



## EAST ASIA AT THE CROSSROADS: A COMPARATIVE STUDY ON TAIWAN'S AND KOREA'S RECONCILIATION WITH ADVERSARIES

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### Abstract

Security and political issues over the Taiwan Strait and the Korean Peninsula remain as flashpoints in East Asia since WWII. In the aftermath of the Cold War, these two cases share certain similarities: each government wishes to maintain a relatively stable relationship with its adversary, namely, China and North Korea, despite ideological differences. Research in International Relations (IR) has shed light on how certain rivals gradually reconciled with each other throughout history. *Rapprochement* makes conflict unlikely between two foes. In the case of Taiwan and mainland China relations, economic interdependence and positive political and societal interactions contributed to *rapprochement* between the two under the Ma Ying-jeou administration, while North Korea continued to threaten the existence of South Korea in the Lee Myung-bak era despite the latter's provision of economic assistance.

The authors argue that economic interdependence, together with negotiations and the political will of top leaders to pursue peace and stability, create a virtuous circle across the Taiwan Strait. This research further explores whether these conditions exist in inter-Korean relations.

With identification of the conditions under which peace was maintained through these years, this comparative study provides policy suggestions for not only Korea and Taiwan, but also for the United States. *Trustpolitik*, as proposed by President Park Geun-hye, seems to be the right direction in which regional stability is more likely to occur on the Korean Peninsula, due

to its emphasis on nurturing goodwill with the North. This comparative study also provides lessons learnt from each other.

**Key words:** *Cross-Strait Relations, Inter-Korean Relations, Trustpolitik, Rapprochement, Economic Interdependence*

### 1. Introduction

Security and political issues over the Taiwan Strait and the Korean Peninsula remain as flashpoints in East Asia since WWII. In the aftermath of the Cold War, these two cases share certain similarities: each government wishes to maintain a relatively stable relationship with its adversary, namely, China and North Korea, despite ideological differences. This paper aims to explore and compare how the policy choices adopted by the two governments contributed to regional peace and stability, or the lack thereof.

Research in International Relations (IR) has shed light on how certain rivals gradually reconciled with each other throughout history. The conception of *rapprochement*, defined as a process to reestablish cordial relations between two previously hostile countries, is central to this research. *Rapprochement* makes conflict unlikely between two foes. In the case of Taiwan and mainland China relations, economic interdependence and positive political and societal interactions contributed to *rapprochement* between the two under the Ma Ying-jeou administration, while North Korea continued to threaten the existence of South Korea in the Lee Myung-bak era despite the latter's provision of economic assistance. In other words, globalization and trust worked

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together to achieve *rapprochement* across the Taiwan Strait, but were lacking in the case of the Korean Peninsula during the period of time under scrutiny.

Then, what are the factors behind a seemingly virtuous circle between Taiwan and China, in which economic interdependence seems to take roots in shaping top leaders' mindset and result in the absence of war since the 1990s? This is a question central to this research. The authors argue that economic interdependence, together with negotiations and the political will of top leaders to pursue peace and stability, create a virtuous circle across the Taiwan Strait. This research further explores whether these conditions exist in inter-Korean relations.

With identification of the conditions under which peace was maintained through these years, this comparative study provides policy suggestions for not only Korea and Taiwan, but also for the United States. *Trustpolitik*, as proposed by President Park Geun-hye, seems to be the right direction through which regional stability is more likely to occur on the Korean Peninsula, due to its emphasis on nurturing goodwill with the North. This strategy in turn may create constituencies within the authoritarian North Korean regime.

## 2. *Rapprochement* in Cross-Strait and Inter-Korean Relations

The study of war and peace has been central to IR scholarship. If a government believes that war is a constant in international affairs, then preparation for war and investment in defense seems to be the optimal policy choice. If peace is considered more likely to exist, then more trade and other economic activities are expected to follow.

One school of thought in IR, realism, has tended to deem war as the constant in world politics, and balance-of-power as a means that can help maintain peace. How to acquire and resort to “guns” rather than “butter” becomes crucial to understand and explain a world from a realist perspective. In other words, trade would give way to political antagonism between rivalries.

However, others in IR emphasize that maintaining peace despite war seems to be a constant in world affairs. In broader literature on peace research, *rapprochement* is defined as the reestablishment of bilateral relations between two rivals after a conflict. A school of thought in IR scholarship suggests that economic interdependence helps to sustain peace in the post-Cold War era.<sup>1</sup> Economic

interdependence, as Richard Rosecrance maintains, could help to foster peace among “trading states,” that usually see trading more profitable than invading.<sup>2</sup> And, the increase of communication resulted from trade would consequently nurture mutual trust in their dyadic relations. Thus, “butter” seems to be the main theme in world politics and the leadership of any given country should cooperate for mutual benefits.

Scholars who side with Rosecrance seem more sanguine to argue that the growing trade volume has played a crucial role in preventing direct conflict in the dyadic relations between two antagonist countries and the high volume of trade has helped to forge a strong interest in peace.<sup>3</sup> Though this sort of statement seems logically sound, many critics are suspicious of assertions of a causal relationship between trade and peace. While liberals argue that trade could lead to peace, the evidence also suggests that, in the face of deep trade relations with other European countries, Germany still engaged in WWI and WWII. In addition, by considering a snapshot of the level of trade relations at a single point in time, the causal arrow could be reversed so as to suggest that it is peace that leads to trade.

Cross-Strait and inter-Korean relations provide the case in point to test the validity of the realist and liberal respective arguments about war, peace, and economic interdependence. For one, if realism holds true that political and security considerations trump economic ones, then political antagonism would precede economic interdependence and there should not have been economic interactions between mainland China and Taiwan. If liberals are right about the positive effect that trade leads to peace, then both sides of the Korean Peninsula should have been closer with less degree of political antagonism. Nevertheless, these two cases seem to provide a way of thinking that can further integrate the liberal and realist perspectives. In other words, these two paradigms are not inherently in conflict with each other, especially when we are conducting problem-solving research that aims to respond and deal with war and peace – the real world problem. The arguments of economic interdependence and societal exchanges fit in to liberal thinking, and issues regarding political will of leadership relate to the realist tradition. Only with a mutually complementary view of these two paradigms, can we better understand war and peace.

Most current studies adopt this complementary view to explore “how” to facilitate peace between two rivals. Miles Kahler and Scott Kastner investigated the conditions under which economic engagement strategies worked best to change target countries'

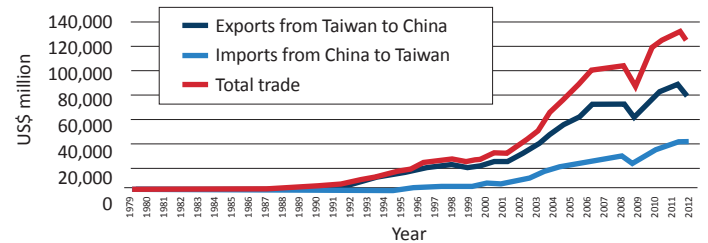
policy behavior.<sup>4</sup> They suggested that economic engagement policies are more likely to succeed in changing the target country's policy when there is a broad consensus within the initiating country, along with the fact that the target is a democracy. In other words, regime type matters when economic interdependence is considered a tool to achieve political goals. Cross-Strait and inter-Korean relations between 2000 and 2006 were the main focus of their research.

