Policy Forum 08-025: President Lee Myung-bak’s North Korea Policy: Denuclearization or Disengagement?

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By Leonid Petrov

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I. Introduction

Leonid Petrov, Research Associate in the Division of Pacific and Asian History at Australian National University, writes, "During the last decade, the dynamics of inter-Korean cooperation have made unprecedented progress. It would be unforgivable to slow down this process only because someone may find a peaceful compromise excessively expensive. Let us not forget that this matter is about the future of the Korean people, and attempts to economize on the future of the people sooner or later leads to political bankruptcy."

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II. Article by Leonid Petrov

- "President Lee Myung-bak's North Korea Policy: Denuclearization or Disengagement?"
By Leonid Petrov

Just days after his inauguration as the President of Republic of Korea, Lee Myung-bak faces an important decision. The so-called "pragmatic" approach to North Korea, which was formulated and promulgated during his election campaign, is now going to be implemented. What will be the short- and long-term consequences of President Lee's North Korea policy?

Even before Mr. Lee moved to the Presidential Blue House in Seoul, many people in Asia and beyond associated his ascendance to power with the potential deterioration of inter-Korean relations. If not a complete freeze, a serious cooling may be awaiting the fragile North-South Korean cooperation. Some political groups found his conservative stance and rhetoric disturbing, while others welcomed the fresh approach. The war of words on what policy toward North Korea is more effective has been going on between the two camps: the supporters of unconditional engagement and the pragmatic conservatives. It is likely that debate will continue because a solution for the issues regarding the DPRK (the Democratic People's Republic of Korea, North Korea's official name) is still nowhere in sight.

Lee Myung-bak's criticism of the Sunshine Policy of his predecessors is concentrated on the "unilateral appeasement" which the two previous governments allegedly pursued in their relations with Pyongyang. Initiated by Kim Dae-jung in 1998 and continued by Roh Mu-hyun until last month, this policy has been based on the principle of almost unlimited help to North Korea. Also dubbed an "ATM policy" (where the North would turn to the South only when it needed some cash) it cost a fortune to South Korean taxpayers and attracted a negative attitude from the ROK's strategic partners, chiefly the United States and Japan. Paradoxically, even North Korea was suspicious of this policy and repeatedly denounced it as a subversive trick aimed at implanting capitalism and destroying socialism in the DPRK.

One can endlessly list the shortcomings of the Sunshine Policy but compared with its extreme alternatives - open confrontation and war - it seemed to be working and even achieved plausible results. When it was first formulated ten years ago, hardly anybody expected that North Korea would survive this long. Nor did many people expect that the zones of inter-Korean cooperation would start clustering along the Demilitarized Zone (DMZ) with passenger cars, buses, and trains crossing it on a daily basis. The growing air and maritime traffic between South and North Korea is another achievement of the Sunshine Policy.

What can be done better to achieve more? President Lee is set to push for his own "Vision 3000" policy toward the North. It is designed to provide conditional economic assistance to the DPRK over the next decade with the purpose of helping to boost its per capital national income to $3,000

(currently the North's per capita income is estimated as $1,800). Assuming that the country's economy starts growing at 10 percent annually, it can achieve $3,000 per capita income in less then ten years. In the meantime, South Korea could provide the North with a comprehensive package in five major sectors - industry, education, finance, infrastructure and welfare. For example, in the case of industry, the South can cultivate 100 North Korean companies that could export goods worth more than $3 billion. In education, the South can assist the North by training 300,000 industrial workers and investing about $40 billion through international development fund.

No doubt Lee's Vision 3000, if implemented, would turn North Korea's economy into an export-driven one. However, the conditionality of this plan is built on the premise that the Joint Statement adopted at the Fourth Round of the Six-Party Talks on September 19, 2005 in Beijing must be completely implemented before any developmental and financial aid is offered to North Korea. This is called a "complete and flexible approach" and is supposed to serve as incentive in inducing the North to scrap its nuclear programs. In other words, the issue of denuclearization turns into the primary policy goal, which is set to dominate other policies and regulate the speed and nature of inter-Korean cooperation, including South Korean investments in North Korea's existing and future special economic zones.

The new presidential administration in Seoul plans to divide all inter-Korean cooperation projects into three categories according to their importance and cost. For instance, it is promised that humanitarian aid (in the form of rice, fertilizer, medical equipment, forestation and environmental support) will be continued. Second category projects, which include commercially viable ventures directly benefiting the South (such as development of natural resources, cooperation in transport and communication) will be saved but regulated by the new Inter-Korean Cooperation Fund. Suspended will be projects requiring significant financial investment, among them reconstruction of the dilapidated North Korean infrastructure and the creation of a special "peace and cooperation zone" in the West (Yellow) Sea.

Almost everything what Kim Jong-il and Roh Moo-hyun agreed upon at the October 2007 inter-Korean Summit falls into this "third category". The key development plan aimed at the construction of an economic center in and around Haeju, the North Korean port city about 75 kilometers west of Gaesong. Experts believe that modernization of Haeju and the creation of the West Sea Economic Center would be the second largest project after the Gaesong Industrial Complex. It is conceivable that a proper feasibility study did not precede the signing of this multi-billion dollar agreement. Honoring or postponing this deal is now in the hands of President Lee's administration. A delay or cancellation will certainly prompt protests from Pyongyang, which is probably expecting the earliest implementation of the 2007 Summit, and will leave a deep scar of mistrust on inter-Korean relations in the future.

