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# TENSIONS ON THE KOREAN PENINSULA: IMPLICATIONS FOR NEW ZEALAND

Paul Sinclair

## Introduction

New Zealand's bilateral relationship with South Korea is founded on strong political, economic and security links that date back to the Korean War. New Zealand responded to the United Nations Security Council's call for members of the United Nations to assist South Korea in 1950 with a substantial commitment of Defence personnel that on a per capita basis exceeded that, for example, of Australia.

Not only did this response signal New Zealand's support for the United Nations, it was also to realise the objective of securing a security commitment from the United States in the event of further aggression from Japan. That commitment was embodied in the ANZUS Treaty signed in June 1951.

How times have changed. New Zealand has a wide-ranging relationship with Japan that, whaling apart, is close and friendly. New Zealand did not recognise the People's Republic of China at the time of the Korean War, but our relationship has rapidly developed to the point where China is now vital to our economic prosperity. We are no longer a full alliance partner of the United States, although the signature in June 2012 of the Washington Declaration on Defence Cooperation between the United States and New Zealand will undoubtedly have created expectations in Washington, and in some other capitals, of support from New Zealand, particularly in respect of Asia/Pacific security challenges.

This paper examines recent developments on the Korean Peninsula, including the responses of China and the United States, and considers the implications for New Zealand. It then proposes a way ahead. But before doing so it provides some background comment on the Armistice, the United Nations Command Military Armistice Commission known as UNCMAC, and the Six Party Talks.

## The Armistice

The Armistice was signed on 27 July 1953 by General Nam Il, a North Korean Deputy Premier and Chief of Army Staff, delegate of both the Korean People's Army and the Chinese People's Volunteers, and Lt Gen William Harrison Jr., a United States officer who was the United Nations Command delegate. South Korea was not a signatory. The Armistice established a "complete cessation of all hostilities in Korea by all armed force". It was and remains only a cease-fire agreement. It is not a peace treaty. The Korean War has therefore never officially ended.

Pyongyang has long sought to enter into negotiations directly with Washington on a bilateral peace treaty with the United States that would replace the Armistice. The exclusion of South Korea, an important

United States ally, from such a process is unacceptable to Washington. South Korea's inclusion is unacceptable to North Korea given the South's non-signatory status, and the North's refusal to acknowledge South Korea as an independent country. The Armistice Agreement envisaged the withdrawal of all foreign forces from Korea, but in the absence of a peace treaty United States forces remain on the peninsula.

The Armistice established a four kilometre-wide Demilitarised Zone between North and South Korea, a fortified buffer zone that is now the most heavily defended national border in the world.

In 1957, suspecting North Korea had acquired unspecified new weapon systems contrary to a provision of the Armistice, the United States informed North Korean representatives at a meeting of the Military Armistice Commission, that the United Nations Command no longer considered itself bound by that provision. The following year the United States deployed nuclear weapons to South Korea where they were to remain until 1991. The decision to deploy was taken in Washington not in New York, underlining that in fact if not in name this is effectively a United States Command.

North Korea's recent declaration that it would no longer abide by the Armistice is the sixth such statement since 1994. The United Nations responded to the latest declaration by again reminding the North that the Armistice remains valid and is "still in force" as it was approved by the UN General Assembly.

#### **The United Nations Command Military Armistice Commission [UNCMAC]**

UNCMAC was created to ensure that the parties comply with the terms of the Armistice Agreement. It is a multinational mission led by the United States. There is a close New Zealand interest in UNCMAC's mission as a continued expression of support for the Armistice. New Zealand Defence Force officers have served with UNCMAC since 1998. Their role is to maintain an awareness of what is happening in their area of operations, to investigate breaches by either side and report their findings to the United Nations Command.

UNCMAC has continued to function throughout periods of heightened tension. There is a direct phone line between UNCMAC and the Korean People's Army [KPA]. Despite its fiery rhetoric the KPA has not cut this line, but it is not currently answering phone calls from UNCMAC officers. UNCMAC messages are being passed by "bullhorn" and were being acknowledged by the KPA at the time this paper was being prepared.

