

CHAPTER 4

*Other Key Players I:
Korea and Taiwan*

A major feature of contemporary Asia-Pacific security politics is the pervasive sense of strategic uncertainty shared by its middle and small powers. The recent structural shift from the tight bipolarity of Soviet-American geopolitical competition to a loosely defined and more complex multipolar security environment has left these smaller players clearly more independent but also more vulnerable. The challenges now facing these states may be more ambiguous but are no less formidable than those confronted during the Cold War.

The Korean Peninsula provides the most telling example of this trend. Here we find two regimes separated by that country's demilitarised zone maintaining Cold War force levels and implacably opposed ideologies, even as one struggles to feed its population and the other confronts its most serious postwar economic crisis. The Taiwan Strait confrontation is a no less indomitable affair; Taiwan is one of the region's most liberal political societies and successful economies yet China continues to insist it has the right to re-assimilate that island by force if it declares its formal independence from the mainland. Most ASEAN member-states face the twenty-first century with their domestic political systems fragile, their long-standing territorial disputes unresolved, their ethnic and nationalist tensions intensifying and their economic futures increasingly uncertain. Australia, the Southwest Pacific's dominant power, is struggling to gain acceptance among the region's states as a fully-fledged 'Asian' nation while strategic ties to past, extra-regional 'great and powerful friends' are still being maintained.

Despite their varying historical and cultural legacies and different strategic concerns, the Korean Peninsula, Taiwan, ASEAN and Australia are currently bound together as second-tier politico-security units by their common status as the Asia-Pacific's 'other key powers'. This termi-

nology is controversial and may be conceptually vague without explanation. For the purposes of this study, the most fitting criteria would appear to be a combination of those specified for 'security powers' by Australian Foreign Minister H. V. Evatt (in an April 1945 BBC radio broadcast) and those for significant 'minor powers' stipulated by the eminent international relations theorist Martin Wight. These would include:

- certain powers, which by reason of their resources and geographic position, will prove to be of key importance for the maintenance of security in different parts of the world (Evatt)
- a [middle] power with such military strength, resources and strategic position that in peacetime the great powers bid for its support and in wartime, while it has no hope of winning a war against a great power, it can hope to inflict costs on a great power out of proportion to what the great power can hope to gain by attacking it ... [or] a [minor] power which has the means of defending only limited interests (Wight)

Taken together, other key powers – whether a single political unit (such as Australia or Taiwan), a unit comprised of contending regimes (a divided Korea) or multiple units adhering to a common set of foreign policy interests and principles (ASEAN) – have sufficient influence and impact on regional security to be key actors in the Asia-Pacific strategic environment.¹

Several characteristics underscore the relevance of these 'other key powers'.² One is their continuing pursuit of military modernisation. A second is their increasing tendency to seek diversity in their politico-security relations, driven by a common desire to enhance their manoeuvrability within a rapidly changing global security environment. A third feature has flowed from this shared aspiration: a propensity to explore various formal and informal multilateral security frameworks to supplement but not to replace their traditional bilateral security ties with various great powers.

All three of these trends link these states to the realist-liberal debate. Their sustained defence modernisation efforts, realists would argue, illustrate the intensification of the security dilemmas in which a number of these states are involved and their lack of faith in liberal prescriptions for regional confidence-building and stability. Nor, realists argue, are their pursuits of new security relationships, in either a bilateral or multilateral context, indicative of anything more than their desire to preclude any one great power from dominating the Asia-Pacific region by collaborating tacitly either among themselves or with other great powers to avoid regional hegemony.³ Liberals assert that the trend towards new forms of multilateral security relationships with the larger powers will gain momentum as the other key powers realise the advantages of seeking security through these relationships.⁴ Liberals further argue that if

multilateral security cooperation prevails, the prospects increase commensurately for 'lesser powers' to maintain strategic autonomy.⁵

This chapter will focus discussion on the Korean Peninsula and Taiwan – 'key powers' that must manage what are perhaps East Asia's two most dangerous flashpoints. Chapter 5 will examine ASEAN and Australia which together comprise a large part of the Asia-Pacific's 'southern rim'. As 'units', of course, the two Koreas and ASEAN are constituted by more than one state but they are considered as collective entities here because: (1) their foreign policy agendas are highly inter-connected; and (2) they are identified as such by other regional and global actors. In the case of the Koreas, this joint identification focuses on national identity and unification and, in the case of ASEAN, on how Southeast Asia's integration must proceed apart from great power interference. Taiwan's security pre-occupations evolve around a single major issue: avoiding assimilation by China on Beijing's terms, while Australia clearly pursues its own interests as a distinctly independent regional security actor. The two chapters are further differentiated along 'subregional' lines. The Korean Peninsula and Taiwan are both aspects of 'Northeast Asian' security. Their strategic destinies will ultimately effect the future security of the two major Northeast Asian powers that this study is concerned with, China and Japan. In contrast to this, Southeast Asia and Australia together represent the maritime or 'offshore' dimension of regional security.

This chapter has been organised into two major sections covering both Koreas and then Taiwan. These sections have been further divided into three separate subsections. The initial subsection provides a brief overview of the Korean and Taiwanese security environments and how military strategies have evolved in response to perceived threats. This is followed by a discussion of how these 'other key powers' have dealt with great-power security politics. In this context, both of the Koreas and, to a lesser degree, Taiwan have recently attempted to diversify their traditional security postures of great-power dependence. The concluding subsections explore whether these diversification strategies will strengthen multilateral regional security cooperation or reinforce realist patterns of power politics. While these trends may not be uniform in all four instances under review in this chapter and the next, taken collectively they provide an understanding of how the Asia-Pacific second-tier powers are adapting to the region's changing security dynamics and how their policies and postures will influence the type of regional security order that takes shape.

The Korean Security Environment and Military Strategies

Korea's fate is the most immediate security issue in Northeast Asia. Although there is only a relatively small risk of the Democratic People's

Republic of North Korea (DPRK) invading the Republic of Korea (ROK), it cannot be discounted entirely, even as its leadership has begun to open up to the outside world.⁶ Previous speculation about that regime's imminent demise has proven to be premature. The continued resilience of North Korea's political institutions, despite Kim Il-sung's death in 1994, the pre-eminence of its military structure and the effectiveness of its diplomacy in extracting food aid and related concessions are developments that have all worked to underscore the complexity of dealing with the North and of projecting future developments there.⁷

The North Korean policy labyrinth intensified even more during the year 2000. An historic summit was convened for 13 to 15 June in Pyongyang between South Korean President Kim Dae-jung and Kim Jong-il, Chairman of the Democratic People's Republic of Korea's National Defence Commission and the leader of North Korea. The meeting produced the 'Five-Point South-North Joint Declaration' that pledged the two erstwhile rivals to jointly resolve the issue of reunification through a combination of the confederation formula (gradually narrowing the two sides' differences) favoured by the South and the 'Koryo Federation' approach (unifying first but with both governments retaining significant powers) traditionally favoured by the North. Clause Two of the June 2000 Joint Declaration pledged both sides to pursue common elements of confederation and federation and to observe an interim period of coexistence before reaching final unification. Regular and systematic dialogue between key officials from the two sides would be held and economic cooperation would be expanded significantly.⁸ Speculation arose that a similar trip by Kim Jong-il to Seoul could lead to a diplomatic breakthrough whereby the armistice governing the 1950–53 Korean War cease-fire could be replaced by a formal peace treaty. The liberal vision of community-building in Northeast Asia seemed to be alive and well, with Kim Dae-jung speculating that diplomatic events could lead to greater regional economic opportunities and to the expedited formation of a Northeast Asian security community. Underlining this vision was Kim Jong-il's newfound public acknowledgment that US troops needed to remain deployed on the Korean Peninsula to provide the stability and balance of power required in Northeast Asia for the two Koreas to complete the Korean unification process peacefully.⁹

Realists contend that Korean reconciliation is by no means assured and that a unified Korea would present a whole new set of strategic problems that could destabilise Asian security. Greater democratisation in both Koreas would subject each government's foreign policies to greater pressure from domestic public opinion that would be highly susceptible to new forms of nationalism precipitated by the euphoria of achieving Korean unification. Far from reinforcing that American balancing role,

a resolution of inter-Korean rivalry would increase pressure on American policy makers to withdraw troops from the Peninsula. That pressure would come from Korea, where 67 per cent of the public now favour a 'gradual' US military withdrawal, and in the United States where the lack of a clear deterrence mission in Korea would make current levels of US force commitments less sustainable. Regionally, any substantial US retraction could well leave Japan feeling isolated and highly threatened; China believing it could incorporate a united Korea into its own regional sphere of influence; and Russia increasingly keen to assume America's current balancing role on the Peninsula – a quest which would clearly put Moscow at odds with both China and Japan.¹⁰

Moreover, realists assert, it is far from clear that the momentum for Korean rapprochement generated by the summit will be sustainable. While Pyongyang has softened its stance on insisting that federation is the only way to pursue unification, it has yet to designate specifically how its revised outlook correlates with the South Korean approach. North Korea's military conducted what Western analysts have described as 'robust' military exercises throughout the year 2000. US–North Korea discussions on terrorism and on North Korea's missile program have continued to languish despite recent initiatives by Washington to reduce US trade and investment sanctions directed toward the DPRK. Ultimately, plans by the United States to deploy a TMD system in Northeast Asia and North Korea's propensity to use what nuclear weapons and missile delivery capabilities it has as bargaining chips to secure economic and strategic concessions from Washington may jettison prospects for long-term progress in stabilising the Korean Peninsula.¹¹ The momentum of this peace-building process was slowed during early 2001 as President George W. Bush demonstrated greater reluctance than his predecessor to embrace détente with the North Koreans. To ascertain the comparative prospects for liberal and realist agendas prevailing in Korea, a brief assessment of some key factors shaping its security outlook is provided below.