As part of the analysis of bilateral interactions, other scholars and analysts employ different IR theories to demonstrate how economic cooperation between Taiwan and mainland China has steadily led to peace across the Taiwan Strait, while realism seems to dominate, once and again, in the inter-Korean relations under the Lee Myung-bak administration.<sup>5</sup> According to Hyug-baeg Im and Yu-jeong Choi, functionalism and neo-functionalism are contributing to stabilizing cross-Strait and inter-Korean relations, and yet constructivism in the former and realism in the latter are responsible for setbacks.<sup>6</sup> In other words, the paradigm shift in top leaders' mindset is a necessary condition for rivals to escape the security dilemma and to facilitate cooperation.

A more nuanced evaluation on Taiwan's mainland China policy under Ma Ying-jeou and South Korea's North policy under Lee Myung-bak advised that the two-level game theory constituted an indispensable part. Both countries need to deal with the regional context set by the United States while leaders are required to respond to domestic challenges from opposition parties.<sup>7</sup> Steve Chan and his colleagues put greater emphasis on the international setting than domestic politics, wherein Ma's mainland China policy worked to preserve peace because the U.S. preferred a relatively stable relationship with China, and Lee's policy was highly constrained by Bush's hostile policy toward the North. Nevertheless, U.S. support also helped both governments to ward off domestic oppositions and criticisms.

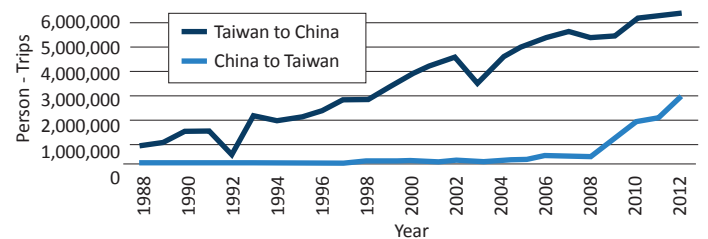
From the aforementioned research, the relationship between war, peace, and economic interdependence deserves further exploration in considering overall cross-Strait and inter-Korean relations in recent years. This essay accepts the liberal assumption that economic interdependence can serve to change state preferences and to raise costs of conflict, thus potentially altering state behavior. However, while the liberal view adopts a snapshot analysis that focuses on a single point of time in which trade coexists with peace between two players, we argue that political will for cooperation as another variable may also serve to stabilize the current cross-Strait relations. Economic interdependence,

Figure 1: Cross-Strait Trade Relations, 1979-2012



Source: Data compiled from Mainland Affairs Council, *Cross-Strait Economic Statistic Monthly* (various years).

Figure 2: Visits Across the Taiwan Strait



Source: Mainland Affairs Council, *Summary of the Exchanges across the Taiwan Strait, 2013.4* (<http://www.mac.gov.tw/public/Data/364179671.pdf>, accessed 2013/6/5).  
 \*Taiwan's visit to China in 1992 is not available.

along with negotiations and the political will of top leaders to pursue peace and stability, create a virtuous circle across the Taiwan Strait and may shed light on inter-Korean relations.

### 3. *Rapprochement* in Taiwan-China Relations, 1987-2012

Since late 1987, societal level interactions have contributed to gradually transform the cross-Strait relations. These interactions have two major components: trade and personal visits. Economic ties remain crucial to peace across the Taiwan Strait. Figure 1 indicates the trading relationship between Taiwan and China from 1979 to 2012. The increase of trade volume between the two foes creates a common interest across the Taiwan Strait. When mainland China began to reform economically in late 1978, cross-Strait economic relations improved significantly. From 1979 to 1987, Taiwan's export to mainland China has increased from US\$21.47 million to US\$1,226.5 million. Total trade between Taiwan and China increased from US\$77.76 million in 1979 to US\$1,515.4 million in 1987. This number reached US\$127.56 billion in 2012.


**Appendix 1: Chronology of Meetings between Taiwan and Mainland China, 1991-2013**

No.	Name of Meeting	Date	Place	Subject	Chief Negotiators	Results
1	1 <sup>st</sup> Chen-Tang Talks	Apr. 28 -May 4, 1991	Beijing	Discussion of procedural issues related to cross-Strait joint prevention of maritime crime	C.V. Chen, Tang Shubei	Established a cross-Strait communications channel and exchanged opinions on relevant issues
2	2 <sup>nd</sup> Chen-Tang Talks (Meeting on Procedural Issue Related to Cross-Strait Joint Prevention of Maritime Crime)	Nov. 4-7, 1991	Beijing	Discussion of procedural issues related to cross-Strait joint prevention of maritime crime	C.V. Chen, Tang Shubei	The two sides extensively exchanged views on cooperation areas and held substantive discussions on the place and time, without achieving concrete results
3	Koo-Wang Talks	Apr. 27-29, 1993	Singapore	Discussion and finalization of the four agreements to be signed by SEF and ARATS	Koo Chen-fu, Wang Daohan	The two sides sign four agreements: the Agreement on the Use and Verification of Certificates of Authentication Across the Taiwan Straits; Agreement on Matters Concerning Inquiry and Compensation for [Lost] Registered Mail Across the Taiwan Straits; Agreement on the System for Contacts and Meetings between SEF and ARATS; and Joint Agreement of the Koo-Wang Talks
4	1 <sup>st</sup> Chiao-Tang Talks	Jan. 31-Feb. 5, 1994	Beijing	Discussion of how to implement the "Joint Agreement of the Koo-Wang Talks" and issues for follow up routine meetings	Chiao Jen-ho, Tang Shubei	1. The two sides issue the "joint press release by Mr. Chiao Jen-ho and Mr. Tang Shubei."; 2. "Measures on Facilitating the Entry and Exit of SEF and ARATS Personnel" are finalized
5	2 <sup>nd</sup> Chiao-Tang Talks	Aug. 4-7, 1994	Taipei	Discussion of SEF and ARATS affairs and routine consultation issues	Chiao Jen-ho, Tang Shubei	The two sides issue the "joint press release on the SEF and ARATS Taipei Talks"
6	3 <sup>rd</sup> Chiao-Tang Talks	Jan. 21-28, 1995	Taipei	Discussion of SEF and ARATS affairs, routine meeting issues, and cross-Strait exchanges	Chiao Jen-ho, Tang Shubei	The two sides extensively exchange views
7	Shi-Zhang Talks (Talks between officials in charge at SEF and ARATS to decide the agenda of the Koo-Wang Meeting)	Sep. 22-24, 1998	Beijing	Discussion of the agenda for the Koo-Wang Meeting	Shi Hwei-you, Zhang Jincheng	The two sides reach a decision on the agenda for the Koo-Wang meeting
8	Koo-Wang Meeting	Oct. 14-18, 1998	Shanghai, Beijing	Dialogue with Wang Daohan, Chen Yunlin, Qian Qichen and Jiang Zemin	Koo Chen-fu, Wang Daohan	Consensus is reached on "strengthening dialogue between the two sides to promote the resumption of institutionalized negotiations," "agreement between the two sides on enhancing promotion of the exchange activities between SEF and ARATS personnel at all levels," "agreement between the two sides to actively provide mutual assistance in resolving cases involving the rights and interests of the people," "inviting Mr. Wang Daohan to visit Taiwan and Mr. Wang's agreement to visit Taiwan at an appropriate time."