#### **Six Party Talks: Early Promise Soon Faded**

The Six Party Talks hosted by China began in 2003. Their aim was to end North Korea's nuclear programme through a negotiating process involving China, the United States, South and North Korea, Japan and Russia. Following several rounds of talks it seemed by September 2005 that progress had been achieved. Pyongyang agreed to abandon its nuclear programme, re-join the Nuclear Non-Proliferation Treaty from which it had withdrawn three years earlier, and allow International Atomic Energy Agency [IAEA] monitors to return to the North. In return North Korea was to receive food and energy assistance. For their part the United States and South Korea both affirmed that they would not deploy nuclear weapons on the peninsula, and the United States committed to work towards normalising relations with North Korea.

A subsequent decision by Washington to impose sanctions on North Korean trading entities and a Macao bank suspected of money-laundering for North Korea provoked strong condemnation from Pyongyang. The North boycotted the next round of talks and conducted a number of missile tests and its first nuclear test. These actions prompted the UN Security Council to pass a resolution requiring North Korea to refrain from further nuclear or missile testing and to return to the Six Party Talks.

Further talks in 2007 resulted in another denuclearisation plan in exchange for aid and the release of the frozen Macao bank funds. The North appeared to be adhering to this agreement when it began disabling the Yongbyon facility which had provided the fissile material for the first nuclear weapons test. In return the United States eased sanctions on the regime and removed North Korea from its State Sponsors of Terrorism list. But Pyongyang failed to agree to a verification protocol for its nuclear programme and restarted that programme in late 2008.

North Korea ignored signals from the new Obama Administration that it was willing to engage the North. Pyongyang chose instead to conduct further missile tests and another nuclear test, activities that resulted in the United States securing UN Security Council agreement to tougher sanctions in 2009. History demonstrates over the last ten years that for every action taken against the North Korean regime there is a robust reaction. In 2010 the North sank the South Korean naval ship Cheonan with considerable loss of life, unveiled a new uranium enrichment facility and light water reactor at Yongbyon, and shelled the South Korean island of Yeongpyeong with further loss of life.

Six Party Talks have not been held since 2009. During bilateral talks with the United States in 2011, Pyongyang indicated it would return to the multi-party talks provided there were no preconditions. This was unacceptable to Washington and Seoul.

In February 2012 North Korea now under Kim Jong-un's leadership, agreed to suspend nuclear tests and allow the International Atomic Energy Agency to return to Yongbyon, but events were again to take a different course. In December North Korea launched a long range rocket regarded by defence analysts as a test of ballistic missile technology. That triggered a by now familiar sequence of events. The imposition of broader sanctions on North Korea by the UN Security Council followed by a third nuclear test much more powerful than its predecessors.

In March 2013 the Security Council passed yet another round of sanctions on North Korea that imposed tough restrictions on banking, travel and trade. On this occasion China, presumably exasperated by its ally, did not try to water down these sanctions. The Security Council's resolution also reaffirmed the UN's support for the Six Party Talks and called for their resumption. The sanctions are therefore designed to punish the North for acts that endanger the international interest, but not to bring North Korea to its knees. That distinction seems to have been lost on Pyongyang.

### **Kim Jong-un**

When Kim Jong-un came to power there were hopes that his exposure to the West as a teenager at a Swiss boarding school would have influenced him to pursue more liberal policies. His February 2012 agreement to suspend nuclear tests suggested such hopes were not misplaced. So what transpired to produce such a different outcome?

The most likely factor was pressure from the hard-line military and from other conservative elements in the regime. He may be the grandson of the “eternal president” as Kim Il-sung came to be known after his death, but the pursuit of policies seen as anathema by those determined to preserve the legacy of the first president of North Korea, may have forced Kim Jong-un’s hand.

Kim Jong-un appears to have fallen back on the North Korean habit of highly provocative behaviour aimed at pressuring the international community to provide aid, and at strengthening his power base at home. Even by the standards of North Korean rhetorical excesses, however, his bellicose threats have been extreme. His threat to turn Seoul into a sea of fire is not new, but the threat of a nuclear attack on the United States is.

Ironically the United States Defence Intelligence Agency’s recent finding that it had moderate confidence that the North had already mastered the technology of building a weapon that could fit into a missile warhead, unhelpfully gave some credibility to the North’s threats of nuclear attack. But the United States Director of National Intelligence was quick to state that the Agency’s position did not reflect the consensus view of the United States 15 other intelligence agencies.

