

Date: November 19th, 2013
To: James Reinnoldt
From: Misha Ward
Subject: Assignment 3: Geopolitical Issues

Part 1:

North Asia: U.S.-North Korea

Question 1: *Two countries (or two groups if it is a civil dispute) involved in the dispute:*

Answer 1: The two countries involved in this geopolitical dispute are the United States of America and the Democratic People's Republic of Korea (North Korea).

Question 2: *When did the dispute begin, and with what specific event, if any?*

Answer 2: The dispute between these two countries can be traced back to the late 1940's with the division of the Korean peninsula at the 38th Parallel. North Korea found itself backed by the Soviet Union and under a communist despot, Kim Il Sung. South Korea, however, would find itself backed by the U.S. and her allies (France and Britain especially). Tensions in the area would rise drastically when the North Koreans, in an effort to unite both Koreas, invaded its southern neighbor on June 25th, 1950 with a massive surprise attack. This event would soon become a flashpoint in the Cold War between the two great superpowers: United States and the Soviet Union. By the end of the war, roughly 54,260 U.S. servicemen died while millions of Koreans had lost their lives. Ultimately, the armistice line was barely distinguishable from the prewar lines while postwar tensions would continue to draw world attention for years to come.

Question 3: *What is the nature of the dispute? (Describe this in about 100-125 words. This is the most important question)*

Answer 3: Initially, the nature of the dispute was total warfare on the Korean peninsula which devastated any sort of recover that had taken place after the Japanese surrender in 1945. After the armistice treaty was signed by members of the conflict, recovery would begin affect both Koreas due to the financial support from their allies. With the collapse of the Soviet Union and the loss of aid, North Korea would turn to extreme tactics to secure aid for her starving citizens. Such tactics include building Nuclear Weapons and (empty) treats towards America and South Korea. Today, the nature of the dispute is mostly over such tactics and the political instability that such a rogue nation causes in the region.

Question 4: *What do the different sides seek to obtain if they win the dispute?*

Answer 4: It is the belief of this report that sides seek unification of the Korean peninsula as they believe that is what is best for both countries. However, a solution to this crisis might be far off depending on North Korea's commitment to their repressive

regime. Ironically, with conditions for the average citizen deteriorating and foreign aid being cut off due to such extreme tactics, it is the people of North Korea who suffer most from this dispute. The only costs that this conflict incurred for the United States would be the lives of the service men and the military upkeep (although one could argue this is beneficial to U.S. GDP). There is an opportunity cost associated with the conflict. Imagine the economic powerhouse that a united Korea would present to the world. It can be easily assumed that the union between the two countries would have provided immense economic value in the world.

Question 5: *Aside from the two parties directly involved, are there other countries with involvement in the dispute, either directly or indirectly?*

Answer 5: There are many countries directly involved (with varying degrees of support) over the course of this conflict besides North Korea and the United States. Allies supporting North Korea included China, the Soviet Union, and the Warsaw Pact countries would support North Korea with military arms, soldiers, and training. Countries supporting South Korea and the United States were United Kingdom, France, Australia, and Japan would support South Korea with military arms, defense systems, soldiers and financial aid.

Question 6: *How does the dispute impact global trade and business? Please be very specific.*

Answer 6: This dispute has greatly affected global trade and business from both the past to the present. Due to the Korean War, the devastation of the Korean peninsula meant massive aid would be given to both North and South Korea. Numerous arguments have been made that because of the Korean War, the recovery for war-torn Japan was accelerated due to the military influx from the Allied powers supporting South Korea. With the growth of Japan and Aid from the United States, South Korea would see living conditions and manufacturing increase significantly. This growth was a leading cause for South Korea's ascension of becoming an "Asian Tiger" by the 1980's. This trend continues today with trade between South Korea and the United States would continue to increase.

Despite the successes for South Korea, North Korea would become isolated and more repressive. After the downfall of the Soviet Union, North Korea lost one of its greatest sponsors for aid. North Korea would soon find itself in a precarious position throughout the 1990's. The country's standard of living would see drastic decreases while massive famines would kill untold millions. Instead of opening up to the world like its ally China, North Korea would strive to attain global aid via ludicrous threats and development of expensive Nuclear Weapons. Every so often, this strategy and tactics has impacted trade as tensions cause stock markets around the world to contract. However, after the recent scare tactics of 2013, businesses in both South Korea and America were undeterred by the rhetoric coming from North Korea and few global trade issues emerged from the conflict.

