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What would a peace treaty really change regionally and beyond?

Experts assess the pros and cons of an official end to the Korean War

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It does not take much to sign a peace treaty: you need two people from two countries at war, a neutral place to gather, a firm table, a piece of paper, and a pen. But in a world entrapped in complex global politics, this simple act requires a whole lot more.

In this second part of a series, *NK News* asks experts what impact a peace treaty would have on East Asia – and beyond. You can read part one [here](#).

For this article let's assume the treaty leads to a full denuclearization of North Korea, following Bruce Klingner of the Heritage Foundation's assessment that, otherwise, it would be "an empty promise based on dangerous naiveté."

Peace And Stability

"A peace treaty could mean everything or nothing," says Doug Bandow of the Cato Institute.

"I would argue that a peace treaty would bring about positive results on inter-Korean relations and regional stability and peace in Northeast Asia" says Professor Moon Chung-in of Yonsei University.

For Bruce Klingner a successful peace treaty must fulfill two goals: it "should not only conclude the existing hostilities but also prevent the next war."

A treaty could contribute to peace and stability within the East Asian region by restarting the Six Party Talks.

After all, it is "one of the four goals of the 6PT [...] There would, therefore, be the clear expectation that the DPRK would have to make a very major concession toward the goal of denuclearization", says Tristan Webb, an analyst for *NK Pro*, which is affiliated with *NK News*.

Rapprochement between the U.S. and North Korea could be Pyongyang's "ticket to funds from international lending institutions, such as the World Bank and the International Monetary Fund", argues Anthony DiFilippo, Professor of Sociology at Lincoln University.

Through this increased embedment in the international community, exchanges with Japan – and even South Korea – could be enhanced and trust could be built.

While “in the absence of significant progress in resolving the abduction issue, Tokyo is unwilling to provide its share of the financial assistance promised to North Korea for its denuclearization, as required by the agreement [...] in 2007,” a peace treaty could pave the way for direct Pyongyang-Tokyo talks.

In practical terms, the peace treaty could clarify maritime border issues in the West Sea, which have led to tensions between the two Koreas, as Tristan Webb points out.

“The 1953 Armistice Agreement totally fudged the maritime border, and this is one of the first things that should be settled by a peace treaty.”

Too Optimistic?

This positive outlook is not shared by everyone. Bruce Bennett of RAND’s assessment is that “in reality, by insisting on a peace treaty, North Korea is probably not seeking peace, but war.”

He argues that North Korean calls for a peace treaty in the hope “that a peace treaty would destroy the rationale for U.S. military presence in South Korea, leading to a cancellation of the U.S.-South Korean alliance and a withdrawal of U.S. forces from South Korea.”

This could trigger a North Korean attack on its Southern neighbor to enforce unification.

James Hoare of SOAS, London worries that a peace treaty might trigger a regional arms race.

“That would create, not reassurance, but major apprehensions in both the ROK and Japan about the extent of the U.S. willingness to support them,” he says. “Such worries would most likely lead to a huge increase in conventional weapons and possibly a decision to acquire nuclear weapons.”

“It is also necessary to take into account the fact that broader regional geopolitical tensions in East Asia are deepening rather than disappearing,” agrees Kevin Gray of the University of Sussex.

This requires an evaluation of how relations between the U.S. and China would be affected by a peace agreement.

“A U.S. peace treaty might increase Chinese influence in the region while, I suspect, doing little to improve US-China relations”, says James Hoare.

Through the withdrawal of U.S. troops and ceased U.S.-ROK maneuvers, China would gain strategically while the chances for direct U.S.-China encounters would reduce. Whether this reduces the competition between the two countries in the region is questionable.

“From the Chinese perspective, North Korea is not, and probably will never be, China’s largest national security threat,” Yun Sun of the Brookings Institution argues that whether the relation differs does not depend solely on the Korean question.

To some extent, the North Korean case even helps the U.S. against China. Korean tensions could thus be considered secondary, serving a greater strategic purpose, as Kevin Gray argues.

“The failure to find a solution to the Korea issue is closely related to the ability of the U.S. to maintain its military bases and to Washington’s ability to keep both South Korea and Japan strongly pro-U.S. The DPRK nuclear issue has, therefore, become an essential justification for the encirclement of China,” he says.

A peace treaty’s influence on peace and stability is ambiguous, at best. The least a peace treaty would do is to “offer a good test as to whether the North genuinely felt threatened before and saw a treaty as reducing that threat,” says Doug Bandow. If so, a peace treaty “would be a major boon for Northeast Asia.”

Economic Impact

Again, the type of changes depend on what happens after a peace treaty, as Tristan Webb asks.

“Does the DPRK follow up with progress on meeting requirements to join groups like FATF, and does the U.S. reduce its bar on the DPRK joining international financial institutions?”

Anthony DiFilippo holds the view that North Korea is counting on the latter and sees its support for a treaty as being motivated by economic pressure.

“The DPRK’s economy is struggling, and with a peace treaty, the international sanctions imposed on North Korea would likely be lifted.”

If that is the case, “a peace treaty will be a bonanza. North Korea can resolve its security concerns, enhance economic conditions, and induce an immense foreign direct investment”, says Moon Chung-in.

This would bring economic improvement, according to Nicholas Eberstadt of the American Enterprise Institute (AEI), who sees enormous potential in human capital, business opportunities and geographic location as good preconditions for a second Korean economic miracle.

Until today, this is impeded by “the worst business climate in the world” which is destructive to economic development. Significant policy changes “would be full of promise for the whole international community.”

Given the potentials in labor and investment opportunities, Kevin Gray, therefore, expects great changes from a peace treaty.

“It seems reasonable to expect that even a modest improvement in the DPRK’s security situation and a degree of relaxation of sanctions would greater facilitate the DPRK’s efforts to attract investment.”

How these increased economic activities might also lead to an enhanced political embedment remains debatable. James Hoare argues that “countries act according to what they see as their interests and try to get around things that interfere with that.”

“I suspect that nobody can offer the DPRK the security that it seeks and that it would remain inherently suspicious of the rest of the world’s intentions towards it.”

Contrarily, Kevin Gray finds: “the engagement strategy pursued under the Kim Dae-jung and Roh Mu-hyun governments did a great deal in enabling the DPRK to get a diplomatic presence in the West, and so there is an existing precedent for facilitating the DPRK’s greater integration politically.”

“The barriers to the DPRK’s greater political participation do not seem to be particularly great.”

Setting A Precedent

“If two arch-enemies like the DPRK and the U.S. could achieve a peace treaty, then that would surely be an inspiration for other parts of the world”, says Tristan Webb, naming the Kashmir conflict as an example.

“It might at least put some political pressure on [India and Pakistan] to try and resolve the issue peacefully.”

Due to the unique features of North Korean, however, its impact on other regions might be limited.

“A treaty process which did more than just deliver a paper declaring the war over could have broader effect as an example if it helped promote reconciliation not only between the two Koreas, but the North and other adversarial states, notably Japan and America,” Doug Bandow says.

“But a treaty which simply remained a piece of paper, while traditional hostilities and threats continued, wouldn’t offer much.”