

Lessons from regional co-operation in Central Asia

by John Quigley

The importance of the EU developing a key relationship with the countries of Central Asia is lamentably understated. This emerging relationship needs a general overarching framework for, otherwise, the EU will run the risk of having the agenda dominated by short-sighted strategic concerns, mainly related to drugs and energy supply.

The process of regional co-operation and integration underway in Central Asia is being watched closely by international donors and by those with a keen interest in the region - China, Russia and the United States. Their presence in Central Asia reflects a more strategic concern whereas the presence of the EU is limited, reflecting Europe's blurry understanding of what it is trying to achieve there. Despite significant priorities in external relations policy in promoting regional co-operation and integration in its relations with third countries, the EU chooses not to engage with one of the more active regional groupings in Central Asia - the Shanghai Co-operation Organisation (SCO) - preferring instead to pursue bilateral co-operation with the five Central Asian Republics.

Admittedly, European participation in Central Asia is not easy, particularly as the five Central Asian Republics must take account of the concerns of their neighbours, in the first instance. As many of these countries are still seeking to establish firmly their own stability and economic prosperity, having Russia, China, Iran and Afghanistan as neighbours can seem daunting. Some of the Republics clearly favour greater EU involvement and others are suspicious - Turkmenistan is a basket case and Uzbekistan now enjoys EU sanctions after the Andijan massacre.

However, all five Republics have turned up to the three rounds of political dialogue that started in 2004 with the European Commission, at senior official level. The most recent political dialogue meeting took place in Almaty, Kazakhstan, in April at Deputy Foreign Minister level. And a delegation of European

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Parliamentarians returned from Turkmenistan in late June. The political dialogue is a mechanism that should be strengthened. The dialogue process discusses cross-border traffic, energy, the environment, drugs and trafficking - an agenda that clearly could be expanded.

One effort to expand the mechanisms for co-operation has been the appointment of an EU Special Representative (SR) - a political-level ambassador of the EU. In July 2005, the EU appointed Mr Ján Kubis, as Special Representative for Central Asia. This was the first time the EU made such an appointment on a regional level. The position was filled just one month after the second round of political dialogue had taken place.

Despite this kind of progress, the record of the EU in Central Asia has come in for criticism from several quarters. Internally, the European Court of Auditors published a report in May on Russia's involvement in the Technical Assistance for the Commonwealth of Independent States (TACIS) programme. After calling the use of funds by Russia ineffective, the report also made some general recommendations. The Court suggests that the planning of external action programmes should be based on a real dialogue between the European Commission and the beneficiaries which, in the case of the Republics, has been lacking. And the chair of the European Parliament's Delegation for relations with Central Asia, Mrs Ona Juknevičienė, in late May, expressed doubts about the effectiveness of the entire TACIS programme and questioned whether it really addressed the needs of the countries concerned.

Externally, the EU's programmes have also come in for criticism. A recent report* from the International Crisis Group (ICG) stated that "regional projects by the EU have, by and large, failed". It also stated that there is a viewpoint within the European Commission that "perhaps a regional approach may not be the best fit".

This, by any account, is serious criticism of the conduct of the TACIS programme of the EU in the region and, by implication, the value of pursuing the concept of regional co-operation or integration. This criticism was also based, in part, on the diverse make-up of the five Central Asian Republics. However, if the EU's policy of regional co-operation in South-East Asia can serve as an example, where the 10 member Association of South-East Asia Nations (ASEAN) contains a mixture of democracies, a military regime and former Communists, not to say developing and least developed countries, then it will be very valuable for Central Asia if the EU someday expands beyond its current policy and into ASEAN-style co-operation. The orientations of European policy and the sectors of co-operation may indeed need changing but the principle of giving countries an opportunity to interact on a multilateral basis is sound.

Indeed it may be time for the EU to accept that the Republics (barring Turkmenistan) have chosen to pursue regional co-operation through the SCO and to develop links with it. The SCO held its most recent Summit in China in mid June. If Europe is looking for a guide about how the six member group wants to interact with the outside world then look no further than their Summit Declaration.

It seems that the fifth anniversary of the SCO was a fitting time to reaffirm how the group sees its role and its place in the emerging international order of the 21st Century. The six leaders have praised the meeting process as a forum for multilateral co-operation on a regional basis. The Declaration they signed called the SCO a "good example of dialogue among civilisations and an active force for promoting democracy in international relations". Through the 'Shanghai spirit', which mirrors ASEAN's principle of non-interference in the internal affairs of a Member State, the SCO pursues a "non-confrontational model of international relations" in accordance with United Nations norms in international law.

While recognising these good intentions, the historic focus of the SCO has been China's concerns about tackling terrorism, extremism and separatism along its borders with Central Asia. However, despite these "three evils" remaining "top priority", other countries have tried to broaden the agenda beyond the hard security issues into regional economic co-operation and even cultural and educational exchanges.

The EU has yet to establish any formal links with the SCO although Ján Kubis did visit the SCO Secretariat in 2005. The SCO have established a Regional Anti-Terrorism Structure (RATS) with which the EU could consider establishing, if not a formal link, then a working-level relationship. Also, for the first time, in the weeks before the Summit, the Speakers of the SCO Member States' Parliaments met, as a precursor to developing inter-parliamentary relations. The European Parliament already has links with most of the five countries and some kind of observer status at this new meeting process could be useful.

Commissioner for External Relations, Benita Ferrero-Waldner, has indicated that the EU will have to consider developing a strategic approach to the countries of Central Asia. Clearly, in terms of regional co-operation much work remains to be done. The Finnish Presidency of the EU Council, July-December 2006 expects to launch a review of the EU's strategy in Central Asia by the end of the year. Hopefully, this will look beyond energy supply-security concerns and propose a genuinely overarching framework to EU-Central Asian relations. ■

*International Crisis Group "Central Asia: What role for the EU?" 10th April 2006

Business helps to deliver relief during natural disasters

by Chris Weeks

Helping victims recover from the immediate effects of an earthquake or *tsunami* has until recently been the domain of International Aid agencies, the military or local Non-Government organisations (NGOs). However commercial organisations, particularly in the Logistics sector, are now starting to get involved, not for profit, but as part of their Corporate Social Responsibility programmes.

This involvement can be traced to the fact that immediately after a natural disaster the main challenge is logistical: how to get thousands of tonnes of relief supplies from different donors to the afflicted survivors, who may be hungry, homeless, injured, and at severe risk of disease, exposure and trauma. And it is the global logistics companies like DHL that have stepped up to lend a hand.

To track the evolution of this trend for the Logistics Industry at least, you need to go back to January 2001 and the snow covered resort of Davos, Switzerland. Why Davos and why 2001? Because Davos is the location of the annual meeting of the World Economic Forum (WEF), and the January 2001 gathering coincided with a huge earthquake at Gujurrat, India. It was also at a time when the concept of Corporate Social Responsibility was being developed. Often accused of being an elitist talking shop, the Davos event galvanised WEF members to try to do something to help the people of North-West India.

It was thought that surely the chiefs of the major Logistics and Engineering companies could rally their resources to help? Well, no actually. They found that there was so little contact between the commercial sector and the relief world that putting their resources to work quickly was nearly impossible. Just like in a business venture, you need relationships in place to quickly be able to find out what is needed and then offer your product or service, even as in this case on a 'pro-bono' basis. The business leaders soon realised that without these relationships it's impossible to be effective. In fact, quite the opposite can be true.

From the 2001 Davos meeting the Disaster Resource Network (DRN) was born. This is an initiative that enables Forum members from the private sector to donate their goods and services - their core competencies - to help mitigate the effects of disasters. The DRN provides a regular point of contact and co-ordination for companies wanting to provide support to disaster management efforts in developing countries.

One delegate at that meeting was Uwe Dorken, the former Chief Executive Officer (CEO) of DHL who pledged to find an employee who would work on promoting the DRN aims. This led to my involvement as Operations Director in 2003-5. Within three months of assuming this role I found myself in Dubai trying to get relief flights into Bam, Iran, following the massive earthquake that killed 25,000 people.

Again, the relief effort did not go smoothly, this time because the government of the United States waived its 22 year-old sanctions to allow aid flights and relief workers into Iran. Unfortunately, the resulting surge in air traffic completely overwhelmed Bam airport, and nearby Kerman, closing them both. Talking to relief workers afterwards it became clear that there was inadequate organisation, skilled labour and equipment available. A few aircraft landed and could not get unloaded, soon blocking the tarmac for other aircraft waiting to land. Safety was quickly compromised and soon the authorities closed the airports to further traffic.

As a direct result of this situation, the Disaster Relief Network held a meeting in Dubai with private sector air transport companies, including DHL and TNT, to discuss how to improve relief logistics in the future. The companies decided to collaborate and provide skilled volunteers who could, in future, travel to the affected airport and help the authorities keep it operational. With the support of the United Nations, the Airport Emergency Team (AET) was formed in March 2004 and began to train up its volunteers, preparing them for the next emergency.

When the *tsunami* hit South-East Asia during Christmas 2004, the team was deployed to Colombo, Sri Lanka, for its first real test. With the support of the Sri Lankan Government, 35 volunteers from 5 different companies worked day and night over three weeks with 250 Air Force cadets to keep the airport open. In addition to normal airport operations, 160 full charters with 6000 tonnes of aid arrived during this time, from every corner of the world. Unlike Indonesia, where the key airports were virtually swamped and inoperable, Colombo remained open with no accidents and minimal delays.

Seven months later, the operation was repeated when DHL sent a team to the USA to help receive international aid following Hurricane Katrina. Shortly afterwards, the AET deployed to Islamabad, with the help of DHL Singapore and the Pakistan Army, took in 9000 tonnes of aid from 230 aircraft. It was a resounding success for the simple model of applying core competencies - airport ground handling - to a new situation.



The next step for DHL was to formalise the model and establish a partnership with UN Office for the Co-ordination of Humanitarian Affairs (OCHA) to give the DRT concept sustainability and credibility. As a result two new DRTs were formed. One in Singapore (in April 2006 to cover the Asia-Pacific region) and another in Florida (in May 2006 to cover Latin America and the Caribbean) with the company providing 160 staff to be trained. Within three months they were ready for active deployment.

In fact, after the recent earthquake in Indonesia a small team of twelve DHL staffers went to Solo airport to help the TNI (Indonesian Army) to organise the inbound relief freight. The team spent a week doing inventory control, pallet building and truck loading to ensure the relief goods got out of the airport quickly and smoothly.

Each time the mission is the same: help keep the airport operational during the surge in air charters by organising the ground handling. One area that the business community does well is learning from the past and adapting to future needs. The main lesson learned by the World Economic Forum members back in 2001 was that successful intervention depended on having good relationships in place before the disaster strikes. Now, the challenge for DHL is the same: developing effective relationships in governments in South-East Asia so that when a disaster strikes, the Airport Emergency Team can quickly deploy with the full knowledge and authority of the host government. ■

Chris Weeks is Director of Humanitarian Affairs, DHL, Belgium. DHL operates international express, overland transport and air freight and provides services in contract logistics.

Iran: Intelligence for effective diplomacy?

by Dr Greg Austin

Yet again, in Summer 2006, the promise of progress in the EU's nuclear negotiations with Iran appears to have been frustrated. Is there something fundamentally at fault with the diplomacy being pursued by the EU, the USA and the large number of other countries who do not want Iran to have nuclear weapons? Is it time for a new assessment of what Iran wants and how far it can be persuaded to compromise? After all, successful diplomacy depends on great clarity about the motivations and intentions of the other side.

In posing that question, the answer immediately comes back that we have not yet had a convincing, detailed assessment in the public domain by either the United States or the EU of Iran's strategic motivations and just how it might be persuaded to compromise. There is no fine-grained analysis, at least publicly available from the USA or the EU, of Iranian motivations for acquiring nuclear weapons, or indeed any detailed analysis of Iranian strategic policy.

In the case of the USA, the place one might normally look for such public assessments is the Congressional record, where US intelligence chiefs regularly report in detail on matters of high strategic importance. The various committees have been told much in fine detail of how Iran has breached the NPT. No US official has reported in any detail in public on Iran's strategic policy, its possible objectives for war on Israel, or why Iran's low level or occasional support for terrorist groups would prompt it to transfer nuclear, biological or chemical weapons to terrorists*.

Iran's threat to peace?

Iran does support terrorism, but is it a threat to peace in other ways implied by the US government? On Israel, one can find a view from non-official US sources that Iran will support a peace settlement. According to William H. Luers, President and CEO, of the United Nations Association of the US:

*The official position [of Iran] remains that if Palestine should reach a two-State agreement with Israel, Iran would be supportive. The Arab-Israeli conflict is on the lower end of the list of priority issues for Iran because the domestic political context is not ready for a retreat on this issue and because Israel is not today seen as an existential threat to Iran**.*

The most comprehensive testimony to the US Congress in recent years on Iran's strategic intentions has been offered in an assessment by Dr Nasser Hadian, Professor of Political Science at Tehran University. Speaking about Israel, Hadian observed:

*Although Iran's official position is a one-State solution in Israel and Palestine, Iran has publicly announced that it is ready to accept a two-State solution, if the Palestinians do. Although Iranian leaders have publicly opposed the peace process and verbally attacked Israel, they have repeatedly said they would not sabotage the peace process in practice***.*

On WMD, Hadian described Iran as a country absolutely determined to provide for its own security and totally mistrusting of international WMD regimes. He cites US and EU tolerance of Iraq's use of chemical weapons against Iran in the war, resulting in some 50,000 deaths. He says that notwithstanding these Iraqi actions, the 'West and Arab world supported Iraq in its endeavours, providing military hardware, training, sometimes manpower, credits, and satellite imagery'.



