

Lee Myung-bak's Foreign Policy: A 250-Day Assessment¹

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Since his inauguration in February 2008 Lee Myung-bak has pursued a “pragmatic” foreign policy based on strengthening relationships with key regional powers and promoting conditional engagement with North Korea, while also enhancing South Korea’s role in the international community. But Lee’s foreign policy initiatives have thus far been stymied by a combination of internal and external obstacles. South Korea’s capacity to effectively manage relations with regional powers, engage with North Korea, and meet its global commitments will depend on how the Lee administration applies its new foreign policy agenda in practical terms. This article assesses Lee Myung-bak’s foreign policy performance in the first nine months since his inauguration based on a critical review of his initial steps in relations with the United States, Japan, and China, and recent developments in inter-Korean relations. In addition, it considers Lee Myung-bak’s efforts to design a global strategy for South Korea including Lee’s emphasis on resource diplomacy. The article considers the domestic and international constraints and prospects facing the Lee administration as it attempts to implement a coherent South Korean foreign policy strategy.

After ten years of rule by progressive administrations, Lee Myung-bak in February 2008 returned South Korean conservatives to power on a platform of “pragmatism” and promises of economic recovery. During his election campaign, Lee pledged to restore the alliance with the United States and campaigned on a policy of conditional engagement toward North Korea. This policy was formally known as the Initiative for Denuclearization and Opening up North Korea to Achieve US\$3000 in Per Capita Income (referred to as the DNO3000 policy), but this approach has proven impractical thus far as a starting point for progress in inter-Korean relations. Lee’s

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policies represented a return to a traditional South Korean strategy of closely cooperating with the United States and maintaining a cautious and defensive approach toward North Korea (especially compared with the active engagement approaches of Kim Dae-jung and Roh Moo-hyun), while also reaching out to the international community in selected areas, such as “resource diplomacy.” But despite Lee’s claims of a lost decade in economics and foreign policy, significant structural changes as well as new trends in South Korean domestic politics have arisen that make it unrealistic to simply apply past policies to current circumstances.

Lee has found the task of giving coherent direction to South Korea’s foreign policy more difficult than he probably expected. South Korea’s strategic direction is in a state of flux both in policies toward the major powers and in inter-Korean relations, raising the prospect that a weak president may be unable to exert decisive influence in shaping South Korea’s security environment. In almost every sphere of foreign policy, Lee’s initiatives have thus far been stymied by a combination of internal and external obstacles.

As a result, Lee Myung-bak’s foreign policy in his first year is a work-in-progress, shaped more by setbacks and tactical adjustments than a South Korean grand strategy or by an understanding of the ROK’s place in the world suggested during the campaign by references to an “MB doctrine.” There are strategic elements embedded in Lee’s vision of a “Global Korea” and “resource diplomacy,” but the work of applying such a vision in practical terms to South Korea’s diplomatic strategy and priorities has not progressed as quickly as planned. The challenge for the Lee administration will be to overcome these obstacles so as to maximize South Korea’s capacity to effectively manage relations with the four major powers and with North Korea.

This article will provide a critical review of the Lee Myung-bak's initial steps in relations with the United States, China, and Japan and analyze developments in inter-Korean relations, with special reference to the initial international and domestic political obstacles Lee has encountered in implementing a new South Korean foreign policy agenda. The article will then consider whether Lee's vision of a "Global Korea" and his focus on resource diplomacy might provide new opportunities in foreign policy. The article will outline the strategic challenges that the Lee administration must resolve to strengthen South Korea's foreign policy options and alternatives.

U.S.-ROK Strategic Alliance for the 21st Century: A Contested Vision

Although Lee Myung-bak won a landslide victory with nearly fifty percent of the vote and South Korean public opinion had warmed toward the United States since 2006, his election did not end the political debate over South Korea's strategic options, nor did it mean that the Korean people were willing to accept blind reliance on the alliance with the United States. The day after his election, Lee Myung-bak affirmed his intent to "restore the U.S.-ROK alliance based on the established friendship"² as a primary anchor of South Korea's foreign policy, suggesting that a decade of progressive rule had aimed at making Korea more independent at the expense of its ties with the United States. The relationship with the United States has been the traditional foundation of South Korean strategic thinking, based on the idea that alliance ties with a distant great power would provide protection for South Korea while maintaining autonomy over one's internal affairs, as opposed to the options of strategic independence (usually regarded as attractive, but untenable) or bandwagoning with a nearby power, which potentially carries greater costs to national sovereignty.

The Roh Moo-hyun administration had moved in the direction of asserting greater independence while maintaining alliance ties with the United States through its assertion of greater “equality” in the alliance relationship and pursuit of “cooperative self-reliant defense” as a major tenet of its national security strategy.³ These efforts were built on a renewed sense of national pride and self-confidence in the idea that South Korea could now be an actor in regional security affairs rather than the object of great power rivalry that had characterized South Korea’s situation for most of the twentieth century. In cooperation with the United States, Roh sought to re-establish sole operational control over South Korea’s armed forces through dissolution of the Combined Forces Command and worked closely with the United States to support longstanding U.S. efforts to reconfigure its forces so as to play a supporting rather than a leading role in South Korea’s defense. But Roh resisted U.S. efforts to promote trilateral cooperation with Japan for fear that such cooperation would launch a “second Cold War” in Asia and undermine inter-Korean reconciliation efforts.⁴

Although Roh’s style of managing relations with the United States was politically contested within South Korea and entailed costs in terms of distancing South Korea from the traditional protection it had enjoyed through close security relations with the United States, the Roh administration was able to work together with the Bush administration on many sensitive alliance issues, including reconfiguration of U.S. forces, the dispatch of South Korean troops to Iraq, and negotiation (but not ratification) of a potentially strategically significant free trade agreement (FTA) with the United States. One former Roh advisor observed privately in the summer of 2008 that Roh may not have said the right things, but on relations with the United States, he delivered; Lee Myung-bak has said what Americans want to hear, but it remains to be seen whether he will actually be able to garner South Korean public support to deliver on

expanded cooperation with the United States.⁵ Thus, a crucial question is whether Lee will be able to garner public support from an increasingly proud and sensitive South Korean public on issues related to the alliance.

