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## BALANCING INTERESTS AND THREATS: CHALLENGES FOR KOREA'S NEXT PRESIDENT

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**O**n the eve of South Korea's presidential elections, Asia Global Institute Fellow William H Overholt examines the geopolitics of Korea, focusing on Seoul's efforts to balance its compelling economic interests in its relations with China with its abiding dependence on the US for its security against the backdrop of the threat from the North and its nuclear program and perennial difficulties with neighbor Japan.

The March 9, 2022, South Korean presidential election is an appropriate time to review the geopolitics around Korea.

Korea is the geopolitical pivot point of Asia. When China wants to invade Japan, it launches from Korea. When Japan invades China, it launches from Korea. When Japan and Russia fight, Korea is in the middle. The only extended war where the US has fought China directly was the Korean War. Along with Taiwan, the worst risks of great-power war in Asia are the North Korean nuclear program and potential Sino-American disagreement in the aftermath of a North Korean political crisis.

Americans and most of the world see Korea as a little place in the shadow of Japan. But average South Korean incomes are now higher than those of Japanese and the South Korean military budget is about 10 percent larger than Japan's. Korea's military is much more experienced and ready than Japan's. Yes, South Korea has smaller territory and less than half the population of its neighbor, but in some ways, it packs more punch. Its economic management is more capable than Japan's; that is why, although it started far behind Japan, its incomes are now higher. Its infrastructure is also superior to that of the US. It is also, along with Taiwan, Asia's most democratic democracy; its vigorous competition is much more responsive to the citizenry than Japan's dominant-party system, and its highly educated citizenry knows what they are voting about, unlike India's.

North Korea, of course, looms large over politics in the South and the geopolitics of the Korean Peninsula. Washington views the North as a dangerous nuclear tiger. A few years ago, otherwise serious US officials talked about North Korea's nuclear weapons program as part of a plot to unify Korea under Pyongyang in some kind of re-run of the Korean War. But in 1950 North Korea was economically and militarily superior to South Korea.

Today, North Korea's economy is two percent of South Korea's and its people are malnourished and now further beleaguered by its efforts to isolate the country from Covid-19. North Korea's entire GDP is smaller than South Korea's military budget. Its conventional military includes large numbers of men, planes and tanks, but those forces are hapless because they do not have the fuel for training. North Korea's surge advantage, from having huge forces poised a short

drive north of Seoul, has eroded. It has no friends. In reality it is a frightened mouse trapped in a corner. It is an annoying and unpredictable mouse whose frightened bites can draw some blood, but it is still a mouse. Its leader is beset by international hostility, by economic catastrophe, and by domestic infighting.

North Korea's nuclear weapons program developed in this context. Currently, North Korea is naked and helpless without nuclear weapons. Those weapons are the only way the North's leader, Kim Jong-un, has to get the world to take him seriously. In addition the nuclear program enables some reduction of conventional military personnel to alleviate a serious labor shortage.

That South Koreans are at the confluence of great-power rivalries complicates their lives. Korean journalists always ask me how South Korea can remain economically dependent on China and yet rely on the US for its security. It is not really complicated, just delicate. As long as Korea remains politically united and economically resilient, it can in principle manage the balance. The paradox is that South Korea is a very polarized society, and it fights like crazy over foreign policy. But if something threatens it, no society comes together more resolutely.

The complexities just begin there. Take China's role. China's public face sometimes says that Beijing and Pyongyang are as close as lips and teeth. Privately, senior officials usually say how much they despise North Korea. Conversely, North Korea is an ally of China but North Korea's attitude toward China is a shifting mixture of fear and anger. North Korea rightly fears Chinese domination, and the sanctions that really hurt North Korea are China's, not those imposed by the US.

For me, an iconic moment expressing the Chinese attitude toward North Korea's provocative leaders occurred at a lunch I had with a relatively senior Chinese official in Hong Kong's Bank of China tower in 1994. An aide came in the door and handed the official a note. The official read it, pumped his arms in the air and gleefully declared: "Yes, we did it." "What happened?", I asked. A Chinese delegation was in Pyongyang forcefully pressing Kim Il-sung, Kim Jong-un's grandfather, about his nuclear weapon program. Kim Il-sung left the room and dropped dead. The Chinese official thought that was just wonderful.

China's North Korea policy is a delicate balance that never quite works. Beijing is determined to stop North Korea's nuclear weapons program. It fears a Korean nuclear conflict that might engulf part or all of China. It fears that North Korea might one day threaten Beijing with nuclear weapons. And it watches with horror the proliferation of children born with no arms or legs near the unsafe nuclear program's site, right on China's border. So it imposes sanctions, sometimes screamingly painful, on North Korea, but it fears destabilizing a regime that neighbors a Chinese province with a large ethnic Korean population. Because the North Koreans are tough, only destabilizing sanctions would work. So, as one Korean professor summarized it, China can smash North Korea but it cannot bend it.