9	1 <sup>st</sup> Chiang-Chen Meeting	June 11-14, 2008	Beijing	Negotiations on “cross-Strait charter flights” and “allowing Chinese tourists to visit Taiwan”	Chiang Pin-kung, Chen Yunlin	<ol style="list-style-type: none"> <li>1. SEF and ARATS officially restore mechanisms for institutionalized dialogue and negotiations.</li> <li>2. The two sides sign the “Minutes of Talks on Cross-Strait Charter Flights “ and “Cross-Strait Agreement on Travel by Mainland Residents to Taiwan.”</li> <li>3. Arrangements are made for following up on the issues negotiated between SEF and ARATS.</li> <li>4. A course is set for future cross-Strait exchanges and cooperation.</li> <li>5. Dialogue and exchanges between SEF and ARATS are strengthened.</li> <li>6. Chen Yunlin agrees to visit Taiwan at an appropriate time.</li> </ol>
10	2 <sup>nd</sup> Chiang-Chen Talks	Nov. 7-11, 2008	Taipei	Negotiations on cross-Strait air transport, sea transport, postal services, and food safety	Chiang Pin-kung, Chen Yunlin	<ol style="list-style-type: none"> <li>1. The two sides sign the “Cross-Strait Air Transport Agreement,” “Cross-Strait Sea Transport Agreement,” “Cross-Strait Postal Service Agreement” and “Cross-Strait Food Safety Agreement.”</li> <li>2. The two sides reviewed the results and implementation situation of the two agreements signed last time.</li> <li>3. Arrangements are made for following up on the issues negotiated between SEF and ARATS.</li> <li>4. It further confirms the institutionalized contact and exchange approach between personnel of the two organizations.</li> </ol>
11	3 <sup>rd</sup> Chiang-Chen Talks	April 25-29, 2009	Nanjing	<ol style="list-style-type: none"> <li>1. Negotiations on cross-Strait joint crime-fighting and mutual judicial assistance, cross-Strait financial cooperation, regular cross-Strait flights and allowing mainland investment in Taiwan.</li> <li>2. Arrangements for issues that SEF and ARATS should actively plan and prepare for in the next phase.</li> </ol>	Chiang Pin-kung, Chen Yunlin	<ol style="list-style-type: none"> <li>1. The two sides signed “Agreement on Joint Cross-Strait Crime-Fighting and Mutual Judicial Assistance,” “Cross-Strait Financial Cooperation Agreement “ and “Supplementary Agreement on Cross-Strait Air Transport.” They also reached a consensus on matters pertaining to promoting mainland investment in Taiwan.</li> <li>2. The two sides re-examined the results and progress of implementation of the six agreements the two organizations have signed since last year.</li> <li>3. Arrangements are made for following up on the issues negotiated between SEF and ARATS.</li> <li>4. SEF and ARATS further consented to promoting exchanges in various areas.</li> </ol>
12	4 <sup>th</sup> Chiang-Chen Talks	Dec. 21-25, 2009	Taichung	Negotiations on cross-Strait cooperation in inspection and quarantine of agricultural products; avoiding double taxation and improving cooperation on tax operations; cooperation in respect of standards, metrology, inspection and accreditation; and cooperation in fishing crew affairs.	Chiang Pin-kung, Chen Yunlin	<ol style="list-style-type: none"> <li>1. The two sides signed three agreements: the “Cross-Strait Agreement on Cooperation in Inspection and Quarantine of Agricultural Products”; the “Cross-Strait Agreement on Cooperation in Respect of Standards, Metrology, Inspection and Accreditation”; and the “Cross-Strait Agreement on Cooperation in Fishing Crew Affairs.”</li> <li>2. Re-examined the results and progress of implementation of the nine agreements the two organizations have signed since last year.</li> <li>3. Arrangements are made for following up on the issues negotiated between SEF and ARATS.</li> <li>4. The two organizations further consented to promoting exchanges in various areas.</li> </ol>



13	5 <sup>th</sup> Chiang-Chen Talks	June. 28-30, 2010	Chongqing	1. Negotiations on the “Cross-Strait Economic Cooperation Framework Agreement” and the “Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation”; 2. Arrangements for the priority issues of next stage	Chiang Pin-kung, Chen Yunlin	1. The two sides signed two agreements: the “Cross-Strait Economic Cooperation Framework Agreement” and the “Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation”; 2. Re-examined the results and progress of implementation of the 12 agreements the two organizations have signed; 3. Consensus reached on the priority issues of the next stage; 4. The two organizations further consented to promoting exchanges in various areas.
14	6 <sup>th</sup> Chiang-Chen Talks	Dec. 20-22, 2010	Taipei	1. Negotiations on the “Cross-Strait Agreement on Medical and Health Cooperation” and “Cross-Strait Agreement on Investment Protection”; 2. Arrangements for the priority issues of next stage	Chiang Pin-kung, Chen Yunlin	1. The two sides signed the “Cross-Strait Agreement on Medical and Health Cooperation”; 2. Staged consensus reached on the “Cross-Strait Agreement on Investment Protection”; 3. Re-examined the results and progress of implementation of those agreements the two organizations have signed; 4. Established the mechanism for re-examining the implementation of those cross-Strait agreements; 5. Consensus reached on the priority issues of the next stage; 6. The two organizations further consented to strengthening exchanges.
15	7 <sup>th</sup> Chiang-Chen Talks	Oct. 19-21, 2011	Tianjin	To conduct negotiations concerning a possible cross-Strait agreement on nuclear power safety cooperation, investment protection and industrial cooperation	Chiang Pin-kung, Chen Yunlin	Signed the “Cross-Strait Nuclear Power Safety Cooperation Agreement”
16	8 <sup>th</sup> Chiang-Chen Talks	Aug. 8-10, 2012	Taipei	To conduct negotiations concerning a possible cross-Strait agreement on investment protection and customs cooperation	Chiang Pin-kung, Chen Yunlin	Signed the “Cross-Strait Investment Protection and Promotion Agreement” and the “Cross-Strait Customs Cooperation Agreement”
17	9 <sup>th</sup> Round of Cross-Strait High-Level Talks	Jun. 20-22, 2013	Shanghai	1. The first meeting to be held between the two sides since new leaders of SEF and ARATS took office. 2. Trade in Service agreement is the first free trade agreement to be concluded between the two sides on the basis of the Economic Cooperation Framework Agreement (ECFA) and the WTO’s General Agreement on Trade in Services (GATS). 3. To facilitate negotiations on possible agreements on trade in goods and dispute settlement.	Lin Join-sane, Chen Deming	1. Signed the “Cross-Strait Trade in Services Agreement”; 2. A Joint Opinion on the Kinmen water supply issue.

\*ARATS was not yet established at this time. Tang Shubei attended the talks as deputy director of the Taiwan Affairs Office under the State Council.