By declaring that restoration of the U.S.-ROK alliance is his top priority, Lee articulated South Korea's traditional policy approach, but contrary to his own expectations, such a simple declaration did not end South Korea's domestic policy debate over the alliance. During his first stop in the United States in April 2008, Lee declared that the "politicization of alliance relations will be behind us" and pledged that the alliance should be based on the principles of "common values, trust, and peace."⁶ At Camp David, Lee got a warm personal reception and the two presidents announced the establishment of a "strategic alliance for the twenty-first century."⁷ Lee likely went home confident that he had laid a strong foundation for renewed relations with the United States. Such an emphasis was welcome news in Washington, but it obscured the fact that the alliance had become a contested issue in South Korean domestic politics, underestimated the difficulty of alliance coordination, and failed to recognize that an undue emphasis on the alliance with the United States might invite concerns from neighboring states, including China and North Korea. But the emergence of public protests over the beef issue, difficulties in coordination between the United States and South Korea, and concerns within South Korea that a strengthened alliance might alienate China have slowed Lee's progress in realizing a foundation for a renewed U.S.-ROK strategic alliance.

Lee's decision to open South Korea's beef market on the eve of his meeting with President Bush became a lightning rod for public criticism of the Lee administration, sparking criticisms that Lee had sacrificed South Korean national interests by being too generous toward the United States in allowing a complete opening of the beef market. An MBC documentary on

the U.S. beef industry televised within two weeks of Lee's visit to Washington attempted to link downer cattle to mad cow disease (bovine spongiform encephalopathy (BSE)) and internet rumors that sub-standard U.S. beef would be served at South Korean school cafeterias and military mess halls stirred public demonstrations over the issue in early May. The focus of the demonstrations then morphed in June into a protest against Lee's leadership style, which was widely perceived as dictatorial and narrow, since Lee appeared to listen only to his close advisors and friends with little apparent regard for other public stakeholders on specific issues. The hope among the general public appeared to be that Lee would reflect on the demonstrations and develop a more broadly consultative style of leadership more appropriate to that of a president and less analogous to that of a private sector CEO.

Although the demonstrations themselves did not become expressions of anti-American sentiment, Lee Myung-bak made two public apologies for his handling of the issue. His administration was undoubtedly weakened by the demonstrations. Finally, the situation calmed down as the South Korean public began to feel that the demonstrations were being hijacked by radicals willing to use violence against the police to pursue their aims. In addition, the incident made Lee's handling of the alliance—and his ability to stand up for South Korean interests against the United States—a potential litmus test for the public to scrutinize whether Lee is able to ensure that the relationship with the United States fully serves South Korean interests.

Although Lee came to the United States in April on his first overseas visit following his February inauguration, difficulties related to the timing and substance of the summit resulted in relatively modest results compared to Lee's expectations. First, the extended Democratic primary race all but assured that the Congress would not consider the Korea-U.S. Free Trade Agreement (KORUS FTA) for ratification during its 2008 session, especially given that

globalization and international trade was a focal point of primary debates in Ohio and Pennsylvania in the run-up to Lee's visit in April 2008. Second, Lee and his advisors needed to avoid moving too fast with an American lame-duck president for fear of making the strengthening of the alliance seem like it was a project only for conservatives. Third, because Lee's visit came so soon after his inauguration, there had not been sufficient time for the two sides to determine in detail the significance, direction, or meaning of a "strategic alliance for the 21st century" in any detail. Although there was talk of a Joint Vision Statement to be signed by the two presidents at Camp David, there was no such product from the April 2008 summit. Following the summit, there was talk that a Joint Vision statement might still be prepared for a summer meeting between Lee and Bush scheduled for July, but that visit was postponed in conjunction with South Korean street demonstrations. The task of considering a Joint Vision Statement is now an issue to be addressed by the next U.S. administration.

Fourth, public demonstrations over beef have distracted the two governments from doing "vision" work to focusing on crisis management, including the renegotiation of the understanding on imports of American beef to South Korea to meet South Korean public concerns. Even routine issues requiring working-level negotiations such as the share of expenses to support United States Forces Korea (USFK) were delayed during this time.

A third factor that has slowed the development of the "strategic alliance for the 21st century" reflects South Korean concerns over the potential effects of strengthened relations with the United States on South Korea's relations with China and North Korea. Ironically, these issues solved themselves on their own as inter-Korean relations deteriorated not as a result of a strengthened U.S.-ROK relationship, but as a result of North Korean efforts to focus on improved relations with the United States while marginalizing South Korea. China took the

opposite track, attempting to establish a closer partnership with South Korean leaders that attempted to mitigate the effects of a strengthened U.S.-ROK alliance. Both issues will be explored in more detail in later sections of this paper.

