

THE AMERICAN, SOUTH KOREAN AND JAPANESE NORTH KOREA POLICY AND THE DPRK'S RESPONSE

Ming Liu

The year 2000 will probably be remembered as a year in which a historic milestone occurred on the Korean peninsula - the breakup of the Cold War structure that has existed since the end of World War II, which was caused by the heads of the two long-opposed states sitting together for the first time for dialogue, while several allied countries and North Korea simultaneously began to advance the rapprochement process. As a matter of fact, the Korean Peninsula issue is about North Korea's external military posture and the statue of its domestic economy, and involves the related polices of all countries concerned, which includes South Korea, the US, China, Russia and Japan. This paper will be confined to research on the current American, South Korean and Japanese North Korea policy and the DPRK's response to these policies.

American North Korea Policy: Retrospect and Development

Policy Objectives and Evaluation

Since the Korean Peninsula was divided at the end of the Korean War, the U.S. has maintained a policy of isolation and containment towards North Korea for over 40 years. However, the 1993 nuclear crisis finally forced the US to tackle the issue of North Korea directly. From that time on, the American North Korean policy shifted from that of isolation and containment to one of engagement.

The new approach is based on the goal of protecting America's long-term interests in Northeast Asia and the Korean Peninsula, and of better handling North Korea's threats and challenges in the new environment. The 1994 Geneva Agreed Framework, which was a relatively desirable option considering the worst-case scenario of that period, served as a starting point for the Clinton policy of engagement towards North Korea.¹

America's North Korea policy could be divided into four parts: The first part is the Agreed Framework, which is the basis of the entire policy, but the goal is narrow. The second part is a policy mixture composed of the Four-way Talks that seek to impose a final solution on the Korean Peninsula and humanitarian aid to keep North Korea from collapsing and to induce it to come out of its isolation. The third leg of the policy is to develop normal bilateral relations with the DPRK, such as setting up liaison offices in both capitals, removing economic restrictions on North Korea and cooperating to find the remains of soldiers from the Korean War. The last goal of the policy is designed to prevent Pyongyang from testing, deploying or exporting long-range ballistic

1 Mitchell Reiss, Dean of International Affairs and Director of the Wendy and Emery Reves Center for International Studies, College of William & Mary in Williamsburg, Virginia, thought the current US approach to North Korea is not ideal but the least worst option. A testimony in the House of Representatives on March 16, 2000.

missiles and missile technology or equipment to third countries.

To evaluate the effects of the above policies, we should not examine these four parts separately, but should focus our attention on the basis of the policy. Regarding the implementation of the Agreed Framework and the completion of the light-water reactors, which are behind schedule, the US has accomplished what the agreement stipulates: the North Korean graphite moderated nuclear reactor at Yongbyon is still frozen and the spent nuclear fuel rods have been destroyed. There is no significant evidence showing that North Korea continues its nuclear program, although it has threatened to pull out of the agreement. Due to the agreement, Washington has been able to avoid several negative consequences, in addition to war. If the agreement had not been signed, US military deterrence on the Korean Peninsula would have weakened, global nonproliferation regimes would be damaged and Japan and South Korea would probably emulate the path that North Korea had pursued, kicking off a regional arms race.²

In other areas, talks on North Korea halting its long-range missile program have achieved the first step towards success in 1999 after the Berlin meeting. Talks on missile exports, which resumed in July of 2000 in Kuala Lumpur after a 15-month suspension, became stalled over demands by the DPRK for compensation. The situation looked more optimistic in autumn of 2000 after Secretary of State Albright received a personal pledge from Kim Jong-il that North Korea would not launch any more missiles. However, after the inauguration of George W. Bush, who asked the North Koreans to verify any future missile deal, the prospects for a quick agreement became unclear.

2 William Perry, "United States Policy Toward North Korea: Findings and Recommendations," p. 3, October 12, 1999, and according to Security Review 28 of Bush Administration, there were seven serious consequences if North Korea owned nuclear weapons. Please see Joel Wit, "Clinton and North Korea: Past, Present and Future," *Policy Forum* #00-02, The Nautilus Institute for Security and Sustainable Development, p. 3.

The normalization process (including MIA excavation work) has come to a standstill, because neither North Korea nor the US is in a hurry to reach an agreement and there are other issues that need to be resolved first. But more importantly, Pyongyang's hostile posture and threats have diminished due to the relaxed atmosphere on the peninsula and North Korea's improved relations with the Western world. Also, the American soft-landing policy and international rescue operations have saved North Korea from imploding over the past several years, avoiding a major war or conflict on the peninsula. Unfortunately, the Four-way Talks have not made any substantive progress so far, but at this stage no progress is expected because a real reconciliation between North and South Korea and a full normalization of relations between the US and the DPRK should take place prior to meaningful peace talks.

US-North Korean relations are still in the initial period of transformation, which focuses on the full implementation of the Agreed Framework as well as the suspension of North Korean missile testing and exports. Comparatively speaking, Pyongyang regards the nuclear accord as being more important than any agreement on missile and conventional weapons. Before any substantive progress is made on this project, it will be very difficult to expect Pyongyang to make more concession on other issues. For North Korea, it is quite unsatisfied with the current state of implementation of the Agreed Framework. The agreement is five years behind the original schedule to deliver the light-water nuclear reactors, which disrupts the North's timetable for solving the serious energy problem and reviving its feeble economy.³ Second, America did not fulfill its promise to lift economic sanctions against North Korea. As stipulated by the agreement, though it is

3 North Korea asks for compensation, which is justified in terms of Agreement on Supply of a Light-Water Reactor Project in the DPRK between KEDO and the DPRK, signed on Dec 15, 1995 (Section 2, Article XVI—Actions in the Event of Noncompliance).

ambiguous on the specific terms, the two sides pledged to move economic restriction within three months, but the US prolonged the sanction for another five years until September of 1999.⁴

Under this condition, it was understandable that Pyongyang would act in its own national interests, but even so, the North did not attempt to abolish the Agreed Framework or stop dialogue with the US, and it finally allowed American inspection of Kumchang-ri and halted its well-prepared long range missile launch in 1999, all of which signified the beneficial effects of the engagement policy.

Problems in the Execution of American Policy

There is no denying that the above policy, which combined previous and current policies, was inherently flawed and has not been carried out properly.

First, the Agreed Framework did not include any language about inspection of other nuclear-related sites, an error that accounted for the later passive stance taken by the US. Of course, no one at that time could predict that Pyongyang would build other suspected underground facilities, but the US could have reserved the right to guarantee North Korea's full compliance with the agreement.

Second, the administration failed to attach enough importance to the complexity and seriousness of the implementation of the accord after the two countries signed the nuclear agreement and Robert Gallucci left the administration. From 1996, the Clinton Administration diverted too much attention to preparing possible scenarios for North Korea's collapse and began to promote two new policy initiatives: massive humanitarian assistance for a soft landing and Four-party Talks to establish a peace mechanism on the Korean Peninsula, both of which

4 It is mentioned in the Section 1 of Part II of the Agreed Framework. Actually Clinton did easing few items of sanctions on January 20, 1995 such as on direct telephone links.

lacked effective policy coordination among different agencies by a high-level official.⁵ Due to the frequent shifting of policy priorities, the work of implementing the Agreed Framework lost its impetus.