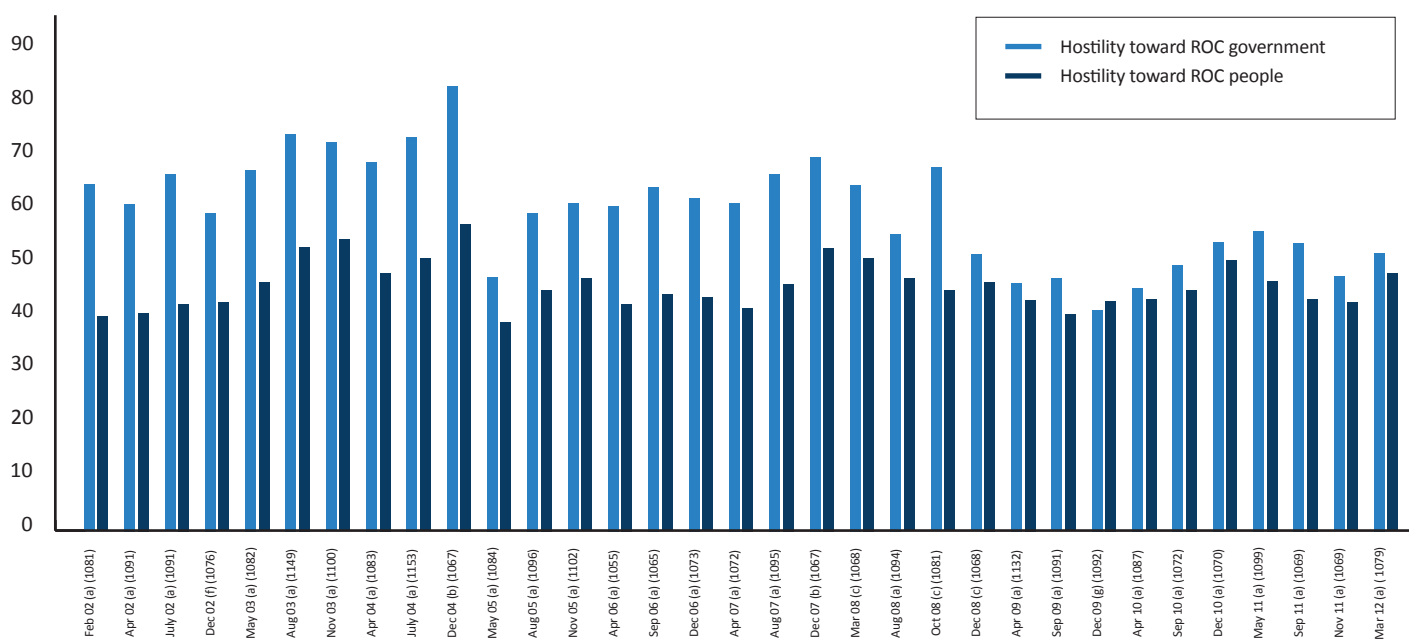
Tourism is another person-to-person interaction that contributes to stabilizing cross-Strait relations. Since 1988, the Taiwanese government has allowed Taiwanese people to visit mainland China for humanitarian reasons. In that single year, there were 437,700 trips made from Taiwan to China. In the same year, 386 trips were made from China to Taiwan, for cultural exchanges and humanitarian needs. Through the end of 2012, this number accumulated to 70,319,789 from Taiwan to China, and to 8,946,850 from China to Taiwan, including Chinese tourists that were granted after 2002. The statistics regarding visits across the Taiwan Strait are demonstrated as Figure 2.

With trade and more people-to-people interactions, there emerged the need for cooperation between both governments across the Taiwan Strait to cope with the issues resulting from these interactions. As a result, the Taiwanese government established the Strait Exchange Foundation (SEF) to cooperate with its counterpart on mainland China, the Association for

Relations across the Taiwan Straits (ARATS). To date, there are more than 40 rounds of meetings between SEF and ARATS, with the significant Koo-Wang Talks authorized by both governments. These meetings are symbolic and substantive, functioning as a platform for both sides to iron out difficulties or concerns such as trans-border crimes. Appendix 1 indicates 17 rounds of meetings conducted by heads and high-level officials of SEF and of ARATS from 1991 to July 2013.

These talks and negotiations on routine issues, we argue, played a facilitating role in locking in the positive interactions between both sides across the Strait. Economic interdependence increases the costs of waging a war against each other, and negotiations and talks spread the dividends to other groups in the societal level, which contributes to nurture constituencies favorable to a stable relationship between both sides (the doves). This is a crucial component of the mechanism of two-level games.<sup>8</sup>

Figure 3. Taiwan's Perception of Mainland China's Hostility, 2002-2012 (Unit: %)



Survey conducted by: (a) Election Study Center, National Chengchi University, Taipei (886-2-29387134)  
 (b) Burke Marketing Research, Ltd., Taipei (886-2-25181088)  
 (c) China Credit Information Service, Ltd., Taipei (886-2-87683266)  
 (d) Center for Public Opinion and Election Studies, National Sun Yat-sen University, Kaohsiung (886-7-52520000)  
 (e) Survey and Opinion Research Group, Dept. of Political Science, National Chung Cheng University, Chiayi (886-5-2720411)  
 (f) e-Society Research Group, Taipei (886-2-27213658)  
 (g) Center for Public Opinion and Public Policy, Taipei Municipal University of Education, Taipei (886-2-23113040)

Respondents: Taiwanese adults aged 20-69 accessible to telephone interviewers

Source: Mainland Affairs Council (MAC) of Republic of China (Taiwan), released April 2012, <http://www.mac.gov.tw/public/Attachment/24249412649.gif> (accessed 2012/5/30).



Economic interdependence and businesslike talks provide the incentives for *rapprochement*, and yet, these two factors are not a guarantee to peace across the Taiwan Strait. Political will of top leaders is the key to shaping political agendas, with support from doves on both sides. Nevertheless, if a political leader believes that his power base does not come from the doves, then it becomes more likely he will pursue a more hawkish policy to satisfy those who hold a hostile view on cross-Strait relations (the hawks).

It is important to take this component into account. Mainland China delivered a plan for peaceful unification in as early as 1979, and this plan was further formalized by Chinese Marshal Ye Jianying, the Chairman of the National People's Congress, in 1981. It was dubbed "Ye's Nine-Point Proposal," in which Taiwan was able to maintain its social and economic system, and even military forces, if it were to rejoin the mainland. This proposal was in line with mainland China's need for larger investment from abroad. This argument of political will also helps us understand why mainland China turned to a hawkish policy under Jiang Zeming from 1995 leading up to Taiwan's first presidential election in 1996, despite the growing numbers in economic and societal exchanges across the Taiwan Strait. On the Taiwan side, Lee Teng-hui's "two-state theory" and Chen Shui-bian's "one country on each side statement" aimed to boost their own popularity domestically but had a negative impact on cross-Strait relations. In the meantime, as illustrated in Figure 1, Taiwan has been promoting economic ties to increase its gains from trading with mainland China, while also hoping that more interactions might someday change mainland's "at-whatever-it-costs" mindset for unification. Mainland China is also exerting the economic "carrot" as leverage to raise the cost for Taiwan's de jure independence. In other words, "economics first, politics later" has served the interests of both sides. President Lee Teng-hui's "no rush, be patient" and President Chen Shui-bian's "active opening, effective management" efforts, aimed at slowing down the pace and scope of Taiwan's ties on trade and investment with mainland China, has turned out to be futile.

President Ma Ying-jeou took office in 2008, and Taiwan began to adopt the approach of "viable diplomacy," in which Taiwan will not pursue the increase of diplomatic allies at the expense of national resources and of its relations with China. This approach demonstrated Taiwan's unilateral accommodation to build trust with mainland China. The Ma administration continued efforts to restore mutual political trust with mainland China. With the statement "no unification, no independence, and no use of force" as the utmost guiding principle for cross-Strait relations, President

**“Economic interdependence and businesslike talks provide the incentives for *rapprochement*, and yet, these two factors are not a guarantee to peace across the Taiwan Strait.”**

Ma restored meetings between SEF and ARATS. President Ma further proposed to institutionalize cross-Strait relations with the signing of the Economic Cooperation Framework Agreement (ECFA) in 2010. In return, China also showed reciprocal self-restraint not to compete with Taiwan via dollar diplomacy. Figure 3 indicates Taiwan's perception of China overtime.

*Rapprochement* seems to take roots in cross-Strait relations, as indicated from the above discussion. Economic interdependence, as manifested in China's aim for economic development and in Taiwan's need for continuous prosperity, plays a significant role in stabilizing this dyadic relationship. And, the political will of top leaders also factors into *rapprochement*.<sup>9</sup>

#### **4. *Rapprochement* in South Korea-North Korea Relations, 1989-2012**

South Korea, like Taiwan, needs to reconcile with its adversary for better economic development and other national goals. Besides, South Korea and Taiwan are both eager to maintain superiority in social and economic terms as a role model to their counterparts, so that they can lead the process of *rapprochement*.