“Future-Oriented Partnership” With Japan: Grounded by Contested Territory

In the early days following his election, Lee Myung-bak signaled his desire to develop a “future-oriented relationship” with Japan, which presumably would be more stable and cooperative and grounded in common values as fellow democracies.⁸ Lee was clearly following in the footsteps of his progressive predecessors, rather than repudiating their initial policies toward Japan. Lee is the third consecutive South Korean president attempting to manage the past by focusing on the future with Japan, but in each case historical issues, textbooks, Japanese senior politician visits to the Yasukuni Shrine, or territorial disputes over Dokdo/Takeshima Island have generated negative public reactions in South Korea, hampering the potential for closer bilateral political cooperation and dragging the relationship into a stalemate in which critical issues are managed by the respective bureaucracies in the absence of effective top-level political ties.

Kim Dae-jung forged a historic communiqué with his counterpart Keizo Obuchi in September 1998 to develop future-oriented relations. But by the end of Kim Dae-jung’s term, however, visits by Junichiro Koizumi to the Yasukuni shrine and disputes over Japanese history textbooks had sparked a strongly negative South Korean public opinion that unraveled most of the improvements that Kim Dae-jung had tried to achieve. Roh Moo-hyun likewise started his term with a summit in Tokyo in June 2003 where he tried to persuade Prime Minister Koizumi to cease his visits to the Yasukuni shrine. But within a few years, Roh resorted to populism, calling

for a “diplomatic war” against Japan over the Yasukuni visits and textbook and territorial issues.⁹ Lee Myung-bak started his term with a cordial visit with Prime Minister Fukuda in April 2008, where he set a very positive future-oriented tone, pledging to restart “shuttle diplomacy” and resume FTA negotiations to promote a more “mature” and “forward-looking” relationship.”¹⁰ But by July, a textbook dispute had broken out and South Koreans again became very upset by history issues and Japan’s renewed territorial claims to Dokdo/Takeshima, creating another unwelcome obstacle to Lee’s vision of closer relations with Japan.

Besides longstanding historical issues, structural barriers in the external regional environment have challenged the renewed efforts to advance diplomatic ties and economic partnership.¹¹ But the two leaders have authorized the resumption of a trilateral dialogue with the United States—the first meeting was held among senior foreign ministry/state department officials in October 2008—on a broad range of global issues not focused on the Korean peninsula, as has been the case with most if not all prior trilateral coordination efforts. The leaders are also interacting with each other regularly in an Asian context, with a trilateral China-Japan-South Korea summit meeting to take place in December 2008, in addition to regular obligations at other Asian gatherings such as the East Asia Summit (EAS) and the Asia-Europe Meeting (ASEM). However, changing regional dynamics and South Korean and Japanese concerns over the effects of the Seoul-Tokyo relationship on China and North Korea may fuel new uncertainties and hinder cooperation, demanding adjustments that remain unclear in Lee’s approach.

Lee is nevertheless making efforts to move past the difficult issues in the relationship, or to manage them in ways that keep specific problems from spilling over to affect the rest of the relationship. In his meeting with newly-selected Prime Minister Taro Aso on the sidelines of the

October 2008 ASEM held in Beijing, Lee and Aso agreed to resume regular informal summit meetings suspended since the early part of the Roh Moo-hyun administration. As former businessmen, Lee and Aso may be more determined to manage political problems in the relationship while keeping top-level dialogue channels open. Both Aso and Lee appear to have converging world views and priorities.

According to surveys conducted by Pacific Forum CSIS in late 2007 and early 2008, there is a reservoir of support among elites in both societies for an improved Japan-South Korea relationship. When asked which country has values that most resemble those of their own country, a third of Japanese respondents to the survey (34 percent) responded that their values are most similar to those of the U.S., only slightly less (32 percent) said their values were most like those of South Korea. Among Koreans, slightly over one-third (35 percent) said their values are most similar to those of the U.S., while one-third (33 percent) picked Japan. 43 percent say their interests are most like that of the U.S., while 23 percent picked Japan (making it the second most popular choice). More than half of Japanese surveyed trust Korea somewhat or a great deal. Three-quarters agreed that Japan and South Korea should be allies; 70 percent thought an alliance was a good idea even after unification. Among Koreans, 63 percent of respondents report that they trust Japan somewhat or a great deal. Surprisingly, 87 percent think South Korea and Japan should be allies and 89 percent favor an alliance relationship with Japan post Korean-reunification. If elites are able to show leadership to manage chronic difficulties while continuing cooperation in other areas, this reservoir of positive feeling on either side could be a foundation for a stronger Japan-ROK relationship.¹²

Looking across the horizon at strategic opportunities for South Korea, an improved relationship with Japan would have obvious benefits, but the emotional baggage on both sides

constitutes a substantial obstacle, as illustrated by the summer furor over Dokdo/Takeshima. Aside from these hot button issues, there is probably greater familiarity at the individual and grassroots levels between South Koreans and Japanese than ever before. The question is whether Lee Myung-bak and Taro Aso are in a position to harness such support as a means to put the relationship on a stable long-term foundation.

“Strategic Cooperative Partnership” With China: Ambivalent Embrace

Chinese leaders felt very comfortable with Roh Moo-hyun’s approach to foreign policy, including Roh’s emphasis on peaceful inter-Korean reconciliation, the necessity of regional cooperation and regional stability, and his desire for greater independence within the context of the U.S.-ROK alliance relationship, which may have been interpreted as evidence that the alliance would not survive Korean unification and China would likely become South Korea’s principal strategic partner.

