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***Session V: The Role of Europe***

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## Introduction

A powerful and prosperous China can be seen as security threat and challenge by some countries, it can offer many new opportunities to others. South Korea has been and still is viewing China, since it normalized relations in 1992, as an important trading and political partner. China already replaced the US as the most important trading partner of South Korea registering a trade volume of 145 billion dollars last year. In August this year, President Hu Jintao of China and President Lee Myung Bak of South Korea agreed to increase the trade volume up to 200 billion dollars by the year 2010. In addition, the two leaders agreed to upgrade the relationship as “strategic cooperative partners” in order to strengthen cooperation in political and military matters.

Without any doubt China is likely to play an important role in Asia’s future, either positive or negative. As the economic and political power house in Asia, any action taken by China will likely have some consequences and bring significant effects to neighboring countries as well as to the world. Nevertheless, China is concentrating on its rapid economic development and seeks good relations with the US and the EU as well as with all bordering countries. Needless to say, a peaceful and stable China is in the interest of most countries in Asia and Europe. To this end, the EU countries can and should play an important role and contribute to China’s stability and sustainable development.

The EU is seen by most Asian countries including South Korea and China as a model for many reasons. Some countries in the EU have long and successful democratic traditions as well as industrialization. The EU succeeded in sustaining peace and stability in Western Europe since the end of the World War II and in establishing regional political and economic integration in Western Europe while improving relations with all former Eastern bloc countries including Russia.

## Major Challenges facing China

Like any other country in the world, China is facing numerous domestic and external challenges. Until recently the hosting of the Beijing Summer Olympics was the top foreign policy priority. In spite of difficult circumstances, due to natural disasters such as the earth quake in Central China and heavy snow fall in Southern China early this year, China has shown to the world that it can organize such an event successfully and that it has transformed successfully into a modern society through rapid economic modernization. China is already concentrating on the next great international event, the Expo, to be held in Shanghai in 2010. China will use this occasion again to show to the world that China is successful in modernizing its society under the rule of the Communist Party.

## Environmental problems

As a result of the rapid industrialization and over-use of land due to its large population of 1.6 billion people, environmental damages in China have been rapidly increasing. During the Summer Olympics in Beijing, due to serious air-pollution, private cars were strictly limited and most factories in the Beijing area had closed down. Some countries even sent their sport teams to train for the Olympics to South Korea or Japan.

Each year in spring, sand storms starting from the Gobi Desert reach South and North Korea, each year worsening and more frequent. Although China has been planting trees in the areas for the last 25 years with the support of the UN, the situation is getting worse. Desertification is widening and shortage of water in some areas is forcing people to migrate to urban areas. With the rapid growth of coastal and urban areas, rural migration has become the most serious domestic problem currently. More than 100-120 million people are searching for labor in urban areas especially in big cities such as Shanghai and Beijing and they live mainly in train stations. The number is growing rapidly and it challenges the state authority as a whole.

Not only pollution problems of land and air are serious environmental threats, but also the sea is suffering from pollution. With industrial production growing rapidly and increased living standards in most Asian countries, industrial wastes are also growing rapidly making the pollution problem in the ocean very critical. Wastes from China in the China and Japan Seas even reach Southeast Asia, and Korea as well as Japan are requiring concerted actions by all countries in the region.

Chinese leaders see sustainable economic growth as the answer to these problems. These challenges facing China now require cooperation with its neighbors as well as the EU. This is a chance for the EU to work together for mutual benefits.

## Taiwan and the unification question

Top Chinese security concern and foreign policy priority is now the Taiwan question. China is interested in focusing on Taiwan after hosting the Beijing Summer Olympics successfully and is seeking a solution similar to Hong Kong in 1998. The current government in Taiwan also seeks dialogue with Beijing and is expanding relations with Beijing. Beijing is rapidly broadening relations and expanding direct exchanges with Taiwan since the change of government this year.

The Chinese leadership is concerned that the US could intervene to damage this positive development and will react to any outside interference sensitively. The EU could help the two Chinas to find a solution peacefully, but it should not intervene in Chinese affairs. The EU could benefit from close relations between the Mainland and Taiwan; therefore, it should encourage such peaceful development. Since the one China policy is accepted already by most countries, relations between the two Chinas are only internal matters. China is unlikely to accept any intervention from outside on this matter.

## Shaping a new world order

Some argue that during the Cold War period the world was better manageable. This might be true for some, but it was not acceptable to many. There is no doubt that the US still is, and will remain, the sole superpower in the world. However, it cannot solve the problems endangering world peace alone, and it should not be concerned about China as the next superpower. China certainly deserves a bigger role in international politics than now due to its growing economic power, but this does not mean at the expense of other smaller neighbors or another superpower. The EU could work together with China in shaping a new world order. The problems challenging international peace and security today are too diverse and require close cooperation of major powers. The US, EU, China, Russia and the UN could play an important role in creating a more just and fair world system.