Kim Jong-un has acted counter-intuitively by closing down Kaesong Industrial Park. A collaborative North-South venture opened in 2005, this facility is situated just north of the DMZ. It gave South Korean companies the opportunity to employ cheap labour and became an important source of badly needed foreign currency for the North as wages for the 53,000 North Korean employees were paid directly to their Government. The North has shut down the complex previously but only for brief periods. The current prolonged closure has the self-inflicted cost of further reducing hard currency inflows to the North, dealing a further hammer blow to an economy already in dire straits.

In such a hermetically sealed society it is impossible to assess with any accuracy Kim Jong-un’s real motives. Was timing a factor in his campaign? Was this a bid to demonstrate to the new leaders in China, Japan and South Korea that they should not mistake his youthfulness and inexperience for a lack of resolve? President Park’s election as President of South Korea certainly would not have been welcomed in Pyongyang. Her electoral success was an unwelcome reminder to the North of failed attempts to assassinate her father when he was President in 1968 and again in 1974.

Was Kim Jong-un sending a message to newly elected President Xi Jinping that he is not beholden to China? Or is he struggling to convince hard-liners that he is worthy to inherit the family mantle, and/or needs to remind North Koreans that they must continue to make sacrifices because of external threats? It could be a combination of all these factors. He has likely calculated that by standing up to the United States he is demonstrating that he is worthy to be compared to his father but more especially to his revered grandfather.

### Could Kim Jong-un Miscalculate?

Is there a risk that buoyed by the successful rocket launch and the February nuclear test both of which demonstrated significant technological capability enhancements, Kim Jong-un might miscalculate? He is very light on leadership experience, and has shown no interest in engaging other countries. He has options available to him, short of a nuclear attack, should he decide to move beyond rhetoric. While outmatched by the South Korean military and professionally inferior, the Korean People’s Army has significant special

force and artillery capabilities. It could launch its Musudan medium range missiles. Or it could revert to terrorism.

Any North Korean attack now would bring swift retribution from the South. There was widespread criticism of what many South Koreans considered a weak response to the attacks that took place in 2010. President Park has emphasised that an attack now would produce a robust and swift response. Retaliation although entirely understandable could have far-reaching consequences.

There is another unwelcome outcome of recent developments as calls grow in the South for the development of its own nuclear deterrent capability, including from a prominent member of the National Assembly. Current negotiations between South Korea and the United States on a new nuclear cooperation agreement include a request to enrich uranium and to reprocess nuclear fuel originally bought from the United States. Any move towards a nuclear deterrent capability in the South risks pushing Japan in the same direction.

### China and the United States

China's alliance with the DPRK dates back to the Korean War. There are trade ties and close military links. The relationship was characterised by the Chinese as being "as close as lips and teeth". But North Korea is proving an increasingly troublesome ally. China is deeply suspicious of the United States "pivot". It considers the decision to strengthen America's military presence in the Asia/Pacific demonstrates intent to contain China. Through its belligerence North Korea is very effectively making the case for the pivot. North Korea's actions and bluster have reinforced to United States allies the importance of a stronger American military presence in the region.

North Korea's threats also placed unwanted pressure on Beijing to rein in Kim Jong-un. Before departing for Beijing in April for talks on North Korea, United States Secretary of State Kerry made it clear that he expected China to use its leverage as North Korea's "economic lifeline and diplomatic partner". Chinese statements just prior to that visit had in fact already shown some movement in that direction.

China's Foreign Minister Wang Yi had stated on 6 April that China "does not allow trouble-making at the doorsteps of China". President Xi Jinping spoke in similar terms in his address at the opening ceremony of the Bo'ao Forum the following day in commenting that "no-one should be allowed to throw the region, or even the whole world, into chaos".

President Xi probably had two targets in mind. Professor Cheng, a North Korean expert at Beijing's Renmin University said that the President's "primary target was North Korea". He added that the comments were a "slap" at both North Korea and the United States which Beijing considers has contributed to the North's belligerence through its current round of military exercises with South Korea. Cheng, accurately as it transpired, took the view that this message if ignored in Pyongyang, would lead to meaningful reductions in aid for the first time.

There was still no sign Kim Jong-un was listening. According to United States officials who accompanied Secretary Kerry to Beijing, their Chinese counterparts had indicated they had not been able to establish the same close relationship they had enjoyed with his father. It is understood that Kim Jong-un has never met President Xi and appeared in no hurry to do so.

