Australia and the Korean Crisis: Confronting the limits of influence?

Andrew O’Neil, Brendan Taylor, and William T. Tow
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About the authors

Andrew O’Neil is Dean (Research) and Professor of Political Science in the Griffith Business School of Griffith University. His research focuses on the intersection of strategic, political, and economic change in the Asia-Pacific with particular emphasis on the security dimension of international relations. He is the former editor-in-chief of the *Australian Journal of International Affairs* and is currently an editorial board member of the *Korean Journal of International Studies* and the *North Korean Review*.

Brendan Taylor is Associate Professor of Strategic Studies in the Strategic and Defence Studies Centre of the ANU Coral Bell School of Asia-Pacific Affairs. Specialising in great power strategic relations in the Asia-Pacific, economic sanctions and regional security architecture, he previously served as Head of the Strategic & Defence Studies Centre from 2011. His latest book is *The Four Flashpoints: How Asia Goes to War* (forthcoming August 2018, Black Inc. and La Trobe University Press).

William T. Tow is Professor of International Security in the Department of International Relations of the ANU Coral Bell School of Asia-Pacific Affairs. He has authored or edited 14 books and over 80 journal articles/book chapters, including on Korean security, and US alliances in Asia. Previously, he was Professor of International Relations at the University of Queensland and at Griffith University, and an Assistant Professor of International Relations at the University of Southern California.

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Executive Summary

❖ The apparent optimism surrounding the upcoming ‘season of summitry’ on the Korean Peninsula should be tempered by the fact that there are potential risks attached to engaging the North Korean leadership without preconditions. These include legitimising its weapons of mass destruction (WMD) programs, alliance decoupling, and a serious deterioration in Asia’s strategic climate if the Trump-Kim summit fails to deliver concrete results.

❖ Australian policy makers should look to develop a more integrated national approach to the Korean Peninsula. They should anticipate and prepare for a full range of possible outcomes. A clear definition and articulation of Australia’s considerable national interests in Northeast Asia—indepen dent from those of the US—should be derived.

❖ Initially, the Turnbull Government should begin a whole-of-government review, managed by the Department of Foreign Affairs and Trade. This process would identify and implement policy initiatives where Australia can pursue a distinctly national approach to safeguarding its long-term interests on the Korean Peninsula, including future bilateral relations with North Korea.

Policy Recommendation

❖ At this potential geopolitical inflection point, the Australian government should be prepared to consider the widest scope of possible scenarios as a reference point for ongoing policy formulation and, more specifically, for managing Australia’s evolving strategies directed toward the Korean peninsula. In that context, Australia would be prudent to begin a whole-of-government review, managed by its Department of Foreign Affairs and Trade, to identify and implement those policy areas where it could initiate and pursue a distinctly national approach to safeguarding its long-term interests on the Korean Peninsula, including future bilateral relations with North Korea.

In what seems like the blink of an eye, North Korea has gone from being cast as the world’s leading pariah state to its most sought after interlocutor. After a recent flurry of international activity, a series of unprecedented high-level summits have been scheduled, starting with an inter-Korean meeting on 27 April between South Korean President Moon Jae-in and the mercurial young North Korean dictator Kim Jong-un. This will be the third such inter-Korean summit. The last occurred more than a decade ago, in 2007, when Moon Jae-in’s mentor Roh Moo-hyun met with Kim Jong-un’s father Kim Jong-il.

In a highly unexpected move, United States President Donald Trump has agreed to meet with Kim Jong-un. His nominee for Secretary of State, Mike Pompeo, has reportedly met Kim clandestinely, with the president’s blessing. Should the leaders’ meeting proceed as planned in June, Trump will become the first sitting US President to meet with a North Korean leader. More remarkably, if it occurs, the meeting will follow in the wake of acute tensions in 2017 on the Korean Peninsula, the likes of which had not been witnessed since 1993-94, when the Bill Clinton administration prepared for military strikes against North Korea’s fledgling nuclear infrastructure. Less than a year ago, Trump was threatening to unleash ‘fire and fury like the world has never seen’ upon Pyongyang.
The summitry doesn’t stop there. In late March 2018, Kim Jong-un made a surprise ‘unofficial’ train journey to Beijing to brief Chinese President Xi Jinping on the evolving Korean Peninsula situation. Xi and Kim allegedly detest one another and, according to some reports, Beijing exerted considerable pressure to ensure the meeting took place after Pyongyang’s diplomatic initiatives with Seoul and Washington. Still, the meeting can be seen as a breakthrough in China-North Korea relations given it was Kim Jong-un’s first interaction with any foreign leader since assuming power in late 2011. Xi has reportedly pledged to make a return visit to Pyongyang.