The vision of a Korea leaning toward China and away from the United States was jarred by Lee Myung-bak’s election and his early emphasis on strengthening the U.S.-ROK alliance. The Chinese government took the unusual step of sending a special envoy to Seoul to meet with president-elect Lee Myung-bak just days prior to receiving Lee’s own special envoy, Grand National Party (GNP) rival Park Geun-hye. While the PRC had previously shown reluctance to upgrade relations with South Korea, presumably so as not to further antagonize Pyongyang, following Lee Myung-bak’s election there was eagerness among Chinese officials to promote higher-level ties, perhaps in response to Lee’s emphasis on the alliance with the United States.

During Lee’s first visit to Beijing as South Korea’s president in May, Lee and Hu Jintao upgraded relations to the level of a “strategic cooperative partnership,”¹³ signifying that South

Korea is now in (a rather large) inner circle of countries that have the closest level of relations with China. The designation also reflects the realities of a bilateral trade relationship that has continued to grow at double-digit rates and is expected to top US\$200 billion/year by 2010. Sino-South Korean private sector cooperation has grown across most major industries, and China remains South Korea's leading trade partner and leading destination for foreign direct investment. Perhaps the most significant change through establishment of a "strategic cooperative partnership" has been an intensification of meetings between the top leaders, both bilaterally and through side meetings at international events such as the G-8 summit and the Olympic Games opening ceremonies.

But popular attitudes in the ROK are also affecting these possibilities. The emergence of the Koguryo issue in 2004 was a turning point in South Korean public perceptions of China. An April 2004 poll by *Dong-a Ilbo* showed that the majority of National Assembly members of the ruling Uri party believed that South Korea "should focus more on China than the U.S. in our foreign policy of the future," and that 84 percent of the public agreed that it was important to give "serious consideration of China."¹⁴ However, a January 1, 2005 *Chosun Ilbo* survey showed only 40 percent-favorable attitudes toward China, revealing the extent of political damage to China's image that occurred as a result of the Koguryo issue.¹⁵ Chinese "claims" on the ancient Koguryo kingdom hit a nerve with South Koreans that seemed well out of proportion to the immediate cause of the furor; on the other hand, the issue received little publicity in China and hardly registered among the Chinese public.

By the time of the Olympic Games in August 2008, emotional anti-Korean nationalism among Chinese netizens was the driver for escalation of negative feeling between the two countries. This round of anti-Korean sentiment began back in April following the Olympic torch

rally in Seoul. At that time, South Korean emotions were aroused when Chinese students attending the late April torch relay in Seoul physically confronted anti-Chinese protesters who were rallying for Tibet and rights of North Korean refugees. These expressions created a minor firestorm of reaction among South Koreans. It also generated a backlash fueled by false internet rumors in China that the South Korean government had prosecuted and sentenced a Chinese protestor to a ten-year jail sentence. These false rumors stimulated a vituperative reaction in China. Another contributing factor to Chinese negative sentiment was the leak by South Korean TV company SBS of dress rehearsal segments of the Olympic opening ceremony days prior to the official opening. During the Olympics, Chinese crowds were gracious and civil, but they booed South Korean performers and teams. After having idolized Korean pop stars and embraced Korean pop and movie culture, Chinese have started to harbor anti-Korean sentiment, partially as a Chinese nationalist backlash to expressions of Korean nationalism.

At the official level, the “strategic” component of the “strategic cooperative partnership” may remain an aspiration until it is more explicitly defined, and it is not clear that either side has a compelling interest in digging too deep to identify the limits of the relationship. For China, the main point may be that a political embrace is necessary and desirable to pull South Korea closer, especially in light of the prospect of a strengthened South Korean relationship with the United States. For South Korea, economic opportunity remains the main draw in relations with China, and strengthened political cooperation may also prove to be valuable in the context of managing Korean reunification. But unlike Roh Moo-hyun, Lee and his top advisors are likely to give credit to a strengthened U.S.-ROK alliance as one of the primary factors that has catalyzed opportunities for upgraded political relations with China. In this sense, the Lee administration has clearly concluded that one of the strategic benefits to be derived from closer cooperation

with the United States is that the alliance serves as a platform for enhancing South Korea's standing and leverage in its relationships with other countries, especially with China.

Conflict between a "strategic alliance" and a "strategic partnership" may come into relief in the event of instability in North Korea. Chinese policy makers are carefully watching and weighing reports about South Korean and American contingency plans for responding to instability in North Korea at the same time that they consider their own influence and options for responding to instability in the North. South Koreans see China's economic and political dominance in the North and wonder if China will deny the opportunity for reunification in the event of an unstable political transition in the North. In addition, Kim Jong-il in recent years has sought to play China and South Korea off each other to maximize his own political and economic leverage, adding to perceptions that South Korean and Chinese approaches to North Korea might conflict with each other. Thus far, the Lee Myung-bak administration has raised more questions than it has answered regarding South Korea's longer-term strategic intentions; these questions are likely to fuel ongoing South Korean debate over its future diplomatic orientation vis-à-vis Beijing and Washington.

Inter-Korean Relations: A Lower-Priority Increasingly Troubled Relationship

Lee Myung-bak's "Denuclearization and Opening, 3000" proposal marked the starting point for his effort to introduce conditional reciprocity into the inter-Korean relationship. The proposal contrasted with the focus on engagement and unconditional economic assistance that formed the foundations of Kim Dae-jung's Sunshine Policy and Roh Moo-hyun's Peace and Prosperity Policy toward North Korea. The proposal itself was designed to have elements that could attract support from both Korean conservatives and progressives, but several factors made

the proposal difficult to implement in the early stages of the Lee administration. More striking than the question of whether Lee's approach to the North was correct was the relatively low priority the Lee administration assigned to inter-Korean relations compared to the progressive administrations of Kim Dae-jung and Roh Moo-hyun.