Third, the Clinton Administration did not make a great effort to obtain Congress' full support for its North Korea policy and the Agreed Framework, which greatly weakened the administration's ability to effectively cope with Pyongyang and urge it to abide by the nuclear accord. Without Congress' coordination and understanding, any American policy is incomplete and will face difficulty in implementation. The delayed delivery of heavy oil to North Korea and the Republican congressmen's "North Korea Advisory Group" report and related resolution of "North Korea Threat Reduction," made Pyongyang somewhat dubious of America's real intentions and the credibility of its commitment, damaging American-North Korean relations.

All these problems could be generally attributed to several factors: the administration's lack of determination to improve relations with Pyongyang, no real trust of North Korea's intentions; and on the domestic partisan politics side: prevailing criticism and pressure from Republicans and the media towards the status quo; on the external side, Japanese resentment towards America's low-key response to the DPRK's missile launch. Because of these factors, North Korea policy was dangerously adrift until the policy review by William Perry was completed.⁶

5 Being a former US State Department official working on Korea issue, Joel Wit hinted the government adopted a wait-and-see policy for implementing the nuclear agreement because of the uncertain prospects of North Korea between 1995-1997. Please see Joel Wit, "Clinton and North Korea," p. 5.

6 Leon Sigal, "Negotiating an End to North Korea's Missile-Making," *Arms Control Today*, June edition, 2000, p. 5.

Policy Review and Its Effects

The North Korea policy review, undertaken by William Perry, was the result of a congressional requirement and situational developments on the Korean Peninsula, and proved to be very timely. The positive effects of the review are as follows:

First, it resumed and strengthened the administration's leadership role in coordinating North Korean policy, accelerating the issues resolution process and justifying the Clinton administration's engagement policy. It openly discarded the idea that America should not hurry to make a deal with North Korea for it would soon collapse and a new government would be set up.⁷ More importantly, the policy review helped stop North Korea from continuing its missile test firings, otherwise the necessary support for the Agreed Framework would be further undermined and American security strategy could not have been firmly sustained.⁸

Second, the adjusted policy not only absorbed various pragmatic views from a great number of scholars, but also took into consideration the Republican hard-line position. Based on this relative consensus, the policy analysis of the current Korean situation and future developments seemed to be more objective and sagacious, and it was instrumental to the policy implementation.

Third, the review clarified a new focal point for North Korea policy, producing a relative comprehensive scheme for problem solving. The policy review made American policy, which had been ambiguous and uncertain in the past, clear to North Korea. And the tactics that the DPRK deftly used to manipulate the US in the past will now have very

7 Cheong, Wooksik, "Two Reports on North Korea," *Nautilus Policy Forum* #99-07J, December 15, 1999, p. 3.

8 William Perry's testimony on the Subcommittee on East Asian and Pacific Affairs, the Senate Foreign Relations Committee, October 12, 1999, p. 4, an official transcript of US Department of State.

limited maneuvering space, and any step going beyond the line drawn by the US will face incalculable consequences.

Fourth, in the process of formulating the Perry Report, Perry visited Seoul and Tokyo several times for consultations. This started the trilateral consultation process among the three countries. Since the Trilateral Coordination and Oversight Group (TCOG) was set up, the three countries have synchronized their North Korea policy more tightly than ever before.

However, as the new administration openly displays distrust of Pyongyang's top leader, setting new conditions for future talks on the missile issue and the normalization of relations since the completion of the North Korea policy review in early March of 2001, the US has mostly deviated from the Perry course. Therefore, all the potential good effects of Perry's initiative have been frustrated, and the US will have to seek a new starting point, if it wishes to renegotiate most of the issues with the DPRK according to its new terms. No doubt, the remaining problems and obstacles look more arduous than before for the US.

First if the two light water nuclear reactors could be completed before 2007, then there are several legal and technical problems waiting to be resolved: 1) Whether North Korea could assume proper nuclear liability after it takes control of the LWR plants, and if there is any accident, who should take responsibility; 2) Whether KEDO should set up an internationally acceptable nuclear liability regime to check and make sure that Pyongyang does not produce plutonium again; 3) In addition to the different electrical systems, is the North Korean electric grid capable of sustaining two large reactors? So far no one is willing to pay for a new modern electric grid for Pyongyang, which means the LWR project could be idle after its completion; and 4) According to the Agreed Framework, the DPRK should allow the IAEA to access the sites of all its past nuclear facilities, examining how much weapons-grade plutonium had been enriched after a "significant portion" of the

LWR project is complete. But so far, the IAEA and North Korea have a different interpretation of the timing of the access. The IAEA complained that its staff was not allowed by the DPRK to access the sites for the special inspection, while the US threatened to stop all work on the construction site.

Second, if there is a package deal on North Korea missile for commercial satellite, some problems will have to be tackled: where the satellites could be launched, where could the US find funding for the launches, and how could allied countries verify North Korean satellite usage? In terms of American domestic politics and law, it would prohibit any new long-term compensation plan for a North Korean weapons development program, and as for other countries, like Japan, they would be reluctantly to foot the bill for an American deal with the DPRK like the Agreed Framework. Therefore, the deal would be a political burden for the US. At the same time, North Korea would exert its entire means to resist any extremely intrusive verification measures in any future missile agreement and quash any American attempt to bring conventional force reductions into the talks.

Third, given that many conservative Republicans dominate North Korea policy-making in the US, North Korea is thought to be the worst tyrant in the world and a permanent threat to American interests. Thus, so long as North Korea keeps its political system, the US could not maintain good relations with the country.

Fourth, as George W. Bush toughened his stand toward Pyongyang and currently is preoccupied with the campaign against terrorists in Afghanistan, Kim Dae-jung's sunshine policy now is in jeopardy. If the US is unwilling to back the Clinton administration's engagement policy in principle toward North Korea, and the Afghanistan War is a prolonged affair, the inter-Korean reconciliation process could not further develop since Pyongyang demands that progress in inter-Korean cooperation depends fully on the development of relations with the US. Therefore, South Korea resents Ameri-

can policy very much, which probably will lead to popular negative sentiment toward the US-South Korean security alliance and official position incongruity in the allied countries policy coordination.

South Korea's Engagement Policy and Its Effects

When Kim Dae-jung assumed the presidency, inter-Korean relations were shambles. The new president had to revise former President Kim Young-sam's ineffective engagement policy that aimed at imposing cooperation upon Pyongyang based on economics. In order to explore a new path to engage North Korea, the new government decided to formulate a comprehensive and integrated policy that intended to induce Pyongyang to reform and coexist with Seoul through stepped-up exchanges and contacts.⁹

Characteristics of the Policy

In the process of implementing Kim Dae-jung's engagement policy (the so-called "sunshine" policy), there appeared several distinct characteristics. The first was the separation of economics from politics. In South Korea's official point of view, the most realistic policy alternative that could lead to North Korea's gradual transformation is to expand inter-Korean cooperation, which could serve as a basis for promoting a North Korea policy.¹⁰ Considering that Pyongyang refused to develop inter-governmental contacts with the South at that time, private business cooperation would be taken as the most desirable channel linking the North.

