For decades, both North Korea and the United States have in their own way thwarted efforts to resolve the threat of a nuclearized North Korea. Both have cheated on, or failed to fulfill, past agreements to bring a halt to Pyongyang’s nuclear program.

Under Kim Jong Un, North Korea has achieved a level of nuclear and missile development that has finally caught the eye of Washington and the American public. Is peace still possible?
Donald Trump and Kim Jong Un: There’s More to Foreign Policy Than The Art of the Deal
By Paul Barratt

Much of the success of US foreign policy in the period following the end of the Second World War can be attributed to the transformational approach taken by Washington, which put in place an institutional architecture that enabled the era of globalization that has defined the modern period.

But the world is now saddled with a US president whose transactional approach to diplomacy — honed by years of doing real-estate deals — combined with a temperament that often puts himself at the center of all things, holds serious risks in dealing with threats such as those posed by North Korea, writes Paul Barratt.

The value proposition on which Donald Trump put forward his candidacy for the Republican nomination to become US president, and on which he campaigned, was that he could “make America great again” because as a businessman he knew how to do a deal, and he would set about doing the deals that would restore the United States to its rightful place in the world. The proposition is that business practices would triumph over the effete practices of diplomats, and deliver more effective outcomes for US diplomacy. In order to examine that proposition, it is useful to establish a reference case by examining a good example of a more traditional approach to foreign policy, then examine in the abstract whether the approaches and skills of a businessman are likely to produce a better outcome, and finally, examine whether there are characteristics of the businessman in question that might get in the way of delivering on whatever potential the “businessman model” might have.

Long before the Second World War came to an end, the US began to address the question of what the post-war world should look like. With its British ally, it set about drawing up a charter for the United Nations, the first article of which would require its members to make every effort to resolve international disputes by peaceful means. In 1944, the US led the establishment of the so-called Bretton Woods institutions, the World Bank and the International Monetary Fund.

In the immediate post-war period, the US presided over the adoption of new, democratic constitutions in Germany and Japan, and the strengthening of their civil institutions. Through mechanisms such as the Marshall Plan, it set about rebuilding Western Europe’s shattered economies.

It pressed for the establishment of international architecture to bring about trade liberalization, leading to the General Agreement on Tariffs and Trade (GATT), which was signed in Geneva in 1947. Informed by the notion that the world would be a more prosperous place if its myriad economic activities were concentrated in the countries best placed to undertake them, the GATT was dedicated to reducing of tariffs and quotas by the exchange of reciprocal concessions. The US reinforced the intent of trade liberalization by establishing aid programs to assist the poorest countries to improve the living standards of their people.

Both of these programs gave appropriate recognition to future benefits — most of the actual economic gains would be realized only incrementally but they would be valuable nevertheless, and transform the world over time.

In bringing about the establishment of the North Atlantic Treaty Organization (NATO) in 1949, the US not only established defence and security architecture for the defence of Western Europe, it explicitly recognized peace as a public good — something which is enjoyed either by everyone or by no one — hence the language about an attack on one being an attack on all and acting to meet a common danger.

In 1951, the UN Refugee Convention established humane, orderly processes for the resettlement of those still displaced by the war in Europe.

Over time, the US also recognized explicitly the virtues of “soft power,” a term coined by Harvard academic Joseph Nye in his 1990 book Bound to Lead: the Changing Nature of American Power and elaborated in his Soft Power: The Means to Success in World Politics (2004). The term “soft power” recognized the benefits of using inspiration and co-option to persuade others to do what you want, rather than hard power means such as payment and coercion. Hollywood, popular music and the lifestyle embodied in the American Dream are all indirect instruments of US power.

I would characterize the approaches outlined above as the instruments of a transformational foreign policy. The people with their hands on the levers were explicitly asking themselves what kind of a world they wanted to see, and what they needed to do to get there.

In so doing, they were behaving in a deeply strategic manner — seeking to shift the operating environment in their favor — in contrast with a tactical manner, which is figuring out the best way to respond to the environment as you find it.

