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Implementing the Six-Party Joint Statement and the Korean Peninsula

Larry A. Niksch · Jong-Chul Park · Hak-Soon Paik
L. Gordon Flake · Young-Ho Park · William M. Drennan
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KOREA INSTITUTE FOR NATIONAL UNIFICATION

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PART I

Assessing the Joint Statement

Chapter_1

The Six-Party Statement: Is It a Viable Roadmap or a Road to Nowhere?

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Larry A. Niksch*

Since the issuance of the Statement of Principles on September 19, 2005, by the six governments involved in negotiations over North Korea's nuclear programs, the mood of observers has changed from substantial optimism to a more guarded outlook. My reaction after my first reading of the Six-Party Statement was that it contained a number of positive pronouncements, which I emphasized in an interview that afternoon with the Korean Embassy, which was conducting a survey. The initial optimism was based first on the mere accomplishment of the Six-Party Talks in producing such an agreement after several unsuccessful attempts dating back to December 2003. Moreover, North Korea made several commitments in the agreement, which seemed to break new ground. It agreed to abandon "all nuclear weapons and existing nuclear programs." It also pledged to rejoin the Nuclear Non-Proliferation Treaty (NPT) and accept International Atomic Energy Agency (IAEA) safeguards "at an early date." The commitment to accept IAEA safeguards (disclosures of nuclear programs and weapons and allowance of IAEA inspections) was especially surprising in view of Pyongyang's long-expressed hostility toward the IAEA. North Korea also joined in reaffirming the 1992 North Korea-South Korea denuclearization agreement. North Korea also appeared to make

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two additional concessions: Agreeing to negotiations of a Korean peace regime in a negotiation separate from the nuclear talks and agreeing to an implicit reference to the North Korean kidnapping of Japanese in a clause on North Korea-Japan relations.

Like others, however, my reading of the Six-Party Statement has changed over the weeks. Optimism has waned. My outlook now is influenced by four factors — two that I believe are factual and two that I conjecture as likely developments in the next couple of six-party meetings. The first fact is the clear, multiple signals from North Korea that, despite the Six-Party Statement, it has not abandoned its fundamental positions in the six-party negotiations prior to the September 19 Statement. This is especially so regarding the crucial issues of the timing of dismantlement of North Korea's nuclear programs and weapons in a settlement process and the existence of North Korea's secret highly enriched uranium (HEU) program. The second fact has an even broader context. Since the July-August session of the Six-Party Talks, North Korea has systematically rebuffed and blocked the initiatives of Assistant Secretary of State Christopher Hill, who had assumed the positions of lead negotiator and principle U.S. strategist in the Six-Party Talks. Hill had instituted a number of changes in what had been a sterile and ineffective Bush administration's diplomatic strategy. Hill's initiatives gave U.S. diplomacy greater flexibility, responded to some of the criticisms of the other six party governments, eroded the propaganda advantage that North Korea has gained in the talks, and ended the relatively isolated diplomatic position of the United States. Hill displayed the first U.S. willingness in the talks to engage in detailed negotiations with the North Koreans. He endorsed South Korea's July 2005 offer of electricity to North Korea and incorporated it into the Bush administration's core proposal of June 2004 as a major, *simultaneous* benefit that North Korea would receive as it dismantled its nuclear programs. U.S. officials also hinted that North

Korea could receive additional energy assistance beyond the South Korean electricity, including heavy oil. In November 2005, Hill offered North Korea an exchange of diplomatic liaison offices in the early stages of a nuclear settlement. With the backing of Secretary of State Condoleezza Rice, he agreed in the Six-Party Statement to discuss with North Korea its demand for light water reactors after dismantlement — a concession that even South Korean Unification Minister Chung Dong-Young praised.[1] He also agreed to negotiations over a Korean peace agreement simultaneous with the Six-Party Talks. These initiatives clearly offered North Korea issues that could be the basis for constructive negotiations. The record shows, however, that beginning with the July-August six-party meeting, North Korea has either rebuffed these initiatives, particularly through its linkage of light water reactors and nuclear dismantlement and virtual rejection of the South Korean electricity offer, or it has ignored them. Pyongyang's objective appears to be to re-isolate the United States in the talks as in the pre-Hill situation.

Within these factual contexts, the first of the likely developments is that North Korea will raise or re-raise demands for U.S. concessions and benefits not addressed in the Six-Party Statement, such as elements of Pyongyang's "regional disarmament" agenda, removal from the U.S. list of terrorist-supporting countries, and an end to U.S. sanctions and legal and diplomatic moves against North Korea's criminal activities, such as counterfeiting, and missile sales. The second development that I believe is highly possible is that North Korea will use the Six-Party Statement to make a new proposal for a quid pro quo: North Korea would rejoin the NPT and "accept" IAEA safeguards in exchange for a firm U.S. commitment to provide North Korea with light water reactors. Such a quid pro quo deliberately would not include dismantlement.

1) "Rice's decision enables agreement at six-way nuclear talks: Chung," Yonhap News Agency, October 17, 2005.

Continued Marginalization of Dismantlement and the HEU Issue

Throughout the Six-Party Talks, North Korea endorsed in general terms dismantlement and/or denuclearization; but North Korea also made clear that it does not envisage dismantlement taking place at an early or intermediate stage in a settlement process. Dismantlement would come only at the end of a long process in which the United States and Japan had delivered a range of benefits and concessions to North Korea. Until then, the main feature of a nuclear settlement would be a "reward for freeze" arrangement in which North Korea would freeze its nuclear plutonium program while Washington and Tokyo delivered the agreed upon benefits. Thus, North Korea's promise in the Six-Party Statement to abandon all nuclear weapons and nuclear programs was less ground-breaking than many observers believed after September 19. This statement contained no reference to the timing of dismantlement and thus in no way altered North Korea's core position on dismantlement.

North Korea took maximum advantage of the condition that Secretary of State Condoleezza Rice laid down in granting U.S. acceptance of the Chinese draft that became the Six-Party Statement: That each government could render its own interpretation of the Statement and its individual clauses. However, the general optimism over the first agreement produced by the six governments overshadowed the September 20 statements by North Korea's Foreign Ministry and chief negotiator Kim Kye-gwan that North Korea must receive physically light water reactors from the United States and other governments before North Korea would dismantle its "nuclear deterrent." The Foreign Ministry stated: "The U.S. should not even dream of the issue of the DPRK's dismantlement of its nuclear deterrent before providing LWRs, a physical guarantee for confidence-building."

North Korea has solidified that position — the position initially adopted at the July-August six-party meeting – as a new round of Six-Party Talks

apparently approaches in November 2005. North Korea's Deputy United Nations Ambassador, Han Song-ryol, visited the den of "the U.S. enemy" on Capitol Hill at the end of October 2005. In his presentation and in an interview with South Korea's *Yonhap News Agency*, Han firmly asserted: "To give up the graphite-moderated reactors, the light water reactor has to be completed." He hardened Pyongyang's stance further by stating that North Korea would declare its nuclear facilities and programs "only after the provision of the light water reactor is completed."[2)]

One element of this hardening is that Han's pronouncement would appear to negate the widely touted North Korean commitment in the Six-Party Statement to return to the NPT and IAEA safeguards "at an early date." A "return" to IAEA safeguards would require North Korea to declare to the IAEA a complete inventory of nuclear facilities, materials, and weapons. In no way can North Korea's position on a declaration and completion of LWRs be equated with "an early date." Construction of light water reactors in North Korea would take at least ten years and probably considerably longer. Remember, that the construction of the light water reactors promised under the 1994 U.S.-North Korean Agreed Framework reached only 33 percent of completion in eight years when the project was suspended in 2002. It seems that North Korea already has begun to amend its promise to return to IAEA safeguards.

Assistant Secretary of State Christopher Hill still expressed the view that Han's pronouncements were "off the cuff and that Han knows that the demand for a LWR is not going to happen.[3)] However, Han's statements came in two forums, the Capitol Hill presentation and the interview with *Yonhap*. Moreover, North Korean diplomats in Europe also reportedly

2) N. Korean diplomat sets out tough nuclear position, Reuters News, October 27, 2005; DPRK Envoy denies HEU program existence, demands LWR, Yonhap News Agency, October 27, 2005.
3) The Nelson Report, October 31, 2005. p. 3.

delivered similar statements.[4] At the same, North Korea's official media were presenting a new argument for deferred, marginalized dismantlement. They called on the United States to end its "double standard" of supporting Israel as a nuclear weapons state outside the NPT, not by withdrawing support from Israel but by applying "to our country the same treatment and measures it applies to other countries that practically possess nuclear weapons outside the NPT." Further, "only when the United States abandons its unjust and prejudiced double standards to the nuclear issue as we demanded, will there be a prospect for a settlement of the issue."[5] Such a position, undoubtedly modeled after Iran's stand, is a "win-win" position for North Korea. Regardless of whether or not the United States treats North Korea as another Israel, North Korea keeps nuclear weapons indefinitely if not permanently.

Besides reaffirming its position on deferred dismantlement after the Six-Party Statement, North Korean officials also reaffirmed Pyongyang's denials of having a highly enriched uranium (HEU) program. Both Kim Kye-gwan and Han Song-ryol called for the United States to provide "credible information or evidence" and "forensic evidence" to support its claim that North Korea has a HEU program. U.S. officials have disclosed that Assistant Secretary of State Christopher Hill presented to the North Koreans at the July-August talks detailed U.S. evidence in the form of data on North Korean overseas procurements of materials that would be used in a HEU program. But Pyongyang shows no signs of admitting to the program. Moreover, despite Hill's assertion at the United States Institute of Peace on September 28, 2005, that the other six-party governments agree with the U.S. claim, China and Russia remain unwilling to issue crucial public challenges to North Korea's denials. South Korea supports the U.S.

4) Ibid.
5) Commentary in Rodong Sinmun, the official daily of the North Korean Communist Party, October 24, 2005.

claim, but there are indications that Seoul would prefer to defer negotiations on the HEU program and concentrate instead on the plutonium program.

Why Demand Light Water Reactors?

North Korea's demand for LWRs is not new. Pyongyang had raised it first at the initial six-party meeting in August 2003 but had not emphasized it at subsequent meetings. Then, it became the focal point of North Korea's negotiating position at the July-August 2005 meeting. Why did North Korea "switch on" the LWR demand? It seems to me that the answer begins with North Korea's reaction to the proposal of the Bush administration, which U.S. negotiators presented at the June 2004 Six-Party meeting as the first substantive U.S. proposal at the talks. North Korea's initial muffled, uncertain reaction to the proposal appears to have reflected concern over its impact on the negotiations, in which North Korea had secured a decided advantage over the United States by early 2004. After a month, North Korea's Foreign Ministry denounced the proposal as a "sham proposal" on July 24, 2005, and proceeded to boycott the talks. North Korea also began to alter its own agenda, proposals, and demands, I believe, to widen the gap between its agenda and the U.S. proposal. Pyongyang began to emphasize the demand that the United States end "hostile policies," an umbrella term that Pyongyang could define in any way. It demanded that the United States cease its emerging emphasis on human rights conditions in North Korea. In March 2005, it announced a "regional disarmament agenda" for the Six-Party Talks that demanded major military concessions by the United States regarding the size and functions of its military forces "in an around the Korean Peninsula." It seems to me that North Korea decided in late 2004 to broaden its diplomatic objectives beyond undermining the Bush administration's proposal into a strategic

diplomatic goal of creating and perpetuating a diplomatic stalemate on the nuclear issue. It made this decision in part based on the support it perceived it was receiving from China, Russia, and South Korea regarding the U.S. proposal and the absence of criticisms from these governments toward the boycott of the negotiations. This appears to lay behind North Korea's statement of February 10, 2005, reaffirming the boycott of the Six-Party Talks and declaring the possession of nuclear weapons.

I did not believe that the stalemate strategy meant that North Korea would never attend another six-party meetings. Its decision to return to the negotiations in July 2005 probably resulted from a combination of Chinese assurances and Chinese pressure: The Chinese assurance of May 10, 2005, that China would not support sanctions against North Korea in connection with the Six-Party Talks and Chinese warnings and pressure resulting from the reports that North Korea was preparing a nuclear test.

North Korea faced two new problems from the Bush administration in the July-August 2005 talks. One was the tactical flexibility and assertive public diplomacy practiced by Christopher Hill. North Korea lost some of the propaganda advantage it had over the United States. Second, the Bush administration amended its June 2004 proposal by including South Korea's offer of electricity, offering it as a parallel, simultaneous step to be taken with dismantlement — but still in the early stage of a settlement process. It seems to me that North Korea viewed this as a serious challenge. North Korea no longer could accuse the United States of demanding dismantlement before Washington would agree to any benefits to North Korea. The other six-party governments might support the combination of the U.S. proposal and South Korea's offer of electricity and thus change fundamentally the complexion of six-party diplomacy to Pyongyang's disadvantage, especially jeopardizing the strategic stalemate strategy.

North Korea chose its demand for LWRs as the means to checkmate the Bush administration's amended proposal. North Korea had three tactical

objectives. First, the LWR demand would further widen the gap between North Korea's position on the timing of dismantlement and the Bush administration's position, in part by adding more specificity to North Korea's demand for deferred dismantlement. Assistant Secretary Hill has estimated that it would take up to a decade to build a light water reactor in North Korea.[6] It seems to me that this estimate is on the optimistic side; but it points up how dismantlement would be put off into the distant future under North Korea's demand. Second, it would neutralize South Korea's electricity proposal as the key measure of reciprocity in exchange for dismantlement. North Korean officials reportedly told South Korean counterparts early in the July-August talks that Seoul's offer of electricity could not be linked to dismantlement and that dismantlement would take place only after North Korea had received physically LWRs. Third, the LWR demand could neutralize potential Chinese and Russian support — and even South Korean support — for the amended U.S. proposal.

A New North Korean Proposal?

By allowing the reference to LWRs in the Six-Party Statement, North Korea can continue to pursue these tactical diplomatic objectives and continue to promote its stalemate strategy. It also seems to me that North Korea is preparing to use the Six-Party Statement to make a new proposal that would support these goals more effectively. North Korea would offer to rejoin the NPT and IAEA safeguards at the same time it received a firm commitment from the United States and other government for LWRs. Dismantlement would not be part of such a quid pro quo. The September 20 statements of the North Korean Foreign Ministry and Kim Kye-gwan

6) Shigemi Sato and June Kwanwoo, "N. Korea nuclear talks mired in major disagreements," Washington Times, September 16, 2005, p. A17.

hinted at such a proposal. The Foreign Ministry's statement described a process involving two stages of a commitment to provide LWRs to North Korea. The first would the firm commitment — "the U.S. provision of LWRs" — undoubtedly a written commitment in an agreement, which would constitute "a basis of confidence-building to us." But a second stage would be required, the construction of LWRs as "a physical guarantee for confidence-building." The Foreign Ministry, as stated previously, placed dismantlement after this second stage. However, it offered a sweetener, which it said was contained in the Six-Party Statement: "As clarified in the joint statement, we will return to the NPT and sign the Safeguards Agreement with the IAEA and comply with it immediately upon the U.S. provision of LWRs, a basis of confidence-building to us."