The benefits for this approach were: First, the government shunned

9 Paik, Jin-hyun, "New Concept of Engagement Policy toward North Korea," *Korea Focus*, Vol. 8, No. 2, 2000, p. 2.

10 *Korean Unification Bulletin*, Vol.1, No.1, July 1998, p. 7.

political risk, while avoiding any economic responsibility or political entanglement for the failed operation of a non-market economic system. By doing so, the chances for inter-Korean exchanges would increase, and it also helped reduce the North's hostility, enlarging its economic dependence on the South, awakening its sense of reform, and finally paving the way for the two Koreas peaceful coexistence.¹¹

The second benefit of the approach was the establishment of a flexible principle of reciprocity. In carrying out the engagement policy, South Korea had to stress the importance of reciprocity, since the goal of the policy was to induce Pyongyang to abandon its belligerent posture and to begin coexisting and cooperating with Seoul. However, if the North failed to reward South Korea's good intentions, this policy could not be sustainable. As a democratic government, in some cases, it had to take public opinion into consideration.

Of course, the South later modified this persistence during the peace talks in a manner that was more flexible. Seoul claimed that it would no longer ask for quid-pro-quo from Pyongyang for governmental economic aid so long as the North made a certain degree of efforts to improve inter-Korean relations.¹² As for humanitarian assistance, the South Korean government believed that this could be carried out without any strings attached. This new attitude meant the South would treat the North in a more generous and tolerant way. Encouraged by this flexible approach, the Seoul government not only approved the Mt. Kumgang Project, but also agreed with the Hyundai Group's plan to establish an enterprise zone in the North in January of 1999. As a positive response, North Korean leader Kim Jong-il met the South Korean tycoon, Chung Ju-jung, honorary Chairman of Hyundai Group on October 30.

The third characteristic was a low-key approach towards crisis. In

11 Yang, Young-shil, "Kim Dae-jung Administration's North Korea Policy," *Korea Focus*, Vol. 6, No. 6, 1998, p. 51.

12 Please see *Korean Unification Bulletin*, Vol. 1, No. 1, July 1998, p. 6.

the past when the ROK faced provocative actions from the DPRK, it routinely would respond aggressively to any provocation in a like manner. Consequently, all assistance and contact would be suspended and tension would be heightened. But this administration, while issuing a strong official statement of condemnation or giving an appropriate military counterattack to the North, would usually take more tolerant and restrained attitude toward any crisis.

For example, an incident involving a North Korean mini spy submarine that was stranded in South Korean waters on June 22, 1998 did not give rise to a suspension of economic aid by the ROK, instead the South urged Pyongyang to admit that it had violated the truce accord and to apologize for the infiltration, punishing those who were responsible and promising not to repeat a similar provocation. This reasonable and moderate response was also accompanied by a re-assurance from Kim Dae-jung that his “sunshine policy” would remain unaffected in principle. Furthermore, the ROK quickly returned the bodies of nine crewmen to the DPRK for humanitarian reasons.

Effects of the Policy

In the two years between Kim Dae-jung's inauguration in February of 1998 to the secret negotiations between the two Koreas in March of 2000, not much progress was made to improve inter-Korean relations. In spite of South Korea's great efforts to promote reconciliation on the peninsula, North Korea took a cool and hostile attitude towards the “sunshine” policy.

However, in evaluating a policy, there are several different ways to measure the outcome. Kim Dae-jung's policy includes short-, mid- and long-term goals. North Korea's abandonment of its rigid socialist ideology and acceptance of unification with South Korea is long-term goals: resumption of high-level talks, realization of economic exchanges and divided families visits, and reduction of the North Korean military

threat on the peninsula are mid-term objectives; incremental increases in personnel exchanges and other functional cooperation, restoring inter-Korean official talks, and improvement of relations between the US and North Korea are short-term goals.

Among these goals, the policy failed to accomplish the first two, but this was understandable because of the short time and deep antipathy from the North. However, the policy was not without some good effects, otherwise the two Koreas could not have realized the summit of 2000.

The main result occurred in the third set of goals-some substantive issues. The first and foremost was the Mt. Kumgang Tour Project, which had two important implications: North Korea began to accept a new formulation for inter-Korean economic cooperation by allowing ordinary South Koreans to enter North Korea; the South gained a foothold in the North for a possible expansion of economic and capitalist ideology. Due to the potential for a massive influx of foreign currency, Pyongyang quickly responded to a proposal to set up an industrial park in the coastal area.

Second, the number of South Korean non-governmental visits to the North noticeably increased during these years. In 1998 alone, 3,317 individuals visited the North, in addition to the 10,554 Mt. Kumgang tourists. The visitors varied from cultural performers, university presidents, and journalists to businessman and different religious leaders. Besides that, more and more divided families began to contact and even met each other in third countries.

Third, the government-level talks between the two Koreas resumed in April of 1998 after a long suspension. Though the talks hit a snag, the meeting itself bore symbolic meaning, particularly since the agenda included the reunion of separated families, exchanging governmental envoys and implementing the Basic Agreement. Other than this meeting, the two Koreas also held two additional deputy-ministerial talks in Beijing. Actually, the North that proposed the government-level talks

held on February 3, 1999, which signified both the urgent need for food aid and a test for dialogue.

Fourth, at the urging of Kim Dae-jung, relations between America and North Korea gradually improved. They reached agreements on inspection of the Kumchang-ri facilities and a moratorium on North Korea's planned missile test firing in the late summer of 1999. As a reward, the US partially lifted economic sanctions on Pyongyang. In turn, the North felt secure in this new environment and tensions on the peninsula relaxed.

The Breakthrough of Inter-Korean Relations and Its Potential Problems

The realization of the summit between the two Kims on June 13-15, 2000 temporarily put a stop to the debate over the effects of the sunshine policy and vindicated the policy. The summit was a success, and the two Kims were able to establish a mutually respectful personal relationship. Also, for the first time, Pyongyang openly embraced Kim Dae-jung's policy. In terms of their landmark joint declaration, they agreed to join hands to promote several important goals—national unification; dispersed families' reunion; repatriation of communist prisoners; development of their economies through a balanced approach; and acceleration of exchanges in the social, cultural, sports, health and environmental sectors.

The pledges made by the two leaders corresponded to the different goals of the sunshine policy, with which the foundation of the policy was solidified. Accordingly, the South Korean government decided to use the summit to further expand the sunshine policy. The priorities of the next step of the sunshine policy are in four areas that span across medium- and short-term goals: keeping the momentum of high-level talks by inviting Kim Jong-il to visit Seoul as soon as possible; broadening and deepening economic cooperation by helping to vitalize the

North Korean infrastructure, agriculture and other sectors; re-linking the Kyongui Railway from Seoul to Shinnuiju; building military confidence by re-opening the North-South Liaison Office in Panmunjom; setting up a military hotline and having regular defense ministers meetings; accelerating the solution of humanitarian issues by allowing more separated families to exchange visits; and repatriating unconverted long-term prisoners to the North.

Since the summit, the two Koreas have held six ministerial talks, and their defense ministers also had their first-ever meeting in South Korea, discussing the South's proposal of confidence-building measures and cooperation in the DMZ with respect to the construction of a railway and a road. The separated families also had three joyful reunions. More importantly, economic officials from the two sides signed four economic agreements, covering investment protection, prevention of double taxation, settlement clearing and dispute procedures.