This assessment, along with speeches by Iranian leaders, suggests that Iran will not back down on its moves toward full nuclear technology. But it is also important to note, that apart from the US military threats, Iran faces no threat today that would convince its leaders of the usefulness of nuclear weapons to it. Khamenei, Iran's leader, has said that Iran can face down the US threats without nuclear weapons and that moreover, Iran is opposed to acquiring them:

Nuclear weapons do not solve any problemswe do not agree, logically and principally, with weapons of mass destruction in this form. We are opposed to them. At that time (of war against Iraq), in the discourse on Jihad we argued against biological and chemical weapons, and we banned them. Our government announced this at the time.

There is no evidence that, beyond its support of lethal terrorist actions, Iran is threatening an armed attack on any State, including Israel. Iran has supplied conventional military equipment to the terrorist group Hezbollah in Southern Lebanon. Iran has been spending between 3-5% of GDP on its armed forces, which still suffer from serious deficiencies arising from losses incurred in the Iran-Iraq war. The Iranian regime, in power now for 27 years, has not launched a single offensive war against another State.

Iran's official public policy on Israel, as expressed by the Supreme Leader Khamenei, is the abolition of the Israeli government without 'throwing the Jews into the sea' or 'setting Palestine on fire'. Iran's strategic policy is determined by the Supreme Leader, who is also Commander in Chief of the armed forces, not by its President Ahmadinejad, elected in August 2005, despite fiery rhetoric from the latter.

Clouded Perceptions

For diplomacy to succeed to mutual benefit, all parties must adopt a non-ideological approach to the negotiation process. The USA and EU can not be expected to abandon their values in such negotiations, but nor can Iran. There are signs that the US wishes for success based on its values and not giving enough credit to values that the Iranian government almost certainly regards as non-negotiable. For example, the US has paraded the attestations of opposition to Iran's nuclear policy from Russia, China and India as vindication of its policy.

But the vindication of policy, especially one involving risk of war, must come from a careful analysis of the likely efficacy of the policy, not from looking at which countries might support it for their own, very different purposes. It would be more helpful for the US to spell out its 'end-game' strategy in the context of a comprehensive threat assessment of Iran rather than to be relying too much on the nearly unanimous support

of the international community on the narrow issue of nuclear safeguards. That international support will wither away in a matter of weeks if the US moves too far out in front.

The recent US record of strategic policy assessment in the Persian Gulf region is not good. One need only cite the false presumption that Saddam's Iraq still possessed WMD and the US failure to anticipate the demands of post-invasion occupation and State reconstruction in Iraq. This record does not necessarily mean that the US policy on Iran is flawed, but it probably is a good indicator that the US and its allies should be looking elsewhere for second opinions on Iran's intentions and how it might be persuaded to compromise.

The US (like its allies) was misled by Iraq's diplomacy. They could not understand why Saddam Hussein continued to obstruct unless he was hiding WMD. The failure was one of lack of 'empathy'. Failure to see the world how your enemy sees it increases the risk of failure. Equally, the public statements and positioning in the USA on Iran reveal little evidence that key decision-makers have put themselves in Iran's shoes to try to imagine how Iran will react to their various demands. The start and end points of the US public position seem to be the same: that Iran is a rogue State that must be disciplined. Their unconscious view is that it does not much matter what the motivations and aspirations of the Iranian regime are, because it should be replaced anyway.

Do the intelligence work and publish it

Since the US opposition to Iran's acquisition of advanced civil nuclear technology is premised on the fear that it might make weapons that will fall into the hands of terrorists, the USA should publish an assessment of how Iran's leaders would view the consequences for them of terrorist possession and use of such weapons.

Notwithstanding the bad experience of public dossiers on Iraq's WMD, the USA and UK should immediately publish a comprehensive threat assessment on Iran's WMD and Iran's strategic policy. Does it have chemical and biological weapons programmes as the USA alleges? What is the precise nature of the threat from Iran to its regional neighbours? The EU has its part to play here. It should commission as a matter of urgency detailed, public domain studies on the strategic views of the top 20-30 Iranian decision makers in civilian and military posts on issues like Israel, WMD and Iran's war intentions. Most importantly, Europe should publish an assessment on why, at all, Iran should be expected to surrender its right to enrichment. The EU probably needs to reassess the scale and nature of the inducements needed to persuade Iran to do so.

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Moving from the periphery to a Strategic Partnership: EU-India trade and political ties

by Malcolm Subhan

As “the largest democracies in the world”, sharing “common values and beliefs”, India and the 25-nation European Union (EU) are “natural partners in the modern inter-connected world”, according to the political declaration adopted at the sixth India-EU Summit, held in New Delhi in September, 2005. The fifth summit had already agreed to raise the India-EU relationship to the level of a Strategic Partnership. The sixth summit adopted a “comprehensive and forward looking Action Plan”, designed to give substance to this partnership.

But what if the reality is very different, and that the EU is on the periphery of India's decision makers in New Delhi, and India on the periphery of European concerns? What if the veritable strategic partnership is *not* between India and the EU but India and the United States? And between the EU and the US? If so, is a trilateral relationship, one which includes the US, likely to be more effective? And does the dramatic re-emergence of China as a global player herald a rivalry between India and the EU in their relations with Beijing?

These questions are prompted by a seminar on India and the European Union, organised by the Oriental Foundation in Lisbon*. The theme of the opening session was India's rise as a great power. The EU's decision to enter into a strategic partnership with India was strongly influenced, of course, by its perception of India as a rising power in Asia. But the challenges India faces as it seeks to realise its full potential are as numerous as they are varied. Given that coalition governments are the rule since 1989, political stability cannot be taken for granted at the Centre. The government in New Delhi must deal with the emergence of regionalism and of ethnic centrism, as in the North-East region. It must also deal with the growing rural-urban divide, and decide on how to allocate resources in order to prevent the emergence of a two-speed India.

In order to realise its economic potential, India must find ways of making its agriculture more productive. As matters stand, agriculture provides employment for some four-fifths of the country's labour force but contributes a mere 20% to the country's Gross Domestic Product (GDP). India must invest heavily in its infrastructure, notably its roads and in power generation. Oil imports already account for 70% of the country's oil consumption. Indeed, oil consumption is

bound to rise as India strives for even higher rates of economic growth than the current 7%. As a result, India and the EU could find themselves competing against each other – and against China – for oil.

These domestic challenges facing India's decision makers are compounded by the challenges it faces in its regional neighbourhood. If one draws up a list of the countries that are the source of immediate concern to New Delhi, the list will include Pakistan, Nepal, Bangladesh and Sri Lanka. A second list will contain Afghanistan, Iran, Iraq, Central Asia and Burma/Myanmar. Each of these countries presents India with a more or less specific problem. But there are two countries which present India with a foreign policy challenge far greater than any of the countries listed so far. They are Russia and China.

It is obvious that Indian foreign policy towards any one of these countries must take into account US policy towards them; it can be argued that New Delhi's current relations with Washington are transforming India's foreign policy, although clearly not to the extent of making India a satellite State. Where India can take EU policy into account, and even make common cause with the EU, is on issues of international concern. Under their 2005 political declaration India and the EU “recognise the fact that terrorism constitutes one of the most serious threats to international peace and security”, and agree to a series of activities to be undertaken as part of their joint effort to fight it. They also “hold a common belief in the fundamental importance of multilateralism and in the essential role of the United Nations”, and agree to “work closely to promote effective multilateralism and strengthen UN peacekeeping and peace building”.

Indian foreign policy has been described as a mixture of idealism, on the one hand, and realism, some would say pragmatism, on the other. Idealism, based on a somewhat romantic perception of the world, can be traced to the country's first Prime Minister and its prime mover on issues of foreign policy, Jawaharlal Nehru. Policy towards the EU can be said to be driven by idealism, towards the US and, say, China, by realism. India has also been described as a “*status quo*” State. It seeks change, not on ideological grounds but rather through the exercise of soft power. Revisionist States, in contrast to *status quo* States, are driven by ideology to challenge their rivals. In its relations with the EU, China probably qualifies as a revisionist State.

The EU clearly is on the periphery of India's preoccupations, whether of domestic policy or foreign policy. And yet India was among the first developing countries to establish diplomatic relations with the nascent EU: it posted an ambassador to the then 6-nation European Economic Community (EEC) in 1961. It did so because it feared that were Britain to join the EEC, Indian exporters to the UK would lose the



benefits of Commonwealth preferences and Indian exports to its largest overseas market would suffer in consequence. The solution envisaged by New Delhi was a comprehensive commercial agreement, to be concluded between India and the enlarged EEC.

Britain's first attempt to join the EEC failed, and the India-EEC commercial co-operation agreement was only concluded in 1973, following the success of Britain's second attempt. The EEC, however, had granted developing countries, including India, preferential access to its market for their exports in 1971, following a 1968 Resolution in the UN Conference on Trade and Development (UNCTAD). The agreement with India was important chiefly because it set up the machinery for regular consultations between India and the EEC on trade issues, in the form of a Joint Commission. India therefore proposed that trade co-operation be extended to economic matters in general, and an India-EEC economic and commercial co-operation agreement was concluded in the early 1980's.

India-EU relations have been driven, from the first, by economic and not political considerations. Although the 1994 India-EU agreement was much broader in scope and, together with the 1993 Joint Political Statement, led to joint ministerial meetings on political issues, their impact has been negligible, even on economic and trade issues. This is because the EU's trade policy is focused on Geneva, and is implemented through a body of which both India and the EU are members – the World Trade Organisation (WTO) and its predecessor, the General Agreement on Tariffs and Trade (GATT). The most that the two sides can do under their various trade co-operation agreements is consult with each other, before referring the point at issue to the WTO.

Much has been made of the fact that the EU is India's largest trading partner, accounting for around one-fourth of India's total exports and imports. (The United States is a relatively distant second, with some 15%). But India's trade with China and its South-East Asian neighbours is rising steadily, and could overtake its trade with the EU. New Delhi is convinced its exporters could increase their sales to the 25-nation EU, provided Brussels did more to open up its market to Indian exports, of both manufactured and agricultural products. The two sides have established a list of priority issues, but progress on resolving them remains slow.

The fact is that despite some 40 years of co-operation on trade issues, the approach on both sides tends to be confrontational. The launch of a fresh round of international trade negotiations in 2001, under the aegis of the WTO, the Doha Development Agenda, has been the occasion for a trial of strength between India and the EU. India has joined forces with a number of key

developing countries, including China, Brazil and South Africa, to form the G-20 group. The group is far from homogeneous; indeed, in the crucial negotiations on agriculture, India's position is closer to that of the EU than it is to that of Brazil, although both India and Brazil agree that the primary responsibility for breaking the current deadlock in the agricultural negotiations lies with the EU and the United States.

It is clear that on trade and investment issues the EU is at the very centre of EU-India relations. The EU, in fact, has proposed that the two sides conclude a bilateral free trade agreement, along the lines of the EU's agreement with Chile. The proposal, made during a recent meeting of the high-level group on trade and investment, seems to have taken New Delhi by surprise. To be compatible with WTO rules, such an agreement would have to cover a very high proportion of India-EU trade, including trade in agricultural products. An EU-India free trade agreement, together with a successful outcome to the Doha Development round of negotiations, could be the start of a genuine partnership between India and the EU.

Would it lead to a genuine partnership on political issues also? Yes, on the broad issues set out in the proposal for a Strategic Partnership - improving international co-operation, fostering multilateralism through a strengthened UN, perhaps even working together on conflict prevention and post-conflict reconstruction. India and the EU can be expected to fight against terrorism, although each side will bring its own very different agenda to the dialogue on this issue. But for the EU to move from the periphery to the centre of India's political preoccupations, it must assume a much greater role in Asian affairs. This it is unlikely to do: its main area of responsibility is, after all, the wider Europe, followed by the transAtlantic relationship. ■

* The seminar was held from 26th-27th June 2006. The participants, both Indian and European, included academics, civil servants, diplomats and representatives of civil society. My article is not a report on the seminar, but consists of personal reflections based on the papers presented and the discussion which followed each presentation. I have obviously drawn on both papers and discussions, but have refrained from quoting anyone, given the closed nature of the seminar. ■



Cross-Strait integration - à la Européenne?

by Dr Xiaokun Song

Ever since the establishment of the Sino-US diplomatic relations, the complex relationship between mainland China and Taiwan has been a sore point. Failure to contain tensions across the Taiwan Strait with China might force armed conflict between China and US with devastating repercussions on regional and global stability and development.

One possibility to help prevent such a scenario might be to draw inspiration from the process of European integration. Indeed, the idea of cross-Strait integration *à la Européenne* has gained popularity in Taiwan. However, the applicability of a model strictly copying the EU integration process has been rejected in mainland China for fear of any implication on the question of Taiwan's sovereignty.

The rejection of the EU model does not, in Beijing's view, render insights gained from the European integration practically irrelevant to other cases of conflict resolution, including the cross-Strait relations. While China's policy under Hu Jintao has on the one hand maintained the official tough anti-independence stand as evidenced with the adoption of the Anti-Secession Law, on the other hand, it has implicitly followed the neo-functional logic embedded in the European integration process as manifested in the encouragement of cross-Strait economy and trade, the initiation of party-to-party interaction, and the creation of various linkage communities at the societal level. And a new basket of carrots was offered by the mainland in the first Cross-Strait Economic and Trade Forum held in Beijing in April 2006.

