

This keynote address by PCI board member, Hong Seok-hyun was delivered at the East-West Center International Alumni Conference in Seoul on August 23, 2018.

## **The Start of Peace and Prosperity on the Korean Peninsula**

Good morning everyone.

Please allow me to begin by expressing my gratitude to the University of Hawaii East-West Center for giving me this opportunity to speak before the distinguished leaders gathered here today from all over the world.

The Korean Peninsula where we have gathered today is in the midst of change, transitioning from war to peace. Looking back to last year during the height of tensions surrounding the North Korean nuclear issue, the state of affairs on the Korean Peninsula have been more dynamic than any TV drama. When tensions were at their highest at the end of last year, it seemed we were on the brink of war with much talk about whether the United States would strike North Korea. But the situation started turning around dramatically at the start of this year with North Korean leader Kim Jong Un announcing his intention to send a delegation to the Winter Olympics in Pyeongchang.

We all know what followed: the North Korean delegation's participation in the Pyeongchang Olympics, the April 27 summit between President Moon Jae-in and Chairman Kim Jong Un, and the June 12 summit between President Donald Trump and Kim Jong Un in Singapore. In a matter of six months, a danger zone that seemed on the brink of war has become a land dreaming of peace and prosperity. Many started speaking of spring on the Korean Peninsula and dared to dream beyond this to possible unification.

All this would not have been possible without the combination of the three leaders, being President Trump, President Moon, and Chairman Kim. President Trump for his part succeeded in drawing Chairman Kim to the dialogue table through maximum pressure and sanctions. President Moon Jae-in's mediation also played a big part. President Moon brought together the leaders of North Korea and the United States, countries that have been enemies for nearly 70 years. This dramatic twist would not have been possible if it had not been for Kim Jong Un, who has shown a much more pragmatic approach than his

father and grandfather in his resolve to improve the lives of the North Korean people. I believe these three leaders who are all quite different from their predecessors have helped lay the groundwork for resolving the North Korean nuclear issue. This is a chance we cannot afford to lose.

But now about two months after the U.S.-North Korea summit, it appears that we are once again trapped in a thick fog with no clear indication of where the nuclear crisis is headed. In particular, we have not seen a single step forward with regards to the core issue in resolving the nuclear issue that is nuclear weapons dismantlement. This is not to say there was no progress at all. North Korea disabled its nuclear testing site in Punggyeri and shut down parts of its missile test site in Dongchangri and repatriated the remains of U.S. soldiers who fought in the Korean War. South Korea and the United States also postponed indefinitely their joint military exercises.

But North Korea has yet to come out with the all important denuclearization schedule or its list of nuclear weapons. Rather, it is demanding the Korean War be declared over first, something it had not mentioned in earnest before. So the nuclear issue has fallen into a tedious state of confrontation with the U.S. urging North Korea to start by taking convincing steps toward denuclearization and North Korea sticking by its demand for an official declaration of the end to the Korean War. Of course, there could be a breakthrough with Secretary of State Mike Pompeo's upcoming fourth visit to Pyongyang and the United Nations General Assembly late next month, but at this point, nothing is for certain.

In a situation where both sides are demanding the other yield first, it is impossible to find a breakthrough without third party mediation. This is where South Korea can play an active role. And I believe this is why President Moon is working for a third summit meeting with Chairman Kim in September.

Then why is Chairman Kim not taking steps to implement the denuclearization promises he made in his talks with the South Korean and U.S. leaders? The answer is simple. He is afraid that he will meet the same fate as Libya's Muammar Gaddafi or Iraq's Saddam Hussein and end up dead or run out of his own country. It means he doesn't trust that the United States nor the international community will protect his power and security.

Kim's demand for a declaration to end the war is linked to this distrust. Whether it's a three-way declaration among the two Koreas and the U.S. or a four-party endeavor including China, we can expect dramatic changes in the situation once there is a declaration of the end to the war. First of all, it will greatly weaken the case for the presence of U.S. troops and United Nations Command on the Korean Peninsula. North Korea will demand their withdrawal based on the move. North Korea will also demand the South's military defense line be pushed back from the current position by the Demilitarized Zone and an adjustment in the maritime Northern Limit Line. These are all measures that will weaken our defense posture.

