Policy Forum 97-20: Middle Powers and Korean Normalization

 The NAPSNet Policy Forum provides expert analysis of contemporary peace and security issues in Northeast Asia. As always, we invite your responses to this report and hope you will take the opportunity to participate in discussion of the analysis.

Recommended Citation

Tim Dunk and John McKay, "Policy Forum 97-20: Middle Powers and Korean Normalization", NAPSNet Policy Forum, October 03, 1997, https://nautilus.org/napsnet/napsnet-policy-forum/midd-e-powers-and-korean-normalization/

"Middle Powers and Korean Normalization"
#10 -- October 3, 1997

The NAPSNet Policy Forum Online is intended to provide expert analysis of contemporary peace and security issues in Northeast Asia, and an opportunity to participate in discussion of the analysis. The Forum is open to all participants of the Northeast Asia Peace and Security Network (NAPSNet). As always, NAPSNet invites your responses to this report. Please see "NAPSNet Invites Your Responses," below, and send your responses to the NAPSNet Coordinator at: napsnet@nautilus.org.

MIDDLE POWERS AND KOREAN NORMALIZATION

Essay by Tim Dunk and John McKay

CONTENTS:

III. NAPSNet Invites Your Responses

MIDDLE POWERS AND KOREAN NORMALIZATION

I. Introduction

The following essay, "The Role of Medium Sized Powers in the Normalization Process on the Korean Peninsula: An Australian Perspective," was written by Tim Dunk, an official at the Australian Department of Foreign Affairs and Trade, and John McKay, a professor at the Asia Institute at Monash University in Australia. The authors argue that the end of the Cold War affords middle powers a new opportunity to contribute to the normalization process on the Korean peninsula. While acknowledging that middle powers, like their larger counterparts, have their own interests vis-a-vis the Korean peninsula, the authors nonetheless feel that middle powers can play an important role in promoting the opening of the DPRK as well as facilitating inter-Korean dialogue.

Dunk and McKay's essay continues discussion of the prospects for peace on the Korean peninsula begun in previous NAPSNet Policy Forums. The views expressed and arguments made in the following essay are those of the author. NAPSNet presents the essay as received, except for minor editing. Following the essay, the section "NAPSNet Invites Your Responses" provides information on how you can respond and participate in the online forum.

II. Essay by Tim Dunk and John McKay

THE ROLE OF MEDIUM SIZED POWERS IN THE NORMALISATION PROCESS ON THE KOREAN PENINSULA: AN AUSTRALIAN PERSPECTIVE

by Tim Dunk and John McKay

1. Introduction

Since the end of the Second World War, the Korean Peninsula has been the setting for intense rivalry among the great powers. The post-war partitioning of the Peninsula and its subsequent reinforcement via the bloody conflict between the North and the South are testimony to the competing interests of the Western and Communist Blocs. The Soviet Union, China, the United States and Japan have all been directly involved, with their respective agenda variously affecting the relationship between the DPRK and the ROK. These agenda manifested themselves in aspects of the political, economic, social and military development of both Koreas, as well as in the overall strategic situation on and around the Korean Peninsula.

With the Koreas being among the front-line states in the superpower confrontation of the Cold War, for much of the Peninsula's recent history there has been very little opportunity for the medium sized powers to contribute in other than a token way to the improvement of relations between the DPRK and the ROK or to the overall stability of the Korean Peninsula. In fact, those countries with

interests in the Koreas for the most part were ready to fall into line with their respective great power allies in regard to their political and military policy positions on things Korean. With the Cold War as the backdrop and the ROK and the DPRK coexisting under an armistice agreement but effectively being on a war footing for over forty years, it is not surprising that policy responses to the Korean situation from the medium sized powers have been characterised by caution and a reluctance to become actively involved. Indeed, for much of this time the major powers and the two Koreas have viewed with suspicion any attempt by those without a direct stake in the Peninsula to suggest that different approaches to the establishment of a permanent peace mechanism and to the normalisation of relations among the protagonists may be worthy of consideration. The maintenance of peace on the Peninsula, despite acts of provocation and aggression on both sides, is an achievement which is regarded by many observers as sufficient vindication of the caution of the past.

The fall of the Berlin Wall and the associated collapse of the Soviet Bloc resulted in a fundamental change in the Korean standoff. The DPRK was left with its alliance structure and policies severely damaged. The DPRK government's approach to balancing the interests and influence of its Soviet and Chinese backers and, in turn, to confronting the 'American imperialist wolf' had to be quickly recast. The flow of military, technical and economic aid from the Eastern bloc slowed and then practically stopped. The PRC remained as an ally but moved to accommodate a closer, more cooperative economic and political relationship with the ROK, while indicating to the DPRK that its capacity to assist the North was limited. The PRC guaranteed that, consistent with past policy, it would not countenance any unprovoked attack on the DPRK but left no doubt that the period of fraternal brotherhood had ended. Economic pressures were progressively adding to the DPRK's problems. Within a five-year time frame the DPRK had effectively lost its superpower support and was left more isolated than Kim Il Sung's Juche philosophy had ever envisaged. Today, unification remains a formal government objective, with force being a declared part of the formula. However the architect of the policy is dead and the means available to the DPRK to give effect to the policy are insufficient.

The ROK on the other hand has been enjoying both sustained economic prosperity and diplomatic success. Democratic processes have become an established part of ROK life. By the early 1990s the DPRK conventional military threat was viewed as containable, the DPRK's rhetoric on unification notwithstanding. The DPRK's nuclear ambitions appear to be moderating. Enemies (read 'former allies of the DPRK') have become friends or at least are developing into useful trading partners.