On the eve of President Hu Jintao's State visit to the US, the Forum conveyed a clear message that the mainland has the sincerity and good will to promote peace and stability in cross-strait relations. After the then Kuomintang (KMT) Chairman Lien Chan's ice-breaking visit to mainland China in April 2005, the Forum was created as a regular platform for party-to-party dialogue. However, due to opposition from Taiwan's government and the ruling Democratic Progressive Party (DPP), it was postponed several times. Despite many stops and starts, the two-day-long Forum brought together top officials from the Communist Party of China (CPC) and three Taiwan opposition parties (the KMT, the People's First Party, and the New Party), entrepreneurs and academic elites from both sides. The Forum closed with a seven-point joint proposal and a 15-point policy package for the Chinese mainland to promote economic and trade relations across the Taiwan Strait.

Offered unilaterally by the CPC, the beneficial policy package includes further expansion of the scope of Taiwan's agricultural and aquatic exports to the mainland, cross-Strait agricultural co-operation, recognition of university diplomas issued in Taiwan, visits between mainlanders and Taiwanese, Taiwanese customs agents and medical service personnel on the mainland. With 7 out of the 15 policies related to agriculture and fishery, Beijing intentionally targets the base of pro-independence supporters in the southern part of Taiwan. The focus on agriculture also matches up with the mainland's campaign of building a "new socialist countryside", one of the key objectives in the CPC's 11th Five-Year Plan.

The most eye-catching ones in the seven-point joint proposals include asking the Taiwan authorities to permit financial institutions from the mainland to set up branch offices in Taiwan; continuing to push forward the cross-Strait direct transport; removing obstacles in cross-Strait economy and trade and building cross-Strait common market. For promoting the direct transport across the Taiwan Strait, the two sides are urged to follow the example of the resolution reached by "Macao Talks" for the 2005 Spring Festival charter flights with non-stop, round-trip flights involving aviation companies from both sides.

Beijing's carrot and stick policy has proven effective in creating division in Taiwan's political alignment. Upon the closure of the Forum, the pan-blue camp has been actively promoting the lifting of all restrictions on cross-Strait transportation by proposing an amendment to three clauses of the Statute Governing the Relations Between the Peoples of the Taiwan Area and the Mainland Area. The legislative review of these amendments has thus far been blocked by the pan-green camp. Within the pan-green camp, intra-party rift seems to have emerged with the different responses to the mainland's trade concessions made by President Chen Shui-bian and Premier Su Tseng-chang.

With the recent failed "transit diplomacy" in May, where the US rejected Chen's request for a stop-over the US en route to Latin America and an on-going corruption scandal surrounding the First Family, Chen's leadership and personal credibility within the DPP has been greatly undermined. The stage for a KMT victorious return in 2008's presidential election seems set. Were that to happen, one important precondition for peaceful cross-Strait integration *à la Européenne*, a mutual consensus of "no more war" between the mainland and Taiwan might be reached due, paradoxically, to the experience of war between the CPC and the KMT. But before that happens, the realisation of Beijing's good-will offer is still subject to the political squabbles inside Taiwan. ■

Dr Xiaokun Song is an Associate Research Fellow with EIAS.

Asylum, Immigration, Justice & Home Affairs

Family re-unification

The European Court of Justice delivered a judgement, on 27th June, on a case taken by the European Parliament concerning the 2003 EU Directive on the right to family re-unification. The Directive established certain conditions for the possibility of family re-unification but left much of the implementing measures to the discretion of individual Member States. Parliament had two concerns, firstly, that the EU Council adopted the Directive without consulting Parliament, as they were obliged to do under the Amsterdam Treaty and, secondly, that the conditions described in the Directive might contravene the right to family life as set out in the European Convention on Human Rights and Fundamental Freedoms.

The Directive sets out conditions whereby a non-national may apply to the authorities of the Member State where he/she lives to bring to the EU those family members - spouse or child - currently living outside the EU. In a situation where the child is aged 12 years or more, the Member State has the right to assess whether bringing this child will facilitate his/her integration into EU life. Also, the non-national must submit any application before the child reaches 15 years. The person making the request must submit the application within two years of arriving in the Member State. The European Parliament launched its case in December 2003 just several months after the Directive was adopted the previous September.

In its judgement, on 27th June, the Court dismissed Parliament's case and ruled that conditions imposed by Member States regarding the age of the child, the length of stay by the applicant and whether a child arrives independently into the EU are lawful criteria when a government decides whether or not to grant an application for re-unification. Although the Directive protects in principle the right to family life, the Court stated that this does not provide an individual right of automatic admission to the EU. Member States would also be allowed to consider their 'reception capacity' when deciding whether to allow the application.

Trafficking in humans

The European Commission adopted a Report, on 2nd May, on combating trafficking in human beings. The Report is a record and an assessment of the efforts of EU Member States to comply with the requirements established in a Council Framework Decision, dating from July 2002, on EU-level efforts to combat trafficking. The Council Decision obliged Member States to adopt national legislation outlawing trafficking for the purposes of labour or sexual exploitation and extend police and judicial co-

operation. This legislation would ensure that trafficking offences would carry a sentence of a maximum of 8 years and that the provisions would be enacted at national level by August 2004. The Commission Report was due one year later.

The report establishes that by August 2004, only four Member States had notified the Commission of their national legislation and, by February 2005, the total had only reached 15 States and that, by December 2005, Portugal, Luxembourg, Ireland and Lithuania had not provided the appropriate information. Under Justice and Home Affairs matters - the third pillar - the authority of the Commission *vis-à-vis* the national government is growing slowly and it does not have the right to launch infringement proceedings against Member States. The Council Decision provided that legal persons should also be held liable for trafficking offences and the Commission Report states that a sanction under this measures could include criminal or non-criminal fines, a temporary or definitive ban on commercial activities, dissolution and possible exclusion from public benefits.

The assessment in the Commission Report states that most Member States appear to have adequately adopted new legislation or adapted existing laws to comply with the requirements set out in the 2002 Framework Decision. However, the Report notes that the level of penalties for natural or legal persons from guilty of a trafficking offence now varies, sometimes considerably, between Member States. As a result, the Commission states it might consider adopting a proposal to harmonise the level of sanctions.

Political Relations

Developments in Nepal

The Delegation for relations with South Asia of the European Parliament met on 19th June to hear a briefing from the European Commission on developments inside Nepal over recent months. Ms Rensje Teerink, Desk Officer for India, Bhutan and Nepal, European Commission, told the Delegation that she and Mr Hervé Jouanjean, Deputy Director General, RELEX, had visited Nepal between 1st-2nd June. On 16th June, Ms Teerink stated, the Chairman of the Community Party of Nepal (Maoist) Mr Prachanda, had arrived in Kathmandu to try and finalise talks with the new interim government. During those talks, the seven-party alliance of democratic parties and the CPN(M) concluded an eight point agreement with significant commitments to establishing a peace process, Ms Teerink said. The parties are expected to call for a United Nations ceasefire monitoring force and this is an encouraging sign.

The Maoists no longer appear to be seeking the dissolution of Nepal's Parliament, which is not



expected to reconvene until early July. The Commission visit to Nepal has been the first high level mission since the ban on ministerial-level visits was imposed. The Commission met with the Prime Minister, the Deputy Prime Minister, the Finance Minister and the Home Affairs Minister. The mission also met with ambassadors to Nepal from India, the United States, the UN representative and representatives from civil society and the business community. Most of these people were able to report that the interim government seemed to be going in the right direction. On 1st June, approximately 200-300,000 people demonstrated in the streets of Kathmandu in support of the Maoists.

The interim government has requested the EU to resume supplying development co-operation assistance and the EU has looked favourably at this. Although the Deputy Prime Minister, Mr K.P. Sharma Oli, during a trip to Brussels presented a request to Commissioner for External Relations, Benita Ferrero-Waldner, for €200m, the Commission funding will not be this high. The request seemed hastily put together and included possible projects on children's rights, handicapped people and small arms. Regarding the destruction of arms, this would more likely be done through the United Nations. The Commission will send another mission in July to try and identify potential projects for funding. Any such projects could be financed under the EU's Rapid Reaction Mechanism and would be part of a coherent package of measures designed to support the peace process. The EU will provide support to Nepal in order to demonstrate to ordinary civilians that there is an immediate peace dividend. Probably, other EU aid will be channelled through the UN Office of the High Commissioner for Human Rights, as the UN will most likely be the main provider of assistance and will have the main role in monitoring the peace agreement.

Responding to questions from Members of the Delegation, Ms Teerink said the EU was not prepared to flood Nepal with aid money. The EU has significant concerns about good governance and transparency and these will continue to be of utmost priority. These issues will feature in the Commission's forthcoming Country Strategy Paper for Nepal, which will start in 2007. In association with the World Bank, the EU will develop projects in the education sector and will continue to work on strengthening Nepal's institutional structures, for example, with the Human Rights Commission, the Nepal Bar Association and with the judiciary.

Minorities in Iran

The European Parliament's Delegation for relations with Iran met on 30th May to discuss the plight of religious minorities in Iran. Diane Alai of the Baha'i International Community said an estimated 140 Baha'is were arrested in Iran over the course of 2005.

Since the mid 1980's, the Iranian government has not allowed Baha'is to go to university and, increasingly, Baha'is are dismissed from the civil service. Even those who have completed their careers now find that their pensions are not paid. This kind of atmosphere in society makes it very hard to practice the Baha'i faith. Inside the faith, Baha'is do not have any clearly identifiable clergy but are serviced by elected councils of officials at local and national level. However, the government has not permitted elections to these councils to be held over the last twenty years.

The United Nations Special Rapporteur on Freedom of Religion or Belief, Asma Jahangir, issued a Press Release in March 2006. The basis of the statement was a letter from Iran's Supreme Leader, Ayatollah Khamenei, to several government agencies urging them to identify and monitor anyone of the Baha'i faith. The letter was dated 29th October 2005 and the Special Rapporteur stated she was "concerned by the systematic discrimination against members of the Baha'i Community" in Iran. Such monitoring, Ms Jahangir said, would constitute "unacceptable interference with the rights of religious minorities". Mrs Alai said that after October 2005, a campaign against Baha'is started including in a State-owned newspaper.

When Mohammad Khatami was President, until August 2005, members of the Baha'i community wrote to him asking for equal rights. Some of those who distributed this letter were subsequently imprisoned, Mrs Alai said. The campaign of defamation and the denial of rights place Baha'is in Iran in a very difficult situation. Responding to questions from Members of the Delegation, Mrs Alai noted that freedom of religion was included in Iran's Constitution but that, equally, Iran had signed the Covenant on Civil and Political Rights and the Covenant on Economic, Social and Cultural Rights but that Baha'is continued to suffer. The international community should expect that Iran would apply and enforce their commitments under these international agreements.

External relations budget 2007

The European Parliament's Committee on Budgets held a hearing, on 29th May, on the external aspects of the 2007 budget. Commissioner for External Relations, Benita Ferrero-Waldner, said the inter-institutional agreement on the budget framework for 2007-13, the Financial Perspectives, had agreed a budget for the seven years of €864bn with €49.5bn for external relations actions. Although this was less ambitious than the Commission's original proposals, the agreement is the result of a compromise between the three institutions. The budget for 2007 must deliver real results and provide the EU with the capability to respond to new challenges.

The year 2007 will also be the first year of the various new instruments in external relations, including the Development and Economic Co-operation Instrument or whatever emerges out of the negotiations underway to resolve the different priorities of the institutions. The old structure of external relations spending has been simplified. For 2007, there will be €6.7bn in commitments and €7.4bn in payments for external relations activities, which will be approximately the same as 2006 spending. Spending within the Development and Economic Co-operation Instrument is proposed at €2.15bn with €326m for Latin America and €626m for Asia spending on development co-operation, technical assistance, trade promotion, energy and the environment. Central Asia will be allocated €55m. Although the Asia spending shows a slight decrease in 2007 compared to 2006, the reduction can be accounted for by the slowing rate of spending on *tsunami*-related expenditure, which reached €250m in 2005. Although the implementation of existing *tsunami* programmes will continue, these programmes will not receive additional funding, the Commissioner said.

Spending on migration and asylum activities is proposed for €46m in 2007, with €23m going through the Development and Economic Co-operation Instrument and €22m going to co-operation with industrialised countries. The 2007 budget will also include a chapter on global threats to security, including activities targeting the fight against trafficking, organised crime and terrorism. The Commission has proposed expenditure at €209m with €100m going towards crisis response management and €30m going towards projects on the non-proliferation of weapons of mass destruction (WMD). Representing an increase on spending for 2006, the Commission has allocated €130m for spending on human rights and democracy promotion, which is a statement about how Europe views its values.

For the Common Foreign and Security Policy (CFSP), the Financial Perspectives for 2007-13 agreed a substantial increase for spending, compared to previous years. In 2007, the CFSP should receive €159m for the implementation of the EU strategy against WMD, extension of conflict resolution actions and new EU police missions. The Commission is proposing €69m for assistance to third countries in the nuclear sector. The 2007 budget, Commissioner Ferrero-Waldner said, will be an important year for the launching of the new set of Instruments governing external relations spending. The Commission has sought a balanced approach to spending suggesting increases in the CFSP and a chapter on EU responses to global crises, thus reflecting the EU's growing role in the world.

Elmar Brok, Chairman of the Committee on Foreign affairs, said many of Parliament's hopes for the new Financial Perspective, for 2007-13, have been disappointed. Now that emergency aid has been taken

out of Heading Four - the chapter on external relations spending - the available funds have been cut by 27%. While the new system of expenditure, through some 8 or 9 Instruments will be better than the old system of up to 30 Instruments, the negotiations in the Development Committee on the proposed Development and Economic Co-operation Instrument are still underway. The structure of the budget, proposed by the Commission, will lead to improvements in transparency.