An offer to rejoin the NPT is an easy concession for Pyongyang to make. Accepting IAEA safeguards would be a tougher challenge. As alluded to earlier, Han Song-ryol's statement in Washington negates any proposal to accept IAEA safeguards, and it may reflect a belief among North Korean officials that they could contain the IAEA with regard to both disclosures and inspections. North Korean concealment mechanisms to hide nuclear activities undoubtedly have been strengthened since 1994 when the IAEA last conducted inspections. North Korea may also be influenced by Iran's experience with the IAEA over the last few years.

The key objective of any such proposal would be to gain sympathy and/or support from China, Russia, and South Korea and thus push the Bush administration back into a relatively isolated position in the talks; this would solidify the diplomatic stalemate. North Korean officials likely would not expect U.S. agreement to any such proposal. But that would not matter if other governments responded in positive ways.

In fact, there are signs that other governments may tilt toward such a North Korean position and/or not endorse the U.S. position. China, Russia, and South Korea all emphasize the need for North Korea to rejoin

the NPT. Russia already has begun to tilt with the statement from the Russian Ambassador to South Korea that the provision of light water reactors to North Korea and dismantlement take place simultaneously.[7] South Korean statements have been "all over the map" and indicate a fluidity in Seoul's position that should be worrisome to the United States. Some ROK statements are in line with the Bush administration's position that dismantlement must occur before any discussion of LWRs and that North Korea must present a declaration of its nuclear materials and facilities. However, the South Korean press, including the semi-official *Yonhap News Agency*, has reported that the Roh Moo-hyun administration is considering a proposal under which negotiations over LWRs would begin before North Korea dismantled its nuclear programs.[8] President Roh and other officials have described South Korea's post-Six-Party Statement role as mediating between North Korea and the United States and as a "guarantor" between Washington and Pyongyang. Perhaps most importantly, South Korea's position is clouded further by what it no longer talks about. ROK officials now say little about South Korea's offer of electricity even though the Six-Party Statement does mention it. Unfortunately, the Six-Party Statement does link the proposal to dismantlement, and ROK officials appear to have forgotten their original linkage of the proposal with dismantlement when they issued the proposal in July 2005. Pyongyang has succeeded in least in the short run in marginalizing South Korea's proposal as a key element in a nuclear settlement. Nevertheless, the South Korean government is proceeding with plans to nearly double ROK aid to North Korea in 2006 to well over $2 billion.

7) NK nuke scrapping, LWR provision should take place simultaneously, Yonhap News Agency, November 1, 2005.
8) President Roh calls for comprehensive aid to N. Korea, Yonhap News Agency, September 20, 2005.

China's reaction to such a new North Korean proposal and to the LWR-dismantlement linkage will be crucial at the next six-party meeting. On September 28, 2005, Assistant Secretary Hill spoke on the record at the United States Institute of Peace. I had the opportunity to ask him if China agrees with the Bush administration on the sequencing of dismantlement, North Korean return to the NPT, and discussions over LWRs. I expected an evasive answer. Instead he stated that China agrees with the United States that dismantlement must come first. Hill subsequently said that China has the responsibility to make the Six-Party Statement "stick." Hill is correct on China's crucial role. If China does agree with the United States on the timing of dismantlement, the U.S. position in the talks will be strengthened considerably. If he is incorrect in his answer to my question, the Bush administration will be in deep trouble.

Despite Hill's answer, there are worrisome signs. There is no indication that the Chinese have told North Korea the same thing that Hill claims they have told him regarding the timing of dismantlement. The Chinese government has issued no public statements indicating a pro-U.S. position on dismantlement. Public pronouncements are especially important in six-party diplomacy. North Korea places considerably weight on the public statements of other governments; it views such statements and the absence of such statements as indicators of the commitment of governments to the positions they take in private. In the negotiations over the Chinese draft that became the Six-Party Statement, the Chinese rejected a U.S. proposal that the Statement specify that discussions of LWRs could take place only after North Korea had abandoned its nuclear programs.[9] The crucial issue thus is: Will China support that U.S. proposal in the next round of talks? China's reported heavy pressure on the Bush administration to accept the draft could be another major problem if repeated without a major change

9) Gordon Fairclough, "North Korea vows to scrap existing nuclear programs," Asian Wall Street Journal, September 20, 2005, p. A1.

of North Korea's position on dismantlement and other issues. Also worrisome are the reports of Chinese President Hu Jintao's visit to North Korea at the end of October 2005. While President Hu emphasized the importance of economic reforms, the reported Chinese commitment of $2 billion in aid to North Korea does not signal a Chinese intention to break with North Korea over the crucial issue of the timing of dismantlement.

Re-Raising Other Demands

The signs of fluidity in the Chinese, Russian, and South Korean positions toward North Korea's position on LWRs — and thus the timing of dismantlement — indicate that the Bush administration is in danger of being pushed into the isolated position in the Six-Party Talks that it was in before the July-August 2005 meeting. North Korea, too, has the option to re-raise other issues of its previous agenda in the talks: Removal from the U.S. terrorism list, the regional disarmament proposals, the demand that the United States abandon the Proliferation Security Initiative, and the demand that the United States back off from its emerging initiatives on human rights. I have heard reports that Pyongyang does plan to re-raise the demand to be removed from the U.S. list of terrorist-supporting countries even though North Korea clearly understands that resolving the kidnapping issue with Japan is a fundamental condition for removal. North Korea already has indicated that it plans to demand that the United States abandon its recent diplomatic and legal initiatives against North Korean counterfeiting of U.S. currency.

Finally, the fundamentally important issue of verification has yet to be addressed in detail at the Six-Party Talks. North Korea's contradictory positions toward IAEA safeguards point to a particularly difficult negotiation on this issue if the six-parties even get to that point.

The Six-Party Statement has not altered the big advantage that North

Korea has in advancing its strategic diplomatic stalemate strategy. To use a football analogy, North Korea only has to keep the football near the 50 yardline in order to maintain a diplomatic stalemate. The United States needs a diplomatic touchdown. It has only limited means to produce a diplomatic touchdown. It has not gained the support of the other six-party governments save Japan. It lacks sufficient instruments of pressure to apply on North Korea to reinforce diplomatic strategy. Moreover, the reality is that North Korea is not a high priority foreign policy issue to the Bush administration, despite the administration's often bellicose rhetoric. North Korea occupies a middle level position. Other issues receive higher priority, including the struggle with Islamic fascism, Iraq, and the Israel-Palestinian question. Even on the nuclear issue, it is apparent that the administration considers the Iranian nuclear program a bigger threat to U.S. interests than the North Korean program.

Some Thoughts on Strategy

With the issuance of the Six-Party Statement containing general principles and commitments, it seems to me that the issue of the sequence and timing of dismantlement must be the direct object of negotiations at the next six-party meetings. The parties must cross that bridge in order for the talks to proceed much further. If it turns out to be a bridge too far, the diplomatic stalemate that North Korea seems to favor will be realized.

It seems to me that the Bush administration needs to solidify the linkage of the timing of dismantlement in its core proposal and South Korea's electricity offer. This will require the Bush administration to press South Korea hard for a clear ROK reaffirmation of its proposal and support for it as the chief reciprocal measure that North Korea would receive in parallel with dismantlement. The Bush administration has been reluctant to confront the Roh Moo-hyun administration when the Roh administration

has openly criticized U.S. proposals and positions in the Six-Party Talks. However, the administration's need for South Korean support may be essential in order to bring China and Russia to support the American position on the timing of dismantlement. Seoul's backing would give U.S. negotiators leverage in pressing China to take a clear position that dismantlement must come early in a settlement process. Without South Korean backing, it seems to me that the prospect of China's fulfilling Assistant Secretary of State Hill's belief in Chinese support will be considerably dimmed.

If the Bush administration succeeds in gaining South Korean and Chinese support for its core proposal plus the South Korean electricity offer, the administration may be pressed to commit to provide North Korea with LWRs. This would be a difficult decision, given the negative attitudes in both the administration and Congress toward providing LWRs to North Korea. However, given the commitment in the Six-Party Statement to eventual consideration of LWRs, the administration may have to state at least that the United States would not oppose other countries providing LWRs to North Korea if North Korea dismantles first and fully accepts IAEA safeguards. Such a statement would coincide with the reality that the United States could do little to prevent another country — Russia for example — that wished to supply LWRs to Pyongyang.

There are, too, several "sweeteners" that, it seems to me, the Bush administration could offer at the talks incentives for South Korea, China, and Russia to support the administration's proposal on dismantlement. One would be the inclusion of heavy oil shipments to North Korea, including U.S. financing, during the phase of dismantlement of North Korean nuclear programs and South Korea's construction of infrastructure to provide electricity. U.S. and ROK officials have estimated that the process of dismantlement and the preparation of electricity infrastructure would both take about three years. Thus, it seems to me that a provision of

heavy oil to North Korea during this relatively brief period would be a worthwhile incentive despite the negative history of previous heavy oil shipments under the 1994 Agreed Framework.

Assistant Secretary of State Hill stated at the U.S. Institute of Peace on September 28 that he had discussed with Chinese officials the idea of reinstating the U.S. offer to exchange diplomatic liaison offices with North Korea. At the brief November six-party meeting, he reportedly made a more specific proposal. Liaison offices were specified in the 1994 Agreed Framework, and the Clinton administration was prepared to establish a U.S. liaison office in Pyongyang in 1997. North Korea, however, backed away from the deal, and the issue has languished. The administration could press this proposal in future talks, specify the stage in a settlement process when liaison offices would be established (preferably during the latter part of the dismantlement stage), and seek support from other six-party governments for liaison offices.

The use of full diplomatic relations as a U.S. reciprocal measure has been a controversial issue. China and South Korea have advocated for several years that the United States normalize diplomatic relations with North Korea. The Bush administration has opposed offering North Korea diplomatic relations in return for a satisfactory settlement of the nuclear issue. The administration has maintained that North Korea must settle other issues with the United States before relations could be normalized. The administration has mentioned the missile issue, human rights, and conventional military forces. Nevertheless, an offer of diplomatic relations in exchange for complete nuclear dismantlement and acceptance of IAEA safeguards and possibly other verification mechanisms would serve as a strong incentive for China, South Korea, and Russia to back the U.S. proposal for early dismantlement linked to South Korean electricity. Unlike Pyongyang's demands for LWRs, removal from the U.S. terrorist list, U.S. military concessions, and an end to the Proliferation Security

Initiative, the establishment of diplomatic relations would give nothing of substance to North Korea. (I am not convinced that North Korea would accept diplomatic relations, given that its definition of "normalization of relations" with the United States seems to include the substantive concessions from the United States.) An offer of diplomatic relations likely would help dispel the suspicions of the Chinese throughout the Six-Party Talks that Bush administration policy seeks a collapse of the Kim Jong Il regime. It would not prevent the Bush administration from developing an assertive human rights strategy and could help. There is the example of the Reagan administration developing assertive human rights diplomacy toward the Soviet Union and the role of the U.S. Ambassador in Moscow in pressuring the Soviet government to release numerous dissidents.

U.S. special envoy Joseph DeTrani was correct in stating at the Cato Institute on November 1 that U.S. support for Japan on the kidnapping issue is vital to maintaining a strong U.S.-Japan alliance, and this entails keeping North Korea on the U.S. list of terrorist-supporting countries. However, there are a couple of initiatives which the Bush administration could take that likely would appeal to the Chinese, South Koreans, and Russians. One would clarify to North Korea at the Six-Party Talks the specific measures North Korea must take in order to be removed from the terrorist list. This clarification also could include a description of the position which the United States would take in international financial institutions (IFIs) on future proposals for economic assistance to North Korea from the World Bank, the IMF, etc. (Current legislation bars the United States from supporting any economic aid from the IFIs to countries on the U.S. terrorist list.) This would have to include conditions specified by Congress, including the resolving of the status of the Reverend Kim Dong-shik. The administration also could advise Japan to lay out a roadmap of specific North Korean measures to resolve the kidnapping issue and Japan's responses if North Korea adopts those measures. Japan

so far has not done that, and this leaves the issue too open-ended with an endless array of obstacles to a final settlement.

Finally, the United States and South Korea could take an initiative on the issue of a Korean peace agreement in response to the clause in the Six-Party Statement that calls for negotiations on this in a forum separate from the Six-Party Talks. Seoul and Washington could make a specific proposal for negotiations at a date certain. They could begin work to develop a joint agenda on the issues to be resolved in order for a Korean peace agreement to be concluded. Especially important, they could specify in a proposal and in a joint agenda that negotiations must include conventional force reductions and would cover U.S. forces on the Korean Peninsula. This would counter any future moves by North Korea to bring the issue of U.S. forces into the Six-Party Talks under the guide of its "regional disarmament" demands.

One final point: It is legitimate for the other six-party governments to urge the United States to expand reciprocal benefits to North Korea, but the operating word is reciprocal. This means that the legitimacy of their proposed benefits depends on these governments supporting the U.S. position that dismantlement must come in an early stage of a settlement process. So far, that support has been insufficient to thwart Pyongyang's tactics to rebuff the Hill initiatives. If it remains insufficient, the current diplomatic stalemate will become a permanent reality, and the Six-Party Statement will be viewed by historians as a road to nowhere.

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Chapter_2

Negotiation Coalition of the Six-Party Talks: Its Formation, Operation and Tasks

Jong-Chul Park*

Mechanism of Negotiation Coalition

The general framework of the North Korean nuclear issue was reached in the joint statement of the Six-Party Talks. The joint statement outlined the issue and will be followed by specific implementation measures. The joint statement was created by the six-nation negotiation coalition.

The negotiation coalition is based on the recognition that the maintenance of dialogue and compromise is beneficial to all members. The coalition needs domestic and external support. It manages the interaction between negotiation partners, domestic forces, and external forces. It must set common goals and mobilize the proper policies to achieve its goals.

The coalition passes through three stages. The first stage is the formation of the negotiation coalition. Participants come to the conclusion that negotiation is beneficial after calculating the costs and benefits of the confrontation approach and the negotiation approach. It has to get support from the government, experts, and the media in their respective countries. In addition, intermediaries prevent breakdowns and propose alternatives.

The second stage is the operation of the negotiation coalition. Multilateral and bilateral talks are complementary at this stage. While multilateral talks provide the general context, bilateral talks act as a bridge

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to connect mutual interactions. Participants understand that compromise, not confrontation, is the second choice contributing to their respective interests. Participants reach a minimal agreement guaranteeing their minimal interests.

The third stage is the maintenance and implementation of the negotiation coalition. It is required to overcome many stumbling blocks. In the first place, any ambiguity in an agreement must be clarified. Dialogue among several participants should be arranged. A road map of the issues has to be made. Moreover, coalition partners are required to get supporters internally and externally. Furthermore, getting material and organizational resources is needed.