China, meanwhile, has immense shared interests with South Korea. It needs South Korean trade, investment and technology, and it needs a workable security relationship with this powerful neighbor. Until recently, the relationship worked pretty well despite some friction. In most respects, China was closer to South Korea than to nominal ally North Korea. South Korean polls showed much greater trust in China than Japan. The two countries downplayed their conflicts

and emphasized their enormous shared interests. For instance, South Korea has an island territorial dispute with China and a very similar one with Japan, but tension over the Japanese one was quite intense whereas the Chinese one was rarely mentioned. “Why?”, I asked a senior South Korean official. He responded that they hated the Japanese so much that they preferred to downplay the China problem.

But then South Korea and the US responded to North Korean nuclear and missile programs by installing a missile defense system. China claimed, wrongly, that the Terminal High Altitude Area Defense (THAAD) system’s radars could degrade China’s defenses. Ironically, THAAD is pretty ineffectual against both North Korea and China. Beijing imposed rather ruthless sanctions on South Korean businesses and has adopted the kind of threatening posture that has so endeared Beijing to Australia and Lithuania. As a result, current polls show a complete reversal of the traditional pattern. Now, there is intense popular distrust of China, overshadowing concerns about Japan. South Korea recently restored broken intelligence sharing with Japan. In short, recent Chinese policies have been very helpful for Japan and for the Korean-American alliance. For China, not so much.

That said, Washington’s policies regarding North Korean nukes have competed very successfully with Beijing as to which country can make the most own goals. It is worth briefly reviewing the last quarter century of efforts to reverse the North Korean nuclear program.

In 1994, revelations about that program led the administration of US president Bill Clinton to launch bombers toward North Korea. Alarmed, president-turned-peacemaker Jimmy Carter flew to Korea, put himself at risk, and brokered a pause. The ensuing Framework Agreement froze the operation of North Korea’s two plutonium-producing reactors and placed inspectors inside them. In return, Japan, the EU and South Korea promised to provide North Korea with two proliferation-proof reactors and the US pledged to provide oil for power while they were being built.

North Korea did allow inspectors into the reactors on a continuing basis to verify a freeze but the US and its allies failed to provide the promised reactors and fuel. In 2001, the incoming George W Bush administration included the hawkish John Bolton, who said that ending the Framework Agreement was his number one priority. In 2002, when North Korea was found to be building a uranium-enrichment facility, Bolton and others seized on that intelligence as an excuse to end the agreement. “[This was the hammer I had been looking for](#) to shatter the Agreed Framework,” [Bolton wrote](#). But doing so meant that the inspectors were withdrawn and plutonium weapons production could proceed. Withdrawal of the US inspectors from Yongbyon was one of the greatest setbacks in the history of nuclear proliferation policy.

In 2012, the US administration of Barack Obama negotiated the so-called [Leap Day Agreement](#) whereby North Korea promised to halt nuclear tests, nuclear activities at Yongbyon, and long-range missile tests in return for an initial 240,000 tons of food aid from the US. But later that year, North Korea conducted one failed and one successful satellite launch. The satellite launch had been planned and announced long before the Leap Day Agreement and labeled as a celebration of what would have been the Kim Il-sung’s 100<sup>th</sup> birthday. Washington said that was a violation that killed the deal, even though [the language agreed to](#) by the US (unlike the UN sanctions language) did not clearly prohibit satellite launches. The Obama

administration concluded that negotiating with Pyongyang was a waste of time and inaugurated a policy called “strategic patience”.

The satellite launches and a subsequent nuclear test in 2013 were probably necessary for Kim Jong-un’s consolidation of legitimacy after his father’s death. But he also used the period of consolidation to execute his father’s most conservative advisors, who opposed his new economic priorities, and to execute Jang Song-taek, his uncle and deputy, who was considered too close to China. Along with Jang, he eliminated a whole China-oriented group. He then inaugurated a policy of giving priority to economic development rather than just the military. He hoped to trade at least some of the nuclear program for international aid and reduction of sanctions. According to Glyn Ford, the European Parliament’s leading expert on North Korea who has made about 50 trips there, Kim Jong Un was seriously considering a Nixon-style reversal of alliances that would align North Korea with the United States and relieve Pyongyang from dependence on China.

But with “strategic patience”, the Obama administration went to sleep at the wheel. Obama’s personal representative to North Korea was Stephen Bosworth, one of the top American diplomats of the past half century, but Obama did not give him one minute of his time. He did find 90 minutes to meet with an ultra-conservative Korean professor, [Lee Sung-yoon](#), whose position was endowed by a conservative South Korean administration to ensure a loud voice in the US denouncing any initiatives toward North Korea. The great takeoff of North Korean nuclear weapons production occurred during this period.

Donald Trump’s initial gambit on North Korea was to threaten “fire and fury” and bring the country almost to the point in 1994 when bombers were taking off. Then, he sensed an opportunity and went for a deal.