In such a setting one could reasonably have expected to see self-interest introduce a degree of flexibility and innovation into the DPRK-ROK exchange. At the very least it should be possible to identify atmospherics within policy-making circles in Pyongyang and Seoul conducive to considering other dialogue options aimed at the achievement of permanent peace and the normalisation of relations. Unfortunately, the standoff on the Peninsula persists. Dialogue is resisted or viewed with extreme suspicion and, as the grounding of a Sang Oh class submarine in August 1996 demonstrates, the Koreas remain ready to meet force with force.

The Kim Jong Il and Kim Young Sam governments have been prepared to allow informal contact between Koreans(representatives of both government and business(from each side of the DMZ. These contacts are important but represent a continuation of past practice rather than any significant advance. The economic exchange also continues to grow steadily. However, the principal dialogue and policy development of the immediate past does not involve direct North-South exchanges but rather the relationship between the United States and the DPRK. The framework agreement and related US contact with the DPRK government constitutes the key formal interchange affecting the security of the Korean Peninsula and the Peninsula's prospects for

enduring stability and peace. Why then should other states be considering a possible role in supporting the peace and normalisation processes at this time?

In this paper we want to argue that the circumstances of the ROK and the DPRK, together with the concerns of the United States, the PRC, Japan and Russia have resulted in a situation where others with interests in the Peninsula or in the security of Northeast Asia can make genuine contributions to the normalisation process. This is not to suggest that others should be looking to interfere in the US-DPRK dialogue or to attempt to introduce parochial interests which could interfere with the normalisation efforts of the main players; rather, to suggest that relatively minor but carefully crafted and selected activity in a range of fields can assist in the development of the DPRK-US exchange and in turn the DPRK-ROK relationship, together with contributing to the reduction of tension between the two opposing military forces deployed along the DMZ. Such activity does not need to be limited to strictly economic development or financial assistance but could include social, education and environmental projects of relevance to the Peninsula and the immediate region, preferably presented in the context of the interest and participation of the wider international community and its various mechanisms.

There is a tendency for those watching the Korean situation from the sidelines to respond to proposals for limited involvement in the US-DPRK and inter-Korea exchanges with the line 'Why bother?' After all, they argue, the North Korean record of terrorist acts and dangerous adventurism suggests an intransigence and intractability which leave little room for optimism. The attack on the Blue House, the bombing of Kimpo airport, the attack on a KAL aircraft, the spy boats, tunnels and covert incursions along the DMZ and the Rangoon bombing are clearly outside the norms of international behaviour. Impressions of a rogue state are reinforced when a Special Forces team is stranded on ROK territory and engages in an escape, evasion, suicide and fire-fight drama, which sees only one DPRK military official surrender peacefully, the remainder dead and a number of ROK soldiers and civilians killed or wounded.

The ROK's record is unquestionably better but needs to be considered from a DPRK perspective. Seen from Pyongyang, the ROK and its US ally have threatened the DPRK with both Peninsula-based and offshore nuclear weapons systems and with conventional forces of steadily increasing capability in terms of both defensive and offensive weaponry. This increasing ROK military superiority has coincided with a parlous alliance situation for the DPRK and for North Korean military commanders has only been partially offset by the demonstrable failure of Western military capabilities and resolve in the morass of the FRY and the DPRK's continuing ability both to penetrate the ROK's defences and to conduct successful intelligence collection and disruption operations.

Nevertheless, the DPRK's armed forces remain comparatively well resourced and with a regularly reinforced belief in their role as defenders of the state and its people against an immediate and clearly identifiable enemy coalition. With all of the senior corps commanders having been appointed or endorsed by Kim Jong Il personally and with the military generally demonstrating a disciplined, determined commitment to the nation, the 1.3 million strong military and security forces in the North remain crucial to any process of normalisation between the DPRK and other parties. It is this very commitment and focus which offers the wider community some hope for a 'rational' solution on the Korean Peninsula. The DPRK's enduring and single-minded approach to ensuring the survival of the state opens the door for engagement with other countries and for the development of crafted confidence-building measures aimed at improving the DPRK's relationship with those it views as enemies.

Effective contributions to a confidence-building and engagement process can be made by the medium powers by supporting the established dialogue channels and by looking for specific opportunities which we argue lie in:

1. the US-DPRK interchange;
2. the PRC's various channels to the DPRK;
3. the ROK's own informal and quietly sanctioned contacts with the DPRK;
4. Russian channels to the DPRK;
5. other channels to both the DPRK and ROK governments via those third countries with tangible interests in dealing with the Koreas and regarded by each as being sympathetic towards their respective positions;
6. direct but non-threatening contact with the DPRK; and
7. the current and potential linkages between the two Koreas and various international bodies.

However, before considering these specific opportunities for contributions by the middle powers such as Australia, we will briefly review some general concepts on the scope and range of 'middle power diplomacy'.

2. The Scope for Medium Power Diplomacy: Some General Concepts

In one sense, the idea of a middle power is quite simple. In the post-war era, which has been dominated by a small number of major powers, there has also been a constant concern for a large number of small, impoverished nations. In this context the limited number of relatively affluent yet unthreatening middle players have been regarded as symbols of hope and useful contributors to the development of the world order. In the post-Cold War era it is worth pondering a number of questions about the nature and potency of 'middle power diplomacy' (for an extended review of these issues see McKay, 1996).