Formation of Negotiation Coalition

Washington's Dual Policy of Plan A and Plan B

As North Korea declared its development of nuclear weapons in February 2005, the Bush administration could not help but move away from a benign neglect policy, taking a more active policy. The Bush administration's response was a combination of Plan A and Plan B.

Plan A is a negotiation-oriented policy, providing a security guarantee and economic assistance in exchange for the abandonment of the nuclear program by North Korea. Plan A stresses complete, verifiable, and irreversible dismantlement to avoid repeating the failure of the Geneva Agreement. A core element of Plan A is to allow bilateral contacts and meetings with North Korea. Based on Plan A, the U.S. had had several rounds of contact with the North in New York and Beijing since May 2005.

Plan B is a pressure-oriented policy in the case of the failure of the negotiation approach. Plan B consists of several items: Submitting the North's nuclear issue to the UN Security Council, imposing the PSI, and

reinforcing military posture on the Korean Peninsula.

It has been observed that Bush combines Plan A and Plan B. Bush utilizes both negotiation supporters headed by Secretary of State Condoleezza Rice and neo-cons headed by Vice President Dick Cheney and Secretary of Defense Donald Rumsfeld. While Bush permitted the activation of the Six-Party Talks, he acknowledged pressure measures such as dispatching a stealth fighter on the Korean Peninsula and suspending 30 U.S. military officials' visit to Pyongyang who were on a mission to search for MIAs.

Although Washington emphasizes the negotiation approach in the Six-Party Talks, it does not completely give up Plan B. In spite of Plan A, Plan B has utility as leverage in the negotiations and as an alternative in the case of the breakdown of the negotiations.

Pyongyang's Strategic Decision

Pyongyang adopted a dual policy after the outbreak of the second nuclear crisis in October 2002. Although the North aggravated the nuclear crisis gradually by withdrawing from the NPT (January 2003), reactivating 5 MWE reactors (February 2003), and declaring its nuclear state status (February 2005), it did not forget to repeat its intention to hold talks with the U.S.

Pyongyang seemed to want to return to the negotiation table by agreeing to the September Joint Statement of the Six-Party Talks. What motivated Pyongyang to abandon its nuclear program?

At first glance, it is evident that North Korea's severe economic situation and international isolation caused it to follow the negotiation path. The North has no choice but to improve its relations with the U.S. and Japan in order to escape from its miserable situation by halting its nuclear program.

In addition, Pyongyang seemed to take the negotiation approach

seriously after the declaration of nuclear state status. It recognized the risk of escalating a nuclear crisis such as a nuclear weapons test or the transfer of nuclear weapons or related materials outside. The North hopes to bargain from a more advantageous position with nuclear state status. The North might have thought that it was the right time to turn to the negotiation table. The North would not risk incurring international pressure or a military strike by resorting to last-ditch efforts.

Considering North Korea's centralized political structure, it is natural that Chairman Kim Jong Il made public the strategic decision. Chairman Kim confirmed the abandonment of the nuclear program as he mentioned it was the last wish of his late father Kim Il Sung. Chairman Kim clarified that the strategic decision is definite and unobjectionable by evoking the late Kim's dying wish.

It is uncertain whether there were in-depth discussions between negotiation officials and military officials on the North Korea's strategic decision. Nevertheless, there might be some differences between bureaucrats calculating the costs and benefits and the military stressing security and national interests. Chairman Kim's official expression of his decision might be the result of a strategic debate or a preemptive move to prevent the possible objection to the negotiation approach.

Intermediaries: Seoul and Beijing

Seoul and Beijing's intermediary role can be summarized focusing on the following points.

First, both Seoul and Beijing could play the moderator role by utilizing bilateral and/or trilateral relationships with participating countries. Seoul sought to find a compromise through U.S.-ROK and U.S.-ROK-Japan channels as well as China-ROK consultations. Furthermore, Seoul acted as a messenger between the U.S. and North Korea in the inter-Korean

dialogue, explaining one's position to the other. China made an effort to maintain the momentum of the meeting by using its intimate relationship with North Korea and close consultation with the South.

Second, both Seoul and Beijing suggested a springboard to the talks by using remunerative policy means. Seoul induced Pyongyang to join the meeting through economic projects and found an exit from the stalemate by suggesting the provision of 2 million KW of electricity to Pyongyang. China used its leverage to persuade North Korea with economic assistance, security assurance, and political support. China also implied its willingness to take part in supplying heavy oil to the North.

Third, both Seoul and Beijing demanded concessions from both the U.S. and the North. Seoul proposed a three-stage road map to serve as a compromise to the contrasting views of Washington and Pyongyang. Beijing endeavored to avoid disruption of the meeting by drafting Joint Statement several times.

Lastly, the willingness and enthusiasm of Seoul and Beijing were one of the main driving forces of the Six-Party Talks.

Operation of Negotiation Coalition

The negotiation coalition of the Six-Party Talks overcame several obstacles and succeeded in concluding a joint statement.

First of all, the multilateral framework worked as a positive factor to the operation of the negotiation coalition. Multilateralism coordinates policy differences based on generalized principles of conduct that involve consistency, impartiality, and respect for international law.[1] Multilateralism dissolves mistrust and neutralizes confrontation among participants. Confrontational bilateral relationships can be ameliorated

1) John Gerard Ruggie, "Multilateralism: The Anatomy of an Institution," International Organization, Vol. 46, No. 3 (1992), p. 571.

through discussions in a multilateral context. Multilateralism works as an institutional mechanism guaranteeing benefits. Institutional mechanism and norms of multilateral approach can develop into a new regime. In addition, multilateralism supplies organizational and material resources required to carry out an agreement.[2] The Six-Party Talks served as a multilateral arena and worked to reduce tensions between Washington and Pyongyang and seek an alternative.

Next, a variety of bilateral and/or trilateral talks worked to resolve many complicated issues. As the Six-Party Talks involve issues such as nonproliferation, economic cooperation, security assurance, and diplomatic normalization, the parties involved consulted on the related issues through bilateral and trilateral means.

The U.S. and the DPRK discussed their differing views within the six-party framework. Although the talks were between six nations, the U.S. and North Korea are the key players. Therefore, the U.S.-DPRK talks worked as the main channel to find a solution to the stalemate. North Korea interpreted bilateral talks with the U.S. as a symbol of the U.S.'s change in attitude toward the North.

Third, the parties concerned found common ground in that maintenance of the talks was their interest, understanding that the risk of a breakdown was unpredictable and high. Nobody wanted to take the responsibility in the event of the breakdown of the meeting: Sending the nuclear issue to the UN Security Council increased pressure on the North and escalated tension on the Korean Peninsula. Everybody knew that the resumption of the talks would be difficult if they were disrupted. Thanks to these worries, the first stage of the fourth round of the Six-Party Talks could avoid a disruption, finding a second choice, adjournment.

Fourth, participants reached a minimal agreement rather than

2) Rober W. Cox, "Multilateralism and World Order," Review of International Studies, Vol. 18 (1992), pp. 57-58.

maximum because of the comprehensiveness of issues, multiplicity of participants, and divergence of interests. The minimal agreement categorized several sets of similar items rather than clarify a definite solution to each item.

Lastly, an agreement was the result of an unstable equilibrium between Washington's parallel approach of hawks and doves and Pyongyang's increasingly tense policy. Even if this equilibrium enabled a convergence between Washington and Pyongyang's position, it might be easily broken.

Although the U.S. emphasized negotiation, it can resort to pressure any time if it turns out to be a failure. Moreover, the U.S. acknowledges the utility of pressure as a leverage to force the North back to the negotiation table.

On the other hand, the North assumes that its brinkmanship was effective in attracting the attention of the U.S. and obtaining bilateral talks with the U.S. As the North supposes that its nuclear program is a means to deal with the U.S. on equal footing, it is not likely to give up the nuclear program easily. Pyongyang might be tempted to use escalating crisis tactics if the negotiation reaches a deadlock.

Prospects: Road Map of Negotiation Coalition

Three elements need to be reflected to make a road map of the joint statement of the Six-Party Talks: Dialogue patterns, related issues, and stages. The road map will be a multi-dimensional mix of dialogue, issue areas, and stages.

Three different dialogue patterns exist. Plenary meetings of the Six-Party Talks and working group meetings (verification working group, economic cooperation working group, and security working group) are primary layers of dialogues. In addition, a peace regime on the Korean Peninsula will be formed to establish a permanent peace. Moreover, three

pairs of bilateral talks such as U.S.-DPRK dialogue, Japan-DPRK dialogue , and inter-Korean dialogue are the main sources upholding the agreement.

Three issue areas are included. Primary and core is the abandonment of nuclear programs. The scope and procedure of its process are the critical factor affecting the entire process. Security issues include a security guarantee for North Korea, a peace regime on the Korean Peninsula, diplomatic normalization of the North with the U.S. and Japan, and multilateral security cooperation in Northeast Asia. Economic issues consist of the provision of heavy oil, supply of electricity to the North, provision of light water reactors, and economic cooperation in energy, trade, and investment through the bilateral and multilateral framework. Three issue areas are complementary or contradictory, making it necessary to evaluate each other's respective values, linkages, and timing to make a road map.

In addition, a road map passes through phases. The U.S. position insisting on nuclear dismantlement before diplomatic normalization contrasted with the North's reversed sequence. As a result, it was agreed to take coordinated steps to implement in a phased manner in line with the principle of "commitment for commitment, action for action."[3)]

A road map of the implementation of the joint statement of the Six-Party Talks by combining dialogue types, issue areas, and steps is as follows.

3) Clause 5, Joint Statement of the Fourth Round of the Six-Party Talks, September 19, 2005.

Table 2-1. Road Map of the Phased Implementation of the Coordinated Steps

Issue (dialogue type)/phase	Preliminary phase (present-first half 2006)	Nuclear dismantlement phase (second half 2006-2010)	Completion of dismantlement and normalization phase (2011-2020)
Dismantlement of nuclear program (the Six-Party Talks)	- North Korea's return to NPT and IAEA safeguards	- IAEA inspection - Formation of inspection and dismantlement committee - Report of nuclear program⟶freezing⟶ dismantlement	- Completion of nuclear dismantlement
Energy assistance (the Six-Party Talks and inter-Korean dialogue)	- Agreement of the procedure of dismantlement and energy assistance - Provision of heavy oil - Discussion of the provision of electricity	- Preparing provision of electricity - Package deal at an appropriate time of dismantlement (starting provision of electricity, halting provision of heavy oil, discussion of light water reactors)	- Starting construction of light water reactor - Completing light water reactors (halting supply of electricity)
Peace regime on the Korean Peninsula (peace forum on the Korean Peninsula)	- Inter-Korean summit meeting (declaration of peace on the Korean Peninsula) - Formation of peace forum on the Korean Peninsula	- Operation of peace forum on the Korean Peninsula (four-party talks)	- Establishing peace regime on the Korean Peninsula (conclusion of peace treaty, international guarantee mechanism, peace management mechanism)
U.S.-DPRK relations	- Mutual visits of high-level official's to Pyongyang and Washington - U.S. food aid to Pyongyang	- Opening liaison office - Removing the North from terrorism-supporting countries - Lifting economic sanctions (administrative decisions and legislative measures)	- Discussion of diplomatic normalization

Issue (dialogue type)/phase	Preliminary phase (present-first half 2006)	Nuclear dismantlement phase (second half 2006-2010)	Completion of dismantlement and normalization phase (2011-2020)
Japan-North Korea relations	- Resuming normalization talks - Prime Minister's visit to Pyongyang - Japan's food aid to Pyongyang	- Opening of office of trade representative	- Discussion of diplomatic normalization
Inter-Korean relations	- Expansion of inter-Korean economic cooperation - Regularization of inter-Korean dialogue	- Inter-Korean Summit meeting - North Korean version of Marshall plan - Institutionalization of inter-Korean dialogue - Opening permanent office in Seoul and Pyongyang	- Institutionalization of inter-Korean relations - Preparation for Korean confederation

Tasks of Negotiation Coalition

Clarification of Ambiguity

The joint statement was a collection of minimal agreement of mutual interests. The clarification of several points is necessary to prevent the agreement from derailing.

Above all, the concept of denuclearization of the Korean Peninsula is ambiguous. Whereas Washington focuses on the denuclearization of North Korea, Pyongyang extends it to the denuclearizaton of the South, the elimination of Washington's nuclear threat to the North, and an ultimately nuclear-free zone on the Korean Peninsula. According to the North Korean dictionary, nuclear-free zone means a zone where production,

maintenance, introduction, and use of nuclear weapons are prohibited.[4] North Korea's concept of nuclear-free zone includes the denuclearization of the South Korean territory, off shore, and air space. Pyongyang hopes to eliminate the U.S. preemptive nuclear strike against it and asks for the inspection of South Korean and U.S. military bases in South Korea.

Moreover, the scope of nuclear dismantlement is ambiguous. According to the joint statement, it was agreed that all nuclear weapons and existing nuclear programs will be abandoned (Clause 1). However, the highly enriched uranium (HEU) program, which is the direct cause of the second North Korean nuclear crisis, remains unclear. The U.S. supposes that the HEU program is definitely included in the existing nuclear program and is subject to abandonment. But the North insists that the HEU program does not exist, so is not subject to abandonment.

The most critical issue is North Korea's right to the peaceful use of nuclear energy. Pyongyang's right to the peaceful use of nuclear energy is theoretical and abstract. Its use in agriculture, industry, and medical science can be acknowledged.[5] However, the central point is about the light water reactor. Pyongyang expects to get confirmation of it as early as possible before beginning dismantlement. Contrastingly, Washington will try to prolong its discussion until the final stage of dismantlement.

Mutual Relations of Several Dialogues

Several dialogues work together in the implementation of the agreement: The Six-Party Talks, a peace forum on the Korean Peninsula, the U.S.-DPRK dialogue, the Japan-DPRK dialogue, and the inter-Korean dialogue. Although basic guidelines are agreed on, each dialogue has its

4) Korean Language Dictionary (Pyongyang 2004).
5) Christopher Hill, Speech at CSIS, August 2005.

own mission and is affected by different variables.

In the case of the Geneva Agreement, while provision of light water reactors progressed relatively according to the road map, improvement of the relationship of North Korea with the U.S. and South Korea did not develop in a parallel way. The Six-Party Talks have more members and more issues than the Geneva Agreement. Hence, it will be more difficult to maintain consistency and good relations among several communication channels. One problem will be how to coordinate and manage inconsistencies and discrepancies among several dialogues. In particular, if there is no progress in the U.S.-DPRK relations despite some progress in the Six-Party Talks, the whole process will be negatively affected.

As for the operation of the Six-Party Talks, an arrangement between plenary session and working group meetings is required. Working group meetings can be convened regularly between plenary sessions like the negotiation between the EU and Iran.[6] Some disputes in the working group meetings can be handled by the plenary meeting.

Phased Implementation of Coordinated Steps

The joint statement touches a variety of issues: Dismantlement of the nuclear program, security guarantee, peace regime on the Korean Peninsula, energy assistance, economic cooperation, and diplomatic normalization. These are directly and indirectly interconnected. However, causal relations, prioritization, and sequence are very complicated. To set up a correlation and prioritize these items is a tremendous task.

