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Assessment of High-Level Inter-Korean Talks and Prospects for Inter-Korean Relations

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During the high-level talks on August 14, the two Koreas agreed to hold a third inter-Korean summit between President Moon Jae-in and Chairman Kim Jong-un in September. However, both Koreas could possibly have different views in deciding on the date, schedule, and agenda of the third inter-Korean summit. If Secretary of State Pompeo's visit to Pyongyang in August makes progress in reporting of nuclear materials and a declaration to end the Korean War, favorable conditions for the third inter-Korean summit will be formed. The ROK government must strive to materialize the following series of events: Secretary of State Pompeo visits Pyongyang in August → an agreement is reached on the principal of submitting a list of nuclear materials in exchange for an end-of-the-war declaration → an agreement is reached on the method of declaration to end the Korean War during a third inter-Korean summit in mid September → South Korea-U.S. summit and South Korea-China summit will be held → the declaration of the end of Korean War will be announced at the UN General Assembly. The ROK should also prepare ways to persuade North Korea through a third inter-Korean summit by clearly redefining the meaning of a declaration to end the war.

The two Koreas agreed to hold a third inter-Korean summit although the two sides have not resolved their conflicting views on the methods of denuclearization for more than two months after the North Korea-U.S. summit in June. This has, once again, brought attention to finding a resolution through inter-Korean relations. At the fourth high-level inter-Korean talks, held on August 13, the two Koreas announced that there will be a third inter-Korean summit meeting between President Moon Jae-in and Chairman Kim Jong-un in September. The third summit meeting seems likely to be held somewhere between September 13 and 24 considering other important international events both for the South and the North, such as the Day of the Foundation of the Republic (September 9), Eastern Economic Forum (September 11 to 13), and the UN General Assembly (September 18). In addition, world leaders and ministers are scheduled to participate in the UN General Assembly giving speeches starting on September 25.

President Moon Shows Commitment to Improvement of Inter-Korean Relations in Liberation Day Speech

President Moon showed his commitment to improving inter-Korean relations in his speech delivered at Korea's 73rd Liberation Day on August 15, right after the agreement to hold a third meeting was reached. He emphasized that inter-Korean relations are not dependent on the North Korea-U.S. relations, but rather a driving force behind denuclearization of the Korean Peninsula. Furthermore, the President laid out his plan to establish an economic special zone on border areas and his goal of commencing the projects of reconnecting railways and roads set for this year. Considering that North Korea has recently criticized South Korea, stressing that "dialogues and sanctions are incompatible," President Moon seemed to aim to alleviate North Korea's complaints by making clear his commitment to improving inter-Korean relations and officially announced his plan to make tangible progress during the third summit.

The high-level talks also addressed ways of inter-Korean cooperation to

implement the Panmunjom Declaration, apart from setting the date of the third summit meeting. However, the joint statement that the two sides “seriously discussed” the issues regarding the implementation of the Panmunjom Declaration, suggests that the two Koreas have failed to reach an agreement on the details of carrying out items specified in the Panmunjom Declaration. South Korea’s delegation to the high-level talks consisted of state affairs personnel, including officials from the Ministry of Unification and the Blue House. On the other hand, North Korea’s delegation included Vice Minister of Railways and Vice Minister of Land and Environment Protection. With that delegation line-up, North Korea insisted on early implementation of the agreements on economic cooperation but the two parties failed to reach a meaningful conclusion.

Before the high level talks took place, it was expected that the two Koreas would discuss the date and place of inter-Korean summit and the size of South Korea’s delegation to the North. Of course, the talks confirmed the hosting of a third summit, but also showed differences between the two sides in terms of the pace and methods of improvement of inter-Korean relations. Such differences seem attributed to the fact that the two Koreas have different perspectives on interpreting how situations have unfolded since the 2018 inter-Korean summit and 2018 North Korea-U.S. summit, which took place on April 27 and June 12, respectively.