Unlike the course in cross-Strait relations, post-Cold War inter-Korean relations began with South and North Korea's accession to the United Nations concomitantly on September 17, 1991. Both sides signed the Agreement on Reconciliation, Nonaggression, and Exchanges and Cooperation in 1992. However, this seemingly promising *rapprochement* was soon challenged by North Korea's nuclear gambit in the early 1990s. Under the Clinton administration, parties concerned reached the 1994 Agreed Framework in which North Korea agreed to a gradual, step-by-step approach that would ultimately lead to a nuclear weapons free Korean Peninsula, the construction of two light-water reactors (LWR) in the North, and normalized ties between Pyongyang and Washington.




**Appendix 2: Chronology of Meetings between South and North Korea, 2000-2007**

No.	Name of Meeting	Date	Place	Subject	Chief Negotiators	Results
1	1 <sup>st</sup> Inter-Korean Summit	June 13-15, 2000	Pyongyang	Discussion of unification, Inter-Korean communication, family reunion	Kim Jong-il, Kim Dae-jung	Signed the June 15th North-South Joint Declaration
2	2 <sup>nd</sup> Inter-Korean Summit	Oct. 2-4, 2007	Pyongyang	Reaffirmed the spirit of the June 15 Joint Declaration and discussion on various issues related to realizing the advancement of South-North relations	Kim Jong-il, Roh Moo-hyun	Signed Peace Declaration (eight-point agreement)
3	1 <sup>st</sup> Inter-Korean Ministerial Talk	July 29-31, 2000	Seoul	Emphasized the great significance of the historic summit talks between the heads of South and North Korea and the June 15 Joint Declaration	Cheon Kum-jin, Park Jae-kyu	Joint Press Statement, including resuming the operations of the South-North Liaison Office at Panmunjeom, rehabilitating the Seoul-Shinuiju Railway
4	2 <sup>nd</sup> Inter-Korean Ministerial Talk	Aug. 28- Sep. 1, 2000	Pyongyang	Emphasized anew the great significance of the June 15 Joint Declaration	Cheon Kum-jin, Park Jae-kyu	Joint Press Statement, including family reunion, holding talks between South and North Korean military authorities, establishing a legal framework for economic cooperation
5	3 <sup>rd</sup> Inter-Korean Ministerial Talk	Sep. 27 -30, 2000	Jeju Island	Reaffirmed the points agreed to after the announcement of the June 15 Joint Declaration	Cheon Kum-jin, Park Jae-kyu	Joint Press Statement, including family reunions, establishing a Committee for the Promotion of Inter-Korean Economic Cooperation, expanding exchange and cooperation in academic, cultural and athletic areas
6	4 <sup>th</sup> Inter-Korean Ministerial Talk	Dec. 12-16, 2000	Pyongyang	Assessed the projects undertaken during the last six months to implement the June 15 Joint Declaration	Cheon Kum-jin, Park Jae-kyu	Joint Press Statement, including establishing and operating Inter-Korean Economic Cooperation Promotion Committee, cooperating in the fishing industry
7	5 <sup>th</sup> Inter-Korean Ministerial Talk	Sep. 15-18, 2001	Seoul	Discussion of the family reunions and developing dialogue and cooperation between the two sides	Kim Ryeung-sung, Hong Soon-yong	Joint Press Statement, including revitalizing Mt. Geumgang tourism, connecting railroads among the South, the North and Russia, construction of the Gaeseong Industrial Complex
8	6 <sup>th</sup> Inter-Korean Ministerial Talk	Nov. 9-14, 2001	Mt. Kumgang	Discussion on the changing international affairs after 9/11	Kim Ryeung-sung, Jeong Se-hyun	No Joint Press Release because South and North Korea failed to reach an agreement
9	7 <sup>th</sup> Inter-Korean Ministerial Talk	Aug. 12-14, 2002	Seoul	Confirmed the willingness to carry out faithfully the June 15 Joint Declaration	Kim Ryeung-sung, Jeong Se-hyun	Joint Press Release, including the military assurance measures for the reconnection of the inter-Korean railways and roads, family reunions, North Korea's participation in the 14 <sup>th</sup> Asian Games in Busan
10	8 <sup>th</sup> Inter-Korean Ministerial Talk	Oct. 19-22, 2002	Pyongyang	Discussion on recent inter-Korean relations and confirmed the basic spirit of the June 15 Joint Declaration	Kim Ryeung-sung, Jeong Se-hyun	Joint Press Release, including making common efforts to guarantee peace and security on the Korean Peninsula, construction of the Seoul-Sinuiju and East Sea railways and roads