Transactional = Dysfunctional

Viewed in this light, the transactional business practices of the real-estate mogul have little to contribute to the practice of foreign policy. At a fundamental level, law-abiding business people are for the most part obliged to operate at a tactical level. They can do some strategic things via advertising and the establishment of brand identity, and they can campaign to have the rules changed, but they do not have the opportunity to operate at the strategic level that an influential sovereign state does.

Futhermore, one would expect that someone who is in the business of buying, developing and selling or operating real estate would have several characteristics that would be inimical to the management of a forward-looking foreign policy. Such a person is likely to place a high discount on the value of future benefits — the business is very much about cash flow, it is about making money now, not at some unspecified time in the future, and it is certainly not about making money or creating wealth for other people. One would not expect such a person to see the value of foreign aid programs.

Similarly, one would not expect such a person to take account of, or even think much about, external costs and benefits, or fancy notions like “public goods” or “soft power.” The private real-estate developer can only capture the benefits that are internal to a project, so why not make the building as tall as possible and not worry about the impact on traffic congestion or the need for more public open space, or about overshadowing other buildings or blocking other people’s views. If state or local governments establish regulations or planning guidelines that protect the interests of others, then clearly government is too big and we should demand smaller government and lower taxes.

The transactional approach to foreign policy becomes particularly dysfunctional when it comes to trade and investment policy. Each “deal” is considered in terms of zero sum game theory — anything that’s good for you must be bad for me. Trump does not seem to get the notion underlying the world’s trade architecture — the notion that we are all better off if economic activities are concentrated in the places best equipped to undertake them. In this respect, he is somewhat behind Genghis Khan who, having established the largest empire the world had ever seen, conducted trade within it on free trade principles; the idea, in
short, has been around for a while. Trump, on the other hand, looks at the trade imbalance between the US and China (with the US running a deficit of US$347 billion deficit in 2016) and describes the arrangements as “unfair” or “dumb.” He is similarly disparaging of the North American Free Trade Agreement (NAFTA). In a globalized world, however, trade is meant to be balanced multilaterally.

Country-by-country balancing is an approach more characteristic of the centrally planned economies of the Soviet era.

When it comes to Trump’s conduct of foreign policy, it is necessary in general to consider the other well-springs of his behavior — whatever psychological need was filled by hosting a reality TV series for 14 years; the need for approbation, as exemplified by the fact that since the advent of his administration, Trump has had a folder of favorable news commentary delivered to his office twice a day; his voracious consumption of cable news; his need always to be a winner; his belief that he is “the smartest guy in the room”; and the cascades of intemperate, ill-considered tweets. His need to be top dog, his stated preference for relying on his administration, Trump has had a folder of favorable news commentary delivered to his office twice a day; his voracious consumption of cable news; his need always to be a winner; his belief that he is “the smartest guy in the room”; and the cascades of intemperate, ill-considered tweets. His need to be top dog, his stated preference for relying on his own instincts, and his surly responses to situations in which he is forced to deliver messages scripted by someone else, indicate a man who will be extraordinarily resistant to new ideas, and all but impervious to advice.

Add to this his profound ignorance of the world and how it works, and you have a volatile mix of attributes that seem singularly unsuitable for a man who is both the political leader of the most powerful nation on earth and the commander-in-chief of its armed forces.

Also, it is not without relevance that Trump companies have filed for Chapter 11 bankruptcy protection on six occasions. This suggests that either he is not aware of the business risks he undertakes, or that he is aware of the risks and ploughs on regardless. Either way, not a very reassuring attribute in someone who is in command of US nuclear strike capabilities, or indeed its conventional forces.

Trump’s campaign promise to “drain the swamp” — reflective of a deep distrust of the Washington establishment — seems to have disempowered Secretary of State Rex Tillerson, another businessman attempting to grapple with foreign policy. He was not permitted to select his own deputy, and seven months into the Trump presidency, a remarkable number of key positions in the State Department remain unfilled. Any nomination of experienced diplomats to fill these roles would no doubt run the risk of Tillerson being regarded as having been “captured.”

**Fire, Fury and Reality TV**

The shortcomings have been evident from the outset of the Trump Administration, and were abundantly on display in the second week of August. On Aug. 8, the Washington Post reported a US intelligence assessment that North Korea had successfully produced a miniaturized nuclear warhead that could fit inside its missiles.