In determining how to deal with North Korean intransigence, China will be careful not to cross some “red lines”. China fears an implosion that would lead to a flood of North Koreans across its border threatening its economic and social development plans. Measures that could cause the regime to collapse could not therefore be contemplated. Nor does China want to see a unified peninsula with the unwelcome prospect of United States troops on or near the Chinese border. Pyongyang will be aware of such concerns and may unwisely have presumed that Beijing therefore have had little room for manoeuvre.

There is some common ground between China and the United States with respect to North Korea. Neither wants conflict on the peninsula. In his remarks to media following his meeting with China’s State Councillor Yang Jiechi in Beijing, Secretary Kerry noted that the United States and China had underscored their joint commitment to the denuclearisation of the Korean Peninsula in a peaceful manner. He added that agreement had been reached to have further discussions “to bear down very quickly with great specificity on exactly how we will accomplish this goal”.

In response Councillor Yang stated that China is “firmly committed ... to advancing the denuclearisation process on the peninsula” noting that to properly address the nuclear issue “serves the common interests of all parties” and is the shared responsibility of all parties”. China would work with other relevant parties including the United States to play a constructive role in promoting the Six Party Talks and the “balanced implementation of the goals set out in the September 19 joint statement of 2005” (which is referred to earlier in this paper). He also emphasised the importance of enhancing bilateral dialogue with the United States. China’s Special Envoy for North Korea was subsequently dispatched to Washington for further talks.

The complex China-United States relationship rarely moves in a linear fashion, however. A few days after Secretary Kerry’s visit the Chinese Ministry of Defence released a defence paper which noted that “some country has strengthened its Asia Pacific military alliances, expanded its military presence in the region, and frequently makes the situation tenser” [sic]. The release of the defence paper with its obvious reference to the United States implied that in Beijing suspicions about United States intentions still ran very deep.

In May China tightened inspections on cross-border trade and its state banks have halted business with North Korea’s Foreign Trade Bank suggesting a loss of patience with North Korea. Zhang Liangui, a North Korea expert at the China Communist Party’s Central Party School, was reported in China’s Global Times on 29 May as saying that “the former administration always put ensuring the peace and stability of the Korean Peninsula in first place, while the current administration sets the denuclearisation of the peninsula first”. The Global Times added that the changes in China’s policy towards North Korea were in the United States interest. These comments were made as preparations were taking place for President Xi Jinping’s visit to the United States. The policy change was described by Shi Yinhong of Beijing’s Renmin University as a “big gift” to the United States.

China’s harder line towards North Korea may have been instrumental in Kim Jong-un deciding to send Special Envoy Vice Marshal Choe to Beijing in late May for the purpose of mending ties. His visit was the first high level contact between Beijing and Pyongyang this year.



Choe was given a strong message by senior Chinese civilian and military officials about endangering peace and stability on the Korean Peninsula. But state-run Chinese and North Korean news agencies gave quite different interpretations of visit outcomes. The China News Service reported that Choe had confirmed that North Korea would accept a Chinese proposal to open up dialogue. The North Korean Central News Agency made no mention of such an undertaking. Zhu Feng, Professor of International Relations at Peking University and a former Kippenberger Visiting Professor at the Centre for Strategic Studies, commented that the visit “seemed to do little to repair the troubled relations between China and North Korea”.

### Implications for New Zealand

As noted earlier New Zealand’s close relationship with South Korea is anchored in our participation in the Korean War six decades ago {but increasingly supplemented and dominated by a trade relationship of real importance to Wellington}. New Zealand continues to take a close interest in developments on the Korean Peninsula and to provide officers for UNCMAC. We have supported the Six Party Talks process and UN sanctions on North Korea. Defence co-operation with the South Korean military includes periodic anti-submarine warfare exercises, Special Forces cooperation, an annual defence dialogue and the regular attendance of South Korean officers at the NZDF’s senior Command and Staff College course. There is also a bilateral logistic support agreement currently awaiting renewal.

South Korea is likely to have expectations of support from New Zealand in the hopefully unlikely event of war erupting again on the peninsula. Aside from the difficult questions our policymakers would face in that event, the economic consequences for the region and particularly for New Zealand, given such heavy exposure to markets in North-east Asia, would be profound. Indeed there would be economic harm for each of our top five trading partners including Australia given its own heavy reliance on North-east Asian economies.