To this end, it is essential to solve the Georgia problem peacefully and to prevent a re-emergence of the Cold War between the US and Russia. Russia should not be isolated and feel encircled by hostile countries. It does not understand the reaction of the EU to its Georgian policy, as it argues it was intentionally provoked by Georgia with support of the US and it pursued only a Kosovo-like solution as NATO did. The good relations between China and Russia as well as Russia and the EU should be used to improve the situation and to find an early negotiated solution to the Georgia problem. Expanding NATO to include these small states might risk the integrity of the EU. There should be a non-military solution to the problem.

Therefore, the top priority of China and EU should be to commit themselves to prevent the emergence of a new Cold War between the US and Russia. The recent Georgian crisis is alarming and the presidential elections in the US are affecting it negatively. The US and Russia are interested in projecting military power for different reasons. The US wishes and tries to include many former Soviet satellite states in NATO, but Russia views this as an unacceptable provocation. Any new Cold War between the two major powers will not only endanger peace and stability in Europe but also for the rest of the world.

The EU and especially Germany could and should prevent this crisis from getting out of control and seek an early solution. Cooperation of Russia is crucial in solving major problems such as North Korea, Iran, Iraq, and Afghanistan as well as the war against terror as a whole. Furthermore, any conflict in the Eastern part of Europe is likely to endanger peace in the EU and threaten integrity of the EU itself. The current arms buildup in some countries in Eastern Europe could also be seen in the near future as threat to peace in Europe and should be prevented by strengthening integration within the EU. There is no need to allow a cold war and national security based on military power. The EU has proven successfully that security can be best guaranteed by strong economy and free democracy as well as regional integration.

It is feasible that the EU and China play a more active role in creating a new world order: a multi-polar system shared by the US, the EU, China, Russia and the UN. This does not mean that these major countries should dictate and dominate smaller countries,

but they could work together to solve global problems as in the EU and create a more just and fair world respecting the UN Charter and international law.

## The North Korean Nuclear Problem

The most serious security threat to South Korea and East Asia is the North Korean nuclear issue since the early 1990s. It has already endangered often not only the security of the Korean peninsula with potential military conflicts but also the non-proliferation regime. North Korea was about to withdraw from the NPT in 1993 and threatened to go nuclear to protect itself from the US. Fortunately, the crisis could be averted last minute by direct negotiations between the US and North Korea, the result is known as the 1994 Geneva Framework Agreement. Unfortunately, due to the change of government in the US in 2000, the Geneva Framework Agreement failed to be implemented fully and was nullified by the US, initiating the second nuclear crisis.

When the second nuclear crisis started in October 2002 and North Korea announced to go nuclear to protect itself from the hostile US policy and declared that it has withdrawn from the NPT on 10 January 2003, China tried to persuade North Korea through bilateral contacts to stop it from developing nuclear capabilities. Nevertheless, China continued to offer massive economic assistance to North Korea. Furthermore, China facilitated the first trilateral and later multilateral negotiations to seek a diplomatic solution to the problem, now known as the Six-Party Talks. The US, China, Russia, Japan and the two Koreas began to negotiate to solve the nuclear problem peacefully since September 2003. Negotiations went on and off but differences are too many and complicated to find a quick solution.

It was on 19 September 2005 that The Six-Party Talks agreed on principles that North Korea will give up its nuclear capabilities and return to the NPT as a non-nuclear state. The US and other parties agreed to offer some economic compensation to North Korea in return, a million tons of heavy oil, and political recognitions by the US and Japan. This time, however, they agreed to implement it in three different phases under the principle of action by action. It was a breakthrough, but the start of the implementation failed, as the US almost simultaneously started financial sanctions of some 50 North Korean bank accounts in the Banco Delta Asia (BDA), a private bank in Macau. North Korea reacted by refusing the negotiation and demanding defreeze of the accounts. This dispute and the stagnation of the Six-Party Talks lasted for about a year.

To increase the tension, North Korea test fired some long range ballistic missiles in July 2006 shocking especially Japan and South Korea. The worst development was, however, that North Korea detonated a nuclear device in October 2006 shocking not only its neighbors but the world. China was informed about the test only two hours prior to the test. Japan initiated a harsh Security Council Resolution against North Korea condemning the nuclear test and introduced sanctions against North Korea stopping all contacts and exchanges. For the first time in history, China also voted for the UN Resolution angering North Korea. The main reason for China to vote for the resolution was that North Korea,

in spite of repeated requests of the Chinese leader Hu Jintao, went too far in endangering peace and stability in Korea thereby threatening the Beijing Summer Olympics. In November that year in Hanoi, Vietnam, President Bush signaled to the then South Korean President Roh Moo Hyun that the US was willing to negotiate with North Korea directly to solve the nuclear problem and to offer a peace treaty.

On 16-18 January 2007, the chief negotiators of the US and North Korea in the Six-Party Talks, Christopher Hill and Kim Gwe Kwan, met in Berlin, and the US promised to lift the financial sanction and return the North Korean money from the BDA. North Korea agreed to resume the talks in February. As a result of the meeting in Beijing on 13 February, the Implementation Accord broke the deadlock of the Six-Party Talks. They agreed to establish 5 study groups to realize the implementation accord; one study group was to deal with regional security matters as well as to transform the process into a regional political institution. The first phase of the Accord was to stop operation of the reactor and reprocessing of the spent fuel to produce plutonium by North Korea.

