

DRAFT

Paths to Peace on the Korean Peninsula and in the Taiwan Strait

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Abstract:

For all the differences in the details of their situations, the Korean peninsula and the Taiwan Strait present similar problems and positive possibilities when it comes to conflict resolution. This paper focuses on the positive elements, for these might provide opportunities for reducing tensions and managing dangerous circumstances. Unilateral, bilateral, and multilateral steps are suggested that present ways forward for the Korean and Chinese parties. The multilateral models are largely drawn from the Southeast Asian experience (ASEAN). Conflict resolution in Northeast Asia, I argue, is inseparable from regional conflict management, in particular, on progress in improving East Asia's two most critical relationships: the United States and China, and China and Japan. The paper therefore also explores how those two sets of bilateral relationships need to change in order for security and cooperation to be enhanced through multilateral means.

Introduction

Finding peaceful ways to resolve territorial issues, particularly when they relate to divided countries, is surely one of the most difficult exercises in international conflict resolution. The Korean peninsula and the Taiwan Strait present well-known challenges, but conflict resolution in those areas is a matter of regional as well as bilateral and multilateral action. Northeast Asia is characterized by an absence of normal relationships between some states, several nuclear-weapon and nuclear-weapon capable states, an intertwined history of unresolved grievances, and lack of any kind of security dialogue mechanism—all of which are obstacles to local conflicts such as between North and South Korea and China-Taiwan.

Conflict between states, like interpersonal conflict, is inevitable; but it need not be violent, and in fact can be *constructive*—that is, it can have positively transforming effects on adversaries.¹ This paper proceeds from that optimistic standpoint, contending that conflict-resolution assets exist or can be created in the Korean and Taiwan cases, provided that the parties (which must include interested outsiders) share a political will to move from standoff to exploration of peace-building alternatives. I rely on the

¹ Louis Kriesberg, *Constructive Conflicts: From Escalation to Resolution*, 2d ed. (Lanham, Md.: Rowman & Littlefield, 2003).

perspectives of *human security* and *common security* to inform the options available through unilateral action, state-to-state diplomacy, and multilateral cooperation.²

Problems of Conflict Resolution

There are no secrets as to why the Korean peninsula and the Taiwan Strait are intractable conflicts. A brief review of the elements of intractability may, however, point up some areas that are open to change. First, is a history of bilateralism: The two Koreas and Taiwan have long since tied their security to the support, by treaty or otherwise, of big-power partners. Second, the United Nations has played no direct role either in maintaining peace or in promoting unification. Third, each conflict involves heavily armed adversaries whose weapons are within close range of one another. Fourth, all parties have the demonstrated capacity to develop nuclear weapons. Fifth, the prospects for negotiating agreements that will stick are undermined by deep ideological and other differences, by lack of complete acceptance of the legitimacy of the parties, and by the absence of an honest broker. Lastly, few official multilateral and unofficial (Track II and Track III) channels exist that might provide opportunities for exchanges of view on security and other common matters.

Embedded in these obstacles to harmonious relationships are some clues as to what needs to be addressed to move them onto a positive track. The first requirement is positive US-PRC relations. US adherence to the one-China principle, and reduced support of Taiwan militarily and politically (specifically with regard to Taiwan independence), are likely to make a difference in China's acceptance of Taiwan's status in international organizations and resort to military threats to prevent a Taiwanese declaration of independence. As for the Korean peninsula, positive PRC relations with the United States are likely to affect how strongly China supports DPRK denuclearization and how China might react to future developments such as a sudden political crisis in North Korea, a unified Korea, and a US military presence in a unified Korea.

Second, acceptance by the conflicting parties of each other's legitimacy is an essential piece in the puzzle of conflict resolution. The Taiwan government's legitimacy in the eyes of Beijing, and North Korea's legitimacy in the eyes of Washington, are crucial here. Third, the absence of security mechanisms or an institutionalized security group suggests the importance of creating one. The outcome of the Six Party Talks (6PT), which to a considerable extent depend on positive US-PRC relations, probably has much to do with prospects for building a cooperative security regime in Northeast Asia, as discussed in the final section of this paper.