Strategic Outlook

Several key factors have shaped the national security outlooks of both Koreas throughout their postwar division. These include: (1) the Korean Peninsula's geography, strategically located between Northeast Asia's major powers; (2) escaping the Korean people's legacy of *sadae* ('serving the great'); and (3) a preoccupation with how, not if, Korea would once again become a unified state.¹²

Geopolitically, the mostly mountainous Korean Peninsula conjoins southward from the Northeast Asian mainland for approximately 1000

kilometres, separating the Yellow Sea from the Sea of Japan. During the Cold War it constituted the easternmost appendage of a highly volatile arc of conflict that divided the American and Soviet global geostrategic spheres of influence. That arc of conflict included such buffer states as Greece in the Balkans, Turkey, Iran, Afghanistan, Thailand and the Indochinese countries and Korea. Secretary of State Dean Acheson omitted the Peninsula from the US defence perimeter in what proved to be an ill-fated February 1950 speech on US foreign policy. So although not immediately recognised as critical to Western defences, Korea's Demilitarized Zone (DMZ) nevertheless emerged as a very sharp boundary between the American and Soviet strategic orbits. Don Oberdorfer's seminal study of the Peninsula has captured the essence of Korea's geopolitical quandary:

Korea has been a country of the wrong size in the wrong place: large and well located enough to be of substantial value to those around it and thus worth fighting and scheming over, yet too small to merit priority attention by more powerful nations on all but a few occasions. Korea's fate was often to be an afterthought, subordinated to more immediate or compelling requirements of larger powers, rather than a subject of full consideration in its own right.¹³

Precedents

Inter-Korean strategic competition has fluctuated widely over the past half century. Although South Korea's population was double that of the North's, it suffered fewer casualties than did the DPRK during the Korean War. It also enjoyed a comparatively greater and more reliable access to its allies' economic assistance and markets during the Cold War than was evident in North Korea's relations with the Soviet Union and China. Nevertheless, the North initially appeared to be prevailing in this rivalry. The North Korean leadership put immense faith in its prescribed 'socialist transformation' strategy, clearly outstripping South Korea's economic performance during much of the 1950s while primarily relying on a consistent inflow of Soviet weapons systems and on nearly 200 000 Chinese forces deployed within its boundaries throughout most of the 1950s to deter any South Korean and/or American invasion. Moreover, South Korean President Syngman Rhee was in no position to escalate hostilities after the Korean War's armistice was put into effect in 1953. Although entering into a Mutual Defense Treaty with South Korea in August 1953, the United States vigorously opposed Rhee's consistent 'March to the North' rhetoric as overly provocative and doomed to fail if put into practice since South Korea's army was no match for North Korea's New People's Army, even if the latter were to be unsupported by Chinese troops.

Several trends unfolded during the ensuing decades that generally worked to reverse the relative fortunes of the two Koreas. Collectively, these trends have elevated South Korea to an ascendant strategic position on the Peninsula. Important features were Kim Il-sung's misguided decision to emphasise national self-reliance in economic development and defence modernisation; changes in South Korea's leadership which transformed that state into an economic and military power; and the North's failure to precipitate a revolution south of the DMZ either by applying tactics of unconventional warfare or by engaging in selective dialogue with the ROK.

A military coup in May 1961, led by General Park Chung Hee, removed Syngman Rhee from power and permanently changed the thrust of South Korean economic and military policy. General Park emphasised 'export-oriented' economic development, complemented by rapid industrialisation. Prior to his assassination in September 1979, Park had instituted a significant number of reforms. Collectively they allowed the ROK to reach approximate military parity with the North, while the South Korean economy was enjoying spectacular growth (by 1989 the South Korean economy was seven times larger than the North's). The ROK, like North Korea, also introduced a 'defence self-reliance' policy at this time. However, in contrast to the North Korean case, this doctrine was embraced only *after* the country's war-damaged economy had mostly been repaired and it was largely based on the military performing specific functional tasks rather than being directed towards fulfilling ideological criteria. By 1977 South Korea was producing nearly 50 per cent of its own defence equipment and was primed to expand its defence industrial base still further when the United States agreed to provide \$US1.5 billion in foreign military sales credits to help fund force improvement programs.¹⁴

The United States initially moved in 1977 to withdraw the remaining 32 000 US ground forces based in Korea. Apart from intelligence estimates, President Carter had another, more personal incentive for reducing military assistance to the ROK: he found many of the Park regime's human rights standards to be morally and politically repugnant.¹⁵ However, miscalculations of North Korean military strength by the US Central Intelligence Agency and US Defense Intelligence Agency were disclosed publicly in Congressional hearings during June and July 1979. These reports revealed that the North Koreans had deployed far greater levels of ground forces near the DMZ than had previously been suggested. As early as 1971–72 the North Korean force structure had grown to around 700 manoeuvre battalions, almost double the size of its southern counterpart and clearly representing an offensive force strategy designed to decimate ROK defenses. The Carter Administration was forced to reverse its decision to withdraw US ground forces.

At the end of the twentieth century it became apparent that given the extremely small and highly populated combat radius projected for any renewed Korean conflict, wreaking havoc on successive Korea People's Army (KPA) echelons, through pinpoint targeting utilising powerful conventional weapons systems, would be a more effective and more rational strategy with which to defend South Korea. This strategy was preferable to relying exclusively and immediately on US tactical nuclear weapons deployed in the ROK as the ultimate rung of conflict escalation. In any case, such weapons had been removed following President George Bush Snr's decision in September 1991 to withdraw all American ground-launched tactical nuclear systems. The nuclear escalation option may well have precipitated Chinese military intervention and even North Korean nuclear responses against US positions in Korea, Japan or elsewhere in the East Asian theatre of operations. Nor would strategies relying upon the massive application of conventional or nuclear firepower be optimal given South Korea's terrain and lack of strategic depth. Buying time to regroup and to counterattack successive KPA echelons is most critical to defeating North Korea's *blitzkrieg* strategy.

Military Strategy and Modernisation: Current Trends

Two historical 'constants' underscore the Korean confrontation as it has evolved to the present time. First, even if the ability of South Korea and the United States to counter it has become more proficient in recent years, the North Korean military threat remains unquestionably formidable, despite the euphoria that followed the first inter-Korean leaders summit in June 2000. The second constant is a residual American discomfort in deploying high levels of ground forces in South Korea. In 1990 the East Asia Strategic Initiative (EASI) projected a phased withdrawal of these forces over a ten-year period. This decision was retracted in November the following year when concerns intensified over North Korea's nuclear intentions.¹⁶ But tensions have still surfaced between South Korean and US policy officials due to efforts by Kim Dae-jung's government to cut the ROK's defence budget (a 4 per cent cut was proposed for 1998), the ROK's apprehensions over the possible decline of the US security role in Japan and continuing differences between Washington and Seoul over defence technology transfers.¹⁷

South Korean and American strategic analysts generally agree that North Korea still represents a significant threat to South Korean and East Asian security. A South Korea defence white paper published in December 2000 largely concurred with a US Defense Department report, released three months previously, that little evidence had surfaced of any reduction in North Korean power directed towards the South and that

the DPRK's force capabilities reflected a 'dogged adherence' to a military-first policy, notwithstanding that country's severe economic and social problems.¹⁸ The continuing deployment of the bulk of Pyongyang's ground forces within 80 kilometres of the DMZ, its persistence in conducting frequent military exercises in that vicinity, its refusal to modify its doctrine of military revolution and its failure to seriously reform those policies that have led to the wholesale destruction of its domestic economy and food production and distribution systems are all inherently destabilising factors that continue to affect security trends adversely both on the Peninsula and in the region more generally. In this environment US and South Korean deterrence strategy remains a key insurance factor in restraining any remaining North Korean ambitions to reunite the Peninsula by force.

At the same time, successful deterrence, combined with recent diplomatic events, is also raising the prospect that the issue of Korean unification will ultimately end in a so-called 'soft landing', that is, conditions will be created through diplomatic and economic engagement 'which will allow North Korea to stabilise and reform its economy, enhance its integration into the Northeast Asian community, and thereby lessen its presence as a security threat'.¹⁹ Engagement has been embraced, in particular, by the US State Department, but it is anathematic to many in the West that consider the North Korean regime to be morally repugnant. The 'soft landing' strategy seeks to avoid either an 'explosion' of military conflict on the Peninsula or an 'implosion' of North Korea's internal stability brought about by food shortages, massive refugee flows and destructive infighting among elements of the North Korean government that could lead to crisis escalation in Korea and throughout North-east Asia. There are several potential benefits of engagement strategy. These include giving North Korea a greater stake in the status quo, affording it every opportunity to cooperate prior to isolating it more effectively from other states if such opportunities are rejected and endeavouring to 'open up' the North Korean regime to greater internal policy debates that lead to more reasonable policy behaviour. American military experts, however, have tended to discount either scenario. As the commander of US forces in South Korea observed in April 1997, 'While North Korea's population is grievously suffering, due to its economic collapse, its military remains strong and capable. Let there be no mistake – this military force poses a real threat to the peace and stability here'.²⁰

Despite the DPRK's continuing projection of a formidable military threat, South Korea's defence modernisation efforts have allowed it to increase its qualitative advantage over its North Korean counterpart. Those who argue that this advantage is what counts the most in assessing the Peninsula's military balance employ the concept of 'force multipliers'.

These are operational or environmental factors that increase combat advantages for one or both combatants. Weather, terrain, command and control, logistics and units' relative firepower accounting for higher enemy attrition rates are all force multipliers in various combat scenarios.

South Korean military weaknesses, of course, are still evident. ROK forces have only a modest capability to defend themselves against a concentrated chemical weapons attack and they are short of multiple rocket launchers and artillery fire control systems. They are hardly able to defend themselves against the DPRK's ballistic missile threat, even with Patriot missile batteries the effectiveness of which is increasingly debatable.²¹ TMD systems may be eventually deployed to neutralise North Korean *Scud*, *No-dong* and *Taepo-dong* ballistic missiles carrying WMD warheads; however credible TMD capabilities remain years away and billions of dollars short.²²

Over the short term, the South Koreans will bolster their missile deterrence capability. In January 2001 the South Korean Foreign Ministry announced it would develop and deploy missiles with a range of 300 kilometres that could hit any North Korean target to strengthen South Korea's 'independent security'. This superseded a previous self-imposed limit on ROK missile ranges of 180 kilometres which had been supported by the United States as a means of preventing an accelerated proliferation of missile systems on the Peninsula.²³

Warfighting Scenarios

Extensive analysis has been published recently in unclassified Western sources assessing the probable outcome of any renewed Korean war. Several dominant conclusions have emerged from this literature.²⁴ Nearly all of these assessments discount the possibility that the KPA would be able to achieve strategic surprise during an initial attack. It follows that it is unlikely that the North could break through the linear defences along the DMZ and capture Seoul before the United States effectively reinforced the South's initial lines of defence. Indeed, some of the most optimistic estimates even project that a full-scale North Korean military invasion (as traditionally envisioned in 'unification-by-force scenarios') must be ruled out completely. Given the deteriorating economic circumstances in the DPRK, they conclude that the KPA would be incapable of sustaining a full-scale assault for more than a few days.²⁵

Is such optimism warranted? A still definitive assessment by the Joint Intelligence Center at the United States Pacific Command (JICPAC) conducted in late 1993 surmised that while any North Korean attack on South Korea would be a 'very difficult operation', it was unprepared to predict an American-South Korean Combined Forces Council (CFC)

victory under all circumstances.²⁶ Several other recent studies have also cautioned against predicting a positive outcome for the US–ROK defenders given the uncertainty surrounding a number of key issues.

None of these issues, singularly or collectively, may warrant challenging the fundamental premise that South Korea and the United States would ultimately prevail provided they had the political will to do so. However, what they do suggest is that it is prudent to avoid overconfidence against a North Korean opponent that has always valued strategic surprise and has maintained an *esprit de corps* within the DPRK's armed forces.