The negotiation for the second phase was delayed due to the BDA issue, as the bank could not transfer the money to North Korea. China refused to allow its central bank to accept the money demanding that the BDA must also be rehabilitated. After 6 months of delay it was finally solved in June 2007 with the help of Russia. The money was transferred to the Russian central bank in Moscow first and then to a Russian private bank in Krasnoyarsk in Siberia and finally to North Korea. The negotiations for the second phase of implementation were completed by 3 October 2007. Under the agreement North Korea was to complete the disablement and to submit a complete list of nuclear activities to China by 31 December 2007. The US in return agreed to remove North Korea from the list of the states sponsoring terrorism, and other partners including the US were to provide the remaining heavy oil to North Korea.

As North Korea prepared the list of nuclear activities for the US in November 2007, the US refused to accept the list as incomplete demanding two issues. The US argued that there was no mention of the Uranium enrichment (HEU) program as well as the proliferation history of nuclear technology export to Syria. North Korea argued that it never had a uranium enrichment plan and that it also has no record of nuclear proliferation to other countries including Syria. This issue could not be solved and North Korea missed the deadline of submitting the list to China by the end of 2007. After a few bilateral negotiations between the US and North Korea in Singapore and Pyongyang, North Korea finally submitted the list on 26 June 2008 to China, after 6 months delay, and without mentioning the uranium program or the Syria case. President Bush almost at the same time made a public announcement that the US was taking steps to remove North Korea from the terror list.

The North Korean nuclear issue seemed to have reached its final stage, but US President Bush decided to delay removal of North Korea from the list arguing in August that North Korea must sign a verification protocol which would allow special inspection as well as free sampling. North Korea reacted by announcing on 26 August that it had stopped its disablement program and had started preparations for resuming nuclear

activities since 14 August. As North Korea had desperately waited for the promised removal from the terror list on 11 August by President Bush, it was a great disappointment and an expected reaction to the situation. Although the US Congress had showed no objection to the move and endorsed the decision by President Bush, due to the coming presidential elections, he decided to postpone with the argument that the verification issue must be agreed in advance.

The US finally removed North Korea from the terror list on October 12, 2008 and the second phase of implementation is expected to be completed by end of January 2009. It is likely that the new US administration will continue the denuclearization process and bring about early conclusion of the third phase of the implementation plan. The EU could play a more active role to this cause and help to bring North Korea in the NPT as a non-nuclear state before 2010 NPT Review Conference.

China, as key ally and bordering directly to North Korea, has crucial interest in having a non-nuclear neighbor. North Korea, still believing to be in war against the US since 1950, built its nuclear capabilities as deterrence and as a bargaining chip. As during the first nuclear crisis in the 1990s, the EU could also play a more active role in solving the North Korean nuclear issue. It participated in KEDO until 2002, but this time the EU is not even a member of the Six-Party Talks process and does not participate directly in the negotiations. However, the EU could help the US and North Korea to break the current stalemate.

In absence of confidence and mutual trust since the Korean War, it is crucial to concentrate on what has been already agreed and act accordingly. All parties of the Six-Party Talks are interested in keeping the Six-Party Talks process going, but some members are not so eager to solve the problem for different domestic reasons. But a nuclear free North Korea should be the top priority of all in order to make the region more peaceful but also in order to save the NPT regime to prevent a nuclear holocaust.

## Role of the EU for China

The EU could play a more constructive role in improving and solving the Tibet problem and human rights issues in China by continuing the official dialogues and making useful suggestions. But finger pointing at China and criticizing the situation can only breed nationalism and misunderstanding in China. As we have seen during the Beijing Summer Olympics, the Chinese leadership understands even the mentioning of these sensitive issues by outsiders as interference in domestic affairs.

Without any doubt, a strong and powerful China will have a positive impact on Asia's future and to this end the EU can contribute much by helping China to solve domestic problems peacefully and to sustain economic growth. China is now determined to concentrate on domestic problems by improving the living standard in rural areas where ethnic tensions exist. Instead of exploiting problems of others, cooperating to solve them can bring benefits to all.

The EU can help China to solve its ever-growing energy problem instead of seeing China as the key source of the problem. Demand for fossil energy will grow in China, and elsewhere. Since the resources of oil will become more limited, the EU and China should work jointly to seek new sources of energy and to develop renewable energy to solve the problem.

The war on terrorism of the US is too much focused on using military force. Two wars and 7 years of military intervention in these countries produced numerous human tragedies, and no solution is in sight. It is high time to think differently and to find solutions to root out the causes of terrorism. Numerous innocent civilians are being killed each day and as a result more hatred is bred. The Europeans who have experienced two World Wars and human sufferings should cooperate with other major countries in tackling global problems. Military force alone cannot solve problems and instead creates more problems and hatred. New thinking and new approaches might bring about solutions to old problems to end this dilemma.

China sees the EU as an important partner for technology, market for its products, and strategic partner for a new international order. China and the EU have common interests in making the world more peaceful and stable. Human rights issues as well as the Tibet question should continue to be discussed by the EU and China, but they should not be a political problem blocking dialogue and cooperation.