North Korea Needs End-of-War Declaration and Resumption of Economic Cooperation Before Day of Foundation (September 9)

As North Korea celebrates its 70th anniversary on September 9, the objective of North Korea’s current internal and external strategies is analyzed to maximize the promotional effects of Chairman Kim Jong-un’s accomplishments at home and abroad: 1) putting all-out-efforts to build a socialist economy, 2) improving relations with the U.S., such as by holding the North Korea-U.S. summit, and 3) advancing inter-Korean relations. To accomplish this objective, North Korea is likely to try to reach an agreement with the U.S. for an end-of-the-war declaration and resume

economic cooperation in full-scale with South Korea—meaning the easing of economic sanctions—and use these as the driving force behind the denuclearization process at home in the future. It is because, despite the North's commitment to complete denuclearization, failure to make tangible economic benefits at an early stage, such as easing of economic sanctions, will inevitably create political burden for the DPRK. Against this backdrop, North Korea seems to focus on successfully holding the 70th anniversary celebration events even by resorting to the banning of Chinese group tour.

Meanwhile, the Moon Jae-in administration is currently taking a cautious approach when it comes to the easing of economic sanctions against North Korea, citing the importance of ROK-U.S. cooperation while emphasizing South Korea's leading role in inter-Korean relations. A controversy over smuggling of North Korean coal imports and the U.S. Department of the Treasury's sanctions are factors that cannot be overlooked. The State Department supports the resumption of denuclearization negotiations with Pyongyang by announcing that working-level negotiations have made some progress in preparation for the Secretary of State Pompeo's visit to North Korea. But it also sticks to sanctions implementation by putting commercial banks in Russia and corporations based in China and North Korea in a list subject to unilateral sanctions for the first time in five months. Secretary of the Treasury Steven Mnuchin also made it clear that the U.S. will maintain the sanctions until a goal of final, fully verified denuclearization (FFVD) is reached.

In the midst of current development, President Moon proposed an establishment of East Asian Railway Community with a participation of the U.S. and six Northeast Asian countries in his congratulatory remarks at the National Liberation Day of Korea. In a speech, he also laid out plans for various economic cooperation projects that are much advanced from the agreements made during the first inter-Korean summit. His remarks indicate that while South Korea will faithfully implement sanctions, it will seek for ways to resume denuclearization process that involves North Korea via large-scale economic cooperation.

The agreement to host a third inter-Korean summit meeting and the official

announcement of Secretary of State Pompeo's fourth visit to North Korea are creating favorable conditions for President Moon's plans. If Secretary of State Pompeo and North Korea are able to narrow their differences of views with regard to addressing matters of declaration of nuclear materials and facilities and nuclear investigation in parallel with an end-of-war declaration, conditions can be created conducive to speedy implementation of cooperation between the two Koreas via inter-Korea summit meeting.

Positive and Negative Scenarios

Based on such circumstances, two scenarios can be devised to make a projection on inter-Korean relations reflecting the progress of future North Korea-U.S. negotiations. The positive scenario is that North Korea turns in a partial list of all its nuclear materials, facilities, and warheads in return for America's promise on an end-of-the-war declaration. This would strike a balance between North Korea's demand for "an end-of-war declaration-first" and the U.S.'s demand for "provision of a comprehensive list of nuclear assets-first." In other words, if North Korea turns in the list, the "future nuclear agenda," raised via destruction of *Punggye-ri* nuclear test site or *Tongchang-ri* missile test site, would turn into the "current nuclear agenda." The U.S. has already requested North Korea to turn in a comprehensive list of its nuclear materials, facilities, and warheads, three elements of its nuclear assets. However, since the North puts building trust ahead of others, a practical solution would be for North Korea to submit even a list of one of those three elements first. Of course, the content of end-of-the-war declaration will be decided depending on how detailed the list would be.

