

**THE ROH ADMINISTRATION'S PEACE
AND PROSPERITY POLICY AND
INTERNATIONAL COOPERATION:
THE EURASIAN DIMENSION, CATALYST FOR
THE KOREAN REUNIFICATION PROCESS?**

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The new South Korean President, Roh Moo-hyun, declared in his inauguration speech on February 25, 2003 that "the Age of Northeast Asia is fast approaching." The Korean peninsula has to be reborn as a gateway to peace that connects the Eurasian landmass with the Pacific, and leads to "The Age of Northeast Asia in the 21st century," as long predicted by renowned scholars. These predictions are now coming true. Northeast Asia, as a region covering the Korean states, Japan, Mongolia, northeastern parts of China and the Russian Far East, can indeed become an important sub-region of East Asia, Asia-Pacific and Eurasia. Northeast Asia partly overlaps the concept of North Pacific, the latter including also parts of the United States (Alaska) and Canada (British Columbia). Northern Eurasia, connecting Northeast Asia with northern Europe through Russia, was in fact a political and economic unit from 1809 until 1917 under Imperial Russia, which extended from the Finnish Aland Islands, close to the Swedish eastern coast,

across to the Pacific Ocean, and until 1867 even to Alaska. In the new post-Cold War international situation, northern Eurasia could again become a connecting factor between Northeast Asia/the North Pacific and Europe/the EU through the vast Eurasian Land Bridge. The 320 million people of Northeast Asia and the huge natural resources and complementarities of the Northeast Asian economies could form a realistic basis for a new regional architecture in Northeast Asia, with logistical and other connections towards Eurasia, North America and the South Pacific. It has all the potential to develop into a new major pole or power center in the developing multi-polar/multi-centered world order. The Korean peninsula is in a key position in this development. Increasing regional cooperation in Northeast Asia could lessen the prevailing tensions in the region and facilitate the development toward an eventual reunification of Korea, in one form or another, even in the foreseeable future. The growing relationship between Northeast Asia and Europe, and particularly the European Union, called in this article "the Eurasian Dimension," could become an important catalyst for the future normalization of inter-Korean relations.

I. Introduction

1. Eurasian Dimension and Northeast Asia

The new South Korean President Roh Moo-hyun declared in his inauguration speech on February 25, 2003 that the Age of Northeast Asia is fast approaching. The Korean peninsula has to be reborn as a gateway of peace that connects the *Eurasian landmass* with the Pacific, and leads to the Age of Northeast Asia in the 21st century, as long

predicted by renowned scholars. These predictions are now coming true.¹

Eurasia, the Eurasian landmass, is in fact one and the same continent. The Ural Mountains, regarded as a frontier between Europe and Asia, are considered even by many geographers an artificial frontier. The border was to be drawn somewhere and the Ural Mountains offered an easy line.

Northeast Asia, as a region covering the Korean states, Japan, Mongolia, northeastern parts of China and the Russian Far East, is a sub-region of Eurasia as well as Asia-Pacific. Northeast Asia overlaps the geographic concept of North Pacific, the latter including also parts of the United States (Alaska) and Canada (British Columbia). In political and military terms, the United States is a regional player in Northeast Asia. The Ural Mountains were penetrated as early as 100 years ago by the construction of the Trans-Siberian Railway connecting Moscow to Vladivostok, and opening the then *Eurasian dimension*.

A few decades earlier, in 1878-80, the Finnish-born explorer Adolf Nordenskiöld, under the flag of Sweden, had found the Northern Sea Route from northern Europe to Japan.

Northernmost Eurasia, connecting Northeast Asia with northern Europe through Russia, was in fact a political and economic unit from 1809 until 1917 under Imperial Russia, which extended from the Finnish Åland Islands, close to the Swedish eastern coast, across to the Pacific Ocean, and until 1867, even to Alaska.

Finland was an autonomous Grand Duchy of Imperial Russia in 1809-1917, and a number of Finnish officers, officials, scholars and businessmen worked in the Russian Far East and there were even Finnish Governors in Alaska.

Finland established friendly relations with Koreans, Japanese and

1 "A New Takeoff Toward an Age of Peace and Prosperity," address by President Roh Moo-hyun at the 16th Inaugural Ceremony, Seoul, February 25, 2003.

Mongolians in the region, who were considered linguistic relatives of Finns based on the disputed theory of Ural-Altai family of languages. The first Korean grammar in the west was published by a renowned Finnish scholar in Korean, Japanese and Mongolian languages, Professor Gustaf Ramstedt, who spent years in late 1800s, early 1900s in Mongolia, Korea and Japan. He was the first envoy of independent Finland in Japan, China and Siam in 1919-1929.

In the new post-Cold War international situation, northern Eurasia could again become a connecting factor between Northeast Asia/the North Pacific and Europe, particularly the growing European Union, through the vast Eurasian landmass/Land Bridge as referred to by President Roh Moo-hyun.

The 320 million people of Northeast Asia and the vast natural resources, also in the Russian Far East, and complementarities of the Northeast Asian economies could form a realistic basis for a new regional architecture in Northeast Asia, with logistical and other connections towards Eurasia, North America and the South Pacific. It has all the potential to develop into a new major pole or power center in the developing world order.