Lee Myung-bak's relative disinterest in improved inter-Korean relations had several important effects. First, the Lee Myung-bak administration's low prioritization of the importance of North Korea led to frustration and irritation with South Korea on the North Korean side, especially since this meant that it was more difficult for the North to receive economic benefits from South Korea. As a result, initial North Korean gestures designed to test Lee's willingness to continue the relationship on the same terms as in the past were not reciprocated. Second, it meant that in light of the lack of interest and attention on the part of the president himself, others in his administration filled the vacuum and defined his policy more harshly than he himself might have intended. For instance, the North interpreted some initial public statements by senior administration officials under Lee Myung-bak negatively, but these statements did not necessarily represent considered policy positions of the Lee Myung-bak administration. Third, when troubles arose in the inter-Korean relationship, difficulties were harder to overcome since the Blue House was less likely to weigh in to safeguard the relationship against negative consequences of specific actions. Moreover, relationships had not yet been built between North Korean authorities and the new leadership in Seoul. Fourth, the North sought a relationship in which the accomplishments of prior administrations, especially at the inter-Korean summits held with Kim Dae-jung and Roh Moo-hyun, would be affirmed, but Lee Myung-bak was reluctant to offer an a priori blanket validation of the results of those summits as a basis for continuing the relationship. Fifth, the DPRK appears to have decided to pursue a

tongmi bongnam policy, through which the North focused on negotiations with the United States while marginalizing South Korea. On balance, these conditions were sufficient to bring about a serious downturn in inter-Korean relations in the first phase of Lee Myung-bak's presidency.

A decisive factor that will influence the policies of both North and South Korean governments is public opinion in South Korea. As an electoral campaign platform, the proposal for Denuclearization, Opening, and US\$3000 Per Capita in North Korea well reflected public sentiment in South Korea among an electorate that had grown tired of unconditional assistance to North Korea with relatively little return on investment. However, South Koreans continued to value stability in inter-Korean relations and did not want to see the relationship undermined to the extent that North Korea might pose a renewed danger, either from internal instability or from North Korea's capacity to make external threats. These factors moderated South Korean policy toward the North as the Lee Myung-bak administration sought ways to positively engage North Korean counterparts without sacrificing the core principles underlying his stated policy. But the negative cycle in the inter-Korean relationship proved difficult to reverse.

Although North Korea had made its antipathy to the GNP well known, the DPRK media had been careful not to criticize Lee Myung-bak directly during the election campaign. This restraint was notable, although the decision to hold an inter-Korean summit with Roh Moo-hyun so close to the end of his term was a clear indication of the policy preferences North Korea wanted South Korea's next administration to adopt. A major problem, however, was that despite two inter-Korean summits, progress in inter-Korean relations had remained primarily in the hands of progressives, with GNP representatives largely excluded from the process. The single exception to this rule was Park Geun-hye, Lee Myung-bak's chief rival within the party. Thus, the transition in power in South Korea also meant that it would be necessary for North Korea to

build a new relationship with counterparts who had up to now been strangers to the inter-Korean dialogue.

During the transition period following Lee Myung-bak's election, the North reportedly put out feelers for an invitation to Lee's inauguration, a symbolic gesture which might have signaled continuity in the inter-Korean relationship and would have provided an early opportunity for dialogue. There was also talk of South Korea sending a special envoy to the North during this period, but no such effort materialized. Lee Myung-bak himself also referred to progressive administrations as the "lost decade" and himself referred to the Basic Agreement as the primary foundation for inter-Korean relations, indirectly calling into question the validity of the two summit declarations as the basis for the relationship. In addition, the North Koreans observed the fallout from a recommendation of the presidential transition committee to abolish the Ministry of Unification and the efforts to marginalize the ministry as a factor in policy making under the new administration.

Two early statements by the new administration were the immediate pretext for North Korea to go public with its criticisms of Lee Myung-bak and the new administration. The first was a statement by unification minister Kim Ha-joong in his first policy briefing to the president on March 26 in which he said that "the speed and scope of as well as ways to push for any development in inter-Korea relations will be decided according to progress in the North Korean nuclear issue."¹⁶ That statement precipitated a North Korean announcement that South Korean officials would no longer be allowed to stay at the Kaesong Industrial Complex. The second was a statement by the Chairman of the Joint Chiefs of Staff Kim Tae-young at a March parliamentary hearing in which he stated that there were contingency plans for responding to a possible nuclear weapons strike by North Korea, telling lawmakers, "we would identify possible

locations of nuclear weapons and make a precise attack in advance.”¹⁷ These statements provided a pretext for North Korea’s decision to take a publicly adversarial role toward the Lee administration, choosing to interpret it as confrontational and contrary to the spirit of the past inter-Korean agreements. In effect, North Korea was rejecting Lee Myung-bak’s bid for conditional engagement, betting that the South Korean public would eventually put pressure on the Lee Myung-bak administration to soften its policy toward North Korea or that the South would find renewed tensions with the North costly enough to recalibrate its policies and continue to offer a down payment in return for peaceful coexistence.

