

# THE POST-COLD WAR EXPERIENCE AND U.S. STATECRAFT: IMPLICATIONS FOR KOREAN SCENARIOS

by

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If a crisis were to occur on the Korean peninsula, the policy issues in Washington would be handled by two kinds of officials: the "Korea hands," whose expertise and portfolios focus on Korean affairs; and the generalists, non-experts with crisis-management responsibilities around the world. We are blessed at this conference to have many recognized experts on Korean affairs. My remarks are those of a generalist, offering some perspectives on how senior officials in Washington, and Members of Congress, might view the issues raised in the future North Korean scenarios, drawing on recent experiences elsewhere in the region and the world.

This discussion is divided into two parts: the first will consist of some thoughts about the issues raised in North Korea under possible future scenarios; and the second will be a Washington perspective on the U.S. response and role in these situations.

As a point of departure, I would like to recall Professor Scalapino's assessment that "North Korea is not Albania: the world cannot be left out for long." Recent experiences with other closed political systems that opened up to the world may be instructive.

## Issues Raised in North Korea by Future Scenarios

In projecting developments in North Korea under these sorts of scenarios, the key factor will be whether the present political elite and its governing apparatus survives in some form, or is supplanted altogether.

Many other issues revolve on that question.

1. The first such issue is *the potential for economic survival and recovery, and what form that takes*. Following up Dr. Mansourov's points on economic concepts being circulated among North Korean officials, I would look at experiences elsewhere to see what they contribute to our grasp of the problem.

- Much has been made of the *German reunification model*, in which the need of the weak partner exert a serious drain on the wealthy partner's resources.
- There may be a Korean version of what I would term the *Japanese model* for sustaining its competitiveness. A few years ago Japan, having developed labor markets in Indonesia, Malaysia, Thailand and other prospering Asian countries, consciously shifted its focus to the next-lower tier of labor markets, namely in Vietnam and Burma, in order to keep its manufacturing costs from rising too much. In the same manner, the South Korean manufacturing sector might well benefit from access to the North Korean labor force, and indeed I predict that there will be a clear benefit here to the South under any scenarios short of conflict.
- There is, if you will, the *Vietnam model* of an ideology-based regime short-changing, in my estimation, its considerable national economic potential out of an obsessive national security mindset. If Pyongyang cannot see its way clear to treating the free flow of currency as well as business travelers, telecommunications airwaves, air traffic control and other aspects of modern life as fundamentals of economic health in the modern global market, its road to recovery will be longer and harder.

It bears repeating that North Korea's ultimate inability to shut out the rest of the world will mean that any attempts to do so will exact a price, political and economic. If one looks at a number of countries today whose governments appear to be struggling to shape the internal message despite a fair amount of exposure to the outside world — examples might include China, Iran and Saudi Arabia — all tend to exhibit degrees of unrest and dissidence between the surface. Societies where free communications are inhibited also tend to fall behind the more open societies economically.

Thus, the form of North Korea's future economic interaction with the south and with the outside world is a critical determinant that will drive the remaining set of issues:

2. *Creation of a New Elite.* In post-Soviet Russia, the new elite is drawn from two sources: the experienced, world-wise and sophisticated carry-overs from the old Soviet system who know how to manage large operations and get things done; and the new breed of young, smart and wealthy entrepreneurs. A like model may well materialize if and when North Korea undertakes to recover economically.
  
3. *Future of the Million-Man Army.* This sensitive issue must be on any short list of planning concerns. The manpower represented by the army must be seen as a valuable asset in North Korea's future. However, in its present form, it exerts a net drain on the state in economic terms. Moreover, to cite Dr. Mansourov's criterion for political activism, this is one group of North Koreans with enough food in their stomachs to have a view of who their friends and enemies are. Again, Russia's experience may provide a guide to what happens when a proud army loses financial backing and suffers a loss of morale while the state it defended for decades disintegrates politically.