Fourth, the high level of military preparedness in the two Koreas and on both sides of the Taiwan Strait needs to be addressed. All the parties have spent heavily to

² In brief, common, or cooperative, security involves preventing threats from arising rather than, as in collective security, assembling force to counter threats. The accent is on preventive steps such as transparency of military establishments and confidence and security building measures (CBMs and CSBMs). See Ashton B. Carter, William J. Perry, and John D. Steinbruner, *A New Concept of Cooperative Security* (Washington, D.C.: Brookings Institution, 1992). Human security refers to those basic necessities and opportunities that make life livable and dignified. The annual reports of the United Nations Development Program, informed by the writings of Amartya Sen, give substance to the idea of satisfying human *capabilities*, including by means of enhancing human *development* and meeting basic needs.

modernize weapons, their military deployments are within earshot of one another, and all except North Korea have reliable external weapons suppliers. Two of the parties possess nuclear weapons, while the other two (Taiwan and South Korea) have the capability to develop nuclear weapons and have a nuclear-armed ally. These dangerous circumstances compel attention to arms reductions, redeployments, nuclear-weapon free zones, and other tension-reducing measures.

Assets for Conflict-Resolution Efforts

Although there are plenty of reasons for pessimism about truly resolving conflict on the Korean peninsula and in the Taiwan Strait, in this section I offer some grounds for optimism. One has to do with a different way of viewing the security problem. North Korea certainly represents a strategic challenge—a state whose conventional and mass-destruction war capabilities pose potential threats to its neighbors, and present the possibility of transfer to states and terrorist groups. But from an entirely different angle, North Korea is a weak, isolated state with legitimate security needs. To the extent its development and security needs can be addressed, North Korea may present less of a danger. Unless one argues that North Korea wants war—an argument for which there is no evidence—the challenge becomes one of *enhancing* its real security rather than hemming North Korea in. President Kim Dae Jung’s “engagement” or “Sunshine” policy toward the North was a prime example of common-security thinking in action. Economic incentives, confidence building measures, and threat-reduction diplomacy assume primary importance in a common-security approach, whereas strategies of deterrence and containment, to which the United States is wedded, are secondary. Engagement also fits with China’s two-Koreas policy, since it acknowledges North Korea’s legitimacy, enhances its domestic stability, and substitutes economic and other exchanges for policies based mainly on deterrence and threat.

Geoeconomic interdependence provides another avenue to promote changed relationships. Like East Asia as a whole, Northeast Asia has become increasingly intertwined economically. China, Japan, and South Korea are now among each other’s top five importing and exporting partners. Japan is now China’s principal trading partner and South Korea’s main supplier, and China has replaced the United States as South Korea’s largest market.³ China-South Korea investment relations are extremely important to both countries, as are trade and investment between China and Taiwan. South Korea has become North Korea’s second-most important economic partner, in economic aid as well as trade, behind only China. This increasing degree of economic interaction between states, moreover, is taking place in tandem with the evolution of trade and investment zones: the Chinese Economic Area, the Bohai Gulf, the Yellow Sea, and the Sea of Japan (East Sea).

Strong PRC-ROK economic ties have provided the basis for policy agreements that are likely to have a positive impact on Korean security. Seoul and Beijing share a

³ Kar-Yiu Wong, “Economic Integration in Northeast Asia: Challenges and Strategies for South Korea,” paper presented at the sixteenth annual U.S.-Korea Academic Symposium on “New Paradigms for Transpacific Collaboration,” University of Washington, Seattle, October 16-18, 2005, p. 3. Publication forthcoming from the Korea Economic Institute, Washington, D.C.

number of views on Northeast Asian security matters—enough so that the Hu Jintao-Roh Moo Hyun summit in July 2003 upgraded the PRC-ROK relationship to a “comprehensive cooperative partnership.” Apart from their obvious concern to avoid war and keep the Korean peninsula free of nuclear weapons, both governments believe in the virtues of multilateral engagement with each other (most importantly in ASEAN+3) and with North Korea. Both are concerned that certain US tactics directed at North Korea, such as the Proliferation Security Initiative (PSI), theater missile defense (TMD), and economic sanctions, are needlessly provocative, and that a US policy of engagement, including direct dialogue with Pyongyang, is the wisest course of action.