Once the North Korea-U.S. negotiations enter a full-fledged process, the next inter-Korean summit in September will also gain momentum. President Moon revealed in his Liberation Day speech the items for the third inter-Korean summit, encompassing the implementation of the Panmunjom Declaration, denuclearization, declaration to end the Korean War, and a peace treaty. Considering North Korea's

recent stance, implementation of the Panmunjom Declaration could emerge as the core item of agenda among others. The Panmunjom Declaration is about a matter of trust in the form of implementation of the agreements made between the two Koreas while an end-of-war declaration and peace treaty are matters that should be addressed in the future building on trust established in a prior step. For the South Korean government, it is important to reaffirm whether North Korea remains committed to carrying out agreements of the Declaration and to induce the North into making forward-looking stance on the end-of-war declaration and peace treaty.

Article 1 of the Panmunjom Declaration states, “South and North Korea will...bring forward the future of co-prosperity and unification led by Koreans by facilitating comprehensive and groundbreaking advancement in inter-Korean relations.” As Article 1 indicates, reaching an advanced level of agreement on building Inter-Korean Economic Community or setting schedule for railways and roads connection, all of which were suggested by President Moon in his Liberation Day speech, will significantly contribute to securing independence and authority of inter-Korean relations. Moreover, since the September inter-Korean summit is likely to be held after Inter-Korean Joint Liaison Office established in Kaesong begins its operation, it is necessary to reach an agreement on making the office a place of mutual liaison office both for Seoul and Pyongyang.

As President Moon described inter-Korean relations as “the driving force behind denuclearization of the Korean Peninsula” in his Liberation Day speech, a plan can be proposed, in which Chairman Kim Jong-un visits the U.S. and complete denuclearization and end of the war would be internationally recognized upon his visit. If such a discussion takes place, Chairman Kim Jong-un could give a speech at the UN General Assembly at the end of September and a second North Korea-U.S. summit meeting can take place.

Nevertheless, North Korea seems to remain very cautious when it comes to Chairman Kim engaging in multilateral diplomacy as opposed to a bilateral summit meeting. Even if Kim’s visit to the U.S. does not occur during the UN General Assembly in September, inviting him to Asia-Pacific Economic Cooperation (APEC)

or East Asia Summit (EAS) in November should also be considered to keep the momentum of the Panmunjom Declaration, goals of which include the end of the war declaration announced within this year. This scenario can be expected because the political interests of the two leaders align with each other: for President Donald Trump, the midterm elections are just around the corner in November; and Chairman Kim Jong-un is about to celebrate the 70th anniversary of North Korea soon.

Psychological War is Expected with the Upcoming Third Inter-Korean Summit

There is also a possibility of a negative scenario. For instance, North Korea could once again emphasize “improvement of relations first” as stipulated in Article 1 of the Panmunjom Declaration and the Singapore Joint Statement, and stick to its stance on refusing any discussions about nuclear-related reporting or investigation unless there is an official declaration of the end of the war. North Korea’s rationale is that broad agreement on how to improve relations should be discussed first in order for the two Koreas to work out the details later building on the trust established in the former process.

In his letter to President Donald Trump in mid July, Chairman Kim Jong-un implicitly got his messages across hinting that he wants Washington to speed up the process of improvement of relations as agreed upon in Singapore while omitting an expression “denuclearization.” He only stated, “Dramatic improvement of North Korea-U.S. relations will bring forward the next summit.”

Moreover, Minister of Foreign Affairs Ri Yong-ho’s recent moves show the internal atmosphere of Pyongyang: his visit to Iran coincided with the resumption of U.S. sanctions against Iran giving weight to criticism toward the U.S.; and he also mentioned “preservation of nuclear technology” that could negatively affect North Korea-U.S. negotiations. Furthermore, the North Korean leadership seems unlikely to come out for negotiation in leading up to the September 9 celebration, which in turn could give the impression that the North makes a concession to the U.S. to some extent.