The winner in the Financial Perspectives is the CFSP, although the right of Parliament to be informed of CFSP proposals is not being fully respected, Mr Brok said. If necessary, Parliament should consider taking this issue to the European Court of Justice. Even though CFSP remains the prerogative of the executive - the Council - Parliament will insist on its right to be informed in advance of CFSP activities. Parliament needs to know what political priorities the Council is setting. With the CFSP budget, money is often shifted around without proper Parliamentary oversight. The Foreign Affairs Committee, Mr Brok said, would like to see more synergy between defence policy, security policy and the wider CFSP.

Robert Cooper, Director General, Council of the EU, said the Council welcomed the conclusion of the Inter-Institutional Agreement following the agreement reached on the Financial Perspectives. The Council, he said, shared the viewpoint of the Commission on the importance of Parliament agreeing quickly to the proposed new set of Instruments for external relations spending. Even if the sums are still rather small, the CFSP is the winner over the 2007-13 period. The CFSP brings a lot of attention to the EU's work despite the relatively small budget. Spending under the CFSP brings added value to EU and Member State activities as this framework brings together resources of the EU and its national governments, for example, the deployment of police personnel. If the EU launches a mission under the European Security and Defence Policy (ESDP) there can be added-value when the Commission follows-up with aid projects and assists the co-ordination of donors from the international community.

This co-ordination brings visibility to the EU's operations and highlights the reality of the common foreign policy and the feeling of ownership that comes through the CFSP. The EU currently has operations in Bosnia, Kosovo, the former Yugoslav Republic of Macedonia, Aceh (Indonesia), the Congo and Palestine. The Aceh Mission has helped end the longest running conflict in the world's biggest Muslim country. The Indonesian government has asked the Aceh Monitoring Mission to continue its work until local elections in Aceh can be held. Its success is helped by its status as a joint mission with the Association of South-East Asian Nations (ASEAN).



Trade Relations

TV systems from Japan

On 19th June, the Council adopted a Council Regulation amending Regulation EC/2042/2000 imposing a definitive anti-dumping duty on imports of television camera systems originating in Japan. The year 2000 Regulation is based on a Regulation dating from 1994. On 5th September 2005, the Commission received a request from two exporting producers from Japan, Matsushita and Hitachi Denshi, to add new models of professional camera systems to the Annex of Regulation EC/2042/200 that would grant these system an exemption from anti-dumping duties imposed on other types of camera systems. The Commission published a notice in late September advising EU industry that a review would be launched into the anti-dumping measures in force. This review established that the new models did fall under the scope of the exemption and the Commission did not receive any complaints from EU industry. Under the new Regulation, Matsushita and Hitachi Denshi will be able to import particular models of professional camera system into the EU without anti-dumping duties being imposed.

EU-Singapore Air Services

On 9th June, the EU and Singapore signed an Agreement on Air Services. Following a Court of Justice ruling in November 2002, the EU was obliged to remove Member State restrictions in bilateral air agreements with third countries. Thus, when an EU Member State and a third country make an agreement, they are no longer allowed to restrict the terms of the agreement to only the national airlines of their countries. The Agreement with Singapore is one of 400 bilateral air service agreements that the EU has brought into line with the Court ruling since the start of 2005. The Agreement was signed in Luxembourg around a meeting of the Transport, Telecommunications and Energy Council, which took place between 8th-9th June. From the EU, Hubert Gorbach, Austrian Vice Chancellor and Federal Minister for Transport, Innovation and Technology represented the Presidency, Jacques Barrot, Commissioner for Transport represented the Commission and Ms Hwee Hua Lim, Minister for Transport, represented Singapore.

Security and Defence Policy

Aceh Monitoring Mission

On 21st June, Pieter Feith, Head of Mission, Aceh Monitoring Mission, addressed the European Parliament's Committee on Foreign Affairs on the ongoing Mission and offering an assessment of progress to date. The Aceh Monitoring Mission (AMM), Mr Feith said, had played a crucial role in

bringing the civil war in Aceh to an end. The civil war took place in the world's largest Muslim country. The AMM represents the EU's first European Security and Defence Mission (ESDP) in Asia and is the first time the EU has worked, at this level, with the Association of South-East Asian Nations (ASEAN). Five of the ten ASEAN Member States contributed forces to the AMM, Mr Feith said.

In terms of the ESDP, the Aceh Monitoring Mission represents a new horizon for the EU in Asia and for the objectives of the European Security Strategy, adopted in December 2003. The Mission is entering its final stages and this has implications for the sustainability of the peace process in Aceh. The mandate of the Mission was to implement the Memorandum of Understanding. The Mission sought to monitor and facilitate the peace accord in order to help build confidence. The ownership of the process rests with the partners in the province. The framework agreement reached by former Finnish President Martti Ahtisaari was based on autonomy but not independence for Aceh. That agreement brought to an end 30 years of low-level but vicious conflict that affected both the stability of the region and the Indonesian government's credibility.

As Head of Mission, Mr Feith said, he enjoyed unlimited powers to settle disputes between the parties to the peace process. The emergence of the peace accord was due, in part, to the rise to power of Indonesian President Susilo Bambang Yudhoyono who came to power with an interest in reforming both the economy and the armed forces. With the backdrop of the independence of East Timor, the government wanted an international presence for Aceh but could not accept a role for the United Nations. Even before the December 2004 *tsunami*, the Free Aceh Movement (GAM) forces were hard-pressed by the Indonesian military. In fact, the GAM had decided to give up its aim of independence for Aceh.

In formal terms, the EU sought an invitation from the Indonesia government to launch a mission to Aceh. With cumbersome and slow procedures in the EU, without the action of several Member States, it would have proved impossible to get on the ground sooner than one month. These Member States agreed to provide an Initial Monitoring Presence (IMP), which was deployed within one day taking advantage of personnel already in Indonesia, and to finance this part of the operation. Subsequently, the IMP evolved into the Aceh Monitoring Mission proper.

After meeting the terms of its mandate, by destroying 840 weapons and witnessing the re-deployment of Indonesian army and police personnel out of Aceh, the Mission will come to an end on 15th September 2006. If the Indonesian government adopts the Special Autonomy Law for Aceh, as required under the peace agreement, then the crisis for Aceh may well have



passed, Mr Feith said. The EU has a forceful coalition in operation with ASEAN and partners on the ground will have to take ownership of the peace process. The Mission has been a success and will undoubtedly lead to calls for more operations. The Mission has increased the EU's profile in Asia dramatically but if the EU is launch similar operations it will have to improve its internal procedures.

High Representative Javier Solana

On 30th May, the High Representative for CFSP, Javier Solana, addressed a meeting of the European Parliament's Committee on Foreign Affairs. Dr Solana said that a recent Eurobarometer survey had shown support from Member State citizens for a common EU foreign policy. There is an obvious demand for EU action in crisis management and both civilian and military operations. As the demand for a greater EU presence in the world grows, the EU can no longer close its eyes to these needs.

Iran is a country of strategic importance to the EU and, unfortunately, has chosen not to comply with the demands of the International Atomic Energy Agency (IAEA). The EU has to be clear that Iran's guarantee not to enrich uranium to weapons grade is genuine. However, by rejecting United Nations involvement this could be understood as a sign of illegal intent. This would be a very dangerous situation for the Middle East, which has a complex political situation and could be de-stabilised very easily. In June, the EU and the permanent members of the UN Security Council will meet to try and finalise a package of incentives and a UN Resolution, which can be presented to Iran's leadership. The EU, Dr Solana said, hopes that Tehran will consider the package seriously. Iran could have an important role to play in the stabilisation of Iraq and in Afghanistan and a fundamental role in the Middle East peace process but Tehran must act with a sense of responsibility but this has yet to be proven. To be a responsible member of the international community Iran needs to abide by the rules of the game.

Referring to energy security, Dr Solana said 2006 started with a crisis on energy supply between Russia and the Ukraine. This brought into focus for the EU that security of supply is a very important issue for EU Member States. The current Austrian Presidency and the incoming Finnish Presidency of the EU Council are making it a priority. China and India are two key players in the international arena and their domestic policies impact greatly on energy. If their current growth rates continue both countries will need huge energy resources which will impact on price and supply. This means the EU will need an energy strategy to cope with the international situation.

Within the European Security and Defence Policy (ESDP), the EU is now operating ten missions

worldwide including, for example, in Moldova, Palestine, and Aceh (Indonesia). The EU is preparing to deploy whatever is need for a policing mission in Kosovo and as the United Nations departs, the EU will have to assume more responsibility. Worldwide, the demand for a greater EU role is growing and the EU has an obligation to be as constructive as possible, to defend European values and interests.

Responding to questions from members of the Committee, Dr Solana indicated that there must be greater coherence in EU foreign policy. In terms of EU operations abroad, the ESDP has not been over-stretched, albeit possibly in terms of economic resources. That is why the Common Foreign and Security Policy (CFSP) budget has been increased in the Financial Perspectives for 2007-13. The EU has no plans to deploy the full compliment of rapid reaction forces - 60,000 troops - except in a case of extreme emergency. Instead, it is more likely that battlegroups - 1500 troops - will be sufficient to offer EU added-value to a mission in either peace-making or peace-enforcing. The EU Council is working to improve issues including strategic lift, communications, better co-ordination and inter-operability.

European Security and Defence Policy

On 30th May, as President in Office, Austria's Minister for Defence, Günther Platter, addressed the European Parliament's Committee on Foreign Affairs on progress in the European Security and Defence Policy (ESDP). The world faces a series of complex threats to its security, Mr Platter said, and the EU can only guarantee its security if there is a geo-strategic stable political environment. The EU must be ready to shoulder its responsibilities to fight these threats and to help guarantee stability in the European neighbourhood. Europe can help achieve this by working within a multilateral world order. If the EU wants to be more successful then it will have to become more active in achieving its strategic objectives. This will mean ensuring grater co-ordination of the external relations instruments at its disposal. Although the ESDP is a relatively young concept, the EU is on the right track and by making Europe more secure and a safer place to live there will be knock-on consequences for the security of the region and wider world.

In recent years, the EU has been able to launch both civilian and military operations under the ESDP. However, the EU must ensure that it has the capability to co-ordinate both types of mission in order to ensure that it can respond quickly and effectively to emerging crises. There will have to be good co-operation between the European Commission and the national governments in CFSP and the Austrian Presidency presented a paper, on 15th May, to the Council with suggestions for improvements. Also, a steering



committee for crisis management has recently been established and, during the Informal Defence Ministers meeting in Innsbruck, Austria, in early March, Javier Solana was present. The Presidency has also organised a conference on security sector reform, which may eventually require a strategy that encompasses all three pillars of EU activity, the European level, the CFSP and Justice and Home Affairs.

The EU will have to do more to develop its military capability for the Headline Goal of 2010, where the EU is meant to have up to 60,000 troops available for rapid reaction missions. There is a need for structures that will allow for faster decision making and involvement of the Member States. This work will have to be carried forward into the forthcoming Finnish Presidency of the Council, which will last until December 2006. There will have to be some analysis of the future, in a timeframe for the EU of 20-30 years, and what kind of security and military scenarios the EU might face then. One response has been to try and co-ordinate EU military procurement and the European Defence Agency was established for this purpose.

Another milestone in the ESDP has been the formation of the EU Battlegroups, units of 1500 troops capable of being deployed with 10 days and sustainable in a theatre for up to four months. Battlegroups will be fully deployable by January 2007. Under the ESDP, the EU has eleven operations worldwide. Responding to questions from Members of the Committee, Mr Platter said EU defence expenditure represented 1.4% of combined EU Member States Gross Domestic Product (GDP) amounting to €180bn *per annum*. Just €2.5bn is spent on research, which is too low. That is why the work of the European Defence Agency is so urgently required, in order to improve the EU's military capabilities, crisis management, defence technology and delivering research and development value-added.

External Assistance and Development

Humanitarian Aid

Sri Lanka: The European Commission's Humanitarian Aid Office (ECHO) adopted a Decision, on 5th July, allocating €7m in assistance to internally displaced people (IDP's) affected by the resumption of low-level terrorist activities in the North and East of Sri Lanka. Although the government and the Liberation Tigers of Tamil Eelam (LTTE) signed a ceasefire in February 2002, since the civil war began, in 1983, an estimated 65,000 people have been killed and upwards of 800,000 displaced. Some 100,000 people left Sri Lanka to go to the Indian State of Tamil Nadu and another 68,000 people living in 'welfare centres'. Since the 2002 ceasefire, ECHO estimates that 407,000 people have returned to the place of origin up until December 2005, when the violence re-started.

The ECHO Decision will provide assistance to approximately 300,000 IDP's in the north and east of Sri Lanka including those historically displaced, those living in welfare centres and those who have been displaced since the resumption of violence. The aid will comprise shelter, water and sanitation, food aid, identification and property title help and psycho-social support. The Decision stresses that the provision of humanitarian aid is difficult and can be dangerous in Tamil Tiger controlled areas. The aid will be available for 16 months.

