

Russian chess

Russia moves to use economics to promote peace in Northeast Asia

Tim Beal

tim@timbeal.net.nz

Posted on my Asian Geopolitics website

<http://www.timbeal.net.nz/geopolitics/>

29 August 2011

The visit of North Korean leader Kim Jong Il to Russia in August 2011 received little attention in the international media, and most of the articles were uninformed. As is often the case, the South Korean media provided the best coverage. The North Korean and Russian media gave little detail and scant analysis. China was a bit better but tended to focus on the Six Party Talks, highlighting Kim (and Medvedev's) commitment to resuming the talks without preconditions.¹ This is understandable, given that the establishment of the Beijing talks, bringing together the two Koreas, and the major world powers – the US, Japan, Russia, and China – was a great achievement. Too great perhaps. It was noticeable how quickly the US used the *Cheonan Incident* in March 2010 to sink the talks. It is likely that the Obama administration realised that Bush had made a great strategic mistake in giving this diplomatic jewel to China and was glad of a pretext to let the talks wither.

In any case, Kim's avowed commitment to the talks was not new; it restated statements made on visits to China, most recently in May, and was consistent with long-standing North Korean policy.² The US, and South Korean, response was the same as before – no talks without preconditions.³ It is an old diplomatic technique; if you don't want negotiations you merely set preconditions the other side cannot accept without forfeiting their objective for negotiating. It was a common feature of US strategy during the Bush administration.⁴ Obama was supposed to change all that:

... when asked in a July 23, 2008 presidential primary debate, "Would you be willing to meet separately, without preconditions, during the first year of your administration, in Washington or anywhere else, with the leaders of Iran, Syria, Venezuela, Cuba, and North Korea, in order to bridge the gap that divides our countries?" candidate Obama replied, "I would."⁵

But President Obama is, as we well know now, not the same person as Candidate Obama.

However, the main problem with most of the media coverage was that it looked in the wrong direction and asked the wrong questions. Too often the focus was on Kim Jong Il rather than Medvedev, on North Korea rather than on Russia. It ascribed far too much freedom of action to Kim, a mistake that permeates discussion on North Korea and a subject to be taken up some other time. It portrayed Kim as the active initiator and Medvedev as the passive and compliant host. In fact, a

summit only takes place because both sides want it, and the bigger country has the stronger hand in determining that. There have been rumours in the past of an impending visit by Kim to Russia which have not eventuated.⁶ It may be that there have been requests since Kim's previous visit in 2002, but only this time has Moscow said yes.

Kim's reasons for the Russia visit are easy to discern. North Korea needs to develop commercial linkages with Russia to circumvent US-led sanctions which have such a devastating effect on its economy.⁷ It also needs Russia as an economic and political counterbalance to China. North Korea's overdependence on China is increasingly evident.⁸ At the same time Kim does not want to alienate China so it was significant that he returned to Korea via China, significantly meeting with Dai Bingguo, China's leading official for Korean affairs.⁹

That's the easy part, but what about Russia? After all, just last year the Russian ambassador to Seoul was at pains to emphasise that his country was 'not an ally' of Pyongyang.¹⁰ Now we have the Russian president describing it as a partner.¹¹ What has brought about this change? What have been the Russian objectives for the summit?

Russia's strategy has two inter-related aspects – the economic and the geopolitical.

Russia wants to sell natural gas to South Korea. This could be shipped from Vladivostok but that would increase costs; the cheapest way is via a pipeline, and that would go through North Korea. The pipeline would be a major undertaking – 1,100 kms long, 700 of which would be through North Korea, and delivering 10 million cubic metres of gas a year.¹² But it would complement existing pipelines to Europe and China so there would be no great technical barriers. South Korea itself is potentially a substantial market but the real prize is Japan, where it is anticipated that post-Fukushima antipathy to nuclear energy will boost demand for gas.¹³ And then there is the China factor. If Russia can develop substantial markets in South Korea and Japan this will give it leverage in what are reportedly tough negotiations with China over the price of gas imports from Russia.