Notwithstanding the positive developments between two sides, there are many potential and pressing problems that must be tackled. Politically, the opposition party of South Korea still adopts a critical and dubious attitude towards the current government's North Korea policy. They believe that Kim Jong-il is deceiving the South so as to garner more benefits and reduce the South's vigilance. Therefore, they infer that Kim Jong-il is not a reliable partner for peace.¹³ The Grand National Party is very much concerned about the government's fervor toward North Korea, claiming it is the result of either a secret understanding between Kim Dae-jung and Kim Jong-il or Kim Dae-jung's rash belief in promises made by Kim Jong-il during the summit.¹⁴

13 This comment cites from an author's talk with a former member of South Korean National Assembly (also a senior member of Grand National Party) on August 22, 2000.

14 The gist comes from an interview between Tom Plate, Director of the Asia Pacific Media Network, and Lee, Bu-young, Deputy President of South Korean Grand National Party, which was carried in the Northeast Asia Peace and Security Network on August 7, 2000.

In addition, there are high expectations among South Koreans for instant progress in inter-Korean cooperation, but this longing could soon turn into a damaging force against Seoul's North Korea policy if there are any problems in inter-Korean relations. Due to this reason, the South Korean government frequently emphasizes that any agreement reached in negotiations with North Korea will be based on public consensus, and in fact the government has been very cautious to satisfy the demands of ordinary citizens as the initial excitement caused by the summit has waned.

Economically, Seoul is facing some daunting challenges as well. The main obstacle to Seoul remolding North Korea's economy is money. In order to attract more foreign investment to help Pyongyang, one of South Korea's pressing tasks is to improve the North's poor infrastructure, but this will cost \$50 billion, and at least \$10 billion is needed to reconnect the Kyongui Line and set up a special economic zone. However, the South Korean government's North-South Cooperation Fund has only \$400 million.¹⁵ So the heavy task of recovery is beyond South Korea's ability, and must fall on the shoulders of the World Bank as well as the American and Japanese governments. In addition, the most successful inter-Korean economic cooperation project - the Mt. Kumgang tour - is losing money and more than 130 companies operating in North Korea also have not shown any profits, which certainly will cast a shadow on the expectation of attracting more investment in the North.

On the military side, there are some thorny issues waiting to be tackled. North Korea still maintains a large military force in the DMZ and its weapons of mass destruction are regarded as a potential threat to the security of the Korean Peninsula as well as to Japan and Ameri-

15 Those figures are calculated originally by Samsung Economic Research Institute. The author cites from Peter Beck's article, "Japan's Role in the Economic Integration of the Two Koreas." See the special report of the Nautilus Institute for Security and Sustainable Development, August 31, 2000.

can forces in this area. Many military analysts and advisors of right-wing groups in America and Japan seriously doubt Kim Jong-il's real intention toward reconciliation and they do not see any scaling down of military activities by the North following the summit, which will check the pace of advancement of the sunshine policy. Even the reconnection of the railway line, there is a view that holds that Pyongyang would use the line to quickly surround Seoul during an invasion,¹⁶ and any railway construction in the DMZ without UNC approval would violate the armistice agreement.¹⁷

In short, the sunshine policy has now entered a rough patch in which both Kims have to tactfully guide their respective nations, any mistakes in the approach to differences and disputes between the two sides or an intensification of policy conflicts between North and South Korea would likely lead to a full retreat from the current results.

Japanese Ambiguous North Korea Policy and Its Prospects

Tokyo had no its independent North Korea Policy during the Cold War, because as a member of ASEAN and a US ally, it followed the American line to contain the North Korea threat on the peninsula. After the Cold War, when both the former Soviet Union and China normalized relations with South Korea, Japan thought it was imperative for it to take steps to adjust its relations with Pyongyang, in an attempt to gain a foothold in North Korea before the US. Therefore, Japan began a decade-long normalization process with North Korea.

16 This is the ROK defense analyst Jee Man-won's warning. See Don Kirk, "Threat from North Korea Rising, U.S. Army Warns," *The International Herald Tribune*, September 8, 2000.

17 Kang, Seok-jae, "Inter-Korean Railway Project Raises Question of Violate Truce Accord," *Korea Herald*, September 21, 2000.

The Background and Issues of Japan-North Korea Bilateral Relations

Official contacts between Japan and North Korea began from September of 1990, when Shin Kanemaru, a senior politician of the Japanese Liberal Democratic Party (LDP) led a two-party delegation visiting Pyongyang. The visit brought an epoch-making change in their relations, both sides agreed to resume governmental-level negotiations to normalize relations.¹⁸

The first talks on normalizing relations between Tokyo and Pyongyang started in 1991 and 1992 with eight rounds, which involved four topics: “basic problems”; “economic issues”; “international issues”; and “other matters.” The talks were suspended by North Korea in November 1992 on the grounds that Japan persisted in discussing irrelevant issues, which ostensibly implied issues of nuclear development and Japanese citizens kidnapped by the North. With the conclusion of the Agreed Framework in 1994 and the deepening famine in North Korea in the following years, Japan sought to resume talks with the North by using food assistance as a carrot, only to find that neither side was willing to change their original positions. Nevertheless, after two ruling coalition party delegations led by LDP leaders Watanabe Michio and Mori Yoshiro respectively, visited Pyongyang in 1995 and 1997, both sides did achieve some progress in other sectors: North Korea agreed to make an investigation into “missing persons” and allowed Japanese-born women married with North Korean men to visit their homeland.

There were three important developments that reduced Japan's desire to resume official talks with Pyongyang. In February of 1997, it was reported that several Japanese girls reported missing in coastal areas between 1977 and 1980 were actually kidnapped by North

18 Lee, Won-deog, “Security or Engagement? The Japanese North Korea Policy,” *East Asian Review* (Seoul: Korea), Vol.12, No.1, Winter 1999, p. 27.

Korean agents. But on June 5, 1998, North Korea declared that their investigation had not found any such person; several suspected North Korean spy ships roamed off Japan's coast in 1999, which the Japanese attacked; and in August of 1998, North Korea launched a Taepodong ballistic missile with a range of 1,700 kilometers over Japanese airspace, which was regarded as a serious military threat to Japan.

After the Taepodong missile launch, Pyongyang-Tokyo relations became strained again. The Japanese government adopted severe sanctions against North Korea. A favorable turn occurred in the summer of 1999 soon after Pyongyang started to show flexibility in its external relations. On August 10, 1999, Pyongyang issued a conciliatory statement to the Japanese government. Against this background and also in consideration of the fact that the US partially lifted economic sanctions against Pyongyang, Japan resumed charter flights to North Korea on November 1, 2000, but it kept sanctions on normalization talks and food assistance as a leverage. Pyongyang lost no time in sending a formal invitation letter to a former Japanese Prime Minister Murayama Tomiichi in November. As a result, a supra-partisan delegation led by Murayama visited Pyongyang for three days starting December 1st.

The purpose of Murayama's visit was confined to "opening a window for a possible governmental dialogue and creating an environment conducive to negotiations for normalizing relations." In other words, the delegation was not sent to address topics that fell within the power of government.¹⁹ However, they touched upon almost all issues considered to be crucial for two countries to establish relations during the meeting with their North Korean counterparts, which involved the interpretation of past history, "abducted" Japanese citizens and food aid as well as the missile firing. Although the supra-partisan delegation did not solve any specific problems, it did contribute to the resumption of official talks to promote mutual understanding and friendship.