The Korean peninsula is in a key position in this development. Increasing regional cooperation in Northeast Asia could lessen the prevailing tensions in the region and facilitate the development toward an eventual reunification of Korea, in one form or another, even in the foreseeable future.

The growing relationship between Northeast Asia and Europe, particularly the European Union, called in this article "the Eurasian Dimension," could become an important catalyst for the future normalization of inter-Korean relations.

The term "Eurasian Dimension" reflects the "Northern Dimension" of the European Union, a program of cooperation in northernmost Europe with non-EU members, covering parts of Iceland, Norway, Sweden, Finland, Russia and the Baltic Sea region. The "Eurasian

Dimension” could become an operative element of policy of the European Union.

2. Eurasian Dimension in the Early 21st Century

The *Eurasian dimension* has acquired substantive contents following the Korean Summit in Pyongyang in June 2000, the EU summits in both Korean States in May 2001, the ASEM (Asia Europe Meeting) summit in Copenhagen in September 2002, and particularly the strong emphasis on Eurasian relations of the new Roh Moo-hyun administration in South Korea.

The first great victory of President Roh’s policy towards Eurasia was undeniably the symbolic re-linking of the Trans-Korean railways on June 14, 2003, after half a century, and in the midst of the escalating nuclear crisis on the Korean peninsula. There are concrete prospects for reconnecting the Trans-Korean railway in the future to the Eurasian railway networks utilizing the transport corridors through China, Kazakhstan, Mongolia and Russia’s 100-year-old Trans-Siberian railway. Moreover, the planned Eurasian freight rail corridor from China up to the Norwegian port of Narvik, and further by ship to the ports of North America, Boston, Halifax and even the U.S. West Coast, could also be connected to the trans-Korean railway network.

At the ASEM summit in Copenhagen in September 2002, the ASEM countries renewed their commitment to peace and stability on the Korean Peninsula and welcomed the launching of the construction work for the reconnection of rail and road links across the inter-Korean border.²

It is not out of question that after re-linking the railway in June 2003, the first test trains could cross the Korean DMZ still in 2003.

2 “ASEM Copenhagen Political Declaration for Peace on the Korean Peninsula,” Copenhagen 2002.

Former President Kim Dae-jung of the Republic of Korea referred in his remarks at the Copenhagen ASEM to the Eurasian connections:

“In particular, the reconnection of the inter-Korean rail and road, which began last week, bears great significance in that it leads to the easing of military tensions...The reconnection of the inter-Korea rail link holds even deeper meaning. It completes a land link between Korea and Europe, which we like to refer to as the “Iron Silk Road.” This will provide an unprecedented opportunity to realize the lofty ideal of ASEM, a united community. Trains departing from Europe will be able to cross the Eurasian continent to arrive in Korean destinations such as Seoul and Pusan, the world’s largest container port and a gateway to the Pacific. Likewise, trains departing from Korea also will be able to reach Western Europe, thereby forming a connection to the Atlantic. This will result in a drastic reduction of costs and transportation time.”³

The new President of the Republic of Korea, Roh Moo-hyun, also included the European Union in his inaugural address on February 25, 2003:

“Initially, the dawn of the Age of Northeast Asia will come from the economic field. Nations of the region will first form a “community of prosperity,” and through it, contribute to the prosperity of all humanity and, in time, should evolve into a “community of peace.” For a long time, I had a dream of seeing a regional community of peace and co-prosperity in Northeast Asia like the European Union. The Age of Northeast Asia will then finally come to full fruition. I pledge to devote my whole heart and effort to bringing about that day at the earliest possible time... In order to bring about a genuine Age of Northeast Asia, a structure of peace must first be institutionalized on the Korean Peninsula. It certainly is most unfortunate that the peninsula still remains the last legacy of the Cold War of the 20th century. In the 21st

3 “Remarks by H.E. President Kim Dae-jung of the Republic of Korea,” ASEM summit, Copenhagen 2002.

century, we have to change the peninsula into a land that sends out messages of peace to the rest of the world. It has to be reborn as East Asia's gateway of peace that connects the Eurasian landmass with the Pacific Ocean. We have to soon bring the day when passengers will be able to buy a train ticket in Pusan and travel all the way to Paris, in the heart of Europe, via Pyongyang, Shinuiju and the many cities in China, Mongolia and Russia... Military tension in any form should not be heightened. We will strengthen coordination with the United States and Japan to help resolve the nuclear issue through dialogue. We will also maintain close cooperation with China, Russia, the European Union and other countries..."

President Roh visualized a strong perspective for the future of Northeast Asia:

"In this new age, our future can no longer be confined to the Korean Peninsula. The Age of Northeast Asia is fast approaching. Northeast Asia, which used to be on the periphery of the modern world, is now emerging as a new source of energy in the global economy. Renowned international scholars have long predicted that the 21st century would be the Age of Northeast Asia and their predictions are coming true. Business transactions in the region already represent one fifth of global volume and the combined population of Korea, China, and Japan is four times larger than that of the European Union. The Korean Peninsula is located at the heart of the region. It is a big bridge linking China and Japan, the continent and the ocean. Such a geopolitical characteristic often caused pain for us in the past. Today, however, this same feature is offering us an opportunity. Indeed, it demands that we play a pivotal role in the Age of Northeast Asia in the 21st century."

