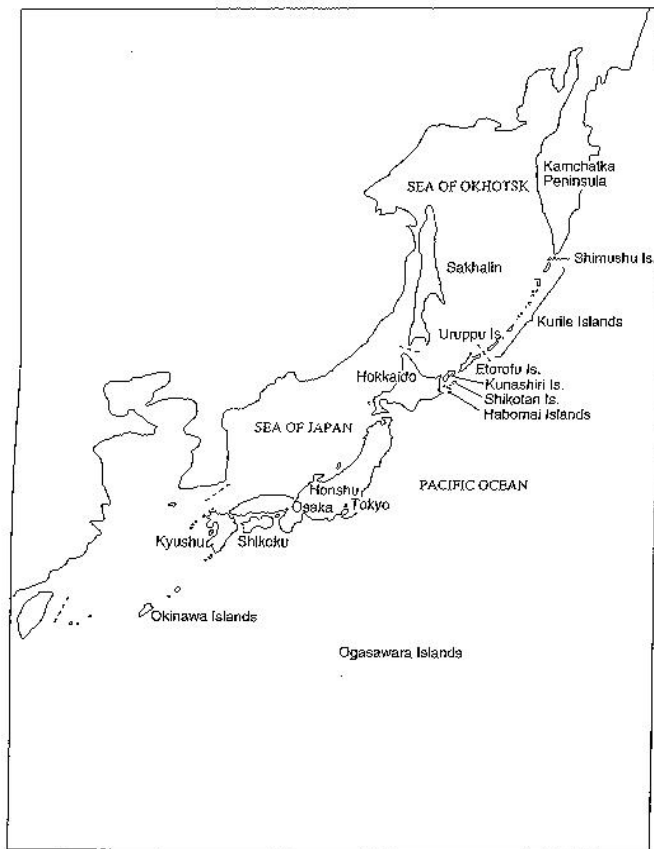
<sup>54</sup> SAPIO January 19 – February 2 (2005), 108 and *Sankei Shimbun*, December 10, 2005.

<sup>55</sup> *Asahi Shimbun*, December 9, 2004.

