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The Park Geun-hye Administration's Foreign and Security Policy Challenges

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All incoming leaders, especially democratic ones, have to transition from a campaign to a governing mode with all of the structural constraints one isn't faced with during a prolonged election season. Yet the foreign policy tasks that lie ahead for President Park Geun-hye is arguably the most pressing since the advent of the Roh Tae Woo Administration (1988-1993) that had to manage and exploit the dividends arising from the collapse of communism in Central Europe and the former Soviet Union. As South Korea's and Northeast Asia's first woman president and the first to gain a majority of voters' support since the restoration of democracy in 1987, the expectations bar is higher than ever before. From resetting South-North relations, nuanced and forward-looking negotiations with its most important ally, the United States, fostering closer ties with China while containing fallout with Japan and expanding South Korea's global presence, the foreign policy headwinds facing President Park is virtually without precedence.

All recent South Korean presidents have coped with an increasingly broadened foreign policy agenda commensurate with South Korea's rise as Asia's fourth largest economy, but Park's tasks

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are complicated by the specter of “accelerating and simultaneous operational tempo” in five major areas: (1) coping with the deepening strategic consequences of North Korea’s increasingly robust nuclear weapons capabilities, (2) overcoming major hurdles in the ROK-U.S. alliance, (3) parallel management of its critical ties with China and Japan, (4) ensuring economic competitiveness just as South Korea enters a period of much lower growth and ballooning social welfare spending, and (5) fulfilling its responsibilities for the global commons including enhanced commitments to foreign aid, peacekeeping operations, and human rights campaigns.

These foreign policy tasks are even more pronounced since they are intertwined with domestic politics and prevailing economic conditions. In April 2014, South Korea will hold its next round of local elections that will be perceived as an early mid-term assessment of President Park’s tenure. If she is able to show tangible progress on job-creation, a growing economy, and positive trends in narrowing income gaps, voters will be much more forgiving on foreign policy shortcomings. But if the economy remains stagnant with only marginal improvements on the job front—not to mention the possibility of a prolonged confrontational South-North relationship—voters will be much more attentive to foreign policy setbacks, both real and imagined. If these hurdles were not enough, Seoul has to contend with four inter-related strategic trends.

First, notwithstanding the Obama Administration’s pivot to Asia and its recommitment to defend key allies, the fact remains that declining U.S. defense spending over the next decade, i.e., a cut of some \$486 billion - and parallel longer-term budgetary constraints, will result in incrementally rising pressures on Seoul to assume a larger share of common defense costs. Although the Obama Administration has continued to stress its abiding commitment to South Korea’s defense as evinced by Secretary of State John Kerry’s recent visit to Seoul and Secretary of Defense Chuck Hagel’s statements, South Korean analysts and officials are worried that prolonged cutbacks in the U.S. defense budget cannot but affect U.S. reinforcements to South Korea during a major crisis.

Second, the Northeast Asian security grid which is already the most contested geopolitical zone in the world given the prominence of great power rivalries, the highest concentration of military capabilities, and heightened historical tensions are hardly going to remain dormant. To be sure, none of the major stakeholders wants prolonged crises or potentially disruptive non-linear scenarios, but at the same time they are all preparing for such contingencies. Hardened hedging is the norm rather than the exception.

Third, the fragile global economy is unlikely to recover fully in the near-term and while there are positive indicators such as a stronger U.S. economy and respectable growth projections in many

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Asian economies, South Korea's over-dependence on trade—95% of its \$1.4 trillion economy is based on trade—means that economic vulnerabilities will remain relatively unchanged.

Fourth, notwithstanding the perennial hope that North Korea under Kim Jong Un is going to ultimately introduce wide-ranging economic reforms and give up his nuclear weapons, the current political makeup in Pyongyang suggests that such major U-turns are highly unlikely. As one of the most isolated, dictatorial, and dangerous regimes on the planet, it is difficult to see a viable exit strategy for Kim Jong Un.

It is under these sobering circumstances that President Park has to steer her foreign policy machinery beginning with putting into place her overarching North Korea policy or *Trustpolitik* that is based on retaining robust deterrence and defense capabilities with the simultaneous promise of unparalleled assistance to the North provided that Pyongyang makes the right choice. The basic principles and goals enshrined in *Trustpolitik* are fundamentally sound since they seek to reconcile the enduring Catch-22 of South Korea's relations with the North; namely working towards “normalization” with a country that is hardly normal. But operationalizing this policy is going to require strategic patience at a time when this very commodity—strategic patience—is being tested by North Korea's increasingly prolific nuclear weapons capabilities.

Although the intelligence debate continues on whether North Korea has the ability to miniaturize nuclear warheads for ballistic missile delivery, the more important benchmark is whether Pyongyang is ready, if it ever was, in negotiating away its nuclear arsenals at the right price. Indeed, chances are even better that North Korea will opt to undertake a fourth nuclear test in the not-too-distant future on top of the earlier tests in 2006, 2009, and most recently, this past February. Equally important, while President Park continues to emphasize an “open door” policy towards the North even in the midst of omni-directional threats, the big unknown rests with how the Kim Jong Un regime is going to evolve through the course of her five-year term.