South Korea is planning an "Iron Silk Road" Conference to be convened in Seoul in late 2003 or early 2004 to further develop in concrete terms the railway and transportation links between Asia and Europe. These are concrete building blocks for the further development of *the Eurasian dimension*, relations between the European Union and Europe at large, and Northeast Asia. The Eurasian dimension could serve as a

catalyst for peace and prosperity in Northeast Asia and the unification process on the Korean Peninsula.

II. Post-Cold War Political Developments and Options in Northeast Asia

1. Regional Players and Legacies in Northeast Asia

To understand the prospects, but also obstacles, on the way to a functioning Eurasian dimension, a short review of the post-Cold War political developments in Northeast Asia and options involved might be useful. Northeast Asia is a specific sub-region in the Asia-Pacific and Eurasia context because of the presence of the three nuclear powers, the U.S., China, and Russia, and the economic, but also militarily strong power Japan. Although the Cold War confrontation between the U.S. and the Soviet Union is over, there are still remnants and legacies of the post-World War and Cold War period in Northeast Asia: the division of the Korean Peninsula and the Japan-Russia border dispute. Even the China-Taiwan dispute may affect stability in Northeast Asia, and the successful and historic inter-Korean Summit in Pyongyang in June 2000 hopefully will be seen as the beginning of a new area of detente in the whole of Northeast Asia. However, it will take time, perhaps even decades, before the fundamental political issues are definitively resolved. The present escalating tension between North Korea and the United States on the nuclear issue is significantly threatening the promising new development started during the term of the South Korean President Kim Dae-jung, and vowed to be continued under the new President Roh Moo-hyun.

2. Regional Structures for Security and Cooperation Needed in Northeast Asia

The ongoing situation on the Korean Peninsula shows that concentration of military power, including nuclear weapon options, the prospects of potential “power vacuums,” and the presence of historical animosities, all make up a potentially explosive cocktail in Northeast Asia. These tensions could explode into open conflict with possible global implications if inter-state tensions are not duly managed. Northeast Asia still lacks comprehensive confidence-building measures (CBMs) in the form of multilateral institutions or structures. State relations are generally conducted on a bilateral basis, with no real forum for discussion of issues of common Northeast Asian concern.

Perhaps a little ironically, the only multilateral regional forum involving all the Northeast Asian nations at the moment (North Korea has joined recently) is the ASEAN Regional Forum (ARF). In fact, ASEAN is based half a continent away from Northeast Asia, and although the ARF is a useful arena for informal dialogue, there are no obvious reasons why ASEAN should be in a key position in the regional processes in Northeast Asia.

In developing the new post-Cold War world order, one of the main issues is the development of new multilateral structures, security structures and regional, particularly economic cooperation in the Asia-Pacific region in general, and in sub-regions such as Northeast and Southeast Asia. The question is whether and how the potential regional cooperation or even integration process in Northeast Asia can be connected with regional development and integration processes in other parts of the world, particularly North America and Europe.

3. The Post-Cold War Regional Order in Northeast Asia

The irony of the Cold War was that, apart from raising the spectra

of a nuclear war, it provided Asia-Pacific, including Northeast Asia, with strategic balance and predictability. There was bipolar (or sometimes tripolar) stability, with clear areas of Chinese, American and Soviet influence. The ending of the Cold War, however, has resulted in a more unpredictable Asia-Pacific, including Northeast Asia. The break-up and strategic withdrawal of the Soviet Union have meant leaving the U.S. as the *de facto* superpower in the region. The U.S. is domineering and China is troubled by the fact that there is for the time being no other power which can oppose the U.S.'s tendency to impose its democratic values and economic agenda and maintain its military presence in the region. Other Pacific states feel strongly that the U.S. must stay in the region. They fear that because there is no longer a need to counter the Soviet Union, there could be a diminished U.S. presence in Asia. A power vacuum could result, leading to Chinese regional dominance, and become the next regional hegemony. China, in turn, fears the possibility of a remilitarized Japan, which might "go nuclear" in the event of an American withdrawal from Northeast Asia in one form or another.⁴ Unlike in the Cold War era, the situation in Asia-Pacific today has become more unpredictable and uncertain. The fact is that the Cold War is not over in Northeast Asia and will not be as long as there is no solution, primarily to the Korean problem and particularly the ongoing North Korean nuclear issue as well as in the longer term to the Japan-Russia and even China-Taiwan issues. The situation in summer 2003, the North Korean nuclear issue and the inauguration of the new South Korean President Roh Moo-hyun have initiated discussions among the main players in Northeast Asia on the future regional order in the region, including the threat of nuclear escalation. The European Union has been mentioned in the discussions as a possible "third party player" in North-

4 See articles on this topic in Anthony McGrew and Christopher Brook (ed.), *Asia-Pacific in the New World Order* (Routledge: London 1998).

east Asia when multilateral solutions to the situation are being mapped out.