But, as a beginning, it might be fruitful to turn the question around and ask in the post-Cold War, multi-polar Asia of the 1990s, does size really matter: in what ways and in what circumstances does sheer power make a difference? The limits to US power that were clear in Somalia and Bosnia give us some clues on this question, but in the Asian context there are some important analytical points that should also be made. The most basic concerns the role and potency of the nation state: it is, after all, principally through the state that the resources of large nations have been mobilised and delivered in pursuit of national goals. In the 1990s support for the activities of the traditional, nationalistic government is waning in many countries or, more particularly, taxpayers are increasingly reluctant to provide the resources needed to support such leviathans. Many international agreements and conventions are limiting the freedom of action of individual governments, and public opinion mobilised at the international level acts as a potent restraining factor. At the local level, ethnic groups, provinces or regions are demanding more autonomy. Thus, many commentators argue, the nation state is being 'hollowed out' from above and from below. In the Asian context, it is also suggested that growing trade and interaction in particular 'growth triangles' are creating a set of new 'natural economic regions' that are quite independent of individual governments. Different parts of China can be seen as belonging to relatively separate economic regions, linked more to neighbouring countries than to each other, especially in an economic sense. Reviewing this evidence, Gipouloux (1994) suggests that we are witnessing a profound change in the role of the nation state, and in particular the end of the linkage between power and territory. In a similar vein, Kenichi Ohmae (1993) has argued that the nation state is becoming dysfunctional and an inefficient manager, and is being replaced by the 'regional state', which is a natural economic zone. Such zones are defined merely by the flows of economic activity,

the linkages that derive from trade and the configuration of the production system.

One would not want to push this kind of analysis too far. Clearly, in a military sense in particular, there is a relationship between size and power. In the future of Northeast Asia, quite clearly the major actors with a vital interest in the region are extremely important, and a country like Korea is correct to feel constrained by the weight of these great powers. However, these developments do perhaps give us a clue as to the leverage points that smaller nations might use. On the Korean Peninsula, geopolitics may still be supreme, but geoeconomics increasingly provide the context in which national action is positioned, even that of the great powers.

In one sense it might be argued that the great powers have greater freedom of action than smaller countries. They have, after all, the resources and the clout to pursue a wider range of options. However, some commentators have suggested that some smaller countries, i.e. the middle powers, can ask questions and pursue innovative policies that are not open to either the bigger or the very small players. In particular, medium powers can afford to take morally superior positions, to lead ethical crusades, to act as a conscience for the world. This is certainly a role that the Scandinavian countries in particular have played very astutely. Cooper et al. (1993) have suggested that there are three distinct aspects to the constructive role that such middle powers can play:

1. Catalyst: providing intellectual and political energy to trigger initiatives and build coalitions;
2. Facilitator: developing agendas for action, cementing coalitions to leverage power, planning, convening formative meetings and setting priorities;
3. Manager: taking a central role in building institutions, developing monitoring systems, secretariats and other bureaucratic systems, creating confidence-building systems and liaison systems.

Middle powers can also act as bridges between different groups. In the Australian context it has often been suggested that the country, with its strong historical and cultural links to Europe and North America, but with its strong interest in Asia and a developing expertise in the region, can act as a link between East and West. Thus, the choice is not between history and geography, but the two can act together to define a unique and quite potent role.

An insight into the ways in which the Australian government sees its middle power role is provided in a book written by former Foreign Minister Gareth Evans with Bruce Grant (1995). Here are summarised the skills and resources needed to be an effective middle power. The key, they argue, is the building of effective coalitions of like-minded countries. Care must be taken in identifying opportunities for effective action: ideas which are premature or over-ambitious are not likely to be successful. Sufficient physical capacity must be available to follow the issue through, hence this limits the number of projects that should be pursued simultaneously. There must be clear and innovative ideas which can be applied to the issue, and often middle powers may demonstrate quick and thoughtful diplomatic footwork that is superior to that of the big powers. Finally, the initiating country must have credibility and not be perceived as either hypocritical, threatening or unduly self-interested in its actions (Evans and Grant, 1995, 344-348).

The go-between or honest broker role of the middle power has already been emphasised, and this is indeed the dominant tone of the small literature that exists on small-power diplomacy. However, as Evans and Grant themselves are honest enough to admit, such diplomacy can be no less self-interested than any other kind. Some of the issues in which Australia has played a leadership role have been clearly ones in which we have a clear economic interest. A notable example is the

organisation of the Cairns Group of agricultural producers. While the majority of issues amenable to such action will continue to be the wider topics in which the vast majority of countries have a positive interest(such as arms control, the prevention of environmental degradation and the hastening of trade liberalisation(there is a growing awareness in Australia that in some areas there is a special community of interest among the middle powers that may not necessarily be shared by the larger nations. Alliances may also be created between middle powers to look after their own particular concerns and deal with their special priorities, and it is this context that there is a special interest in developing closer ties with countries of similar size and scope. Thus, in the latter part of this paper, which of necessity starts by examining big power interests, a constant question is the extent to which Australian and Korean interests coincide and the extent to which they can work together, if necessary in opposition to the big powers.

3. The Scope for Medium Power Initiatives on the Korean Peninsula

The US-DPRK Interchange

The DPRK's developing contact with the US in official and non-official circumstances represents a major element in the DPRK's foreign policy. This has been recognised by the US and is being accommodated in ways that promote DPRK engagement and reduce the tension associated with the dialogue of 'enemy' states. However, this contact has been viewed critically by the ROK government's hardliners. The South Korean hawks are sceptical of the DPRK's genuineness in entering discussions with the US, believing that any diplomatic gain for the North automatically entails some sort of loss for the South. US objectives, despite the ten-year time frame established in the Framework Agreement, have been considered short term and driven by a degree of naivet? and unrealistic optimism.