Map 1



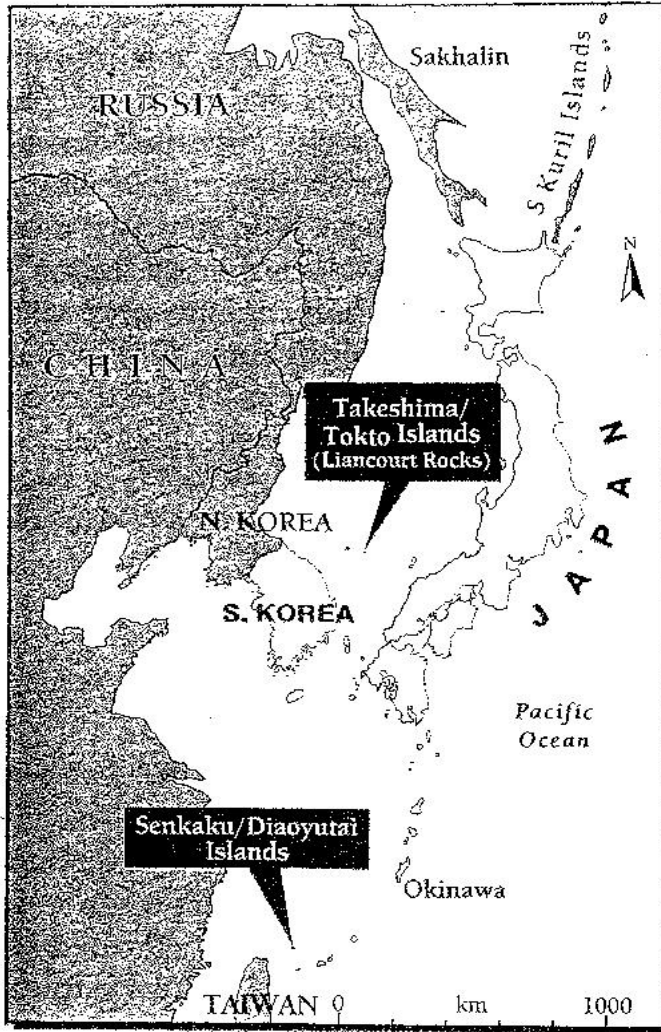
Map 2



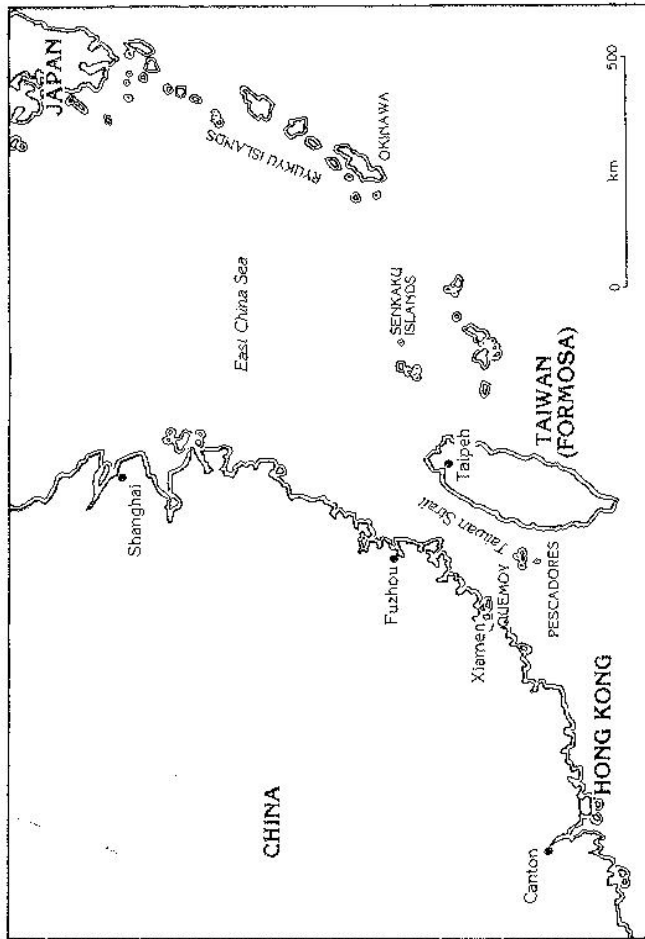
Source: Ministry of Foreign Affairs, Japan.



Map 3



Map 4



The location of the Senkaku Islands.



## Concluding Thoughts

Niklas Swanström

The contributors of this volume have set the stage for continued research and policy efforts to integrate conflict prevention and management into the political reality of Northeast Asia. The long-term goal of the project "Conflict Management in Northeast Asia", of which this volume is a part, is to integrate policy needs and theory development into a functional structure that can reduce tension and prevent future military conflicts. This volume has outlined some of the potential problems and opportunities, as well as the differing positions of the political entities in the region. This has been accomplished by first defining conflict prevention and management, and then by looking into a few practical attempts of how to handle and prevent conflicts. Finally, the focus has been on the individual political entities' perception of prevention and management. In his chapter, Professor Kimura pointed out that Northeast Asia is characterized by diversity, and, indeed, this diversity is mirrored in both the perceptions and usage of prevention and management measures to address conflicts. In many ways, this discrepancy complicates future undertakings in this field and a regional culture of prevention remains a rather remote goal. Indeed, additional to the multitude of ongoing older conflicts, new conflicts continue to form between the regional actors. This, in combination with the ongoing arms race, has made Northeast Asia the single most militarized region in the world today.

However, several positive factors have also been noted in the different chapters. These are factors that, on a more general level, facilitate regional integration and help bring about an understanding in Northeast Asia that prevention and management is essential to reduce tension in the region. One positive example is the successful economic integration in the region.