4. *Coming to Terms with the Past.* Decades of internal repression in North Korea is bound to have left an abundance of scarred families and unanswered questions. Lifting the veil on the Hermit Kingdom's secrecy could certainly become a politically significant matter, as it has in other countries.

For example, in Argentina after the reign of the generals, the fate of missing persons became a national issue. In the former East Germany after reunification, the opening up of the *Stasi* files brought out who had been spying on whom within communities and even families. In China this week, we have seen the letter from seven prominent dissidents to the party leadership, seeking to hold Premier Li Peng accountable for his role in forcefully suppressing the 1989 Tienanman Square uprising.

Inquiries about past governmental abuses of the population can become potent political issues with a direct bearing on the perceived legitimacy of the leadership. The fact that Japan continues to confront the legacy of its past behavior in the region makes this kind of issue a credible agenda item in post-transition North Korea. Eventually, the archives in Pyongyang will come to light, and people will talk about what happened.

5. *Adapting to Life in a Non-Totalitarian State.* This final point concerns people who have no experience with freedom and capitalism suddenly being faced with the collapse of a coercively paternal state. The political systems of Central and Eastern Europe, and the Russian people, have very recently gone through just such a transformation.

At first, these populations uniformly embraced democracy. Virtually without exception, they harbored heightened expectations of prosperity. When their standards of living did not improve, disappointment and even insecurity set in, as the Communist structures deteriorated and no

alternative mechanisms were in evidence to provide for their needs. These newly-independent populations learned the hard way that free markets take years to grow and can leave many people behind.

The result of this disillusionment was a fairly sweeping reversion to Communist leadership, only this time voted in by democratic means. This was the case in Eastern Europe, and even in Russia, where the Communists won a commanding majority in the December 1995 Duma elections. The lesson here is that North Korea's population, following an evolution away from autarky, is likely at some point to face the shock of unmet expectations, leading to a hardening of views.

The psychological passage of the North Korean population from a total dependence on the regime in Pyongyang to whatever kind of more open system the Twenty-First Century has in store for them is something the planners in the South should not overlook as they consider these scenarios.

In weighing these prospects, we come back inevitably to the political nature of a future North Korea. This is the key variable. If the future brings a continuity of the present political elite, there is likely to be — for the United States at least — a negative legacy from half a century of hostility that could affect American attitudes and thereby shape the U.S. role on the peninsula.

Alternatively, change in North Korea could produce some welcome surprises, as often happens when autocratic regimes become obsolete. It is worth wondering whether we shall see a North Korean 'Boris Yeltsin' or 'Corazon Aquino,' or 'Mohammed Khatemi,' a leader who departs in some measure from the rigid dogma of his or her predecessors. In this case, a future North Korean leadership that has distanced itself from the Kim Jong-

Il/Kim Il-Sung legacy could well enjoy a 'fresh start' politically in Washington. There is ample precedent for such a phenomenon.

### Thoughts on U.S. Responses and Roles in North Korean Scenarios

Turning to the policy options and overall perspective that official Washington might adopt in the event of an evolution in North Korea, it is instructive to look at the principal instruments of American statecraft in the post-Cold War era, and what is likely to be considered when it is time for the international community to become substantially engaged.

There are four such instruments on my list: official assistance; American private sector involvement; U.S. military involvement; and the fundamental instrument that ties them together, namely the U.S. policy itself. Let me address each in turn.

#### Official Assistance

American foreign policy officials who were involved in the initial efforts to engage the new independent states (NIS) of the former Soviet Union will recall a number of energetic initiatives emanating from Washington in the early 1990s:

- The United States played host to a major "donors' conference" in 1992, attended by representatives of 54 countries, at which pledges were made for official assistance to the NIS;
- The U.S., following the bipartisan lead of Senators Sam Nunn and Richard Lugar, created special funding authorization to address the goal of securing and shrinking the nuclear arsenal of the defunct Soviet Union;



- Enterprise Funds were organized by the White House, led by prominent private sector figures, to encourage and facilitate commercial engagement between the U.S. and these countries; and
- The National Endowment for Democracy, through its Republican and Democratic organizational branches, engaged in wide-ranging civic education and nation-building.

