Korea: it's time for a strategy

Heather Smith

Before Australia starts lining up with the United States on how best to deal with North Korea we would do well to consider some of the implications for our own foreign policy of former Secretary of Defence William Perry’s forthcoming review of US policy on North Korea.

In conducting his review, Perry has been seeking the views of key Northeast Asian players. However, the review is not designed to coordinate a regional approach to North Korea. Rather it reflects Congressional pressure that current US policy has failed and that the US needs a new approach in dealing with North Korea. The report, to be handed to President Clinton next month, is believed to canvass two broad policy options. The first option would see the United States adopt a comprehensive policy of engagement towards North Korea. This would encompass economic assistance, the lifting of US sanctions and diplomatic recognition in return for the North’s cooperation to curb its nuclear and missile programs. In the advent
that North Korea did not respond favourably, a second option could then be invoked—a policy of isolationism. Under this strategy, the United States would effectively ignore the North, refrain from making any positive initiatives, and maximise its deterrence capabilities.

While all players share the view that Pyongyang must address legitimate security concerns about its nuclear activities, they also have differing short-term priorities. South Korea’s priority lies in the maintenance of peace and stability to enable the recovery of its economy, Japan is focused on the North’s missile program and what that now implies for its own security, while the United States is increasingly viewing North Korea solely as a global nuclear issue.

The major players also accord the Korea Peninsula different strategic weights. The United States and China have different outcomes in mind when they speak of engagement. US support for engagement with North Korea is not aimed at making the regime more prosperous. It is to support a stable Korean unification process on terms acceptable to South Korea. China, on the other hand, does not want to see North Korea collapse, nor does it necessarily want to see Pyongyang undergo a full-scale conversion to capitalism, and it may not want the peninsula reunified under Seoul’s leadership. Meanwhile, South Korea would like to see the United States adopt a more magnanimous approach to the North. Any US-enforced time limit on an engagement policy, just to appease a hostile US Congress, is likely to be resented by Seoul.

Under a strategy of comprehensive engagement, Australia would need to rethink its policy approach. Most likely this would see our role as a food aid provider be expanded to include substantive technical cooperation and assistance as a contribution to a comprehensive rural development package, perhaps on a consortium basis, similar to the KEDO arrangement. It could also involve moving towards normalising
diplomatic relations. As part of his engagement policy, President Kim Dae Jung has been urging the United States and Japan to normalise relations with Pyongyang. In February, South Korea’s Foreign Ministry reportedly called together its heads of mission to ask its diplomats to urge other countries to begin to open channels of communication with the North.

But what if scenario two were instead to become a reality? A policy of isolationism could give rise to two outcomes. The first, known as the ‘cornered dog’ scenario could see North Korea lash out. In the event of a preemptive strike by the North, it is clear that the Peninsula would be unified under the South’s terms, albeit at a tremendous humanitarian price. The capacity of the South to meet the financial burden accompanying collapse is highly questionable. In the wake of the regional crisis it would be difficult to envisage the mobilisation of funds from regional and international financial institutions to support economic rehabilitation.

The second, and more plausible outcome, could see a continuation of the gradual irreversible economic decline, accompanied by rising élite division and public unrest. Given North Korea’s heavily armed forces, the real risk of warlordism is certainly higher than it was two years ago, and a situation of chaos, à la Somalia, could not be ruled out. This is particularly pertinent in North Korea where the food security system is segmented and fragile.

Under this scenario, there is the need for greater contingency planning and synchronisation of tactics and strategies than currently exists. Yet this scenario has received little practical discussion either amongst the key players, or within countries such as Australia who...
clearly have a stake in regional stability. While the current Four Party Talks provide an avenue with which to pursue scenario one, there is no pre-existing regional forum with which to deal with issues under scenario two. Issues that would arise, and which Australia would require a position on, include

- The role of the UN command in event of civil war/anarchy— which states would be drawn in and how would they be drawn in? Would it involve unilateral movement by South Korean forces, combined South Korea-US forces, or neutral UN forces encompassing middle powers such as Australia?

- What would be the Chinese response to a humanitarian crisis on its borders? The ability of the United Nations to play a significant role is questionable, given that China, via the Security Council, would likely oppose a new mandate for the UN to engage in peace-keeping efforts.

- Could key actors sustain a political consensus in the face of collapse? The imperative for an agreement of sorts to keep US and Chinese forces out of North Korea in the case of internal conflict may be crucial to ensuring that miscalculation and a widening of the conflict did not ensure.

As a minor player, Australia has little influence in formulating policy towards North Korea. But our clear economic and security interests require that the Korean Peninsula be higher on our foreign policy agenda.

*Heather Smith is a Research Fellow in the Economics Division, Asia Pacific School of Economics and Management/Research School of Pacific and Asian Studies at the Australian National University.*