Another area to build on is US-China relations. The relationship appears not to be as strong as some authorities suggest. Deep divisions and suspicions continue to exist between Washington and Beijing on security issues, trade, human rights, and other matters. American criticisms of China’s military capabilities, largely emanating from the Pentagon, and expressions of alarm about China’s global search for new sources of oil, have accentuated the negative side of the relationship.⁴ Still, avoiding conflict over Taiwan and North Korea, denuclearizing the Korean peninsula, promoting commercial ties, and sustaining high-level bilateral and multilateral security and political dialogue are common interests of the United States and China. Nurturing the positive aspects is not merely beneficial to building mutual trust and avoiding miscalculations of each other’s intent; it is absolutely crucial to moving the regional security agenda forward.

Though Northeast Asia is weak when it comes to functional integration and people-to-people activity, there are some ongoing activities that contribute to a peace process—and could contribute more with greater official encouragement. Examples are the Track II conferences organized by the Council for Security Cooperation in Asia Pacific (CSCAP), the multilateral group formed to provide oil and nuclear power to North Korea (the now-defunct Korean Peninsula Energy Development Organization, KEDO), the business and family members who travel between Taiwan and the PRC, the six-nation Tumen River Area Development Program (TRADP) under the UN Development Program, Hyundai Group’s industrial and tourist zones just across the Korean demilitarized zone, and the semi-official talks between the Straits Exchange Foundation of Taiwan (SEF) and China’s Association for Relations Across the Taiwan Strait (ARATS).

Lastly, there is a nearby success story to draw from. Though ASEAN has never played the lead role in a regional conflict, it has established a dialogue process based on inclusiveness, networking, and noncontractual obligations. The ARF has created a talking space for the two Koreas, for Chinese and Japanese representatives, and for East Asian contact with the United States and Russia. Among ASEAN’s successes may be listed codes of conduct to deal with the South China Sea dispute, multi-nation workshops on that dispute, promotion of free trade agreements with China, and mitigation of disputes among the members. Conflict *resolution* is an as-yet unrealized goal of ASEAN and ARF; but with respect to confidence building and conflict prevention, two other goals, the ASEAN way has enjoyed modest success that could be emulated in Northeast Asia.

Building Peace in Northeast Asia

⁴ See Michael T. Klare, “Revving Up the China Threat,” *The Nation*, October 24, 2005, pp. 28-32.

This section of the paper explores specific steps that might be taken to reduce tensions and begin the arduous, long-term peace-building process in Northeast Asia. I begin with positive steps that could be taken unilaterally and in state-to-state diplomacy, then go on to discuss multilateral approaches, many of which draw on the Southeast Asian experience.

Unilateral Steps

Unilateral steps may be taken with or without the expectation of reciprocity, and in positive and negative ways. Positive steps that would at least imply if not require reciprocity might include arms reductions, military redeployments, military aid cutbacks, permission for arms inspections, economic assistance packages, pledges of friendly intentions, a lowering of hostile rhetoric, and symbolic acts. Unilateral moves also include negative security assurances and removal of diplomatic opposition to another country's interests.

Any of the above steps would have value in the Korean and Taiwan situations. A US or PRC decision to reduce, respectively, arms sales to Taiwan and missile deployments opposite Taiwan would clearly reduce tensions in the Strait. A unilateral North Korean pullback of forces from within range of the Korean DMZ, increased Japanese or US economic aid to North Korea, and US security assurances to North Korea (including assurances not to invade and not to impose sanctions) would likewise improve international relationships. South Korea's engagement policy toward the North has included a number of unilateral steps, such as consistent pledges not to absorb the North, large-scale shipments of rice, an inter-Korean cooperation fund that will double economic aid (to nearly \$1 billion) in 2005, and promotion of Hyundai and other investment projects in the DPRK. While criticisms abound concerning the effectiveness of the engagement policy—either because of the uncooperativeness of the North Koreans or because the critics' hope that engagement will *transform* North Korea has been disappointed—the policy does seem to have helped lower tensions between the two Koreas and laid the basis for long-term cooperation.⁵

Lowering hostile rhetoric and making symbolic acts of repentance are important steps to healing relationships and restoring civility. It hardly needs emphasizing that negative Chinese and Korean portrayals of Japan, harsh exchanges of criticism between Taiwan and PRC officials, Japanese atrocities during World War II, and North Korean propaganda attacks on South Korea are huge barriers to improving relations—barriers that economic ties alone cannot erase. The willingness of one party to make symbolic (or “soft”) changes might encourage reciprocal gestures by the other party of a “hard” kind, such as military redeployments, cancellation of military exercises, or economic aid. But we should note that words and deeds must complement one another to have effect.⁶

⁵ See Dae-Kyu Yoon and Moon-Soo Yang, “Inter-Korean Economic Cooperation for North Korean Development: Future Challenges and Prospects,” *Asian Perspective*, vol. 29, No. 3 (2005), pp. 5-30.