19 Murayama Tomiichi, "Beyond My Visit to Pyongyang," *Japan Quarterly*, April-June 2000, p. 3.

On December 19, just two weeks after Murayama's mission returned home, Red Cross representatives from Japan and North Korea, joined by officials of both governments, held a meeting in Beijing. They discussed humanitarian issues of concern to both governments and signed an agreement on several points: homecoming visits by Japanese spouses of North Korea nationals would resume in the spring of 2000; the DPRK would ask relevant agencies to carry out a serious investigation into the abducted Japanese girls issue; the Japanese government would consider granting food aid to North Korea; both sides would work towards resolving the issues of North Koreans missing prior to 1945.

Along with this positive development, Japan decided to provide 100,000 tons of food to North Korea through the World Food Program on March 7, 2000. Subsequently, the two sides held a ninth round of normalization talks in Pyongyang from April 4 to 7. The lack of progress resulting from the talks did not surprise anyone, since each side would customarily repeat its position and propose demands from the other side at the beginning of negotiations so as to get the upper hand and increase their bargaining leverage. This stalemate continued into the tenth round of talks held in Tokyo from August 22 to 24, with no any agreement on the missile, abduction or compensation issues.

The Goals and Priorities of the Japanese North Korea Policy

Strategically speaking, the Korean Peninsula plays a crucial role in Japanese security in the context of history as well as the current great power relationship. There are several significant considerations for Japan behind the normalization process. First, Tokyo is very much willing to play an active role in Korean issues, especially in the aspect of any future peace mechanism. That is why the Japanese government has repeatedly called for six-party talks. If Japan continues this type of relationship with the DPRK in the future, it will be excluded from

consultations over the Korean Peninsula security arrangements. The most worrisome scenario for Japan is if the peninsula enters a period of stable coexistence, the two Koreas may take a pro-China stance, reawakening anti-Japanese sentiment in Northeast Asia.

Second, although Tokyo dislikes Pyongyang's ideology and military belligerence, it indulges itself in a balance of power with American protection in this area on account of North Korea. If Pyongyang cannot survive its economic plight, the inevitable unification concomitant with North Korea's collapse would give rise to a series of uncertain developments: the US is likely to pull out or cut down its forces substantially on the Korean Peninsula; China would expand its influence deep into the peninsula, easily checking Japanese power. Tokyo needs to maintain the status quo by helping Pyongyang's government overcome its economic difficulties, but with a prerequisite of giving up missile and nuclear weapons development by the DPRK.²⁰

Third, quite a few Japanese politicians and scholars argue that Japan should abandon its long-standing diplomacy oriented toward and dependent upon the US.²¹ On the North Korea issue, they demand Japan to draw a lesson from the diplomatic shock of President Nixon's sudden visit to China in 1972, which demonstrates an American tradition of making drastic policy shifts prior to consulting with its allies so long as the national interest requires. Therefore, the Japanese government harbors a wish to take precedence over the US in realizing diplomatic rapprochement with Pyongyang if the situation allows.²²

Given the fact that the DPRK launched a Taepodong missile over

20 Many South Koreans do not believe a Japanese official position that it would support Korean unification. See Kim, Tae-woo, "Japanese New Security Roles and the ROK-Japan Relations," *Korean Journal of Defense Analysis*, No.1, Summer 1999, p. 149.

21 This view comes from Masaharu Kotoda, former vice president of the Liberal Democratic Party, who wrote in the August 11, 1999 edition of the *Asahi Shimbun*. The author cites that from Gong Ro-myung's paper, "Japan's Northeast Asia Policy in the 21st Century," *Korea Focus*, November-December 1999, Vol. 7, No. 6, p. 3.

22 Suh, Dong-man, "Outlook for North Korea-Japan Ties," p. 2.

Japanese airspace, the US, Japan and South Korea formed a Trilateral Coordination and Oversight group (TCOG) to unify their North Korea policy and Japan had to give a priority to the missile issue in dealing with Pyongyang. Tokyo and Washington share a consensus that they should urge Pyongyang to renounce its nuclear and missile program. Nevertheless, their focal points are different. Japan asks the DPRK to stop developing intermediate- range ballistic missiles, eliminating a current threat toward Japan, otherwise Japan's role in KEDO would be at risk in the Diet, and the support for the Agreed Framework would be endangered as well.²³

At present, Japan faces a dilemma: if it persists in attaching the missile issue to normalization, it would probably gain nothing from the DPRK since Pyongyang would rather reach such an agreement with the US rather than Japan. It is unlikely that North Korea would satisfy the Japanese demand directly, to do so would amount to an acknowledgement that Japan has the right to intervene in North Korean sovereignty. But if Japan drops its demand right now, it would lead to a political backlash in the ruling party and among its populace.

There are now two possibilities for Tokyo: share the fruitful results of the US and DPRK's missile talks as a free rider; or passively endorse the deal retrospectively by footing the bill. No matter happens, it will not help Japan promote its independent diplomatic role in East Asia. Therefore, it is possible for Japan to adopt a relatively flexible approach to its target on missile issue in talks with Pyongyang so as to make it easy for North Korea to give a symbolic concession to Japan and move forward the normalization process.

Tactics, Problems and Future Trend of Policy Implementation

The North Korea missile issue creates challenge for Japanese self-

23 Perry's report on US policy toward North Korea, p. 4.

esteem in its military capabilities, and is regarded as a chance to adjust Japanese national strategy and defense policy. In this regard, the North Korean missile issue is not without merit, it facilitates Japan to pass laws concerning US-Japan New Security Guidelines, to join the TMD research program with the US, to increase its participation in bilateral and multilateral military maneuvers and to set up a research team in the Diet to revise the peace constitution. By applying this two-edge sword, Tokyo could hide its real aim of military resurgence and breakthrough regularly-insuperable barriers of military enhancement; mitigate differing views from opposition parties and add leverage in its dealings with North Korea in future talks.

In comparison with the missile issue, the alleged kidnapping issue ranks second in significance on the Japanese agenda for normalization talks with the DPRK. Tokyo will not use this issue to block normalization talks because it neither affects Japanese security nor its overall strategic position. The Japanese government regards the issue as an allegation that is yet to be confirmed. If Pyongyang admits to kidnapping Japanese citizens it is tantamount to admitting that it is a criminal state, and it would also place the Japanese government in an embarrassing position. Because of these considerations, Japan would likely treat this issue as a relatively minor one, and has agreed to remove the issue from the agenda of official Red Cross talks, which means it has been separated from the normalization process and the issue could be dealt with as long as it is being investigated by the DPRK during and after diplomatic normalization.²⁴

Of course, the protracted kidnapping issue also could be used as a lever to force the DPRK to take a cooperative approach to apology and compensation issues. From the Japanese perspective, the Korean Peninsula became its colony through an annexation treaty in 1910, long before World War Two erupted. Therefore, both Koreas have no right

24 Izumi Hajima, "Pyongyang Grasps New Realities," *Japan Quarterly*, April-June 2000, p. 15; Suh, Dong-man, "Outlook for North Korea-Japan Ties," p. 4.

to claim war reparations from Japan as victims of an invasion.²⁵ Nor would Japan's emperor openly make an apology to North Korea on the grounds that "apology" is a very strong word in the Japanese vocabulary, and if the emperor makes such a statement, it would not only insult his highness, but also stir strong resentment from conservative Japanese.