East Timor: ECHO adopted a Decision, on 28th June, providing €3m in aid to East Timor to help those affected by the onset of internal conflict. At the end of May, President Xanana Gusmao declared a state of emergency for the month of June following riots in the country that began in April. In March, the President dismissed approximately one third of the army, 591 soldiers, and this led to the return to demonstrations and civil strife. Since then, the Prime Minister, Mari Alkatiri, and the Foreign and Defence Minister, Jose Ramos-Horta, have resigned. Countries including Australia, Portugal, Malaysia and New Zealand have sent troops to East Timor. By mid June, international aid agencies estimated that 15% of the population of the country, some 140,000 people, have moved to flee the violence. The EU aid will provide food, emergency shelter, water and sanitation and health care for these internally displaced people, over a period of six months, concluding in November 2006. ECHO has tentatively identified potential partners for distributing the aid as World Vision, the UN World Food Programme and Plan International (UK).

Papua: ECHO adopted a Decision, on 9th June, granting €367,000 in assistance to the province of Papua in Indonesia. The aid is targeted at helping to contain an outbreak of cholera in one of districts of the province of Papua. The most affected district, Jayawijaya, with its capital Wamena, has a population of an estimated 300,000 people and, along with Yakujiimo and Tolikara districts, has witnessed 4015 cases and 160 deaths from cholera by early May. ECHO stated that reports from the field suggest that the number of deaths has been grossly underestimated. The medical infrastructure in Jayawijaya district is under-developed and the spread of the disease has not been contained. The main hospital in Wamena lacks basic medical supplies and equipment and does not have safe drinking water. EU aid will seek to provide safe water and clean sanitation services to approximately 134,000 people in the Jayawijaya district including the training of health staff and a public health promotion campaign. The aid will be spent over a six month period, concluding in October 2006, in association with OXFAM UK. Another relief NGO, *Medécins sans Frontières* (Belgium) is already operating in Papua. ■

John Quigley

Inside the world of North Korean Comics

by Glyn Ford, MEP, & Dr Soyoung Kwon

The West came to notice Japan's comic craze with the publication of Frederick Schodt's *Manga Manga, The World of Japanese Comics* (1983). Since then, the production and consumption of *manga* and *anime*, which is the moving picture equivalent, have spread to China and the Republic of Korea. More recently, on the production side, North Korea has emerged as destination for 'out-sourcing' the heavy manual labour element of both *manga* and *anime* with the irresistibly cheap skilled labour. The introspective graphic novel of a French-Canadian cartoonist Guy Delisle, *Pyongyang: A Journey in North Korea* (2005), is the story of *manga* and *anime* manufacture in North Korea in a comic form. This has signalled the existence of an indigenous *manga* industry in North Korea, although little has been written about it.

While they are 'Manhwa-chaek' (comic book) for the South Koreans, comic books are called 'Gruim-chaek' (picture book) in North Korea. These are not western style comics aimed exclusively at children but, as in Japan, targeted at adults and adolescents as well. The themes reflect North Korean politics and contemporary history: anti-US, anti-Japanese, and anti-capitalist. In many ways, they resemble the unauthorised versions of 'Tintin' comics in China from the 1970's and 1980's that transformed the bourgeois boy detective into an agent of class struggle. For Kim Il Sung's "Theses on Socialist Education" (1977), socialist education is "a weapon for ideological and cultural training" and its continuation outside of formal schooling is essential through social activities to revolutionise and intellectualise society within a class-conscious environment. Comic books certainly serve a means to this end. Comic reading in North Korea is a collective experience, with the swapping, borrowing, and exchange within and between networks.

North Korean comics are printed on poor quality paper, normally in black and white and occasionally monochromatic blue, brown, or green. They are marooned in time with old-fashioned clothes, furniture, houses and cars. The dialogue echoes is largely based on strong nationalist and ideological themes, which requires in the reader a strong background of ideology and history of the North Korean regime and its paramount leader Kim Il Sung. Plots are stereotyped with good and evil pre-sorted by nationality and social origin. Heroes and heroines sacrifice their lives battling the US imperialists, Japanese collaborators, South Korean stooges and former landowners. The message is simple and clear: North Korean people - soldiers,

students, and children - are all prepared to sacrifice their lives for their leader and the nation.

We looked in more detail at ten random North Korean comics published between 2001 and 2004, which were bought in bookstores in Pyongyang and Nampo and chosen to exclude a second series of essentially historic comics illustrating Korea's deep history. Three major themes were identified, although some comics have multiple themes.

Firstly, the most common theme is a 'James Bond' style spy story where North Korean special agents penetrate a South Korean army base under the control of the US military to carry out a special mission. The North Korean agents discover, subvert, and destroy secret plans by the US during the 'Fatherland Liberation War' (The Korean War), saving the Korean people and the nation. Comics with such a theme are *A Special Operation* (2001), *They Have Returned* (2001), *The Foggy Island* (2002), *Operation 'Ryu-sung'* (2002), *The Bullet Shields* (2003), and *Fights under the Water* (2004).

Some of these comics have a plot of which the US military is prepared to use biological and chemical weapons or new missiles against the North. This echoes real concerns of the early fifties when the US was accused by an independent commission of experts, including the eminent chemist and sinologist from Cambridge University, Dr Joseph Needham, of developing and deploying chemical and bacteriological weapons during the Korean War in collaboration with Japanese scientist who served during the second world war in Japanese germ and chemical warfare *Unit 731* in Harbin. Courageous North Korean People's Army Special Forces reconnoitre, however, infiltrate the WMD base where manufacturing and testing of such weapons are conducted by fooling the American commanders, and expose the US and Japanese perfidy to the world community, thus, fulfilling their duty to the "great Comrade General".

In the comics, Americans are always depicted as violent and cunning warmongers, Japanese contemptible opportunists, and South Koreans greedy and sneaky American puppets. While the hero sacrifices his life by blowing himself up along with his enemies while dedicating himself to the nation, American scientists test bacteriological weapons on children and the elderly in gas chambers, American marines attempt to rape young Korean women, and US tank commanders destroy Korean villages. In one case, an American officer threatens a revolutionary's seven-year-old son with "execution by poking his eyeballs out and tearing his body into pieces".

A second theme is resistance struggles during the Japanese occupation against the exploitation of farmers and workers by the Japanese and their Korean



collaborators. The anti-Japanese theme is projected in *A Special Operation* (2001), *A Story of three Bows* (2002), *They Have Returned* (2002), and *The Foggy Island* (2002). In the plot, ruthless Japanese kidnap and violate innocent Korean girls, separating them from their family and lovers, or kill and rob Korean peasants, and force Koreans to perform labour to support the Japanese fighting in the Pacific War. The theme intends to reinforce strong nationalist sentiment and hostility towards Japan, reminding North Koreans of their debt to the present regime which brought them national liberation and independence.

The third major theme is battling against internal subversion by counter revolutionaries within the North Korean society as seen in *The dark shadow on a full moon day* (2001), *The Bullet Shields* (2003), and *True Identity of 'Pear Blossom'* (2004). The plot has former landowners, capitalists, and Japanese collaborators agitating to provoke chaos and disintegration of the North Korean society, hoping to have their confiscated land and wealth restored under a post-communist regime. Acting as CIA spies and saboteurs, they carry out various schemes. They set fire to co-operative farms, attempt to derail trains, sabotage North Korea's economy, and wreck the test of projects in the defence industry. All these attempts are defeated by smart brave North Korean soldiers or students who promptly report their suspicion to the authorities and assist arrest of the criminals. Revolutionary awareness in the people and class struggles are accentuated throughout.

North Korea even leads the world in one comic book, *The snow storm in a tropical forest* (2001). The story is set in the African jungle where a commercial plane crashes. The extraordinary bravery and leadership of two North Korean survivors save the group and convert

the foreigners - even a priest - into *Juche* believers. The story ends with the whole group chanting 'long live the great leader Kim Il Sung and the great leader Kim Jong Il', and the priest abandoning his faith in God for the benevolence of the Great Leader.

These North Korean comics are no laughing matter. They are earthy, littered with swearwords ranging from mild to strong versions, and replete with brutality and violence associated with the Americans and Japanese are ubiquitous. They are heavily didactic based on either propaganda through entertainment or teaching national values through illustration. To the North Korean people, these comics play a role in reasserting their national pride and identity and reinforcing their support for the regime. To outsiders, North Korean comics simply provide fascinating insight into North Korean history, culture and society. ■

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Glyn Ford is a Member of the European Parliament (South-West England) and a member of the Delegation for relations with the Korean Peninsula. Dr Soyoung Kwon is a Korea specialist and Political Advisor to Mr Ford.

East Timor and the difficult business of nation-building

by Manuel Schmitz

Until recently the new nation State of East Timor or, as it is officially known Timor-Leste, was hailed as an example of successful nation-building under the auspices of the United Nations. Yet, in the last months, the "newest democracy" has been plunged into political chaos and violence, leaving at least 30 people dead, hundreds of buildings burned, and ten-thousands of Timorese fleeing their homes. The unrest was sparked by the dismissal of 600 soldiers mainly from the Western part of Timor-Leste who had gone on strike claiming discrimination.

At the end of April, fighting started between dismissed soldiers and loyalist forces giving way to gang warfare and communal violence in the capital Dili. People from the East and people from the West of East Timor were fighting each other on various fronts. When members of the police force joined the rebel soldiers the situation escalated to a point where the Timorese government had to ask for international intervention to restore order. Currently, around 2500 international peacekeepers from Australia, New Zealand, Malaysia, and Portugal are patrolling the streets of Dili. Although Prime Minister Mari Alkatiri, who was responsible for the sacking of the 600 soldiers, stepped down on 26th June the situation remains tense. It is therefore fair to say that something must have gone terribly wrong in the attempt to build a new nation-State in East Timor. The question is what went wrong?



To answer this question one should first be aware of the fact that nation-building means two things: Building a State with all its institutional structures and building a national identity, a common bond which unites the different groups of a society. Looking at the first aspect, the construction of State institutions, it is interesting to note that the current crisis originated in the military. Originally, there were plans for a demilitarised East Timor without an army, but for security and social reasons this position was abandoned by the Timorese leadership in the year 2000.

It was hoped that the new army of 1400 men could absorb a large part of the veterans of the military wing of the resistance movement, Falintil. The recruitment process was therefore in the hands of the Falintil leadership around former guerrilla leader Xanana Gusmao and his second-in-command Taur Matan Ruak. However there are allegations that recruitment was based on personal and political loyalties and that veterans from eastern districts were strongly favoured. If that was true it would mean, that East-West-divisions plagued the institution right from the start, although escalating only in recent months.

The police force on the other hand was recruited by the United Nations Transitional Administration in East Timor (UNTAET) which had governed and administrated the territory between 1999 and 2002. UNTAET recruited a large number of East Timorese who had previously served in the National Police of Indonesia (POLRI) and which are seen as collaborators by some parts of the Timorese society. This would explain the rivalry between the police (made up in parts by former members of the Indonesian police) and the army (made up mainly of former guerrilla fighters).

Looking at the other aspect of nation-building, the construction of a national identity, the writing of history plays in general a key part in the creation of any collective identity. Certainly, 24 years of Indonesian rule and Timorese resistance were crucial for the development of a distinctive East Timorese identity. Most Timorese are proud of the independence struggle and the achievement of national sovereignty against all odds. But there are disputes over historical merits. Today's pertinent questions are: Who has fought hardest to gain freedom and independence and who has suffered the most in this strife. These are not merely academic questions in a traumatised post-conflict society such as East Timor's in particular since access to power, jobs and resources are linked to the perceived historical roles of individuals or groups.

On the individual level experience as an independence fighter might lead to a position in the public sector; on the level of groups and parties it underlies claims to political power (in the case of parties) or welfare benefits (in the case of the veterans). To give an example, the electoral success of Fretelin in the last

two elections is due to the fact that Fretelin is perceived as the independence party par excellence by the common East Timorese voter. In such a climate historiography becomes politics.

The current fighting between people from the East and people from the West of East Timor has to be seen in this context. There may have been an East-West divide in Timorese society since Portuguese colonial times. At least, distinct terms for people from the West of Timor-Leste, known as *Kaladi* (those who are gentle), and people from the East of Timor-Leste, known as *Firaku* (those who turn their backs) exist. But the current conflict between *Kaladi* and *Firaku* became important for the wider society only during recent years. It is again a dispute over the historical laurel wreath. The *Firaku* claim they fought harder and suffered more under the Indonesian occupation and allegations are made that the *Kaladi* co-operated more with the Indonesian authorities. The *Kaladi* of course contest this perspective of historical merits. This debate forms the background of the current crisis.

One last aspect should be mentioned when writing about the link between nation-building and the recent outbreak of violence in Timor-Leste: The impact of the United Nations mission on Timorese society. The influx of United Nations officials, relief workers and foreign peacekeeping troops resulted in a "bubble economy" which was largely dependent on the needs of the foreigners. When the United Nations downsized their mission in 2002 and again in 2004 the bubble burst and the whole Timorese economy shrank.

For the average Timorese life is now harder than some years before. This has led to more frustration in a society that already suffered from chronic crime, severe poverty and unemployment. Certainly the United Nations Mission led to a widening of social cleavages and a climate of social jealousy. The communal violence in Dili, where the differences between haves and have-nots are particularly visible, might well have been fired by these resentments.

The current crisis has to be seen in the context of the nation-building efforts since 1999. As shown above a number of mistakes were made here: a failed recruitment policy for the security institutions, a politicised historiography, a fragile bubble economy. In combination with other factors they led to the outbreak of violence which had brought East Timor to the brink of a civil war. The East Timor case has shown once more how difficult the business of nation-building is. Hopefully some lessons have been learned, in East Timor and within the donor community. ■

Manuel Schmitz is researching his Ph.D. on East Timor's struggle for independence. He visited Timor-Leste from mid-April to mid-May 2006.

