

Korea and Australia in the New Asian Century

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South Korea and Australia have been close partners sharing the values of liberal democracy and free market economy in the Asia-Pacific region for more than six decades. The changing geopolitical environment, however, requires that the two countries forge a multi-faceted strategic partnership to exercise middle power diplomacy and promote peace and stability in the Asia-Pacific. The two countries have the common task of dealing with an assertive China as the rising super-power in Asia, while maintaining the alliance partnership with the U.S. It is in the interest of the two countries to ensure that the U.S.-China relations do not turn into a confrontational zero-sum game. As like-minded middle powers, the two countries should play greater roles to expand the bilateral partnership in the regional and global stages. The growing non-traditional security threats, such as human rights violations and cyber terrorism also pose common challenges to South Korea and Australia in maintaining regional order and stability. Finally, the two countries should collaborate in preparing for the eventual peaceful unification of the Korean Peninsula. These common efforts should include peace-keeping and post-conflict stabilization activities under situation of contingencies. In conclusion, South Korea and Australia must proactively step up their preventive middle power diplomacy and bridge the gap between China, U.S., and the rest of the region.

Key Words: Korea-Australia partnership, middle power diplomacy, dealing with China, non-traditional security threats, Korean unification

Introduction

South Korea and Australia are located far away from each other in the northern and southern parts of the Pacific Ocean. But their growing strategic partnership based on common interests has defied the geographical distance. The two countries possess comparable economic power and share the values of liberal democracy and free market

economy. The number of South Koreans visiting Australia and vice versa is rapidly growing and the volume of mutual trade and investment is also continuing to increase.

The two countries also maintain close alliance partnerships with the United States, while trying to deal with China, a rising superpower in Asia. South Korea and Australia perceive each other as important like-minded middle powers that can contribute to the peace and prosperity of the Asia-Pacific region.

The history of cooperation between the Republic of Korea and Australia goes a long way back. Australia was the second nation after the United States to come to the aid of South Korea when North Korea invaded the South more than six decades ago. During the Korean War, more than 17,000 young Australians fought on the Korean Peninsula, and no fewer than 1,585 were injured or killed in action. It was thanks to those who courageously shed their blood for freedom and democracy that an unshakeable friendship between South Korea and Australia was born.

Today's challenges in the Asia-Pacific, however, demand much more than just a friendship. From the security tension on the Korean Peninsula to the territorial disputes among Asian states and pockets of instability around the region, the changing geopolitical environment requires South Korea and Australia closely cooperate to meet these challenges and to promote peace and prosperity in the region.

Hence, it is imperative for the future of the Asia-Pacific that South Korea and Australia — two of the most successful and stable democracies in the region — form strategic ties vertically across the Pacific. The two nations must think beyond their traditional friendship and take proactive steps toward building a multi-faceted strategic partnership for the Asian century. As the United States' key allies, the two countries have the common task of dealing with an increasingly assertive China. They should also cooperate to activate middle power diplomacy for regional peace and security. Failing to do so may jeopardize their own future. South Korea and Australia are called upon to respond to non-traditional security threats. Finally the two countries should collaborate to prepare for eventual Korean unification. This

article highlights a number of key areas which require much closer and smarter cooperation between South Korea and Australia while suggesting policy directions that can guide such cooperation.

Dealing with China in the Asian Century

As the global and regional security environment continues to evolve, the growing importance of the Asia-Pacific cannot be overemphasized. In fact, it would not be an exaggeration to say that the coming decades will be shaped and led by the development of the Asia-Pacific. The so-called “Asian Century” is not some distant vision of the future, but is already a reality. As the Asia-Pacific region becomes the new ground of the global power game, a stronger partnership between Australia and South Korea will contribute to the continued prosperity not only of the region, but also of the international community as a whole.