This was, by the standards of the day, an all-out effort. Still, it represented but a small fraction of the value of the Marshall Plan instituted by the United States after World War II. A look at foreign assistance in this decade alone shows even more of a decline since the NIS assistance effort was inaugurated:

- We are witnessing a steady decline in the foreign aid budget, as even U.S. allies Greece and Turkey have now stopped receiving assistance credits, and there is momentum toward reducing the core account of the Camp David peace countries, Israel and Egypt. While the U.S. Agency for International Development is pursuing small-scale projects through its Office of Transition Initiatives, the funding levels are very modest and likely to remain so.
- Congress is exhibiting a real reluctance to appropriate funds for international affairs, refusing to pay the arrears in its United Nations dues despite a brewing crisis with Iraq, and balking at funding for the International Monetary Fund in the midst of the Asian financial crisis.
- Whereas 10 years ago Mrs. Corazon Aquino could emerge from the wreckage of the Marcos dictatorship and receive spontaneous

support from the Congress, today the reformers among the developing countries are more likely to be seen as trade rivals. There is growing political sentiment against the NAFTA free trade accord, and the President's recent request for fast-track trade negotiation authority was voted down by Congress.

If one is looking for the respected internationalists on Capitol Hill now that opinion leaders such as Senators Nunn, Bradley and Kassebaum have left, there are few legislators who merit such a description. If and when a future North Korea turns to America for support as it seeks to create a more open, democratic and peaceful system, the U.S. Government is unlikely to offer much in the way of hard assistance.

#### *American Private Sector Involvement*

Based upon recent experience in other transitional societies, we can anticipate that larger American multinational corporations — the Fortune 500 — will take an interest in potential opportunities in North Korea. These will likely consist of major infrastructure projects, many of them funded by international financial institutions such as the World Bank and the Asian Development Bank.

However, beyond interest in the large infrastructure areas such as ground transport, aviation, telecommunications and power, i.e., projects that are usually the first priorities of a nation emerging from the shadows of a command economy, the American private sector is unlikely to exhibit much early enthusiasm for direct investment in the heart of the country's own private sector, namely retail, manufacturing and services.

Such investment carries higher risk; and if the North Korean transition occurs any time soon, fresh memories of the portfolio losses



sustained in Indonesia and Thailand during the present 'Asian flu' crisis will make investors even more wary of exposing their capital in North Korea. This places a particular burden on the country's future leaders to make extraordinary strides so as to persuade foreign capital investment to enter its economy.

*The Future of the U.S. Military on the Korean Peninsula*

When Americans speak of security in Northeast Asia, we tend to emphasize the cornerstones of U.S. policy, namely, the commitment to maintain about 100,000 forces in the Pacific, the U.S.-Japan security relationship, and the U.S.-ROK alliance, among other elements.

But the fact is that the U.S. is in the twelfth year of a military demobilization trend. Planning concepts for future American military forces, as projected in wargames, take account of this trend. The overall future forces are projected to be smaller, and the warfighting advantage will be based upon superior technology and — a key feature — mobility.

What is the implication here? This observer is not trying to cast doubt on the future U.S. role in Northeast Asia. However, even today, we can see that in the Pentagon's number one 'hot spot' — the Persian/Arabian Gulf — the U.S. appears unable to sustain sufficient forces in the region to conduct even modest combat operations against a weakened adversary.

In other words, the U.S. is becoming accustomed, even in 1998, to operating by means of long-range deployment. Questions are being asked in Washington about whether some of the old assumptions regarding the necessity of in-theater access and basing in the Persian/Arabian Gulf need to be re-thought. Ten years from now, the U.S. Department of Defense may envision a global warfighting strategy that relies far less upon overseas

facilities access than is the case even today.