Of still greater import to South Korean policy makers is the impact of this US-DPRK relationship on the ROK's own standing vis-?-vis the resolution of the situation on the Peninsula. The perceived slight to the ROK and the associated loss of face is taken seriously by the ROK government, which not unreasonably represents itself as the other side in the negotiations with the DPRK for the future of the Peninsula. Readiness on the part of the US to deal with the DPRK is consistent with DPRK aims and tactics designed to sideline the ROK and is portrayed as such by elements in the South.

It is precisely because of this ROK sensitivity that wider support for the US-DPRK dialogue is useful and necessary. Endorsement of the US-DPRK Agreed Framework and the dialogue and contacts which flow from it not only underlines international interest in the Koreas, it indicates a desire on the part of the world community to see a peaceful accommodation reached between the Koreas themselves and a stable situation established in the North Asian region. Expressions of support for the US initiative which underpins the Framework Agreement work to bolster US resolve and DPRK commitment to the process. Furthermore, such expressions allow ROK critics to find additional ground for manoeuvre, with their view of a DPRK win/ROK loss subject to modification as a result of ROK responsiveness to its obligations to the global community.

Effective support for the normalisation process and for the US's objectives also requires concrete participation in the framework's initiatives and related structures. Of these, the Korean Energy Development Corporation (KEDO) exercise exemplifies the need for other than great power endorsement and actual financial, material and personnel contributions from other parties. A number of medium powers, such as Australia and Canada, have already made financial contributions to KEDO. The dividend is immediate and visible(DPRK nuclear weapons R&D capabilities traded off or their development at least frozen for short-term assistance with immediate energy needs and long-term assistance with non-threatening nuclear power generation facilities. Practical assistance of this sort constitutes one of the most effective confidence-building measures that can be

introduced into the Korean equation, provided one is committed to incremental change and prepared for unexpected setbacks.

Support for the US's efforts can also usefully include open acknowledgment of the US government's contribution to not only the maintenance of peace on the Peninsula but more recently to the actual reduction of military tension along the DMZ. This has taken the form of troop reductions, modification of the joint US-ROK military exercise programme, changes to DMZ overflight surveillance activities, controlled responses to DPRK military posturing along the DMZ and the withdrawal of nuclear weapons systems from the ROK--the latter action being, of course, a major concession to the DPRK. Despite the offshore umbrella remaining in place, the removal of ROK based nuclear weapons still remains a powerful symbol of the US's preparedness to negotiate a peaceful solution to the Korean problem. Among Korea watchers this contribution has been well understood but warrants greater recognition from the international community; recognition which reflects not only on the US's constructive intentions but also acknowledges a DPRK success story in terms of North Korea's own security interests and arms reduction in the region.

The PRC's Various Channels to the DPRK

As an ally of long standing, the PRC's position on the Korean problem has been subject to regular criticism and, at times, vigorous attack. China has failed, or so the argument runs, to utilise its influence over the regime in Pyongyang to encourage the North to become more moderate and less aggressively militaristic in its approach to its southern neighbour. Indeed, in some fora the PRC has been called upon to withdraw its support for the DPRK completely, forcing the DPRK to address realistically its relatively isolated political, military and economic circumstances. The PRC has, despite this pressure, been careful to maintain its relationship with the DPRK in a way which enhances its interests in North Asia and avoids upsetting the balance of power in and around the Korean Peninsula. There is no question that the PRC and the DPRK have differing interests and the relationship has become less close in recent years, particularly after the death of Kim Il Sung, and this process may be further hastened following the death of Deng Xiaoping. However, the bilateral relationship remains of critical importance to the government in Pyongyang and of concern to the Chinese leadership.

While there is considerable debate about the impact of a resurgent China on the security situation in Northeast Asia (see, for example, Kang, 1996), most analysts suggest that China's primary aim is to secure stability and peace on its borders. In this regard, the Korean Peninsula is, of course, hugely important. All of the major global powers have a keen interest in Korea, and China's aim is to avoid undue dominance by any one of them, and has a particular interest in ensuring that the DPRK is not 'swallowed up', presenting a new security threat on China's border. Hence the constant demand that issues of reunification be left to the Korean people themselves, and that outside interference, especially by the major powers should be avoided (Gancheng, 1997). The need is to create better understanding and progressive communication between the two sides, and in this respect non-threatening smaller powers may have a constructive role to play (see also Wang, 1996).

The links between the PRC and the DPRK are varied and offer limited opportunities for other countries to engage indirectly the North Korean state's economic, military and political machinery and individuals therein. Provided this engagement is purposeful and avoids confrontation then it can be regarded as constructive and contributing to the overall effort to maintain peace on the Peninsula. Those opportunities most apparent to third parties via the China-DPRK link are principally in the economic field, with the political avenues being subject to close scrutiny and the military linkages being generally viewed as too difficult to access. This is unfortunate as it is in the political and military fields that the greatest gains lie when using the PRC's good offices to access and influence the DPRK. This does, however, demand that a carefully considered strategy be

developed and implemented with the acquiescence of the PRC government. Unfortunately, there is a tendency to dismiss such an effort as too difficult and unreasonably optimistic or to resort to the formula that the PRC-DPRK dialogue channels have been fully considered by US policy makers and that the involvement of other players will unnecessarily complicate the situation for the superpower players.