On the one hand, there is a renewed strategic focus on the Asia-Pacific by the United States. The second Obama administration put forward the notion of “Pivot to Asia” to re-engage itself in the region. The U.S. will seek to reinforce its alliance network with South Korea, Japan, and Australia to maintain its strategic posture against China’s rapidly growing influence. It will also try to strengthen existing ties with Southeast Asia, especially with Singapore, Thailand, Philippines, and even Vietnam.¹ The Pentagon is expected to have about 60% of the U.S. naval assets deployed to Asia by 2020: a significant 50% increase.

The Korea-U.S. alliance structure has been working exceptionally well during the last six decades in deterring North Korean aggression and maintaining peace and stability in Northeast Asia. The ROK-US Combined Forces Command is regarded as the most successful joint security arrangement in the history of the U.S. military alliance net-

1. William Tow, “The eagle returns: resurgent U.S. strategy in Southeast Asia and its Implications,” *Policy Analysis*, ASPI, 2012.

work. The scheduled transfer of the wartime operational control from the U.S. to South Korea, however, depends on the results of a renewed assessment of North Korean security threats such as nuclear and missile proliferation.

It is clear that the United States' shift in focus can only increase Australia's strategic importance. The U.S. military has already sent its first rotation of U.S. Marines for training in Australia,² and the Chief of U.S. Pacific Command, Admiral Samuel Locklear, publicly stated that Australia is a "critical pillar" of the U.S. strategy³ — a comment which clearly echoes the former Australian Prime Minister Kevin Rudd's description of Australia's alliance with the U.S. as the "central pillar" of Australian national security policy.⁴ Most recently, it has been reported that the Australian guided-missile frigate HMAS Sydney will join the U.S. 7th Fleet in Japan amidst heightened tensions on the Korean Peninsula.⁵ As the U.S. expands its presence in the Asia-Pacific, the value of Australia's cooperation as a key ally in such a strategic location will be greater than ever.

On the other hand, the rise of China as a leading power in the Asia-Pacific and in the global arena, creates a complex yet volatile dynamic. Currently, the relationship between the U.S. and China is far from the simple dichotomy that existed between the U.S. and the former Soviet Union. The two giant powers are much more interdependent on each other in many aspects and such interdependence is well recognized by both sides. It is clear to the U.S. and its allies that China is not an outright adversary to be contained, but a practical partner with whom they must work in order to ensure the peace and stability of the Asia-Pacific region.

2. Robertson Barracks, a major Australian Army base in Darwin, is reported to host the United States Pacific Command's Marine deployment, beginning with six-month rotation of 250 U.S. Marines. The U.S. and Australian militaries are expected to increase the size of U.S. Marine Air Ground Task Force which tours Robertson Barracks to 2,500 by 2016-17.

3. "U.S. says Australia 'critical pillar' in Asia pivot," *AFP*, Jan 31, 2013.

4. "Australia PM returns to regionalist approach," *Reuters*, Dec 4, 2008.

5. "Warship to join U.S. fleet in hot zone," *The Australian*, April 26, 2013.

South Korea and Australia have the common task of having to deal with China's rising power and influence in the Asia-Pacific region. There are diverse theories about the "China threat," "power shift," and "politics of accommodation." China, the world's second largest economic power, has emerged as the largest trade partner for both South Korea and Australia, while its constant military modernization is posing a growing challenge to the security interests of both countries, not to mention the U.S. The intellectual debate on the strategic implications of the rise of China vis-à-vis American primacy in the region will develop more or less acutely in the future depending on China's own behavior.

However, the undeniable aspect of the changing strategic environment is that China itself, is increasingly aware of its evolving status as a major stake holder in the management of the peace and stability of the Asia-Pacific region as well.

Regarding the Korean Peninsula, China's official position of keeping the "status quo" has not visibly changed. Nevertheless, the growing concern and skepticism of the new Chinese leadership under Xi Jinping, as well as the Chinese public, especially their vocal netizens, with regard to North Korea's dangerous nuclear brinkmanship against the national security interests of China, have become more palpable. China is apparently recalibrating the growing asymmetry of its prosperous partnership with South Korea in comparison to its deteriorating comradeship with North Korea. China would have to decide, for the sake of its own national interests, whether or not to accommodate a visibly changing strategic environment on the Korean Peninsula.