If the gas pipeline goes through, so too do railways which have been bedevilled by the same political barriers. If the railway systems between the two Koreas are reconnected, and the North's upgraded, then there is a huge rail network connecting South Korea (and perhaps Japan) with Russia and Europe via the Trans-Siberian, and China and beyond, to Southeast Asia, Central Asia, and one day to South Asia. The economic, and geopolitical, implications of this, what the late South Korean President Kim Dae-jung dubbed the 'iron silk road' are huge and in fact dwarf the impact of the gas pipeline.¹⁴ For the moment however, the emphasis is on the gas pipeline.

The economic imperative is clear, but it is complemented by a geopolitical one. Russia believes that a pipeline through North Korea to the south will help lock in peace on the peninsula. South Korea would get cheaper gas, North Korea would get transit fees and presumably gas as well. Both sides would have a strong inducement to keep the peace and avoid tension.¹⁵ The same goes for rail links. And there's the rub, because this would be anathema to the United States. The situation is analogous to the proposed gas pipeline from Iran to India via Pakistan and the objections are the same.¹⁶ The arrangement would strengthen an adversary producer (Russia, Iran), empower the

intermediary country (North Korea, Pakistan) and make the consumer ally (South Korea, India) either vulnerable or less willing to accept US domination. The United States would lose leverage over the situation. A gas pipeline through the Korean peninsula has been talked about before, but has faltered on American objections.¹⁷ Will it be different this time?

It may well be. With both Russia and North Korea committed to the proposal it is difficult for South Korea openly to reject it. The economic benefits would be considerable and with National Assembly and presidential elections coming up in 2012 it could become awkward political issue. Similarly for the US; whatever pressure it might apply behind the scenes, it would have to be careful not to oppose it to openly for fear of re-igniting anti-Americanism – the massive demonstrations against imports of American beef in 2008 are a potent reminder of the dangers.¹⁸

However, the key factor is probably Dmitry Medvedev himself. It seems that Russia, like China, was much alarmed by the upsurge in tension on the Korean peninsula in 2010 produced by Lee Myung-bak's confrontationist policies, which resulted in the first artillery exchange since the Korean War.¹⁹ On top of that he must have been annoyed by Lee's attempt to use Russia to bolster his fabrication of the investigation into the sinking of the Cheonan. The South Korean military investigation pinned the blame on North Korea producing at the last moment, a couple of days before the report was scheduled to be released what they claimed to be a smoking gun – the remnants of a North Korean torpedo found, it was asserted, in the vicinity of the sinking.²⁰ This failed to dispel public scepticism so Lee put pressure on Medvedev to send a Russian team to examine the South Korean evidence.²¹ It seems that the Russian investigators found the South Korean case so flawed that their report was never published, nor was it released to the South Korean government. Publically it was said that the evidence was 'inconclusive'.²² Embarrassment all around. It could have been worse. Donald Gregg, a former American ambassador to Seoul, said that:

When I asked a well-placed Russian friend why the report has not been made public, he replied, "Because it would do much political damage to President Lee Myung-bak and would embarrass President Obama."²³

Leaks of the Russian report in the South Korean paper *Hankyoreh* showed why the Russian investigation was too explosive to publish. The Russians concluded that the *Cheonan* was probably accidentally sunk by a South Korea mine.²⁴ They were also adamant that the torpedo remnant produced by the South could not have sunk the Cheonan (though a South Korean torpedo might conceivably have done so). But there was more. They said that the corrosion on the remnant showed it had been in the water for six months or more, not the two months between the sinking and its miraculous discovery.²⁵ So it looks as if North Korea was not merely innocent, but also framed.

It is unlikely that Medvedev was much pleased by Lee's attempt to involve Russia in this deception – a deception which raised the spectre of war on the peninsula, something which Russia (and China) feared greatly.²⁶

It seems that the events of 2010 did much to concentrate minds in Moscow, Beijing, and Pyongyang. To this might be added the de facto Western invasion of Libya and a possible repeat in Syria.²⁷ This is the background to Kim Jong Il's visit to Russia (and China) and Medvedev's initiatives. Gas and rail

linkages have been talked about quite a bit over the last decade, without real progress. This time might indeed be different.

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