With the military balance shifting increasingly in favour of the South, it is unlikely that the North will ever realise its traditional aspirations to unify the Peninsula on its own terms unless there is some prospect that it will receive decisive outside military support. China's participation in the 'Four Power Talks' on reaching a permanent peace agreement and Korean unification that commenced in Geneva during late 1997, and its hosting of direct bilateral talks between the DPRK and ROK in Beijing which were held in April 1998, would appear to preclude, at least over the short-term, any such support from materialising. Russia is likewise attempting to strengthen its political influence on the Peninsula but more as a strategy to balance US power throughout Northeast Asia rather than as a direct investment in North Korea's survival and security. The ongoing inter-Korean dialogues may ultimately reduce the likelihood that the South must defend itself against a renewed North Korean assault. Great-power involvement in and miscalculations about such negotiations could yet complicate bilateral efforts by Seoul and Pyongyang to forge their own national destinies. Given this prospect, the Koreas' relations with key external parties need to be assessed.

The Koreas' Great Power Politics

Alliance Diversification?

Although Cold War structures of alignment and enmity are receding into history across the globe, the Korean Peninsula is often described as a 'last outpost' of that conflict. However, this is a misleading characterisation belying the growing complexity of both Koreas' security diplomacy. While South Korea has retained its alliance with the United States as the cornerstone of its strategic defence policy, the days when Seoul was no more than a strategic supplicant of Washington are long since past. South Korea's spectacular rise to economic prosperity during the 1980s allowed President Roh Tae-woo to implement his *Nordpolitik* initiatives towards the Soviet Union and China. These moves culminated in South Korea being able to achieve the normalisation of diplomatic relations with these two

countries – North Korea's two primary Cold War allies – in the early 1990s.²⁷ Later in the decade, moreover, visible strains developed between the ROK and the United States over managing the North Korean nuclear question. Tensions also emerged over South Korea's determination to isolate its rice supply from the liberalisation of its agricultural market, the intensification of South Korean nationalism with a visible anti-American orientation among segments of the ROK's populace and Seoul's frustration with what it views as an increasingly unilateralist tendency in US alliance policies.²⁸ All of these developments prompted Seoul to explore ways of supplementing its security relationship with the United States by talking to other players in the region, although cautiously, so as not to jeopardise the primacy of the ROK–US relationship.

Lacking the ROK's economic resources, North Korea sought to play its 'nuclear card' in order to extract significant economic concessions from the United States and Japan, allowing Pyongyang to establish a grudging independent and comprehensive political relationship with Washington. In doing so, it sought to gain leverage and legitimacy at South Korea's expense and the chances of the DPRK's long-term survival have unquestionably been bolstered in the process. To balance its 'American initiative' Kim Jong-il's regime has also sought to maintain its traditional ties with China and, to a lesser extent, Russia (as will be discussed below). It has also continued to collaborate selectively with other states such as Pakistan and Iran on weapons development, underscoring its independence from Western-driven security regime politics.

The pursuit of 'independent security' diplomacy by both Koreas has made the management of Northeast Asian security politics a far more difficult task for the major powers, specifically China and the United States. Seoul and Pyongyang are both troubled by serious American policy inconsistencies (at least that is how they are perceived). For the DPRK, these relate to the 1994 Agreed Framework and, for South Korea, to the general direction of US regional security politics. Recent anti-US protests in South Korea, and a tendency for at least some South Koreans to be excessively optimistic about inter-Korean relations, could endanger the continuity of the US–ROK alliance. As one respected South Korean analyst has recently argued, 'in order for South Korea and the United States to maintain their alliance, both governments must attend to it urgently ... the relationship is entering a time of complex and difficult challenges and requires enhanced nurturing and protection'.²⁹

Furthermore, both Koreas are also currently labouring under immense economic burdens. North Korea's economic infrastructure is incapable of providing for the basic needs of its population. This pressure could lead to a violent implosion of the DPRK. In order to vent that pressure, it is still conceivable that a desperate DPRK might precipitate a

major conflict on the Peninsula if current inter-Korean efforts to cement and sustain economic ties prove to be unsuccessful. Cruise ship tours to North Korea's Mt Kumgang, a rise in inter-Korean trade during 1999 and South Korean investment in North Korean manufacturing enterprises all proceed steadily. All of these trends, as well, withstood a June 1999 North-South Korean naval clash in the West Sea precipitated by North Korean fishing boats failing to observe the Northern Limit Line, the extension of the DMZ into adjacent Yellow Sea waters.³⁰

Another possible approach to eventual integration would be, of course, for the South to use the North's economic weakness as a lever by which it might open the door to a peaceful assimilation of that state.³¹ Unfortunately, Seoul has no overwhelming short-term motivation for taking on the costs of such a policy as its own economy has come under serious threat since the 1997-98 Asian financial crisis. With these conflicting forces at work it is not surprising to find that the atmospherics over the Peninsula remain charged. There seems every reason to suspect that security politics in the subregion will continue to ricochet between wide and often unanticipated extremes of diplomatic breakthroughs and renewed crises. By default, this effect cannot help but spiral outwards and impact on the fundamental strategic calculations of the great powers.

A Broadening of South Korean Security Diplomacy

Roh Tae-woo's *Nordpolitik* initiative, resulting in the Soviet Union/Russia and China significantly modifying their previously strong politico-strategic ties with North Korea, set an important precedent for South Korean diplomacy. As intimated above, South Korea has shown a marked tendency in recent times to explore potential avenues for attaining diplomatic leverage beyond its security relationship with the United States. In this respect the ROK is increasingly positing itself as an independent regional 'middle power'. The ROK views this broadening of its security dialogue as a vital counter-move designed to check Pyongyang's strategy of seeking to distance Washington from Seoul by applying divide and rule tactics.

In terms of its importance to South Korea, no single bilateral relationship or set of bilateral ties can replace the American alliance as long as the Korean Peninsula remains divided. However, there is an increasing level of recognition in both Seoul and Washington that the ROK-US Cold War alliance, emphasising deterrence and solidarity, must be replaced by a more complex and fluid post-Cold War alliance.³² In general, it is agreed that this new alliance would focus on maintaining an acceptable Northeast Asian and Asia-Pacific power balance until it can be superseded by appropriate and enduring multilateral security instruments. During this 'consolidation stage' South Korean and American

vital strategic interests will continue to converge: ensuring South Korea's survival and deterring hegemonic aspirants in the region.

In January 1998 then President-elect Kim Dae-jung articulated a new national security policy. Kim issued three basic principles for dealing with the North: (1) the South has no intention of undermining or assimilating North Korea; (2) the South would actively pursue a policy of reconciliation and cooperation with the North; and (3) this posture of strategic reassurance would, nonetheless, be balanced by the South 'not tolerating' armed provocation. This so-called 'Sunshine Policy' of engagement was, of course, eventually rewarded by the June 2000 inter-Korean summit and by Kim Dae-jung's subsequent receipt of the Nobel Peace Prize. In keeping with this broad agenda for reconciliation, the 'Sunshine Policy' also moved to decouple private economic exchanges from national security considerations when it came to financial dealings involving the DPRK.³³

North Korea: Diversified Diplomacy as a 'Survival Strategy'

Pyongyang played its 'nuclear card' directly and successfully as a strategic bargaining chip relative to the United States, establishing a de facto bilateral relationship with that great power when it became evident that Russia and China were no longer tied to defending North Korea except under the most obvious circumstances of self-defence. Several bilateral agreements were signed that constituted the basic framework of this revised North Korean policy approach. This included the US-North Korea Agreed Framework (October 1994), the Berlin Agreement in September 1999 and the October 2000 US-DPRK Communiqué committing both countries to replace the 1953 Armistice Agreement with 'permanent peace arrangements'.

Under the terms of the Agreed Framework the DPRK was to refrain from developing or deploying its own nuclear weapons. In return, the West would provide the DPRK with light-water nuclear reactors and alternate energy sources like heavy fuel oil. In addition, the Americans pledged themselves to work towards the normalisation of diplomatic relations. The continuing viability of the KEDO that was established to implement the Agreement has come to be seen in North Korea as a critical measure of US commitment to this process.³⁴

Since then policy makers in Pyongyang have closely scrutinised the US Congress to ascertain its willingness to underwrite the relatively modest expense of supplying the North with heavy fuels in preference to paying the mounting bill for maintaining the substantial US military investment in Northeast Asia (estimated to be at least \$US3 billion annually).³⁵ Initial signs were hardly promising in this regard. Two highly critical reports

on North Korea were released by the US House of Representatives International Relations Committee in early 1999. One report, prepared by the US General Accounting Office speculated that North Korea diverted some of the heavy fuel oil it imports from the United States for purposes not specified in the Agreed Framework. The other complained that North Korea's nuclear weapons and nuclear strike capabilities threatened the United States more at the turn of the century than was the case when the Agreed Framework was signed in 1994.³⁶ The extent to which an unsympathetic Congress will underwrite President George W. Bush's initial hard line against Pyongyang is one of the critical political issues shaping US-DPRK security relations. So too are continuing disagreements between the DPRK and the United States over missile issues. The October 2000 Communiqué resulted from a visit to Washington by North Korean Vice-Marshal Cho Myong-rok, the highest ranking DPRK official ever to visit the United States. After conferring with President Bill Clinton, US Secretary of State Madeleine Albright and other US officials, Cho agreed with his hosts that the North Korean moratorium on the testing of long-range ballistic missiles undertaken with the Berlin Agreement should stay in place and that the North-South dialogue process toward unification should be accelerated.³⁷ The momentum towards the full normalisation of relations between the DPRK and United States, however, appeared to be stymied by a lack of progress on committing North Korea to stop all long-range missile development. Indeed, American reticence to extend assurances about recognising North Korean sovereignty appeared to be directly linked to lack of North Korean transparency regarding the DPRK's missile program and its exports of missile technology. Continued differences on these issues foreclosed President Clinton visiting North Korea before his term of office expired, although Secretary of State Albright did travel to the DPRK in late October 2000 to meet North Korean leader Kim Jong-il.³⁸

There are limits as to how far North Korea can pursue better ties with the United States to ensure its own survival. The DPRK cannot risk alienating China, its one remaining strategic ally and one that has no interest in sustaining an enduring American strategic presence and influence on the Peninsula.³⁹ The North Koreans are therefore engaged in a delicate balancing act. They are conditioning the United States to deal with them independently while they simultaneously try to maintain a level of tension in that relationship that will assuage Beijing's concerns that Chinese influence is declining.

The DPRK's relations with Moscow, its other traditional postwar ally, are undergoing a limited revival as part of Vladimir Putin's resuscitated 'East Asia Strategy'. This is designed to challenge US strategic interests in that region as part of a general Russian strategy to contest US global

supremacy. Soviet/Russian-North Korean relations have previously become strained when the DPRK openly supported the unsuccessful coup attempt by communist hardliners against the established power structure in Moscow during August 1991. This alienated both the crippled Soviet Union and the ascendant Russian state in the process.⁴⁰ The fundamental Russian policy rationale for sustaining even limited ties with North Korea was subsequently driven more by reactive rather than pro-active reasoning. Moscow's concern was that it would be prevented from exercising strategic influence on the Peninsula and this far outweighed the immediate advantages that it hoped to accrue through its bilateral relationship with Kim Jong-il's regime.⁴¹ Russia also resented its exclusion from the Four Power Talks and KEDO but afforded token support to the former, primarily out of its fear that Japan could quickly remilitarise and 'go nuclear' if the Agreed Framework broke down.