Regarding Australia, China has been attempting to counter-balance the Australia-U.S. alliance and maintain China's strategic interests in the South China Sea, a critical region for China's sea line of communication. China has tried to strengthen its anti-access and area denial capabilities in the Western Pacific against the Air-Sea Battle concept of the U.S. which requires the support of its Asian allies, including Australia. China, however, is also very conscious of Australia's strategic importance as a key energy supplier for the sustainable

growth of the Chinese economy. China may need to refrain from causing further tensions in the South China Sea and instead, develop a productive and interdependent relationship with Australia, while taking advantage of Australia's strategic dilemma in facing both the U.S. and China.

It is in this light that successive Australian governments have tried to manage their relationship with Beijing. For example, the former Prime Minister Kevin Rudd was the first western head of state to deliver a speech in fluent Mandarin when he visited Beijing University in April 2008. The incumbent Prime Minister Julia Gillard also showed that her predecessor's reaching-out to China and the Asia-Pacific was more than symbolic gesture with the publication of a White Paper titled "*Australia in the Asian Century*;" the publication sets out 25 national objectives across social, economic and foreign policy areas.⁶ These objectives represent a proactive initiative from the Australian government designed to establish and expand Australia's role in Asia. Chapter 8 of the White Paper specifically emphasizes that Australia will have stronger and more comprehensive relationships with key regional nations – China, India, Indonesia, Japan and South Korea.

What is particularly impressive about the White Paper is its whole-of-government approach compared to the overwhelmingly military tone of the United States' rebalance toward Asia. For instance, Prime Minister Gillard's plan aims to give all Australian students access to at least one Asian language at school and to have one-third of all Australian senior civil servants and directors of leading public companies possess "deep knowledge" of Asia by 2025 (The Korean language should be included in the core Asian language program). Such a comprehensive strategy for building closer relations with Asia will allow Australia to transcend differences in ideology and political system, and to utilize a wide and diverse range of channels to work with China.

Thus, in an Asia-Pacific region shaped by two superpowers, defense and security cooperation between South Korea and Australia

6. *Australia in the Asian Century*, Commonwealth of Australia, 2012.

should serve as an axis of strategic partnership that underpins the subtle balance of power in the region. South Korea, which is at the very heart of the most intense confrontation around the world today, is one of the United States' closest allies; but it must also work with China to manage the threats from North Korea.

Similarly, Australia perceives the strategic benefits of engaging with China while deepening and strengthening its alliance with the U.S.⁷ It must leverage its unique geopolitical position between the United States and Asia so as to be able to establish its place in the Asia-Pacific power balance.

What is clear is that it is in the strategic interests of both South Korea and Australia to make sure that the U.S. and China do not enter into a hostile engagement in a kind of zero-sum game; the two middle powers, it may be argued, need the two superpowers to get along with one another. The best way for South Korea and Australia to do so is to actively engage in building a "strategic bridge" of peaceful yet formidable security cooperation through which the U.S. and China may interact comfortably. Neither Australia nor South Korea can afford to sit on the fence or stretch their resources to play up to two opposing superpowers.

Activating Middle Power Diplomacy for Regional Peace and Security

Despite the remarkable growth of the Four Asian Tigers (Hong Kong, South Korea, Singapore, and Taiwan), explosive development of the Chinese economy and the dynamic potential of some Southeast Asian countries, a significant portion of the Asia-Pacific is still trapped in poverty. For example, the Asia Development Bank estimates that 1.7

7. Michael Heazles and Michael Clarke, "Old Problems in a New Century?," *Australian Journal of International Affairs*, Vol. 66, No.5, 2012; Linda Jakobson, "Australia's Strategy toward China," in Jung-ho Bae and Jae H. Ku (eds), *China's Domestic Politics and Foreign Policies and Major Countries' Strategies toward China* (Seoul: Korea Institute for National Unification, 2012).

billion people in the region are still living on less than \$2 a day.⁸ In addition to such wide disparity in income and wealth, the wide spectrum of political and cultural diversity among Asian countries has meant that there is a divisive gap between developed economies with established democracy and developing nations which are struggling through the process of democratization. The absence of an organized security architecture in the Asia-Pacific can be attributed to the continued existence of this, arguably widening, socio-economic gap.