Tokyo wants in on the act, reportedly requesting a summit between Prime Minister Shinzo Abe and Kim Jong-un in early June. Kim is also said to have received an invitation to visit Russia, although Moscow has reportedly said a summit with President Vladimir Putin is unlikely to happen.

All these meetings may conceivably yield very little, or indeed nothing at all. The Korean Peninsula could return to its dangerous default position with a beefed up US deterrence posture or a return to 2017 when the White House appeared to be edging closer to authorising military strikes against North Korean nuclear and missile assets. In such circumstances, China will begrudgingly seek to keep Pyongyang afloat given North Korea’s importance to Beijing in an era of deepening Sino-American strategic rivalry.

The current manoeuvring of key players in the protracted Korean problem strongly suggests that the Peninsula could be on the cusp of a geopolitical inflection point. Scepticism may be in order about the prospects for a dramatic reordering of the Peninsula. Nevertheless, it is possible to envisage a range of positive outcomes resulting from the upcoming summits, some of which would have profound consequences for regional stability and the long-term strategic order in the Indo-Pacific.

A failure of the upcoming summits to resolve outstanding issues surrounding North Korea’s nuclear program—in particular, bridging the obvious expectations gap regarding ‘denuclearisation’—could, however, very well accelerate the Trump administration’s willingness to initiate military action against the North. New US National Security Advisor John Bolton and Trump’s other political allies such as Pompeo will allegedly use diplomatic failure to steer the President down this path. Only weeks before his appointment, Bolton published an op-ed in the Wall Street Journal advocating a US first strike on North Korea. In Bolton’s view, ‘given the gaps in U.S. intelligence about North Korea, we should not wait until the very last minute. That would risk striking after the North has deliverable nuclear weapons, a much more dangerous situation.’
Conversely, Trump could draw on his self-proclaimed expertise in deal-making acquired in the business world to strike a ‘grand bargain’ with Kim. Some commentators have suggested that Trump should trade the American troop presence on the Korean Peninsula for the dismantling of the North’s intercontinental ballistic missiles. While such a deal could take the heat out of the crisis in the short term, the enduring effects would almost certainly be alliance ‘de-coupling’ and a gradual erosion of the Northeast Asian strategic environment as Seoul and Tokyo question Washington’s extended deterrence commitment.

America is not the only party to this drama with the capacity to pull off a piece of diplomacy that leads to strategic re-ordering in Northeast Asia. Seoul could sell its American ally down the river, cutting a deal with Kim that entails removal of the US military presence, and possibly the nuclear umbrella. Such a play would be risky. With the Americans gone, Kim would be much better placed to strike against the South with the aim of reunifying the Peninsula on his terms. Equally, however, South Korea is concerned that Trump may unilaterally strike against the North without first consulting Seoul, notwithstanding the fact that the South would bear the brunt of Pyongyang’s retaliation. Reflecting this concern, South Korean Foreign Minister Kang Kyung-wha described a military solution to the Korean crisis as ‘unacceptable’ when she addressed the World Economic Forum meeting in Davos in January 2018.

China, too, sees both danger and opportunity in the upcoming summitry. Beijing will be loath to allow Washington to occupy the driver’s seat when it comes to dictating the future of the Peninsula; this helps to explain Xi’s willingness to receive Kim for his visit in late March. China will thus continue to work with America up to a point, as reflected in its growing willingness to sign up to international sanctions targeting Pyongyang. At the same time, however, China will also be keen to exploit any opportunities this crisis may present to further undermine American credibility with its regional allies. Beijing’s aim is, after all, to ultimately evict the United States from Asia and for China to become the dominant power.
Implications for Australia

Whichever course the Korean crisis takes, the stakes for Australia are very high. Northeast Asia is home to three of our largest trading partners (China, Japan and South Korea) and accounts for well over half of Australia’s merchandise exports. Armed conflict in this sub-region would have profound economic ramifications for Australia, potentially triggering a long-term recession. As North Korea’s nuclear and missile capabilities have burgeoned, concern about the physical threat they pose to Australia has also entered the country’s strategic consciousness. Some commentators, such as former Prime Ministerial advisor Andrew Shearer, have called for Canberra to develop a missile defence system capable of protecting the Australian continent from harm.10