Despite the lack of political cooperation, and in some cases even political conflicts, between regional entities such as Korea and Taiwan, South and North Korea, Japan and China, they all trade significantly with each other. Positive development can also be seen in the field of energy cooperation. This development and the different aspects of the energy situation have been addressed by several of the authors in this volume. Extended cooperation is, however, made difficult by the political distrust between the different actors and the failure of regional multilateral organizations in Northeast Asia. In this volume, it has been suggested that both informal networks and private capital could help bridge these cleavages. However, in reality, the political will to integrate further seems to be absent. Nevertheless, the lack of consensus on how to integrate, and the political unwillingness is not decreasing the relevance of looking at the region from a management and prevention perspective. On the contrary, it increases the importance to prevent further tension, and even potentially prevent the outbreak of military conflicts (intentional as well as unintentional conflicts). Finally, it increases the importance to raise awareness of the need for preventive and management mechanisms.

Perceptions of the concepts do not only differ *between* the different political entities, but also *within* them. Indeed, sub-national actors, such as the military, political and economic entities have different understandings of these issues. The perceptions of conflict prevention and management range from structural prevention, in terms of economic cooperation and integration, to military crisis management. There are also great differences in perceptions when it comes to the relative weakness and strength of the actors in military and political issues. Actors that perceive themselves as weak tend to be more reluctant than their stronger opponents to adopt measures of cooperation, prevention and management. This is primarily based on a lack of trust and confidence between the different political entities and their leaders. Consequently, this has led to a situation in which the relative inequality in military and political power has prevented the establishment of preventive and management mechanisms. A similar tendency can be noticed regarding the relatively stronger states that see very little reasons to “give up” their positions. The economic sphere seems to function very differently from the political and has showed high levels of

informal integration between all actors regardless of position in the region. Economic cooperation is at an all-time high in the region with increased trust among the economic actors as a result. The differences between political and economic interaction could not be more pronounced and in certain way they contradict each other.

Despite the obvious stalemate when looking at regional structures dealing with conflicts, there is a large degree of optimism in the region. Most contributions to this volume have discussed ways to break the stalemate, prevent further escalation of conflicts, and increase the engagement with the opponent. Several practical suggestions on how to deal with this stalemate have been put forward. These include confidence building, cooperation within the energy sector, informal and formal cooperation, aid, measures to address different kinds of regional asymmetry, and non-proliferation. Most of these suggestions have drawbacks that have been acknowledged by the authors. It is clear that few practical attempts to extend conflict prevention and management are fully accepted by all involved regional entities. The reasons for this seem relatively straight forward when reading the different chapters in this book.

### **The Need for Conflict Prevention and Conflict Management**

Faced with the situation presented in this book, the initiation of conflict prevention and introduction of conflict management mechanisms seem highly difficult to materialize at the political level. This gives rise to two important questions. First of all, is prevention or management at all necessary? Second, is it possible to implement? Conflict prevention is, by any standard, urgently needed in a region so militarized and with so few regional structures to handle conflicts. Most regional actors aim at preventing further military confrontations, even if this tendency is greater in the relatively weak states than in the relatively strong ones. Stronger states simply perceive the need to be less urgent as they have the political and/or military strength to withstand the smaller actor's demands. It should also be noticed that the different understanding of prevention and management is greater than the perceived need for mechanisms to deal with

military conflicts. This complicates the situation and increases the risk that the actors talk past each other.

In sum, evidently all actors in the region would like to see mechanisms installed to prevent current and future conflicts and minimize their unpredictability, especially mechanisms that assign greater power to the regional actors themselves. Sadly, it is equally apparent that the conflict lines in the region are characterized by a lack of conflict management and conflict prevention.