Soon after Vladimir Putin formally succeeded Boris Yeltsin as President of Russia in May 2000, he moved to solidify ties with Pyongyang that his predecessor had allowed to languish. Within two months, he had visited the North Korean capital and successfully linked Russian-North Korean ties to his campaign against the United States' proposed National Missile Defence (NMD) system. During his visit he assumed that North Korea would discontinue its own ballistic missile defence program if North Korea was allowed to use space launch vehicles (SLVs) of 'other nations' to launch one or two satellites per year.⁴² By accepting such a formula, the United States would be tacitly conceding that the rationale for NMD would no longer exist in North Korea's case since that country's ballistic missile force would cease to exist.

The United States responded by asking for clarification: if the international community provided North Korea with SLVs, it would only enhance Pyongyang's development of its own missile systems. Putin's Foreign Minister, Ivan Ivanov, responded by insisting that any SLV carrying North Korean satellites would only be launched from other countries and entail peaceful space exploration. United States diplomats proceeded to explore seriously the Russian-North Korean initiatives and discussed it extensively with North Korean negotiators in bilateral talks conducted at Kuala Lumpur in November 2000.⁴³ The Russian leader's emboldened geopolitical style served notice that Russia would become a greater factor in the Peninsula's strategic evolution.

This trend was further reinforced by the Russian State Duma's expedited and decisive ratification of a new Treaty of Friendship, Neighborliness and Cooperation with North Korea in July 2000 after months of delay. Although extending a much more qualified commitment to North Korea's defence than the 1961 treaty between the Soviet Union and the DPRK that it replaced, the new agreement was characterised by Ivanov as

an instrument that would clearly reduce North Korea's international isolation and facilitate unification on the Peninsula by opening up opportunities for more systematic Russian cooperation with both Koreas.⁴⁴

It is probable that North Korea will continue to apply the tactics of diplomatic ambiguity to compensate for its strategic and economic vulnerabilities: oscillating between preferences for inter-Korean negotiations and multilateral discussions in order to minimise any prospect that the region's great powers could reach a consensus on the 'Korean problem' that does not serve its own interests. It is unclear, however, whether this politico-strategic balancing act will be able to overcome the latent threat posed to the DPRK's long-term survival by its internal problems.

Prospects for Multilateral Security on the Peninsula

The outcome of the realist-liberal debate as it applies to the Korean Peninsula hinges on the propensity of both Seoul and Pyongyang to modify their long-standing security dilemma and on support of the major powers, especially China and the United States, in any solutions which may be proposed. Any liberal-oriented outcome would be predicated on the fulfilment of two preconditions: (1) that bilateral and multilateral security instruments can be made to complement rather than conflict with the few Northeast Asian mechanisms of strategic reassurance that are currently operating; and (2) that existing alliance relationships (that is, the US-ROK alliance and the PRC-DPRK alliance) are revised so that they can serve as the 'building blocks' of a Northeast Asian security regime. While remaining elusive in the Cold War's immediate aftermath, these criteria are attainable if fundamental strategic miscalculations can be minimised or avoided.

Promoting Strategic Reassurance

Security instruments on the Korean Peninsula are existing arrangements that are designed to prevent or deter conflict there. Existing instruments relevant to Korea include the UN armistice which ended the combat phase of the Korean War in July 1953, the United States-South Korea Mutual Defense Treaty signed in September 1953, the Sino-North Korean Treaty of Friendship, Cooperation and Mutual Assistance signed in September 1961, the October 1994 American-North Korean Agreed Framework, the September 1999 Berlin Agreement, and most recently, Russia's Treaty of Friendship, Neighborliness and Cooperation with North Korea. North Korea no longer recognises the legitimacy of the 1953 armistice. Multilateral instruments include the KEDO, created to implement the Agreed Framework commitments to North Korea, and

multilateral dialogue groups like the ARF and Council for Security Cooperation in the Asia-Pacific (CSCAP) where China, both Koreas and the United States consider regional and international approaches for enhancing Korean stability.⁴⁵ The Berlin Agreement is a bilateral 'understanding' reached between North Korean and US diplomats that North Korea would suspend its missile program in return for the United States lifting most of its economic and trade sanctions in place against the North since the Korean War. This agreement is fully supported by Japan and South Korea, thus giving it a multilateral dimension.⁴⁶

Mechanisms of strategic reassurance are the specific steps taken by various parties that are designed to prevent misunderstandings or backsliding with respect to prior commitments where those obligations were designed to reduce tensions. In the Korean Peninsula, these include the specific rules in effect for force deployment and military conduct in the DMZ (still observed by North Korean and CFC forces despite North Korea's renunciation of the armistice); the convening of negotiations at various levels concerning specific issue areas which if left unaddressed could intensify tensions (that is, inter-Korean and the Four Power Talks regarding Korean peace and unification and US-North Korean bilateral discussions on North Korean ballistic missile production and exports); and both North and South Korean adherence to specific international security regimes such as the nuclear non-proliferation treaty.

The liberal approach to advancing strategic reassurance and collaboration involves encouraging the further establishment of multilateral arrangements directly relevant to Northeast Asia. However, bilateral security treaties have been the cornerstone of great power strategy in the Peninsula and remain so notwithstanding Chinese and American participation in the ARF and their willingness to at least engage in the informal Northeast Asian Cooperation Dialogue (NEACD).⁴⁷ Even the Agreed Framework, arguably the most successful product of multilateral negotiations on a Northeast Asian security problem to date, is still shadowed by 'the vague threat that [its] non-implementation ... will return both sides to a confrontational path ... [and that] the mechanisms necessary to prevent misunderstanding have not been clearly defined thus far'.⁴⁸ The degree to which these mechanisms can be transformed to instruments which clearly reinforce strategic reassurance is a key measure of how effective strategies of cooperation and engagement will be in resolving the Korean problem.

To some extent both liberals and the isolationist factions of the American realist camp posit the same general argument about alliance relevance: that the old Cold War alliances maintained by the great powers with the two Koreas can no longer be justified as credible instruments of extended deterrence. Liberals argue that the US-Korea alliance will

remain viable only if it becomes a component of overall US global strategy as it should operate in a post-Cold War environment. The neo-isolationists argue that North Korea does not constitute a direct threat to American vital interests because there is no longer any contending hegemon (with the Soviet Union's demise) challenging American global pre-eminence and that South Korea is more than capable of assuming responsibility for its own defence.⁴⁹ More 'orthodox' realists reject this isolationist position, however, by insisting that global pre-eminence can only be maintained by creating local power balances that preclude the emergence of regional hegemons that may, in turn, force inter-regional alliances capable of challenging American global dominance.⁵⁰

Creating Building Blocks through 'Expansive Bilateralism'

What specific steps or mechanisms do liberals envisage as appropriate to affect a transition of Korea from a residual Cold War flashpoint to an integral component of a Northeast Asian security regime? Two types of mechanisms are most prominent in their arguments: (1) revised bilateral security relationships that can serve as intermediate catalysts for strengthening multilateral security architectures; and (2) enhanced arms control measures negotiated within existing frameworks of conflict reduction.

In the Korean case, the ROK has found it advantageous to ensure that its regional security interests are not projected *exclusively* through the US-ROK bilateral alliance, even though that relationship remains the key component of its overall security posture. For example, in July 1994 at the inaugural meeting in Bangkok, South Korean Foreign Minister Han Sung-Joo proposed the creation of a Northeast Asian Security Dialogue or NEASED (not to be confused with the aforementioned informal or 'Track Two' Northeast Asian Cooperation Dialogue or NEACD). Offshoots of the NEASED have been proposed by various Korean strategic analysts.⁵¹ Moreover, North Korea has gradually accepted the inevitability that US-South Korean and US-Japanese alliance consultations about the Agreed Framework facilitate the ability of all three states to meet their respective commitments to KEDO, even at the cost of that organisation managing 'a scope of activities [that] will increasingly impact on what the North Korean regime has seen as sovereignty and security concerns'.⁵² It allows this to occur because it knows that China is the only other real source of food and fuel assistance that the DPRK can rely upon. Too much dependence on Beijing would violate the *juche* or 'self-reliance' ethos so carefully nurtured by Kim Il-sung and his current successors.

It is clear that a more comprehensive and systematic arms control agenda needs to be pursued if the Peninsula's security dilemma is to be modified significantly. To help achieve this end the Basic Agreement on

Reconciliation, Nonaggression and Exchanges and Cooperation (signed by both the ROK and DPRK in December 1991 in the twilight of the Cold War) could be activated and serve as the basis for implementing credible arms control negotiations on the Peninsula. This treaty was negotiated during one of the few lulls in North-South hostility, the temporary 'thaw' having been created by the Bush Administration's decision in 1991 to remove American tactical nuclear weapons from the Peninsula. It has been allowed to stagnate, however, because the North Korean nuclear threat intensified and the two sides failed to reach an understanding on the governance of a Joint Military Commission.⁵³ A great deal of the minimum requirements demanded by the two Koreas for establishing strategic reassurance between them are encapsulated in its stipulations. The most critical requirements include:

- The formal recognition by each Korea of the other's sovereign legitimacy as a critical intermediate step to confidence-building and ultimate unification;
- A resumption of the High Level Talks that originally produced the Basic Agreement (but which have been discontinued since September 1992);
- Linking inter-Korean dialogue more closely to the Four Power Talks by reaffirming the adherence of the Geneva discussions to chapter I of the Basic Agreement that calls for the 'transformation of the state of armistice into a state of peace'. This would require the United States to allow at least hypothetical discussions to occur regarding the status of US forces in South Korea;
- Military confidence-building measures designed to limit prospects for surprise attack, to achieve crisis prevention/crisis management and to limit and reduce specific types of weapons systems need to be considered extensively. This includes restricting the types of weapons systems deployed in certain areas of the DMZ ('limited deployment zones' or LDZs); notification of military manoeuvres coupled to a gradual reduction in their scope and frequency; the establishment of hot lines and crisis management centres and various inspection/verification measures.⁵⁴

It is noteworthy that most of these measures could be implemented bilaterally, independent of the US-ROK and DPRK-Russian or PRC-Russian bilateral alliances. But ultimately their development would be dependent, on strengthening the building blocks inherent to multilateral participation. North Korean officials' involvement in arms control-related discussions with their American counterparts pertaining to nuclear weapons and delivery systems can serve as a useful foundation for subsequent inter-Korean as well as regional and international arms

control talks. The US–DPRK ballistic missile talks have, in particular, allowed North Korean negotiators to gain experience and to broaden their frame of reference while providing US officials invaluable insights on negotiating with a formidable adversary.