While Australia has historically been far less demanding of the US than Japan and South Korea when it comes to extended nuclear deterrence assurances, North Korea’s nuclear advances may change this equation. For Australia, despite hosting the Joint Defence Facility at Pine Gap for much of the Cold War, the threat of a nuclear strike on Australian territory has always been a somewhat abstract notion. Nevertheless, it is worth noting that Pyongyang has twice (in April and October 2017) issued direct nuclear threats against Australia, something governments must take seriously in their strategic planning.11

A lively debate also continues regarding what, if any, obligations the 1953 Korean War Armistice entail for Australia. Foreign Minister Julie Bishop maintains that none exist, given that Australia is not a party to the Armistice Agreement in any legal sense. Former Australian Defence Minister and Ambassador to the United States, Kim Beazley, disagrees, arguing that because the Korean War has not technically ended, Australia’s status as an armistice signatory means Canberra would have to respond to an unprovoked attack by the North against South Korea.12 While siding with Bishop, Euan Graham of the Lowy Institute points out that the presence of embedded Australian Defence Force personnel with United States Forces Korea in Seoul and at the United Nations Command (Rear) at Yokota Air Base in Japan could still implicate Canberra in a Korean conflict.13 In any event, because of the critical role of the Joint Defence Facility at Pine Gap in gathering intelligence in relation to military action in Asia, it is difficult to envisage how any Australian government could impose meaningful limits on its complicity in a US first-strike against North Korea without damaging the broader alliance relationship.
Similar conjecture surrounds Canberra’s alliance obligations under the ANZUS treaty should open conflict occur. Prime Minister Malcolm Turnbull generated considerable controversy in August 2017 when he suggested that Australia was ‘joined at the hip’ with America and would invoke the ANZUS treaty in the event of a North Korean attack on the US. Some commentators, such as Hugh White of the Australian National University, contend that Canberra should be avoiding such language as it leaves the impression that Australia would support America unconditionally in a Korean conflict, even if Washington were the party initiating military action. Indeed, White argues that Canberra should signal well in advance its opposition to a US pre-emptive strike against Pyongyang, rather than failing to show up once the shooting has started.

**Canberra’s potential role and options**

Reflecting the considerable stakes involved, Canberra has traditionally been an active player in Korean Peninsula diplomacy. Australia is one of the few Western countries to have established formal diplomatic relations with North Korea, for short periods during the 1970s and the 2000s. During the 2000s, the John Howard government sent a diplomatic mission to North Korea designed to avert conflict on the Peninsula. It offered Pyongyang an energy deal, including coal shipments, as a quid pro quo for North Korea returning to the negotiating table. Early in his Prime Ministership, Kevin Rudd even advocated Australian membership in the Six Party Talks process—a grouping involving the two Koreas, China, the US, Japan and Russia, whose primary mission was to address the North Korean nuclear crisis.

Conditions at this current juncture in the Korean crisis are not ripe for middle power diplomacy. Confidence in the multilateral institutions—such as the ASEAN Regional Forum and the East Asia Summit—where middle powers are often able to operate most effectively is currently at a low ebb. In an era of deepening strategic rivalry, the positions of the region’s major powers are becoming more self-interested. It is worth bearing in mind that the pinnacle of Australian middle power diplomacy—as undertaken by the Hawke-Keating government nearly three decades ago and masterminded by its Foreign Minister Gareth Evans—coincided with the relaxation of strategic rivalry at the end of the Cold War. As noted above, the world has now reached another such inflection point when multipolar competition in the Indo-Pacific and globally appears to be supplanting the post-Cold War international liberal order as the predominant condition in today’s international environment. Accordingly, the current Australian government should be prepared to consider the widest scope of possible scenarios as a reference point for ongoing policy formulation and, more specifically, for managing Australia’s evolving strategies directed toward the Korean peninsula.
Yet, within the Australian policy community itself there is a worrying lack of what might be termed ‘entrepreneurial space’ to develop and to implement such thinking and nurturing the diplomacy flowing from it. Agencies and their staff appear preoccupied with, if not absolutely overwhelmed by, preparing for the next multilateral gathering or reacting to President Trump’s latest tweet. Likewise, Australia’s think tanks and universities apparently lack the requisite resources to effectively support middle power diplomacy in an era that is unprecedented in terms of its speed and scale.19