⁶ The October 2005 apology by Prime Minister Koizumi Junichiro, for instance, in which he expressed “my feelings of deep remorse and heartfelt apology” for World War II victims, was a step forward; but it was largely negated, at least in the minds of the Chinese and Korean governments, by his intention to keep visiting the Yasukuni Shrine.

New Diplomatic Approaches

The chart at the end of the paper identifies some actual and possible (shaded) tension-reducing steps for both our cases at the bilateral and multilateral levels. As was stressed earlier, dealing effectively with the Korea and China-Taiwan conflicts requires synergy between the bilateral and multilateral policy levels. They are interlinked: Intersecting rivalries as well as increasing economic interdependence in Northeast Asia mean that disputes cannot be dealt with exclusively by improving two-party relations, though obviously bilateral agreements are critical pieces of the larger puzzle. All such disputes are inherently multi-party and demand attention to the multitude of interests involved, as the Six Party Talks show. But therein lie opportunities for the wider use of incentives.

Avoiding the prospect of hostile US-China relations, and within that a hostile China-Japan relationship, are central security-building tasks in Northeast Asia. The post-cold war opportunities for dramatic improvements in the region are being frittered away, mainly by a US administration that has used the 9/11 attacks to establish a new world order based on unquestioned US preeminence. The 6PT are one such opportunity. If the Statement of Principles that emerged from the fourth round of 6PT in September 2005 can be translated into practice—such that North Korea terminates its nuclear-weapons program under verifiable conditions and abides by the Nuclear Nonproliferation Treaty in return for the simultaneous provision of nuclear-energy assistance and US security assurances—the 6PT can be the lift-off point for broader security arrangements, which the Statement also promises.

One way to improve US-China relations is to promote better ties between Japan and China. As one Chinese commentator has pointed out, the United States has “pushed China and Japan further apart.”⁷ The “China threat” is being played up by the Japanese right wing, he writes, leading to interference in Taiwan affairs with apparent US support. Both those countries, moreover, seem anxious to deflect China’s growing economic cooperation with ASEAN. These issues, when combined with the well-known historical sources of animosity, feed nationalistic sentiment in China, as the Internet-based popular protests during the spring of 2005 showed. Nor are there important diplomatic channels for helping resolve such matters: One of the disturbing features of China-Japan relations is the absence of both high-level summitry and regular nonofficial relationships.

The United States should not use the alliance with Japan against China, least of all by enlisting Japan in the China-Taiwan dispute.⁸ The “2+2” statement issued by the United States and Japan in February 2005 that committed the two countries to a peaceful resolution of the Taiwan issue only aggravated a delicate situation.⁹ If the US government is serious about contributing to a peaceful resolution there, it has several

⁷ Wang Jisi, “China’s Search for Stability with America,” *Foreign Affairs*, vol. 84, No. 5 (September-October, 2005), p. 44.

⁸ For a contrary view that seems to be surprisingly oblivious to the implications of strengthening the US-Japan alliance at China’s expense, see “Japan-Taiwan Interaction: Implications for the United States,” *NBR Analysis*, vol. 16, No. 1 (2005), online at <http://nbr.org/publications/analysis/pdf/vol16no1.pdf>.

⁹ The statement probably confirmed the Chinese in their suspicions that the real intention behind the 1997 US-Japan strategic guidelines, which left ambiguous what Japan might do in the event of another US-PRC crisis over Taiwan, was to contain China. The 2+2 statement was a needless provocation, and Tokyo could contribute to regional peace with a diplomatic statement that in essence abandons it.

well-known options available to it. These include reducing US military aid to Taiwan in a reciprocal manner with China; continuing to oppose Taiwan independence; promoting direct cross-Strait dialogue and exchanges of politically important persons; favoring the removal of remaining barriers to direct Taiwan commercial ties with the mainland; and devising military confidence-building measures to prevent miscalculations.¹⁰ It goes without saying that steps such as these also require supportive commitments by China and Taiwan.