To create regional structures to deal with conflicts in the region would first of all require increased trust and confidence. This, in turn, could be achieved through interactive structures and positive experiences in handling disputes. The implementation of structures and building of trust goes hand in hand, even if trust seems to be more important in the initial stages. The lack of trust among the political actors is not a problem to the same extent in all contexts. For example, the business and academic settings experience much higher degrees of trust and confidence than any other sphere. This has been achieved gradually over the past 30 years and is the result of extended economic ties and increased educational exchange. Despite these positive signs, the overall political and military relations in the region are plagued with problems and a lack of cooperative structures which has impacted the mechanisms for handling conflicts negatively.

As mentioned above, the economic sector has experienced a most impressive integration. In the short-term, much can be gained by improved relations and a decreased conflict potential. First, it could decrease the military expenditure in the region. Second, it could lead to decreased transaction costs which open for increased economic interaction. On the negative side, continued tension and the lack of structures to handle conflicts will force economic actors to require a higher security premium. They are also forced to operate below their full economic potential which is limiting the prospects for economic gains. In addition, a conflict in the region would be devastating for regional as well as international trade. It is thus financially unsustainable (both short and long term) to accept this high conflict intensity and the absence of cooperative or management structures to mitigate conflicts.

The intraregional economic integration is well developed, as is Northeast Asia's economic integration into the world economy at large. This has been made explicit in the chapters written by Professor Hong and professors Zha, Itoh and Ivanov. They illustrate that the energy sector can provide effective tools to prevent and deal with conflicts, but also that it can give rise to conflicts and, potentially, militarized violence. Moreover, the chapters written by Ambassador Kiesow and professors Yao, Lee, Ding and Kimura note the high levels of interconnectedness between the actors, regardless of conflict lines.

Regional military security is made more complicated by the current arms race that threatens to decrease the relative openness between the actors. In a region of distrust, less economic, military and political transparency can be perceived as an asset. In the military field, this is illustrated by the reluctance to cooperate and increase openness regarding exercises and military capability. This is a direct reason for continued conflict, decreased trust and increased tension in the region. As has been noted in the various chapters, the realist mind frame of the Northeast Asian leaders manifest itself in a reluctance to disarm or even decrease military pressure on their opponents. The lack of trust and political will to compromise and the urgently needed structures to handle military problems illustrate the necessity to continue the work in this specific field.

Politically there is a growing and direct need to decrease the mistrust and tension since without improved political relations it is only possible to further improve relations in other fields marginally. Much of the increased tension in the region is directly related to the political field and the subsequent failure to compromise and create cooperative structures. In addition, the political relations also seem to be the most difficult relations to improve, although not impossible. Nevertheless, the improvement of the political climate should be given highest priority since it would lead to improved relations in virtually all other sectors. So far, nothing clearly indicates that the opposite holds true, i.e. that economic integrations leads to improved political relations.

In many cases, the political establishment is, through restrictions on contacts and limitations on implementation of practical measures, directly



obstructing further prevention or management measures despite a direct need within the economic and military establishments.

At an individual level there is a need to improve the relations in all above mentioned areas and several more as tension increases military costs, decreases economic development and creates and insecurity that directly affects the individual citizens. If the ongoing conflicts continue, they risk becoming militarized which would have devastating effects on the economic sector, or even making it collapse. It could potentially lead to large scale conventional battles, or even the use of nuclear weapons, at extreme social costs.

Globalization, regionalization and interdependence have made it crucial for all actors to work together in an effort to stabilize the region. If this fails, the military, economic as well as political security will be affected. Without cooperation in the region, the instability will be prolific, the economic development will decrease, and the social tension may grow in some states. It becomes more and more apparent, even for the most isolationist state that no state can continue to prosper and increase its national security without international interaction, integration, and the creation of effective conflict prevention and management mechanisms. Northeast Asia has increasingly become integrated into the international arena, but much needs to be done in terms of integration *within* the region. This has to be improved if security is to be maintained in Northeast Asia. However, there is a much to be done before this can be accomplished and at the current stage there is not even a clear agreement of the concepts involved.