Optimists insist that Kim Jong Un, unlike his late father Kim Jong Il, is best suited to enact structural economic reforms followed by denuclearization, yet thus far he has shown no inclination to adopt Chinese-style economic reforms and has aggressively defended North Korea's right to expand its nuclear arsenal. Of course, no one knows whether a third inter-Korean summit is possible under President Park's watch and as difficult as it might be to imagine today, President Park could have her “Nixon Moment” as part of a comprehensive deal with the North. But the longer-term viability of Park's *Trustpolitik* is likely to hinge much more on China's potential recalibration of its North Korea policy rather than a sea-change in Pyongyang's grand strategy. No one expects President Xi Jinping to undertake an abrupt shift in China's key

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ties with North Korea, but Pyongyang's growing nuclear threats have resulted in nuanced changes in Beijing's tones towards its erstwhile ally.

At the same time, despite the fact that South Korea remains fully committed to a non-nuclear posture as a member of the NPT and as a signatory to the CTBT and related non-proliferation regimes such as the MTCR, North Korea's increasingly dangerous nuclear capabilities has triggered a domestic debate on whether Seoul should also seriously entertain the reintroduction of U.S. tactical nuclear weapons, develop its own nuclear deterrent, or at the very least, declare its intent of *considering* such an option until such time that a CVID policy (the complete, verifiable, irreversible, and dismantling of North Korea's nuclear capabilities) vis-à-vis North Korea bears tangible results.

To be sure, the Park Administration has continued to pledge and stress Seoul's non-nuclear principles and even the broader national security community stands behind South Korea's non-nuclear posture. Any deviation from Seoul's non-nuclear stance will not only result in irreparable damage to its critical alliance with the United States, it could also trigger a Northeast Asian nuclear domino. More importantly, if South Korea contemplates its own nuclear option, there is little doubt that China and Russia will also recalibrate their own nuclear postures so that Seoul would be forced to compete with its much more powerful neighbors with both conventional and nuclear forces—at a time when it is only spending 2.7% of its GDP on defense with growing demands for sharp increases in social welfare spending. Thus, from virtually all angles, the opportunity costs far outweigh any strategic leverage Seoul could gain from its own indigenous nuclear deterrent.

Yet the fundamental challenge of addressing the growing strategic asymmetry on the Korean Peninsula persists. Even with the highest degree of assurances from the United States, doubts will remain on the resilience of America's extended deterrence and the extent of U.S. support for South Korea's ability to field more robust defense assets. At the same time, ensuring a more "equal" alliance is a theme that continues to resonate in the Seoul-Washington relationship and narrowing this perception gap is one of the major goals that President Park has to work towards, especially as she prepares for her first meeting with U.S. President Barack Obama in early May.

In this context, one of President Park's first major diplomatic hurdles lies in her ability to successfully renegotiate the 40-year old U.S.-South Korea Civil Nuclear Cooperation Agreement that expires in March 2014. Recently, Seoul and Washington agreed to extend the agreement by two years since on-going negotiations were not able to breach the gap. For most South Koreans, the earlier nuclear cooperation accord is a vestige of a period when South Korea was not only a

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very junior partner of the United States but also a time where Seoul's economic and energy needs were incomparably different back in 1973. South Korea stresses the need for acquiring spent fuel reprocessing and uranium enrichment capabilities to meet the growing demand for civilian nuclear energy while the United States emphasizes the critical importance of nuclear non-proliferation.

Bridging this divide is going to require unprecedented negotiating skills and political acumen. If an agreement is reached that continues to close the door on alternatives such as pyro-processing, and Washington pressures Seoul to accept an "unequal agreement," the South Korean public and the political community on both sides of the aisle will perceive such an accord as another example of America's continued double-standards given that it gave exemptions to India and Japan. Moreover, for South Korea, as one of the United States' closest, most important, and dependable allies in Asia, such a turn of events will be seen as a major reversal for its desire and need for a more self-reliant energy posture. In addition, failure to secure a politically acceptable agreement will be seen as a severe setback for South Korean foreign policy and the Park Administration's alliance management capabilities.

If renegotiating the 1-2-3 agreement is a central litmus test for the ROK-U.S. alliance, other major hurdles such as successfully negotiating the on-going round of defense cost sharing responsibilities, the reversion of wartime operational control to South Korea currently slated for December 2015, the ability of the ROK to progressively increase its defense budget in the face of North Korea's on-going WMD buildup, China's increasingly robust military footprints in Northeast Asia, and the need to upgrade South Korea's network-centric war-fighting capabilities have to be overcome. Originally conceived by the Roh Moo Hyun Administration (2003-2008) as an expression of South Korea's growing desire for a more independent defense posture, the OPCON transfer timetable was postponed by the Lee Myung-bak Administration (2008-2013) in order to enable the ROK forces to upgrade key capabilities while formulating a new command architecture that would ensure unchanged jointness between the U.S. and South Korean forces. While the Park Administration has stated its willingness to proceed with OPCON transfer, it will do so only after completing a comprehensive mid-term review. In the interim, South Korea has to enhance its strategic intelligence, C4ISR, and war-fighting capabilities all at a time of stagnant economic growth and growing political pressure to increase social-welfare rather than defense spending.