4. Regionalism and Globalism in Northeast Asia

The development of first the European Union (EU), and then the North American Free Trade Agreement (NAFTA) as major economic groupings, has brought visions of a world dominated by three “global regions”: Asia-Pacific, North America, and Europe. Regionalism is seen as providing a measure of security against the vagaries of the global economy and a strong base from which to compete within it. The “tripolar vision” neglects other potential power centers of the world such as Russia and Latin America. Asia-Pacific could be challenged by Eurasia, where Russia has a central role between Europe/EU and East Asia/North Pacific. The old “Silk Road,” revived in the form of the “Iron Silk Road” by the Trans-Korean railway and introduced by former President Kim Dae-jung, and the “Age of Northeast Asia” suggested by the new President of South Korea Roh Moo-hyun opens up prospects for Northeast Asia to become one of the power centers of the world, in the long run probably even along the lines of the integration process in Europe. In recent discussions, the concept of a “*Eurasian union*” has been brought up as a concept and a framework for an area of economic cooperation across the Eurasian continent, probably offering an economic counterweight to the sole superpower position of the U.S., based on its military superiority. Regionalism can vary in character and it cannot be directly assumed that Europe presents some suitable model for regionalism and integration elsewhere. It is not possible to build a kind of “regional bloc transition model” with different regional groupings at different stages in a broadly similar trend. There may be common features but each development is a product of a particular combination of local and regional circumstances and history set within a wider world context. This also applies

to Northeast Asia.

The European Union is in any case a realistic and certainly also a compatible partner for a potential regional organization in Northeast Asia. The EU was established in 1957 as the European Economic Community (EEC) as much for political and security reasons as to energize economic development. The political reasons can be summarized as preventing war from ever breaking out again in Europe between Germany and France. This policy has proved successful now for over half a century. A key aim underlying the creation of an economic community was the wish to rebuild relations after the devastation of the Second World War, and a key influence was the U.S.'s concern to strengthen western Europe against the perceived threat of the Soviet Union.

In North America NAFTA was established in 1993 under a different set of circumstances. It was designed as a "free trade area" rather than a political unit in its own right (as was the EU) although, as in the EU, there is trade discrimination against non-members. Unlike the EU, NAFTA is dominated by the interests of one state, the U.S., which has produced a different kind of arrangement and pattern of winners and losers. The reasons underlying the grouping's establishment were again both economic and political. It was seen by the U.S. to be in its interests to develop a trading counterweight to other core economic powers centered on Europe and Japan and cementing relations in the "U.S.'s backyard." For Canada and Mexico, NAFTA formalized their strong trade links with the U.S. and provided a "safe-haven arrangement" in the event of a collapse in multilateral trade and a rise in U.S. protectionism.

The prospects for Northeast Asian regionalism and the region's connections with global systems and networks can be observed against these developments. They very much depend on what kind of regionalism and even integration is developing in Asia-Pacific in general. The world is becoming more and more inter-connected and inter-

dependent, and it is also likely that the connections of Northeast Asia with Europe will have an increasing relevance. International non-governmental organizations and sub-national groups as well as inter-governmental arrangements, are sometimes viewed as an early stage in the development of more *global* governance. Many of these arrangements have developed around international organizations while others have come into being through international conference resolutions and specific treaties and are sustained through follow-up meetings and more detailed proposals.⁵ All these elements have a relevance for future developments in Northeast Asia and its relations with Europe, and the European Union, the developing Eurasian dimension. One of the key questions in future development and in a new world order is the relationship between regionalism and globalism. Are they mutually exclusive or perhaps complementary?

5. Options and Obstacles for Regional Integration in Northeast Asia

The question of possible regional integration in Northeast Asia has been approached very cautiously among scholars and politicians. One of the reasons for caution has been the great diversity of communities in Northeast Asia. In Northeast Asia, the countries concerned share a common history, to a large extent a common cultural heritage (Chinese) and even basically, a common writing system (Chinese characters). The problem is, however, that common history is mostly a history of inter-state tensions and military conflicts with bitter legacies in all states of the region. The period of Japanese imperialism in the 19th and early 20th centuries left a bitter legacy which is still felt today in China and Korea. China and Korea, the latter as a Japanese colony from 1910 to 1945, suffered greatly at the hands of the Japanese especially during the Second World War, and they, therefore, fear

5 Anthony McGrew and Christopher Brook (ed.), *op.cit.*

that Japan might embark on a new round of colonial and militaristic adventure. All these experiences left deep imprints on the national psyches of people in Northeast Asia. Hence, their attitude to military power and their approaches to conflict-resolution have been, and still are, conditioned by their experiences of war and invasions. It is to be kept in mind that Japan, too, was occupied by the U.S. at the end of the Second World War. It seems, however, that neither the occupation nor even the atomic bombings caused in Japan as deep psychological and national scars as did the Japanese occupation of China and Korea, at least not publicly. The military-based experience throughout the history of the Northeast Asian countries (the Mongolians dominated the region in the 13th and 14th centuries) has led to a strategic culture which places a premium on the utility of military power and on the importance of maintaining the *balance of power*. The strongest example of this thinking is certainly North Korea's "military first" doctrine. Against this background, the Northeast Asian "neo-realist" atmosphere does not seem to offer the same preconditions for the development of regionalism, not to speak of integration, as in Southeast Asia or in Europe, where the states behave in a more cooperative way characterized as "neo-liberal-institutionalist."