The term of phased implementation of coordinated steps is comprised of

6) Mr. Cho Tae Young, one of the South Korean representatives of the Six-Party Talks commented it. International Seminar organized by CSIS and Chosun Ilbo, Prospects for U.S. Policy toward the Korean Peninsula in the second Bush administration, May 18, 2005.

contrasting views about the sequence between the U.S. and North Korea. The implementation of coordinated steps means reciprocal interactions at each stage where security guarantees and economic compensation are provided correspondingly in exchange for the dismantlement process. The Geneva Agreement was based on the reciprocity between the U.S. and North Korea. In a reciprocal framework, one has no obligation to comply with an agreement as the other side does not comply with it.

If an agreement confronts obstacles and delays, participants will criticize each other and avoid taking responsibility. A partial problem in the implementation of the whole scheme can destabilize the whole process. In order to prevent this situation, a cautious and systematic arrangement is requisite.

Overcoming Domestic Constraints

One of the important factors for the operation of the negotiation coalition is to get domestic support in each country. The most difficult job for negotiation representatives is to overcome domestic constraints rather than negotiation itself. Negotiation participants sometimes may use domestic opposition as a leverage at the negotiation table. Nevertheless, negotiators have to persuade the domestic audience about the results of the negotiation. Negotiators play two-level games: One at the negotiation table, the other in the domestic arena. Considering the increasing influence of domestic opinion on foreign policy, the gravity of domestic political structure on the nuclear negotiation is heavy.

Different political structures have different impact on the process and result of negotiations. In a pluralist state like the U.S., public opinion is influential in negotiations. However, in a monolithic society like North Korea, the public's voice goes unheard. A centralized state can maintain consistency and/or change its position relatively easily depending on the

supreme leader's intention. The difference of political structure and decision-making process becomes an obstacle for participant countries to understand the other's position.

U.S. representatives are responsible for explaining the results of the Six-Party Talks to neo-cons within the Bush administration and the conservative Congress led by the Republicans. Mr. Bush and Condoleezza Rice reiterated the importance of the verification of the agreement after the fourth round of the Six-Party Talks. It is understandable in this context that Christopher Hill affirmed the light water reactor can be discussed only after North Korea completely and verifiably dismantles its nuclear weapons program.[7)]

Neo-cons within the Bush administration do not oppose the result publicly. However, the U.S. Congress considers the result of the Six-Party Talks to be a duplicate of the Geneva Agreement, which compensated for the wrong-doings of North Korea. Congress is particularly negative toward the proposal of light water reactors to North Korea. The negative attitudes of the neo-cons and Congress will constrain the policy range of the U.S. representatives in the next round of the Six-Party Talks.

As for North Korea, no dissenting voices could be heard since Chairman Kim Jong Il himself made the strategic decision. Nevertheless, there are some reasons why the North clings to the light water reactor so strongly. North Korea might need the light water reactor issue as a bargaining chip to get other payoffs. The North might also need face-saving and tangible payoffs in order to justify the abandonment of its nuclear program domestically. North Korea's negotiation team seems to caress military hardliners and take into account the interests of nuclear experts. North Korean representative Kim Kye-Kwan said that the abandonment of the

7) http://usinfo.state.gov/eap/Arcive, September 19, 2005.

nuclear program is possible after the light water reactor is provided as he left Beijing after the end of the fourth round of the Six-Party Talks. His comment can be interpreted as a reflection of these domestic considerations.[8] Nevertheless, Choi Soo-Hyun, North Korea's Vice Minister of Foreign Affairs, mentioned to the UN that the North can abandon its nuclear program if the provision of light water reactors is certain. This change of Pyongyang's position on the light water reactor was in response to the Christopher Hill's reaffirmation of its obstinate position. It means that Pyongyang's position may change depending on domestic and international elements.

On the other hand, the prospects of the implementation of the joint statement will be affected by the domestic political schedule of participant countries. In 2006, general elections in Japan and the U.S. are scheduled, followed by presidential election in South Korea in 2007, and in the U.S. in 2008. The negotiation coalition has to survive these political fluctuations.

Burden Sharing

A practical problem of sustaining the negotiation coalition is to get the funds to carry out the agreement. With regard to burden sharing, five participants will calculate a complex equation of right and responsibility. The U.S. will try to minimize its financial burden, using its supremacy in security issues. Other participants will endeavor to obtain space of maneuverability tantamount to its financial donation.

The primary demand is for energy assistance. According to the joint statement (Clause 3), five countries stated their willingness to provide energy assistance to the DPRK. Nevertheless, a specific allocation of funds

8) Yonhap News, September 20, 2005.

should be discussed. First, finance for the provision of heavy oil to the North is needed. Other demands for energy assistance can also arise: For example, the provision of Siberian electricity, assistance in the renovation of out-of-date power plants, and the construction of thermal power stations.

On the other hand, South Korea's economic burden to provide 2 million KW of electricity should be taken into account. As South Korea is funding heavy oil, 2 million KW of electricity, and light water reactor (if possible), the burden is too heavy to be shouldered. So reasonable burden sharing among five countries should be addressed.

Moreover, the economic cost of verification and dismantlement needs to be discussed. It includes not only direct costs but also indirect costs such as re-education of nuclear program-related technicians, experts, and military officials, and the rehabilitation of environment, science, and technology assistance. For example, additional finances are necessary if the cooperative threat reduction program and the G-8 Global Partnership to eliminate the WMD by Nunn-Lugar Act are applied to North Korea.

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PART Ⅱ

U.S.-DPRK Relations and Inter-Korean Relations

Chapter_3

North Korean Situation, Inter-Korean Relations and North Korea-U.S. Relations

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Hak-Soon Paik*

Introduction

The year 2005 marks the 60th anniversary of the end of World War II, and Korean liberation and division as well. The Korean War broke out more than half a century ago but the belligerent states are still technically at war and the Cold War has continued on the Korean Peninsula until now due mainly to the U.S.-North Korean antagonism. The relationship between North Korea and the United States deteriorated dramatically due to North Korea's "February 10 announcement," that is, North Korea's provocative action of announcing the manufacturing and possession of nuclear weapons, the intention to expand the nuclear arsenal, and the decision not to return to the Six-Party Talks until certain conditions are met by the U.S. actions.[1)]

Recently, on September 19, 2005, however, the Six-Party Joint Statement in Beijing has provided "principles" by which to denuclearize the Korean Peninsula, to normalize relations between the enemy countries, particularly between North Korea and the United States, and to establish a permanent peace regime in Korea.[2)] If implemented, we can end the

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1) Spokesman's Statement, Ministry of Foreign Affair, People's Democratic Republic of Korea, Feb. 10, 2005.
2) The Joint Statement of the Fourth Round of the Six-Party Talks, Beijing, China, Sept. 19, 2005.

Korean War, dismantle the Cold War structure on the Korean Peninsula, and lay the foundation for peaceful unification of the Korean nation.

I will deal with the North Korean situation, inter-Korean relations, and North Korea-U.S. relations in order to discuss North Korea's strategic calculation and policy toward South Korea and the United States for survival and to recommend the United States to engage North Korea for its own security and strategic interests in Korea and Northeast Asia. As will be explained below, North Korea appears to be ready to make compromise with the United States for its own good.[3)]

The North Korean Situation

North Korean politics is overloaded by the difficult tasks of securing two vital interests: National security and economic development. For North Korea's economic reform and opening to succeed, a favorable international environment — in which foreign trade with and foreign investment in North Korea can be expanded — is required. Thus far, however, the North Korean nuclear problem has prevented the

3) The ideas and arguments in this paper have already been presented in the following papers, and some parts are taken from them as they are. See Haksoon Paik, "Changing Dynamics of the North Korean System," Paper Presented at the Conference on "2005 Academic Symposium: New Paradigms for Transpacific Collaboration" hosted by KEI, KIEP, University of Washington, Seattle, Washington, Oct. 16-18, 2005; idem, "Policy Options of Kim Jong Il: Is Regime Transformation a Viable Option?: A Korean Perspective," Paper Presented at the Conference on "Whither the Six-Party Talks on North Korea?: A Prelude to the Asian Century or a Footnote to the War on Terrorism?" hosted by the Unification Forum of Seoul National University and the Institute for International Policy of the University of Washington, Mt. Geumgang Hotel, North Korea, June 10-12, 2005; idem, "North Korea Today: Politics Overloaded and Secularized," Paper (Revised) Presented at the Conference on "North Korea 2005 and Beyond" hosted by Asia-Pacific Research Center in the Stanford Institute for International Studies, Bechtel Conference Center, Stanford University, May 26-27, 2005; idem, "North Korean Nuclear Crisis: Problems, Positions, and Options," Paper Presented at the 2nd ROK-U.S. Security Forum, Jeju Hyatt Regency, Korea, Mar. 30-Apr. 1, 2005; idem, "Strategic Visions of South Korea," Paper Presented at the Conference on "New Era—New Alliance" hosted by Sejong Institute and Georgetown University, Washington, D.C., Nov. 2, 2005; idem, "North Korea's Economic Reforms and Opening," Paper (Revised) Presented at the Conference on "Korea Forum 2004" hosted by Research Institute for Korean Affairs (RIKA), Sheraton Princess Kaiulani Hotel, Oct. 21-23, 2004; idem, "North Korea's Economic Reforms, the Nuclear Problem, and President Roh's Policy toward North Korea," Paper Presented at the Seminar on "South Korea's Democracy and Diplomacy" hosted by the Center for Northeast Asian Policy Studies (CNAPS) at the Brookings Institution and the Korea Initiative at the School of Advanced International Studies (SAIS) at Johns Hopkins University, Brookings Institution, Washington, D.C., Mar. 23, 2004.

international community from trading with or investing in North Korea.[4)]

On the one hand, the North Korean leader Kim Jong Il is under heavy pressure to achieve both goals. He needs not only to enhance domestic economic performance, but also to seek resolution of the nuclear question in the international arena and secure security assurances from the United States. Being aware of the contradictory aspects of these objectives and the structural constraints on his ability to attain them, Kim Jong Il appears to have strategically disconnected them, lest his economic efforts be thwarted by the prolonged nuclear confrontation with the United States. On the other hand, North Korea appears to have been secularized significantly by the breakdown of orthodox socialist politics in recent years. Military-first politics and practical-gain socialism prevail in North Korea where the party took precedence over the military and the *juche* idea was the official ruling ideology.[5)]

In order to explain the North Korean situation, I will ask the following questions. What kinds of critical choices did North Korea make for survival in the past decade or so? What are the characteristics of the changing dynamics of the North Korean system in terms of how the key power institutions — the party, the state, and the military — positioned toward one another under the supervision of the supreme leader in meeting the challenges and the needs of the times? What are North Korea's current policy priorities? What are North Korea's strategies for achieving its policy goals? How much has North Korea been secularized by the breakdown of orthodox socialist politics in North Korea? How stable is the North Korean political leadership and what are the prospects for power succession?

4) Haksoon Paik, "North Korea Today: Politics Overloaded and Secularized," p. 1.
5) Ibid.

Four Critical Choices: Meeting the Challenges of the Times

During the past fifteen years or so, North Korea made four critical choices to survive the unprecedented political, security, and economic hardships it faced: The first choice in the early 1990s, the second in 2000, the third in 2002, and the fourth in 2005.[6)]

The most urgent problem occurred in the early 1990s when the former Soviet Union and East-Central European socialist states collapsed and North Korea had to seek a breakthrough to overcome its economic and security crises caused by such international events. In an effort to induce foreign investment, North Korea designated the Rajin-Sonbong strip along the Korean East Coast as a free economic and trade zone and promulgated various laws and regulations. In the meantime, North Korea began to seek ways to open a high-level dialogue channel with the United States and to normalize relations with Japan. Also, in December 1991, North Korea concluded with South Korea the Agreement on Reconciliation, Nonaggression, and Exchanges and Cooperation, and together they entered the UN North Korea also made a critical decision to give up its nuclear weapons program and secure light-water reactors for power generation by signing the Agreed Framework with the United States in 1994.

These critical measures in external political and economic relations, which took place in 1991-1994, could be regarded as North Korea's serious

6) Haksoon Paik, "Changing Dynamics of the North Korean System," pp. 2-5; idem, "The Vietnamese Experience of Reform and Opening and North Korea's Choice" (in Korean) (Sungnam: The Sejong Institute, 2003), pp. 59-87; idem, "North Korea's Opening and Reform and Prospects for De-socialization" (in Korean) (Sungnam: The Sejong Institute, 2001), pp. 7-13; idem, "North Korea's Economic Reforms and Nuclear Programs, and President Roh's Policy toward North Korea," pp. 3-4; idem, "Problems and Prospects for North Korea's Transformation in the 1990s" in Yang Un-Chul, ed., The Political Economy of Korean Unification: Agenda Preparation (Sungnam: The Sejong Institute, 1998), pp. 54-55; idem, "Survival Strategy and Prospects of the North Korean Regime" (in Korean) in Kie-Duck Park and Jong Seok Lee, eds., Comparison of South and North Korean System and Exploration of Integration Model (in Korean) (Sungnam: The Sejong Institute, 1995), pp. 17-50.

attempt to adapt policy to the changing international structure in order to enhance its survivability by securing security and economic interests. It is worth mentioning here that these reform and opening measures were limited to the external realm only. The North Korean leadership's intention was to keep the domestic sector intact, and thus protect its own form of socialism by obtaining economic cooperation and assistance from the outside —the United States, Japan, and South Korea.

In 2000, North Korea made another round of critical choices: Inter-Korean summit talks and a dramatic improvement in North Korea-U.S. relations. In June 2000, North Korean leader Kim Jong Il held the first-ever summit talks with South Korean President Kim Dae Jung in Pyongyang, and both Korean leaders announced a joint declaration. This historic event provided new momentum not only for the improvement of relations between the two Koreas but for the United States and the international community to re-arrange their policies towards the Korean Peninsula.[7)]

In October 2000, First Deputy Chairman of the National Defense Commission (NDC) of North Korea Jo Myong Rok, in the capacity of a special envoy of Kim Jong Il, visited Washington, D.C. Jo carried Kim Jong Il's message that he was willing to improve relations with the United States and solve various problems, including the missile issue. Kim Jong Il demanded a security guarantee for North Korean sovereignty and territory from the United States.[8)] On October 12, the United States and North Korea issued a joint communiqué, which provided a golden chance for a dramatic improvement in relations between the two countries.[9)] Kim Jong Il, through Jo, also invited U.S. President Bill Clinton to visit Pyongyang.

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7) Secretary of State Madeleine K. Albright, Address at National Press Club, Washington, D.C., Nov. 2, 2000.
8) Jo Myong Rok, Speech at a Banquet hosted by U.S. State Secretary Madeleine Albright on Oct. 10, 2000; Secretary of State Madeleine K. Albright, Remarks on the Occasion of the Visit of His Excellency Vice Marshall Jo Myong Rok, Washington, D.C., Oct. 10, 2000.
9) U.S.-D.P.R.K Joint Communiqué, Office of the Spokesman, U.S. Department of State, Oct. 12, 2000.

