



# Lee's dilemma: Containment or engagement

Washington and Tokyo should line up behind Seoul and allow Lee to take lead in dealing with the North



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The following is the 17th installment in a series of articles intended to analyze the external and internal challenges facing Korea's new government. We will invite foreign and Korean experts to this project, hoping that their insightful analyses will help policymakers craft a new national strategy to meet these challenges. — Ed.

By C. Kenneth Quinones

South Korea's newly elected President Lee Myung-bak early in his tenure must resolve a critically important dilemma regarding how his administration will deal with North Korea. He can revert to a strategy of containment or engagement of North Korea, or as suggested in his campaign rhetoric, a combination of both strategies. In any event, the majority of South Koreans appear intent upon continuing the process of reconciliation and economic integration with North Korea, something President Lee appears to recognize.

Since Korea's liberation from Japan and division by the United States and the Soviet Union in 1945, the people of South Korea have struggled to overcome formidable obstacles. National division set the stage for civil war between 1950 and 1953. Two decades of economic reconstruction and political repression followed under President Park Chung-hee's leadership. All the while, South Koreans studied abroad in large numbers and acquired a preference for democracy only to return home to political repression. Frustrated expectations combined with a growing urban middle class burdened with heavy taxes gave birth to a popular struggle for democratization.

Since 1990, political stability, democratization and economic prosperity have enabled the people of South Korea to concentrate on their desire for reconciliation with their northern kinsmen. Koreans today put national reconciliation ahead of unification as their foremost goal. President Lee would do well to make national reconciliation his administration's top goal.

## Reconciliation and economic reinvigoration

Continuing reconciliation and economic integration of the two Koreas may not inevitably lead to national unification. But should progress stall or falter in this regard, the Korean Peninsula could once again slide backward toward escalating tension and the possibility of a second Korean War. If this were to occur, President Lee would find it increasingly difficult to accomplish the goals he has proclaimed for his new administration.

Central to his program is the expansion of South Korea's economy and its restoration as one of the world's leading ten economies. Toward this end, Lee seeks to enhance the nation's ability to compete more effectively with China's exploding industrial capacity and Japan's technological superiority.



Success will require attracting an influx of large sums of foreign investment to fund research and development and automation to improve worker productivity.

## Relations with key allies

Improving political and commercial ties with South Korea's two primary allies — the United States and Japan — will assist President Lee in achieving his economic priorities. Maintaining the U.S.-South Korea alliance will ensure South Korea's ability to deter military adventurism by North Korea. At the same time, Seoul will be able to sustain access to the United States market, second only to China in terms of importance for South Korea's exports. Improving relations with Japan will essentially achieve similar results. South Korea's continuing positive relations with both

achieve this, the Kim Jong-il government's desperate efforts to survive have propelled movement away from ideological rigidity and toward greater pragmatism. Recognizing this, both China and South Korea have worked over the past decade to nudge North Korea toward economic reform and reorganization.

## Toward reconciliation

In other words, the pursuit of economic prosperity provides common ground for South-North collaboration, both political and economic. The faltering start initiated by former Hyundai chaebol founder Chung Ju-yung has multiplied into an impressive litany of joint South-North Korea ventures that now include: the Geumgangsari (Diamond Mountain) resort, direct tourist flights from South Korea to Baekdusan (Mount Baekdu) on the North Korea-China border, the growing and increasingly prosperous Gaeseong industrial park. Other joint economic projects are envisioned. The only joint venture to have faltered is the Korean Peninsula Energy

of resolving their differences. Some of the consequences of these mutual efforts are the piercing of the Demilitarized Zone at several points to permit the daily transit of traffic between the two halves of Korea.

The process of reconciliation over the past decade has achieved such impressive breath and variety that it is easily taken for granted. But this progress remains tenuous at best. Clearly South Korea's readiness to entice North Korea's cooperation with impressive economic inducements has nurtured reconciliation. At the same time, however, critics of this process in South Korea would prefer that reconciliation cease.