A divided Korea remains as the actual key threat to the security of the region and a major obstacle to broader regional cooperation, due particularly to longstanding isolationist policy and the present nuclear threat from North Korea. Engaging North Korea in regional cooperation in Northeast Asia is the vital task on the way to a comprehensive process of security and cooperation in the region. The international community should support the process of cooperation and the ongoing and increasing positive contacts between the two Korean states. A reunified Korea, in any form, is unlikely to be seen in years or perhaps even decades, but a cooperative Korea might be a reality in the foreseeable future. It is extremely difficult at this moment, particularly under the ongoing nuclear dispute, to predict the political and strate-

gic or even economic outcome of the rapprochement between the two Korean states. At sub-regional or micro-regional level, cross-border and institutionalized cooperation between the cold climate regions of Northeast Asia and the North Pacific as well as a lot of economic and cultural interaction are taking place even where political tensions are imprinted on the region around the East Sea (Sea of Japan).

6. European Involvement in Regional Cooperation in Northeast Asia

The Korean Peninsula Energy Development Organization (KEDO) is the first, and so far the only, governmental-level multilateral organization in Northeast Asia focused on stabilizing the military, political and economic situation in North Korea. The EU is a donor to and a member of the board of KEDO through Euratom. An interesting proposal at track-two level is the establishment of a specific Northeast Asian Development Bank to provide an international foundation for (re)construction of this sub-region also with non-regional participation. This proposal has not advanced, and it is likely that the U.S. does not see the idea in a positive light. The UNDP Tumen River Delta project, involving North Korea, has also been one of the first major cooperative regional efforts in Northeast Asia. Finland joined the Tumen Project as an observer in the mid-1990s. Northeast Asia regionalism seems to be developing at the moment from down-up unlike the situation within APEC. The pending political issues should be resolved, however, by the governments concerned with appropriate support from the world community. This may take time. Meanwhile, the key is likely to be sub-regional cooperation on a step-by-step approach.

III. The Eurasian Dimension and the Korean Peace and Unification Process

1. The Eurasian Dimension in the Post-Cold War World

During the 1990s, after the Cold War, a number of two-track, non-governmental forums have been studying the possibilities and options for opening a “Eurasian Land Bridge” between Northeast Asia and Europe across the “Eurasian Landmass.” One of the main hypotheses has been that the opening of a functional Eurasian land bridge, particularly one based on the Trans-Siberian railway and other Eurasian railway connections, could constitute to the basis for a new, but also for old “Eurasian dimension” linking Northeast Asia and Europe, particularly the growing EU. Through this Eurasian dimension, the EU could become an active, and at the same time, neutral player in Northeast Asia. The EU could be an active partner particularly in the economic field, and thus also a catalyst for constructing a new political architecture for peace, security and cooperation in Northeast Asia, including the eventual reunification of Korea. The EU is by no means a passive actor in Northeast Asia, due to its member countries’ close relations with Japan, South Korea, and the United States. The EU has developed relations and political dialogue with other Northeast Asian states, particularly China, and (the EU Commission) has recently established diplomatic relations with and installed a resident ambassador in North Korea. An increasing number of EU member states has established diplomatic relations, with accredited resident ambassadors in both capitals, and with North Korea following the June 2000 Summit in Pyongyang. Finland and Sweden, together with the other Nordic countries, recognized the two Korean states in the early 1970s, and for decades, Finland and Sweden were among the very few western countries having resident diplomatic representations (commercial) in Pyongyang. Even Australia and New Zealand are active non-regional

players in Northeast Asia. Both countries have traditional ties with western Europe and could serve as “hinge states” between European and Asian cultures. The logistics of the “Eurasian Land Bridge” via Northeast Asia may offer plausible options for the South Pacific.

2. Eurasian Railways as a Confidence and Security Building Resource in Northeast Asia

In the tense and threatening situation developing on the Korean peninsula in early 2003, only little attention has been paid to a number of positive inter-Korean developments, including the symbolic re-linking of the trans-Korean railway in June 2003. The reconnection of the trans-Korean railway would be of the utmost importance as a confidence and security building measure on the Korean peninsula.⁶ The further connection of the trans-Korean railway with the Eurasian railways networks through Korea’s gigantic neighbors, China and Russia, opens up prospects for the Eurasian railways to become an important multilateral confidence and security resource, not only on the Korean peninsula but in the whole of Northeast Asia.

One of the first signs of the potentially constructive role the Eurasian railways could play in Northeast Asia was the participation of both North and South Korean railway officials and experts in the Eurasian railways symposium in Helsinki on 3 – 4 April 2002, hosted by the Finland – Northeast Asia Trade Association.⁷ The convening of the symposium was based on the presumption that the Eurasian railways network, a railway land bridge between Europe and Northeast

6 Markku Heiskanen, “*Eurasian Railways – Key to the Korean Deadlock?*,” Nautilus Institute, Berkeley, California, U.S.A. 2003.

7 “*Eurasian Railways Symposium – The Eurasian Dimension; The Role of Railways in Northern European – Northeast Asian Relations*,” The Finland – Northeast Asia Trade Association, Helsinki 2002 (http://www.geocities.com/kaky_ry/symposium/new).

Asia, could be a high common denominator, not only to Northeast Asian players but also to their European counterparts. The Eurasian railways could become a major confidence and security-building factor in Northeast Asia and probably even a key to the half-century of deadlock in Korea. The symposium in Helsinki could be characterized as a “1.5 track” meeting, with some 70 participants from governments, various institutions and the business communities of 13 countries, among them all Northeast Asian countries and players: Russia, China, Mongolia, North Korea, South Korea, Japan, and the United States. The European end of Eurasia was represented by participants from Finland, as the host country, the European Union through the European Commission, Sweden, Norway, and Germany. Canada was represented too. The UN was represented through the UNDP Tumen Secretariat from Beijing. The *de facto* consensus reached at this NGO meeting showed that all relevant players share an interest in developing the Eurasian railway network including the Korean Peninsula.