It would obviously also help ease tensions if any of the following bilaterally agreed-upon steps were taken. One is a China-Japan statement of principles, similar to the US-Soviet statement in 1972, that promises a serious exploration of their differences and concrete ways to minimize them. The statement might include Japanese affirmation of respect for the one-China principle, and sensitivity to Chinese concern about historical revisionism and official visits to the Yasukuni shrine.¹¹ The Chinese side might pledge not to fuel anti-Japanese protests and instead to emphasize positive portrayals of Japan, such as Japan's contributions to China's economic development. Second, both sides could agree on regular summit meetings. Third, China might make an important gesture to Japan by withdrawing its opposition to a Japanese Security Council seat. Fourth, to reduce any sense of threat and promote transparency, both countries might create an ongoing forum to discuss military doctrine, capabilities, and deployments. Neither country's official defense guidelines should point to the other as a threat.

In addition to mounting tensions in Japan-China relations, there are also unresolved issues in Japan's relations with the two Koreas. To date, Japan's testy relations with ROK, as well as enduring issues in Japan-DPRK relations (namely, the abduction of Japanese civilians and North Korean missile tests), are a major impediment to a cooperative-security approach to Korean problems. Japan needs to be a more vocal supporter of engagement with North Korea; it needs to consider a new approach honoring its war dead; and it needs to act with extreme caution on constitutional revision and military deployments beyond the home islands. In an environment of better US-China relations, in which Japan is no longer seen by Beijing as part of an American containment strategy, such steps by Tokyo would contribute considerably to reduction of tensions in the Northeast Asia region.

Another major area of conflict resolution is, of course, North Korea's nuclear and missile programs. The choice here is between two security models—deterrence, and defanging of NK or, as this paper proposes, preventive diplomacy and cooperative security, emphasizing economic incentives and diplomacy with the goal of creating a new regional security framework. Every effort should be made to integrate North Korea in sub-regional and larger economic frameworks, since it is clear that only significant international help can salvage its economy and create economic opportunities for the North Korean people. Even though North Korean leaders are being highly cautious and selective about how they respond to the global (capitalist) economy, the door to the DPRK's participation should be wide open. President Kim Dae Jung's proposal of an

¹⁰ For fuller discussion on these and other elements of a cross-Strait peace process, see Richard C. Bush, *Untying the Knot: Making Peace in the Taiwan Strait* (Washington, D.C.: Brookings Institution Press, 2005), especially pp. 329-33.

¹¹ A number of Japanese public figures have gone farther by proposing that the gravesites of the Class-A war criminals buried in Yasukuni be moved to a different location. That too would be a welcome step.

inter-Korean economic community might be revitalized, as might his idea of making the DMZ a zone of peace. South Korean, US, and other countries' restrictions on trade with North Korea should be removed. Japan should make a bold financial commitment to advance the agenda of the Tumen River Area Development Program (TRADP) under the UNDP, perhaps by setting up a Northeast Asia regional development bank. Foreign investment in North Korea, which has been meager, can be boosted if the United States removes its objections to funding of projects in North Korea by the International Monetary Fund, the World Bank, and other international lending institutions. If some of these steps take place, and North Korea's economy begins to grow, the DPRK might be inclined to seek membership in Asia-Pacific Economic Cooperation (APEC) and avail itself of APEC's capacity-building expertise.

New Models for Multilateral Ventures

The ASEAN experience provides three models of multilateral security building that might have applicability to Northeast Asia. In keeping with the "ASEAN way," all three models operate on the principles of informality, inclusivity, connectivity (networking), and consultation. In brief these models are:

- *Dialogue*: security discussion for conflict prevention and confidence building, such as the ARF and South China Sea workshops.
- *Functional*: multi-nation projects and associations that meet specific national objectives while also promoting greater interdependence, such as an energy consortium, a trade forum (APEC), and a free trade area.
- *Policy*: groupings to find common ground on political and economic issues, such as ASEAN's codes of conduct, ASEAN+3, and the proposed East Asian Community.

The single most important collaborative step that can be taken to promote common security in Northeast Asia is to create a permanent security dialogue mechanism (what I will call NEASD).¹² Whatever the ARF's merits with respect to Southeast Asian interests, it has few resources for Northeast Asian purposes. ASEAN+3 is a step in the right direction insofar as it provides a functional setting for China-ROK-Japan discussions. But the exclusion of North Korea as well as the inclusion of ASEAN makes ASEAN+3 a poor candidate for addressing security matters on the Korean peninsula and the Taiwan Strait. Those two situations require a separate forum; and given China's view of Taiwan as an "internal affair," such a forum has to be smaller, less official, more focused, and inclusive of North Korea than are ARF and ASEAN+3.