U.S. Secretary of the State Madeleine Albright paid a return visit to Pyongyang that month and discussed with Kim Jong Il President Clinton's possible visit to North Korea as well as the pending problems including the missile issue.[10] And the sixth round of the U.S.-North Korea experts' meeting of missile talks was held in Kuala Lumpur, Malaysia in early November 2000. North Korea's offers and compromises in the second half of 2000 with regard to the North Korean missile issue were "unprecedented" in scope.[11] It was said that the United States and North Korea needed just one more high-level negotiation regarding the North Korean missile issue before President Clinton could decide to visit to North Korea, which did not materialize.

A third critical choice was made on July 1, 2002: North Korea announced a truly epoch-making policy designed to improve its economy by introducing market elements in its economic management system.[12] Noteworthy was that this policy was designed to introduce reform in the "domestic" economic realm, unlike the two previous choices which basically dealt with external areas. In the latter part of 2002, North Korea also took dramatic measures to enlarge economic opening to the outside world and improve relations with Japan: The designation of Sinuiju as the special administration district, Mt. Geumgang area as a special tourist zone, Gaesung as a special industrial zone, and the North Korea-Japan Joint Declaration in Pyongyang (Pyongyang Declaration).[13]

Finally, on September 19, 2005, North Korea made the fourth critical choice by agreeing to the denuclearization of the Korean Peninsula at the Six-Party Talks in Beijing.[14] It took almost three years since U.S.

10) Secretary of State Madeleine K. Albright, Toast at Dinner hosted by Chairman Kim Jong Il, Oct. 23, 2000, Pyongyang, DPRK; idem, Press Conference, Koryo Hotel, Pyongyang, DPRK, Oct. 24, 2000.
11) Council on Foreign Relations, Letter to George W. Bush, President of the United States of America, Mar. 22, 2001.
12) "Creation and Reform for Economic Rehabilitation: A Full-scale Economic Management Reform" (in Korean), Choson Sinbo, July 26, 2002; Also see other economic management reform-related articles in Choson Sinbo, Jul. 26 & Aug. 2, 2002.
13) DPRK-Japan Joint Declaration, Pyongyang, North Korea, Sept. 17, 2002.
14) Joint Statement of the Fourth Round of the Six-Party Talks, Beijing, Sept. 19, 2005.

Presidential envoy James Kelly visited Pyongyang in October 2002 that North Korea finally decided to resolve the North Korean nuclear crisis through a comprehensive give-and-take deal with the United States.

North Korea committed to the abandonment of all nuclear weapons and existing nuclear programs, and to the return to the NPT and the IAEA safeguards in exchange for security assurances by the United States, normalization of the relations with the United States and Japan, economic cooperation with the Six-Party Talks participant countries in the fields of energy, trade, and investment, and promised negotiation for a lasting peace regime on the Korean Peninsula and multilateral security cooperation in Northeast Asia. It is definitely North Korea's long-sought give-and-take deal with the United States for survival.

The four critical choices North Korea made since the early 1990s indicate that North Korea has been flexible enough in its own way to meet the challenges and needs of the times and enhance its survivability as a system and regime under extremely unfavorable domestic and external circumstances. North Korea's critical choices expressed themselves in North Korea's efforts to survive, more concretely, to enhance its national, system, and regime security through political, diplomatic, and military endeavor and to have economic recovery and development through market reform and opening, both of which produced and were reflected in the changing dynamics of the North Korean system.

Changing Dynamics of the North Korean System

The aforementioned four critical choices have shown the changing dynamics of the North Korean system in terms of how the party, the military, and the state positioned themselves against one another in meeting the challenges and the needs of the times. Kim Jong Il as the "supreme leader" controlled and guided the three key actors of the party,

the military, and the state.

The first strategic choice North Korea made in the early 1990s just after the collapse of the Soviet Union and East-European socialist states and the German unification shows that North Korea had to deal with the economic and security problems more than anything else by introducing a free economic and trade zone, by seeking rapprochement with South Korea, the United States, and Japan, and by bartering its nuclear weapons program with the light-water reactors for power generation and improved relations with the United States in the fields of security, political, and economy.[15)]

It is clear that the power of the military and the state was strengthened substantially and visibly in order to deal with the external and economic threat for the national, system, and regime security. And the official ideology of "Korean-style socialism" also indicates that the Korean Workers' Party (KWP) had a mission to accomplish and duties to perform for the ideological support of the North Korean system when the Soviet Union and East European socialist states were gone.[16)]

After the first critical choices were made and not carried out successfully, the military and the state played significant roles in propping up the failing system and in meeting need to have economic recovery and development. And the party invented an official ideology or concept such as "red flag idea,"[17)] "military-first politics,"[18)] and "building-up of strong and prosperous state." The fact that First Vice Chairman of the NDC visited Washington, D.C. to make a breakthrough in the relations with the United States suggests that the NDC is the most prestigious state institution in

15) Haksoon Paik, "Changing Dynamics of the North Korean System," p. 5.
16) Ibid., p. 6.
17) New Year's Joint Editorial of Rodong Shinmun, Choson Inmin'gun, Ch'ongnyon Chonwi, Jan. 1, 1997; Rodong Shinmun, Jan. 1, 1997.
18) Rodong Shinmun, Dec. 12, 1997; Kim Ch'ol-wu, Kim Jong Il Changgunui Son'gun Chongch'i (Military-First Politics of General Kim Jong Il) (Pyongyang: Pyongyang Ch'ulp'ansa, 2000), chap. 1.

North Korea[19] and that the high-ranking military generals, particularly those in NDC, are not simple professional military generals but also high-ranking policy-makers in North Korea.[20]

What happened to the relationship between the party, the state, and the military on the occasion of the third critical choice of introducing market elements in the North Korean economy and of taking economic opening in 2002? The third critical choice in 2002 demanded overwhelmingly the aggressive role of the state, particularly that of the Cabinet. Since the introduction of the market reform was the watershed event in the North Korean history, crossing the Rubicon, it was a life-and-death decision on the part of the North Korean leadership, naturally demanding the all-in effort of the state for a successful implementation.[21]

One interesting phenomenon that appeared since the market reform was that ordinary household and firms have also become important players in the North Korean economy. Since the households as the consumer had to stand on their own feet, not depending on the state for food and daily necessities, and since the firms as the producer had to stand on their own feet by making real profits in their business, not depending on the state for the supply of raw materials and producers' goods, both the self-help households and enterprises have become two of the key players in the North Korean economy. This phenomenon had dramatic bearing on the transformation of the traditional socialist economy in North Korea.[22]

Finally, the fourth round of critical choices expressed in the joint

19) The Chairman of the Presidium of the Supreme People's Congress defined the Chairman of the NDC as "the highest state office which organizes and guides the enterprise of defending the socialist Fatherland's state system and the destiny of the people and of strengthening and developing the state's defense forces and general national power by controlling and commanding the state's political, economic, and military capacity in totality" and as "the sacred office that symbolizes and represents our Fatherland's honor and our people's dignity" in his recommendatory remarks of Kim Jong Il to the Chairman of the NDC. See Korean Central News Agency, Sept. 5, 1998; Rodong Shinmun, Sept. 6, 1998.

20) Haksoon Paik, "Changing Dynamics of the North Korean System," p. 8.

21) Ibid., p. 9.

22) Ibid.

statement of the Beijing Six-Party Talks points to North Korea's giving up nuclear ambition and seeking security and economic gains. The North Korean leadership wanted to improve its relations dramatically with outside world in order to obtain security assurances by the United States, normalization of the relations with the United States and Japan, economic gains in the fields of energy, trade, and investment to offset negative effects of the July 2002 market reform, and future negotiations for a lasting peace regime on the Korean Peninsula and multilateral security cooperation in Northeast Asia.[23)]

The fourth round of strategic choice shows that the military and the state played a key role in making such compromise for survival as explained above. The NDC and the state, particularly foreign ministry and other economy-related ministries and agencies, must have had a big say in making such strategic choice of abandoning of nuclear ambition for security assurances and economic recovery and development for survival. Of course, it was Kim Jong Il that supervised and guided the whole enterprise of making such decisions.[24)]

Overall, the military and the state have played a more significant role than the party in the past fifteen years or so mainly because the huge challenges North Korea had to meet had more to do with the security threat coming from the hostile policy of the United States, the only remaining superpower in the world, and with the need to resurrect the North Korean economy which had been devastated for almost half a century by the failed socialist economic system.[25)]

23) Ibid.
24) Ibid., p. 10.
25) Ibid.

Strategies for Achieving National Security and Economic Development

In the following, North Korea's effort to achieve national and system security and economic recovery and development will be discussed in terms of identifying North Korea's changing priorities in policy goals when it tried to meet the challenges of the times and of explaining North Korea's strategies to achieve both of the policy goals.

As is the case for any country, achieving national security and economic development is two of the vital tasks for North Korea. Generally speaking, both tasks go hand in hand or one needs the other in the achievement of both, but the environment for achieving both may be favorable in some cases but may not be so in other cases. In the case of North Korea, economic recovery and development have been heavily constrained by the developments in the security arena, particularly those related to the United States.[26)]

The North Korean leadership appears to have been resolved and have been trying hard to seek nuclear resolution and attain security assurances from the United States and enhance economic performances at home simultaneously. Unless the North Korean nuclear problem was solved and security assurances by the United States (and other Six-Party Talks participant states) were obtained, there would be a clear limit to North Korean economic recovery and development due to the isolation from the international community. Under such circumstances, no wonder North Koreans tended to think that "security is absolutely an important aspect of what they need to do to move beyond where they are now in terms of the reforms that they'd like to take place, in terms of relationships they'd like to develop with South Korea and Japan" and that "they view these really as

26) Ibid., p. 10; Haksoon Paik, "North Korea Today: Politics Overloaded and Secularized," pp. 6-9; idem, "Policy Options of Kim Jong Il: Is Regime Transformation a Viable Option?: A Korean Perspective," pp. 2-5.

impossible without getting beyond the current state of affairs with the United States, and primary among that is a security assurance."[27]

North Korea's preoccupation to promote national security has much to do with its hostile relations with the United States, the only enemy country that North Korea has been in conflict with for the entire period of existence from its very birth in late 1940s, including the war experience in the early 1950s. In the format of armistice, both countries are still at war.[28]

Decades elapsed, and the goal of North Korea's policy toward the United States for the past fifteen years or so since the collapse of the Soviet Union and East European socialist states has been noticeably consistent in that it wanted to officially end the Korean War at the earliest possible time, sign a peace agreement, and normalize relations with the United States. It is noteworthy that any seemingly provocative actions North Korea took against the United States were basically not to cut off its relationship with the United States but to bring the United States back to the negotiation table where it wanted to make a deal with the United States in solving the pending issues between the two so that it could improve and normalize its relations with the United States.[29]

North Korea appears to have come to the Six-Party Talks assuming that the goal of the U.S. policy was to denuclearize North Korea and that it could strike a give-and-take deal with the United States over the key pending issues in a comprehensive manner by strategically giving up its nuclear weapons program through multi-stage actions. And North Korea actually proved all this was correct in the fourth round of the Six-Party Talks.[30]

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27) "The North Korean Deadlock: A Report from the Region," Brookings/Asia Society Briefing, Brookings Institution, Washington, D.C., Jan. 15, 2004.
28) Haksoon Paik, "Changing Dynamics of the North Korean System," p. 11.
29) Rodong Shinmun, Jan. 9, 2003; Haksoon Paik, "North Korea Today: Politics Overloaded and Secularized," p. 2.
30) Ibid.

As for economic recovery and development, what are the character and the results of the economic reform up until now in North Korea? The North Korean leadership's introduction of economic reform and opening in the latter part of 2002 signified North Korea's launch on a controlled, long-term regime transformation based on a market-oriented economic reform as a viable option for North Korea's survival and development. In other words, North Korea's introduction of the July 1, 2002 reform was not only for a policy choice for economic recovery and development but for a self-initiated, long-term survival strategy based on a regime transformation targeted at "building up a strong and prosperous state."

The July 1, 2002 "economic management reforms" of North Korea included the following measures: The abolishment of "free rationing" of food and daily necessities, discontinuation of subsidies to factories and firms for carrying out production or distribution activities, decentralization of economic planning and management except for some key strategic areas, expansion of autonomy in business administration of the firms and factories, introduction of capital goods exchange markets, introduction of price-based on real production factors and decentralization of the decision of prices, the elevated role of currency in economic management, the raising of salaries to meet the rising cost of food and daily necessities, and the devaluation of the North Korean currency against the U.S. dollar.[31)]

The spirit that cut across all these reform measures could be summarized in a few words: "There's no free ride," "there's no averaging out," and "practical gain should be a top priority." The North Korean government named its economic policy *silli sahoejuui* (practical-gain or real-gain socialism), and emphasized the importance of making real profits

31) Haksoon Paik, "North Korea's Economic Reforms and Opening," p. 4; idem, The Vietnamese Experience of Reform and Opening and North Korea's Choice, pp. 71-81; idem, "North Korea's Economic Reforms, the Nuclear Problem, and President Roh's Policy toward North Korea."

in running factories and businesses.[32)]

From September to November 2002, North Korea also took measures to open itself to the outside world. *Sinuiju* was designated as a special administration district, Mt. Geumgang as a special tourist zone, and *Gaesung* as a special industrial zone. Laws designating these as special districts, rules on developing these special districts, and regulations on founding and operating enterprises in these special areas were all designed to attract foreign investment and promote outward economic activities.

What is the character of the reform? There were two different perspectives on the character of the North Korean reform: One sees it as a market-oriented reform; the other interprets it as an efficiency-enhancing measure for the ultimate goal of maintaining of the socialist economic system itself.[33)]

No doubt, the reforms and opening in 2002 in North Korea appear to have been purposeful and well-calculated measures taken by the North Korean leadership, first, to reduce tensions between the economic hardship and the government's poor economic performance and control and, second, to put markets under the official management and control of the government by formalizing black markets. For instance, the government strictly controlled selling of food and daily necessities only at the state-run stores, and the farmers' markets were allowed to sell such subsidiary food like vegetables.[34)]

But I subscribe to the former, particularly taking into account the "irreversibility" of the reform measures, as experienced in other socialist

32) A North Korean economic journal argues that silli (practical-gain) is something that demands of the workplace and the workers could be obtained while giving priority to fulfilling national and social interests, Kyongge Yon'gu, March 2004.

33) For more discussion of the two different perspectives on the July 1, 2002 reform, see Yeon-Chul Kim, "Pukhan Kyongje Kaehyokui Songgyokgwa Chonmang" (The Character and Prospect of North Korea's Economic Reform), Pukhan Kyongje Nonch'ong (The North Korean Economic Review), No. 9 (Dec. 2003), pp. 11-13. Also see Dong-ho Cho, "Pyonhwahanun pukhan kyongje p'yonggawa chonmang" (An assessment and prospect of North Korean economy in transition), Suun Pukhan Kyongje (Exim North Korea Economic Review), Founding Issue (Summer 2004), pp.1-23.

