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# Policy Forum 03-04A: Eurasian Railways - Key To The Korean Deadlock?



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# Nautilus Institute Policy Forum Online: Eurasian Railways - Key To The Korean Deadlock?

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## Eurasian Railways - Key To The Korean Deadlock?

By Markku Heiskanen

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## **I. Introduction**

Markku Heiskanen is Chairman of the Finland - Northeast Asia Trade Association and presently a visiting senior fellow at the Nordic Institute of Asian Studies (NIAS) in Copenhagen. In the essay below, Heiskanen argues that the reconnection of the trans-Korean railway could serve as a strong confidence and security building measure for North and South Korea. Further connecting the trans-Korean railway with the Eurasian railways networks through China and Russia may ultimately open up prospects for the Eurasian railways to become an important multilateral confidence and security resource, not only on the Korean peninsula, but for the entire Northeast Asia region.

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## **II. Essay by Markku Heiskanen**

"Eurasian Railways - Key To The Korean Deadlock?"

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### **1. Introduction**

In the present tense and threatening situation developing on the Korean peninsula only little attention has been paid to recent positive inter-Korean developments including the reconstruction work on the trans-Korean railway.

The reconstruction was started in the South and North Korean sector of the demilitarized zone (DMZ) simultaneously on September 18, 2002, and the demining of the two corridors, western and eastern, was completed in early December. In addition, track laying has been almost completed. In the western corridor only 300 yards separate the two tracks.

The reconnection of the railways in the near future, after half a century, would be an enormous symbolic show to the world of the common will of the two Koreas to continue peaceful economic cooperation in spite of growing international tensions.

The reconnection of the trans-Korean railway would be of the utmost importance as a confidence and security building measure on the Korean peninsula. The further connection of the trans-Korean railway with the Eurasian railways networks through Korea's gigantic neighbors China and Russia opens up prospects for the Eurasian railways to become an important multilateral confidence and security resource, not only on the Korean peninsula but in the whole of Northeast Asia.

### **2. Both Koreas at the Helsinki Eurasian railways symposium, April 2002**

One of the first signs of the potentially constructive role the Eurasian railways could play in Northeast Asia was the participation of both North and South Korean railway officials and experts in the Eurasian railways symposium in Helsinki on April 3-4 2002, hosted by the Finland - Northeast Asia Trade Association.

The convening of the symposium was based on the presumption that the Eurasian railway network, a

railway "land bridge" between Europe and Northeast Asia, could be a high common denominator, not only to Northeast Asian players, but also to their European counterparts. The Eurasian railways could become a major confidence and security building factor in Northeast Asia, and probably a key to the half-century of deadlock in Korea.

The symposium in Helsinki could be characterized as a "1.5 track" meeting, with some 70 participants from governments, various institutions and the business communities of 13 countries, among them all Northeast Asian countries and players: Russia, China, Mongolia, North Korea, South Korea, Japan and the United States.

The European end of Eurasia was represented by participants from Finland, as the host country, The European Union through the European Commission, Sweden, Norway and Germany. Canada was represented, too. The UN was represented through the UNDP Tumen Secretariat from Beijing.

The de facto consensus reached at this NGO meeting showed that all relevant players share an interest in developing the Eurasian railway network.

(The report of the symposium can be found on the internet at:

[http://www.geocities.com/kaky\\_ry/symposium/new](http://www.geocities.com/kaky_ry/symposium/new) )

### **3. The Eurasian dimension**

At the Helsinki symposium, the concept of "Eurasian railways" did not cover the entire network of railways between Europe and Asia. The organizers defined the context of the Helsinki symposium as "The Eurasian Dimension - the Role of Railways in Northern European and Northeast Asian Relations".

The primary rationale for this definition was that the symposium would focus particularly on the northernmost Eurasian railway "corridor" from Finland via Russia along the Siberian railway to countries in Northeast Asia. This link between Finland and the Russian Far Eastern port of Vladivostok is served daily in both directions and has proved to be a safe, rapid and effective transportation route further to and from South Korea.