3. The North Europe – Korean Peninsula Railway Connection

At the Helsinki symposium, the concept of “Eurasian railways” did not cover the entire network of railways between Europe and Asia. The organizers defined the context of the Helsinki symposium as “*The Eurasian Dimension – the Role of Railways in Northern European and Northeast Asian Relations.*” The primary rationale for this definition was that the symposium would focus particularly on the northernmost Eurasian railway “corridor” from Finland via Russia along the Siberian railway to countries in Northeast Asia. This link between Finland and the Russian Far Eastern port of Vladivostok is served daily in both directions and has proved to be a safe, rapid and effective transportation route, further to and from South Korea. The Finland – South Korea daily rail connection, which is in effect also a link between the European Union and Northeast Asia, has brought up for discussion

the evident benefits of the reopening of the trans-Korean railway to international traffic between the Korean peninsula and Europe.

At the present time, cargo from Finland has to be transferred from trains to ships in the port of Vladivostok, then shipped onto Pusan, the southernmost port of South Korea. In various preparatory talks preceding the Helsinki symposium, an idea was developed that the trans-Korean railway connection could be reopened in a way that would not jeopardize the security interests of either Korean state. The economic benefits to both Korean parties particularly to North Korea would be indisputable. Relevant political, military, and other experts should study how a safe and working “corridor” could be established through North Korea so that, if necessary, the trains would not need even stop in North Korea on their journey to and from South Korea, Russia, or China. A concrete example of the basic functioning of the North Korean – Russian railway connection was the journey of the North Korean leader, Chairman Kim Jong-il, by train from Pyongyang to St. Petersburg in the summer of 2001. Seoul is, in principle, only a few hours by train from Pyongyang and Finland (i.e. the European Union) only a few hours by train from St. Petersburg.

Chairman Kim Jong-il’s somewhat controversial journey proved to be in fact an important contribution to the idea of studying seriously the establishment of a direct rail connection to Europe from the Korean peninsula. In the background were also, among others, the superior benefits this connection could offer to Japan compared with the sea route via the Suez Canal.

4. Prospects for Future Eurasian Railways

There have been a number of misconceptions relating to the functioning of the Russian Trans-Siberian railway connection. Finnish experience shows, in a reassuring way, that the Helsinki – Vladivostok – (Pusan) railway connection is a punctual, safe, rapid and effective way

to transport freight from western Europe/the European Union to Northeast Asia. It seems that it can also offer favorable costs compared to corresponding sea transportation.

In December 2002, the last sections of this dual-track, 10,000 kilometer-long, 100-year-old railway were electrified. The opening of the Trans-Korean railway connection, not only for freight but in the long run also for Trans-Siberian/Eurasian passenger traffic between Northeast Asia and Europe at large, would have (or perhaps we can already say 'will have'), large-scale positive geo-economic and geopolitical implications for Northeast Asia.

Rapid Eurasian passenger train services are by no means wishful thinking. A good example of the prospects for development in this field is the testing of the world's first magnetic levitation (maglev) rapid train, reaching a maximum speed of 430 kilometers per hour, in China at the end of 2002, in the presence of the German Chancellor, Gerhard Schröder and the Chinese Prime Minister Zhu Ronjin, thus demonstrating intensive Sino-German cooperation and the high standard of the Chinese railways.

In Europe, post-war confidence building between former enemy states was based on mutually beneficial economic cooperation with international multilateral support. Even if the European experience could not be used outright as a model for development in Northeast Asia, some elements of the European experience might prove useful. In the eyes of an outside observer, the opening of the trans-Korean border, which is now in sight for railway freight traffic and later on for international passenger traffic too, seems to be politically and even militarily a realistic overture in spite of ongoing international tensions. The trans-Korean railway would – or will – certainly catalyze broader regional, multilateral and international economic cooperation, as a part of confidence and security building measures in the whole of Northeast Asia. Economically, increasing confidence within Northeast Asia would decrease military expenditure, which could then be diverted for

improvement of the railway networks and other infrastructure, particularly in North Korea. It might not be out of the question that even the North Korean army could be utilized in railway construction work, like the Chinese army in the case of the maglev train in Shanghai. Reopening of the trans-Korean railway would connect the whole Korean peninsula more closely with the outside world, China, Russia, Kazakhstan, Mongolia, other Asian countries, and Europe, particularly the growing European Union.

The connections through the Korean Peninsula to the Eurasian and Trans-Siberian railway systems via China, Russia, Kazakhstan, and Mongolia would open, at the first stage, concrete and economically beneficial alternatives for freight traffic between Northeast Asia and Europe. The maritime traffic routes via the Suez Canal will certainly retain their importance, but the potential benefits of the Eurasian railways and perhaps in the future even the Northern Sea Route along the Arctic Sea coast from Japan to northern Europe are undeniable. Today the security of Trans-Siberian railway transportation can be fully guaranteed in practice, which gives a trump card to railways now that the post-9/11 period and the turbulence in the Middle East have increased and complicated security arrangements on the traditional sea-lanes. Impoverished North Korea and land-locked Mongolia could benefit from the fruits of transit traffic, and a new Eurasian railway system could also open up fresh prospects for the utilization of the huge natural sources, including energy of the Russian Far East. Logistical systems of North America and even of Australia and New Zealand could be made compatible with the Eurasian multi-modal transportation networks. The N.E.W. transportation project between China and North America via Eurasian railways described below is a concrete step forward in this aspect.