34) Yonhap News, Oct. 29, 2002.

economies. This subscription means that North Korea embarked on market economic reforms that China, Vietnam, Russia, and other former socialist economies had gone through and that the North Korean leadership opted for a regime transformation based on market economic reforms as its long-term survival strategy.

Then, what are the results of the economic reform up until now in North Korea? Let's take a look at the tangible benefits and costs of the North Korean reform. Two kinds of benefits could be put forth as the plus side of the reform: Production increase in agricultural and industrial sectors and the stoppage of the government's deficit financing practices. Still another benefit of the reform is the widespread "market" mindset among the people and their will to work, and the increase of labor productivity.[35)]

Two kinds of costs of the reform loom large: High inflation and growing income gap among the people. The negative phenomenon of "money talks" may be still another kind of cost of the reform. The North Korean leadership is known to have been well aware of the cost and benefit of the reform measures they would introduce. What has to be pointed out here is that the rate of inflation and the rate of foreign currency exchange in North Korea for the past three years have been relatively stabilized, not skyrocketing all the way through. The food prices are harvest-sensitive to some extent. And it also noteworthy that the rate of inflation North Korea has recorded is relatively lower when compared with other cases of Russia, China, and Vietnam.[36)]

In addition to the high inflation, the majority of North Koreans are suffering from an increase in the income gap. Differentiation and gaps in income among the people and regions have grown more visible since July 1, 2002. Those who were engaged in the business of goods distribution

35) Haksoon Paik, "North Korea's Economic Reforms and Opening," pp. 9-10, 12, 27.
36) Haksoon Paik, "Changing Dynamics of the North Korean System," p. 12.

became more well-to-do compared to other occupational groups in North Korea. Some traders made huge profits and widened their business into various areas including money-lending at a usurious rate of interest, for example, 30 percent per month. And farmers are one of the high-income groups in North Korea due to the dramatic increase of the selling price of rice since July 1, 2002. In general, urban factory workers have fallen victim to the negative side of the economic reform.[37]

Still another negative side of the reform is the phenomenon of "money talks." Recently, the North Korean government appears to have been more concerned about the negative side of the reform measures and about things' going extreme and undermining the very morale in socialist life in North Korea. North Koreans have recently become more dependent on money than on their government for their survival, and one of the negative phenomena resulting is a widespread attitude that "money is everything," "money can do anything," and "I have to survive even by deceiving others." The sense of collectivism and socialist egalitarianism are disappearing and individual selfishness prevails all across the social strata.[38] Naturally, party cadres and government officials were repeatedly warned that greed for material gains is the first step toward ideological degeneration and that they should not fall victim to self-interest, materialism, and individualism by enhancing their level of revolutionary fervor.[39]

For Kim Jong Il, it has never been an easy task to achieve both vital interests under the circumstances of the hostile relationship and extended nuclear confrontation with the United States. Despite the increasing tension and security threat resulting from the Bush administration's hostile policy, North Korea introduced a dramatic, epoch-making market-oriented

37) Ibid.
38) Ibid.; Haksoon Paik, "North Korea's Economic Reforms and Opening," p. 18; Yonhap News, Jan. 10, 2005; Haksoon Paik, "North Korea Today: Politics Overloaded and Secularized," p. 3.
39) Haksoon Paik, "Changing Dynamics of the North Korean System," p. 12.

reform and opening, not without being aware that reform measures would undermine the existing socio-economic order and might potentially lead to instability and chaos in the North Korean society. In other words, North Korea's introduction of market elements in July 2002 at a time of heightened security threat from the United States was a critical choice for domestic system security through better economic performance at home. What Kim Jong Il elected to do was to promote and strengthen the domestic system security first, which he thought he could do something for under the circumstances, than the external national security, which he thought he could not do anything spectacular for in the confrontation with the United States.[40)]

Some knowledge of the historical background of this critical choice is needed here to understand the significance of this strategic choice. It is noteworthy that North Korea's top priority has been focused on economic recovery and development since mid-1990s when it experienced an unprecedented famine on a massive scale. It was natural that North Korea advocated and pursued the policy of "building up a strong and prosperous state" more than anything else from 1998 in order to feed its own people and have economic recovery and development.[41)]

It is also noteworthy that North Korea's pursuit of economic recovery and development as the top priority coincided with the engagement policy pursued by the Clinton administration and the Kim Dae Jung government toward North Korea. President Kim Dae Jung came to power in 1998 and launched the Sunshine Policy toward North Korea, which helped the United States see engaging North Korea as beneficial for promoting its national interests.[42)]

40) Ibid. pp. 12-13; Haksoon Paik, "North Korea Today: Politics Overloaded and Secularized," p. 6.
41) Haksoon Paik, "Changing Dynamics of the North Korean System," p. 13.
42) Ibid.; Haksoon Paik, "North Korea Today: Politics Overloaded and Secularized," pp. 6-7.

In other words, North Korea then had less concern about the security threat coming from outside than before, and this development enabled the North Korean leadership to concentrate more on economic recovery and development. It was clear that achieving domestic "system security" was more important for North Korea than concentrating its energy on the external "national security" in presence of the less confrontational governments in the United States and South Korea. Put it differently, the North Korean leadership put more emphasis on achieving the domestic economic recovery and development than on confronting the United States with hostile policy. Security threat coming from the United States should be lessened and should not be an obstacle on the way toward economic development.[43)]

But President George W. Bush's coming to power in January 2001 and his pursuit of an anti-North Korea policy threw cold water over such development in the relationship between the two countries. More than anything else, the task of achieving national security against the external threat including the hostile policy from the United States had to re-emerge as the top policy priority in addition to that of obtaining economic recovery and development. North Korea was now to suffer greatly from the unfavorable international environment, which would seriously incapacitate the North Korean leadership to meet the need for economic recovery and development.[44)]

Under these circumstances of increasing security threat from the United States, North Korea introduced market elements in July 2002. There was more to this critical choice than meets the eye. It reflected the North Korean leadership's strategic choice of de-linking the priority of accomplishing economic development from that of achieving national

43) Ibid.
44) Ibid.

security and the resultant change in policy priorities.[45]

At the same time, North Korea seriously showed its intention to get out of the contradiction or dilemma associated with pursuing the two policy priorities under the unfavorable circumstances by making diplomatic efforts to get security assurance from the United States. North Korea has taken the position that it absolutely needed security assurance from the United States to facilitate reform and improve relations with the United States and Japan for economic recovery and development.[46]

This North Korea's position has faced a serious setback when it was not able to start real negotiations with the United States for obtaining security assurance due to the Bush administration's lack of sense of urgency and political will to resolve the North Korean nuclear issue as soon as possible. The fact that the United States was caught in the Iraqi war was no doubt one of the reasons the Six-Party Talks procrastinated, but, more importantly, the Bush administration's bully-playing posture, which completely ignored the interests, intentions, and capabilities of North Korea, failed until recently the Six-Party Talks and accordingly failed North Korea's strategy of attaining security guarantee from the United States and concentrating more on economic recovery and development for survival.[47]

This failure of North Korea's inability to implement its strategy was basically responsible for North Korea's "February 10 announcement."[48] This destructive offensive by North Korea immediately put the ball in the U.S. court and put the United States in the defensive when the United States did not have any problem-solving strategy and effective countermeasures against the North Korean offensive.[49]

45) Ibid.
46) Ibid.
47) Ibid., pp. 7-8.
48) Spokesman's Statement, Ministry of Foreign Affair, People's Democratic Republic of Korea, Feb. 10, 2005.
49) Haksoon Paik, "North Korea Today: Politics Overloaded and Secularized," p. 8.

In view of the impossibility for both the United States and North Korea to achieve their fundamental policy goals toward the other side — such as the denuclearization of the Korean Peninsula and nonproliferation of weapons of mass destruction on a global scale for the United States, and security assurances and normalization of the relations and economic cooperation for North Korea — if they failed the Six-Party Talks, the United States and North Korea could reach a compromise solution as expressed in the six-nation joint statement at the fourth round of the talks in Beijing.[50]

North Korean System Overloaded and Secularized

The basic description of the North Korean system today is that it is "overloaded" and "secularized." It is overloaded with the two vital tasks of achieving national security and economic development. On a more substantive side, North Korean system today could be qualified by the concept of "secularization," two indicators of which are the "military-first politics" and "practical-gain socialism."[51]

The precedence of the military over the party and other power apparatuses is a sign of the breakdown of the orthodox socialist politics in North Korea, where the party traditionally took priority over the military. The military's priority accommodates realities in terms of the change in power and power relations.

North Korea advocated the "military-first politics" and "building up of strong and prosperous state" as two of the mainstay of political stability amidst volatile and destabilizing atmosphere brought about by the U.S. anti-North Korea policy and its own economic failure long before the

50) Haksoon Paik, "Changing Dynamics of the North Korean System," p. 14.
51) Op. cit., pp. 1, 9-10.

second nuclear crisis since 2002 and the introduction of economic reform in mid-2002.

North Korea's "military-first politics" was designed to encourage the military to play a leading role in safeguarding the existing regime, to advance toward economic construction, and to encourage the people to follow the examples of the military. Also note that the military-first politics represents Kim Jong Il's political need to entertain the military, which is the most powerful and potentially dangerous power institution, at a time of unprecedented political and economic difficulties in North Korea.[52]

Using the military-first politics, Kim Jong Il intensified ideological indoctrination programs, urging the people to equip themselves with "revolutionary optimism" in order to overcome the pending crisis. The military-first idea even appeared to have practically taken the place of the *juche* ideology as the official ruling idea and slogan of the time.[53]

This introduces the other sign of the "secularization" of North Korean politics — the decline of the *juche* ideology as the orthodox ruling ideology in North Korea. Currently, the "practical-gain" socialism and practical-gain mindset prevail in the government's economic policy and the daily lives of North Koreans in addition to the military-first idea advocated by the leadership. While *juche* emphasizes independence and self-reliance, practical-gain socialism consciously or unconsciously emphasizes the importance of interacting and cooperating with the outside world for economic benefits. North Korean society appears to have become much more "secularized" than before.[54]

What will be the main ideology that holds people together in the process of secularization in North Korea? The *juche* idea is undoubtedly embedded in the current "military-first" ideology, but *juche* itself is not emphasized as

52) Ibid.
53) Rodong Shinmun, Dec. 12, 1997; Kim Ch'ol-wu, Kim Jong Il Changgunui Son'gun Chongch'i, chap. 1.
54) Haksoon Paik, "North Korea Today: Politics Overloaded and Secularized," p. 9.

explicitly as before. North Korea argues that the military-first (*songun*) idea represents the "new higher stage" of the *juche* idea. Kim Jong Il is lauded as the founder of the military-first idea, and this military-first ideology is invoked as the official ruling ideology of North Korea. The idea of practical-gain socialism has more to do with how to make economic reform and performance asuccess.[55]

Political Stability and Power Succession

How stable is the North Korean political leadership and what are the prospects for power succession? Facing the formidable task of overcoming the structural constraints and revealing limits to its strategies for survival, North Korean politics today is overloaded by the simultaneous tasks of securing national security and economic development. Yet what North Korea vitally needs to sustain itself, first and foremost, is political stability.

No doubt Kim Jong Il is firmly in control and North Korea does enjoy political stability. The party, the government, and the military are loyal to Kim Jong Il and his policy lines. Kim also appears competent in accommodating, balancing, and controlling the power elite and in mobilizing the people for loyalty and compliance.[56]

However, Kim Jong Il constantly faces the nagging question of how to strengthen the legitimacy of the North Korean system and how to prove his ability as a leader under the current circumstances. He is sandwiched between the domestic demand for better economic performance and the external demand to resolve the nuclear problem. To prove himself as a leader, he must perform in some critical areas: To effectively indoctrinate the people so they comply voluntarily with the leadership's new policies;

55) Ibid., p. 10.
56) Ibid.

to flexibly and smoothly accommodate the changes and developments inside and outside North Korea; to deal proactively with outstanding security and international issues; and to provide daily necessities for the people and achieve macroeconomic goals.[57]

The year 2005 is a special year in that it marks the sixtieth anniversary of the founding of the Korean Workers' Party, the sixtieth anniversary of the liberation of the Korean nation from the Japanese rule, the tenth anniversary of the military-first politics, and the fifth anniversary of the June 15, 2000 North-South Korean Joint Declaration. The year 2005 is also a politically and historically important year for Kim Jong Il to prove his ability as a leader by making a breakthrough in security and international issues and improving the sluggish economy. Otherwise, it will not be easy for him to strengthen the legitimacy of his rule and thereafter, open a new era for himself. Even more important in 2005 is that North Koreans will have to celebrate these special anniversaries, particularly the sixtieth anniversary, which possesses a special meaning as a sixty-year —long life cycle is completed and a new one is begun, according to Asian culture.[58]

The North Korean leadership began 2005 by declaring that "the agricultural front will be the foremost attack front in economy." Currently, every effort in North Korea is focused on producing more food in order to solve the chronic food shortage. No one wishes to celebrate the special sixtieth anniversaries in hunger. It is reported that high-ranking officials and party cadres have even been sent for one-year period to provincial, county units to supervise the implementation of party and government policies related to agricultural production.[59]

Since 2004, North Korea has witnessed a generational change in the important positions in government, military, and industry. Younger cadres

57) Ibid.
58) Ibid.
59) Ibid., pp. 10-11.

and officials in their forties and fifties were posted to these positions, which until recently had been held by the old guard. This change of generations was most remarkable in the realm of industry. Most of the managers of companies and enterprises in North Korea are now in their thirties and forties. Kim Jong Il has apparently decided to take up the reins of the party, government, military, and industry and gallop them along his policy line so that his regime can survive as it faces mounting pressures from the outside.[60]

If North Korea is to successfully conduct economic reforms and nuclear negotiations with the United States, it owes that possibility to Kim Jong Il's stable political leadership and his lack of political challengers. It is noteworthy that, as a leader, Kim Jong Il has been flexible and competent enough to accommodate new ideas and policy choices, for example, as demonstrated by the dramatic reform measures of 2002.[61]

In the long run, there will doubtless come a time when Kim Jong Il's ability will be tested in terms of maintaining political stability and simultaneously accommodating more liberalized political demands. What is almost certain, however, is that the future North Korean leadership will be more responsive to, and accountable for, the needs of the people, particularly their economic needs.[62]

Recently, the question of who will succeed Kim Jong Il has drawn the attention of North Korea watchers. There is a rumor that his second son is the heir, but there has been no reliable hard evidence on this issue within North Korea, and it remains to be seen. But one thing is clear: North Korea cannot afford to suffer political instability over the succession issue when the political elite so desperately need unity and stability to solve the problems it faces at home and abroad. No rational leader will allow his

60) Ibid., p. 11.
61) Ibid.
62) Ibid.

subordinates to discuss or even float the idea of power succession, which could make people rally around the heir apparent and accelerate the lame duck status of the incumbent.[63]

Inter-Korean Relations

Inter-Korean relations have been damaged and distorted by the conflict between North Korea's policy of ignoring South Korea's role in resolving the nuclear issue, and its desire for South Korean economic cooperation and humanitarian assistance. How did this distortion influence the South Korea's policy toward North Korea?