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

The "Eurasian Dimension" could become an operative element of policy of the European Union.

### **4. The Europe - Korea railway connection**

The Finland - South Korea daily rail connection, which is in effect also a link between the European Union and Northeast Asia, has brought up, for its part, for discussion the evident benefits of reopening the trans-Korean railway to international traffic between the Korean peninsula and Europe.

At the present time, cargo from Finland has to be transferred from trains to ships in the port of Vladivostok, then shipped on to Busan, the southernmost port of South Korea.

In various preparatory talks preceding the Helsinki symposium, an idea was developed that the

trans-Korean railway connection could be reopened in a way that would not jeopardize the security interests of either Korean state. The economic benefits to both Korean parties, particularly to North Korea, would be indisputable.

Relevant political and military and other experts should study how a safe and working "corridor" could be established through North Korea so that, if necessary, the trains would not need even to stop in North Korea on their journey to and from South Korea, Russia or China.

A concrete example of the basic functioning of the North Korean - Russian railway connection was the journey of the North Korean leader, Chairman Kim Jong-il, by train from Pyongyang to St. Petersburg in summer 2001. Seoul is in principle only a few hours by train from Pyongyang, and Finland (in other words the European Union) only a few hours by train from St. Petersburg.

Chairman Kim Jong-il's somewhat controversial journey proved to be in fact an important contribution to the idea of studying seriously the establishment of a direct rail connection to Europe from the Korean peninsula.

In the background were also the superior benefits this connection could offer to Japan, compared with the sea route via the Suez Canal.

## **5. Geoeconomic and geopolitical aspects of the Eurasian railways in Northeast Asia**

At the symposium in Helsinki a number of experts referred to the geoeconomic and geopolitical importance of the Eurasian railways as a confidence and security building factor in Northeast Asia-- particularly on the Korean peninsula. One of the main conclusions was that the development of the railway networks, primarily by utilizing and improving the existing networks, could become a high common multilateral denominator in Northeast Asia-- perhaps indeed a major key to open the half-century Korean deadlock.

Only five months after the symposium in Helsinki, reconstruction work on the trans-Korean railway was started simultaneously on September 18, 2002, on the northern and southern sides of the DMZ that divides Korea, and the demining of the two corridors was completed in early December 2002. At present, only 300 yards separate the northern and southern railways in the western sector.

A four-lane highway to run alongside the railway is scheduled for completion by May 2003. A makeshift road, as in the western corridor, has also been built in the eastern DMZ as part of a plan to open an overland route so that South Korean tourists could visit the North's Mt. Geumgang by car.

President Putin of Russia has pledged his strong support for the trans-Korean railway to be effectively connected with Russia's Trans-Siberian Railway.

In September 2002, 25 European and Asian leaders, including leaders of China, Japan and South Korea, meeting at the Asia-Europe summit, ASEM, in Copenhagen, endorsed the idea of an "Iron Silk Road" between Europe and Asia.

## **6. China - Europe - Nordic Region - North America freight**

## **corridor plan; international workshop in Beijing, December 2002**

The Chinese Ministry of Railways and the International Union of Railways (UIC) organized an international workshop in Beijing on 9-10 December 2002 to study the recently completed UIC's "Northern East-West Corridor (N.E.W.)" -project to open a freight corridor from China to the eastern coast of the United States via the Eurasian railways and the deep-water, ice-free port of Narvik in Norway.

From Narvik cargo would be transported by sea at the first stage to the port of Boston in the U.S.A. and later on probably also to other feasible North American east coast ports, including Halifax in Canada.

The main artery of the corridor would be the 100-year-old Russian Trans-Siberian Railway via Kazakhstan, directly from the port of Vladivostok and through other available routes.