In this regard, I have to declare my politics. I despise Trump’s principal domestic policies. I despise his approach to foreign policy. I despise the damage he has done to America’s democratic institutions. But his instincts about North Korea were right. This was the moment when Kim Jong-un was betting his future on drastic changes in his country’s military policies, economic policies and foreign relationships that were all in the American interest and in the interest of peace. Trump sensed the opportunity. Unlike his predecessors, he understood that any successful negotiation with Pyongyang had to be done between CEOs. He plunged into summits as if this was his personal real-estate deal, with hyperbole that included a declaration that he was “in love” with Kim. The 2018 Singapore summit was a genuine breakthrough.

For the Hanoi summit the following year, both sides failed to do their homework. Kim Jong-un came thinking that he could trade away Yongbyon and get all sanctions lifted while he retained other nuclear facilities and capabilities. Trump came thinking that North Korea would concede all its nuclear capabilities before the US actually delivered anything. Neither side did the normal staff work that ensures a summit can succeed. Trump did not even build consensus for a deal within his own cabinet. They set themselves up for failure.

But there was some hope. Trump is a real-estate guy, accustomed to exaggerated claims on both sides and vigorous negotiations ending in compromise. Likewise, Kim was not bound by bureaucratic constraints. But whatever small chance there may have been, that possibility ended when Trump spent most of his time at the negotiations watching his lawyer on television, and

John Bolton, previously excluded, was given a seat at the table. Bolton is openly proud of his third successful involvement in killing a non-proliferation deal – two with North Korea, one with Iran.

Incumbent US President Joe Biden has reinstalled and promoted the people who were asleep at the switch in the second Obama administration. More broadly, despite some superficial offers to talk, there is a solid working consensus in Washington that negotiating with the evil North Koreans is a waste of time. Conversely, Kim Jong-un declines to talk with Washington. For him, the failure at Hanoi was not just the collapse of a national security deal. It was the end of his whole domestic program of giving economics priority over the military and promising his people a better life. He risked his own life and killed a bunch of others to advance that program. He cannot afford another round of humiliation.

The sense of threat from North Korean nuclear weapons and from China has brought life back into South Korean debate over nuclear weapons. In the early 1970s, South Korea was proceeding rapidly toward development of tactical nuclear weapons. US president Richard Nixon stopped that initiative with sanctions. But the halt was institutionalized by conversations in which Americans asked South Koreans whether they were really willing to contemplate a future where a nuclear exchange might extinguish Korean civilization. South Koreans reached consensus that such a risk was unthinkable. Both major parties still adhere to that understanding, but there are conservative voices now rising in dissent. More important, according to a poll, [71 percent of South Koreans say](#) that Seoul should acquire nuclear weapons for itself. We may look back years from now and say that that survey was a dire portent in Asian history.

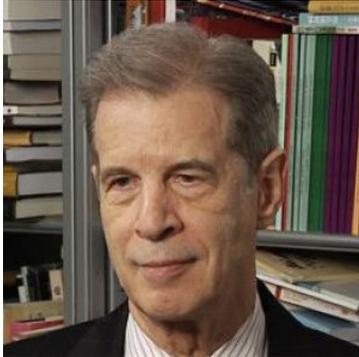
The other nuclear issue is recurrent: Should the US station nuclear weapons in South Korea? A 1970s study I did on nuclear strategy in Asia showed that there was no defense value in the US storing nuclear weapons in Korea. My research compared the military value of having them in Korea versus having them in my basement in New York and found that there was no difference. An unclassified summary of that study is in my 1976 book, *Asia's Nuclear Future*. But Republican Party politicians like to put nuclear weapons everywhere, and some South Koreans see deterrent value in stationing them locally. There are huge disadvantages.

A sign of the times is former Japanese Prime Minister Abe Shinzo's suggestion that Japan might welcome having US nuclear weapons stationed there. If that were to happen, half a century of successful nuclear non-proliferation efforts would have been for naught.

Even though South Koreans have soured on China, their government wants decent relations with both China and the US. They particularly do not want to become entangled in a US-China conflict over Taiwan. In [recent interviews](#) with me, the national security advisors of the two leading presidential candidates – Lee Jae-myung of the ruling Democratic Party and Yoon Suk-yeol of the opposition People Power Party – said that they would oppose American use of its Korea-based troops in a Taiwan conflict. They have bent toward China on so many issues that Victor Cha, who is Washington's best known Korea expert, now classifies South Korea as a country that has delinked from the United States – an unfair but noteworthy conclusion.

At the same time, the liberal, peace-minded administration under President Moon Jae-in has seriously increased the defense budget. In the election to choose his successor, the country may

pick a leader whose party regards as anathema the post-THAAD concessions that Moon made to China. How the next president carries on Seoul's balancing act will be a crucial indicator of how the geopolitical winds in the region are blowing.



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