In the September 13, 2005 Statement of Principles at the close of the fourth round of the 6PT, all the parties "agreed to explore ways and means for promoting security cooperation in northeast Asia."¹³ All but North Korea have at one time or another

¹² See Peter Van Ness, "The North Korean Nuclear Crisis: Four-plus-two—an Idea Whose Time Has Come," in Mel Gurtov and Peter Van Ness, eds., *Confronting the Bush Doctrine: Critical Views from the Asia-Pacific* (London: Routledge, 2005), pp. 242-59.

¹³ Text in Northeast Asia Peace and Security Network (NAPSNet) Special Report, September 20, 2005, online from nautilus.org.

endorsed an NEASED.¹⁴ If principles become practice, and North Korea gains acceptance of its “right” to produce nuclear power under verifiable conditions, the way might be cleared to pursue the NEASED idea. As a “forum,” NEASED would provide opportunities for quiet discussion even of the most sensitive matters, such as Taiwan. Since a forum officially is not equivalent to negotiations, it is possible that agreements that could not be put on paper—for example, a reduction of Chinese missiles deployed opposite Taiwan in exchange for reduced US military aid to Taiwan, or a reduction of North Korean military deployments in the vicinity of the 38th parallel in return for a similar commitment by the United States—could be worked out. The NEASD would also be the proper setting to explore more far-ranging common-security measures, such as a multi-party guarantee of Korean security, a Northeast Asian nuclear-weapon free zone (NWFZ),¹⁵ a regional energy consortium, and conceivably the modalities of Korean unification.

Security dialogue should be supplemented by Track II and Track III activities. At the Track II level, traditional security concerns such as CSCAP addresses need not be the only topic. Cooperation through dialogue and collaborative projects on the regional environment, migrant workers, and public health are just as critical to national and regional security. Under Track III, NGOs perform valuable functions that governments cannot or will not perform. For example, in North Korea the US-based Mercy Corps and Nautilus Institute have food and energy development projects; a number of European Union NGOs train government and trade officials; and both EU and US academic institutions have research and teaching programs.¹⁶ The activities in this category typically include international conferences, issue workshops, and people-to-people programs, all of which bring together groups and individuals in informal settings conducive to off-the-record discussion. One has to think that the more contact of the Tracks II and III variety that occurs between influential Chinese and Japanese, North Koreans and Europeans and Americans, and Chinese and Taiwanese, the better the prospects of mutual understanding and positive feedback to state leaders.

Functional cooperation is a particularly valuable form of trust building. For one thing, it imparts tangible benefits and thus a suggestion of what still deeper cooperation might produce. For another, functional cooperation may demonstrate that national and regional security can be enhanced in ways other than arms racing. The creation of free trade agreements (FTAs) such as the China-ASEAN FTA may lead to even more ambitious arrangements, such as a China-South Korea or even a China-South Korea-Japan FTA. Because of the already high level of trade dependence among those three countries, a deepening of their commercial relations would surely help moderate political

¹⁴ See, for example, Wang Jisi’s comment (“China’s Search for Stability with America,” p. 45) that “a permanent Northeast Asian security arrangement [would be] a development that would serve the interests of all the countries concerned and one that China should favor.”

¹⁵ John Endicott at Georgia Tech University has devoted many years to promotion of a NWFZ in Northeast Asia. Andrew Mack at the University of British Columbia also has written on the issue. For a recent view from Japan, see Hiromichi Umebayashi, “A Northeast Asia Nuclear Weapon-Free Zone (NEA-NWFZ),” NAPSNet Special Report, August 11, 2005, online from nautilus.org.