North Korea's interaction with the International Atomic Energy Agency (IAEA) leading up to the October 1994 Agreed Framework is another useful precedent, liberals would argue, for conditioning that state to the benefits of cooperative security. Indeed, IAEA inspections of DPRK nuclear facilities during the 1994 nuclear crisis were politically 'more palatable' to the North Koreans than the next best alternative which was to allow its 'rival sovereign', South Korea, or its US ally monitoring access. The norm of nonproliferation as it had been developed within the context of international regime politics (at the UN and IAEA) is powerful testimony according to liberal analysts for the utility of epistemic community involvement in situations of crisis defusion.⁵⁵ Various Track Two mechanisms could be used to integrate North Korea more fully into the regional and international arms control communities. These mechanisms would include workshops, dialogues and related information networks conducted outside official channels but involving both government officials acting in an informal capacity and independent experts from academic and policy research institutions.

Pursuing Multilateral Security Dialogues

Multilateral security dialogues are confidence-building mechanisms but, by themselves, they cannot resolve differences as enduring and intense as the dispute between North and South Korea. They can, however, facilitate and support the type of inter-Korean dialogue that may eventually lead to conflict resolution on the Peninsula and possibly even peaceful national unification.⁵⁶ Gaining full North Korean participation in such dialogues is the key to achieving these outcomes and to ensuring that they mature as alternatives to the alliance and deterrence mechanisms of the Cold War. This will only be possible if Pyongyang becomes truly convinced that power balancing strategies are giving way to cooperative security as the dominant means of organising international security in Northeast Asia. Otherwise, the North will continue its traditional strategy of manoeuvring among the region's great powers and making its substantive participation in multilateral security dialogues conditional on its ability to extract relative gains at the expense of South Korea.

North Korea's current insistence that it will only join the six-state Northeast Asian Security Dialogue after the United States and Japan normalise relations with it is illustrative. Well aware of North Korea's effort to shift its traditional *juche* strategy from a Sino–Soviet focus to dividing

the United States and South Korea, Han Sung-joo advanced the NEASED concept in order to frustrate this move. The NEASED would link the ARF more closely to core security problems on the Peninsula and in Northeast Asia by enlisting direct great power support for systematic subregional dialogue on threat reduction. The ARF's orientation towards cooperative security means that it could be employed as a potential counterweight to North Korean 'zero-sum' diplomacy aimed at isolating the South. For this reason, the DPRK resisted affiliation with any NEASED (often labelling the idea an American or Japanese plot to exercise hegemony over Northeast Asia) and in the NEACD, its 'Track Two' counterpart, which has involved informal and private discussions between government officials and security policy experts from China, Japan, Russia, South Korea and the United States since October 1993.⁵⁷ But Pyongyang joined the ARF in July 2000 as a means to expand its diplomatic linkages with developing nations in the region and as a symbolic acknowledgment of its sovereign legitimacy in the eyes of its neighbours, even in the absence of *de jure* recognition from the United States and Japan.⁵⁸

North Korea's outlook toward multilateralism is thus gradually softening as it seeks alternative outlets for recognition, legitimacy and assistance in order to apply its hedging strategy (an updated version of *juche*) against the United States predominantly, and both Russia and China more subtly. This approach is congruent with a greater North Korean willingness to engage the South in *formal* diplomatic settings, thereby at least tacitly acknowledging a need to bargain with the ROK even if it still denies that state's right to exercise independent autonomy. Like China, North Korea is endeavouring to play a realist game in institutionalist settings.⁵⁹ Unlike the Chinese, however, the North Koreans confront the region's increasingly sophisticated multilateral instrumentalities from a position of crippling economic weaknesses and with a largely unproven diplomatic *modus operandi* beyond their proven acumen of extracting concessions from Washington in an atmosphere of nuclear brinkmanship. Until recently, the ARF refrained from taking a more direct interest in the Peninsula's intermittent crises because there was little real prospect that the North Koreans, the Americans or Chinese would allow multilateralism to supplement, much less supplant, the realist-oriented politics of alliance formation and coalition-building in that part of the world. In July 2000, however, the ARF provided the venue for substantive bilateral US–North Korean discussions on the issue of North Korean ballistic missiles between Secretary of State Albright and her DPRK counterpart, Paek Nam-sum. In this context, a formula of 'security pluralism' – the supplementation of bilateral security interaction with multilateral frameworks that can facilitate and coexist with bilateral negotiations –

was tested and found to be a highly appropriate policy approach for pursuing regional security.⁶⁰

Ad hoc multilateralism has now become ensconced in Korea at sufficient levels and in enough issue-areas to infuse liberals with a greater hope that their approach may prevail in determining the nature of the emerging Northeast Asian security environment. Bilateral confidence-building measures negotiated between the Koreas during the early 1990s were problematic because they tended to underscore North Korean vulnerabilities and post-Cold War isolation in direct juxtaposition to South Korean economic strength and its continued support from the United States. Incentives for Pyongyang to strengthen these arrangements therefore remained weak. By contrast, *ad hoc* multilateral measures such as food assistance and KEDO required the great powers to demonstrate their stake in a stable Peninsula and, by extension, acknowledge the current North Korean regime's legitimacy as a negotiating agent. They signalled a gradual acceptance in the broader international community that Kim Jong-il's government must be engaged to secure against an outbreak of North Korean aggression and to manage any wholesale political changes that may occur in the North, whether they be the result of a 'soft landing', 'implosion' or 'explosion'.⁶¹

Taiwan

Taiwan may be considered by Chinese leaders as a mere 'renegade province' but its economic prosperity, ongoing political dynamism and 'pragmatic diplomacy' all work to confer it with the status of a significant regional middle power. This fact was underscored by the Asian financial crisis, with Taiwan considered to be one of the Asian economies most equipped to withstand its reverberations based on its current account surplus, abundant foreign currency reserves, small foreign debt, mostly reputable business practices and still growing economy.⁶² By the mid-1990s Taiwan had taken its place among the world's twenty largest trading nations, ranking as the third largest capital exporter and one of Asia's biggest investors. Although cross-strait tensions in early 1996 precipitated a sharp drop in trade with China, overall economic interaction with the PRC has grown so rapidly that the Taiwanese and Chinese economies are now inextricably interdependent.⁶³

In many ways, Taiwan's economic modernisation and political development have made it a 'role model' for newly industrialised economies. Yet its ability to sustain this success will very much depend upon its ability to project a sufficient level of military power and to preserve its security relations with the United States.⁶⁴ Chinese President Jiang Zemin delivered a lunar new year's eve speech in late January 1995 that included a

comprehensive eight-point proposal designed to ensure the PRC's 'respect for Taiwanese compatriots' way of life and desires to remain masters of their own affairs'.⁶⁵ A little more than a year later, however, Chinese military exercises which included short-range missile tests proximate to Taiwan's two largest harbours, Keelung and Kaoshiung, were carried out as Taiwan was holding its first free presidential election in March 1996.⁶⁶ Mainland China continues to adhere to what it views is its right to assimilate Taiwan by force if other approaches fail. 'Plans of action' have reportedly been drawn up by various PLA military strategists that include various scenarios for 'liberating' Taiwan. These may be at least partially regarded, however, as posturing by the PLA to solidify the positions of commanders and strategists within a highly nationalistic Chinese regime prone to use the Taiwan crisis as a means to solidify its own legitimacy.⁶⁷

To forestall Chinese military action, Taiwan has pursued a multidimensional strategy, incorporating revisions of its military doctrine to maximise the costs of any such Chinese invasion, a foreign policy of 'pragmatic diplomacy' to build bilateral and multilateral networks of support for its survival, and a concerted posture of multilateralism to accrue regional and international political status commensurate with its economic strength. Each of these initiatives will be assessed below in the context of arguing that Taiwanese policy makers are pursuing a complex strategy that incorporates both a realist and liberal dimension. Taiwan pursues realist strategy by adhering to a posture of 'self-help' when it comes to military modernisation. It is compelled to do so by constraints imposed on its military relationship with the United States resulting from the strategic imperatives underwriting overall Sino-American relations. Simultaneously the Taiwanese are following liberal prescriptions of cooperative security through their efforts to rejoin the United Nations and to become more integrated with the international community through various institutional affiliations. This sets Taiwan's policy apart from that of China because the latter is a far more discriminating participant in security forums and regimes and traditionally wary of the tendency of these to compromise its own irredentist and strategic agendas.⁶⁸

Evolution of the Taiwanese Security Environment and Military Capabilities

Like South Korea, Taiwan's postwar national security posture has been dominated by a single and pervasive threat perception: deterring a military attack by mainland China. Beijing refuses to recognise Taiwan as the Republic of China (ROC) but merely views it as a breakaway province. From mid-1950 to 1979 Taiwan fell under the umbrella of US extended deterrence strategy and the possibility of a Chinese invasion could be largely discounted. In April 1979 this changed when the US Congress

passed the Taiwan Relations Act (TRA) in keeping with its decision to normalise relations with the PRC. Under this legislation, Washington moved to a position of sustaining US–Taiwan security relations on a ‘case-by-case’ basis in preference to offering blanket security. This American stance has since been characterised as a posture of ‘strategic ambiguity’.⁶⁹ President George W. Bush briefly and inadvertently sharpened this US posture in late April 2001 when he asserted in a television interview that the United States would do ‘whatever it takes’ to defend Taiwan in response to the PRC initiating measures to assimilate that island by force. Subsequent statements were offered by the new President over the ensuing days, however, to restore Washington’s traditional balancing of its one-China posture with its defence commitment to Taiwan.⁷⁰

Since the normalisation of Sino–American relations in 1979, but particularly since the end of the Cold War, Taiwan has conducted a substantial military modernisation program. Initially, this was designed to counter inherent Chinese quantitative military superiority but in recent times it has also had to try to offset qualitative improvements being made by the PLA.⁷¹ It has gradually reoriented its military strategy from an offensive posture, in effect throughout the 1950s and much of the 1960s, towards a predominantly defensive posture. This reorientation has reflected a fundamental change in Taiwan’s aspirations. It has shifted from seeking to overthrow the communists on the mainland via a resumption of the Chinese civil war to the limited goal of ensuring Taiwan’s survival as a self-declared sovereign polity. Taipei’s leaders have been constrained from carrying out this strategy by Chinese attempts to prevent the sale of *any* defensive weapons systems to Taiwan by successive American governments and other Western powers. The PRC argues that such sales violate the ‘one-China policy’ and that the United States and other Western arms suppliers that have recognised the PRC should gradually reduce and, ultimately, eliminate any such sales in keeping with that policy.