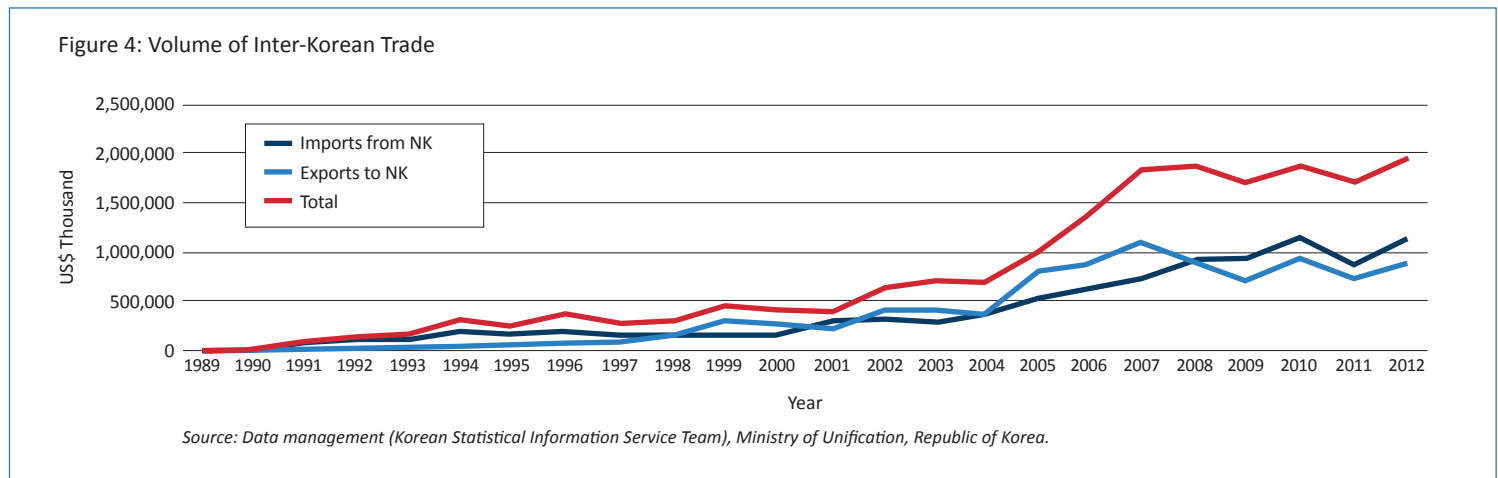


11	9 <sup>th</sup> Inter-Korean Ministerial Talk	Jan. 21-24, 2003	Seoul	Exchanged each other's views on the nuclear issues	Kim Ryeung-sung, Jeong Se-hyun	Joint Press Release, including agreeing to hold the 10 <sup>th</sup> Inter-Korean Ministerial Talks from April 7 to 10, 2003 in Pyongyang
12	10 <sup>th</sup> Inter-Korean Ministerial Talk	April 27-29, 2003	Pyongyang	Discussed matters of common concern in connection with the implementation of June 15 <sup>th</sup> Joint Declaration	Kim Ryeung-sung, Jeong Se-hyun	Joint Press Release, including agreeing to hold the 10 <sup>th</sup> Inter-Korean Ministerial Talks from April 7 to 10, 2003 in Pyongyang
13	11 <sup>th</sup> Inter-Korean Ministerial Talk	July 9-12, 2003	Seoul	Discussion on the issues of mutual concern related to the promotion of peace on the Korean Peninsula and of the inter-Korean reconciliation and cooperation	Kim Ryeung-sung, Jeong Se-hyun	Joint Press Release, including discussing fully the other party's position regarding the nuclear issue on the Korean Peninsula and continual cooperation
14	12 <sup>th</sup> Inter-Korean Ministerial Talk	Oct. 14-17, 2003	Pyongyang	Discussion on current issues, agreed to continue cooperation in promoting peace on the Korean Peninsula	Kim Ryeung-sung, Jeong Se-hyun	Joint Press Release, but without specific agreements except setting a date for the next talk
15	13 <sup>th</sup> Inter-Korean Ministerial Talk	Feb. 3-6, 2004	Seoul	Discussion on the prosperity of the Korean people and all problems to make substantive progress in inter-Korean relations	Kim Ryeung-sung, Jeong Se-hyun	Joint Press Release, including cooperating for a fruitful second round of the Six-Party Talks, holding a military authorities' meeting, reunion of separated families
16	14 <sup>th</sup> Inter-Korean Ministerial Talk	May 4-7, 2004	Pyongyang	Shared the view that inter-Korean relations should be developed based on the basic spirit of the June 15 Joint Declaration	Kwon Ho-woong, Jeong Se-Hyun	Joint Press Release, but without significant results due to the North's nuclear weapons
17	15 <sup>th</sup> Inter-Korean Ministerial Talk	June 21-24, 2005	Seoul	Assessed the accomplishments made over the past five years since the June 15 Joint Declaration and agreed to promote peace and prosperity on the Korean Peninsula	Kwon Ho-woong, Jeong Dong-yong	Joint Press Release, including family reunions, the ultimate goal of the denuclearizing the Korean Peninsula, to hold the 3 <sup>rd</sup> inter-Korean General-level Military Talks, agreed to allow North Korean civilian vessels to pass through the Jeju Strait
18	16 <sup>th</sup> Inter-Korean Ministerial Talk	Sep. 13-16, 2005	Pyongyang	Praised successful hosts of the June 15 National Unification Festival held in Pyongyang and the August 15 Grand National Festival held in Seoul	Kwon Ho-woong, Jeong Dong-yong	Joint Press Statement, including agreed to give up all face-saving practices and to take practical measures to promote national reconciliation, agreed to take active measures to remove obstacles to economic cooperation and facilitate investment and exchanges between the two sides
19	17 <sup>th</sup> Inter-Korean Ministerial Talk	Dec. 13-16, 2005	Jeju Island	Made a positive assessment of developments in inter-Korean relations during this year which marked a turning point in the implementation of the June 15 Joint Declaration	Kwon Ho-woong, Jeong Dong-yong	Joint Press Statement, including sharing a view that the Joint Statement of the Fourth Round of the Six-Party Talks should be implemented at an earliest possible date for the denuclearization of the Korean Peninsula, agreed to expand and develop inter-Korean economic cooperation



20	18 <sup>th</sup> Inter-Korean Ministerial Talk	Apr. 21-24, 2006	Pyongyang	Evaluated accomplishments made since the June 15 Joint Declaration, agreed to make proactive efforts to advance inter-Korean relations to a higher level	Kwon Ho-woong, Lee Jong-suk.	Joint Press Statement, including continue their endeavors for the denuclearization of the Korean Peninsula, agreed to make efforts for the national unity, cooperating in an economic field
21	19 <sup>th</sup> Inter-Korean Ministerial Talk	July 11-13, 2006	Busan	Discussion on missile launch, return to Six-Party Talks	Kwon Ho-woong, Lee Jong-suk	No Joint Press Statement because South and North Korea failed to reach an agreement
22	20 <sup>th</sup> Inter-Korean Ministerial Talk	Feb 27-Mar. 2, 2007	Pyongyang	Shared a view that the two should normalize inter-Korean relations expeditiously and the relations ought to be upgraded to a higher level	Kwon Ho-woong, Lee Jae-jung	Joint Press Statement, including agreed to resume joint projects in the humanitarian areas and endeavor to practically resolve separated family issues, and agreed to expand and develop economic cooperation for common development and prosperity of the Korean people
23	21 <sup>st</sup> Inter-Korean Ministerial Talk	May 29-June 1, 2007	Seoul	No real practical discussion	Kwon Ho-woong, Lee Jae-jung	Joint Press Statement

Source: Ministry of National Unification of ROK, <http://eng.unikorea.go.kr/CmsWeb/viewPage.req?idx=PG0000000586> (accessed 2013/10/8), and compiled by the authors.



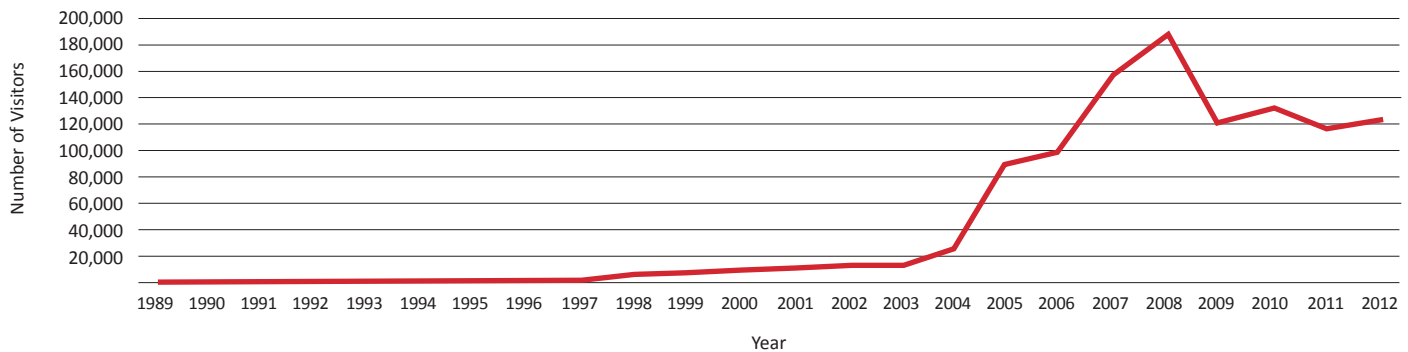
With a relatively calm relationship between North Korea and the United States, President Kim Dae-jung extended an olive branch to the North under the name of the “Sunshine Policy” in 1998. In other words, the view of “doves” seemed to take root not only in South Korea but also in the North, with no evident opposition from the United States. With supporters, especially business groups within the South, trade volume between South and North Korea began to grow in the same period of time as indicated in Figure 4. Although the trade volume is considered small compared to that in cross-Strait relations, many still expect that economic interdependence between the two Koreas would lead to peace. South Korea sees these trade ties as indirect economic exchanges

in essence, no tariffs for these intra-Korean exchanges. In addition to economic interactions, people-to-people exchanges started with a relatively slow pace, partly due to the nature of North Korea’s authoritarian regime.