European countries are connected through increasingly dense and rapid railway networks. Even Britain is now linked with mainland Europe via the Channel tunnel. Thus, the idea of connecting Japan to

the Korean peninsula and mainland Asia by an underwater tunnel may no longer be just a dream or a utopian vision. Perhaps one day, one will be able to travel by train from Tokyo to London direct. Railways in the future could make possible the revival of the age-old Eurasian lines of contact, which included the ancient Silk Road long before cars and trains were even thought of.

5. China – Europe – North America Freight Corridor plan

One of the most ambitious Eurasian railway projects, which can be connected also in the trans-Korean railway network, has been launched by The International Union of Railways (UIC) called “*Northern East-West Corridor (N.E.W.)*” – a project to open a freight corridor from China to the eastern coast of the United States via the Eurasian railways, deep-water and ice-free port of Narvik in northern Norway. The first stage would be from Narvik. Cargo would be transported by sea to the port of Boston in the U.S. and later on probably to other feasible North American east coast ports including Halifax in Canada.⁸ The main artery of the corridor would be the 100-year-old Russian Trans-Siberian Railway via Kazakhstan directly from the port of Vladivostok and through other available Eurasian routes. On reaching the Nordic region, the freight would be transported via Finland and Sweden to Norway. Logistically, the ports and transportation routes of Iceland, too, could be utilized for the journey to and from North America. Chinese and Russian Government support the project, and the greatest Chinese multi-modal transportation companies have shown concrete interest in the further feasibility study on the project. The International Union of Railways estimates that concrete testing of the corridor can be started in 2004.

8 “*East-West Transports – Northern Alternative (N.E.W.)*,” International Union of Railways (UIC), Paris 2001.

6. Toward a New Logistical World Order?

We are evidently witnessing, at least potentially, a fundamental change and development in international logistics in the northernmost part of the northern hemisphere including North America. President Kim Dae-jung of South Korea characterized these prospects as “monumental” in his speech at the ASEM 2002 summit in Copenhagen.

What is under way now could mark the beginning of “a new logistical world order,” probably constituting new large-scale conceptions in international relations, not least by introducing a new (yet ancient) region of continental peaceful cooperation: Eurasia. The increasing transfer of freight transportation from the sea routes via the Suez Canal, and eventually even the Panama Canal to other alternative routings, and an eventual increase in passenger train traffic between Europe and Northeast Asia, would reflect positively on the economies of the whole of Northeast Asia, including Japan and not least the Russian Far East with its abundance of natural resources.

The increasing utilization of Eurasian and other railway networks such as North American does not present a threat to international sea transportations. The N.E.W. project shows the benefits of multi-modal systems, connecting various forms of transportation. Different means of transportation can be complementary, rather than competitive. A widely forgotten option particularly in this new scenario is the Northern Sea Route, a sea route from northern Europe to Northeast Asia along the Arctic Sea. The route was navigated for the first time in 1878-80 from Norway to Japan by Finnish-born explorer Adolf Nordenskiöld under the flag of Sweden.

After the dissolution of the Soviet Union, this route, including the Port of Vladivostok, has been opened for international traffic. The harsh ice-conditions make a high threshold for large-scale use of the route, which virtually has been and is an internal Russian waterway. In the 1990s several thorough international studies were jointly made of

the feasibility of the Northern Sea Route by Russia, Norway, Japan, and the European Union. They concluded that it is possible to keep the route open for commercial traffic even in the harshest ice-conditions. At the moment, however, the route is not commercially viable.

In the future, the Northern Sea Route may offer new prospects for economic development and international cooperation in northernmost Russia, probably connecting the sea route with the Eurasian railways via rivers and roads.⁹

IV. Conclusions

1. Eurasian Dimension as Multilateral Support to Korean Peace and Unification Process

The Eurasian dimension-scenario might open the way to a multilateral process of security and cooperation in Northeast Asia. Like the CSCE/OSCE (the Conference/Organization on Security and Cooperation in Europe) in Europe, it might open the way to give multilateral support to the Korean peace and unification process by the non-regional players.¹⁰

The railway issue is evidently a high common denominator for all relevant players in Northeast Asian politics, and it could be the main

9 Claes Lykke Ragner (ed.), *The 21st Century – Turning Point for the Northern Sea Route?* (The Fridtjof Nansen Institute, Lysaker, Norway, Kluwer Academic Publishers, Dordrecht 2000).

10 John E. Endicott, "A New Helsinki Process for Northeast Asia? (A Limited Nuclear Weapons-Free Zone in Northeast Asia: A Track II Initiative)," *Disarmament Diplomacy*, London, March 1999. The present complex and dangerous political situation in Northeast Asia has lasted for more than half a century. The European post-war experience shows that even the most complicated political and military problems can some day be solved peacefully. That day may have come now in Korea, in spite of the present tensions caused by the nuclear issue.

topic of an intergovernmental meetings, even in the near future of all Northeast Asian players. The meeting could concentrate not only on the railway but also on other current concrete and common economic issues, where a basic consensus prevails. Outside observers like the EU could be invited to attend the meetings. The next or parallel step might be to convene an intergovernmental Eurasian railways conference during 2003.