The Lee administration’s handling of humanitarian aid to North Korea in its initial phase further contributed to the deterioration in relations. Although the DNO3000 policy did not link provision of humanitarian aid to progress in denuclearization, the new administration hesitated in its handling of the issue. The situation was complicated by apparent shortages in North Korea and reports that a renewed famine might possibly be developing. South Korean NGO advocates of continued food assistance to the North raised their voices, but struggled to gain attention of the South Korean public given the inordinate focus on the beef issue in the late spring and early summer of 2008. Ultimately, the ROK government made available 50,000 tons of corn to North Korea that had been approved in the waning days of the Roh administration on the condition that North Korea request that South Korea provide assistance. In addition, a debate ensued over whether to provide 300,000 tons of fertilizer and 500,000 tons of grain that had become a regular part of South Korea’s foreign assistance budget to the North. This also became subject to the requirement that North Korea request the assistance, but this was precisely the type of precondition the North could never accept, given its implications for the nature and balance of the inter-Korean relationship.

An incident that further damaged inter-Korean relations was the shooting death of a South Korean female tourist who had crossed outside the boundary of the Mount Geumgang tourist zone by a North Korean soldier. The incident occurred on the same day that Lee Myung-bak gave an address to the National Assembly in which he attempted to set the parameters for renewed inter-Korean relations, pledging a willingness to discuss the meaning of the two inter-Korean summit agreements as a subject of inter-Korean dialogue. The incident and the speech led to the closing of Mount Geumgang to South Korean tourists pending a resolution of the incident, with Hyundai Asan caught in the middle. The incident also set off a debate over how to respond and what the conditions should be for resuming the tourist project. North Korea returned the body and offered its own version of events leading to the shooting, but declined to allow a joint investigation with South Korean authorities.

A potential opportunity to reverse this situation appeared to present itself when North Korea proposed military dialogue with South Korean counterparts at the DMZ in October 2008. But it turned out that the purpose of the dialogue was not to reopen discussion about Mount Geumgang but rather to complain about leaflets disparaging the North Korean leadership that South Korean civic groups with ties to refugees had been spreading in the North. These efforts by citizen groups directly challenged the agreement from the first inter-Korean summit in June 2000 that both sides would stop utilizing propaganda against each other along the DMZ.

The North Korean request posed a new test for the Lee Myung-bak administration over whether the government would be willing to take action to prevent citizen groups from launching balloons containing propaganda fliers. North Korea raised the stakes by threatening to close down the border with South Korea, including stopping the overland crossings necessary to run the Kaesong Industrial Zone. Many South Koreans thought that the North might be making an

empty threat, given that Kaesong had developed into a significant money-maker for the North Koreans, who received millions of dollars in payments each month for North Korean labor contributions and South Korean private sector access to the site. In November, the North Korean military announced it would close down the country's border with the South by December 1 of this year, marking an escalation of threats against the conservative Lee administration amid worsening North-South relations.¹⁸

The deterioration in inter-Korean relations has stimulated a variety of public responses in South Korea. Negative public opinion reached a new peak in the summer of 2008 as a result of the tourist shooting in Mount Geumgang, exacerbated by a series of hostile statements against the South in the North Korean media on Lee's conservative policies. Although public opinion prompted Seoul to suspend civic group visits to the North, South Korea began allowing liberal civic groups to resume their trips to the North two months after the shooting incident, a decision which some analysts say suggests that "Seoul has no leverage in resolving the nuclear crisis due to worsening ties with North Korea."¹⁹ During the first anniversary of the October inter-Korean summit, others warned that the Lee administration appears to be abandoning its summit commitments in face of public opinion that remains largely negative.²⁰

Since military working-level talks in early October, the first inter-Korean talks since Lee's inauguration, Pyongyang has continued to raise serious concerns over South Korean "propaganda leaflets" while warning against the potential costs to the South's projects in Kaesong and Geumgang.²¹ The North's decision to restrict North-South land travel has resulted in a reduction of almost three-quarters of South Korean personnel that had been based at the complex. According to the Kaesong Industrial Complex Tenant Companies Association, the

leaflet issue has driven a “crisis situation” in Kaesong, with buyers cancelling orders and business going bankrupt.²²

The deteriorating situation in Kaesong may be rooted in factors beyond the immediate leaflet dispute. According to the ROK unification ministry, over 90 percent of the inter-Korean freight train service resumed last year has been running empty, with 150 of the 163 trains between South Korea’s Munsan and Bongdong in Kaesong carrying no cargo from December 2007 to August 2008.²³ While Lee has called the North’s restriction of overland passages through the Military Demarcation Line a move “contrary to the inter-Korean agreement” that “should be retracted immediately,” in early December Pyongyang’s Korean Central News Agency asserted that the Lee administration was “fully to blame” for the worsening inter-Korean relations.²⁴

Current strains in the inter-Korean relationship appear to be unlikely to lead to a major readjustment in Lee’s DNO3000 and North Korea approach in the near term. At a December meeting with unification officials, Lee stressed that “inter-Korean relations must not be used for political purposes, and I have no intention of doing so,” reasserting the continuation of his North Korea policies.²⁵ The South Korean response to recent tensions with the North has also revealed a widening domestic division—especially among conservatives—on Lee’s approach. After an “urgent meeting” at the National Assembly on November 30 on what was seen as a crisis in relations with the North, three opposition parties released a joint resolution urging the Lee administration to change its North Korea policy.²⁶ In addition, reports regarding problems with the health of Kim Jong Il have prompted some conservatives to believe that North Korea is on the ropes and may soon collapse, while others continue to focus on a “pragmatic” approach to inter-Korean relations.