Medium sized powers interested in pursuing the PRC's links to the DPRK as part of their contribution to stability and the normalisation process would do well to examine closely the comparative success enjoyed by scholars from these countries in discussing North Asian security issues in a variety of academic fora during the past decade. These discussions have been noteworthy not only in terms of content but also in terms of participation by those closely associated with military and political policy in the region. PRC participation has often been of a considered, high-quality nature with those academics and officials involved being able to influence elements of PRC official policy and its implementation, including policy on PRC-DPRK issues. Better contribution on the part of governments to these fora would be to the advantage of all interested in seeing the DPRK become more closely linked with states beyond its borders. Unfortunately, the indirect and incremental approach to effecting change is to a large extent alien from the Western official repertoire, especially in countries such as Australia. Nevertheless, these meetings offer opportunities for important contact with PRC representatives with direct and ongoing responsibility for PRC contact with and policy towards the government in Pyongyang.

It is significant that the US and Japan have recognised the potential these contacts offer and yet others in governments elsewhere remain reticent to develop a structured approach to these opportunities. In the future, opportunities for worthwhile debate, attractive to regional governments and interests, lie in revisiting the nuclear weapons free zone debate, the military facilities inspection measures proposed as a confidence-building measure for the Koreas(perhaps on a regional rather than Peninsula specific basis, environmental security issues affecting the seas around the Peninsula and communications systems and infrastructure development issues relevant to the PRC and other countries of North Asia. All of these issues beg participation by the PRC's military and foreign policy interests and their DPRK equivalents.

Having suggested that PRC economic links to the DPRK are more widely recognised as important in political and security terms, it is certainly true that these links are bilateral in nature, with only limited scope for the involvement of other parties. However, the land/sea border areas between the PRC and DPRK allow proximity to play a role in the economic interchange: cross-border trade (both sanctioned and black market) allows for some involvement of third-party interests in manufacturing ventures on the PRC side of the border, possible joint venture participation in fisheries, together with some joint venture involvement in sales of consumer goods. Trade and consular representation in Shenzhen reflects a degree of awareness on the part of a number of governments of the value of location in promoting cross-border commercial activity. ROK sponsorship for or subsidisation of third-party involvement in related enterprises should be given appropriate consideration (the Tumen River development is considered separately).

The prospect for third-party participation with PRC partners in more advanced technology transfer to the DPRK should also be given more serious thought, with the KEDO model kept in mind. Telecommunications infrastructure offers opportunities for collaboration, as does the computerisation of elements within the DPRK's administration and service delivery areas, its industrial enterprises and educational institutions. Internet linkages warrant encouragement and support. Transportation projects, both land and maritime may also be worth considering if a PRC partnership could be established.

The ROK's Contacts with the DPRK

Despite the hard line position reflected in ROK government official policies towards the DPRK and the criticism of US-DPRK negotiations not directly under ROK stewardship, the ROK's contacts with the DPRK constitute critical elements in the maintenance of peace on the Peninsula. These contacts in effect complement the direct contacts of others with the DPRK's political, military and economic mechanisms. Without these ROK-DPRK exchanges, whether official or informal, other dialogue with the DPRK becomes of significantly less relevance to the stability of the Peninsula. Even during periods of strained relations, some channels between the Koreas remain open although they may not be activated.

ROK contact with the DPRK now closely parallels that of the US, although there is a reluctance on the ROK's part to acknowledge this synergy. Tensions in the official ROK-DPRK exchange have not adversely affected ROK business contact with the DPRK. Similarly, the mechanisms for control of the Joint Security Area at Panmunjom and the DMZ continue to operate effectively. Rhetoric aside, the military representatives from the two Koreas remain immediately accessible to each other. Posturing remains principally in the political realm, with there being no immediate obligation to translate words into deeds.

It is in this last remark that the trap for concerned third parties and countries lies. With government-to-government exchanges suspended or at least being kept to a minimum, interest by other states in supporting ROK-DPRK dialogue channels in the context of the US-DPRK normalisation effort and the peace process appear to be unprofitable. However, this is an unnecessarily pessimistic view and does not pay sufficient heed to the consistency of the business contact established between Koreans of North and South. The DMZ may serve as an effective barrier to contact between the two populations on the Peninsula and their armies but in reality constitutes only a hindrance to those interested in pursuing business opportunities or exploring options for economic collaboration and trade.

Pivotal to the ROK-DPRK business exchange is the role of Koreans resident overseas. Long divided into supporters of the ROK or DPRK states and despite a healthy degree of suspicion which remains in Seoul and Pyongyang to 'enemy sympathisers', Koreans abroad are now far more amenable to considering dealing with either or both of Koreas if the business potential is there. This in turn offers others the opportunity to participate in limited business enterprises with interests in the North. Such contact is helpful and beneficial to the overall atmospherics underpinning the DPRK's foreign and economic policies and to the US's interest in engaging DPRK officials and business representatives in meaningful, non-threatening cooperative ventures. With ROK interests involved, the return in terms of the overall peace process is magnified but the politics become more complicated.

Contacts between the ROK and the DPRK, while difficult at the official level, may be promoted through second-track diplomacy involving middle powers. Links and limited negotiations between the two Koreas may well take place more easily in 'neutral' or non-threatening locations, and there have been a number of indications that the DPRK may be more willing to meet representatives of the ROK in such situations.

