

THE KOREAN PEACE PROCESS: USING A RARE OPPORTUNITY

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By Pascal Abb

On February 28, 2019, the second Trump-Kim summit in Hanoi ended without an agreement between both sides. Once more, the crux proved to be diverging interpretations of what the "denuclearisation" of North Korea meant, and what steps on this path would be enough to lift the international sanctions on the country. In the end, the two sides did not even agree on which proposed trade-off caused the summit to fail. This speaks to a lack of preparation that left major issues unresolved until the summit.

On the one hand, the intense focus on US diplomacy towards Korea is understandable. Washington holds the crucial card of deciding if, when and to what extent the sanctions regime will be rescinded. Such a move would be essential for going ahead with the envisioned economic cooperation between both Korean states, effectively granting the US a veto over its implementation.

However, too great a focus on US agency risks ignoring how profoundly the dynamics on the peninsula have been reshaped by domestic political shifts in the two Korean states, and how their agency imbued the peace process with new momentum. China, the other crucial external stakeholder, has already backed this process and advanced its own proposals on how North Korea's denuclearisation and economic integration could be achieved. Many of the solutions advanced by regional actors are pragmatic, creative and consensus-oriented and could allow for progress despite the impasse over denuclearisation.

As a result, the current configuration of policies and strategic aims on the peninsula is arguably the most conducive to building a lasting peace regime in over two decades. This rare chance should be seized, ideally through a flexible relaxation of the current sanctions regime that rewards gradual progress in different fields instead of pursuing an all-or-nothing approach.

Since this window of opportunity will not remain open indefinitely, it is also urgent to lock in some gains as early as possible. Leaders in both Korean states have staked a lot of capital on reconciliation, and external actors should help them in delivering results that build public confidence in their course. This, however, will require a much more disciplined and formalised diplomatic process than the one that led to the Hanoi walk-out.

South Korea: a new dawn for the sunshine policy

After two conservative administrations that had pursued a hawkish course on North Korea, May 2017 represented a significant turning point: the election of Democratic Party candidate Moon Jae-in as president established the first liberal government in a decade. Despite an escalation in tensions throughout 2017, Moon outlined an ambitious programme of inter-Korean high-level dialogues, economic integration and people-to-people ties to break the stalemate over the nuclear issue.¹ This strategy started to bear fruit in 2018, when North Korean participation in the Pyongchang Olympics gave way to a rapid thawing in relations and a mutual commitment to peace and denuclearisation.

As the central actor in an extremely complex web of relationships, Moon handled his role with aplomb: coaxing North Korea out of its isolation, brokering the Trump-Kim summit, and bringing China on board with his initiative while defusing the bilateral spat over the US-Korean missile defence program. Besides his individual skills, Moon is the beneficiary of a significant shift in South Korea's domestic political climate. The

¹ "[Full text of Moon's speech at the Körber foundation](#)", *The Korea Herald*, 7 July 2017.

impeachment of former president Park Geun-hye over several counts of corruption and influence-peddling not only severely affected the popularity of her Saenuri party, but also caused it to splinter into three distinct factions. Together with sweeping gains by Moon's Democrats in the 2018 local and parliamentary by-elections, this reduced the overall political strength of the parliamentary forces that had traditionally been most sceptical towards rapprochement with the North.

South Korean public opinion has also significantly shifted in favour of reconciliation. In 2018, Moon's North Korea policy received the approval of 60% of respondents, a remarkable consensus for such a traditionally divisive issue.

Meanwhile, South Koreans' attitudes towards both North Korea and Kim Jong Un rapidly improved in 2018, and they reported record-high expectations for a further improvement in relations.²

It remains to be seen if these attitudes can survive inevitable setbacks down the road. While Moon's current domestic position is strong, a lack of visible results or a shift in public focus towards domestic bread-and-butter issues could scuttle his initiative towards the North. Crucially, the implementation of specific intra-Korean cooperation projects like rebuilding the North's railways or restarting the Kaesong industrial complex would require a relaxation of the sanction regime. One mooted area of cooperation that would not fall under it and could make easier progress is building people-to-people ties through family reunions. This would also serve as an antidote to the growing alienation Koreans on both sides of the DMZ have experienced as a result of the long separation.

North Korea: from swords to ploughshares?