On reaching the Nordic region the freight would be transported via Finland and Sweden to Norway. Logistically, the ports and transportation routes of Iceland too could be utilized for the journey to North America.

The main host of the Beijing workshop was the Chinese Minister of Railways, and the Vice Ministers of Railways of China and Russia were key participants in the meeting. Moreover, the US Government was represented by the US Department of Commerce. In the conclusions of the workshop the participants confirmed their strong support for the further development of the project. This can be interpreted as de facto Chinese and Russian Government support for the project.

The greatest Chinese multimodal transportation companies showed concrete interest in the further feasibility study on the project.

The International Union of Railways UIC estimates that concrete testing of the corridor can be started in 2004.

It goes without saying that we are evidently witnessing, at least potentially, a fundamental change and development in international logistics in the northernmost part of the northern hemisphere, including North America. President Kim Dae-jung of South Korea characterized these developments as "monumental" in his speech at the aforementioned ASEM summit in Copenhagen.

## **7. The Eurasian - Northeast Asian railway networks as a confidence and security building resource**

The starting point of the Helsinki symposium was to map out the present situation in the northern European - Northeast Asian existing and functioning railway networks and the role of railways in northern Eurasian relations in general.

As the symposium was arranged in Finland, there was naturally some emphasis on the Finland via Russia Trans-Siberian railway connections with Northeast Asia.

The Mongolian and Chinese participation in the symposium ensured that due attention was paid to other corridors as well, particularly the Helsinki - Moscow - Ulaan Baatar - Beijing route, not forgetting Kazakhstan and other main Eurasian railway corridors in northern Eurasia.

There was broad consensus in the symposium that the Trans-Korean railway connection should be reopened in the near future. The opinions of both South and North Korean participating officials and experts on this subject were of the utmost importance to all.

There have been a number of misconceptions relating to the functioning of the Russian Trans-Siberian railway connection. Finnish experience shows, in a reassuring way, that the Helsinki - Vladivostok - (Busan) railway connection is a punctual, safe, rapid and effective way to transport freight from western Europe/the European Union to Northeast Asia. It seems that it can also offer favourable costs compared with corresponding sea transportation.

In December 2002, the last sections of this dual-track, 10,000 kilometer-long, 100-year-old railway were electrified.

The opening of the Trans-Korean railway connection, not only for freight, but in the long run also for Trans-Siberian/Eurasian passenger traffic between Northeast Asia and Europe at large, would have, or perhaps we can already say, will have, large-scale positive geoeconomic and geopolitical implications for Northeast Asia.

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

In Europe, post-war confidence building between former enemy states was based on mutually beneficial economic cooperation, with international multilateral support. Even if the European experience could not be used outright as a model for development in Northeast Asia, some elements of the European experience might prove useful.

In the eyes of an outside observer, the opening of the trans-Korean border, which is now in sight, for railway freight traffic, and later on for international passenger traffic too, seems to be politically, and even militarily, a realistic overture, in spite of ongoing international tensions. The trans-Korean railway would - or will - certainly catalyze broader regional, multilateral and international economic cooperation, also as a part of confidence and security building measures in the whole of Northeast Asia.

Economically, increasing confidence within Northeast Asia would decrease military expenditure which could then be diverted for improvement of the railway networks and other infrastructure particularly in North Korea.

Reopening of the trans-Korean railway would connect the whole Korean peninsula more closely with the outside world, with China, Russia, Kazakhstan, Mongolia and other Asian countries and Europe, particularly the enlarging European Union.

Logistical systems of North America and even of Australia, New Zealand could be made compatible with the Eurasian multimodal transportation networks. The above mentioned N.E.W. -project is a concrete step forwards in this scenario.

These global aspects were emphasized by President Kim Dae-jung in Copenhagen when he spoke about Pacific and Atlantic connections of the Eurasian railways.

