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APEC as a Tool to Engage North Korea

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Is it possible for Asia-Pacific leaders to engage North Korea's regime productively? If so, by what institutional mechanism might engagement take place? Since the most likely response to the initial question is no, why think about a mechanism by which the engagement process might begin?

Despite this common assessment, the perilous and declining environment that the North Korean government is creating strongly suggests that regional leaders should be alert for any sign from the regime that it is open to engagement. In the event that a promising sign shows up, it makes sense for diplomats, security professionals and other specialists to think about how to respond. In fact, the more dangerous and threatening the North Korean government becomes, the more urgent it is for leaders to look for and find a de-escalatory way to deal with the regime. Finding one will not be easy, but trying is essential, because despite decades of sanctions and isolating initiatives, North Korea is becoming more aggressive. Recently there have been signals that the regime is close to taking irrational and destructive action.

The current environment exists largely because the regime has remained immune to moderation. Nothing has worked. China's attempt at intervention has limits; military action against the regime would be complex and risky; and there is little hope for near-term regime change. At present, no other option is being discussed because nothing appears plausible or workable. However, under certain conditions, the regime might be ready for multilateral engagement. This is a "longshot," but conditions could become bleak enough to force the regime to consider engagement. The Asia-Pacific Economic Community (APEC) holds the potential to be a mechanism of such engagement. It's the type of institutional affiliation North Korea needs. APEC would be a reasonable, modest, and low-risk initial step to take on the road out of isolation.

The conditions that may compel North Korea's leadership to move towards diplomatic engagement include the following: (a) the policy of nuclear and ballistic testing and development aimed at the "outside" is costly, not yielding sufficient benefits and is dangerous; (b) in response to the tests, the "outside" is imposing economic and financial sanctions that are impairing the economy's capacity to function and the public sector to operate; (c) the "outside's" military response to North Korea's actual use of its nuclear and ballistic capacities would be so devastating that it would leave the regime and the country in ruins; (d) the magnitude of the economy's failings are so acute that even with China's assistance, dealing with them requires resources from the "outside"; and (e) while China wants neither a failed state at its southern border nor a

Robert L. Curry, Jr., Professor Emeritus of Economics at CSU Sacramento, explains that "Under certain conditions, the regime might be ready for multilateral engagement."

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flood of refugees crossing it, its government has other objectives and cannot continue to provide the level of financial and economic assistance needed by the regime.

Such calculations on the part of Pyongyang might compel the regime to think about engagement. APEC would be a useful and plausible option because its focus is on assisting member economies to strengthen their capacities to develop economically, to mature their private sectors, to benefit from industrial technology transfers, to be a party to regional cooperation, and to receive the benefits of trade expansion. Importantly, the scope of APEC’s programs fits nicely with North Korea’s needs as it struggles with resource shortages, infrastructure frailties, supply chain interruptions, impaired labor and managerial attributes, distributional inequities, a low level of national and personal income, and one of the world’s lowest levels of human development.

APEC’s structure and conditions of membership also fit North Korea’s needs. APEC limits its actions to economic cooperation and development, and avoids entangling in the affairs of member economies (or sovereign states). APEC stays clear of territorial and other disputes among states and imposes no strict conditions of membership. The way it works would give some time for North Korea to adjust to engagement on a partnership basis. North Korea would necessarily begin as an official observer. Gaining full membership would come later and getting there would not be an easy journey. Numerous political and legal obstacles and long-held opinions would stand in the way. However, if these obstacles could be overcome, both North Korea and the “outside” might benefit.

The journey can only take place if North Korea chooses to move out of isolation and at the same time the “outside” agrees with the move. This would require openness to contacts, associations and discussions for which APEC would be helpful. North Korean officials could observe and become familiar with the professionals who work in topic-based APEC committees. For example, they would learn about APEC’s Individual Plan of Action program. Each member economy’s Plan takes place in two steps: in year one, the Plan is designed with the assistance of APEC-based specialists and technical professionals. The goal is to identify critical shortcomings and design ways to overcome them. In year two, each member economy reports on the progress that it has made since year one. By repeating the process, over time each member economy is able to move along a path leading to economic growth and development. A similar effort by the North Korean government would be extremely valuable. It would require the regime to think clearly about how to achieve genuine economic progress with the help of the “outside.”

At some point the regime will need to make this fundamental a decision: either cling to its nuclear/ballistic programs even though its outputs likely will never be used, or move away from the programs to some degree while moving in the direction of multilateral engagement with its Asia Pacific neighbors. APEC could be a place to start.

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