The ASEM conference in Copenhagen in September 2002, which was in practice a summit involving the European Union and Southeast and Northeast Asia, proved in a concrete way the benefits of multilateral cooperation between Europe and Asia in the economic and political field. Northeast Asia particularly the Korean peninsula is a good example of a region where the virtually neutral European Union could be a catalyst for peaceful regional development, as shown by the EU-Korean summits in both Korean states during the Swedish EU Presidency in summer 2001.

The most efficient multilateral instrument of the Union is its economic capacity. It seems that the EU and Europeans in general are ready to contribute to the development of economic relations between the two regions, including the development of the "Iron Silk Road." The international community including Europe and the European Union on the same huge Eurasian continent as Northeast Asia could contribute to new post-Cold War structures in Northeast Asia by developing mutual economic cooperation. The Eurasian railway system offers an excellent, concrete and realistic framework for such cooperation.

The EU is a member of KEDO (the Korean Peninsula Energy Development Organization). If some other forms of peaceful multilateral cooperation could be established in Northeast Asia, e.g. a special *Northeast Asian Development Bank*, the EU, too, could take part in its work. Moreover, the possibility of establishing some kind of international "*Eurasian Railway Consortium*," or financial arrangements to

guarantee international funding for the development of the Eurasian railway network, including the railways in North Korea with the financial participation of the European Union, should be studied seriously.

2. Eurasian Dimension and Multilateral Scenarios for Korea

Newly published authoritative report of the Task Force on U.S.-Korea Policy “Turning Point in Korea” focuses briefly on a multilateral scenario to reinforce U.S. – North Korean relations, or to serve as an alternative if a bilateral dialogue is unsuccessful.¹¹

The report suggests that “a seven-nation conference should be convened in Brussels with the European Union as host on the topic of ‘Security and Economic Development in Korea’ plus the United States, South Korea, North Korea, China, Russia and Japan.” The report refers to the decision of the European Parliament on January 29, 2003, to call on the European Commission of the EU to convene “in the late spring or early summer seven-nation talks about the situation in the Korean peninsula focusing on economic, security and nuclear disarmament issues.” The report argues that the European Union would be an acceptable host to all parties concerned including North Korea. The Task Force suggests that working groups on economic and security issues could meet in advance to develop specific proposals for consideration at the conference such as natural gas pipelines and other energy projects urgently desired by North Korea. At the moment, it seems unlikely that the EU could play any major role in the ongoing “high politics” game on the nuclear issue on the Korean Peninsula.

On the other hand, the EU might have an active, relevant and constructive role in “low politics,” primarily economic issues. The Task

11 “*Turning Point in Korea*,” Report of the Task Force on U.S. Korea Policy, chaired by Selig S. Harrison, cosponsored by The Center for International Policy and The Center for East Asian Studies, University of Chicago, 2003.

Force is certainly correct in assuming that the EU and Brussels as the host for a suggested multilateral forum are acceptable, perhaps even welcome to North Korea. In spite of the growing tensions due to the nuclear crisis on the Korean Peninsula, many promising inter-Korean cooperation projects continue on a “business as usual” basis including the recently opened traffic routes and tourism across the DMZ. North Koreans have recently participated actively in high-level NGO-based economic forums together with their southern relatives, their U.S. adversaries, their Northeast Asian neighbors and Europeans, such as the Wilton Park – seminar in the U.K. in February 2002, and the Northeast Asia Cooperation Dialogue organized by the University of California and the Russian Academy of Science in Moscow in October 2002. These events have shown that North Korea is willing to participate actively, openly, and as equals in such informal multilateral forums together with the United States.

In November 1999, the Policy Planning and Analysis Working Group (COPLA) of the European Union produced a report entitled “Perspectives for Multilateral Support to Security and Cooperation in Northeast Asia; The Role of the European Union.” The COPLA report noted that the main instruments of the European Union to contribute to the solution of international and regional problems are its economic wealth, and in the eyes of parties, its politically “neutral” position towards conflicts including North Korea in the case of Northeast Asia. Conflict prevention is one of the Union’s main policy goals. The report also noted that Northeast Asia as a sub-region of Eurasia connected with the now enlarging EU and Europe at large by the huge “Eurasian Land Bridge” has throughout history been a natural partner for Europe in Eurasia.¹²

12 Markku Heiskanen, *“A Multilateral Scenario for Korea; the Role of the European Union,”* Nautilus Institute, Berkeley, California, U.S.A. 2003.

3. Toward the Age of Northeast Asia and the Eurasian Dimension

The new South Korean President Roh Moo-hyun stated in his inaugural speech on February 25, 2003 that “renowned international scholars have long predicted that the 21st century would be the Age of Northeast Asia, and their predictions are coming true.”

For decades, much work has been done to create a basis for the “Age of Northeast Asia” including peace arrangements on the Korean Peninsula and cooperation with Europe. This work should now be continued on the basis of high common denominators and small steps from low politics to the ultimate goals of high politics. The European Union could be a constructive facilitator and participant in this overall process. The Eurasian Dimension could be an effective contribution and catalyst for the Korean peace and unification process.