## 8. Toward a new logistical world order?

What is under way now could mark the beginning of "a new logistical world order," probably constituting new large-scale conceptions in international relations, not least by introducing a new (yet ancient) region of continental peaceful cooperation: Eurasia.

The increasing transfer of freight transportation from the sea routes via the Suez Canal, and eventually even the Panama Canal, to other alternative routings, and an eventual increase in passenger train traffic between Europe and Northeast Asia, would reflect positively on the economies of the whole region, Japan's included, and not least the Russian Far East, with its abundance of natural resources.

The increasing utilization of Eurasian and other, like North American, railway networks does not mean a threat to international sea transportations. The N.E.W. project shows the benefits of multimodal systems, connecting various forms of transportation. Different means of transportation can be rather complementary than competitive.

A widely forgotten option particularly in this new scenario is the Northern Sea Route, a sea route from northern Europe to Northeast Asia along the Arctic Sea. The route was navigated for the first time in 1879-80 from Norway to Japan by Finnish born explorer Adolf Nordenskiöld under the flag of Sweden.

After the dissolution of the Soviet Union this route, including the Port of Vladivostok, has been opened for international traffic. The harsh ice-conditions make a high threshold for large-scale use of the route, which virtually is an internal Russian waterway.

In 1990's several thorough international studies were made on the feasibility of the Northern Sea Route by Russia, Norway, Japan and the European Union. The conclusions were that it is possible to keep the route open for commercial traffic even in harshest ice-conditions. At the moment, however, the route is not commercially viable.

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

## 9. Multilateral support for Northeast Asian developments

The railway issue might open way to a multilateral process of security and cooperation in Northeast Asia, like the CSCE (the Conference on Security and Cooperation in Europe) in its day in Europe.

The railways issue as an evident high common denominator for all relevant players in Northeast Asian politics could be the main topic of an intergovernmental meeting, even in the near future, of all Northeast Asian players. The meeting could concentrate on the railway but also other current concrete and common economic issues, where a basic consensus prevails. Outside observers could be invited to attend the meeting.

The next or parallel step might be to convene an intergovernmental Eurasian railways conference during 2003.

The ASEM conference in Copenhagen last September, which was in practice a summit involving the European Union, Southeast and Northeast Asia, proved in a concrete way the benefits of multilateral

cooperation between Europe and Asia in the economic and the political field.

Northeast Asia, particularly the Korean peninsula, is a good example of a region where the virtually neutral European Union could be a catalyst for peaceful regional development, as shown by the EU-Korean summits in both Korean states during the Swedish EU Presidency in summer 2001.

The most efficient multilateral instrument of the Union is its economic capacity. It seems that the EU, and Europeans in general, are ready to contribute to the development of economic relations between the two regions, including the development of the "Iron Silk Road".

The present complex and dangerous political situation in Northeast Asia has lasted for more than half a century. The European post-war experience shows that even the most complicated political and military problems can some day be solved peacefully. That day may have come now in Korea.

The international community, including Europe and the European Union on the same huge Eurasian continent as Northeast Asia, could contribute to new post-Cold War structures in Northeast Asia by developing mutual economic cooperation. The Eurasian railway system offers an excellent, concrete and realistic framework for such cooperation.

The EU is a member of KEDO (the Korean Peninsula Energy Development Organization). If some other forms of peaceful multilateral cooperation could be established in Northeast Asia, e.g. a special Northeast Asian Development Bank, the EU too could take part in its work.

Moreover, the possibility of establishing some kind of international "Eurasian Railway Consortium," or financial arrangements to guarantee international funding for the development of the Eurasian railway network, including the railways in North Korea, also with the financial participation of the European Union, should be studied seriously.

Processes take time, and patience is needed by all. But a step-by-step approach might prove fruitful in the long run.

There is now momentum in Korea.

### **III. Nautilus Invites Your Responses**

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: [napsnet-reply@nautilus.org](mailto:napsnet-reply@nautilus.org) . Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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