In addition, North Korea still shows indecisive attitude with regard to the third inter-Korean summit. For example, Ri Son-gwon, former North Korea's representative at the high-level talks, noted that "If issues raised at the meeting were not resolved, we may have difficulty in carrying out all the items of the agenda." His remarks show that, even if a working-level meeting on a third inter-Korean summit takes place, there could arise tensions between the two sides in deciding on the timing and schedule of the upcoming summit. North Korea could have thought that holding a third summit meeting without following through agreements reached at the April inter-Korean summit may not bring them any benefits, agreements of which include reconnection and modernization of railways and roads. Accordingly, North Korea is likely to put pressure on the South at the working-level meetings for deciding on items of agenda for the third summit meeting by citing that the April 27 summit was held around the first anniversary of the Moon Jae-in administration stressing the importance of pace of improvement of inter-Korean relations.

Reflecting such sentiments, Rodong Sinmun had a brief coverage on a story of the third inter-Korean summit summarizing the news in only four sentences. In contrast, the newspaper covered the first summit meeting extensively in four pages, with roughly sixty photos all over the newspaper. Considering this stark contrast, North Korea seems to intentionally refrain from giving weight to the third inter-Korean summit when the implementation of the Panmunjom Declaration is in gridlock.

Declaration to End the Korean War at the UN General Assembly and Easing of Sanctions after October

If North Korea-U.S. negotiations take place before the third inter-Korean summit via the Secretary of State Pompeo's visit to Pyongyang, it could be interpreted as a sign that the North has at least withdrawn from its stance that it will not engage in talks unless sanctions are removed. It is possible that, during Pompeo's visit to Pyongyang, there could be discussions about the North submitting

a list of nuclear materials first among nuclear materials, facilities, and warheads in exchange for the U.S. support for an end-of-the-war declaration.

In this situation, the optimal scenario that the Korean government could think of is as follows: Secretary of State Pompeo visits Pyongyang in August → an agreement is reached on the principal of submitting a list of nuclear materials in exchange for an end-of-the-war declaration → an agreement is reached on the method of declaration to end the Korean War during a third inter-Korean summit in mid September → South Korea-U.S. summit and South Korea-China summit will be held → the declaration of the end of Korean War will be announced at the UN General Assembly. If this scenario becomes reality, UN sanctions against North Korea could be partially eased after October, based on which the reconnection of railways and roads can be off to a start within this year as suggested in President Moon's Liberation Day speech. This is possible because the submission of a list of nuclear materials could be regarded as North Korea's "compliance," which is a requirement to ease the sanctions according to the UN Security Council's sanctions resolution against the North.

Nevertheless, the ROK government should also be prepared for a situation in which the U.S. refuses to declare an end to the war before denuclearization or North Korea refuses to submit a list of nuclear materials. In that regard, redefining the meaning of end-of-the-war declaration could also be considered. Initially, the objective of declaring an end to the war was to utilize its political symbol in gaining momentum, as the diversity of agents and complexity of agenda usually hinder negotiations in the implementation process of establishing a peace regime on the Korean Peninsula.

Paradoxically, however, the issue of declaring an end to the war is currently hampering negotiations, as the U.S. and North Korea have conflicting priorities: denuclearization-first for the former vs. end-of-the-war declaration-first for the latter. A declaration to end the war is, in fact, a critical factor in improving North Korea-U.S. relations, given that both Koreas already agreed on mutual non-aggression under the Inter-Korean Basic Agreement and that the U.S.-China

and South Korea–China diplomatic ties have already been established. However, the opportunity cost of such declaration is becoming unnecessarily huge. To that end, inviting North Korea to the APEC summit in November or EAS, in which all three leaders of Korea, the U.S. and China will participate, should be considered if the scope of end-of-the-war declaration is reduced or declaring an end to the war at the UN General Assembly is not possible. Another option is to exclude sensitive issues in that declaration, such as the ROK–U.S. alliance, U.S. Armed Forces in Korea, and status of United Nations Command (UNC). When various options are secured before the third inter-Korean summit meeting, only then will the improvement of inter-Korean relations become a driving force for denuclearization on the Korean Peninsula, as President Moon proposed in the Liberation Day speech. ©KINU 2018

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