China policy competencies in the new EU Member States

by John Quigley

China's strong economic growth means it wishes to play a political role commensurate to its economic size in regional and world affairs. H.E. Ksawery Burski, former Ambassador of Poland to the People's Republic of China, told the European Institute for Asian Studies (EIAS) that China was actively seeking to engage the countries of Central and Eastern Europe in a political dialogue ever since the fall of the Soviet Union. H.E. Mr Burski was speaking at a lunch briefing on 4th May at EIAS. The meeting was chaired by Dr Willem van der Geest, Director, EIAS.

Speaking about the academic and research traditions in Poland, H.E. Mr Burski said the study of Sinology did not have a strong background. The Polish Academy of Science, through its Institute of Political Studies, did have some seven sinologists with other researchers spread between Warsaw University, the Business School at Warsaw and in Potsdam University. There would, however, appear to be a generation gap in Asia studies with a younger generation only now entering the academic system learning Chinese, Japanese, Farsi, Urdu and Hindi, for example. Publications are rare and are mostly through the Polish language, although the Friends of the Club of Rome publish a journal in English two times per year. There was an older generation of Sinologists, H.E. Mr Burski said, in various Institutes and universities across Hungary, the Czech Republic and Romania.

China's relationship with the countries of Central and Eastern Europe can be characterised by three periods. Firstly, between the years 1949 to 1989, both regions had similar political outlooks with variations of Communist/Socialist/Workers parties being in government dominated by ideology and notions of a planned economy. China expressed its support for Russia's intervention into Hungary 1956 under Khrushchev however, by 1968, and the Prague Spring, China had expressed concern about the intervention of Warsaw pact troops into the then Czechoslovakia. This demonstrated that ideology and a sense of competition with the Soviet Union helped to shape China's policy towards the countries of Central and Eastern Europe.

In the late 1950's, China was isolated regionally and looked to Eastern Europe and the Soviet Union for assistance and a diplomatic engagement. However, in the post-war years, Poland did not have any major industry and was only able to provide, for example, a sugar mill and equipment for coal mining. There were cultural exchanges between students, in music and science between China and Poland, Hungary,

Czechoslovakia and Romania. Indeed, some of the Chinese students who came to Eastern Europe have since risen to prominence in the Communist Party politburo. These cultural contacts continued until there were suspended by Beijing following the 'cultural revolution' in 1966. Jiang Zemin, a future President of China, spent two years in Romania and Albania, in 1970-71, during the cultural revolution. Despite the limited trade links, institutions such as the joint shipping company and railroad co-operation did survive.

After the cultural revolution, China became more outward looking and began to seek contact with the United States, in spite of its major internal pre-occupations. After the death of Mao Tse-tung in 1976, the search for external engagement continued but Central and Eastern Europe was no longer a priority. The USA, Europe and Japan became the priority as they had modern technology and modern management practices desperately needed in China. During the early 1980's, in the years 1983-84, China began to look again at Central and Eastern Europe and slowly sought improved links. China noticed that these countries were trying to introduce measures of economic reform and Beijing sent experts to study them in Yugoslavia, Hungary and Poland. Eventually, in Poland, these reforms would lead to the collapse of the State planned systems and, in June 1989, semi-free elections were held. Progressive parties, including Solidarity, secured 99 seats out of 100 in the Senate thus precipitating a new period of reform.

In a short period of time, across most of the Central and Eastern countries, the economic and political systems were changed. Beijing was very shocked at the execution in Romania of the former leader Nicolae Ceausescu. These countries became pre-occupied, throughout the early 1990's, with internal reforms and making the transition to emerging democracies. The change to the private sector has been slow and difficult. In China, the country was isolated again after Tiananmen Square in 1989 and subsequent Western sanctions. In all, it took several years for China to come to terms with the changes that took place in Central and Eastern Europe. Eventually, China said its relations with these countries would be based on the five principles of peaceful co-existence and that Beijing would respect the political choices made by the peoples of the countries concerned. While some ideological difference would now be apparent, China said, this should not mean that trade, political, cultural and scientific ties should not be developed.

While this period of adjustment was underway, China did lose some influence in the region. In Poland, in December 1990, the new President Lech Walesa was invited to Taiwan by a group of businessmen. Acting quickly, China's ambassador in Poland managed to persuade the authorities in Beijing to offer the



President an invitation also. In the end, Poland's Foreign Minister managed to persuade the President to go to Beijing. In the Czech Republic, President Vaclav Havel received Taiwanese visitors and the Dalai Lama, making China unhappy and nervous. After its independence, Latvia established consular relations with Taiwan and, in another setback for China, Macedonia did the same in 1999. China responded by establishing trade and cultural missions in Warsaw, Budapest and Prague, in 1994-95, to serve the entire region. This was an effort to exploit the region's switch to the free market. The benefits to China are clear with Central and Eastern Europe running a negative trade balance since 1995. The countries are beginning to complain that there would like a more balanced trading relationship.

The new elites in the countries of Central and Eastern Europe have expressed their willingness to develop closer links to China. In turn, China has expressed its interest in having a permanent dialogue and even wants to include opposition political figures and representatives of civil society. In effect, China wants to ensure that relations with the ten Central and Eastern European countries rise to the same level as that of the EU15, matching Beijing's economic power with a higher political diplomacy. This has strategic implications, as most of the 10 countries are members of NATO. On top of the economic and political presence, China is looking to develop a cultural dialogue, with plans to open "Confucius Institutes" across the region. While relations can be characterised as normal and good, there is still plenty of scope to expand the range of co-operation.

Questions and Comments

Prianti Gagarin Djatmiko-Singgih, Deputy Chief Minister, Embassy of Indonesia, referring to Indonesia perceptions of China's role in Asia said that Jakarta would see China more as an economic threat than a political threat. Asia has been impressed by China's economic growth and accession to the World Trade Organisation. The more overtly political concerns are expressed in the China-EU relationship which has dialogues on human rights, arms embargo and issues relating to sovereignty. Would these issues also be of concern to the countries of Central and Eastern Europe or would they be more focussed on the trading relationship with China.

Bill Seddon-Brown, EIAS Administrative Board, noted that China had divided the economy into sectors, some twenty years ago, and decided to either invest heavily or give up promoting innovation. This was the case for agri-chemicals where China ran into problems with intellectual property rights and ended up closing down some joint venture companies. What is the current situation and has long term economic growth make China more confident of its abilities.

Dr Sebastian Bersick, EIAS Senior Research Fellow, said that there could be a tendency to forget that the peaceful re-unification of Europe was an example for security policy worldwide. What would be China's attitude to the Helsinki Process (which seeks to implement the 1975 Helsinki Accord that links security between States to respect for human rights). Would there be a role for Poland or the other countries to try and promote the Helsinki Process in East Asia. Bo Jonsson, Consultant, noted that China had keenly followed the events in Eastern Europe during the 1989-1990's period and, therefore, what prospects would there be for the development of civil society in China. Richard Nobbs, European Commission (Retired), wondered whether the EU10 favoured a greater role for a common EU foreign policy in the Constitution, in part to help deal with China's growing foreign policy.

The Speaker in Reply

H.E. Mr Burski said that although trade matters were generally dealt with by Brussels, the Polish Ministry of Economy and private businesses had expressed bilateral concern on issues including textiles, shoes and strawberries. Poland has a bilateral dialogue with China on intellectual property rights, most recently on medical devices. Beijing is upgrading the economy to bring higher standards across all sectors both in co-operation with foreign partners and also by developing their own basic research centres. With 20m students in China, they are expecting fast progress.

When the Helsinki Process started, China was quite critical but they have since accepted the idea. However, it is unlikely to be repeated in East Asia especially as China has its own value system. China is studying the Polish civil service, our agricultural problems and the difficulties transferring workers between sectors.

Deng Xiaoping dared to change society, moving away from strict ideology towards a more pragmatic approach. Developing civil society in China will be a long process. Deng said that to establish civil society you need the rule of law and group interests. Direct elections have been introduced at village level and in some towns with varying degrees of success. In 2005, the government recorded 87,000 incidents of local protests on land, safety, labour, pension and environment concerns - in effect, people campaigning for their rights. There is a need for a common EU foreign policy and debate in Poland on the Constitution is ongoing. China noted Europe's lack of a common policy when it came to Iraq and wished the EU would speak with one voice. One analyst predicted that, by 2020, there will be two superpowers (the USA and China) and six medium powers (Japan, France, Germany, Russia and India). Some of these may side with China in a loose partnership, other might be neutral. This could also demonstrate the need for a common EU voice. ■



Opportunities and challenges for local democracy in India and China:

by John Quigley

Addressing issues and similarities in local democracy movements in India and China, Dr George Mathew told a lunch briefing of the European Institute for Asian Studies (EIAS), on 10th May, that if the example of India could be applied to China then the impact of local elections may provide the catalyst for wider change. Dr Mathew is the Director of the Institute of Social Sciences in Delhi and has made a comparative study of local elections in India and China. The meeting was chaired by Dick Gupwell, Secretary General, EIAS.

Dr Mathew said that the population of India today was approximately 1.1bn people and that, in a ten year period, the equivalent of the populations of Canada, France and Germany had been added. Although difference between urban and rural areas remain, there was a literacy rate of 76% among males and 54% among females. An estimated 300m people live below the poverty line, not just in terms of less than US\$1 per day but also in terms of India's definition with deficient calorie intake, clothing, shelter and drinking water. India has twenty two official languages and the tribal minority makes up around 7.5% of the population and the caste system another 15%.

After the arrival of the British in India, local bodies for towns were established, in 1681, firstly in Madras. Then, in May 1882 local self government was proposed, starting with municipal authorities. In the 1930's and 1940's, village republics were being developed following the idea of Gandhi with the principle of being self-reliant but interdependent. This became the forefront of the independence movement. When the Indian Constitution was adopted, the system of the panchayat was outside the main body of the text. In the late 1950's, a three tier panchayat system came into existence, feeding into Gram Sabha (village assembly) and up to the Lok Sabha (people's assembly/Parliament). Since 1978, panchayati raj has been seen as more than a development body and has evolved into a political institution in its own right.

Following the 73rd Amendment in 1992, panchayats and municipalities would become institutions of self-governance in Part IX of the Constitution. This required all Indian States to pass enabling legislation including panchayats in local government structures. This system was only extended into tribal areas in 1996. Seats are filled by direct election every five years, although some seats are reserved for scheduled

castes and tribes. One third of seats are reserved for women. The elections in each State are monitored by an Independent Election Commission. The panchayats collect local taxes and also receive funds from the State government and grants from the federal level. Within each State, a Finance Commission regulates adequate financial resources for both panchayats and the municipalities. By delegating power, authority and responsibility to panchayats India has widened the democratic base.

Between two Houses of Parliament, 28 State assemblies, district and village councils, an estimated 3m people now hold some kind of elected representative position. Within 537 district panchayats, electing 12,000 representatives, approximately 41% are women, 18% from the scheduled castes and 11% from the tribal areas. Within 6097 intermediate-level panchayats, an estimated 110,000 people are elected and from 34,6767 village-level panchayats some 2m people are elected. At this level, one representative typically has 340 people in his/her constituency or about 70 families.

The representative electoral structure within India of Union-State-district-block-village has delivered a series of achievements in terms of local democracy. Participation of formerly excluded people has increased, the participation of women in public life offers a new perspective to many social problems, local democracy has improved, there has been a decentralisation of planning for development and elected representatives are now being trained in governance and democracy principles. Also, these local-level bodies often provide a nursery for future political leaders at a higher level.

In China, the Standing Committee of the 9th National Congress adopted an organic law on village committees in 1998. In recent elections, some 70% of those elected belonged to the Communist Party meaning just under one third of the new representatives were neither Party officials nor mandated by the Party. Within the last ten years, we can witness a kind of democratic flowering across China. In 1993, Chinese officials were brought to West Bengal through the Institute of Social Sciences and they expressed surprise at the range of parties and politicians and the nature of the electoral contest.

After various study visits to China, which began in 1992, some common issues between local government in India and China can be identified. Firstly, the pull of centralisation. When production teams were dismantled in China it was thought that this might leave a vacuum and that local officials might be needed. However, the Party intervened in 1993 arguing against the devolution of power and the same mindset can be seen in India from government bureaucracy at most levels. Secondly, violence in society can target elections with



vested interests arising from village leaders, clans and business people. Equally, election-related violence in India killed 96 people in a recent panchayat election in the State of Bihar.

Thirdly, the rise of corruption has started to register with the authorities in China. In 1992-3, the official answer was that corruption in China did not exist but, by November 2003, officials openly admitted that it was a major problem. Although the problem exists also in India, at least there is more transparency and accountability of officials. Fourthly, the participation of women is not high enough in either India or China, where indeed it is practically nil. Some kind of affirmative action may be needed.

Fifthly, there are usually four steps towards a normal election including an open nominating process, the sharing of views through campaigning, secret ballots and the strict monitoring of counting. Generally, village-level elections in India will meet several of these criteria however, in China, the Party retains control over most of them in fear of losing control of the direction of society.

Questions and Comments

Dick Gupwell, EIAS Secretary General, wondered what impact the development of the panchayat system has had on the caste system. Have these elections helped the position of women and do panchayats actually improve the development of villages in terms of schools or water and sanitation services. Are there any Indian States that have not adopted a law regulating panchayats elections. Has there been any assessment of just how much of a training ground local elections are for politicians to a higher level.