Russian Channels to the DPRK

The relationship between Russia and the DPRK has been one in which an effective and formidable military and political alliance, tested for over three decades, collapsed within a relatively short period leaving each partner highly sceptical of the other's intentions and reliability. Mistrust replaced certainty, but geography and economic needs prevented a complete schism and important linkages remained in place. ROK interest in Russia bears witness to the value of such linkages. The DPRK's strategic and economic agenda has led to a revisiting of its policy towards the Russians.

After the shocks of the late 1980s and early 1990s, beginning with the Seoul Olympics and including the new Russian state's responsiveness to the ROK's active diplomatic and commercial overtures, the DPRK has moved from bitterness to pragmatism in its dealings with Moscow and its neighbours in the Russian Far East. Pragmatism too characterises the Russians' reassessment of their present dealings with the DPRK. After a hiatus in foreign policy development in regard to the Pacific accompanying the collapse of the Soviet Bloc, followed by a period of pro-ROK diplomacy and economic engagement, Russian policy makers concerned with North Asia are revisiting their approach to the Koreas.

Although the debate on Russia's Korean policy is yet to be resolved, there is ready acknowledgment in Moscow that the DPRK remains crucial to the immediate and medium-term stability of North Asia. There is also a recognition that it is not in Russian interests to discard completely the investment made in the DPRK's military, political and economic leadership and mechanisms. Nor is it in Russia's interest to vacate the field, allowing the US, Japan, the PRC and to a lesser extent the ROK to determine the eventual direction of the Peninsula's politics and those of the region. The Russian Far East is important to the DPRK's foreign currency earnings and barter trade. Continued access to Russian institutions remains useful to North Korean students and officials. Cross-border provision of oil, timber and black market consumer goods also helps alleviate particular pressing shortages in the DPRK.

The current resurgence of Russian interest in the Koreas and North Asia is worthy of attention from those countries interested in promoting the Armistice revision/normalisation efforts. Russian channels to North Korea are in place and limited activity is apparent in selected areas. There is obviously some scope for others to become involved in aspects of this Russian-DPRK relationship. Appropriately targeted involvement is consistent with efforts to bring the DPRK government into meaningful contact with the international community and the systems on which it functions. What makes this Russian channel especially interesting is that despite the bitterness associated with the Soviet 'betrayal' and 'collapse' as seen from Pyongyang, the Russian connection remains of enduring importance to the DPRK and the Peninsula as a whole. Furthermore, it is a relationship which is being revitalised or at least being revisited. There is scope here for creative third country diplomacy.

Contact via Friendly Third Countries

From the point of view of constructive engagement, contact via third countries regarded by the two Koreas as sympathetic to their respective governments and/or as important partners in various fields or ventures has real potential. There is no doubt that advice from a friend is generally better received than from a stranger or protagonist. Access to the ROK is certainly more open than that to the DPRK for most countries engaged actively with the West. Nonetheless, by employing friendly third country support for the US efforts to normalise relations with the DPRK and to seek mechanisms which guarantee long-term stability on the Peninsula, medium sized powers can bolster the US's position vis-?-vis its ROK critics and encourage a more innovative approach to the ROK's own DPRK policy development. Countries hitherto under-utilised in this regard include a number of Middle Eastern states with major business relationships with the ROK's largest companies, those ASEAN states with growing multifaceted links to Seoul and the ROK's European partners.

In the case of the third country avenues to the DPRK, greater caution is needed and the ability to achieve concrete results is arguably more problematic, not because of any special DPRK intractability but rather because of additional caution on the part of the third countries with worthwhile access to DPRK officialdom. Diplomatic representatives based in Pyongyang are very restricted in their ability to contact and influence DPRK policy makers and serve as testimony to the care needed to achieve specific objectives. Those third countries with practical leverage that could be utilised to these ends include the DPRK's markets for its missile systems and arms sales. The

nature of this trade, while not totally precluding diplomacy aimed at supporting the normalisation process, does limit government-to-government dialogue on other issues because of the interests and agenda of the countries and individuals involved. A number of the countries with major weapons related trading relationships with the DPRK are firmly placed in the anti-US camp. Whatever the merits of peace in Korea, the imperative to disrupt US diplomatic and other policy work would have clear precedence in national outlook. Others, while less actively opposed to US interests would need material incentives before becoming active supporters of normalisation in any dialogue with the DPRK.

These notes of qualification notwithstanding, there is a scope for diplomatic efforts designed to enlist third country 'friends' to lend their support for the normalisation process and the inter-Korean peace process. This work will require material commitment to bilateral links to these third country interlocutors, which is tied to their actual delivery on support for normalisation. Potentially important players include Taiwan, Egypt, the UAE, Iran, Syria, Thailand, Vietnam, the Philippines, Pakistan and India. States of the former Soviet Union can also be grouped with the friendly third countries, although Russia itself warrants treatment as a great power as noted previously, particularly in view of its revisiting its policies on the Korean Peninsula.

There are obvious limitations on how far the medium sized powers can enlist others to work for normalisation and peace in Korea. Acting as a perceived US proxy will detract from the effort and, indeed, is not viewed as helpful by the US itself. What is needed, besides the establishment of bilateral dealings of genuine import with the third country interlocutor, is a clearly defined interest in and policy towards the Korean Peninsula and issues affecting the security of North Asia. For some countries, Australia among them, trading relationships and regional involvement over an extended period of time, together with active participation in regional and global security mechanisms mean that there is no requirement to articulate the reasons for a special interest in the Koreans. For others, with the relationship to the ROK or the DPRK less well defined or understood, there is a requirement for a carefully argued case for support for the normalisation and peace processes, if the adopted position vis-?-vis the Koreas is to be credible and thus convincing. Supporters of the normalisation efforts can help assist here by providing details of the specific objectives and regional context of the US's normalisation work, again being careful not to represent themselves as US puppets.