### The Way Ahead

Kim Jong-un’s bottom line is regime survival. The development of a nuclear weapons capability is intrinsic to that goal. North Korea seems convinced that only a nuclear capability can deter the United States from trying to topple the regime by force despite Washington emphatically ruling that out. The greatest threat to the regime, however, is not external attack but at some point in the not too distant future, the threat of implosion if it can’t offer its people a better future. A nuclear capability will be of no use in that eventuality.

China is clearly irritated by Pyongyang’s determination to continue down the nuclear path. But as noted above, China has its own bottom line which is to avoid any action that might precipitate an implosion in the North with the social, economic and strategic consequences that would follow. That limits Beijing’s leverage and Pyongyang knows it.

A further complication is that attempts to find a way forward are taking place against a backdrop of China’s suspicions about United States motives, an uneasiness mirrored in Washington about Beijing’s ambitions; tensions between China and Japan over the Diaoyu/Senkaku islands and between South Korea and Japan over the Dokdo/Takeshima islands. Adding to this unhelpful mix is the unfortunate resurrection of visits by senior members of Japan’s Abe Administration to the Yasukuni Shrine, rekindling barely suppressed memories of Japan’s wartime occupation of large parts of mainland Asia.

Despite these other preoccupations, the international community needs to focus as a matter of urgency on devising ways of reducing the risk of miscalculation on the Korean Peninsula. Ever tougher sanctions on the North may convey a sense of resolve on the part of the international community. But they have heightened rather than eased tension as has the deployment of more United States troops to the region. As J Michael Cole, deputy editor of the Taipei Times argued recently, "While such actions can act as a deterrent against North Korea, they only postpone – and render less likely – the resolution of the conflict and its underlying causes".

To have any chance of succeeding a way ahead must alleviate the North's concerns, however misguided they may appear, that the international community wants to dismantle the regime by force if necessary. What is also needed is a creative means of appealing to the self-reliance philosophy that is the regime's driving force. With these objectives in mind the following proposals are submitted.

The Six Party Talks should resume without preconditions. While that would require the setting aside of the nuclear issue for the time being, there appears to be no other viable option that would bring the North back to the table. Returning to the talks would provide a timely opportunity for the United States to reaffirm yet again that it has no intention to attack or invade North Korea, that it will provide a security guarantee to this effect and work to normalise ties (as it was prepared to do in the set of agreements reached during the fourth round of talks in 2005).

Either within the framework of the Six Party Talks, or jointly, the United States and China should convene a meeting that would examine ways of helping North Korea rebuild its economy through carefully targeted investment and economic assistance. The previous practice of providing food aid, although such aid is needed, carries the heavy baggage of dependency in the North Korean mind-set. The aim of such an approach would be to give the North Koreans confidence that they can build an economic model that would improve the lot of its citizenry and over time diminish the importance to the North of a nuclear weapons capability. It would also have another important benefit in reducing the cost of eventual reunification.

Given the many complex security issues confronting the North-east Asian region at present, a case could also be made once the Six Party Talks have resumed, for re-shaping those Talks into a North-east Asian security dialogue. It is a concept much discussed but never developed. Encouraging North Korea to participate in such a dialogue would give it a stake in attempts to resolve strategic issues. That would require a sea change in approach on the part of Pyongyang, but it may be persuaded to see merit in participation rather than remaining a belligerent outsider resorting to threat and bluster.

What might New Zealand contribute in pursuit of these proposals? The most obvious contribution New Zealand could make is to share its agricultural expertise. North Korean agriculture is in a parlous state. Our reputation in this field is second to none. We could directly contribute in this way to the North's rebuilding of its economy. A much more modest proposal, but one that could open the door to other modest forms of assistance would be the development of a track two dialogue with North Korea.

There can be no guarantees that the suggested approaches posited in this paper will succeed. Some of the six parties will find unappealing the idea of taking the nuclear issue off the table for the time being. They will see risks in such an approach. But there are mounting risks from staying with the status quo. Unless

we help North Korea to help itself the risk is that the situation on the peninsula will slide into conflict whether the result of calculation or miscalculation. That would have profound consequences for the whole Asia/Pacific community. There would be no immunity for New Zealand from such consequences.