This comes as no surprise to anyone who was paying attention — we knew they would reach that milestone one day. It would have been old news to Trump, because the assessment had been completed the previous month, and would have been conveyed to the president promptly. And it was not news of an established new threat to the US. The Washington Post article noted skepticism as to whether North Korea had as yet tested the device, and that it might not yet be capable of building a re-entry vehicle that could carry the warhead safely through the upper atmosphere.

Trump responded to this article in a Washington newspaper by threatening the North Koreans — from his golf course in Bedminster, New Jersey — with “fire and fury... the likes of which the world has never seen before.” This was neither real-estate mogul nor Oval Office occupant — it was reality TV, only with a larger audience and more at stake. It was totally unnecessary.

The Kim Dynasty has engaged in attention-seeking behavior ever since the armistice with South Korea was signed in 1953, so far without provoking another conflict on the Korean peninsula. Like most autocratic regimes, its principal concern is regime survival. Siegfried Hecker, director emeritus of the Los Alamos Laboratory and the last known US official to have inspected North Korea’s nuclear facilities, was quoted in the Washington Post article as saying:

> Some like to depict Kim as being crazy — a madman — and that makes the public believe he’s undeterable. He’s not crazy and he’s not suicidal. And he’s not even unpredictable.

The cost of renewing hostilities on the Korean Peninsula is well understood to be so great that North Korea has been able to get away with extraordinarily provocative behavior, knowing that it will be denounced by the West but there will be no military retaliation. The North Koreans have a powerful conventional deterrent in the form of 15,000 cannons and rocket launchers buried behind blast doors in hard granite mountainsides well within range of Seoul, a city and greater metropolitan area of 25 million people that would be very difficult to evacuate quickly.

Since becoming president, Trump has denounced North Korea’s development of nuclear capabilities and its missile tests as “unacceptable,” but that is a nonsensical description. In the absence of an ability to do anything about it, the US will accept these developments because it must. The use of extravagant language — “fire and fury” — simply gives Kim Jong Un public attention he does not deserve and plays to his need to demonstrate to his people that the regime needs to maintain its high military posture and its development of advanced weapons.

Following Trump’s “fire and fury” outburst, some of the adults in his administration (men of the caliber of Defense Secretary James Mattis, National Security Advisor H.R. McMaster and Secretary of State Tillerson) acted to clean up the mess that Trump, either by design or sheer ineptitude, had created. Trump seemed to moderate his language somewhat in the following weeks, and the “crisis” appeared to have passed. All very well and good, but the world cannot endure too many of these amateur-hour theatricals.

In moderating his language about North Korea, Trump has reverted to his earlier stance that it is up to China to bring about the desired changes in North Korean behavior. With his transactional approach to foreign policy, he no doubt thinks that if China wants this deal enough, it can do it — all it has to do is offer Kim an attractive enough deal or an unpalatable enough threat and the deal will be done. Unfortunately, this line of thinking carries with it a dangerous inference — that if the deal is not done, then it means China is not trying hard enough. This is not the reality of China-North Korea relations, and the danger is that it will lead to avoidable tensions between the US and China.

**Business and Foreign Policy Don’t Mix**

What does all this add up to? In a harsh critique of US foreign policy, former Australian Prime Minister Paul Keating on Aug. 22 told a conference on the US-Australia alliance, “President Trump has articulated a move away from liberal internationalism and multilateralism to a more America-centric position, and the world has noticed.”

He went on to say that under Trump, “the US has eschewed its own globalization.”

In conclusion, the transformational approach to foreign policy is strategic and forward-looking; the transactional approach is reactive, tactical and focused on the rear-view mirror, tallying the scoreboard of who won or lost.

My view is that the transactional approaches of business have little to offer to the conduct of foreign policy, and that to the extent that they might, Trump is the wrong person to try out this novel approach. He lacks both the temperament and the necessary understanding of the world and how it works. It is hard to argue with The Economist’s assessment, in its August 19-25 edition, that Trump has no grasp of what it means to be president. The US, a country that regards itself as the light on the hill, would do better to return to its transformational approach to foreign policy, under the leadership of someone with the wisdom and skills to implement it.

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