Against this backdrop, it is noteworthy that both Kim Dae-jung and Kim Jong-il agreed to hold a summit meeting in 2000, with the remarkable June 15th North-South Joint Declaration. Both sides agreed to have ministerial talks and military working-level talks, and President Kim Dae-jung received the Nobel Peace Prize for staging the summit. Appendix 2 indicates 23 rounds of meetings conducted by the heads and high-level officials of South and North Korea from 2000 to 2007.



Figure 5: Number of Visitors from South Korea to North Korea



Source: Data management (Korean Statistical Information Service Team), Ministry of Unification, Republic of Korea.

However, the U.S. labeling of North Korea as part of the “axis of evil” put an end to the amicable atmosphere between South and North Korea. Toward the end of 2002, North Korea had adopted a more hostile policy toward other countries, including missile tests and even withdrawal from the Nuclear Nonproliferation Treaty (NPT) in January 2003. While facing nuclear tensions, South Korea prioritized aid for peace as a strategy to persuade North Korea to retreat from its nuclear confrontation with the U.S.

President Roh Moo-hyun assumed office in February 2003 and continued a “politics first, economics later” policy. He initiated a more proactive South Korean role in inter-Korean relations to somewhat contradict Washington’s hawkish stance. This was in sharp contrast to the U.S. stance on the nuclear issue, to which North Korea even resorted to the first nuclear test in October 2006. President Roh, under these circumstances, still initiated a second summit with the North in October 2007. Nevertheless, in spite of North Korea’s continuing provocations, conciliatory policies adopted by Presidents Kim and Roh were perceived as a failure.

President Lee Myung-bak assumed office in 2008, wherein inter-Korean relations were about to enter a new phase given the changing international environment and the political power shift from a liberal to a relatively conservative government. To respond, the Lee Myung-bak administration proposed the “Vision 3000: Denuclearization and Openness” initiative, in which South Korea was willing to create an environment for the North to denuclearize and for both Koreas to prosper economically.

However, North Korea’s truculent behavior made it more difficult, with only limited to no reciprocation. With the same analytical framework, inter-Korean trade started in 1989, and the total volume continued to grow under the Kim Dae-Jung and Roh Moo-Hyun years. Economic cooperation improved over the years, especially in the aftermath of the June 15th joint communiqué made in Pyongyang in 2000. The Mt. Kumgang sightseeing project, Gaesung industrial complex project, and other inter-Korean trade initiatives have significantly contributed to improved bilateral relations. Nevertheless, this trading relationship remains unidirectional, with South Korea importing more from North Korea.

Humanitarian concerns also play a great role in South Korea’s policy with the North. Reunions of separated families, abductee issues, and disaster relief, among others, deeply impacted Lee Myung-bak’s policy design vis-à-vis the North. However, North Korea’s launch of long range missiles in 2009, together with other belligerent behavior such as the 2010 Cheonan incident, proved once again the shiftiness of North Korea’s policy. In other words, trust between the two Koreas becomes an illusion.

In this aftermath, the “Vision 3000” initiative, which contained the ideas of peaceful co-existence and mutual respect, gave way to a new peace initiative: a more comprehensive idea that required the North to abandon nuclear weapons as the first step to build mutual trust between North and South Korea. However, this “New Peace Initiative for the Korean Peninsula” was dead before too long.



**Table 1: Major Comparison on Political Issues between Cross-Strait and Inter-Korean Relations**

	Cross-Strait Relations	Inter-Korean Relations
<b>Reason for Separation</b>	Civil war between the Nationalists and the Communists	Confrontation between the U.S. and the Soviet Korean War
<b>Plan for Unification</b>	<p>Prior to 1980, each side was devoted to the extinction of the other.</p> <p>Since the 1980s, peaceful unification has emerged to become a more attractive proposal, while mainland maintains the use of force as the last resort.</p> <p>Since 1996, most Taiwanese people prefer “status quo” instead of immediate unification/independence.</p>	<p>Prior to 1973, each side was devoted to the extinction of the other.</p> <p>Since the 1980s, mutual non-denial.</p> <p>In 1992, both sides reached the agreement for co-existence.</p> <p>In 2000, both sides agreed to seek for common ground for unification.</p>
<b>Positions on International Recognition</b>	<p>Since the late 1980s, Taiwan has pragmatically accepted co-existence between both sides.</p> <p>Mainland China, however, has continued to see itself as the sole legitimate government of China and Taiwan a renegade province.</p>	<p>Both sides have accepted dual recognition since the late 1980s.</p> <p>The concept of “one nation-state” continues and both see inter-Korean relations as a special relationship within the same nation.</p>
<b>Positions on International Participation</b>	<p>Taiwan has accepted co-existence with mainland in major international organization since the early 1990s.</p> <p>Mainland China has continued to reject this idea but begun to accommodate ad hoc arrangements for Taiwan’s meaningful participation in certain organizations since 2008.</p>	Both sides joined the United Nations in 1991.

Source: Compiled by the authors.

The low intensity of the trade relationship together with the North’s truculent behavior, made it difficult for both sides to build trust over time. In regards to the economic interaction and incentives for both North and South Korea, however, with the increase of imports from North Korea, this relationship seems lopsidedly in favor of the latter. We argue that a third party such as China needs to be considered. Since China has been the largest trade partner for North Korea over the past ten years, North Korea has become less motivated to increase trade ties with the South. This makes it even more difficult to nurture the doves in the North who prefer stability on the Korean Peninsula. A lack of doves prevents North Korea from further economic reform.

In addition, societal integration and business negotiations resulting from people-to-people exchanges are less salient in inter-Korean relations. This lack of integration is demonstrated through North Korean refugees in the South. There are thousands of refugees living in South Korea today and they face extremely difficult situations due to their lack of education, severe competition, and some level of discrimination. Also, the cultural similarity between the North and South has widened, which in turn has made the refugees feel like outsiders. Furthermore, a generation of new narratives and identities is difficult to find in Korea as societal integration and cultural exchanges between

the two Koreas are lacking — resulting in a vicious, not virtuous circle. Therefore, making stable peace through societal exchanges seems very unlikely for the Korean Peninsula.

Strong political will, as revealed in inter-Korean relations, is not a guarantee to generating peace. In other words, even though South Korea under Kim and Roh initiated *rapprochement* with North Korea, a “politics first, economics later” approach without strong economic and social ties rendered it very difficult to complete a virtuous circle and futile to sustain a positive inter-Korean relationship.

### 5. Lessons Learned

With the above discussion on cross-Strait and inter-Korean relations, certain similarities can be drawn. Beyond the historical reasons, first and foremost, Taiwan and South Korea are taking the leading role for *rapprochement* in the dyadic relationship with their respective rivals. The backbone to sustain such policy is their strength in economy vis-a-vis mainland China and North Korea. In the past, Taiwan and South Korea were among the Four Tigers, and now the GDP per capita in each country has exceeded \$20,000. Superiority in economic strength seems to be leading the way.



Second, with strength in economy and as full-fledged democracies, both Taiwan and South Korea are willing to reach out to their counterparts. And yet, North Korea has not reciprocated to South Korea as mainland China has done with Taiwan, which makes it difficult to generate a virtuous circle in inter-Korean relations.

Third, the role of the United States is important in ensuring a relatively stable external environment for Taiwan and South Korea to pursue *rapprochement* with their counterparts. Though the U.S. does not formally ally with Taiwan, its indispensable role has been evident in 1995-1996 when mainland China exerted coercion over Taiwan and was at last deterred by the deployment of U.S. aircraft carriers. Both sides of the Taiwan Strait have become more pragmatic ever since. By the same token, the U.S. has assisted South Korea, its ally, in deterring North Korea's truculent behaviors, although these efforts are often compromised by other international parties.