Bernard Jarzynka, EuropeAid, European Commission, wondered how much local democracy structure in China merely reflects the structures of the Communist Party or would it be true to say that some kind of opposition grouping is forming. Bo Jonsson, Member, EIAS Administrative Board, questioned whether local government was endangering foreign investment. There would be a risk that companies could try and circumvent local government and this may limit the exercise of power by panchayats. Joao Silva Maia, European Parliament, noted that as panchayats have the power to regulate economic planning and investment, would there be competition between them to attract investments.

Dr Willem van der Geest, EIAS Director, noted that village elections in China are poorly conducted with upwards of 40% not being considered democratic at all. The European Commission supports programmes assisting village democracy in China but is this a valuable policy or just meddling. Mariella Franz, Hanns-Seidel-Stiftung, Brussels, said that the

development of civil society needs adequate human resources and training. Are there shortages of people to help build local government.

The Speaker in Reply

Dr Mathew said in reply that India's hierarchical system has been in place for centuries and will take some time to change. However, at local level, villages have the opportunity to meet regular with an elected representative and although some higher castes are still prepared to kill to keep lower castes out of politics, elections have improved the plight of untouchables somewhat. In many cases, where women are elected they are merely a proxy for a man. The State of Jarkand and the Union Territory of Pondicherry have not yet ratified a panchayat law. There are clear examples of where local government has become a nursery for leadership.

In China, approximately 70% of those elected at Village Committee level belong to the Communist Party, meaning the one party domination continues. There does not appear to be an alternative to that in the medium term. In India, the central government has been quick to promote economic development by handing out licences but there are cases where panchayats have refused some factories permission to operate.

Whether panchayats can compete with one another varies according to the level of literacy, economic development and the ability to mobilise public support. Companies have promised much to village representatives but often deliver a lot less. The Chinese Communist Party is trying to combine socialist democracy and economic market reform but it is hard to see how, in the long run, one Party can continue to dictate the rules. Perhaps local elections will be the necessary catalyst to produce change.

Thirty-five Indian States have Institutes of Rural Development and perhaps there could be a role for EU funding to build the capacity of these Institutes. Democracy in India has become part of the culture of the people and through civil society the citizen can obtain almost any information necessary. The growth of civil society has improved the transparency and accountability of government and may help reduce corruption. What China may consider developing is the Indian model of the District-level Ombudsman who can regulate these issues, otherwise Party officials are free to operate without sanction. ■



Conflict resolution in Sri Lanka: Dialogue on peace-building

by John Quigley

On 1st June, Mr Janaka Ranatunga addressed a lunch briefing of the European Institute for Asian Studies (EIAS) on conflict resolution in Sri Lanka and efforts to forge a multi-party stakeholder dialogue on peace-building. Mr Ranatunga is the Deputy Director of the One-Text Initiative in Sri Lanka and during the briefing he stated that international pressure on both the government and the Tamil Tigers is necessary to get both parties to the negotiating table. The meeting was chaired by Malcolm Subhan, Vice-Chairman, EIAS.

Sri Lanka, comparatively speaking is a small country in Asia, Mr Ranatunga said. The population is approximately 20m people divided into 75% Sinhalese, 15% Tamil and 8% Muslim groupings. The country only gained its independence from British rule in 1948, after a history of Portuguese and Dutch rule. Tamils, as the largest minority group in Sri Lanka, aspire to independence from rule from Colombo while the government is fighting to maintain a unitary State. After nearly 60,000 conflict-related deaths, there is no end in sight to the fighting.

The current situation demonstrates three elements namely the military conflict, the ethno-democratic facet and inter and intra-party disputes. Together, these three elements have evolved over a long period of time and independence in 1948 only aggravated tensions between the majority and the minorities. In 1931, the Donoughmore Commission proposed some electoral reforms but only served to endanger minority rights.

During the 1940-45 period, there was a tussle between southern-based parties and parties in the north over the campaign for independence and a proposed new constitution. Although the constitution did have a provision on the protection of minority rights, after the first election in 1948, the ruling United National Party (UNP) brought in a Citizenship Act, depriving Indian-Tamils of their rights. By 1949, the Federal party had become the sole party in Tamil areas and this position in the North and East was consolidated by 1956. Communal riots began to feature in 1978 and by 1983 this had evolved into killings and disappearances. In July 1983, thirteen soldiers were killed by the Liberation Tigers of Tamil Eelam (LTTE) representing a major turn for the worse in the conflict. Tamil parties meanwhile had created the Tamil United Front to face the political challenges created by the majority-rule political system.

During the first phase of the Eelam War, between 1983 and 1987, thousands of Sinhalese civilians were killed

by Tamils, leading to a state of civil war and State oppression. In 1987, following an agreement between the Indian and Sri Lankan governments, under Rajiv Gandhi and J. R. Jayawardena, Colombo introduced a new kind of devolution with provincial councils. Although the LTTE very hesitantly accepted the agreement they still agitated for more devolution and this led to the second phase of the Eelam War, between 1987 and 1994. This period saw President Ranasinghe Premadasa assassinated in May 1993 and a UNP presidential candidate killed in 1994. At this time, Chandrika Bandaranaika Kumaratunga came to power with a peace mandate but, after four months of talks, the LTTE broke off negotiations and started the third phase, between 1995 and 2001. Again, thousands of civilians were killed.

This situation forced the Sri Lankan government to give some thought to a federal structure and, during 2000, the government drafted a proposal for a union of regions. However, this did not appeal sufficiently to the Tamil minority. In 2001, Elephant Pass, in the north, was over-run by the LTTE and the airport and Central Bank in Colombo were attacked. Also in that years, the opposition UNP came to power and they signed a peace accord with the LTTE, which led to six rounds of talks. A conference was organised for Washington in 2003 but as the Americans had proscribed the LTTE they could not attend and so called off the talks. The ceasefire remained in place and despite some violations largely remained in force. There have been some rounds of talks in 2006 following the election of President Mahinda Rajapaksha in November 2005. However, the low-intensity war has resumed and while the United Nations was apparently considering proscribing the LTTE, this has now passed.

One-Text Initiative, Mr Ranatunga said, was launched in 2004 by peace activists who wanted to provide a track two forum for contact as it became clear that the official level was not making any progress. The Initiative aims to build relationships between the various parties to the conflict and seeks to cultivate this process rather than try and propose any specific solution. If a single document can be acceptable to the government, the Tamils and the Muslims then the Initiative will have found a basis for negotiations. Although the conflict has many causes, One-Text Initiative tries to divide the issues into smaller components to facilitate problem solving. The government and opposition parties, the main Tamil party, Muslim parties and representatives from civil society all take part in the Initiative. The process is supported by USAID, Norway, the Friedrich Ebert Stiftung, DANIDA, DFID and Switzerland, amongst others. The Initiative will work with any grass roots organisation active in peace-building and will try and enhance their capacity to engage in consensus-oriented dialogue to help build a just and equitable society in Sri Lanka and in South Asia.

Questions and Comments

Malcolm Subhan, Vice-Chairman, EIAS, wondered where there specific examples of the work of the One-Text Initiative and whether this had made any impact of the crisis. Bo Jonsson, Consultant, pointed out that there was a small Tamil minority working in Sri Lanka's plantation sector whose citizenship status was resolved during the 1980's. Where representatives of these people involved in the Initiative or could they function as a bridge to the wider Tamil community. Bernard Jarzynka, EuropeAid, European Commission, wondered whether there was a role for the Commonwealth Secretariat in facilitating dialogue. Also, would Tamils have joint Indian and Sri Lankan citizenship or just Sri Lankan.

H.E. Mr K. J. Weerasinghe, Embassy of Sri Lanka, commented that the problem of the State-lessness of the Tamil plantation workers had been resolved in the 1980's by granting them citizenship. Although they may continue to have economic grievances as a group, they are not politically active. On 30th May 2006, the Co-Chairs of the international donors group met in Tokyo and reaffirmed their support to the peace process. Mr A.K.K. Pereira, *Chargé d'Affaires*, Mission of Sri Lanka, added that with the universal franchise, the plantation workers are entitled to vote and they are part and parcel of the mainstream democratic process. Prof Bruno Coppieters, Vrije Universiteit Brussel, wondered whether the action by the EU to proscribe the LTTE organisation, although not the leaders, would make the negotiation process more difficult. Romit Jain, International Crisis Group, noted that as a result, the LTTE may no longer see the EU as a neutral arbiter.

The Speaker in Reply

Mr Ranatunga said that the focus of the work of the One-Text Initiative was not necessarily to produce an over-arching agreement but rather to ensure that all parties to the conflict could get together and continue negotiating in an informal setting. Until the official track starts to produce results, the Initiative will keep some measure of dialogue going by involving upwards of 100 people from all the involved parties. The main plantation workers' parties, the Ceylon workers Congress and the Upcountry Peoples Front, are also involved. Unfortunately, the Commonwealth Secretariat is not really co-operating with us. All Tamils have Sri Lankan citizenship. The proscription of the LTTE took place because the rebels do not really care what the international community thinks. Political pressure is useful because it may force them back to the negotiating table. Certainly, whatever sanctions may be enacted should not target ordinary Tamils and not completely isolate the LTTE. Equally, the government must address the extra-judicial killings that take place in government controlled areas. ■

Local Democracy and Civil Society Development in Asia

by Dr Xiaokun Song

On 1st June 2006, the Konrad Adenauer Stiftung (KAS) and the European Institute for Asian Studies (EIAS) co-organised a workshop on local democracy and civil society development in Asia. Representatives of NGO leaders from four different Asian countries, Ms Chen, Director of the International Liaison Department of Shaanxi Women's Federation (China), Dr Sosmeña, Director of the Local Government Development Foundation (Philippines), Mr Kusumahadi, Director of USC-Satunama (Indonesia), and Mr Monychenda, Director of Buddhism for Development (Cambodia), made presentations

These presentations ranged from the status and perspectives of democratic development in their respective countries, possibilities of promoting local participation as an instrument for socio-economic development and poverty alleviation, to potential and limits of co-operation between Europe and Asian non-State actors in democracy promotion and development co-operation.

The EU: promoting democracy in Asia

Opening the workshop with a brief introduction of the speakers, each representing KAS's local partners in the respective Asian country, Mr Denis Schrey summarised KAS's long-term engagement in the region for the promotion of civil society and local governance. As a follow-up to the speakers' previous discussions with officials at the Commission, Parliament and Council, the workshop aimed at generating more profound insights and reflection on the question, "What role should the EU play as an external actor promoting democracy and local governance?" Despite the observation made by scholars that democracy does not happen in "an international vacuum" and that international factors remain salient in the process of democratisation, the international dimension of this process remains still an under-researched area. Discussions in this workshop addressed relevant issues on the role of the actors and strategies for fostering democracy from abroad.

Based on reviews of the development of civil society in their respective countries and their long-term working experience as NGO entrepreneurs, all speakers stressed the importance of understanding the domestic political, socio-economic, historical and political cultural conditions and therefore the necessity for external actors to sensitise to the local contexts when promoting and transmitting Western style democratic values. The

promotion of democracy thus contextualised would require the translation and reinterpretation of the universal values embedded in the Western style of democracy into language and symbolism understandable to Asian people.

For instance, when speaking of the situation in Cambodia, Mr MonyChenda observed the importance of Buddhism to the cultivation of a healthy political culture in his country. Buddhism, in his view, was “one wheel of the two-wheeled chariot” that carried the Cambodian society forward and, with its stress on the inner freedom of individuals, Buddhism had since long been playing the role of civil society. When putting the development in Cambodia in the global context, Mr MonyChenda also raised doubt on the optimistic view on the levelling off effects of globalisation processes according to which globalisation would lead to global harmonisation. Instead, he argued that while globalisation processes generated greater integration, they also led to strengthening of local identity and rise of nationalism, especially given Cambodia’s past colonial experience. When promoting democracy and human rights, Western partners therefore needed to avoid creating fear of neo-imperialism.

While Ms Chen and Dr Sosmeña gave a generally positive account of the political reforms, social transformation and the civil society development in China and the Philippines, Mr Kusumahadi and Mr. MonyChenda tended to focus more on the daunting challenges in Indonesia and Cambodia, respectively. Despite some progresses in recent years, post-Suharto Indonesia and post-Khmer Rouge Cambodia still lag behind in their reforms of political infrastructure and legal systems and the political culture conducive to democratic consolidation remains weak. Moreover, Indonesia is confronted with problems of corruption and political violence fused by the fundamentalists.

All speakers agreed that the EU has a positive and significant role to play in the democratisation processes in Asia, either through knowledge and experience transfer or concrete co-operation projects. However, the EU should pay more attention to guarantee the sustainability of its input in the region. In their interaction with the EU, the speakers also stressed the need for local NGOs and civil society organisations to assume greater responsibility, enhance efficiency, and ensure transparency so as to bridge the gap between the elites’ political will and the demands and needs of the general public.

Questions and Comments

Dr Willem van der Geest, EIAS Director, questioned the nature of the relationship between NGOs such as the SWF and the Chinese government and the ruling Communist Party of China (CPC). Commenting on the current political infrastructure in Indonesia, Dr van der

Geest pointed out that the weak representative system was not the only problem to be addressed, but that the political system was equally being challenged by problems from all fronts. Dr Sebastian Bersick, EIAS Senior Research Fellow, noted that a number of channels had been created to promote dialogue and co-operation between Europe and Asia, such as the EU-ASEAN dialogue and the ASEM process. Considering the limited involvement of civil society actors in these largely top-down institutionalised channels, Dr Bersick wondered how civil society could play a bigger role in the democratisation process of EU-Asia relations.