¹⁶ See Peter M. Beck and Nicholas Reader, “Facilitating Reform in North Korea: The Role of Regional Actors and NGOs,” *Asian Perspective*, vol. 29, No. 3 (2005), pp. 31-49.

differences.¹⁷ North Korean economic development could be (and *should be*) a beneficiary of that evolving process, since it seems clear that a regional approach is the long-term answer to rescuing the North's dilapidated economy.¹⁸ Energy provides a multitude of cooperative possibilities. Studies have shown, for example, that a liquefied natural gas (LNG) pipeline from Siberia through North Korea to northeast China could be highly rewarding for all the parties, none more so than the DPRK.¹⁹ Another example is the meetings, with little fanfare, of Chinese and Japanese experts to consider how their conflicting approaches to seabed resources in the East China Sea and the South China Sea can be resolved. Legal and territorial disputes may be put aside in favor of joint development, as the two countries were able to do in 1997, when they signed a fisheries agreement governing the East China Sea.²⁰ If they can do so, other states with claims in those seas may be invited to join the agreements China and Japan reach.

In a similar spirit, other contentious transnational issues, such as acid rain, migrant workers, endangered species, drug trafficking, and hazardous goods disposal at sea, might also be addressed from the standpoint of delaying questions of sovereignty and responsibility in favor of cooperative, mutually beneficial action on immediate matters. Needless to say, the political and economic obstacles to agreement on resource and other such issues can be enormous; and the potential of environmental degradation accompanying energy cooperation gives us pause. The point remains that a cooperative approach has the potential for win-win outcomes as well as joint problem solving of unintended consequences.

A Final Word

It is always the better part of wisdom to propose that in delicate, security-sensitive circumstances such as Northeast Asia presents today, a slow step-by-step process, accompanied by modest expectations and infinite patience, will have the best chance of achieving peaceful outcomes. While nothing in this paper contradicts that advice, there are some additional points (hopefully also wise) that I believe need to be added. One is that rivalry in Northeast Asia, in particular between China and Japan, should be approached with some sense of urgency. There are too many active and latent disputes that need attention before they get out of control. Second is that the Korean and Taiwan Strait situations require as preconditions the cultivation of improved relations among other parties, in particular the United States and China and China and Japan. Consequently—the third point—we need to invest more ideas and resources in multilateral projects that bring substantial benefits to participants while also promoting, as people in ASEAN like to say, the “habit of dialogue.” Fourth, we should not be

¹⁷ Wong, “Economic Integration in Northeast Asia,” pp. 1-3. See also Claude Barfield and Jason Bolton, “Korea, the U.S., China and Japan: The Rise of Asian Regionalism,” *Pacific Focus*, vol. 20, No. 1 (Spring, 2005), pp. 179-255.

¹⁸ Yoon and Yang, “Inter-Korean Economic Cooperation,” pp. 25-27.

¹⁹ I am indebted to papers and discussion at the sixteenth annual U.S.-Korea Academic Symposium on “New Paradigms for Transpacific Collaboration,” University of Washington, Seattle, October 16-18, 2005—in particular, papers by Jill Nesbitt and Takashi Itoh and comments on them by Carol Kessler and David von Hippel.

²⁰ See Selig S. Harrison, *Seabed Petroleum in Northeast Asia: Conflict or Cooperation?* (Washington, D.C.: Woodrow Wilson International Center for Scholars, 2005).

overconfident about the ability of economic globalization to paper over or eliminate these disputes and rivalries. Nor, finally, should we rely overly much on governments to do the job of building peace. Track II and Track III organizations are filling the void, notably in the North Korean case. With proper support, they can play vital roles in building confidence between adversaries, and thus setting the stage for agreements that only governments can make.

TRACK I, II and III PATHS TO COOPERATION IN EAST ASIA

	BILATERAL	MULTILATERAL	REGIONAL
NE ASIA	<ul style="list-style-type: none"> *joint oil/gas development (China-Japan) *military meetings *summit meetings *ARATS-SEF meetings *track-II and track-III meetings *pledges of cooperation *arms reductions 	<ul style="list-style-type: none"> *6-Party Talks *KEDO¹ *Tumen River development *ARF *track-II and track-III meetings *ASEAN-PMC *environmental protection agreements *PACATOM *ASEAN+3 *peace zones 	<ul style="list-style-type: none"> *energy consortium *development bank *security dialogue mechanism *APEC *NWFZ
SE ASIA (ASEAN)	<ul style="list-style-type: none"> *state-state diplomacy *codes of conduct *FTAs 	<ul style="list-style-type: none"> *ARF *China-ASEAN FTA *ASEAN+3 *SCS workshops 	<ul style="list-style-type: none"> *ASEAN-10 *APEC

Note: Current activities are unshaded; possible activities are shaded.

¹ Not functioning.