Having said that, differences exist in our close examination of these two cases. First, Taiwan and South Korea have different emphases in dealing with their counterparts. Taiwan adopts an "economics first, politics later" approach, in which economic interdependence comes first and helps consolidate the bilateral relationship across the Taiwan Strait. Also, this approach provides Taiwan's leaders an opportunity to distance themselves if cross-Strait relations do not evolve positively. As illustrated in Figures 1 and 3, in 2004-2005 when mainland China adopted the anti-secession law against Taiwan, most Taiwanese people perceived hostility against Taiwan's government and less to the people, and trade and societal interactions continued to grow.

For South Korea, a "politics first" approach does help to demonstrate the leadership's resolve in forging a peaceful Korean Peninsula, nevertheless, it leaves little to no room for the South to distance itself from the North during times of belligerence. In other words, the "economics first" approach helps Taiwan's leadership to demonstrate flexibility in dealing with mainland China.

Second, how their counterparts respond also differentiates Taiwan from South Korea. Mainland China has prioritized economic development as the chief national task since the late 1970s, therefore when Taiwan reached out to establish trade relations, it became less difficult for the two to reconcile politically. North Korea, however, has yet to demonstrate its willingness to reform economically and politically, which constitutes a great barrier for

peace to take root in inter-Korean relations because no "doves" can voice in a repressive political regime.

Besides, Taiwan under the Ma Ying-jeou administration has been striving to institutionalize cross-Strait relations, with economic and societal interactions as the basis to continue *rapprochement*. North Korea, however, has been using interaction as a bargaining chip vis-a-vis South Korea. The North's "on again, off again" attitude on cooperation with the South is leading inter-Korean relations nowhere.

Third, North Korea's development of nuclear weapons makes the U.S. reluctant to support South Korea's policy to the North, especially under the Kim and Roh administrations. On the contrary, the U.S. expresses appreciation for positive developments over the Taiwan Strait and thus helps the Ma administration in Taiwan to pursue an institutionalized relationship with mainland China.

Economic interdependence, societal interactions with business-like negotiations, and the political will of top leaders to push relations forward, constitute a virtuous circle for peace across the Taiwan Strait. For inter-Korean relations to evolve peacefully, it is important for the South to revise its previous "politics first" approach to an "economics first, politics later" approach. Also, for Taiwan to further institutionalize its relations with mainland China, it should reconsider the political differences over the Taiwan Strait. As opposed to the two Koreas' pursuit of a unified Korean Peninsula, how to cope with mainland China over political issues in which China maintains a relatively rigid "one China" principle becomes a paramount task for Taiwan. The existence of a virtuous circle is essential to peace over the Taiwan Strait, nevertheless, Taiwan should note that domestic consensus and international support are prerequisites to direct political negotiations with mainland China — an important lesson from inter-Korean relations.

## 6. Conclusion

For the time being, cross-Strait relations seem to continue the path for stability, and a virtuous circle composed of economic interdependence, business-like negotiations, and political will between two rivalries is taking root in Taiwan-mainland China relations. This virtuous circle has not yet emerged in inter-Korean relations.

In 2013, President Park Geun-hye declared that she would pursue a relatively modest but pragmatic course to cope with



North Korea. With the concept of *trustpolitik*, Park Geun-hye aims to reach out to North Korea with economic aid and cultural contacts and expects goodwill in return. This approach, according to Park, is essential to gradually reshape North Korea's truculent behavior for the past decades and to ensure peace and prosperity in East Asia. The goal of this approach is twofold: on the one hand, it aims to re-establish economic and cultural ties in exchange for more responsible behavior from North Korea; on the other hand, it can sustain, if not help, President Park's popularity domestically by punishing the North if the latter decides not to cooperate. "To ensure stability," Madame Park contended, this approach "should be applied consistently from issue to issue based on verifiable actions." In other words, South Korea and the international community will closely monitor North Korea's conduct to make sure it is well intended, and then provide a reward accordingly.

This paper argues that economic interdependence, followed by societal exchanges and business-like negotiations between two rival governments, constitute a necessary condition for *rapprochement*. Nevertheless, the "doves" as a constituency can give support for political leaders to further stabilize the relationship. From the experience of cross-Strait relations, South Korea may need to make a policy shift. Step-by-step economic and societal exchanges are the foundation, and lower-level official talks might help to generate consensus and to create a larger constituency in both South and North Korea to prioritize stability. From inter-Korean relations, Taiwan shall be advised that in lack of domestic and international support, it would be premature for high-level talks or summit meetings across the Taiwan Strait.



## Endnotes

- <sup>1</sup> E.g. Michael Doyle, "Liberalism and World Politics," *American Political Science Review* 80:4 (December 1986), pp.1151-1169; Bruce Russett and John Oneal, "The Classic Liberals Were Right: Democracy, Interdependence, and Conflict, 1950-1985," *International Studies Quarterly* 41:2 (June 1997), pp. 267-294.
- <sup>2</sup> Richard Rosecrance, *The Rise of the Trading State: Commerce and Conquest in the Modern World* (NY: Basic Books, 1986); and "A New Concert of Power," *Foreign Affairs* 71:2 (Spring 1992), pp. 64-82. I should point out that Rosecrance's argument is actually originated from the Cobden-Angell thesis that was first made popular in the 1850s and then prior to WWI. Also see Michael Doyle, *Ways of War and Peace: Realism, Liberalism, and Socialism* (NY: WW Norton & Company, 1997), ch. 8. For more refined views on whether trade could promote peace, see Edward Mansfield and Brian Pollins, eds., *Economic Interdependence and International Conflict: New Perspectives on an Enduring Debate* (Ann Arbor: U of Michigan, 2003), pp. 207-221.
- <sup>3</sup> For how trade affects international relations in Asia, see James Richardson, "Asia-Pacific: The Case for Geopolitical Optimism," *National Interest*, no. 38 (Winter 1994/95), pp. 28-39.
- <sup>4</sup> Miles Kahler and Scott Kastner, "Strategic Uses of Economic Interdependence: Engagement Policies on the Korean Peninsula and Across the Taiwan Strait," *Journal of Peace Research*, Vol. 43, No. 5 (2006), pp. 523-541.
- <sup>5</sup> Hyug-baeg Im and Yu-jeong Choi, "Inter-Korean and Cross-Strait Relations through the Window of Regional Integration Theories," *Asian Survey*, Vol. 51, No. 5 (2011), pp. 785-811.
- <sup>6</sup> Hyug-baeg Im and Yu-jeong Choi, "Inter-Korean and Cross-Strait Relations through the Window of Regional Integration Theories," *Asian Survey*, Vol. 51, No. 5 (2011), pp. 785-811.
- <sup>7</sup> Steve Chan, Richard Hu, and Injoo Sohn, "Politics of Detente: Comparing Korea and Taiwan," *The Pacific Review*, Vol. 26, No. 9 (2013), pp. 199-220.
- <sup>8</sup> It should be noted here that the doves may be domestic constituencies, or the third party such as another country who also favors and benefits from a stable cross-Strait relationship.
- <sup>9</sup> A caveat here is that *rapprochement* does not always come without a cost. Some people are skeptical of China's growing economic and political cloud over Taiwan, in the sense that Taiwan's economy is being hollowed-out while international participation being dependent on China's goodwill. How to manage these possible side effects is crucial to Taiwan's top leaders now and for the years to come.

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