The negative cycle in inter-Korean relations has put pressure on the Lee Myung-bak administration to seek ways of reaching out to North Korea and keeping dialogue alive without sacrificing its core principles. The ROK Government has allocated funding to resume grain and fertilizer shipments to North Korea in the budget for shipments to occur in the spring of 2009, although it is not yet clear whether the government will attach the conditions on delivery. Another face-saving possibility in the absence of a request from the North might be to supply the assistance via the UN World Food Program, which has already requested funding from South Korea to support its overall aid effort to the North. But with current economic difficulties at home the South Korean government and people appear to have focused their attention on domestic issues, making it more difficult for South Koreans interested in improved inter-Korean relations to mobilize public opinion in favor of aiding the North. Another challenge is how the Lee Myung-bak administration responds to North Korea's apparent *tongmi bongnam* policy, which attempts to utilize progress in U.S.-DPRK relations as a way of marginalizing and indirectly pressuring the South to ease its policies toward the North. North Korea's strategy links and attempts to exploit the gap between inter-Korean relations and U.S. policies toward North Korea, heightening the likelihood of potential conflict in the U.S.-ROK alliance.

Assessing Lee Myung-bak's "Global Korea" and Resource Diplomacy:

Foundation of a Grand Strategy?

Lee Myung-bak's earliest months in power illustrate the multiple domestic and international constraints that stand in the way of South Korea developing a grand strategy to enhance its international influence and weight in the international community. But Lee's initial vision also contains some potentially promising elements that might assist in overcoming these

obstacles. In particular, in his inauguration address Lee laid out the beginnings of a vision for Korea as a responsible and contributing member of the international community committed to “global diplomacy” and “the global movement for peace and development,” based on “universal principles of democracy and market economics.”²⁷ According to this vision, Lee would expand South Korean overseas development assistance (ODA), participate more actively in peacekeeping activities, and seek to play an effective international role as a contributor to global public goods. He also outlined a focus on securing energy resources necessary to sustain South Korea’s economic growth. Both of these initiatives, in principle, may offer opportunities to develop new relationships and to raise South Korea’s profile and weight on the international stage.

However, implementation of these objectives will also face the same array of domestic and international obstacles that have stymied Lee’s efforts in relations with the major powers and with North Korea. Most important, it is not yet clear whether the South Korean public is ready to support extensive Korean international involvements in other parts of the world. Despite having risen to the status of a leading industrialized economy, the South Korean public has not yet fully embraced the idea that it is a middle power and potential leader in provision of international public goods. The idea of “global Korea” may be hard for Koreans themselves to grasp, given that South Korea remains surrounded by larger neighbors and faced with real and present security dangers, including the legacies of conflict and division on the Korean peninsula and the still-festering issue of North Korea’s nuclear weapons capabilities. According to this “inside-out” view of South Korea’s potential status and influence, it is difficult for South Korea to “see over the shoulders” of its neighbors to get a clear perspective on South Korea’s standing, responsibilities, or obligations in an international context. While outsiders may regard South

Korea as a leader, South Korea's own geography and traditional preoccupations make the task of venturing to other parts of the world a novel venture that may be perceived to carry unnecessary risks. South Korea's national history of security vulnerability induces a natural caution when it comes to utilizing resources abroad that might best be husbanded in the case of insecurity closer to home.

South Korea's diplomatic white paper outlines its goals of "enhancing the national image" in a range of functional areas of international cooperation such as terrorism, multilateral system reform, and cultural diplomacy.²⁸ In the area of ODA, South Korea has set for itself the goal of raising its ODA contributions from 0.07 percent of Gross National Income (GNI) in 2007, representing US\$670 million, to over US\$3 billion by 2015.²⁹ This would represent a tripling of current South Korean foreign assistance, but South Korea's own bureaucratic infrastructure and staff at the Korea Overseas International Cooperation Agency (KOICA) is insufficient to handle that level of contribution. KOICA provided US\$269 million in grant aid to developing countries in 2007, a 40 percent increase from the 2006 level.³⁰ Seoul's current ODA target represents a significant rise in Korea's overseas contributions, but the increased allocation may trigger a public backlash given South Korea's own economic difficulties and Korean concerns about the eventual bill they may face in the context of North Korea's rehabilitation. The South Korean government has undertaken a range of administrative steps to strengthen its ODA system since 2007, establishing a new office within the Ministry of Foreign Affairs and Trade (MOFAT) entirely responsible for implementing grant aids (Bureau for Development Cooperation within the Office of Multilateral, Global and Legal Affairs), strengthening the legal framework for ODA, and seeking to join the OECD-Development Assistance Committee (DAC) of advanced donors by 2010. The Lee administration faces the clear task of continuing such initiatives.

It also remains to be seen whether Lee will be able to enjoy South Korean public support for a more active peacekeeping role, although South Korea has made limited contributions in Nepal and Lebanon with little public reaction. However, one possibility likely to be on the agenda in the near-term will be whether and how South Korea may contribute to post-conflict stabilization in Afghanistan. Given the heavy NATO involvement in this area, South Korea and Japan would also naturally be expected to make contributions to such an international effort, either through provision of peacekeeping forces or other forms of training and/or development assistance. Given the tragic kidnapping of a Korean church group in Afghanistan in the summer of 2007, the issue of Korean involvement in Afghanistan remains sensitive.

Likewise, resource diplomacy is essentially a defensive measure to protect the lines of energy supply necessary to ensure the inputs necessary to promote continued South Korean economic growth. Although the precise forms and potential for this diplomatic initiative are not yet clear, the concept provides a basis upon which South Korea will be able to reach out and involve itself with many countries that have not in the past received priority in South Korea's diplomacy. In this sense, resource diplomacy may offer an opportunity for South Korea to develop and deepen relationships with energy producing countries in Central Asia, the Middle East, Africa, Latin America, and (not least) Russia.