None of this is to suggest that there is no role for Australia to play at this critical juncture in the Korean crisis and that all Canberra can do is simply watch while the summitry unfolds, as some commentators have suggested.20

Australia has, arguably, already contributed to creating the atmosphere needed for diplomacy by supporting the Trump administration’s ‘maximum pressure’ campaign against North Korea, particularly in relation to the tightening of the sanctions regime in the United Nations Security Council. Some commentators contend that this campaign has worked, where others in the past have failed, because of the high degree of international support it has embodied. As the diplomatic phase of this campaign now gets underway, there remains an important role for Canberra in encouraging the United States and its allies to maintain a similar level of multilateral coordination regarding their bilateral interactions with North Korea. Pyongyang has, after all, proven itself in negotiations past to be a master of ‘divide and conquer’ diplomacy.

The Turnbull government needs to prepare for worst-case scenarios.

Beyond this, however, as the Korean Peninsula’s central players undertake their respective summits, Canberra needs to anticipate the full range of possible outcomes. Given the potential for events to move quickly and potentially catastrophically, the Turnbull government needs to prepare for worst-case scenarios, including full-scale war on the Peninsula with all its associated economic, geopolitical, and humanitarian costs. In addition to the delicate subject about the circumstances in which Australia would not support US military action against North Korea, basic questions about how, and indeed whether, the roughly 15,000 Australian citizens currently living in South Korea could be evacuated in an emergency must be addressed.
Given the potential for conflict on the Korean Peninsula, Canberra needs to think beyond the protracted debate over whether the Armistice or the ANZUS alliance would require Australian involvement. Such a conflict could trigger a humanitarian disaster of unprecedented proportions, especially if nuclear weapons come into play. Millions of refugees could end up crossing the North’s 1,400 kilometre border with China. The capital city of Seoul and parts of Japan could be devastated. Given its internationally renowned expertise in peacekeeping and post-conflict reconstruction, what role might the Australian Defence Force play in such a scenario?

More positively, should some form of ‘grand bargain’ be struck that supports regional stability, Canberra should be ready to contribute to the financing of that arrangement if the opportunity arises. There is clear precedent here given the role Australia played as a contributor to the Korean Peninsula Energy Development Organisation (KEDO), which was established to implement the 1994 Agreed Framework between the United States and North Korea.

At a time when the Australian government is actively seeking to preserve the so-called rules-based order and to shape a favourable balance of power in the Indo-Pacific, creative and ambitious strategic thinking is required about how best Australia can add value to the evolving security situation on the Korean Peninsula. Australia’s prosperity and security is intimately tied to the future of Northeast Asia, and what happens on the Korean Peninsula is at the heart of this. Australia cannot remain a passive bystander in any conflict; the Turnbull government must think through carefully the terms under which it would support either US-led military action or an abrupt and unexpected change in the nature of US alliance commitments to South Korea and Japan orchestrated by an unpredictable US president. These terms need to be in Canberra’s strategic and economic interests, many of which must continue to exist independently of the US alliance. In this context, Australia would be prudent to begin a whole-of-government review, perhaps managed by its Department of Foreign Affairs and Trade, to identify and implement those policy areas where it could initiate and pursue a distinctly national approach to safeguarding its long-term interest on the Korean Peninsula, including future bilateral relations with North Korea. This process should be started urgently and would, if nothing else, serve as a buffer against the volatile winds of geopolitical change now swirling in Northeast Asia.

**Policy Recommendation**

> At this potential geopolitical inflection point, the Australian government should be prepared to consider the widest scope of possible scenarios as a reference point for ongoing policy formulation and, more specifically, for managing Australia’s evolving strategies directed toward the Korean peninsula. In that context, Australia would be prudent to begin a whole-of-government review, managed by its Department of Foreign Affairs and Trade, to identify and implement those policy areas where it could initiate and pursue a distinctly national approach to safeguarding its long-term interests on the Korean Peninsula, including future bilateral relations with North Korea.
Endnotes

17 Dennis Shanahan and Mark Dodd, ‘Howard in secret N Korea mission’, The Australianian, 8 July 2006.
19 The authors are indebted to Michael Wesley for his insights regarding the constraints upon middle power diplomacy in the current environment.
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