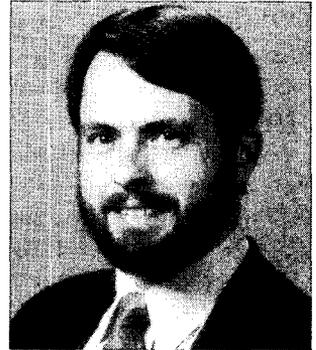


Decoding the North Korean Enigma



Northeast Asia will never be fully secure until the communist dictatorship of North Korea passes from the scene. After threatening to test a new long-range missile, the North says it is willing to negotiate with “the hostile nations” opposing it. But whether it will actually forgo its test launch is anyone’s guess.

That the so-called Democratic People’s Republic of Korea (DPRK) is able to create so much unease, even in the capital of the world’s sole superpower, demonstrates the foolhardiness of America’s continued entanglement in essentially peripheral security matters. In the short run, Washington should attempt to ease the Korean peninsula’s transition to a new peaceful order. But the United States should simultaneously begin disengaging from the region’s unsettling quarrels.

By any normal measure, the DPRK should be irrelevant. Bankrupt, starving, and bereft of allies, North Korea is becoming the least of nations. Barely 20 countries bother to maintain embassies in Pyongyang, the North’s capital.

Arrayed against it is an imposing coalition. The Republic of Korea (ROK) possesses an estimated 30 times the GDP and twice the population of the North. Japan is the world’s second-ranking economic power with a limited but potent military. The members of the Association of Southeast Asian Nations

(ASEAN) states remain aloof from Korean affairs, but all would back the ROK in any crisis.

Russia was once allied with Pyongyang, but is now shipping weapons to Seoul to pay off its debts. China retains modest political ties with North Korea, but has far greater economic links—trade and investment—with the South.

Yet the North continues to drive events in the region. Why? The DPRK retains two advantages. One is a large army, supplemented by missile development and atomic research programs.

There is, however, little behind this seemingly imposing edifice. The North’s military capabilities have fallen sharply as its services literally starve: soldiers don’t eat and weapons don’t get spare parts. The North’s nuclear program is only presumed; a recent search of the suspected underground site at Kumchang-ri turned up nothing. North Korea’s missiles are few in number and highly inaccurate. In short, the DPRK has done better convincing the world that it possesses weapons of enormous destructive power than actually acquiring them.

The DPRK’s second trump is its willingness to play the game of high brinkmanship. Pyongyang regularly engages in dramatically provocative but apparently irrational conduct, brandishing its military mailed fist. The result is usually feverish excitement abroad. For instance, North Korea’s latest missile gambit caused House International Relations Committee Chairman Benjamin Gilman to worry

Doug Bandow, a nationally syndicated columnist, is a senior fellow at the Cato Institute and the author and editor of several books, including Tripwire: Korea and U.S. Foreign Policy in a Changed World.

that one “cannot overstate the danger this development could present to our national security.”

Alas, that’s what the North wants Gilman to think. Although the new weapon probably could hit Alaska, the United States is more than capable of deterring an attack: Pyongyang would disappear in a radioactive cloud. Moreover, the DPRK already possesses a missile, the Taepo Dong-1, capable of hitting both the South and Japan.

The prospective missile test looks to be just one more attempt to unsettle the DPRK’s adversaries. Its probable goal is to shake more cash loose from Seoul, Tokyo, and Washington. Largely ignored by the United States and Japan until it hinted at developing a nuclear weapon, in 1994 the DPRK agreed to freeze its program in exchange for shipments of heavy oil and construction of a nuclear reactor. Stalked by famine, Pyongyang has since pushed, with varying success, for food, investment, and trade.

More Benign Conduct

For all of the perversities and incongruities of North Korean behavior, the regime’s conduct remains far more benign than in the past. The DPRK has, for instance, halted its nuclear program, admitted aid workers throughout the country, and hosted South Korean and other foreign businessmen.