### **The Concepts**

Traditionally, conflict prevention has by many practitioners been interpreted in military terms, i.e. as crisis management and preventive strikes and limited resources have been invested in structural prevention like regional cooperation and economic and political integration. This has changed and today there is a growing consensus regarding the need for prevention and management mechanisms, both in the economic and military fields. Despite the differences in interpretation, there is a shared basic understanding of the concepts. The common understanding focuses on

the need for early deployment of mechanisms to deal with potentially militarized disputes to reduce economic and social costs and CBMs.

Prevention and management has often been regarded as two different strategies. However, the situation in Northeast Asia clearly illustrates that conflict prevention and management, in fact, is different sides of the same coin and in many cases inseparable. One example is cases where the ongoing conflict is contained and dealt with through bilateral or multilateral frameworks. At the same time as the ongoing conflict is managed, it is essential to prevent further conflicts from erupting and tension to increase between the parties. The division of a conflict process into core issues and minor issues makes sense as measures should be designed to address specific problems. Issues that need more work could be left outside the process. Certain conflicting issues could be prevented from escalating in the first place and others could simultaneously be managed. It seems evident that the current division of concepts is artificial and in many cases even problematic. It is also clear that the concepts need to be more integrative and inclusive. New aspects, such as informal mechanisms need to be included. The discussion on the different processes within governmental and other initiatives also needs to improve, especially as the distinction often is unclear.

Moreover, as have been mentioned, Northeast Asia suffers from the lack of regional structures that could deal with military conflicts. The region has emerged as one of the few regions without any regional structures for regional interaction. ASEAN+3 was created to reduce this deficiency, but few concrete results have been seen. Moreover, ASEAN+3 is a trans-regional organization rather than a regional. This lack of regional structures is, at large, due to the distrust between the different actors and the limited political will to interact in multilateral forums. The regional states have been reluctant to implement formal regional structures and there is a need to create mechanisms that could deal with conflicts, both informally and formally without necessarily solving them. This not least as many conflicts in the region are perceived as impossible to solve due to internal as well as regional reasons. Many actors are primarily interested in containing a conflict without making any *visible* concessions. The informal structures are

highly needed in regions where trust is low and animosity fierce, just like in Northeast Asia.

On the positive side, the stalemate has created a window of opportunity for a collaborative effort to further develop the concepts of prevention and management in the region. This is especially true since there are positive signs both in the academic and the economic sector that cooperation is the future trend, despite the lack of political trust and official tension. Prevention and management has increasingly been accepted as vital tools for foreign and internal policy development, even if the concepts still are relatively underdeveloped in the policy sphere. However, this is not only a problem for Northeast Asia, but for the world in general.

### **Northeast Asia's CP and CM Mechanisms**

The situation in Northeast Asia clearly illustrates an urgent need for conflict management and prevention. However, regional cooperation is limited and there are few mechanisms to deal with conflicts, such as the economic dispute resolution system that works satisfactorily in most states but is based on international standards, among others WTO. Multilateral structures that could deal with political and military security are, in essence, non-existent even outside formal cooperation. Despite an increasing need and innovative suggestions from regional scholars and policy people, there is little hope that the governments will implement such structures without a prior crisis. It has been noted in many of the chapters that further mechanisms are needed if militarized conflicts are to be contained in the future.

As noted by some authors, the formal mechanisms are limited and the informal structures that exist within these mechanisms have been far more effective than the formal resolution mechanisms in for example ASEAN and possibly its extension ASEAN+3. In many conflicts, it is evident that the focus has to be moved from resolving the conflict at all costs, to managing and preventing an escalation of the conflict. Such an approach is needed to reduce tension, save face and increase cooperation between the actors in Northeast Asia. The goal would be much more modest, but far more reachable in a conflict with such a high level tension. This shift of

focus can be accomplished by increasing contacts at the informal level, either by contacts at the academic level or between officials in their private capacity. These contacts have to be made outside the official room since the intra-state political situation often places constraints on the actors. The drawback to this is that it does not bring about any rapid improvements. Rather, the improvements will take the form of slow structural changes that do not necessarily threaten any individuals or states.