## Containment or engagement?

For some South Koreans, the preference is to "contain" North Korea by resorting to diplomatic and economic isolation in the hope that national unification can be achieved through the collapse of the regime in Pyongyang. Their concern is that South Korea's economic inducements are perpetuating national division and the separate

in the short term by bringing about the collapse of the regime in North Korea, champions of engagement prefer the less risky but more gradual process of co-existing with North Korea while nurturing its transformation.

## President Lee's dilemma

Deciding between these polarities could prove to be the most formidable dilemma facing President Lee. Regardless of whether President Lee leans toward containment or engagement, his guiding principle must be to do what ever is best to promote the interests of the Korean people. This should encompass taking into consideration doing what is best to further progress toward Korea's possibly most daunting challenge — national reconciliation and unification.

President Lee would do well to avoid striving to appease South Korea's traditional allies, especially the United States, regarding Seoul's approach to North Korea. Early in his administration, President Lee would do well to follow the precedents of his predecessors Presidents Roh Dae-woo, Kim Yong-sam, Kim Dae-jung and Roh Moo-hyun. This means affirming his administration's support for the first North-South Korea Joint communique of July 4, 1972. This cornerstone of the South-North reconciliation process established that the two Koreas would not permit superpower intervention in their relations.

Actually, prior United States administrations pursued policies compatible with the communique, at least until 1993. Between 1954 and 1992, successive U.S. administrations essentially allowed South Korea to take the initiative in dealing with North Korea, while playing a secondary supporting role. This changed, however, during the Clinton administration when Washington used the nuclear issue to assume the lead on how best to deal with North Korea.

The subsequent Bush Administration (2001-present) was even more assertive in insisting that Washington, not Seoul, should have the lead in dealing with Pyongyang. This dueling between allies accounted for much of the friction that characterized Washington-Seoul relations during President Bush's first term, 2001-2004. That friction subsided once Washington shifted early in 2007 toward a more conciliatory posture in the Six Party Talks and a greater willingness to rely on inducements rather than coercive tactics to win Pyongyang's cooperation regarding the phasing out of its nuclear programs.

Washington and Tokyo should assist President Lee in this regard. Both allies would do well to demonstrate respect for South Korea's emergence as a stable and prosperous democratic society by encouraging Seoul to take the lead in formulating policy toward Pyongyang. But if Washington and Tokyo insist on their previous pattern of arguing with Seoul over its dealings with Pyongyang, Pyongyang

will benefit by being able to play one ally against the other. In short, the best way to close the gap between the allies is for Washington and Tokyo to follow and support Seoul's lead.

## Political realities in Pyongyang

Finally, the pace of success toward national reconciliation hinges significantly on Pyongyang's attitude toward South Korea and the process of reconciliation. Ultimately, it is impossible for Seoul alone to manage affairs in Pyongyang. But a careful and accurate assessment by Seoul of the political realities in Pyongyang will enhance prospects for continuing movement toward reconciliation.

It is critical to recognize that Kim Jong-il lacks the formidable political legacy that his father adroitly used to justify his position as North Korea's "Great Leader." Consequently, Kim Jong-il is compelled to manage rather than command the loyalty of his political inner circle, particularly its most potent political element North Korea's generals. Their world view is heavily tainted with paranoia. This collective fear of the "imperialists," particularly the United States, is a political reality. It is better for Seoul, Washington and Tokyo to follow China's lead in this regard and recognize rather than dismiss this fact. Doing so will better enable President Lee to deal with Pyongyang in a manner that will better further South Korea's interests.

Accepting the fact that North Korea's generals dominate the policy deliberations in Pyongyang should help President Lee better appreciate the political reality that his North Korean counterpart Kim Jong-il confronts. Kim surely cannot order his generals to simply dismantle the nuclear arsenal they have built to defend their nation and leader. Doing so could be misinterpreted by the generals as appeasement of the "enemy." This would be entirely inconsistent with the legacy of Kim Jong-il's father, and might even contribute to political turmoil in Pyongyang.