As like-minded “middle powers,” with shared membership in the G20, South Korea and Australia are well positioned for cooperation in bridging the gap between superpowers such as the U.S. or China, with the developing nations in the Asia-Pacific.⁹ Both South Korea and Australia possess comparable economic power and share common values of liberal democracy, market economy, and human rights, which must form the basis of their security and defense cooperation in pursuit of common objectives in middle power diplomacy. Capitalizing on the geopolitical and socio-economic middle grounds that the two nations hold in the region, South Korea and Australia should work together to establish themselves as mediators in the region; channeling those shared values to the rest of the Asia-Pacific, and thereby enhancing the security prospect of the region as a whole. This would be much more effective when led by middle powers rather than superpowers.

The first steps in middle power diplomacy have been to bolster bilateral security cooperation between South Korea and Australia. The Joint Statement on Enhanced Global and Security Cooperation, announced in March 2009, and the on-going Korea-Australia Strategic Dialogue have opened a new chapter in bilateral defense cooperation between the two countries. In particular, the 2009 Joint Statement included a comprehensive Action Plan which covered a whole range

8. <http://www.adb.org/themes/poverty/overview> (April 29, 2013).

9. Andrew O'Neil, “China's Rise and the Korean Peninsula,” in Jung-ho Bae and Jae H. Ku (eds), *China's Domestic Politics and Foreign Policies and Major Countries' Strategies toward China* (Seoul: Korea Institute for National Unification, 2012).

of security issues from immediate concerns like law enforcement to combat transnational crime, border security, counter-terrorism and maritime security to much longer-term agendas for cooperation including development cooperation and peacekeeping operations. In March 2010, when North Korea torpedoed and sank the ROK Navy vessel *Cheonan*, the Australian government was quick to lend its expertise by dispatching five military experts to join the official investigation team; when the investigators announced their findings, Australia voiced cross-party support for the South Korean government and strongly condemned North Korea.

Military cooperation between the two countries has also shown significant development as the South Korean and Australian militaries joined forces in exchange and training. The General Security of Military Information Agreement (GSOMIA) was signed in 2009 to facilitate better exchange of information and shared understanding of security challenges. In October 2010, Australian RAAF P-3 Orion aircraft and an interagency team of officials joined the South Korean and U.S. forces in a maritime interdiction exercise in Busan called Exercise Eastern Endeavour, which was hosted by South Korea and conducted as a part of Proliferation Security Initiative (PSI). South Korea has enjoyed further cooperation with Australia since joining the PSI in 2009. Australia also participated in the recent Key Resolve exercise on the Korean Peninsula as a member of the United Nations Command together with the U.K., Canada, Denmark, and Colombia.

To further expand bilateral defense cooperation, a more concrete framework for cooperation needs to be set through the bilateral “2+2 meeting” between the foreign and defense ministers of both countries, as former President Lee Myung-bak and the Prime Minister Julia Gillard agreed in 2011.¹⁰ A clearly set-out agenda will facilitate more frequent and effective interactions, thereby allowing the two nations to send coordinated strategic messages to those who threaten the stability of the region. As was the case in the aforementioned sinking of

10. Julia Gillard, “Korea and Australia in the Asian Century,” *Joong-ang Daily*, March 5, 2013.

Cheonan in 2010 and the shelling of Yeonpyeong Island in the same year, established channels of communication and coordination are prerequisites to ensure concerted efforts in addressing various threats and challenges in a timely manner.