Despite the multitude of potential conflicts presented in the book, there are no early warning systems in place in the region that could raise awareness of a potential dispute at an early stage. The lack of such mechanisms forces the actors to engage in crisis management, a mechanism that is both costly and insecure. Regional early warning systems that integrate all involved political entities would not only increase security in the region, but also increase trust, cooperation and openness in Northeast Asia. In addition, the actors do not have access to accurate information about potential adversaries and decisions are often based on perceptions of the opponent – perceptions that can be subject to gross misinterpretations. Transparency, even regarding the most basic political and military interaction, is limited. When it exists, it is often a calculated strategy to increase ambiguity and thereby the opponent's cost of political and military action.

### **Regional Challenges to the Implementation of CP and CM**

The security situation in Northeast Asia is further complicated by a history of animosity and a highly threatening arms race sugared with economic concerns despite the existing cooperation. Most governments have, on top of this, been supporting nationalism and campaigns against “national enemies”. Examples include the state-sponsored anti-Japanese campaigns in the other Northeast Asian states. As a result, the general public in these states are, in many cases, more nationalistic and less inclined to compromise than their governing bodies. This is evident in both China and South Korea where the population often has a more negative and aggressive attitude towards Japan than their respective government. This has made compromises a political minefield and partly explains why the national governments have been reluctant to compromise in intra-state and

“secessionist” conflicts. Moreover, the need to save face is important for all these states, even if it should not be exaggerated, something which calls for solutions where all involved are perceived as winners.

This has made prevention and management difficult, and in some case almost impossible to materialize. Although the core issues of the conflict will have to be addressed at some stage, confidence building and cooperation in non-politicized issues are of great interest initially. What is needed, apart from a common language regarding conflict prevention and management, is a change of perception and focus of the governments and officials in the region. A more holistic approach to conflict prevention should be adopted according to which conflicts are seen in a wider perspective. These basic changes are needed if the implementation of these measures is to be successful.

The time aspect of the undertaken measures also needs to change. There needs to be a move from the relatively short crisis perspective where time is lacking and decisions are taken under duress and with limited resources, to an earlier stage where conflicts can be prevented structurally or managed with peaceful means. This is not to say that structural and direct prevention will be sufficient in all situations, crisis management will always be necessary. However, the focus of Northeast Asia should be on the early stages where intervention is less costly, both politically and financially. Crisis management is, in many ways, an old fashioned strategy that rejects structural and direct prevention and disregard economic and political means as tools when dealing with conflicts. One of the results of this volume is the identification of non-military tools in preventing and managing conflicts. It is thus apparent that a wider definition of conflict management and prevention does, in fact, already exist in the region. This definition is continuously strengthened in the economic sector and to a certain extent informally between political and military actors.

Actual management and prevention is not possible without a toolbox of strategies and mechanisms. The skills to utilize and implement such a toolbox need to be taught and distributed to all levels of the political and military establishment. In this regard, it is not enough, by far, to adopt the already existing theories of conflict management and prevention – theories that, at large, are designed following a Western interpretation of how

conflicts should be dealt with. In regard to Northeast Asia, the cooperative structures at a regional level need to be taken into consideration, as well as how political or economic organizations can bring about increased cooperation. One suggestion is to establish an Asian Oil and Gas Union that could oversee energy issues and not only make interaction more effective but also increase trust between the different actors. In the regional setting, there is a need to look closer on how informality and consensus works, especially since these aspects are not prioritized in the current research and since they tend to differ from region to region and, in most cases, even from state to state. The greatest difference between the Western and Eastern conflict management and prevention systems can be seen in their respective view on what is to be accomplished. The approaches to medicine can serve as an example in this regard as was noted by one of the participants. Western medicine attempts to cure the disease, whereas the Eastern medicine attempts to restore balance by structural means without directly addressing the illness itself. Following this, the first approach tends to define conflicts individually and design solutions to each and every one of them. The second approach looks more to the structural problem and views the problem at hand as one of many resulting from imbalance. According to the first approach, there is one illness and one cure, which can be traced back to the very legalistic perspective adhered to by the West, according to which we strive to know who is guilty and who is innocent. The second approach is less concerned with the guilt of individual actors and more with how it affects the balance of the individual (region). Strategies are not designed to resolve this very imbalance, but to restore the order in the body (region) at large. Designs of this kind are able to function at the informal level and leave out the legalistic aim of defining the guilty and not guilty actors. Consequently, Northeast Asia would be very well positioned, from an intellectual perspective, to implement structural prevention.