Dr Bersick noted that despite new developments in the ASEM process, where official channels had opened up to lobbying, an overall ‘social dimension’ to the process still needed to be introduced to institutionalise and incorporate the input from civil society actors. Apart from the need to integrate civil society into the existing official mechanisms, he considered the work already undertaken by existing civil society networks such as the Asia-Europe People’s Forum vital as they created opportunities for civil society actors from Asia and Europe to co-operate on a common agenda.

Responding to Dr van der Geest’s question on the relationship between China’s NGOs, the Chinese government, and the CPC, Dr Xiaokun Song, Research Fellow, Vrije Universiteit Brussel, briefly summarised the on-going academic debate in China on the State-society relationship currently under transition. While some scholars applied Western theories of civil society to empirical investigations and argued for the establishment of norms and legal reforms to ensure the structural independence of Chinese society (or the need for such independence) from the State, others rejected the applicability of the civil society paradigm to the analysis of Chinese reality because of its emphasis on an autonomous civil society and its separation from the State which had never before existed in Chinese history.

The latter scholars instead suggested corporatism as a more suitable theoretical framework as it could better reflect Chinese society’s strong dependence on the State. Consequentially, despite the tremendous progress made in recent years, civil society organisations remained largely under State control, either by means of financial resources or legal restrictions.

This, Dr Xiaokun Song added, led to a monopoly of government-organised NGOs (GONGO) in many areas of civil affairs and limited the opportunities for expansion for genuine grass root NGOs, 80% of which are still illegal by official standards. Echoing the speakers’ emphasis on the impact of local history, culture and institutional set-ups on the development of civil society, Dr Song further stressed the need to contextualise discussions of democratisation within the

“Asian values” debate of the 1990s and questioned whether it was possible to identify any Asia-wide commonalities within the grass roots democratisation processes.

Dr Dongsheng Di, Research Fellow, Renmin University of China - Vrije Universiteit Brussel, gave a number of explanations for the current step-by-step approach to democratisation by the CPC. He stressed that Europe should uncouple the promotion of the universal values of democracy from the promotion, or imposition, rather, of the Western political system.

Replies by the Speakers

Positive on the prospect of Asia-Europe co-operation at the level of the civil society, Mr Kusumahadi re-emphasised the importance of scrutinising the internal governance of civil society and of maintaining a high level of performance since not all NGOs effectively contributed to democratisation. Speaking about the Philippine experience, Dr Sosmeña argued that a complete separation between State and society was never possible. In practice, the division between GONGOs and NGOs remained blurred. An ideal balance between State and society would be reached if the government continued to play a regulative and restricting role while NGOs augmented their legitimacy through more efficiency and accountability.

Ms Chen equally stressed the importance of the local context to democratisation, saying the local context might determine the concrete forms of democracy adopted. Speaking from experience, she pinpointed the progress made in China in the decade-long village-level grass roots elections. Despite existing challenges, the CPC had been active in promoting political participation, especially with regards to equal participation by both genders. Differences between GONGOs or grass-root NGOs aside, all Chinese NGOs suffered from a shortage of human resources, Chen added. Inputs from European partners like KAS therefore remained indispensable to the healthy development of local democracy and governance in Asia.

Equally, calling for greater European input, Mr Monychenda agreed with Dr Di’s comments and cautioned the EU against putting the principle of democracy into an ideological straight jacket. The promotion of democratic values and human rights could only be enhanced through open dialogue and mutual understanding, Mr Monychenda said. ■

Dr Xiaokun Song is a Senior Research Fellow at the Institute for European Studies at the Vrije Universiteit Brussel. She is also an Associate Research Fellow with EIAS.

North Korea and the six-party multilateral talks

by John Quigley

Despite expectations to the contrary, international opinion that China should do more to pressure North Korea to engage in the six-party talks, may be misplaced as China may well prefer the *status quo*. On 20th June, Dr John Park presented the findings of government interviews on the conduct of the international six-party talks to a lunch briefing of the European Institute for Asian Studies (EIAS). Dr Park is the Project Leader of the North Korea Analysis Group at the John F Kennedy School of Government at Harvard University. The meeting was chaired by Dr Willem van der Geest, Director, EIAS.

The purpose of the interviews, Dr Park said, was to get underneath the context of the six-party talks - involving North and South Korea, China, Japan, the United States and Russia - and move beyond the information in the public domain which can be of limited value. The interviews were conducted with government officials directly involved in policy formulation and implementation. For example, in the United States this included advisers in the State Department, the Defence Department and the political affairs section of the US embassy in Beijing. In North-East Asia, most of the policy advisers interviewed with not North Korea specialists but chiefly dealt with US policy.

By establishing a framework for analysis, it was possible to identify the various national interests of the regional powers in North-East Asia. From the framework, it is possible to identify that the main driving force of engagement with North Korea is through economic co-operation. Also, the six-party talks process has evolved into two elements with, on one side the United States and Japan focussing on security issues and, on the other side, the remaining countries pursuing economic ties.

The six-party talks might benefit from adopting a three stage road map towards a settlement of the North Korean question. Firstly, China’s Vice-Foreign Minister could conduct a series of meeting to propose a series of objectives for the talks. Secondly, these draft objectives could be formalised, within a multilateral framework, into a Treaty of Beijing. Thirdly, the multilateral institutions will be tasked with implementing the terms agreed in the Treaty. The institutions would need to examine, for example, the irreversible nuclear roll-back. Another institution could focus on economic development.

The results of the interviews highlight that the United States does not think that the six-party talks process



has got off the ground. The US is focussed on ensuring demilitarisation first and then moving towards substantive talks. China, in contrast, thinks the talks are well underway although Beijing is more focussed on the process rather than securing any immediate outcome. This also approximates the South Korean outlook. Japan is stuck at the start of the talks process within the context of abducted Japanese citizens and the absence of any substantive ties to the Pyongyang regime. Russia appears to be the outsider to the talks with little to offer the process and they do not consider that substantive talks have yet begun. North Korea's current outlook suggests they continue to see US policy towards the regime as hostile and particularly so on the economic front.

In terms of the objectives of conducting negotiations, the United States seems prepared to exhaust diplomacy despite the current futility of talks and the absence of any agreement. Japan is trying to create momentum on the abduction issue meaning progress in the talks is unlikely until that objective is resolved. There may be some merit in studying the 'Ukrainian model', Dr Park said. After the collapse of the Soviet Union, Ukraine inherited a substantial number of nuclear warheads and missiles. However, in an example of multilateral co-operation, Russia and the USA put together a package of incentives for Ukraine to surrender its nuclear weapons. Equally, in the 'Libya model', Tripoli faced heavy sanctions after the 1988 Lockerbie plane explosion and subsequently tried to start an enrichment programme. Libya surrendered the programme in order to get access to financial assets frozen overseas.

For as long as significant policy differences continue to exist between US and Chinese objectives towards North Korea then a final agreement is unlikely. This offers Pyongyang enormous room for manoeuvre and allows the crisis to continue. Various actors believe that China has the political, military and economic capabilities to pressure North Korea. However, Beijing is worried that if the regime collapses, there would be a flood of refugees across the border. China's concern is not about the volume of refugees but their ethnic make-up spreading into the neighbouring three Chinese provinces. Thus, for the moment, China feels that the *status quo* is probably the best policy.

Part of the *status quo* is ensuring that Chinese aid continues to arrive in Pyongyang. In 2002, China strategically decided to increase substantially its aid supplies to North Korea to help feed the army thus ensuring its continued loyalty to Kim Jong-il. China is also concerned about maintaining energy supplies from North Korea to fuel its huge demand for fuel and raw materials. And, for China, the prestige of the six-party talks offer to Beijing compared to Washington, the prestige that by acting within a multilateral process, China can also comment that its 'rise' is genuinely peaceful.

From this, Dr Park said, two guiding principles in China's policy towards North Korea are apparent namely, non-interference in the internal affairs of another State and, secondly co-operation in a multilateral process is useful for China's image. Within a strategic framework, Chinese policy pursues non-proliferation in Asia, a peaceful settlement of the nuclear issue, stability on the Korean peninsula and allowing for some consideration to Pyongyang's security concerns. Without being seen to push North Korea, China is keen to guide them towards a settlement of the crisis and, if possible, without US intervention.

South Korea's rationale for engaging the North is very different. The Kaesong Industrial Zone is the embodiment of the South's policy of economic engagement through 'peace and prosperity politics'. However, this practice suggests that the South should reconsider its Sunshine Policy as it hurts Seoul's international image and credibility. The US Commerce Department has expressed concern, for example, about the implications of technology transfer to the North. The South has been classified by the Americans as a 'transitional ally' meaning the US is unsure which direction South Korea policy will take in the future. In contrast, Seoul tends to see the policy as helping defray the eventual costs of re-unification.

Questions and Comments

Bram Brands, European Commission, asked whether it was true that the Chinese have, in the past, cut off oil supplies to North Korea in order to force them to continue with the six-party negotiations. Recalling the statement that China might prefer the *status quo* over North Korea, what would be the US view, especially if the North gave up its nuclear programme. In such a scenario, Pyongyang would not have any leverage in the talks. Dr Soyoung Kwon, European Parliament, wondered if the speaker could elaborate on the methodology of the interviews and state in what kind of timeframe they were carried out.

Tor Dahlstroem, Norwegian Ministry of Foreign Affairs, noted that delegations of officials have frequently visited China to study the reforms underway. Although they have studied the theory, they lack any context to actually be able to implement it in practice. There may be a role for international assistance to help the North Koreans bridge that gap. Roger Helmar, Member of the European Parliament, said a visit to North Korea had left him with the impression that the economic situation was unbelievably bad and that without the rule of law or the right to property the economy would never develop properly. Despite the concept of *juche* (self reliance) it is clear they need international aid to survive. It is unlikely that aid from South Korea will transform the North but it should allow for small pockets of



development and as the regime is focussed on survival these pockets may offer some hope for a different future. Dr Sebastian Bersick, Senior Research Fellow, EIAS, noted that a former UK Presidency of the EU Council had tried to normalise Member States' relations with the North in 2000. Yet, many analysts in the USA want to break off all ties so what should the EU position be now.

The Speaker in Reply

Dr Park said that when China did cut off fuel supplies they told Washington they had the situation under control and Pyongyang that it was a technical problem and that later they would get more oil. If North Korea does test its long-range missile as planned, many believe that would damage China's standing rather than affect America.

In terms of methodology, the interviews were conducted under a uniform framework for analysis giving an overall picture of responses. Interviewers had track two meetings with North Korea officials in Washington and concluded that China probably has the least worst information on what is happening in the North. The US has pursued a policy of hawk engagement, insisting now that diplomacy has failed and that other countries should adopt sanctions against the regime. Due to the abduction issue, Japan has similar views to the US and Tokyo may be altering its military forces fundamentally.

North Korea has always been a failed State in economic terms and, in line with the *juche* concept, outside aid is labelled a 'tribute' to Kim Jong-il. Economic reform has failed completely and it seems they are returning to the voucher system. For China, economic integration with the North happens on a province to province basis. Any true resolution to the nuclear crisis will mean that North Korea will have to be integrated into the region and this is a long way off.

China, South Korea and Russia are prepared to live with a nuclear North Korea if other parts of a settlement package are in place. On the other side, the United States completely opposes a nuclear North and holds up United Nations and Asian Development Bank assistance to the country. The financial sanctions the US imposed have really hurt the elite and the North reacted by stopping the talks while asking the South and China for increased aid. If China is not able to resolve the missile test threat, then their work to date will have been tarnished. The EU could have a large role to play, especially by co-operating with China and assisting their policy of engagement. The EU could, for example, support the Tumen River Area Development Programme, which involves Russia, China, North and South Korea and Japan. Otherwise, there could be a role for the International Atomic Energy Agency with the EU participating as neutral observers. ■

Iran: Intelligence for effective diplomacy?

- Continued from Page 5 -

Without detailed studies, there is a high likelihood that current US and EU diplomacy toward Iran will fail. The studies are essential in order to build international support for the negotiating process and for any outcomes from the negotiations. At present, diplomacy is premised too much on a desired technical outcome, and too little on a fine-grained analysis of Iranian strategic policy that might identify compromise points lying outside the scope of the technical negotiations.

What does Iran want from the EU?

To resolve this dispute there will have to be movement on non-nuclear strategic issues. For Iran, as for the USA, this dispute is clearly about more than a nuclear safeguards regime. Peaceful resolution of the dispute will depend completely on the ability of all parties to reach compromises on the non-nuclear issues. The EU must identify what it can deliver in the non-nuclear field that Iran will value enough to prompt it to shift its position on the nuclear issues.

The answer is not "economic assistance". If compromise is indeed possible, it will only be through detailed study of Iran's strategic motivations that the EU will find the answers. The Political and Security Committee of the EU, or one of the more open-minded Member States, such as Sweden, should commission that assessment. It should be completed in a short period, based on information sharing among EU Member States, and it should be made public. That assessment may of course conclude that Iran will never compromise on its right to nuclear enrichment. If that is so, then that poses a new set of questions. ■

Dr Greg Austin is the Founding Chair of the Asian Century Institute (ACI), London. ACI is a globally networked think tank publishing forward-looking assessments on how Asia will change the world and how the world will accommodate Asia in the coming decades.

Notes

* The US has made detailed charges against Iran on its support for terrorism in other ways. These are summarised in a Policy Brief, *Iran: Avoiding War amidst a Diplomacy of Hate*, published on 17th April 2006 by the Asian Century Institute, London, (<http://www.asiancenturyinstitute.org>)

** Testimony by William H. Luers, President, United Nations Association of the USA, before the Committee on Foreign Relations, United States Senate, 28th October 2003

*** *Iran: Security Threats and US Policy*