Furthermore, systematic cooperation is needed to develop a proactive agenda for future cooperation. For instance, maritime security is an area where close cooperation between the navies of South Korea and Australia is especially needed, as both countries have high stakes in maritime affairs and ensuring the freedom of navigation. This can be done by joint naval exercises, military information-sharing, exchange of personnel, and protecting sea lines of communication. This will require better interoperability between the South Korean and Australian militaries.

Along with bilateral cooperation, South Korea and Australia should also combine efforts in developing regional security arrangements. As mentioned earlier, an established mechanism for multilateral security cooperation like the NATO does not yet exist in Asia.¹¹ While the diverse characters and interests of Asian states are thought to have contributed to Asia's struggle in building a strong regional security institution, it is also the case that such diversity in policy goals and interests make a permanent forum for dialogue and coordination an even greater necessity.

There certainly are a number of initiatives that have the potential, if given due support for development, to provide the region with much-needed political dialogues and security architecture. These include the ASEAN Regional Forum (ARF), ASEAN Defense Ministers Meeting-Plus (ADMM+), and 1.5 track dialogues such as: the Council for Security Cooperation in the Asia-Pacific (CSCAP): on the bilateral level, perhaps the newly inaugurated KINU-ASPI Strategic Dialogue should also be added to the list. The annual East Asia Summit meeting (EAS) also plays an important role as the highest-level forum of

11. Christopher Hemmer and Peter Katzenstein, "Why Is There No NATO in Asia? Collective Identity, Regionalism, and the Origins of Multilateralism," *International Organization*, Vol. 56, No. 3, 2002.

regional multilateral dialogue. In particular, the member states of the EAS account for more than half of the world's output and population; and now with the inclusion of the United States and Russia, the EAS may very well have the required membership and mandate to make real impact. More issue-specific cooperation may also aid such development, as was the case with the 2012 Nuclear Security Summit in Seoul.

In the military realm, joint naval exercises and joint participation in the RIMPAC exercise are good examples of a security partnership that will facilitate a regional security cooperation involving South Korea, Australia, U.S., and Japan. This is in contrast to attempts at pursuing direct South Korea-Japan military cooperation, which has proved to be much more difficult due to historical and political reasons. For example, in 2012, after much public and diplomatic embarrassment, the South Korean government had to postpone the signing of a General Security of Military Information Agreement (GSOMIA) with Japan when it was met with public outrage. Meanwhile, the prospects of U.S.-South Korea-Australia trilateral security cooperation in a "mini-lateral" Asia-Pacific setting seems to be much brighter. PSI-related activities to inspect and interdict the transfer of weapons of mass destruction on the sea, including those of North Korea, also provide an important arena to expand security cooperation between South Korea and Australia.

Furthermore, South Korea and Australia also have been cooperating closely in both the APEC and ASEM meetings to bring Asia closer to America and Europe in expanding the regional economic partnership. On the global level, South Korea and Australia can strengthen cooperation in the United Nations Security Council where both are serving as non-permanent members. Australia, as the incumbent chair of the UN Security Council Sanctions Committee, has an especially important role to play in containing rogue states and organizations. As Australia prepares to chair the G20 meeting in 2014, its middle power partnership with South Korea will be a valuable aid in presenting global leadership with a full and clear agenda for a productive dialogue.

What is important is that the two nations must establish trust, and make cooperation a norm and a habit in the region. By creating more opportunities for Asian countries to interact with one another through both bilateral and multilateral institutions, South Korea and Australia will be able to cement mutual trust and reduce unnecessary conflicts in the region — the two middle powers must take initiative and lead that process.

Responding to Non-Traditional Security Threats

An overarching concern throughout such development will be how we respond to the radical changes in our security environment. Today, there is no great archenemy as was the case during most of the last century. Moreover, the singularly military state-to-state conflict of the Cold War era has become a rarity. Instead, threats to our safety and stability are less visible, more diverse, and more multi-faceted. Thus, the notion of non-traditional security threats cuts across all aspects of human life and new issues, and in fact, the risks, challenge our very concept of security.