When it comes to regional organizations in Northeast Asia, they have proved particularly ineffective in creating preventive or management mechanisms, or even trust. The six-party talks on the Korean Peninsula, for example, have in many ways decreased trust and confidence. ASEAN+3, on the other hand, is a promising initiative but is still relatively new and untested. In addition, there are several smaller organizations that have

proved interesting, but the involved states have not yet shown political will to build on these. Therefore, these organizations have been kept outside the political processes.

There is, without doubt, a need to increase and incorporate more actors in this traditionally state-centered region. Actors such as NGOs and IOs could serve as a well needed complement to the GOs that currently dominate the scene. Further actors are not only needed to bring in new ideas, but also, and more importantly, to broaden the contact space and create possibilities for informal work outside of the public eye.

### **The Way Forward**

There are several important challenges that need to be addressed in future research on Northeast Asia. The first is to establish a regional toolbox and regional mechanisms to deal with conflicts. Such tools are non-existent today and, in addition, the existing regional structures such as the ASEAN+3 and the six-party talks have so far had limited success. This is, at least partially, due to the fact that they are both dominated by external actors. The creation of different kinds of regional structures is a first step towards integration. The economic cooperation has paved the way for Northeast Asia and now the political and social spheres have to take up the challenge and work for deeper integration. However, this can not be accomplished without addressing many of the historical and security issues that all states, to varying degrees, feel strongly about, as well as the political inability to bridge these and other differences. Such issues need also to be acknowledged by any theoretical framework targeting Northeast Asia.

The evolution of a regional framework and its impact on conflict prevention and management is fundamental. As mentioned above, there are very few promising organizations that could constitute the fundament of this, but regionalism and regionalization is needed if a more peaceful environment is to be created. Trade has shown to be the single most integrative form of interaction in Northeast Asia and this is where new structures first could be initiated and then spread to other sectors. ASEAN+3 has emerged as a potential candidate for this task. If the organization will limit its activities

to economics or if it will start act politically, either informally "a la ASEAN" or formally, still remains to be seen.

Since the volume has focused on the maybe most pressing problems in the region, i.e. the political status of Taiwan and the nuclear issue on the Korean peninsula, it is difficult to point to any real achievements in this regard. Due to the devastatingly low levels of trust in the region, progress is limited and will take time. The maneuverability has been restricted due to the weight of the conflicts and the highly formal attempts to deal with them. A new view of conflict prevention and conflict management is needed, one that separates between core issues and less important issues – issues that can either decrease or increase tension in the overarching conflict. Focus needs to be moved from the core issues to issues that can be prevented, managed and possibly even resolved. This would create trust between the different actors in the region and increase the likelihood that the core issues could be resolved or managed in the future.

At this stage, the low levels of trust in the region undermine any attempts of creating a culture of prevention in Northeast Asia. This can be reversed by increasing informal contacts, focusing on "easier" and smaller problems, and advocating cooperation in fields of common interest, such as energy. Several positive steps have been taken in the region, but many issues of more devastating character still remain. What is needed is a change in the political establishment and increased willingness to compromise over issues for the good of the region and each individual political entity. This has partly been accomplished through several informal, and increasingly formal, settings of which this project is but a small piece that hopefully will contribute to a regional culture of prevention and thereby a more peaceful Northeast Asia.





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