Realists argue that this stance reflects Beijing’s determination to apply an uncompromising relative gains strategy against Taiwan, pursuing an irredentist agenda that can only be checked by power equal or greater than its own. During the 1996 Taiwan Strait crisis, they argued that Chinese military exercises and missile tests ‘turned interdependence arguments on their head’.⁷² They further assert that growing Sino–Taiwanese interdependence is not synonymous with greater Chinese leverage over Taiwan’s own economic development. Taiwanese investors tend to establish labour-intensive industries on the mainland rather than more competitive knowledge-intensive enterprises. Any Chinese strategy to restrict Taiwanese access to the Chinese market via sanctions during a future crisis would thus affect the PRC more negatively than Taiwan because the lat-

ter has the greater ability to diversify its interests and finances in an era of globalisation.⁷³ Given these circumstances, the United States should seek opportunities to perpetuate Taiwan’s ‘economic miracle’ and democratic political system to counter Chinese power in East Asia. The Taiwan Security Enhancement Act (TSEA) proposed by various members of the US Congress is a stronger version of the American commitment to Taiwan’s defence than is the 1979 TRA and is one proposed means to do this.⁷⁴ Approved by the US House of Representatives in February 2000, but postponed for deliberation by the US Senate, George W. Bush declared his support for the TSEA during the 2000 US Presidential Campaign.

Liberals counter that China cannot afford to fan regional fears of a ‘China threat’ by over-reacting on Taiwan at a time when its own economic development is at an historical crossroads and Taiwan’s prosperity can make a critical difference to the PRC realising its own economic ambitions. Only a subsequent and concentrated diplomatic effort by both the American and Chinese sides to strengthen their dialogue on the Taiwan issue led to defusion of the issue, culminating in the 1997 and 1998 Jiang–Clinton summits and President Clinton’s reiteration in Shanghai (30 June 1998) that the United States did not support Taiwan’s independence, did not have a two-China policy and did not support Taiwan’s independence in international organisations (the ‘three nos’ speech).⁷⁵ Liberals insist, however, that the only way to overcome the residual ‘awkward dilemma’ of the United States supporting a one-China policy while simultaneously remaining committed to defend Taiwan, is to convince China to pledge it will not attack Taiwan while compelling Taiwan to forgo any option of declaring its independence from China.⁷⁶ They also have proposed a trilateral dialogue between China, Taiwan and the United States to develop confidence-building measures. The Clinton Administration rejected this approach, insisting that China and Taiwan needed to reach a political solution on what was an ‘internal Chinese problem’.⁷⁷ Liberals contend these factors rendered China’s use of coercive diplomacy against Taiwan and the United States during the Taiwan Strait confrontation a risk-laden Chinese strategy of coercive diplomacy. It worked in jarring the United States to resume a strong ‘one-China policy’. However, it also intensified the Sino–American security dilemma in the East China Sea rather than contributing to overall regional stability. The realist-liberal debate over Taiwan may be resolved only when unification is achieved either by mainland China eventually assimilating Taiwan by force, Taiwan voluntarily integrating with a more democratic China, or Taiwan achieving its independence without Chinese dissent. That the first prospect appears increasingly likely at this stage in history requires an assessment of how Taiwan’s military strategy and

capabilities as an Asia-Pacific middle power relate to those projected by its Chinese opponent.

The Current Military Balance

Prior to the 1996 Taiwan Strait crisis, public opinion in Taiwan over China's readiness to invade that island was often divided between those who argued that such an act was likely if Taiwan either declared its independence or fragmented into irreconcilable pro-China and anti-China divisions and those who discounted both China's political will and military ability to conduct any such invasion.⁷⁸ The cross-Strait crisis galvanised the Taiwanese electorate to demand the clarification and strengthening of Taiwan's national security strategy in ways that reinforced the island's defence and deterrence capabilities. The most critical elements in a credible Taiwanese deterrence posture include: achieving a judicious combination of 'warfighting' (offensive-oriented) and defence/deterrence postures against PLA forces; retaining air superiority over the PLA air force by achieving high kill ratios; engaging PLA navy units with long-range anti-ship missiles (that is, the *Harpoon*) and lethal short-range fire-control systems; quelling any Chinese effort to complete an amphibious crossing of the Taiwan Strait; maintaining a high state of combat readiness; and ensuring the continuation of a credible American extended deterrence commitment to intervene on Taiwan's behalf in the event that China does resort to force.⁷⁹ If these components are met by Taiwanese armed forces, the odds of Taiwan incurring an outright invasion by the Chinese mainland will be low. This will be true notwithstanding the bellicose rhetoric employed by PLA commanders and the 'worst case analysis' applied by intermittent US Defense Department estimates as a means to prod successive American presidents into sustaining an arms sales relationship with Taipei. Other conflict scenarios apart from a full-scale PLA invasion must be considered. Those most commonly cited are a ballistic missile attack against key Taiwanese ports, airfields or selected civilian population centres or a naval blockade designed to strangle Taiwan's economy. Other possibilities which work to undermine the strategic value of the 'sub-invasion' options for coercing Taipei into submission include: the threat of disproportionate retaliation by Taiwanese and US strike forces; the questionable accuracy of Chinese ballistic missiles deployed near Taiwan; and evolving developments in military technology that make it more difficult over time to render China's ships, helicopters and transport aircraft capable of following-up its missile salvos or naval pre-emption against Taiwan with an amphibious-airborne assault.⁸⁰

If Taiwan adheres to these general strategic guidelines most conducive to realising an effective deterrence posture against China, specific require-

ments must be fulfilled to implement them. These include the development and deployment of state-of-the-art defensive weapons systems such as precision guided air-to-air and air-to-ground missile systems, more modern surveillance aircraft (P-3 *Orions*), and diesel electric submarines; maintaining appropriately high levels of defence spending to maintain them; and strengthening Taiwan's early warning capabilities through procurement of advanced radar and airborne surveillance.⁸¹ Taiwan's military modernisation program accelerated noticeably after 1990. This effort has been complicated by the PRC's own defence modernisation efforts in recent years which have threatened to overcome Taiwan's traditional qualitative advantages in combat aircraft, intra-Strait sea control (via shipborne air defence, mine and amphibious warfare), and ground/air fire support (that is, ground force mobility and surface-to-surface missiles).⁸² To deal with this situation Taiwan has had to rely increasingly on acquiring sophisticated foreign military equipment, a sales process substantially inhibited by China's threats to downgrade ties with any state that transfers military systems to the Taiwanese. President George W. Bush's April 2001 decision to sell a comprehensive package of destroyers, diesel submarines, surveillance aircraft and other military items at least partly reversed this trend of China exercising such a *de facto* veto.

Extensive literature exists covering Taiwan's prospects for successfully defending itself against China in a future contingency. Most independent Western and a number of Taiwanese analysts believe that 'China's relative power with respect to Taiwan is [still] insufficient to ensure battlefield success but is sufficient to threaten Taiwan with the possibility of battlefield defeat'.⁸³ In other words, the 'fog of war' or combat ambiguity of so much concern to classical strategists is very much in evidence when different Taiwan Strait scenarios are reviewed: factors of timing, politico-strategic will and allied intervention are all integral to calculating their outcome and they are all subject to a high degree of uncertainty. With this caveat offered, it can be reasonably surmised that China's ability to harass Taiwan proper in ways reminiscent of its incessant shelling of the offshore islands during the Cold War has increased due to improvements in its naval and short-range ballistic missile systems. This may eventually force Taiwan to implore Washington to sell it more advanced weapons systems or to allow Taiwan to collaborate with the United States in developing TMD technologies.⁸⁴ There has been much speculation about the sale of *Aegis* but as one analyst has argued, Taiwan does not need *Aegis* destroyers since the expense of the system outweighs the benefits of its limited coverage. It remains highly uncertain that China will be in a position to exercise control over the air or the sea to the extent needed if it wanted to be assured of certain victory in launching a fully-fledged invasion against Taiwan before 2010. This is because

China lacks a number of important capabilities including integrated command and control systems, carrier forces and precision-guided munitions capabilities. China's current advantage in submarine capabilities is applicable to enforcing at least a partially successful blockade in the absence of US intervention on Taiwan's behalf.⁸⁵

Great-Power Politics – The US Intervention Factor

The above conclusions underscore the important role that the United States will play in any future military confrontation over the Taiwan Strait, even if that role is unsolicited. As one American intelligence analyst has observed: 'the Chinese clearly understand that Taiwan is the place where the seismic plates of Chinese and US national interests collide'.⁸⁶ Accordingly, as the respected China analyst Chas Freeman has noted, 'China is working to build the capacity not only to take Taiwan but to sink American aircraft carrier battle groups ... As Chinese power grows ... the United States can either prepare for war with China over Taiwan or it can promote political accommodation'.⁸⁷

At first glance, these comments may appear to be overly dramatic; however, Sino-American behaviour in the Taiwan Strait since the 1990s validates them. In December 1995 the US aircraft carrier *Nimitz* and its escort battle group traversed the Strait in a clear demonstration that the United States was unwilling to tolerate any further escalation in military provocation by China. At the time the Chinese were 'protesting' against Lee Teng-hui's visit to Cornell University the previous June and American diplomatic efforts to soothe Chinese ire had been rather unsuccessful. In response to the incursion by the *Nimitz* battle group, the Chinese reportedly warned the Americans that if American warships traversed the Strait again they would be contested by the PLA.⁸⁸

The US deterrence posture intensified during the 1996 cross-Strait crisis and reports have since surfaced that American security officials were drawing up war scenarios in the weeks leading up to breakthrough talks in Virginia between US National Security Adviser Anthony Lake and his Chinese counterpart Liu Huaqin. Liu was forced to deny remarks attributed to the PLA's Deputy Chief of General Staff Xiong Guangkai that China was prepared to conduct a nuclear strike against Los Angeles if the United States intervened against a Chinese invasion of Taiwan. In response, US Secretary of Defense William Perry and US Secretary of State Warren Christopher reportedly warned him that China would face 'grave consequences' if such an invasion occurred. These comments were prompted, in part, by reports that China's military exercise off Taiwan's coast was the most aggressive in years. One M-9 ballistic missile tested by the Chinese had apparently flown directly over Taipei before

splashing down in the Strait.⁸⁹ Further provocative statements were issued by both sides just prior to President Clinton's trip to China in June–July 1998. While Chinese President Jiang Zemin convened a three-day meeting with his top advisers to derive strategies for 'speeding up reunification of the motherland', the US House of Representatives voted 411-0 on Congressional Resolution 270 urging China to renounce its option to use force against Taiwan.⁹⁰

Despite Clinton's affirmation during his mid-1998 China visit of the so-called 'three nos' policy, these trends indicate that the disturbing gap between Chinese and American perspectives regarding Taiwan is unlikely to close in the near future. These same trends strengthen realist arguments that insist a Sino-American security dilemma over Taiwan remains intact. Fundamentally, the Americans regard Taiwan as a separate de facto state, an important regional 'middle power', a major trading partner of the United States and an Asian showcase for Western democracy in Asia. China, on the other hand, may be prepared to tolerate Taiwan's separate political system in the short term in order to reap immediate economic benefits but it is unlikely that it will ever compromise on the principle that Taiwan is a part of China. Unless the United States substantially adjusts its own posture to accommodate Beijing, an explosion in the Taiwan Strait cannot be discounted.⁹¹

This last point is illustrated in particular by Chinese sensitivity to various US studies speculating about Taiwan's inclusion in any future US TMD system. In a wide-ranging interview conducted during early March 1999, Xu Shiqian, Director of the PRC's Chinese Academy of Social Science's Taiwan Institute, expressed doubts that the United States would actually transfer TMD-related technology directly to the Taiwanese. But including Taiwan in any American 'TMD blanket', Xu warned, would constitute 'serious interference in China's internal affairs'. He concluded that the United States would be well advised to weigh the ramifications of any such move 'conscientiously and solemnly', instead of letting China-US relations deteriorate over the TMD issue.⁹² The Pentagon study on Asia-Pacific TMDs concluded that Taiwan could be defended against Chinese ballistic missile attacks through 'upper-tier exo' land-based or sea-based (that is, Navy Theatre Wide-like tracking radar and missile interceptor TMD) systems.⁹³ It made no mention, however, of how the PLA could circumvent TMD through launching salvos of cruise missiles or through other offensive strategies that would render TMD much less relevant in a future Strait contingency.