South Korea's pivot to a new "sunshine policy" has coincided with a similarly important reorientation in Pyongyang. Having followed a dual policy of developing a nuclear deterrent and pursuing economic reconstruction since 2013, Kim Jong Un declared the former successfully finished in his 2018 New Year's speech and announced a full concentration on the economy. This shift is highly significant for several reasons. First, an economic focus dictates cooperation with would-be investors in South Korea and China and concessions on denuclearisation in order to lift the sanctions regime. Second, it represents a change in the regime's legitimisation strategy towards a Chinese-style model of delivering economic development while maintaining a

one-party state.³ Finally, it could signal a decisive ideological reorientation away from a worldview that considers the outside world a threat to North Korea's survival, and towards participation in East Asia's economic boom and the kind of 'win-win' cooperation that many of its neighbours already engage in despite political differences.

Actually achieving economic reforms will likely require a protracted internal struggle against the beneficiaries of military primacy, as may have already been signalled by a wave of brutal purges and top-level personnel changes.⁴ However, this is another reason to seek a relaxation in North Korea's international environment, avoiding both external pressure for a regime change and tensions that would play into the hands of domestic hardliners.

China: the regional lynchpin

Since at least the inception of the six-party talks in 2003, both Korean states have acknowledged that the issue touches upon the interests of other major regional actors, who need to be formally included in the negotiations. China is an obvious case as a party to the Korean War and 1953 armistice agreement, subsequent guarantor and main trading partner to North Korea. Due to this interest, China has advanced proposals of its own on how to resolve the conflict. A key idea, the so-called "dual freeze" of North Korean missile and nuclear tests in exchange for stopping US-South Korean military manoeuvres, has already been implemented.

Fundamentally, Chinese perceptions of the Korean conflict and possible solutions still differ from those of the United States. The presence of US forces in the region, and the US-centric regional security order in general, are routinely identified as the root cause of contemporary conflicts. Such assessments result in a degree of sympathy for North Korean security concerns and thus rationalisations for its nuclear and missile programs, even when these are seen as destabilizing and undesirable. Defensive measures taken against the North Korean missile arsenal, like the South Korean-US THAAD system, have also drawn condemnation from China since they are seen as undermining its own security and strategic deterrent.

Beijing has officially backed the aim of denuclearising the Korean peninsula. As an abstract goal, this is congruent with the approach of the Trump administration, but crucial differences emerge in the details. First, denuclearisation is understood as a

² Asan Institute for Policy Studies (2018), *South Koreans and their Neighbors*, online: <<http://en.asaninst.org/wp-content/themes/twentythirteen/action/dl.php?id=43696>>

³ Rüdiger Frank, "[North Korea's economic policy in 2018 and beyond: reforms inevitable, delays possible](#)", *38 North*, 8 August 2018.

⁴ Michael Madden, "[38 North special report: recent changes in Kim Jong Un's High Command](#)", *38 North*, 3 July 2018.

very gradual process that begins with a test ban and moves on to dismantling nuclear facilities. While desirable, scrapping the existing weapons arsenal is seen as a long-term goal that requires prior breakthroughs in providing North Korea with security guarantees and a withdrawal of offensive US military capabilities.⁵ Second, sanctions relief should not be dependent on the maximalist aim of "complete, verifiable and irreversible" denuclearisation, but allow Pyongyang to reap some early economic benefits in exchange for good behaviour - a view shared by Russia, and which also converges with South Korean designs for economic integration.⁶ Third, the denuclearisation of North Korea is not seen as the be-and-end-all of Northeast Asian security, but one goal among several. These include stabilizing North Korea as a viable state, an end to tensions that could spur further proliferation, and most controversially, the withdrawal of US forces from the region.

Needless to say, these interests are significantly harder to square with those of the US and its regional allies, but still offer some congruence on mid-term goals. China was the crucial player in instituting a sanctions regime against the North, and has advanced creative diplomatic solutions of its own that could preserve the current momentum in the peace process.

After years of mounting dissatisfaction with North Korea over its intransigent pursuit of nuclear and ballistic missile programs, Kim Jong Un's opening towards China and frequent visits greatly improved bilateral relations in 2018. Most importantly however, China had long urged its wayward ally to undertake a program of economic reform similar to its own, which may now finally be happening.

Chinese observers have eagerly advanced suggestions for how this process could be helped along:⁷ rebuilding North Korea's crumbling infrastructure would be a good fit with China's broader connectivity initiatives, and would provide an opportunity to show that such investments indeed do yield a peace effect beyond their economic benefits. Diplomatically, Beijing has accepted a process driven by intra-Korean reconciliation, provided that its own status is acknowledged through regular consultations from both sides and, ultimately, a formal inclusion as a signatory of a potential peace treaty. So far,

this has been satisfied through frequent visits from both Kim and Moon, as well as a statement in the Panmunjom Declaration that provides for quadrilateral efforts to replace the armistice with a peace agreement.