Among other things likely to seriously aggravate relations with the North is the plan to reconsider an earlier agreement with Washington that Seoul would resume wartime operational control of its own military by 2012. Despite the agreement reached by the previous government, President Lee has hinted at the possibility that, should North Koreans further delay the complete and verifiable dismantlement of their nuclear weapons program, South Korean military forces might remain under US war-time command even after this date.

Lee's complaints that ROK-US ties had been neglected for the sake of North-South Korean relations have a certain legitimacy. However, his assumptions that strengthening ties between South Korea and the United States would help make North-South Korean relations better and that if ROK-US relations improved then DPRK-US relations would also get better cannot but raise doubts. Experts in Korea and overseas see the main weakness of Lee Myung-bak's North Korea policy in that he does not specify South Korea's role in the denuclearization process other than strengthening its

cooperation with the United States.

The new South Korean President plans to make human rights a top priority in the government's policy on North Korea. The DPRK is customarily criticized for serious violations of human rights and its refusal to cooperate with the UN Human Rights Commissioner or special investigators. Lee Myung-bak has promised that he would not shy away from telling North Korean leaders the truth about their society's "shortcomings" and emphasized that "constructive criticism, if pointed out with affection, would go a long way toward improving North Korean society". Certainly, this decision is morally right and honorable, but its effectiveness is highly dubious given the long-standing record of the DPRK being immune to international criticism.

Based on the above, the revamped Unification Ministry under President Lee Myung-bak is likely to play a new role, at odds with its purpose as formulated by the previous two governments - "to promote co-prosperity and peaceful coexistence through the expansion of reconciliation and cooperation between South and North Korea". On the contrary, by pursuing the denuclearization and democratization of North Korea, Seoul will risk further alienating the North and, by so doing, will risk making its economic recovery and political opening even more problematic. Sadly, in the case of "hard landing" (i.e. North Korea's regime collapse and ensuing domestic conflict and chaos) South Korea will suffer more than any other neighbour.

It is a mistake to believe that the DPRK can be persuaded to denuclearize and disarm by a mere promise of economic assistance afterwards. For North Korea the existing nuclear program is not only the means for military deterrence (the bomb) but also the way of economic survival (cheap energy, smaller army and less conventional weapons). Also, South Korean "conditional economic aid" can be easily replaced by unconditional economic aid from China or Russia with, probably, better chances of face-saving for Pyongyang.

It is pointless to criticize the North for domestic inadequacies and human rights abrogation unless that country is given a proper security assurance by the United States, its main and long-time adversary. Until then the DPRK leadership will continue to feel insecure and maintain the wartime-like regime inside the country where popular mobilisation against "state enemies" are the order of the day. Any strengthening of the ROK-US security relations (such as the present joint military drill) will be interpreted by Pyongyang as preparations for an invasion.

What the North Korean leadership wants least is foreign intervention into its domestic affairs, specifically in the areas of ideology and human rights. It is equally futile to demand from North Koreans any degree of "openness" or to offer them "full-fledged economic exchanges". The DPRK economy is a centrally planned one (not transitional), with only some of its segments being regulated by the market. Quick depressurization of the old-fashioned economic and political system will lead to terrific shock with consequences catastrophic for the people and the leadership. Kim Jong-il and his close advisors are well aware of the Russian and Romanian experiences, and abstain from experimentation with reforms.

If something is a valid incentive to North Korea for good behaviour that might lead to solution of the nuclear issue, it is a complete, verifiable and irreversible security assurance given to Pyongyang by the United States against any military action. Broader diplomatic recognition and the rapid removal of the DPRK from the list of terrorism-supporting states are also urgent. Enhanced cooperation between North Korea and its closest neighbours (South Korea, China and Russia) in the production and distribution of energy, the coordinated development and usage of transport networks, and the joint exploration of natural resources would be desirable too. Without comprehensive engagement and cooperation, Seoul has little or no leverage on the North. That makes any incentives or penalties meaningless.

Right now, while agonizing over the appointment of a new Unification Minister, President Lee and his associates should resolutely decide upon what they want to achieve in the future - short and long term. Non-proliferation and nuclear disarmament are vitally important for peace and security. Nevertheless, excessive emphasis on denuclearization in the context of inter-Korean dialogue may well lead to disengagement and resumed confrontation. Working toward a nuclear-free regime on the Korean peninsula, the new government in Seoul should not discard the decade of engagement efforts.

It is also expected that the "pragmatism" of the new administration in Seoul will not be limited to simply copying the well-known neo-conservative model, where the search for weapons of mass destruction routinely prevails over common sense. Crusades to protect the democratic values from the "dark forces of evil" often bring about new hostility and escalation of tension.

During the last decade, the dynamics of inter-Korean cooperation have made unprecedented progress. It would be unforgivable to slow down this process only because someone may find a peaceful compromise excessively expensive. Let us not forget that this matter is about the future of the Korean people, and attempts to economize on the future of the people sooner or later leads to political bankruptcy.

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 . 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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