Question 7: *What was your source for your research? (include live URLs here)*

Answer 7: <http://www.history.com/topics/korean-war>
http://www.cbsnews.com/2100-507_162-202741.html
<http://www.sparknotes.com/history/american/koreanwar/section4.rhtml>

Southeast Asia: Philippines Insurgency

Question 1: *Two countries (or two groups if it is a civil dispute) involved in the dispute:*

Answer 1: The two main groups involved in this dispute are the Philippine Government and communist insurgents (New People's Army) who are located in both the country's mountains and poverty-stricken countryside.

Question 2: *When did the dispute begin, and with what specific event, if any?*

Answer 2: The origin of the conflict can be traced back to the Japanese occupation of the Philippines in 1942 with the establishment of present militias called "Hukbalahap". Once the War was over in 1945 however, the group continued to fight against the new sovereign nation. With the support of the Soviet Union, the conflict intensified in 1968 when founder Jose Maria formally founded the New People's Army to fight against the repressive regime in Philippines.

Question 3: *What is the nature of the dispute? (Describe this in about 100-125 words. This is the most important question)*

Answer 3: The nature of the dispute is an extremely bloody insurgency that has lasted over 40 years to the present day. The conflict stems from the rural economic poverty that the Philippines experiences. Due to this unequitable distribution of wealth in the Philippines and massive support from China, Vietnam, and the Soviet Union during the Cold War, poor farmers turned to violence to achieve their goals. Due to these conditions, the conflict intensified immensely during the late 1960's and 1970's leaving thousands of soldiers and civilians dead while the Filipino infrastructure was severely weakened. The insurgency, although destabilized over years of conflict and deprivation of aid from allies, has continued to wreak havoc in many parts of the Philippines.

Question 4: *What do the different sides seek to obtain if they win the dispute?*

Answer 4: Research hints that the groups in this conflict do not wish to end the dispute due to the massive resources required for both sides of the conflict to end it. Currently, it seems that the ongoing conflict is preferable to the government than risking a high risk military operation in an effort to the communist movement. Additionally, due to another insurgency in the southern Philippines, the military is not strong enough to fight such a battle at the present time. In a similar situation (although much weaker), the communist insurgents are unable to gain grounds due to the lack of funds. However they do still pose

a real threat to local communities with fatalities in 2012 reaching up to 180 people. At this point in the conflict, it seems that the communist insurgents are trying to maintain control and power, not topple the government like they once were.

Question 5: *Aside from the two parties directly involved, are there other countries with involvement in the dispute, either directly or indirectly?*

Answer 5: Like the Korean conflict, there have been many other countries drawn into this conflict. The Philippines government has been supported by the United States while the communist insurgents have been backed by China, Vietnam, and the Soviet Union. However, in recent times, the alliance system supporting the communist insurgents has weakened with the fall of the Soviet Union. Although the United States still supports the Filipino government, their military efforts are mainly focused on the Muslim insurgency.

Question 6: *How does the dispute impact global trade and business? Please be very specific.*

Answer 6: The disagreement impacted global trade and business in various ways. The insurgency has hindered efforts to improve the country side as any attempts of giving aid have been targeted by the insurgents. In addition to this, one of the main tactics for the insurgents was to kidnap local officials and business men for ransoms or assassinations. Such attacks only helped to hinder the economic growth of the Philippines and delay much needed foreign investment. From the 1960-1980's, America would be the dominant foreign investor in the Philippines. By the collapse of the Soviet Union, Japan would replace America as the top foreign investor while other countries would also invest heavily.

Question 7: *What was your source for your research? (include live URLs here)*

Answer 7: <http://www.crisisgroup.org/en/regions/asia/south-east-asia/philippines/202-the-communist-insurgency-in-the-philippines-tactics-and-talks.aspx>

<http://www.bbc.co.uk/news/world-asia-17038024>

<http://alittleviewoftheworld.wordpress.com/2013/04/27/the-insurgency-still-tearing-apart-the-philippines/>

Middle East/South Asia: U.S.-Iran

Question 1: *Two countries (or two groups if it is a civil dispute) involved in the dispute:*

Answer 1: The two countries involved in this dispute are mainly the United States of America and the Islamic Republic of Iran.

Question 2: *When did the dispute begin, and with what specific event, if any?*

Answer 2: The dispute can be traced all the way back to the 1940's with America's growing involvement in Iran during World War Two. The involvement was to ensure that

oil, military supplies and financial aid was available from British India through Iran to the Soviet Union during World War Two. During the inter war period, the U.S. involvement in Iran would start to upset many of Iranians who were already very tired of westerners running their country. Regardless of this building resentment, the U.S. would force the Iranian government to allow U.S. military bases to be placed throughout the country. In 1953, a popular election of a nationalist (who opposed the western interests) in Iran would drive the U.S. to depose the democratically elected government and reimpose the unpopular Shah (King). By 1979, tensions in the country erupted with the Iranian Revolution causing the U.S. embassy in Tehran to be overrun and taken over for 444 days. The takeover of the embassy in resulted with all diplomatic ties between the two countries being cut off.