First, South Korea was disillusioned when North Korea tried to ignore South Korea's effort and role in nuclear dialogue and negotiation. As a result, in addressing the nuclear problem, the South valued inter-Korean cooperation less than its alliance with the United States. Yet it is worth pointing out that South Korea could not fully distance itself from North Korea and tried to continue its cooperative policy in the areas of economic cooperation, social exchanges, and humanitarian assistance. It did so mainly because it could not betray its South Korean constituency that supported inter-Korean reconciliation and cooperation for the long-term benefit of the Korean nation. This conflict of interests called into question the legitimacy and effectiveness of South Korea's policy toward North Korea on both sides of pro-reconciliation and anti-reconciliation forces in South Korea, and undermined the support base of President Roh and his government.[64]

In addition, inter-Korean relations fared poorly for the past two-and-a-half years because of U.S. pressure. The Bush administration used North

63) Ibid. It was recently reported that Kim Jong Il prohibited the discussion of "the succession issue" in North Korea. See Yonhap News, Dec. 11, 2005.
64) Haksoon Paik, "North Korea Today: Politics Overloaded and Secularized," pp. 11-12.

Korea's "HEU program" as an excuse to cut off its relationship with North Korea. Influenced by these developments, North Korea concentrated more on the North Korean nuclear standoff than on inter-Korean relations in an effort to make a breakthrough in the former. It has been North Korea's pattern of behavior that it concentrates more on the U.S. relationship when U.S. policy threatens its interests. Thus, the North Korean leadership tends to see the inter-Korean relations in the context of North Korea-U.S. relations when it comes to serious security issues related to the defense of the regime and system from the U.S. threat.[65]

President Roh Moo-hyun came to power through the critical presidential election in December 2002, when the North Korean nuclear crisis posed an increasing threat to South Korea's security interest. Likewise, President Roh's North Korea policy was formulated and implemented under circumstances of nuclear threat. The United States also put considerable pressure on South Korea to bring its policy in line with that of the United States. However, President Roh's policy toward North Korea and his vision of inter-Korean reconciliation and cooperation did not entirely agree with those of former President Kim Dae Jung.[66]

First, President Roh has tended to treat inter-Korean relations as more of short-term, give-and-take relationship based on reciprocity (though not publicly expressed as such), while President Kim Dae Jung treated them as a long-term proposition, based on the "special relationship" between two halves of the same nation.

Second, President Roh practiced linkage politics between inter-Korean relations and the North Korean nuclear problem, while President Kim refused to accept such a linkage. In other words, President Roh decided not to promote inter-Korean economic and other cooperation as long as the

65) Ibid., p. 12.
66) Ibid.

North Korean nuclear problem remains unresolved, whereas President Kim pursued inter-Korean national rapprochement and Korea-U.S. alliance in parallel. President Kim persisted in refusing *quid pro quo* not only for the nation's long-term interests, but also for the inter-Korean dialogue and open channels of communication that might in themselves ultimately resolve the nuclear problem.

Third, the Roh government, unlike its predecessor, has not had an independent and exclusive North Korea policy. President Roh's "policy for peace and prosperity" was not a policy directed exclusively toward North Korea; it was formulated to promote peace and prosperity not only on the Korean Peninsula, but also in Northeast Asia as a whole.

The most immediate and important objective of President Roh's "policy for peace and prosperity" was to remove and resolve the North Korea nuclear threat through cooperation with nations interested in Korea. Accordingly, President Roh elected to strengthen South Korea-U.S. alliance cooperation and put less emphasis on improving inter-Korean relations. His actions split his support base in South Korea and also significantly distanced North Korea.[67]

But North Korea's "February 10 announcement" — in which North Korea announced its manufacturing and possession of nuclear weapons, its intention to expand nuclear arsenal, and the decision not to return to the Six-Party Talks until certain conditions are met by the U.S. actions — changed the Roh government's North Korea policy dramatically because the announcement was undeniable evidence that the North Korea policies of the United States and South Korea had failed to prevent North Korea from going nuclear.

South Korea, realizing that it needed to confront North Korea directly

67) Ibid., pp. 12-13.

for nuclear negotiation and settlement, sent a Presidential envoy to North Korea on June 17, 2005 on the occasion of jointly celebrating the fifth anniversary of the June 15 North-South Joint Declaration in Pyongyang. North Korea reciprocated by sending its delegation for jointly celebrating the sixtieth anniversary of Korean liberation in Seoul. North Korea began to recognize the value of South Korea as a mediator and channel for the dialogue with the United States. This overlapping of the interests of both Koreas provided an opportunity for a dramatic improvement in the inter-Korean relationship. The inter-Korean dialogue and exchanges at all level, governmental or private, recorded a new upsurge from June 2005. The North Korean delegation surprised South Koreans by paying a courtesy call to the National Cemetery of South Korea. And both Koreas cooperated closely in the fourth round of the Six-Party Talks for a joint announcement for denuclearization of the Korean Peninsula.

North Korea-U.S. Relations

The failure of faithfully implementing the 1994 Agreed Framework between the United States and North Korea critically helped both countries fall into a vicious cycle of distrust of each other. The second nuclear crisis in Korea that began in October 2002 hardened the already-possessed animosity against each other.

The Bush administration regarded North Korea and its leader as unacceptable and practically boycotted the Six-Party Talks until recently when North Korea issued its "February 10 announcement." Almost for three years until the announcement, U.S. policy toward North Korea had serious problems in its key assumptions.

First, the Bush administration appeared to assume that if the United States and its six-party partners put collective pressure on North Korea, it would give in and unilaterally abandon its nuclear program. Second, the

Bush administration seemed to comprehend that North Korea had not given in because the six-party participant states had not exerted sufficient pressure. Third, the U.S. government is not ready to admit the existing conflicts of interest and potential ruptures among the Six-Party Talks participants about what steps should be taken, especially when the United States employs negative, punitive measures against North Korea. All of these indicate that the United States has never properly taken into account North Korea's interests, intentions, and capabilities, let alone those of other countries. North Korea's February 10, 2005 announcement was a serious blow, and further highlighted the U.S. negligence in dealing with the nuclear problem.[68)]

What are the prospects for the North Korea-U.S. relations? It is clear that the prospects for the North Korea-U.S. relations will be predicated on whether the September 19, 2005 six-nation agreement can be implemented faithfully. By any standard, the resolution of the North Korean nuclear crisis is the absolute first step toward all these assessments and predictions, let alone the realization of Korea's strategic visions and the achievement of the U.S. strategic interests in Northeast Asia.

Then, what should we do for a successful implementation of the Six-Party Joint Statement? The most significant achievement in the joint statement is North Korea's commitment to "abandoning all nuclear weapons and existing nuclear programs" and "returning" at an early date to the NPT and to IAEA safeguards.[69)] Considering the fact that the denuclearization of the Korean Peninsula cannot be obtained unless North Korea gives up its nuclear weapons and nuclear weapons programs, North Korea cannot be credited too much for its strategic decision to make the whole deal possible. For one thing, North Korea's scope of

68) Haksoon Paik, "North Korean Nuclear Crisis: Problems, Positions, and Options," pp. 2-5; idem, North Korea Today: Politics Overloaded and Secularized," pp. 13-14.
69) Joint Statement of the Fourth Round of the Six-Party Talks, Beijing, China, Sept. 19, 2005.

denuclearization goes far beyond that of the 1994 Agreed Framework. As South Korean chief negotiator expressed, the extent of North Korea's decision to abandon nuclear weapons and nuclear programs was "unprecedented in the history of nuclear nonproliferation negotiations."

The balance sheet indicates that North Korea has secured what it has pursued for national security and economic development: The U.S. promise of no use of nuclear weapons on the Korean Peninsula and of no intention to attack or invade North Korea with "nuclear or conventional" weapons, peaceful coexistence, and normalization of the relations with the United States and Japan; establishment of permanent peace system on the Korean Peninsula; and expansion of bilateral and/or multilateral energy and economic cooperation.

But it has to be pointed out that North Korea appears to be highly conscious of the "asymmetry" of demands and objectives between the two sides in implementing them in terms of what could be obtained and lost by both sides. From the very start, North Korea has to begin a process of dismantling its nuclear weapons and nuclear programs, a process of losing what it physically possesses, while the United States fundamentally does not lose what it has in such a fashion. Naturally, North Korea appears to have suspicion of the United States' potential sabotage of the implementation of the agreements.[70)]

Thus, what is important is to observe the agreement "to take coordinated steps to implement" the consensus "in line with the principle of 'commitment for commitment, action for action'." What is more important though is the political will of both the United States and North Korea to faithfully carry out the agreements. It is simply crucial to establish "cooperation through compromise" as a *modus vivendi* between the six

70) Haksoon Paik, "Six Parties Yet to Draft Road Map," Korea Times, Sept. 24, 2005.

nations, particularly between the United States and North Korea. Considering the fact that the denuclearization of North Korea could only be achieved through North Korea's proactive cooperation and also in view of the aforementioned "asymmetry" in demands and goals to achieve, it is clear that the other parties, particularly the United States, should at the minimum not provide an excuse for North Korea to renege on its own commitment; rather, the United States should sincerely help North Korea implement its unprecedented commitment.[71)]

If the United States engages North Korea and solves the nuclear issue, it will be the most effective, realistic, and least costly policy for securing its national interests and for establishing its leadership in Korea and Northeast Asia. The United States does not need to push North Korea away from itself or distance itself from North Korea when it concerns increasingly about the rise of China. The Bush administration has to learn from the Clinton administration: President Clinton was persuaded by President Kim Dae Jung into engaging North Korea, taking into account the utility and benefit of making North Korea pro-American or at least neutral in the United States' long-term strategic confrontation with China in the years and decades to come.

An idea of establishing a direct negotiation channel between the two Koreas has gained support among South Koreans since the second-term Bush administration has failed to show flexibility in its North Korea policy and in implementing the Six-Party Joint Statement, and no new, effective solutions have otherwise emerged. Under these circumstances, the logical choice left for South Korea is to open a direct inter-Korean channel for nuclear negotiation. While the U.S. government has no leverage or control over North Korea's nuclear-related activities, an inter-Korean channel

71) Ibid.

could be an additional support channel for U.S. efforts to achieve the goal of nonproliferation in North Korea.[72]

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72) Haksoon Paik, "Pukhaekmunje Nambukjongsanghoedamuiro P'uloya" ("We should solve the North Korean nuclear problem by inter-Korean summit talks"), Chosun Ilbo, Nov. 8, 2005; Haksoon Paik, "What is the Goal of the U.S. Policy toward North Korea: Nonproliferation or Regime Change?" PFO 05-30A: Policy Forum Online, The Nautilus Institute, Apr. 7, 2005. See http://www.nautilus.org/fora/security/0530A_Paik.html.

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Chapter_4

Sunshine or Moonshine?: Inter-Korean Relations and their Impact upon the U.S.-DPRK Conundrum

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Over the past several years, the North Korean nuclear program has re-emerged as the highest profile issue in American views of the Korean Peninsula. As such, it has overshadowed and even cast a pall upon other political, diplomatic, and even economic issues between the United States and South Korea. Given the primacy of this issue, inter-Korean relations, or more specifically, the South Korean policy towards North Korea, have been largely viewed by the United States from the perspective of its impact upon efforts to solve the nuclear crisis.

South Korean policy towards North Korea is of course multi-faceted and designed to accomplish multiple objectives, including the maintenance of stability, the avoidance of war, the provision of humanitarian aid, the facilitation of family reunions, and others. For the United States, however, the nuclear issue clearly takes precedence over all other objectives. As such, this analysis is not intended to be a broad assessment of South Korean policy toward North Korea, but rather of South Korean policy and inter-Korean relations as they impact the core issues in the U.S.-North Korean relationship.

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Viewed from this relatively narrow perspective, the U.S. assessment of South Korea's approach to the North has been generally negative. South Korea is seen to be "soft" on North Korea or even worse: To be actively advocating on North Korea's behalf. It is not uncommon for South Korean policy toward the North to be characterized as "appeasement"[1] and its role to be that of a "lawyer." South Korean reticence to publicly criticize the North, or even to forcefully advocate in public for formal ROK positions that might cause discomfort to the North, is viewed by some as a tendency to be "more Catholic than the Pope." Commonly cited examples of this behavior include ROK abstentions at the UN on votes on human rights[2] and silence from Seoul on the morning of September 20, 2005, when four other parties at the most recent round of Six-Party Talks quickly and publicly responded to the North Korean demands for the immediate provision of light-water nuclear reactors (LWRs) in contravention to the agreement spelled out in the September 19 Joint Statement.

Such views need not be exaggerated. Tactical cooperation between the Blue House and the White House and between the Foreign Ministry and the State Department continues. There remains general agreement on policy objectives and the U.S. officials continue to publicly praise U.S.-ROK cooperation. The political relationship, however, is a different story. In private, the assessment of the ROK role in dealing with North Korea is much harsher, even from administration officials. A leaked comment from one senior U.S. official after the last round of talks that the ROK statements (particularly those made in Seoul by senior ROK officials) were "Not

1) Though admittedly unscientific, a quick Internet search of the two words "appeasement" and "Korea" turned up no fewer than 479,000 references. Authors of such sentiments span the spectrum from former Czechoslovakian President Vaclav Havel. See "Time to Act on N. Korea," http://www.washingtonpost.com/wp-dyn/articles/A50908-2004Jun17.html, June 18, 2004 to comments by a leading U.S. Congressional staffer: "U.S. Korea Expert Lambastes Sunshine Policy, http://english.chosun.com/w21data/html/news/200510/200510120020.html, October 12, 2005.

2) In 2005 and 2004, the ROK abstained from voting on a UN Human Rights Commission resolution condemning the violation of human rights in North Korea. In 2003, the ROK failed to vote on the matter altogether.

helpful" gained considerable attention. Worse still are sentiments on Capitol Hill and among the analyst community whereby South Korean pressure on the U.S. to include the wording on LWRs in the September 19 Joint Statement was seen by some as a betrayal.