For example, the notion of human security presents an inherently people-centered view of security which provides an enlightening framework. The United Nations defines human security as “freedom from fear, freedom from want and freedom to live in dignity for all.”¹² It goes without saying that one of the worst violations of human security is taking place in North Korea where the people are starving and suffering from totalitarian oppression, while the regime toys with a nuclear arsenal.

In particular, the issue of North Korean refugees merits further attention. Despite Kim Jong-un regime’s tightening of border control, thousands of desperate North Koreans, many of whom are young women, still risk their lives to escape from oppression and starvation.¹³

12. <http://www.un.org/News/Press/docs/2010/ga10942.doc.htm>.

13. Kim Soo-am and others, *White Paper on Human Rights in North Korea 2012* (Seoul: Korea Institute for National Unification, 2012).

Most of these refugees choose to cross the northern border into China in search of food, freedom, and fundamental human rights. Nearly 25,000 North Korean refugees have made it to South Korea where they are automatically granted South Korean citizenship, yet there are still hundreds of thousands of North Korean refugees in China and other countries, constantly on the run and hiding in fear and poverty.

If those defectors are caught while trying to escape North Korea or forcibly sent back to North Korea from China, it is almost certain that they will be put in concentration camps, where brutal torture, forced labor, forced abortion, and unlawful killing are routinely practiced. Those who are suspect to having had contact with South Koreans or Christian missionaries are subject to even more severe treatment.

North Korean refugees' well-founded fear of persecution if repatriated means that North Koreans hiding in China ought to be recognized as refugees under the definition given by the United Nations.¹⁴ However, the Chinese government prioritizes its political and strategic relationship with Pyongyang and does not recognize the defectors as refugees in accordance with international law. Beijing prefers to label them as 'illegal economic migrants' in an attempt to justify their repatriation of North Korean refugees.

Such a large scale flow of refugee, left so vulnerable due to China's conspicuously rigid stance on what is foremost a humanitarian issue, undoubtedly poses a significant threat to regional stability. China is obviously worried about the prospect of a mass-exodus of refugees when the floodgate opens.

There are many other sources of threats which all go beyond the traditional notion of security. Tackling transnational crimes should be a high-priority item on the agenda for regional cooperation as the most vulnerable victims are found in developing countries — still a

14. 2nd KINU Chaillot Human Rights Forum: International Cooperation to Improve North Korean Human Rights Conditions under the Kim Jong-Un Regime, February 2012.

large part of the Asia-Pacific. The Bali Process, which Australia co-chairs with Indonesia, is a great example of transnational efforts to fight transnational crimes. As many Asian countries have a large and fluid population without a sound administration system, loose border security, while in itself a significant cause of concern, can attract a whole range of criminals and terrorists.

Where transnational crime becomes truly international in its destructive scope is in the cyber domain. As more and more of our economic and social infrastructures become digital and as we manage more of our daily activities online, hackers and criminals can get access to almost whatever they want from the comfort of their hiding places thousands of miles away. What is most worrying is that it is not just a matter of robbing a bank or stealing sought-after crown jewels, but that the hackers can and will play with the global network system of the entire governments and industries.

This is an enormously powerful weapon when put in the hands of rogue states and terrorist groups; we now live in an age when cyber terrorism can paralyze the entire country within seconds. North Korea, for example, has been suspected of conducting cyber-attacks on South Korean organizations almost every year since 2009. The latest attack took place only recently in late March, damaging some 32,000 computers and servers of major broadcasting companies and banks. Combined with terrorism in the more conventional sense, we are faced with a real and immediate risk to our sovereignty and safety.