Since Russia is both one of the four major powers and a major energy power, the potential and challenges of resource diplomacy might best be understood through an examination of Lee Myung-bak's visit to Moscow in September. Russia was the last of the four major powers that Lee visited, but the agenda in many respects has set the stage for what one might expect from the application of a "resource" focus to Korea's foreign relations. South Korea's relationship with Russia is the most distant and troubled of its interactions with the four major

powers, and Russia's own interests and focus on the Korean peninsula has been intermittent, despite Russia's involvement in the Six Party Talks. The development of South Korea's relationship with Russia has proven more difficult than expected. Part of this difficulty may be a result of the longstanding difficulties in settling the terms of a US\$3 billion loan package that accompanied diplomatic normalization between the USSR and South Korea in 1990. For a variety of reasons including the fall of the Soviet Union and misjudgments regarding what loan repayment terms were possible, this issue overshadowed the development of the relationship for many years. A second drag on the relationship occurred in 1998, when an intelligence scandal brought down Russians who had played a significant role in the development of relations with South Korea. In addition, South Koreans may not have accorded Russians the level of respect that they felt they deserved during the years of Russia's economic downturn, and this has made the relationship more difficult to sustain even while Russia's economy continues to recover.

Nonetheless, Lee was able to schedule a summit meeting with his counterpart, President Dmitry Medvedev, as well as a meeting with Prime Minister Vladimir Putin, during September 2008. Lee's advertised accomplishments upon his return to Seoul were largely related to resource diplomacy. Specifically, the Russians agreed to South Korean participation in a natural gas pipeline that would facilitate gas exports to the South through North Korea by 2015. Other important diplomatic achievements highlighted in the 10-point joint summit statement³¹ by Lee and Medvedev includes a South Korea-only port near the North Korean-Russian border and a railroad project from which Lee described the economic benefits for the North as "far bigger than its previous cooperation projects with South Korea in Kaesong and at Mount Kumgang."³² While the joint projects with Russia are notable for largely involving North Korean participation, Lee also stressed that South Korea's strategic cooperative partnerships with Russia as well as

China will be “very advantageous” to national security in case of an emergency on the Korean Peninsula.

Although resource diplomacy has been one of Lee’s core diplomatic principles since his February 2008 inauguration, South Korean experts have dismissed its apparent success as “overrated” based on a series of setbacks during his overseas visits. Lee was received in Moscow by an official lower in rank than proposed, prompting a public backlash from MOFAT on how differences in “diplomatic protocols” can lead to “public misunderstanding.”³³ The trans-North Korea gas pipeline, projected to carry at least 7.5 million tons of Russian natural gas annually for 30 years, has been touted as impractical, given that the decision was made without serious discussion. Earlier in June, Korea led the signing of an ambitious oil contract with Iraq’s autonomous Kurdish government, but prospects remain unclear with Baghdad’s intervention. Even before Prime Minister Han Seung-soo’s April visit to Central Asia to lead Lee’s resource diplomacy, South Korean envoys warned Seoul against the potential retaliation by host countries given the lack of full consultations prior to such efforts. For example, Korean ambassador to Kazakhstan Kil Il-soo argued for the need to “shape up adequate circumstances for that particular diplomatic stance” rather than “openly mention our interest in ‘resources diplomacy’ to those resource-rich countries.”³⁴

Conclusion: Prospects for a Coherent South Korean Foreign Policy Strategy

In weighing South Korea’s core strategic objectives in light of the history and accomplishments of democratization and economic development, two core objectives come to the fore: maintenance and promotion of peace and stability and the desire to be recognized as having the international stature commensurate with those accomplishments. There is both an

implicit tension and a complementarity of those two objectives of assuring national security and gaining international recognition as an expression of national pride. International affirmation of South Korea's progress is likely to be commensurate with South Korean willingness to undertake new obligations that contribute to the spread of peace and the safeguarding of global stability. South Korea is at a delicate stage in the development of a truly strategic foreign policy, since its ability to shape the peace remains contingent upon the actions of neighboring great powers while its capacity to gain international affirmation will also entail new costs and responsibilities as a contribution to the safeguarding of international public goods. An additional challenge lies with the task of meeting public expectations, which increasingly may contradict South Korea's own strategic imperatives even as public sentiment plays a greater role in the formation and effective implementation of foreign policy.

Kim Tae-hyun describes the role of public opinion in shaping South Korea's strategic objectives by outlining two possibilities: "One possibility is that the Korean nation fails to achieve the international status that its people want, thereby eroding the people's identity and eventually this nation's viability. On the other hand, Korea may achieve the international standing that its people want and feel it deserves. With their national identity reinvigorated, Korean people will work harder to further their national standing."³⁵ The task of South Korea's national leader is to translate public sentiment into a coherent strategy that harnesses public sentiment in pursuit of the latter goals. Otherwise, both domestic and international constraints may prevent progress and obstruct South Korea from achieving its full potential as a respected and responsible actor on the international stage. The Lee Myung-bak administration will have to find new ways to overcome constraints and make tangible contributions to peace while also

responsibly strengthening South Korea's standing in the international community, while doing so in a manner that gains broad domestic public support.

¹ This paper represents the opinions of the author and not of the institutions with which he is affiliated. The author would like to acknowledge the research assistance of See-Won Byun, a Research Associate at the Center for Korea Policy of The Asia Foundation.

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