In this case, Tokyo would like to repeat the practice that it applied to the normalization process with Seoul in 1965 and 1998, respectively. In terms of this approach, both the Japanese emperor and prime minister would express their deep remorse and regret over Japanese colonial rule and the suffering of the Korean people. For the issue of reparations or compensation, Japan would refuse to call the payments reparations, preferring the euphemism "aid." The total amount of compensation that Japan gave to South Korea in 1965 was \$800 million in the name of an aid and loan package, which equals to a current value of \$5-10 billion. Japan will probably provide at least such a sum of economic assistance to North Korea (\$10-\$13 billion). According to a report from the American Congressional Research Service, the total Japanese aid package could range from \$3.4 billion to over \$20 billion if two countries resume formal relations.²⁶

Following the change of administrations and the new tough North Korea policy, Japan no longer feels any pressure to "catch the last train" and normalize relations with the DPRK. It has delayed promised humanitarian food assistance to Pyongyang due to the opposition of Diet members. It is closely integrated with the US and South Korea, calling on the two countries to keep a high military deterrence on North Korea before Pyongyang significantly reduces its offensive capability. Because of this shift in the international environment and continuing negative sentiment among Japanese toward North Korea's mis-

25 Japan gave economic assistance instead of war reparations to its other former East Asian colonies after WWII.

26 Peter Beck, "Japan's Role in the Economic Integration of two Koreas," p. 7.

sile, spy ships and the abduction issue, the pace of the normalization process between Tokyo and Pyongyang has slowed indefinitely.

North Korea Position Vis-à-vis American, South Korean and Japanese Policy

The summit held between Kim Dae-jung and Kim Jong-il on June 13-15, 2000 and the US-DPRK Washington Joint Communique published on October 12, 2000 both signify a fundamental change in the North Korea position accommodating some parts of American, South Korean and Japanese North Korea policy. Whether this positive development could be sustained long enough to finally bring reconciliation to the four countries is still an enigma. But one thing is clear: the attitude of its policy shift is serious, which could be seen in its objective change of long-followed policies and the dynamic behind its astonishing policy of multi-dimensional diplomacy that began in 1999.

North Korean Position On Nuclear and Missile Development

Nuclear Development Program

In the wake of the conclusion of the Agreed Framework on October 21, 1994, Pyongyang froze its nuclear facility at Yongbyon in exchange for two 1,000 MW light-water reactors. Though the agreement on the whole was in the interests of the US and the DPRK, Pyongyang showed mixed feelings toward the agreement: it was forced to bow to international pressure and its self-proclaimed right to develop advanced nuclear equipment was no longer exclusive.

Because of the belief that it had made a great concession to the US in the nuclear accord, since 1994 Pyongyang kept a careful watch over the American commitment to the agreement. When American conservatives termed the Agreed Framework as a reward to the blackmail and

brinkmanship of North Korea and deferred the congressional appropriation for the heavy oil shipping to Pyongyang, the DPRK showed its indignation at the US for failing to abide by the agreement. According to their original expectation, its shortfall electrical power could be made up by the year 2003 when the light-water reactors were delivered to them, which would stimulate its stumbling economy. However, the cruel reality of the delayed construction of the LWR project shattered their hopes as well as their trust in the American government; therefore, they demanded compensation in talks with the US.

In regards to accusations that North Korea has not faithfully complied with the Geneva agreement, Pyongyang flatly denies these accusations as groundless. However, if the DPRK is continuing its nuclear program, it is doing so for three reasons: 1) to heighten its military deterrence against the advanced weapons of South Korean and American forces; 2) to enhance its international prestige; and 3) to increase its electrical generating capacity for civilian use.

It now seems unlikely that the DPRK will be able to realize the former two purposes in the current context. The surveillance and oversight network through field inspections and chemical tests, satellite monitoring and agents detection makes it very difficult for the DPRK to move a single step on this score. Any activity violating the agreement would lead to grave consequences: not only would its military installations be ruined, but also all the benefits it obtained from the outside world over the past few years that are vital to its survival would be lost completely. In this case, there is not any point in talking about deterrence and international prestige.

Of course, no one can preclude the possibility that Pyongyang still reserves some nuclear components and facilities as well as back-up sites that house a quantity of processed plutonium, since North Korea does not want to throw away all its limited resources overnight lest the US reverse its commitment for political purposes. Therefore, it is understandable that the Perry report acknowledges there is a continu-

ing small-scale nuclear weapons development program in North Korea.²⁷ Yet Pyongyang will not risk continuing such development at the expense of incurring economic sanctions and breakdown of the KEDO project.

North Korean missile development

The North Korean missile development program has been in existence for more than twenty years. Its arsenal includes different ranges and types of missiles: Scud-B and C; Rodong-1 and 2 ballistic missiles and a just tested version of the Taepodong-1 long-range missile. Over the past 13 years it has exported units, parts and related technology to a number of countries, including Iran, Iraq, Libya, Egypt, Cuba, Pakistan and Vietnam.²⁸

The purpose of the DPRK's missile development program is similar to its nuclear development program. In Pyongyang's view, the combined forces of the US and South Korea have an absolute military superiority in terms of their advanced weapons (including missiles); therefore, the North needs short-range missiles to deter and balance the other side's offensive capability. In addition, missile sales could produce profits for the national economy, according to South Korea's estimate, the amount of annual missile sales is \$500 million.²⁹ The long-range missile program serves three purposes: 1) the development of scientific research in space; 2) a symbolic retaliatory power versus the US, Japan and South Korea; and 3) increasing its regional influence and negotiation position vis-à-vis the US, South Korea and Japan.

Pyongyang has several arguments to defend its positions: the

27 Christopher Cox, "Clinton-Gore Aid to North Korea Support Kim Jong-il's Million-Man Army Enough Plutonium to Build 65 Nuclear Bombs A Year," US House of Representatives Policy Committee's Perspective Paper, July 27, 2000, p. 8.

28 Chun, Chae-sung, "Missile Technology Control Regime and North Korea," *Korea Focus*, January-February 2000, pp. 28-29.

29 *Ibid.*, p. 28.

missile development, test, production and deployment is an issue of North Korean sovereignty, Pyongyang will not bargain with anyone; the Taepodong-1 missile launch in August 1998 was not a missile, but a satellite; many countries conduct missile tests and the US has the largest number and the most powerful missiles in the world, so the North Korean missiles do not pose a threat to other countries; if Washington wants Pyongyang to stop missile exports to other countries, the DPRK can demand to be compensated in cash for sales lost.³⁰

The current situation is unlike that of the nuclear crisis faced by Pyongyang in 1994 that brought about the Geneva Agreed Framework, which Pyongyang believed it was forced to sign because it had been trapped into the Safeguard Agreement between the IAEA and the DPRK in 1992,³¹ this time the DPRK held it had more freedom and reasons to reject pressure from foreign countries. If they failed to persist in their own position on this issue, they would lose their last significant negotiating chip, and become an impotent country. Therefore, during a meeting with an American delegation led by US former Secretary of Defense William Perry in May of 1999, North Korean leaders rejected US demands to terminate its long-range missile program and missile exports.³²

When North Korea prepared to test-fire another Taepodong-2 missile in the summer of 1999, the US, South Korea and Japan jointly adopted several tough measures to press Pyongyang to cancel the launch. The DPRK was shocked at the pressure and aware of the consequences if they persisted in the test firing. They could not afford to provoke a new crisis, from which they probably would lose food assis-

30 Those positions were widely found in the North Korea Central News Agency reports in regard to the missile talks between Washington and Pyongyang.