The future U.S. military role in a “post-scenario” Korean peninsula is an issue that will beg for greater definition, once we start to move beyond the *status quo*. The question is not just whether U.S. forces stay in Korea after a non-violent transition, even though so many discussants at this conference well understand the stabilizing influence of a continued American presence in Asia.

It is, rather, the purpose and the mission of U.S. forces in a future Korea that will determine the durability and value of a continued American presence. Dr. Kravchenko’s remarks clearly underscored the Russian sensitivity to a second ‘NATO expansion’ on its eastern flank; and it is only natural that Chinese apprehensions about moving the U.S.-ROK alliance effectively right up to its border with a unified Korea will be an issue to be reckoned with — indeed, this concern was central to the Korean War.

For these reasons, I encourage further consideration of a newly-defined, hence newly-validated, U.S. role in the event of an evolution in North Korea, such as security guarantor of North Korea under prescribed circumstances, as Professor Scalapino suggests, in order to anchor and clarify the future American role on the Peninsula.

Absent a million-man threat from the north, a future U.S. Congress is likely to be of mixed minds about any new commitment on the Peninsula that, arguably, appears to aggravate as many security concerns in Asia as those it would purport to address. So, if the ‘Asia hands’ in Washington already find it challenging to explain the nuanced role of the United States as an essential stabilizing element in the Asian security equation today, they are likely to find that making such a case with a neutral North Korea will test their conceptual and verbal skills as never before.

Policy — The Essential Element of Statecraft

Economic power and military might, important though they may be, are ultimately less potent than the force of a unifying concept for political action. In a way, North Korea has demonstrated this for half a century, simply by remaining intact.

A far more compelling example is the United States which, during the same half-century, has benefited from the force of a number of powerful policy concepts backed by action, including:

- The creation of the United Nations system as a mechanism for promoting international stability;
- The goal of comprehensive Arab-Israeli peace;
- The quest for nuclear stability and negotiated arms reduction; and
- The idea of free trade.

The U.S. has lately been promoting a number of concepts of more recent vintage, which at this stage are encountering a mixed reception internationally. These include:

- The promotion of human rights;
- The enlargement of the community of nations governed by democracy; and
- The expansion of the NATO alliance.



As we consider future scenarios on the Korean peninsula, I think it is fair to ask whether the United States is truly capable of raising its sights to address the largest policy questions in Asia. The foreign policy-making process one sees today in Washington, involving both Democrats and Republicans in the Executive and Legislative Branches, is characterized by workmanlike competence in responding to the day-to-day agenda; however, by no means could it be described as visionary or intellectually ambitious.

Absent a vision promoted by the United States — a defining policy concept — the impacts of assistance programs, commercial engagement and even military deployments are unlikely to contribute much to the security architecture of the future Korea, to say nothing of Asia as a whole. Moreover, failure to anticipate and fully incorporate the strategic concerns of others in Asia into the American policy approach will invite trouble.

Just as it is not enough to conceptualize the expansion of NATO without thinking through the future of U.S.-Russian cooperation, on several levels — bilaterally, within Eurasia, within the U.N. Security Council, and in the nuclear arms reduction arena — there is a parallel case to be made with the U.S. and its fellow major Pacific powers, notably China, in looking to the future of the Korean peninsula.

Even if Beijing has, by the time one of these scenarios comes to pass, shifted its policy focus toward Seoul, it is inescapable that the disappearance of North Korea in its traditional form will mark an historic, and significant, defeat for China. I believe that a North Korean transition will, in some measure, force the issue of whether the U.S. and China will move toward strategic cooperation or, alternatively, in the direction of regional competition and perhaps confrontation at the policy level.

The post-Cold War experience to date has yet to produce a national, publicly-embraced commitment in the United States to the kind of foreign policy leadership commensurate with American military and economic strength. While one ought not rule out such a development, it is simply not in evidence at this time. Despite this — indeed, because of it — the U.S. and its Pacific allies, friends and fellow Security Council members have much to discuss before the change comes in North Korea.

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