As the originator of the six-party talks, China is a strong proponent of a multilateral approach to the issue and has repeatedly urged a resurrection of the format. While complicated and anathema to the preferred MO of the Trump administration, this process has obvious advantages: it would keep all parties on the same page, mitigate against downturns in any of the bilateral relationships, and provide a platform for confidence-building measures. Since other multilateral formats such as Korea's Northeast Asia Peace and Cooperation Initiative (NAPCI) never amounted to the same high-level participation and institutionalisation, building on the six-party talks seems like the best opportunity to establish an "OSCE for Northeast Asia". Another Chinese proposal has been a diplomatic "two-track mechanism" that would separate nuclear and peace talks, allowing for progress on the latter when the former (inevitably) stall on different interpretations of "denuclearisation" and the sequence of steps. This approach also mirrors earlier suggestions made by leading US scholars on how to resolve the impasse.⁸ Chinese long-term visions for the Korean peninsula are torn between different impulses and ambivalent. Realpolitik considerations inform China's desire to maintain a friendly buffer state in North Korea and avoid a reunification after the German precedent of extending the South Korean system nationwide and maintaining its alliance with the US. At the same time, perceptions of the issue are also influenced by the most cherished objective of Chinese foreign policy, eventual unification with Taiwan. The island's separation from the mainland has been similarly shaped by the legacy of World War II and its aftermath, subsequent divergence in their domestic political systems and, ultimately, the emergence of distinct identities on both sides. If the two Koreas were to overcome these divisions, it would offer a tantalizing example for China to follow.⁹

Conclusion

Despite the Trump administration's commitment to further engagement with North Korea, the underwhelming outcome of the Hanoi summit shows the limits of its current approach to

⁵ Li Bin (2018), "Building a peace mechanism on the Korean peninsula: what kind of 'road map' should China promote?" (*chaoxian bandao heping jizhi goujian: zhongguo ying tuidong na zhong 'luxiantu'*), *World Affairs* 17/2018.

⁶ "China, Russia push to ease North Korea sanctions as Seoul mulls over options", *The Straits Times*, 11 October 2018.

⁷ Zou Zhibo (2019), "Major changes in the situation on the Korean peninsula and future developments" (*chaoxian bandao jushi de zhongda bianhua yu jinhou fazhan*), *Annual Report on International Politics and Security 2019*, Beijing: Social Sciences Academic Press, 2019.

⁸ Leon Sigal (2008), "Hand in hand for Korea: a peace process and denuclearization", *Asian Perspective* 32(2), 5-19.

⁹ Wang Hui (2018), "The peace process on the Korean peninsula as a peace opportunity for Northeast Asia" (*zuowei dongbeiyi heping qiye de chaoxian bandao heping jincheng*), *Beijing Cultural Review* 10/2018.

maintain "maximum pressure" unless a dramatic breakthrough in nuclear talks is achieved. The failure to reach an agreement on this issue is unsurprising, given that both sides continue to hold fundamentally different ideas about the meaning and scope of denuclearisation.

What is more concerning is that no progress was achieved in other areas, like a peace agreement to formally end the Korean War. While a largely symbolic act, it would go a long way to reducing North Korean threat perceptions and reinforcing Washington's recent commitment not to seek regime change in North Korea.¹⁰ By splitting denuclearisation and peace talks into separate tracks as suggested by China, progress in the latter field could still be achieved.

Even more importantly, the sanctions regime should not become a roadblock for the steps both Korean states are currently taking towards rebuilding their economic ties. It would make sense if a roadmap for gradual sanctions relief in exchange for denuclearisation steps were designed primarily around these efforts.

Ultimately, both China and South Korea are far more directly exposed to a resurgence in tensions. Heeding the interests and proposals of these regional actors is crucial to avoid another debacle comparable to the Iranian nuclear deal, where the US unilaterally reimposed sanctions against the will of all other parties, leaving the future of the agreement in doubt and severely straining relations with its allies.

Unfortunately, the same political instincts that enabled the current US president to act as a catalyst for rapprochement in 2018 are anathema to the multilateral, gradual and above all professional diplomatic approach required to see the peace process through. For now, his agency does not quite warrant the Nobel Peace Prize he is rumoured to desire, but perhaps he can be persuaded to change gears. The opportunity offered by North Korea's opening to the world would be a terrible thing to waste, and it certainly seems to have caught his businessman's eye.

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¹⁰ In the words of US special envoy Stephen Biegun, "President Trump is ready to end this war. It is over. It is done. We are not going to invade North Korea. We are not seeking to topple the North Korean regime." See US State Department (2019), "[Remarks on DPRK at Stanford University](#)", 31 January 2019.