Handling a regime that is simultaneously belligerent and opaque is not easy. But having recently completed a full review of U.S. policy toward the North, the administration should reconfigure present policy. Washington should separate its strategy into short- and long-term components.

America’s overriding goal should be to maintain peace on the peninsula. Although prior predictions of imminent collapse have proved false, North Korea seems destined for the great dustbin of history. The only question is whether Pyongyang falls in peacefully.

To encourage that end, modest concessions—food aid, diplomatic recognition, foreign trade and investment—are well spent. But Washington should attempt to reverse today’s dynamic, under which the North misbehaves in the hope of receiving more benefits.

Although the United States and its allies should accept Pyongyang’s offer to discuss the planned missile test, they should not provide an explicit quid pro quo. Instead, they should indicate that a number of benefits will be forthcoming if Pyongyang stops needlessly antagonizing its neighbors.

And they should deliver. In succeeding months the United States should drop additional restrictions on trade, offer diplomatic recognition, and cancel future joint ROK-U.S. military exercises, like the ongoing Ulchi Focus Lens maneuvers. South Korea should expand its so-called sunshine policy. Japan should dangle the possibility of expanded diplomatic and economic ties.

The allies should provide such benefits to the DPRK when it behaves, not when it misbehaves. Should it revert to its policy of disruptive belligerence, all three countries should retaliate quickly but quietly.

That is, they should adopt an official attitude of insouciance—who cares what the North does? However, without public fanfare or threats, which would likely make the North more obdurate, the allied states should slow or suspend positive movement on other issues.

The goal should be to squeeze the North, but not too hard. Again, the objective is to push the DPRK toward a more positive stance without creating either a potentially violent implosion or causing it to strike out.

Although the United States is necessarily involved in the near term, over the long term Washington should seek to disentangle itself from Northeast Asia. It should develop a phased withdrawal program for its troops, and terminate the defense treaty when the pullout is complete. □

A Lesson in Political Management

by George C. Leef

Suppose you have just learned that the house you live in has leaky water pipes. If not attended to, the damage done by the leaks will compound and the value of the house will decline. Would you spend whatever it took to fix the problem? Or would you go out and buy an expensive new high-definition TV?

That might sound like a silly question, but that's because you are assuming that you own the house. Of course, you would protect its value. The prospect of continuing damage from leaking water would be a strong incentive to repair or replace the pipes. On the other hand, what if the house wasn't your property? The loss in value would not be your loss, and unless the leak threatens your belongings, why bother with it? You might just go out and buy that new TV.

Property rights obviously make a difference. What if there is no real owner with an interest in maintaining the property? That's the case with "public property," which really does not belong to any individual or group. Management of public property depends on the choices of politicians and bureaucrats who stand to gain nothing from making "right" decisions (those that make the best use of it) and to lose nothing from making "wrong" decisions (those that make less than optimal use of it). Political-bureaucratic management predictably leads to neglect of property

entrusted to public officials in favor of spending that benefits them more in the currency of politics: influence, power, and prestige.

A recent controversy in North Carolina shows the truth of that theory.

The Campus Crisis

In April 1999 a consultant hired (at great expense) by the board of governors of the University of North Carolina released a report that shocked people. It stated that hundreds of buildings on the 16-campus UNC system were in "deplorable condition." Hundreds of millions of dollars of repair and renovation work was needed "urgently" for dorms, classrooms, laboratories, and libraries. Over a ten-year period, the university system's capital "needs" amounted to \$6.9 billion.

Supporters of the university played up the repair and renovation angle, but inspection of the list of proposed spending projects showed that only about half the university's priority "Phase I" spending was to go for repair and renovation of academic buildings. The rest was for land acquisition, various campus enhancements (such as landscaping), non-academic buildings (such as performing-arts centers and athletic facilities), and a large-scale construction program to handle an expected surge in enrollments in the future. The "crisis" in the condition of existing buildings was running interference for a wish list of spending to expand and glorify the university system.

George Leef is director of the Pope Center for Higher Education Policy at the John Locke Foundation and book review editor of The Freeman.