Because of these suspicions, North Korea will want to keep at least some of its safety mechanisms to guarantee its regime when it embarks upon the denuclearization process. It is likely that North Korea could, for instance, hide a number of nuclear bombs. The Kim Jong Un regime probably believes it would be able to uncover and rattle its nuclear weapons to survive an imminent attack from the U.S. in the event of a worst case scenario. Just one backpack of fissile material such as enriched uranium is enough to produce a nuclear weapon. It would be impossible to locate fissile materials if they are hidden deep inside the myriads of tunnels around North Korea.

So what should we do? The most immediate task at hand is simultaneous action to resolve the standoff between North Korea's demand for a declaration ending the Korean War and sanctions and the U.S. demand for progress in denuclearization. Personally, I believe the 'front-loading' method President Trump mentioned right after his summit with Chairman Kim Jong Un in Singapore is the best way to move forward. Usually, a principle of negotiation is to start with the easier tasks. But front-loading tackles the difficult issues first.

For instance, the immediate dismantlement of 20 percent of North Korea's key nuclear capability. I believe the reporting of nuclear facilities and fissile materials, a complete halt in nuclear material production and detailed reporting are crucial initial steps. Even now, North Korea continues to produce nuclear material and it is important that this stops. If these conditions are met, the United States will take measures to either ease or abolish sanctions. The U.S. decision to halt joint military exercises with South Korea is a preemptive

gesture of goodwill on the part of the U.S.

The basic reason behind North Korea's reluctance to denuclearize in the long run is due to a lack of trust and a solution must be proposed to deal with this unease. Just as the international community has demanded CVID from North Korea, the international community must provide a 'Complete, Verifiable, Irreversible, Guarantee' to North Korea.

From North Korea's point of view, the United States could be a country that is not to be trusted. During the first North Korean nuclear crisis in 1994, the U.S. promised to normalize relations and sign a peace treaty with North Korea as well as build light water nuclear reactors for power production if North Korea gives up its nuclear development. That's the Geneva Agreement we're all too familiar with. The deal was favorable to North Korea because it was based on the flawed assumption that the Kim Jong Il regime would collapse soon. But contrary to that assumption, North Korea made it through a widespread famine in which millions died and was even enriching uranium to make nuclear weapons. This prompted the new administration of George W. Bush to pull out of the Geneva Agreement. Having had this experience, it could be difficult for North Korea to put down its nuclear weapons based on President Trump's promise alone.

North Korea's demand for a peace treaty with the United States that would require Senate approval is because it does not trust the U.S. It believes a treaty is the only way to prevent future administrations from reneging on the deals of previous administrations.

Another way to assuage North Korea's anxiety is to have the promise of the international community. We can consider having South Korea and the United States providing a regime guarantee along with countries that were involved in the six-party talks, namely, China, Japan, and Russia or a six-plus-alpha guarantee including a neutral power such as Sweden. If such a deal is adopted as a resolution by the United Nations General Assembly or the U.N. Security Council, no one country would be able to break it arbitrarily. There are hopes that once North Korea denuclearizes, it would be possible to consider building an expanded regional security body based on the multi-party deal along with ASEAN. As you know, this region is seeing tensions rise with China's rapid military expansion drawing strong reactions

from the United States and Japan. That is why we need a mechanism to keep the situation in check.

Chairman Kim Jong Un is very likely to focus on economic development once he has confidence in the security of his regime. North Korea had no choice but to accept aspects of the market economy during the destructive famine of the 1990s. In the wake of the breakdown in the ration system, North Korean citizens had to learn to survive on their own. This is how 'jangmadang' started. And to purchase strategic materials such as petroleum, which it does not produce, North Korea had to resort to earning foreign currency through methods such as sending its workers overseas. This ended up bringing in aspects of capitalism into the North Korean system. Under these conditions where North Koreans have experienced the efficiency and advantages of private ownership, there is no telling how the people will react if austerity is forced upon them.