At the same time, we must also bring about fundamental changes in how we live our lives to ensure our long-term survival. The sustainable supply of water, food, energy, and even air is not something we can take for granted, especially as climate change and demographic transition further constrains our already limited resources. It goes without saying that such global challenges can never be addressed by one nation alone. As the nature of our security challenges becomes more and more complex and interconnected, we must work together across international borders and across boundaries between governments and academia, as well as among various disciplines.

Preparing for Korean Unification

Many experts, commentators, and political leaders both inside and outside the Korean Peninsula wonder what is really going on in North Korea under the leadership of Kim Jong-un. That we know so little of the new leader's and his elites' decision calculus is perhaps the most challenging and destabilizing factor, more so than what the reclusive regime actually holds in its arsenal of weapons of mass destruction.

Indeed, the bewildering puzzle of North Korea presents a unique challenge to those who try to make sense of its irrational decisions and unpredictable behavior. Comparing North Korea to historical cases has its limitations. Unlike the former East Germany which was supported by a declining superpower, the Soviet Union, North Korea has a rising superpower, China, as its economic and political patron. Again, unlike former East Germany, North Korea now claims to possess a game-changer in the form of nuclear weapons. These factors all make an acceptable power-sharing arrangement between the two Koreas look like an impossible dream.

The memory of the bitter internecine Korean War still lingers on the Korea Peninsula. Despite overwhelming economic prosperity of South Korea and the softened language in which inter-Korean relations are conducted, the fundamental challenges facing the Korean Peninsula have not yet been truly resolved.

The German model of instantaneous peaceful unification in the form of the collapse of the Berlin Wall will not work in Korea. There are, however, three lessons for South Korea to learn from the German unification case.

First, Germany's unification was the final product of consistent dialogues, contacts, and exchanges between the two Germanys. South Korea should try to engage the North with consistency, patience, and principle. Second, Germany's unification took place by the voluntary decision of East German people themselves, not by the coercion from outside. South Korea should continue to provide outside information, humanitarian assistance, and human rights protection toward the North so that North Korean people themselves can decide to

choose peaceful unification. Third, Germany's unification erupted at the most unexpected time in Europe. A window of opportunity for Korean unification can be opened at the most unlikely time in Asia.

The recent closing of the Kaesong Industrial Complex by the abrupt decision of the North represents another irrational course of action: abandonment of economic opportunities, prolonged period of frustrating uncertainty, and hopeless self-isolation. The military-first policy ruthlessly superseded whatever economic pragmatism was left in North Korea. What is of utmost importance is whether the South Korean and U.S. governments will be able to take initiatives in encouraging North Korea to embrace opening-up and reform, and managing that painstakingly slow and arduous process of 'normalization.' The routine is nothing new, but North Korea seldom failed to lead the game in the past.

Thus, it is necessary that we must see right through the current turbulent wave of tension and blackmailing and prepare for what will transpire when the storm passes.

The new President of the Republic of Korea, Park Geun-hye, proposed a Korean Peninsula Trust-Building Process as her key prescription for healing the troubled inter-Korean relations.¹⁵ Her government has vowed to pursue a principled line of deterrence against Kim Jong-un's belligerent posture while offering dialogue and diplomacy, should Kim choose to renounce his confrontational approach. Coupled with President Park's Northeast Asian Peace and Cooperation Initiative, which is designed to establish a regional framework for cooperation on a wide range of issues, ultimately including North Korea, the Trust-Building Process is expected to defuse the crisis and facilitate an exchange of small gestures of goodwill which will eventually bring about a fully-fledged cooperative mechanism on the Peninsula.

There can be three scenarios for Korean unification. The first and ideal scenario aims to achieve a peaceful unification through negotiation. This is a soft-landing scenario which envisions a gradual, step-by-step integration of the two Koreas beginning with economic and

15. <http://www.president.go.kr/kr/policy/assignment04.php>.

cultural areas; followed by political and military negotiations and then economic and cultural rapprochement. Reducing the gap between the South and the North through a process of assimilation will hopefully bring the two sides closer together. The creation of a single Korean Economic Community is a necessary condition for such peaceful unification and the Inter-Korean Basic Agreement could serve as a key document for implementing the process of gradual integration. However, this will take some time, perhaps a couple of decades, to transpire.