If it proves impossible to resolve the Taiwan question through diplomacy, some form of US military action may become inevitable. However, the PRC's ability to sustain constant military pressure on Taiwan may have the effect of tempering, if not completely neutralising, US public

support. While the United States' regional interests are at stake in the outcome of the Taiwan dispute, vital American national security interests are not. Unless the PRC is prepared to do the very unlikely – escalate a conflict to the point of threatening a nuclear exchange – there is no prospect of the US homeland coming under threat from the PRC. The geopolitical imperative of accommodating 1.3 billion mainland Chinese into a post-Cold War international security framework remains paramount in American calculations. Barring future miscalculations in either Chinese or Taiwanese policy behaviour which precipitate a conflict in the Strait which no party really wants, the probability of US military intervention in this part of the world should remain relatively low *vis-à-vis* China and Taiwan, hopefully, reaching an eventual political settlement on their differences. Alternatively, China might force Taiwan into the PRC based on an eventual Taiwanese recognition that effective US support will not be available in the event of such conflict. The latter prospect appeared unlikely as George W. Bush, having assumed the American presidency in January 2001, went on record as supporting the United States defending Taiwan if China were to attempt to assimilate that island by force, a position, as noted above, that was reiterated most explicitly three months later.⁹⁴

Taiwan's Strategic Diversification

Pragmatic Diplomacy

The election of Chen Shui-bien as President of Taiwan in March 2000 was initially viewed by many regional policy makers and independent analysts as a destabilising watershed in Sino-Taiwanese relations. Chen was the first opposition politician elected to lead Taiwan since the Guomindang fled the mainland in 1949. His Democratic People's Party (DPP) was historically on record as favouring Taiwanese independence from China, although this posture has been recently modified to avoid alienating Taiwan's 'mainstream' voters who favour a gradual and tacit evolution of that island's political identity relative to the unification question. Since he was voted into power, Chen has extended a concessionary line to Beijing on that issue: there will be no statement of independence, no referendum on Taiwan's preferred political status; no pursuit of his predecessor's (President Lee Teng-hui) 'special state-to-state relations' vision; and no abrogation of the National Unification Council which conducts intermittent negotiations between Chinese mainland officials and their Taiwanese counterparts on Sino-Taiwanese relations.⁹⁵

Chen's moderate approach was unexpected by the PRC and led Beijing to respond inconsistently to his performance, sometimes with restraint in

the hope of extracting further concessions from the new Taiwanese leader but at other times with condemnation that Chen is unable to swing other DPP factions more towards his own position. Chen also opted to pursue a temperate international diplomatic posture by shifting away from buying support from other countries with economic assistance and instead preserving and consolidating what friends and ties Taiwan retains in the international community. A brief review of how Taiwanese diplomacy has recently evolved should illuminate the significance of this shift.

Throughout the 1990s Taiwan projected its 'pragmatic diplomacy' to overcome Chinese efforts to isolate it from the international community. Pragmatic diplomacy was designed to translate Taiwan's economic assets into international acceptance of its existence and perpetuation as a legitimate political entity separate to the PRC. It was not a strategy for gaining Taiwan's independence but for establishing Taiwan's 'equal footing' with the PRC before substantial negotiations to unify the two sides into one China are undertaken. The policy was initiated soon after then Vice-President Lee Teng-hui was sworn into office as acting president in January 1988 following Chiang Ching-kuo's death. The new president called for an effort to sustain existing formal diplomatic relations with those states still recognising the Republic of China, to develop more substantive relations with those countries not maintaining formal diplomatic ties with Taiwan and, most substantively, to push for Taiwan's admission (or readmission) into international organisations.⁹⁶

Pragmatic diplomacy initially enjoyed visible success in strengthening Taiwan's influence in international financial circles. As discussed below, however, it failed to make significant inroads towards improving Taiwan's official international diplomatic status. Most fundamentally, the strategy reinforced Taiwan's ability to exist as a *de facto*, independently functioning force within the post-Cold War international system. It therefore successfully undermined the image that the PRC has cultivated so assiduously over the years of Taiwan as a 'pariah state'. This is extraordinary for a political entity whose *de jure* national sovereignty is questioned or officially denied by most of its trading partners. It also reflected a conscious strategy by Taiwan's political leadership to neutralise the more radical sentiments expressed by secessionists on that island that are aimed at exploiting the frustrations of many Taiwanese who would otherwise call for Taipei to declare its complete independence from China.

The creation of unofficial bodies to initiate cross-Strait communications in 1991 and the inauguration of informal cross-Strait talks in Singapore in 1993 could be regarded as the most significant achievement of pragmatic diplomacy. The founding of the Straits Exchange Foundation in Taipei and the Association for Relations Across the Taiwan Strait in Beijing did not signify any narrowing of differences between Taiwan and

the PRC over the reunification issue. However, it did underscore China's increased concern that the unification issue could become superseded by the evolution and intensification of perceptions within the international community associated with an 'independent Taiwan'. This apprehension had already been reinforced by the ascension of a Taiwanese-born president and by the Guomindang's gradual acknowledgment that contemporary Taiwanese society has few direct links to the ROC's mainland legacy.⁹⁷ Cross-Strait talks were frequently interrupted by intermittent strains and deteriorations in Sino-Taiwanese relations. But they served a useful function for Taiwan by allowing its leadership to argue to its Chinese counterpart that an effort is being made to preserve the ethos of unification in the face of rising separatist pressure within Taiwan's own electorate.

Momentum in expanding cross-Strait ties was undermined in July 1999, however, following an interview conducted by Taiwan's then President, Lee Teng-hui, with the German broadcasting network, *Deutsche Welle*. Lee insisted that 'the legitimacy of the rule of the country [of Taiwan] comes from the mandate of the Taiwanese people and has nothing to do with the mainland' and that constitutional amendments in Taiwan 'have placed cross-Strait relations as a state-to-state relationship or at least a special state-to-state relationship'.⁹⁸ Lee's postulate severely tested China's 'one country, two systems' approach towards Taiwan and incensed Chinese leaders who perceived it as commensurate to a virtual Taiwanese declaration of independence. China accelerated its deployment of missile sites opposite Taiwan and intimated that it would 'not rule out' applying force against the island if it concluded that a peaceful resolution of the China-Taiwan dispute on its own terms would not be forthcoming. The crisis peaked in early August when the Clinton Administration warned of 'grave consequences' if China took military action against Taiwan in response to informal probes by Chinese officials visiting Washington on US intentions if China attacked the island.⁹⁹

By mid-September it was clear that China would not opt for military action against Taiwan. Two major factors worked to restrain Beijing. Favourable relations with the United States needed to be preserved at a time when the Chinese Government was desperate to enter the WTO. Moreover, uncertainty continued to prevail among PLA planners over how successful any military operation would be apart from missile strikes that would symbolically verify that China did not consider the Taiwanese population to be 'Chinese'. In late December the CCP leadership reportedly met in Beijing and recommended that high-level contacts be restored with the Taiwanese leadership anticipating that a newly elected Taiwanese president (with an election due in March 2000) would be easier to deal with than Lee Teng-hui.¹⁰⁰ Chinese leaders were surprised by

Chen Shui-bien's election and have remained uncertain on how to deal with his initiative to convert pragmatic diplomacy to what might be termed the 'diplomacy of conciliation'.

Multilateral Security and Taiwan

Taiwan has maintained relations with and joined a few multilateral institutions, including APEC and the Asian Development Bank, by representing itself as something other than a sovereign entity. Multilateral security politics have not taken hold in the Taiwan Strait situation because of China's insistence that resolving its problems with Taiwan is strictly an intra-Chinese affair mandating 'non-interference' by outside parties. The PRC's actual motivation to exclude Taiwan from multilateral security deliberations has been aptly described by Peter Lewis Young as 'what concerns Beijing is that if a de facto diplomatic identity is accorded to Taiwan in international forums, then this identity may be used by some later Taiwanese nationalist government as a basis for claiming *de jure* diplomatic identity'.¹⁰¹

Beijing's position can be contested by arguing that it is essential the Taiwan Strait issue be incorporated into the ARF and other credible security dialogue processes and that this could be initiated at an informal level of discussion. Emphasis could be placed on selected issues of development politics and human security and on economic trends for the entire region where Taiwan's economic muscle would have direct and uncontested relevance.¹⁰² Taiwanese officials have indeed offered to apply their country's 'economic muscle' to support Asia-Pacific security regimes so that regional disputes can be resolved more easily through regional dialogue. Such economic clout did prove decisive in eventually wearing down China's resistance to Taiwanese full membership in APEC and to 'observer status' in the WTO and other regional and international economic organisations. Taiwan has had to assume the nomenclature 'Chinese Taipei' or similar labels to placate Chinese insistence that Taiwan is not a participating sovereign power.¹⁰³

The legitimacy of the so-called 'Track Two diplomacy' approach comes into question, however, if mainland China remains unwilling to participate in a multiparty setting.¹⁰⁴ Track Two diplomacy is the unofficial or informal interaction between states or groups to develop strategies for resolving conflicts at the official level. This resistance has been most evident in the PRC's rejection of Taiwan's drive to re-enter the United Nations that began in mid-1993. It was expelled from that body in October 1971 by UNGA Resolution 2758 which authorised a shift in representation for China from the Republic of China (Taiwan) to the People's Republic of China (China). Between 1993 and 1996 Taiwan's drive for UN reinstatement gained

momentum, as the initial total of three countries supporting the revocation of UNGA 2758 grew to seventeen by mid-1996 (all of these being small Latin American and African countries which formally recognise Taiwan in return for substantial Taiwanese economic assistance). Sentiment for some type of UN role for Taiwan had visibly intensified.¹⁰⁵ In July 1996 the European Parliament passed a resolution urging the UN to set up a special task force to study the feasibility of Taiwan taking part in UN-affiliated organisations and the US House of Representatives followed up with a concurrent resolution supporting the European Parliament's declaration.¹⁰⁶ A poll gauging American public opinion on the Taiwan UN question released in March 1997 found that 72 per cent of the 1015 American adults surveyed backed Taiwan's membership to the UN and 80 per cent of those supporting this position indicated they would still do so even if such a development angered the PRC.¹⁰⁷