Direct Contact with the DPRK

Diplomatic representation in Pyongyang is not necessarily indicative of an effective bilateral relationship in which respective views will be given worthwhile consideration. However, diplomatic recognition remains useful as an opening for dialogue rather than an indication of progress. A permanent presence in the DPRK is, therefore, a luxury rather than a necessity. Meaningful direct contact with the DPRK needs to be cleverly thought out and executed, with a view to practical advantage.

Direct contact with the DPRK needs to be set against a country's established contact with the ROK, not because contact with the DPRK will automatically result in a counter-reaction from the ROK but because both Koreas watch linkages with the Peninsula carefully. Unexpected or unexplained 'dealing with the enemy' will prompt an inquiry at the very least. However, independent states can contribute effectively to the Korean peace process by direct engagement with elements of the Pyongyang government apparatus. Once again, immediate changes in DPRK attitude cannot reasonably be expected. Rather, incremental but reasoned pro-mediation/pro-accommodation dialogue will support those elements in the DPRK government who see avoidance of military conflict as a necessary pre-condition for the continued survival and gradual reform of the North Korean state. This group has patience and so should others!

Herein lies the value of the Rajin-Sonbong/Tumen River development. There is no prospect that this Free Trade Zone will prove to be a short-term economic success story either from the DPRK's viewpoint or from that of those who become involved in activity in the zone. The Tumen River seen from the North Korean side of the border is an attempt to introduce new industries, infrastructure and linkages with external interests into the DPRK without threatening the state's security. Material gain sits comfortably at the centre of the DPRK's Tumen River policies but, importantly, can only be achieved by utilising what are for DPRK officials and institutions relatively radical business practices. Although social and security control mechanisms in and around the zone are maintained, the Rajin Sonbong region represents an experiment on the DPRK's part and a relative success in policy terms for reformist elements with the party.

Policy innovation is not limited to the Tumen proposal alone. The Nampo Free Trade Zone policy is of equal but less tangible importance, with the later development remaining frozen but nevertheless having been considered seriously enough by DPRK policy makers in the context of improving the DPRK's industrial base and economic performance to have been widely published both inside and outside North Korea. Recognition of this degree of flexibility on the DPRK's part is not universal, but the DPRK stance warrants close consideration by interested governments and others ready to engage directly the North's economic policy makers and business representatives. This is not to suggest that any involvement resulting from such contact and investment will be profitable in terms of immediate financial return. This is highly unlikely. However a government/business nexus, with longer term diplomatic objectives and with costs being viewed as an assistance subsidy, can usefully contribute to the DPRK's economic experiment at Tumen River (and in due course Nampo).

At a more general level, direct engagement with the DPRK is more possible for the medium powers than the bigger layers, at least in certain fields. Educational initiatives, preparing young North Koreans for wider international contacts, including contacts with the world market system, are already being developed in Australia, for example. Agricultural development, minerals, energy, telecommunications and environmental conservation projects(all areas in which Australia has a world-class expertise(are also being actively negotiated with Pyongyang. This involvement would not yet be possible for the larger players, but for it to be really useful it needs to be planned appropriately, and researched and implemented with a view to incremental gains rather than revolutionary change. The prospect of financial supplementation from the ROK, the United States and Japan may well be a constructive option in the present circumstances.

Linkages with International Organisations and Fora

Multilateral contacts are useful in encouraging the DPRK to discuss matters of relevance to its security, foreign policy and economic development. The DPRK is well versed in the politics of multiparty exchanges, having participated in the dialogue underpinning the maintenance of the cease-fire for over forty years and with more recent experience in the context of the Non Proliferation Treaty negotiations associated with the Yongbyon research reactor facilities. Similarly, dealing on a needs driven basis with the World Food Programme (WFP) and other United Nations programmes under the UNDP and UNIDO has been accepted by the DPRK as sensible and appropriate policy.

Although the DPRK interlocutors may sometimes appear overly defensive or indeed aggressive in multiparty exchanges, DPRK diplomatic representatives tasked with participating in international or regional dialogue are comfortable with their various roles and with the fora in which they perform them. Such officials are also trusted by their government and are able to contribute to the DPRK's policy formulation processes. The IAEA NPT negotiations (with their combination of dialogue, research discussion, heated debate and pre-emptive hysteria) are instructive in this regard. These negotiations underline the DPRK's ability to manage a multifaceted policy position, unpopular or

opposed by the bulk of the world community, by utilising a combination of delaying tactics, denial, open hostility, provocation and carefully timed emotion. These protracted negotiations have evolved into the Framework Agreement itself and the win/win outcomes flowing from the provisions of that agreement.

As the DPRK has enjoyed a degree of success in multiparty fora, those seeking to support the normalisation effort should be looking for appropriate opportunities to attract DPRK participation. This is well understood by the DPRK's neighbours, with interest in DPRK involvement in regional initiatives such as the North East Asia Cooperation Dialogue meetings being keen. Other opportunities for DPRK participation include APEC and the projects under APEC's auspices, academic gatherings associated with regional security issues and the various bodies under the UN interested in the countries of North Asia. Cautious involvement via preliminary dialogue or exploration of possible observer status could be extended by other groups. Of some attraction to the DPRK from a Peninsula perspective are the ARF and IMF(the former attractive from a foreign policy perspective, the latter as it represents a carrot of global proportions.