Question 3: *What is the nature of the dispute? (Describe this in about 100-125 words. This is the most important question)*

Answer 3: The nature of this diplomatic conflict was born from both severe mistrust and misunderstanding from both leaders in Iran and the United States resulting in intense international relations and steep economic sanctions (on Iran and its ally Syria). The drive for nationalist sentiments was fueled by the ever greater United States involvement in Iran to prevent Soviet expansion. Ironically, this effort to prevent the expansion of the Soviet Union failed with the complete overthrow of the Shah in 1979 and the ending of sovereign relations between the two countries. Today, the United States still does not recognize Iran while Iran has declared its mission become a regional superpower.

Question 4: *What do the different sides seek to obtain if they win the dispute?*

Answer 4: The two sides seek very different victory conditions. For the United States, the victory conditions are to ideally have a democratically elected government in Iran that does not peruse nuclear weapons or the destruction of Israel. Pragmatically, the U.S. would probably settle for a non-nuclear state with reestablishment of trading relations (mostly for oil). Iran on the other hand, ideally wants to become a regional superpower with nuclear technology to deter aggressive acts from both Israel and the United States. By becoming a regional superpower, Iran could then support regional uprisings across the Middle East and other predominantly Muslim nation-states.

Question 5: *Aside from the two parties directly involved, are there other countries with involvement in the dispute, either directly or indirectly?*

Answer 5: Other countries involved in this dispute include countries like the Soviet Union (present day Russia), China, United Kingdom, Saudi Arabia, Iraq, and Syria. These countries all have varying degrees of involvement. Countries like United Kingdom directly involved in the exploitation of Iranian oil fields prior to the Iranian revolution but have sense yet to mend diplomatic ties. However, countries like China and Russia have strengthen ties with Iran and are major trading partners. Countries like Saudi Arabia, Iraq, and Syria all pose interesting questions in relation to Iran's regional superpower's dominance. A major example of this would be the Iran-Iraq war that lasted 8 years and

cost up to 400 billion dollars. Additional costs for the war included tremendous strains on oil prices, significant impacts to trade in the region, and post war inflation.

Question 6: *How does the dispute impact global trade and business? Please be very specific.*

Answer 6: This dispute greatly affects global trade in a number of ways. As mentioned before, Iran has tremendous supply of oil which has been impacted by wars and sanctions throughout the years. These wars and sanctions have mainly been targeting Iran's oil due to the significance on Iran's economy. However, these economic sanctions and wars have hurt everyone involved as not only was there a horrible human cost but a large economic cost in every country involved. Iran's insistence for developing nuclear weapons have drawn international condemnation and sanctions. These sanctions have steadily damaged Iran's economy as high inflation has hindered many business loans and economic growth in the country. Because of the sanctions, many countries in the world go without Iranian oil which raises already high gas prices. This is especially true in Europe which used to rely on Iranian oil.

Question 7: *What was your source for your research? (Include live URLs here)*

Answer 7: <http://www.britannica.com/EBchecked/topic/387594/Mohammad-Reza-Shah-Pahlavi>

<http://www.history.com/topics/iran-iraq-war>

Part 2:

Question: What did you learn from this assignment? Was it worthwhile?

Answer: I learned that geopolitical issues around the world can fundamentally change how countries deal with one another and momentarily affect trade around the world. A great example of this is how Iran used to be a significant ally for the U.S. until the Iranian Revolution. The revolution was a paradigm shift which saw Iran withdraw from international trade and rely mainly on China and Russia for economic activity.

I also learned how internal insurgency can really deter foreign direct investment and hurt the country significantly. Although this seems obvious, the case with the Philippines highlights the importance of a government doing everything in its power to create a society that allows people to peacefully voice their opinions deter them from using violence. The Philippines shows what happens when such efforts fail. Despite high foreign investment in countries like Japan, Taiwan, Hong Kong, and South Korea, the Philippines would see horrible conflict due to these conditions for more than 40 years.

Ultimately, this assignment really helped me understand how important geopolitical issues are for efficient trade networks and that any type of conflict, either

isolated in a country, or on the grand stage of international politics, can fundamentally harm all the countries involved on both a human and economic aspect.