Mainland China, of course, has rejected any initiative for Taiwan to participate in the UN in whatever form. It argues that Taiwan has no inherent right to participate in the international community through the UN or through other international organisations and it has since adhered to this position consistently.¹⁰⁸ It has also increased diplomatic pressure on those states still recognising Taiwan as the Republic of China and has projected the issue as a key test for future Sino-American relations. President Clinton's 'unilateral statement' when visiting China in mid-1998 that the United States does not believe that Taiwan should be a member of any organisation for which statehood is required rewarded Beijing's hardline approach to this question.¹⁰⁹ Apart from conforming to the 'one China principle' established by three previous joint China-US policy declarations governing the two countries' *de jure* relations, American rationales for applying its policy of not recognising Taiwan's right to UN membership were explicitly stipulated by Assistant Secretary of State Winston Lord in testimony delivered before the US Congress in September 1994. Unlike the German and Korean cases where there was agreement between the two competing political entities that both could enter the UN, no such agreement exists between the PRC and Taiwan. In the absence of any such agreement, the United States would be inconsistent in observing a 'one-China policy' if it supported Taiwanese UN membership while Taiwan's sovereign status was designated by Beijing's leadership as the basis for its opposition to such membership.¹¹⁰

Nevertheless, the PRC is still confronted with a serious policy challenge regarding how it will manage the Taiwan question as part of its overall multilateral regional security politics. On one hand, it cannot afford to alienate its Asian neighbours by appearing to portray Taiwan as the major impediment to efforts for building such a framework at a time when Taiwanese prosperity and political stability is increasingly viewed as a role

model for overcoming the Asian financial crisis and surviving the forces of globalisation. On the other hand, the PRC fears that it would lose control of the Taiwan issue if Taipei is able to convert its economic acumen into diplomatic payoffs. Incessant efforts by China to exclude one of the region's economic powerhouses, Taiwan, from assuming a larger role in the region's formulation of both new cooperative security arrangements and fresh economic architectures could undercut Beijing's own diplomatic influence and economic aspirations in the region. But if the avowed pro-independence Taiwanese political factions were some day to form a government, mainland China's worst expectations would materialise.

Future Directions

The Taiwan Strait issue remains one of the Asia-Pacific's most crucial flashpoints at a time when strategic competition in the region is competing with economic preoccupations for political primacy. As the situation stands now, the PRC has boxed the Taiwanese government into two rather narrow premises for justifying its own continued existence. It may contend that the Chinese communist regime is destined to topple from within and thereby rationalise its own existence on the grounds that, as a legitimate heir, it has every right to await the turn of events and the possible future extension of a mandate from the people of the mainland to reunify the nation. Or it may argue that it has governed a separate, *de facto* Taiwanese sovereignty for nearly half a century and that Beijing must accept this reality.

The first premise is not viable. The global diplomatic community has not proven amenable to it; South Korea's 1992 switch to recognising the PRC as the one legitimate government of China, and Taiwan's failure even to advance the issue of UN participation on to the UN General Assembly's agenda, drive home the painful point that the PRC is a powerful state with enough leverage to frustrate any Taiwanese claim. As noted above, only a few small and weak states in developing regions outside of Asia still acknowledge Taiwan as a sovereign China. Moreover, the PRC has survived the Tiananmen Square incident and the subsequent American human rights assault with greater tenacity than most democrats would care to admit. For Taiwan to remain adamant that the Chinese communist regime's demise is imminent is merely to court perceptions of its own increasing irrelevance in a diverse and dynamically changing region. In retrospect, Taiwan's decision to end the 'Period of Mobilization for the Suppression of Communist Rebellion' in May 1991 seems to have been a wise one.

The second approach – that Taiwan is an independent sovereignty apart from China – may, over time, gain increasing sympathy with broad

sectors of the international community largely convinced that Taipei has done everything asked of it, and more, to earn *de jure* recognition. However, this development remains inhibited by the PRC's power and resources. Taiwan will be required to stand up to mainland China's 'carrot and stick' strategy of intermittently coercing and inducing it into political capitulation for some time to come. Cross-Strait negotiations are merely one such 'carrot' and the PRC's development of its military power projection capabilities the latest 'stick' that Beijing has sought to apply to the end-game. China's diplomacy has become more sophisticated as the Cold War recedes but the PRC's basic objective has changed little: to realise a single, 'unified' China under CCP rule.

Continued US adherence to and support for the TRA remains the most meaningful and obvious counterweight at Taiwan's disposal for buying it time to 'expand its living space internationally' and for gradually wearing down the PRC's resistance to the Taiwanese assuming an international political role more commensurate to their economic status. The TSEA, by contrast, appears to risk provoking China at levels disproportionate to the risk undertaken by the United States in implementing it. The United States will clearly need to maintain its support for the TRA, at levels necessary to prevent a PRC *fait accompli* on the Taiwan Strait issue, in order to preserve its own regional influence into the next century. However, as Bernice Lee argues, a continuation of the posture of strategic ambiguity will only be effective 'if neither China nor Taiwan is inclined to upset the status quo'.¹¹¹

Because of this factor, inter-regional pressure to allow Taiwan to join multilateral economic and security dialogues must become an increasingly important component of Asia-Pacific diplomacy. The PRC cannot afford to pursue irredentism regarding Taiwan so rigidly as to compromise prospects for enhancing its long-term regional influence. Its careful management of the Hong Kong transition process is evidence that Beijing is aware of this constraint. Multilateralism's emphasis on collaborative diplomacy and norm creation underscore China's need to pursue its objectives toward Taiwan in a balanced manner. In this sense, China is forced to at least acknowledge liberalism's relevance and possible impact on its Taiwan strategy. Taiwan's prospects of survival have also improved with its recent policy shifts away from observing an exclusively realist or zero-sum outlook towards the 'China threat', to cultivating a more diversified and increasingly sophisticated set of diplomatic, economic and strategic postures toward Beijing. Yet Taipei's long-term fate depends on the United States' willingness to sustain credible deterrence commitments on its behalf while simultaneously supporting a long-term diplomatic solution to the PRC-Taiwan security dilemma. This approach

conforms to the general postulates underlying the convergent security strategy proposed in the concluding chapter.

Conclusion

The above analysis yields several broad observations pertaining to both Korea and to Taiwan as 'middle powers' in the contemporary Asia-Pacific security environment. These, in turn, can be applied to the generalisations about middle-power diplomacy introduced at this chapter's outset.

First, great-power dependence remains acute in the security policies of both South Korea and Taiwan but less so in North Korea's case. South Korea's efforts to diversify its security relationships at both the bilateral and multilateral levels have not generated sufficient options for it to gain significant strategic independence from the United States or to be, in its own right, a major determinant of any emerging regional power balance. The North Korean threat remains the most prevalent factor in Seoul's security thinking despite incessant analysis and optimistic signals about Korean reunification or speculation about a re-emergence of a politico-cultural intimacy with China. The United States, arguably, remains the one power investing the resources needed to neutralise Pyongyang's more bellicose tendencies. Korea's continuing animosities towards Japan resurfaced in May 2001 when South Korea cancelled a planned military rescue exercise with Japan while demanding 'corrections to distortions' in Japan's officially sanctioned history textbooks, a constant source of tension between Japan and its Northeast Asian neighbours.¹¹²

Although no less prosperous than South Korea, Taiwan remains more dependent. Its almost total reliance on intermittent US weapons sales to maintain a rough military balance in the Taiwan Strait and its nearly complete diplomatic isolation from major international organisations attest to China's success in neutralising Taiwan's pragmatic diplomacy. It also exemplifies the difficulty that any middle power has in deflecting a great-power strategy that is totally dedicated to eliminating it as an independent player in the international system. Taiwan's difficulties in this regard are compounded by its own great-power guarantor's inability to project a consistent and coherent policy toward the Taiwan Strait. America's 'strategic ambiguity' is a product of policy-making fragmentation between Washington's executive branch, which tends to defer to Beijing for very realist reasons, and the US Congress and public opinion, both of which project high levels of support for Taipei's economic and democratic achievements. This situation creates mixed signals that Beijing has learned to mostly ignore and which Taiwan has been unable to sufficiently manipulate to its geopolitical advantage. At best, the Taiwanese

enjoy only partial linkage to the American domestic polity and this may not be sufficient to ensure that it can outlast the mainland's communist regime. As a presidential candidate during 2000, George W. Bush called for a more transparent American strategic commitment to Taiwan; it is far from certain that George W. Bush, as President, will be any more capable than his predecessors on delivering such a posture.

North Korea has been the most strategically independent middle power assessed in this chapter. This has nothing to do with its leadership's inherent ability but rather is related to the rapid structural changes accompanying the end of the Cold War and the effective removal of its traditional great power patron, the Soviet Union, from the international scene. If the North Korean economy was ever able to function effectively, the USSR's demise and the end of its massive subsidies to Kim Il-sung exposed it as incapable of operating in a world of intensified globalisation and interdependence. Both Kim and his son, however, discovered that the diplomacy of nuclear brinkmanship afforded North Korea new opportunities for relating to the United States, the major power that counts the most in the Peninsula's security equation. The Chinese were also willing to assume an indirect role in this high stakes game, leveraging their still significant influence over their intermittently troublesome and always unpredictable North Korean ally to extract various concessions on trade, high technology access and strategic dialogue from the United States within the overall context of 'strategic engagement'.

Limited by its obvious preference for preserving the status quo in regional and international security politics, that is, limiting the spread of nuclear weapons and preserving its access to the Asian marketplace, Washington gradually succumbed to North Korean demands for extraordinary economic and strategic concessions. The depth and scope of American benevolence would have, under most circumstances, undermined its Northeast Asian security alliances beyond repair, but neither Japan nor South Korea had any other allies-in-waiting. For a state predicated on uncompromising socialist ideology, North Korea proved to be an unmitigated practitioner of realism. It extracted substantial relative gains at Washington's expense without any tangible support from the American body politic.

The final observation of this chapter is that stability and peace on the Korean Peninsula and between China and Taiwan may ultimately be linked to domestic political and economic transitions occurring on both sides of Korea's DMZ and the Taiwan Strait. This prospect does not invalidate the realist-liberal debate, but enriches it by linking it to the need to better understand those socio-cultural and political factors now driving the forces of structural change in the Asia-Pacific region. This conceptual task is no less relevant in assessing middle-power strategic behaviour

in Southeast Asia. It is especially critical in the Northeast Asian subregion, however, because the immediate potential for conflict escalation is far greater. Both realists and liberals must come to terms with factors of nationalism, ethnicity and culture that can otherwise blur both of their paradigms and render their policy explanations irrelevant. The challenge is to link these factors in ways that provide an analytical framework capable of reconciling these diverse factors and interests and thus achieving conflict avoidance at the state-centric level.