The second one is a hard-landing scenario wherein a contingency situation brings about unification. This scenario considers a potentially turbulent situation where effective crisis management is crucial.

This scenario can perhaps be said to be based on a pragmatic assessment of reality. For even under the relatively peaceful circumstances, a fundamental question remains: will the North Korean regime under Kim Jong-un manage to sustain itself with its self-defeating Military-First Policy, chronic failure of its economic system, and ever-hardening international sanctions including those imposed by the United Nations Security Council? It is not merely wishful thinking to raise the possibility of an unexpected internal change that may transform the political structure of North Korea and initiate a process of opening-up and reform. The probability of such a contingency situation occurring within North Korea, be it through internal power conflict or serious economic breakdown, remains uncertain. Yet, the situation, if and when it takes place, should be effectively managed to avoid chaos such as major warfare, mass exodus of refugees, nuclear accident or terrorism, and to engineer an orderly transition to an eventually unified Korea.

Thus, while what will happen in North Korea is largely beyond our control, careful and well-resourced contingency planning based on international collaboration will do much to stabilize the Korean Peninsula in the event of an unexpected crisis erupting in the North. South Korea's alliance with the U.S. and strategic dialogue with China will play an important part in the process of crisis management. International cooperation for the stabilization and denuclearization

of North Korea will be crucial during this transitional stage of political transformation. This intermediate scenario will turn back to a peaceful longer-term scenario or, in worst case, degenerate into the next scenario.

The third one is a violent scenario which sees the outbreak of war, eventually leading to unification. This is an extreme case of crash-landing which will cause catastrophic damages and significant casualties on both sides. This scenario will be sparked by a major attack by North Korea on the South which will then be immediately followed by a devastating counter-attack operation conducted by the combined forces of the ROK-US Alliance. The United Nations Command will move to mobilize international support for the alliance to secure and protect the peace and security of the Korean Peninsula. Of course, given that an all-out military aggression by North Korea would be a suicidal decision, an all-out war is not likely to be initiated by the North; the possibility of a limited-scale provocation, on the other hand, is a very real one. It is also imperative to avoid strategic misunderstanding and direct military confrontation between the U.S. and China on the Korean Peninsula.

Ironically, this worst-case scenario serves as a strong psychological deterrence against the outbreak of a general war on the Korean Peninsula. Nevertheless, we must think through the unthinkable and make sure that thorough preparations are in place.

In both the second and the third scenarios, peacekeeping and post-conflict stabilization makes for yet another important area in which South Korea and Australia, a contributing state of the UN Command in Korea, must work together.

Conclusion

The Asia-Pacific region currently suffers from the so-called 'Asian Paradox.' Despite the growing interdependence among Asian states as a result of increasing trade and economic development, political and security cooperation between them remains premature and disorganized; territorial disputes and historical controversies continue to

impair the prospect of systematic security cooperation in the region.

It would be a grave mistake to think that Asian states will be able to continue with their socio-economic growth without resolving this great paradox. The costs of tension, instability and, even worse, uncertainty in the region most certainly will jeopardize sustainable growth. The prospect of the 'Asian Century' will not materialize without an effective and lasting solution for the Asian Paradox.

The Republic of Korea and Australia share common economic, political, and strategic interests in the Asia-Pacific region, and there is much the two partners can and should do together to be a part of that solution. The fact that the Asia-Pacific has the world's two superpowers or G2 within its geopolitical scope may, without a proactive role played by able middle powers, work to the region's disadvantage. The Republic of Korea and Australia, for their own interest and for that of the Asia-Pacific as a whole, must step up to their mandate of facilitating preventive middle power diplomacy and bridging the gap between China, the U.S., and the rest of the region. Korean unification will take place somewhere along the road.

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