31 Hwang, Jang-yop, "North Korea's Relentless War Preparation," *Korea Focus*, September-October 1999, Vol.7, No.5, p. 18.

32 William Perry's address at the symposium on "New Challenges in Inter-Korean Economic Cooperation and Integration" at Stanford University on October 9, 2000.

tance and further delay the KEDO project, at a time when its ailing economy was worsening.

Soon after North Korea retreated on its position, the US and the DRRK reached an agreement on a North Korean missile launch moratorium, which caused Pyongyang to realize that it could no longer use the missile issue as a means to “let Washington cool its mind,” it only could use this issue as a bargaining chip in negotiations for a peace treaty as well as negotiations to lift sanctions.³³ In other words, the DPRK decided that it was time to reconsider its missile program: the North would rather have an earlier solution and more profits than ultimately accepting a forced abandonment and a loss of revenue.

Against this background, Pyongyang asked the US for \$500 million a year as compensation for halting its missile exports in bilateral talks, and Kim Jong-il also made an astonishing proposal to Russian President Putin in their summit of July 2000 that other countries launch 2-3 satellites annually for Pyongyang at their expense in exchange for North Korea suspending its missile program (\$200 million to \$300 million is needed for one rocket launch). Kim’s proposal, though, was played down later by himself as a joke, but was reconfirmed in October when his special envoy Jo Myong-rok visited Washington. During meetings with President Clinton, Jo formally raised a plan to abandon North Korea’s long-range Taepodong missile development project if the international community would provide the financial assistance needed to launch satellites in a third country.³⁴ When the US Secretary of State Albright visited Pyongyang in late October 2000, she got a more affirmative response from Kim Jong-il himself.³⁵

33 Please see “*DPRK Report*,” a joint project between the Center for Non-proliferation Studies of the Monterey Institute of International Studies, the US, and the Institute for Contemporary International Problems, Russia, July-August 1999.

34 *Chosun Ilbo* (Korea Daily), “NK Proposes Dropping Missile Project at Whitehouse Meeting,” Seoul, October 10, 2000.

35 Madeleine Albright’s press conference held in Pyongyang on October, 24, 2000.

North Korea Policy Adjustment and Its Military Relations with America, South Korea

Policy modification

Since the end of the Cold War, particularly following South Korea's normalization of relations with the former Soviet Union and China, North Korea began to shift its national strategy and inter-Korean policy from an emphasis on unification to co-existence, resisting any absorption attempt made by South Korea. A more drastic policy adjustment by North Korea occurred in the middle of 1999 that changed the course of inter-Korean reconciliation as well as the North's all-round diplomacy with many western countries. There were several factors that stimulated this policy modification.

First, North Korea's domestic problems are not just an issue of short-term starvation and food assistance, but a comprehensive and structural adjustment needed to secure enough food to feed the population and revive the national economy. Pyongyang's leaders have begun to realize it is impossible to achieve its twin objectives of being self-sufficient and rehabilitating the national economy by itself.³⁶

Second, the results of the Kosovo War and the North Korean defeat in the Yellow Sea skirmish with the South Korean navy made Pyongyang more aware of its technological vulnerability and the risk it could bring in a possible military confrontation with the US. Thus, the North re-appraised its current security environment and drew a new conclusion: although the old Cold War structure hasn't dissolved to date, dynamic and stable relations between Pyongyang and Washington were possible in light of Dr. Perry's visit to Pyongyang, and the "sunshine" policy pursued by South Korea. If the North responded favorably toward the friendly American and South Korean posture, they probably could avoid a worst-case situation at home and abroad.

36 Han, Sung-joo, "What Motivated North Korea?," *Dong-A Ilbo* (East Asia Daily), May 3, 2000.

Third, Pyongyang began to become aware of the importance of economics and technology in the competition for power and to guarantee its security. They knew their military and technological gap with South Korea and the US could only be narrowed through economic development. Therefore, it would be more meaningful and rewarding if they placed economic development and economic exchanges with the outside world as a priority of their national strategy rather than pouring too many resources into maintaining low quality military forces and a controversial program of weapons of mass destruction.

Fourth, Pyongyang realized that both Kim Dae-jung and Clinton were the most progressive and friendly political figures that these two countries had ever had and, if the DPRK stuck to its old recalcitrant policy and conservative parties regained power in these countries, the foundation of the engagement policy would be damaged and North Korea itself would be harmed both economically and politically.³⁷ In this case, the DPRK felt it should accelerate the reconciliation and normalization process with the ROK and the US so as to consolidate the power bases of the liberal parties of these two countries to maximize its own benefits to the utmost.

Future military relations with the US and South Korea

As rapprochement deepened between Pyongyang, Washington and Seoul last year, the military issue concerning confidence-building measures and a permanent peace treaty was raised to a priority in the negotiation agenda between the two sides, which was regarded as a litmus test for North Korea's real intentions in its pursued policy of reconciliation.

Judging by different kind of messages, it seems that the North Korean People's Army supports Kim Jong-il's new policy toward South Korea and the US on the whole, while maintaining some misgivings as

37 Park, Kun-young, "North-South Summit Talks and Outlook for Seoul's Engagement Policy," *Korea Focus*, Vol.8, No.3, May-June 1999, p. 2.

to the future of its military status due to pressure from detente and negative foreign influence on North Korean domestic politics.³⁸ This ambivalent position is derived from the military's specific role in the decision-making process of the integrated army-party system.

Therefore, the army probably shares Kim Jong-il's assessment about the relationship between domestic problems and external relations, and respects the decision made by their top commander and are glad to see a new situation that could relax the pressure on them. However, from their professional view, they are very cautious of any hasty measures, particularly ones that expose their weaknesses to the US-South Korea alliance prior to obtaining security guarantees and verified evidence of mutual threat reduction from the other side.

Consequently, when South Korea declared a 6.5% increase in its defense budget and announced plans to procure a large number of advanced weapons,³⁹ the North could hardly hide its disappointment, openly attacking the news as a flagrant challenge to inter-Korean reconciliation and threatening to take self-defense measures. Pyongyang also adopted a critical attitude toward any South Korean-American military exercise held after the summit, considering it would lead to an immediate termination of the new cooperative spirit among the two Koreas.⁴⁰ Due to this sensitivity and deep mistrust, the North employed a delaying tactic toward South Korean demands for quick progress in confidence-building measures. The North stated that unless it received a commitment that South Korea would not further upgrade its already advanced armament and confirm that the military imbalance between the two Koreas would not be enlarged. However,

38 Ahn, Byeong-gil, "Constraints and Objectives of North Korea Foreign Policy-A Rational Actor Analysis," Thomas Henriksen and Jongryn Mo (eds.), *North Korea After Kim Il Sung-Continuity or Change?* (Hoover Institution Press, 1997), p. 82.

39 Robert Wall, "Korea Detente No Bar to Military Buys," *Aviation Week & Space Technology*, September 18, 2000.

40 North Korea Fatherland Committee on Peaceful Reunification made a comment on a then US-South Korea military exercise on August 20, 2000.