Notwithstanding the critical importance of managing the all-important ROK-U.S. alliance, fostering more stable South-North relations, and recalibrating South Korea's emerging defense requirements, President Park has to also strategically manage Seoul's key ties with her two giant

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neighbors, China and Japan. On the plus side, Park is perhaps the best prepared South Korean president to engage with her counterpart in China. President Park and Xi have already exchanged high-level special envoys and Beijing has stressed the importance of Park's *Trustpolitik* while Park has accentuated the critical Chinese role in maintaining stability on the Korean Peninsula. But beneath the tremendous outpouring of goodwill, the two leaders have to cope with some major stress tests. Most importantly, if Beijing really wants to exercise leadership and influence in East Asia, it would make sense for China to re-engineer its decades-old alliance with North Korea given that continuing its "carte blanche" policy towards North Korea has created blowbacks in the form of a more rightwing shift in Japanese defense and security policies. Already its largest trading partner, South Korea's trade with China is slated to top the \$300 billion mark by 2015 compared with North Korea's \$5 billion annual trade with China.

If South Korea's ties with China are overall on a positive trajectory, however, the same can't be said for Korean-Japanese relations. While President Park has chosen not to exploit endemic and deeply-rooted historical cleavages with Japan for domestic political gains, prospects for significant improvement in the Seoul-Tokyo relationship remains slim, at least in the short to mid-term. South Korea canceled what was to become Foreign Minister Yun Byung-se's first meeting with his Japanese counterpart, Foreign Minister Kishida Fumio after Deputy Prime Minister Taro Aso and several other members of the Abe cabinet visited the Yasukuni Shrine that memorializes Japan's war dead, including a number of war criminals. Outside observers may feel that South Korea, as well as China overplay the historical card but the fact remains that the historical divide is becoming deeper rather than narrower. Under Chinese insistence, the annual trilateral summit between South Korea, China and Japan that was planned for mid-May has also been indefinitely postponed. Washington has nudged Seoul and Tokyo to bridge their differences, or at the very least, temporarily overcome them in order to address outstanding security challenges such as North Korea's nuclear threats and has called on both Beijing and Tokyo to tone down their rhetoric and actions over the disputed Senkaku islands. Yet even though President Park remains committed to building a forward-looking relationship with one of South Korea's most important economic and political partners, as long as the Abe government insists on highlighting its ultra-nationalistic credentials, bilateral ties will remain in a deep freeze.

On the whole, even though one can expect President Park to significantly expand Seoul's ties with Beijing she has always insisted that Seoul-Beijing ties should not be upgraded at the expense of the ROK-U.S. alliance. More importantly, however, President Park should take the lead in fostering "New Thinking" on Korean futures by engaging actively with the United States and China so that China can begin to see the advantages of a unified Korea that is democratic,

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connected tightly with the international community, and one that can sustain mutually is able to foster beneficial ties with the United States as well as with China. It is far too early to tell just what type of security configuration one can imagine for a unified Korea, but at the very least, a unified Korea that espouses non-nuclear postures with a significantly lighter U.S. military footprint, more active engagement in a multilateral security network, and one which continues to be enjoined in a security alliance with the United States could be perceived as key benchmarks for potential discussions.

In summary, as President Park Geun-hye embarks on an ambitious five-year plan for South Korea, the success of her administration is not only going to hinge on reviving the economy but also in adroitly navigating Northeast Asia's choppy currents so that South Korea is still able to achieve its long-term strategic goals. She can do so by paying utmost attention to foreign policy challenges with potentially far greater consequences than any of her predecessors since the end of the Cold War. In this context, while President Park's desire for a significantly streamlined and efficient Blue House is understandable due to austere budgets, it is also equally important to bear in mind that her political and policy successes are going to be affected by the professional foreign policy, national intelligence, and defense machinery she has put into place given the accelerating convergence of traditional, non-traditional, and asymmetrical security threats.

Running the world's 14th largest economy with arguably one of the world's most complex and demanding national security challenges simply cannot be done with an apparatus that may have been appropriate two to three decades ago. Seoul's ability to effectively absorb copious early warning signals, conduct virtually non-stop negotiations with key partners, reach out to key decision-makers and opinion leaders in Washington, Beijing, Tokyo, and Moscow—not to mention read the tea leaves in Pyongyang—and forecast to the most extent possible the secondary and tertiary consequences, necessitates overarching strategic guidance and matching resources. More traditional approaches to core foreign and national security challenges with a premium on bureaucratic management are unlikely to provide President Park with the very ingredients she needs to shape key drivers on the Korean Peninsula on the path towards the making of a "New Korea."

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