4. After the MAC

The mechanisms of the Military Armistice Commission have served the interests of stability on the Korean Peninsula well. Recent years have seen changes to the administration of the Joint Security Area and associated adjustments to the ROK/DPRK contact at Panmunjom. However, the DPRK and the ROK are not yet ready to implement any proposals for radically new machinery to handle those issues relating to the military and political situation along the border.

Both Koreas have consistently demonstrated a fierce commitment to the defence and security of their borders. Both have reservations about the use of multi-party mechanisms to regulate any interaction along or across the border between the Koreas. In the case of the DPRK, such feelings are compounded by a conviction that multilateral mechanisms and negotiations place Pyongyang at a tangible disadvantage in engaging the ROK and other interested parties. These concerns have implications for the mechanisms which will be appropriate for the management of the border area over the medium term and for the possible involvement of other than the main players in these mechanisms. This is unfortunate as the MAC itself has demonstrated that medium powers, albeit medium powers allied to the principal protagonists, can be usefully employed in the reduction of tension and resolution of disputes in the border area.

The maintenance of the status quo in regard to the management of the border between North and South is the easy option, with changes reflecting shifts in alliance relationships rather than any effort to advance and improve the management of the interface/standoff along the DMZ or offshore. Yet, despite the division reflected in the DMZ itself, the tensions evident along its length and the associated military deployments, with a view to the medium to longer term the management of the border area offers more than just the chance for contact or conflict involving opposing military forces. For this potential to be developed will require not only a significant advance in the inter-Korean exchanges and an acknowledgment that the area is of other than mutual military interest but also a management mechanism that is able to cope with the overarching military imperatives of the DPRK and the ROK, while allowing the careful and gradual exploration, promotion and the supervision of cross-border collaboration in other than military fields. Here again there is scope for the involvement of those medium powers with defined interests in the region.

There are no indications that either of the Koreas or the major powers have interests in exploring seriously a multi-faceted mechanism for the management of the area along the DMZ. This is understandable while the preoccupation of all concerned is the prevention of an outbreak of hostilities but consideration of this possibility offers some scope for improving the degree of

dialogue and cooperation on the Peninsula. Business interests in the ROK occasionally flag the potential which lies in the establishment, close to the DMZ, of particular joint ventures involving Koreans from both North and South. The sea border has attracted limited comment in regard to resource and environmental issues and the DMZ itself has been acknowledged as a site of importance because of its peculiar capacity to protect flora and fauna of significance. At the very least, the management mechanisms for the border areas warrant closer consideration on the part of the Koreas and other interested parties and greater prominence in the public debate. It may well be that in both the negotiations and initial implementation of such initiatives the expertise and relative freedom of manoeuvre of the medium powers may prove to be useful.

5. References

Cooper, A.F., Higgott, R.A. and Nossal, K.R. (1993), Relocating Middle Powers: Australia and Canada in a Changing World Order, Vancouver: University of British Columbia Press.

Evans, G. and Grant, B. (1995), Australia's Foreign Relations in the World of the 1990s, Melbourne: Melbourne University Press.

Gancheng, Zhao (1997), 'China's Korean Unification Policy', in Tae-Hwan Kwak (ed.), The Four Powers and Korean Unification Strategies, Seoul: Kyungnam University Press, 59-86.

Gipouloux, F. (1994), 'Globalisation and Regionalisation in East Asia: Stakes and Strategies', in F. Gipouloux (ed.), Regional Economic Strategies in East Asia: A Comparative Perspective, Tokyo: Maison France-Japonaise, 13-49.

Kang, D. (1995), 'The Middle Road: Security and Cooperation in Northeast Asia', Asian Perspective, 19 (2), 9-28.

McKay, J. (1996), 'Australia as an Asian Middle Power: The Search for a New Role', Korean Journal of International Studies, 27, 1-27.

Ohmae, Kenichi (1993), 'The Rise of the Regional State', Foreign Affairs, 72 (2), 78-87.

Wang, Fei Ling (1996), 'Chinese Security Policy in Northeast Asia' in Taei-Hwan Kwak and Edward A. Olsen (eds.), The Major Powers of Northeast Asia: Seeking Peace and Security, Boulder: Lynne Rienner, 41-68.

III. NAPSNet Invites Your Responses

The Northeast Asia Peace and Security Network invites your responses to this essay. Below are a few questions that some readers may find useful in putting the issues raised by the essay into a critical light. Please send responses to:napsnet@nautilus.org. Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

- The authors suggest that middle powers with interests in the Korean peninsula can help promote inter-Korean dialogue. Are they correct in this evaluation, or will introducing more powers into the normalization process only complicate the issue?

- The authors caution that middle powers which seek to promote US openings toward the DPRK have to be careful to avoid appearing as US puppets. How can this be accomplished?
- The authors focus on middle powers who are traditional allies of the US, such as Australia. What role do smaller powers who are not traditional allies of the US have to play in the normalization process?
- Given the reluctance of the participants in the four-party peace talks to include such interested larger powers as Russia and Japan, what incentives do they have to allowing middle powers to play a larger role in the normalization process?
- The authors point to the Rajin-Sonbong and Nampo Free Trade areas as places where middle powers might develop openings to the DPRK. Given the economic and structural problems in these regions, will the DPRK be able to attract investment from such middle powers

---