In this regard, South Korea today is fortunate to have far more expertise about how to deal with North Korea than any other nation in the world, except possibly China. Certainly neither government in Washington or Tokyo can make such a claim since they have distanced themselves from Pyongyang over the past eight years. Again, South Korea's two foremost champions — the United States and Japan — would do well to align their approaches to North Korea with President Lee's preferences. As for President Lee, he would do well to demonstrate his allegiance to the Korean people by seizing the initiative in determining how best to deal with Pyongyang. Doing so will better enable President Lee to sustain peace and stability on the Korean Peninsula which will also facilitate revitalizing South Korea's economy while promoting national reconciliation.

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allies will also provide it with access to foreign investment, cutting edge technology, advanced management skills and education — all critical for economic success.

## East Asia's new consensus

Arguably, most essential to attaining President Lee's goals, is the forging of an atmosphere of peace and stability in Northeast Asia. This translates into sustaining a program conducive to South-North reconciliation and economic cooperation. Otherwise, uncertainty about prospects for the region's stability will deter foreign investment in South Korea and lessen President Lee's ability to accomplish his economic goals.

Actually, for the first time in modern history — all the nations of Northeast Asia: China, the two Koreas, Japan, Russia and Taiwan — now share a similar consensus. Their priority today is the pursuit of economic prosperity. Previous priorities like China's export of Maoist revolution, Russian expansionism and North Korea's forceful reunification of the Korean Peninsula, have fallen into the dust bin of history. Instead they are concentrating on pursuing peace and stability in Northeast Asia so that they can achieve economic prosperity.

North Korea is no different from its neighbors in this regard. Pyongyang's foremost preoccupation since the collapse of the Soviet Union and the death of its first leader Kim Il-sung remains achieving economic "reinvigoration." Despite intense internal debate over how best to

Development Organization's effort to construct two light water nuclear reactors in North Korea as part of the 1994 U.S.-North Korea Agreed Framework that halted Pyongyang's nuclear program for almost a decade.

Economic collaboration has fostered an explosion in the number of South Koreans visiting North Korea and working with their North Korean counterparts. This process began with hesitant efforts by humanitarian groups in South Korea seeking to improve the quality of life for the North Korean people. Cultural and educational exchanges followed and continue to multiply in number. Today, North Koreans rely on South Korean televisions, computers, automobiles, farm machines and other goods manufactured in South Korea to educate themselves and to conduct their daily business. They entertain themselves with television programs and music imported from South Korea. Most amazing is the growing interpersonal communication between the long divided societies.

The process of political reconciliation is relatively slower but nevertheless impressive when compared to the previous half century of mutual hostility. The number of official fora for bilateral dialogue has multiplied rapidly. The previous single forum of the Military Armistice Commission at Panmunjom has been overwhelmed by numerous official and unofficial channels of dialogue. Since 1998, both Koreas have demonstrated an increasing preference to engage in dialogue as the best method

government in North Korea. They argue that Kim Jong-il's regime probably would collapse were it unable to receive economic "largesse" from the South. It is their conviction that the reconciliation policies of prior South Korean administrations have not only perpetuated division but also the perceived despotic regime in Pyongyang.

Some in South Korea argue that North Korea's military has converted South Korea's aid and economic programs into building an arsenal of weapons of mass destruction. At the same time, these critics argue that the economic benefits extended to North Korea are diminishing the quality of life in South Korea.

On the other hand, supporters of previous reconciliation efforts with North Korea prefer a strategy of engagement with North Korea. They counter that the process is transforming South-North Korea relations, and that tensions on the peninsula have subsided substantially over the past decade. Previous fear of another North Korean invasion has been virtually erased. North Korea's closed society is being penetrated and opened, not just to South Koreans, but the entire world. Projects such as the Gaeseong industrial park have shared economic benefits.

In other words, advocates of economic and cultural engagement with North Korea take the long term view that North Korea is slowly being transformed into a much less hostile and open society. Rather than achieving national unification