Currently, there are known to be four million mobile phones and more than 500 jangmadang in North Korea. According to economists, North Korea's level of dependence on trade and markets is at levels seen in communist countries when they collapsed. There is also plenty of information regarding the outside world circulating within North Korea. The only way to calm the anxieties of the North Korean people and to establish regime security is through economic growth. That is the reason Chairman Kim Jong Un has pledged to put economic development first.

If North Korea's economic development gets on track and regime security is achieved, Chairman Kim will not feel threatened by a people's uprising or a coup d'etat. He will then have confidence of survival without a nuclear program and will willingly get rid of the country's stockpile of uranium and plutonium. Didn't we hear Chairman Kim as having said to President Moon during their first summit at the truce village of Panmunjom that there was no reason to suffer by holding on to nuclear weapons. That would be complete denuclearization in the true sense of the word. So developing North Korea's economy is the shortcut to realizing complete denuclearization.

The international community has to help actively once North Korea's economic development gets rolling. The countries expected to contribute the most are South Korea

and Japan but the International Monetary Fund, the World Bank, Asia Development Bank, Asia Infrastructure Investment Bank, and the European Bank for Reconstruction and Development are also expected to support the process. If that is the case, North Korea will be able to grow faster than China or Vietnam.

The Moon Jae-in government must manage the process of convincing North Korea to put down its nuclear program, provide guarantees for its regime, then support its economic development with tolerance. This is not something the United States nor China can do. Only South Korea can manage the situation which will have its fair share of highs and lows, keeping its focus on the end goal. Of course, South Korea will also have to exercise discretion and preserve its trust with the United States, while it also checks on China's intentions regarding these issues.

Even if we stick to this roadmap in moving forward with denuclearization, there are points we need to be wary of. First of all, key countries involved in the process must not make the mistake of trying to reflect their arbitrary national interests or domestic politics onto North Korea's nuclear issue. There is a concern that in the case of the United States, President Trump could strike a compromise with North Korea even if complete denuclearization is not achieved, in order to have something to show voters in the November midterm elections. The U.S. could reward North Korea by easing or abolishing sanctions even for incomplete denuclearization such as getting rid of ICBMs which threaten the U.S. mainland.

China, meanwhile, could fall for the temptation of using North Korea as a card in dealing with relations with the U.S. which is reaching its worst yet. China could, for instance, get the U.S. to yield substantially in exchange for cooperating on North Korea's nuclear issue. The government of President Xi Jinping has laid out its grand plan for China in its 'Chinese Dream' and pursuing its grand 'One Belt, One Road' project. Wary of China's hegemonic ambitions, the U.S. is ready for a trade war with China. Russia will also be looking to pursue its national interests based upon its good relations with North Korea while Japan's Abe government could look for ways to confront North Korea in order to bolster its political popularity at home.

What is even worse is for the main players surrounding the Korean Peninsula to approach

the North Korean nuclear issue by resorting to the past confrontation of the U.S. and Japan on one side versus North Korea, China, and Russia on the other. If this happens, China and Russia will open the backdoor to sanctions against North Korea to compromise denuclearization efforts.

In this case, efforts to deal with North Korea issues will become warped. The United States, China, Japan, and Russia must rise above these temptations to separate North Korea's nuclear issue from their vested interests in international matters and cooperate with one another. Otherwise, the Korean Peninsula, Northeast Asia and the world could see the issue revert to the starting point with the threat of war facing us once again.

South Korea must convince and arbitrate among the countries involved to make sure such a situation does not come about. The Moon Jae-in administration must do all it possibly can to build inter-Korean trust as well as trust between the United States and North Korea. President Moon must also employ both persuasion and compromise in dialogue with the opposition conservatives to forge a united position on the issue. That is the only way South Korea can play a consistent leading role without faltering in what will be a long denuclearization process.

There is a saying that "Without trust, we cannot stand." It is the word of Confucius. Nothing will change in a state of mutual mistrust unless we take the first step to build trust. Britain's great politician Winston Churchill put it like this: "In war: resolution; in defeat: defiance; in victory: magnanimity; in peace: goodwill." To move beyond North Korea's nuclear issue and to achieve peace, we need to approach North Korea with cautious goodwill.

North Korea, for its part, must realize this is its last chance and show a bold and open approach to the denuclearization promises it made in summits with South Korea and the United States.

Thank you for your attention.