North Korea realizes that inter-Korean rapprochement is irreversible and its security is assured by the US based on a new peace mechanism.

The central issue of the military relationship between Pyongyang and Washington is the destiny of American forces currently stationed in South Korea after reconciliation takes place on the Korean Peninsula. Pyongyang takes a somewhat ambiguous position on this score, but in talks with Kim Dae-Jung, Kim Jong-il did comments briefly when the former remarked that American forces should remain on the peninsula as reunification progresses. At that time Kim Jong-il stated that he was not totally opposed to the presence of the troops.⁴¹

If Pyongyang no longer stresses its demand that the US should withdraw its forces from the peninsula, it does request that the role of America as the patron of South Korea should become more neutral and balanced, then the three sides could construct a joint security committee to replace the Military Armistice Commission. In terms of this outline, America could maintain a small number of forces on the peninsula for an indefinite transitional period, but the UN mission should be terminated and some of the North Korean Army would be demobilized. But if Washington rejects this proposal, Pyongyang would probably keep its old demand as leverage in the Four-party Talks.

Conclusion

In short, the DPRK is very serious about its external policy adjustment and the possibility of talks with the US, the ROK and Japan. If the terms of the three allied countries are not overly harsh, Pyongyang seems very likely to make concessions on many long-unresolved problems. So far, the North has taken a two-way approach toward the

41 This year, the North unequivocally changed its position by reiterating that American forces should pull out of the Korean Peninsula when the two Koreas reconcile.

rapprochement process: one is wait-and-see, observing and gauging the other side's sincerity and determination to improve relations; the other is to promote talks in an alternate way among the three countries, particularly between the US and South Korea so as to put pressure on each side. After the new administration came into power, North Korea has almost completely lost hope to continue bilateral talks and achieve a favorable results with the US. However, it has not taken a completely non-cooperative position towards the US, it is still waiting and watching American policy. Following the September 11 terrorist attacks, there have been small signs that Pyongyang wants to use this as an opportunity to resolve the current deadlock with Washington.

As for the US, the new government faces a dilemma: on the one hand, it does not want to continue Clinton's policy toward North Korea - giving too many awards to a communist regime while not changing Pyongyang's behavior and capability substantively, nor is willing to see a fast inter-Korean reconciliation process that could bring peril to American strategic interests in Northeast Asia; on the other hand, it has to take South Korean sentiment into account, soothing Kim Dae-jung's grievance against American policy lest the two allies be at odds with one another. This kind of contradictory policy trend will coexist for some time unless North Korea radically changes its policy either positively or negatively, thereby its North Korea policy will be a combination of two ideas. The pragmatists will seek to support more continuity than change in pursuing this policy-talks on missile and normalization, fulfilling the KEDO project, while slowing the negotiation process, attaching conditions on verification of the missile accord and reducing the North's conventional forces.⁴²

The current course of inter-Korean relations could be derailed again

42 The view of this policy development is cited from American scholar Joel Wit's paper, "The United States, North Korea and South Korea: Prospects for the Future," which was presented in an international conference sponsored by IFANS-KPF in Seoul on October 9, 2001.

if the two sides do not grasp the opportunity for further momentum. Generally speaking, both Seoul and Pyongyang hope to continue the rapprochement process, but in a quite different degree. The problem for South Korea is that the government puts too much stress on reciprocity from the North, unrealistically wanting to quickly expand reconciliation to all areas, while the opposition party and conservative criticism of the engagement policy weaken the government's credibility. For North Korea, it has almost completely lost its enthusiasm for a sustained reconciliation process, partly because the North is not satisfied with the South's approach to dealing with cooperation, always asking for a reward that bears some hidden intention while continuing to take the North as the main enemy. This is partly because the North believes the reconciliation process with the South is part of a grand deal with the US to normalize relations and resolve other issues. However, since the Bush administration reversed Clinton's benign policy toward the North, Pyongyang believes it to be meaningless to actively promote cooperation with the South.

Given that Kim Dae-jung's is a lame-duck president and his term is coming to a close, it may not be easy for him to push the reconciliation process ahead with more bold actions. And it would be unlikely to expect the next president to be as charismatic or as resolved as Kim Dae-jung is to inter-Korean reconciliation. Kim Jong-il will probably not embrace a conservative president in the South. Now the short-lived joy over the breakthrough in relations among Koreans has passed, the cruel reality is that there is an arduous task ahead, and if they are not fully prepared both mentally and physically, they will fail again as in the past.

Japanese North Korea policy is currently at an impasse, Tokyo-Pyongyang relations have fallen far behind Washington-Pyongyang and Seoul-Pyongyang relations. The DPRK is not worried about normalizing relations with Japan, since it has already achieved great success in its external relations with other countries, which North

Korea could use to force Japan to give up its old demands. Of course, Japan, right now, is in no hurry to resume talks with North Korea as well, since Washington has frozen its normalization process with Pyongyang, and Japan's domestic politics as well as the DPRK's attitude constrain the two countries from making a deal on most issues. However, if America and North Korea reach an agreement on the missile and terrorist issues, as a corresponding result, North Korean and Japanese relations could move forward. And their developing relations could proceed more smoothly than the other two bilateral relations because the issues remaining between the two countries (besides the nuclear and missile issues) are not strategic and Japan has less ideological and security risk for North Korea. As for the issue of missing Japanese, if Tokyo does not ask for legal and political responsibility, the two nations will probably find some technical way to deal with the issue.

There are two large problems facing the three allied countries' North Korea policy: 1) the Trilateral Coordination and Oversight Group (TCOG) played a somewhat effective role before the inter-Korean reconciliation process started, but since then its role has become merely a briefing on what the three countries have individually decided about their North Korea policy. The noticeable discord between Washington and Seoul resulting from American unilateralism toward the DPRK undermines, more or less, the effectiveness of trilateral coordination. Also, the missile issue that is defined as a common prerequisite for developing relations with North Korea is no longer a priority for South Korea, which is more concerned with the DPRK's long-range artillery and mortars, chemical and biological weapon and future peace talks.⁴³ However, the US is more concerned about Pyongyang's

43 James Laney, "Korea and New Administration," a paper presented at the Eleventh U.S.-Korea Academic Symposium, "The Korean Peninsula in the 21st Century: Prospects for Stability and Cooperation," September 18-19, 2000, Washington, D.C., p. 3. This point of view was enlightened by Mr. Joseph Winder, President of Korea

intercontinental ballistic missiles and its conventional military forces in the DMZ, and Japan is primarily concerned with the medium-range Rodong missile; and 2) the main reason North Korea is expanding external relations is to receive economic assistance to help it emerge from its economic crisis. Yet, Pyongyang has not shown any willingness to enact real comprehensive economic reform from bottom to top. Meanwhile, the allied countries are paying more attention to security concerns and political reconciliation rather than on a workable and creative economic engagement scheme. Of course, political trust and security arrangements could guarantee an environment for healthy and stable economic cooperation, but any political progress should be backed up by powerful economic dynamics, otherwise the foundation for political rapprochement will not be built.⁴⁴

Economic Institute of America when he made a comment.

44 This point of view was also enlightened by Mr. Joseph Winder, President of Korea Economic Institute of America when he made a comment at a Korea issue symposium at Stanford University on October 10, 2000.