Assessing U.S. Intentions: The Fulcrum of Perceptions on Inter-Korean Relations

Ultimately, the efficacy of ROK policy toward North Korea, especially when confined to the narrow issue of its impact on the nuclear issue, cannot be viewed in a vacuum. One's perception of ROK policy largely depends on one's view of U.S. policy toward DPRK and the intentions behind U.S. policy. For example, if one views the current Bush administration as being committed to regime change in North Korea and unwilling to accept anything less, then ROK efforts to thwart that policy should be seen in a different light. Likewise, in the negotiating process itself, if one views the U.S. as similarly or even equally intransigent as the DPRK, then the efforts of the ROK to play a mediating role do not so readily smack of disloyalty. Conversely, if, despite the public rhetoric, the U.S. policy toward the DPRK is seen as open to a genuine breakthrough and we take President Bush at his word regarding his commitment to solve the current crisis through diplomacy, then such conclusions open up a valid arena for assessing whether or not South Korea policy is actually helpful in reaching a negotiated settlement. Ultimately, ROK policy toward the DPRK cannot be understood without understanding the U.S.-DPRK dynamic to which the ROK is, wrongly or rightly, reacting. Accordingly, this short assessment looks at alternate views of U.S. policy and intent toward North Korea and attempts to evaluate inter-Korean relations from each perspective.

Sunshine: Engagement and Advocacy to an End

Over time Kim Dae Jung's "sunshine policy" has become a bit of a caricature and so tainted with known excesses that even ROK politicians seldom use the term. However it is useful to remember that the inspiration for the sunshine policy was not simply a benignly smiling "happy face" but rather the highly normative contest between the wind and the sun in Aesop's fable in the effort to convince a traveler to remove his cloak. Interestingly, even at this conceptual level, the sun was not acting alone, but in contrast to the wind, rain, and sleet of its competitor. When Kim Dae Jung began espousing this policy construct, the role of the wind was not played by the U.S., which had already adopted a relatively benign approach toward the North, but by his predecessor Kim Young Sam. Today, however, it is fair to say that the average Korean would likely perceive the U.S. as pursuing the harsh, potentially dangerous, and ultimately unsuccessful approach of trying to pressure North Korea into change.

The U.S. approach to North Korea has been particularly harsh on a rhetorical level and this rhetoric has impacted Seoul perhaps even more than it has impacted North Korea. President Bush's declared distrust of North Korea, his expressed of "loathing"[3] of Kim Jong Il, the inclusion of North Korea in an "axis of evil,"[4] and its categorization of an "outpost of tyranny"[5] have all fueled fears in Seoul, as well as presumably Pyongyang, about U.S. intentions toward North Korea. The Iraq war heightened such concerns and many in Korea began to view North Korea as being next on

3) As cited in Washington Post Reporter Bob Woodward's book Bush at War (New York: Simon & Schuster, 2002), p. 340.
4) See President Bush's January 29, 2002, "State of the Union" address, http://www.whitehouse.gov/news/releases/2002/01/20020129-11.html.
5) See Secretary of State Condoleezza Rice's opening statement given during her confirmation hearings before the Senate Foreign Relations Committee on January 18, 2005, http://foreign.senate.gov/testimony/2005/RiceTestimony050118.pdf.

the list in the implementation of the U.S. doctrine of preemption. The open divisions in the U.S. regarding policy toward the North further fueled worries about the influence of the neo-cons and their intentions. Key statements about "not negotiating with evil,"[6] resisting North Korea "blackmail"[7] and not "rewarding bad behavior," have further undercut trust for the U.S. negotiating approach.

In short, ROK policy toward North Korea must be understood as a reaction to views that some in the U.S. will only accept regime change, that the U.S. approach is a major part of problem, that the U.S. has been inflexible in negotiations, and that U.S. hardliners have deliberately undermined diplomacy.

It is in contrast to these presumptions that the ROK attempt to hold on to its policy of engagement is best understood. From a U.S. perspective the economic engagement of North Korea was built upon a security foundation. In short, no 1994 Geneva Agreed Framework, no sunshine policy. When the Agreed Framework and thus the security foundation for the engagement policy fell apart in an accelerated manner in 2002-2003 many in the U.S. fully expected ROK engagement of North Korea to stop as well. Instead, the ROK has sought to insulate inter-Korean relations from the ill effects of the resurgent nuclear crisis. American readers will be familiar with the Warner Brothers' cartoon character Wile E. Coyote who habitually ran off high cliffs and remained suspended in mid-air only so long as he didn't recognize the void below. Similarly, ROK proponents of engagement with the North refuse to look down. A limited review of South Korean motivations for this gravity-defying behavior is helpful.

6) As remarked by Vice President Cheney on December 21, 2003, http://www.chosunjournal.com/record.html.
7) See President Bush's remarks at http://www.whitehouse.gov/news/releases/2003/01/20030114-2.html.

Changing the Nature of the North Korean Regime

Although there are some signs that at least the short-term objectives of South Korean engagement of the North are to stabilize the regime, the long-term goal of gradually and peacefully effecting change in the nature of the North Korean regime remains. When pressed, analysts on both sides of the debate will concede that genuine verification and a satisfactory resolution of the nuclear issue are almost impossible to even conceptualize without a change in the fundamental nature of the regime in North Korea. Thus the debate turns to the most effective means of promoting such change, and the South Korean position apparently continues to be that inducements are more effective than pressure. Though such conclusions are hotly debated, supporters of the current direction of inter-Korean relations regularly point to the Mount Kumkang project, the Kaesong industrial zone, the number of South Korean tourists visiting the North, and the relatively regular inter-Korean dialogues (all almost unimaginable just a decade ago) as evidence of the success of their approach.

Strengthening North Korea's Ability to Compromise

Another related justification for the South Korean approach to inter-Korean relations is the belief that weakness effectively inhibits the ability of North Korea to make hard decisions. Proponents point to recent North Korean concessions, including their return to the Six-Party Talks as well as improvements in inter-Korean relations as evidence of the efficacy of Seoul's approach to date. Accordingly, South Korea seems to take at face value North Korea's calls for security and economic assurances and seems to see the Six-Party Talks as an appropriate format for addressing North Korea insecurities.

Resisting and Re-directing the U.S. Hardline

Perhaps the clearest justification for an advocacy role by South Korea on behalf of North Korea is that perception that the U.S. has taken upon itself the role of prosecutor, judge, and jury. Based on hard-line threats, both real and imagined, ROK officials have sought to moderate what they perceive to be the harshest of U.S. inclinations. At the same time, they seek to influence how North Korean actions and statements are perceived in Washington so as to avoid the further deterioration of U.S. views of North Korea. There is also a tendency to hold the line on relatively progressive South Korean positions out of a concern that opening the door to coercive measures would only encourage the U.S. to pursue such measures more actively, resulting in negative North Korean reactions and initiating a vicious cycle.

These policy views have placed many South Korean officials in an awkward position. Some of the same Korean officials who in the early 1990s warned Americans that, due to linguistic and cultural barriers, they did not understand Koreans the way the South did and that Pyongyang could not be trusted, now again claim intimate knowledge of the North's views but instead urge the U.S. to take North Korean statements, at least the positive ones, at face value. This cheerleader effect continues to impact U.S. perceptions of the ROK, but should be correctly viewed as part of an attempt to nudge a reluctant ally into a more progressive approach towards the North. The underlying vision for this approach, particularly in the Six-Party Talks context, is to gradually bind North Korea into series of tactical choices that will open up further avenues for exchange and confidence building that will ultimately change the nature of the North Korea regime.

Moonshine: Of Misperceptions and Miscalculations

One does not necessarily need to have a benign view of U.S. policy toward North Korea to be critical of the ROK approach to inter-Korean relations. Interestingly, opponents of an overly soft inducement-centric approach to dealing with North Korea reserve their greatest skepticism for the capacity of the North Korean regime to change and the perceived naïveté of the South Korean approach. Underpinning many such views is the presumption that inducements alone are not sufficient to convince North Korea to make a difficult, strategic-level decision to abandon its nuclear ambitions and that the South Korean approach to inter-Korean relations not only undermines the likelihood of the North feeling the necessity of making such a strategic decision, but also increases the likelihood of a North Korean miscalculation.

Misperceptions of the Threat

Americans have been shocked by polls coming from Seoul suggesting that Koreans see the United States as a greater threat to Korea's national security than North Korea.[8] The reaction in Washington to such polls has ranged from feelings of bewilderment to a sense of betrayal. Few of the reports on such South Korean views are nuanced enough to explain that what Koreans fear is not any action against South Korea, but an aggressive U.S. approach that might provoke an unwanted and unthinkable conflict with North Korea.

At first glance, such South Korean concern is understandable. Given President Bush's repeated personal criticism of Kim Jong Il, North Korea's

8) Although sentiments have eased, a January 2004 poll by Joongang Daily found that 39% of respondents viewed the United States as the greatest threat to Korea's national security, in comparison with only 33% that cited North Korea, http://joongangdaily.joins.com/200504/17/20050417220655220990009030 9031.html.

inclusion in an "axis of evil" that is now trimmed to two nations, North Korea's continued inclusion on the U.S. list of state sponsors of terror during a global war on terror, and the promulgation of the U.S. doctrine of preemptive action, Koreans might justifiably be paranoid. However understandable, such views exaggerate the risk from Washington, and as a close ally, South Korea might also be expected to have deeper understanding of U.S. interests.

The presumption that the United States would callously provoke a war with North Korea without consideration for the Korean people or for American lives and interests in Korea is almost offensive. Such a presumption does not take into account the shared interests the United States has in avoiding a conflict in Korea. Korea is no longer the country it was in early 1950. It is the world's twelfth largest economy and the United States' seventh largest trade partner. With tens of thousands of Americans living in Korea and with American firms having invested billions of dollars in the Korean economy, to say nothing of the impact on the broader regional economy of Northeast Asia, the United States has every reason to seek a peaceful solution in Korea.

Of deeper concern than public opinion polls are statements from and policies of the Korean government that suggest that the Roh administration perceives the need to blunt or block U.S. pressure on the North. The underlying implication is that South Korea has more to fear from U.S. policy than from the misdeeds of the North. Indeed, blame for North Korea's behavior is commonly placed at the feet of the Americans. In recent months, any suggestion of possible punitive actions from Washington is met, or even preempted, by statements from the top in Seoul declaring such pressure unacceptable.

One consequence of the concern about the risks of U.S. aggression against the North is that South Korea apparently feels obligated to act as an advocate or a lawyer for North Korea in order to reduce the perceived

risk of U.S. action. Statements from Pyongyang are regularly "interpreted" in the most benign possible light by Seoul, doubt is cast upon U.S. intelligence, and South Korean delegations to Washington and even President Roh himself urge understanding of North Korea's situation and perspective. Similarly, South Korean calls for "both" Washington and Pyongyang to exhibit flexibility are seen by some in the United States as moral relativism that calls the very nature of our alliance into question.

Avoiding War at Any Cost

Yet another possible policy consequence of the South Korean misreading of the risks of U.S. aggression against the North is an apparent unwillingness on South Korea's part to even discuss the possibility of coercive measures, presumably out of a fear that to do so would open the door to U.S. hardliners. South Koreans rightly point out that the Roh administration has not expanded the inter-Korean economic relationship, and even withheld some assistance to the North. Yet, to an American perspective, merely withholding a carrot hardly seems a response commensurate with the seriousness of North Korean moves. The underlying policy difference is that the United States remains convinced that the current crisis cannot be solved by inducements alone, but only by the simultaneous multilateral application of both pressure and inducements, whereas to date, South Korea has eschewed any consideration of pressure as too risky.

From South Korean Misallocation to North Korean Miscalculation

There continue to be a number of observers in both Korea and the United States who persist in viewing North Korea as somehow smarter-by-half than the rest of the world. They see Kim Jong Il as a crafty negotiator

who has played a bad hand very well and in so doing stymied the world's sole remaining superpower. More specifically, they see North Korean provocations as carefully calibrated. A cursory review of North Korean decisions over the past decade produces a starkly different assessment. Why assume that the output of a closed society with poor resources and poor information flows will somehow produce superior results? Rather than carefully tiptoeing around red lines, North Korea has rushed past nearly every red line set out in the past decade save one, the export of nuclear weapons materials, and has even flirted with that. Likewise, North Korea's handling of the kidnapping issue with Japan, its partial economic reforms of July 2002, and even its approach to South Korea all evidence some level of miscalculation. Not only is North Korea an isolated regime hard-wired for paranoia, but its decisions are often bound more by the particular sensitivities regarding respect for the "Dear Leader" than by national interest.

Given such a propensity for North Korea to miscalculate one might fairly examine the relationship between ROK policy and North Korean miscalculations. Do statements from the South Korean president that suggest the North Korean pursuit of nuclear weapons is understandable[9] deter or encourage the North? What about rifts between Korea and the United States, or more recently Korea and Japan? Do repeated statements that "war is not an option" actually deter war, or do they convince the North that there will be no consequences for its actions? A strong case can be made that South Korea's advocacy on North Korea's behalf, and in particular its repeated, vocal insistence that coercive measures or forces are not an option, might actually increase the likelihood of further North Korean provocations.

9) President Roh's speech before the World Affairs Council in Los Angeles on November 14, 2004 on this matter raised particular questions, http://english.chosun.com/w21data/html/news/200411/200411140025.html.

Conclusion

The two opposing views of U.S. intentions are not polar opposites or even mutually exclusive. Likewise in a democratic South Korea there exists a full spectrum of views on inter-Korean relations. The fundamental challenge for the United States and South Korea is to find sufficient common ground between these two extremes so that we can truly pursue a coordinated, if not a joint, policy toward North Korea.

To date Washington has primarily viewed inter-Korean relations and the ROK engagement as something to be tolerated if not reigned in. On the other hand, Seoul's priority has been to separate and insulate the inter-Korean track from the negative influences of the nuclear crisis. It is only when inter-Korean relations are an integral part of the strategy to address North Korea's nuclear issues in both Washington and Seoul that there will be a real chance of effecting the type of change necessary in North Korea to solve the problem.

Just as it is difficult to imagine that coercion alone will convince North Korea to abandon its nuclear ambitions, it is also increasingly apparent that inducements alone will be sufficient to lead North Korea to a strategic decision. Absent any consequences for a failure to act, there is little cause for North Korea to depart from its attempts to have its cake and eat it too.

One avenue for increased U.S.-ROK coordination on the nuclear issue, and for the full inclusion of inter-Korean ties into the strategy, is for the situation on the peninsula to deteriorate rapidly. Some argue that the situation must get worse before it can get better and that only a crisis, such as that which could be provoked by an actual nuclear test, would be sufficient to convince South Korea and China to seriously consider a full range of options. Both South Korean and U.S. interests would be far better served by a proactive, rather than a reactive, approach to a joint strategy that sought to place both a full range of inducements and a full range of

coercive measures, including key elements of inter-Korean relations, on the table.

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PART Ⅲ

U.S.-ROK Cooperation

Chapter_5

Building a Solid Partnership: The ROK-U.S. Policy Coordination on North Korea

Young-Ho Park*

Common Bases for Policy Coordination

Since the early 1990s when the North Korean nuclear issue emerged, policy coordination or cooperation between Seoul and Washington has been a matter of primary concern.[1] It is all the more important in drawing out and implementing detailed action plans of the Six-Party joint statement of September 19, 2005. Officially, Seoul and Washington reiterate a well-founded bilateral relationship and close policy cooperation regarding a peaceful solution of the North Korea's nuclear program. But there are some worries about the mutual relationship both in the ROK and in the U.S.

During the Cold War period, the ROK functioned as a bulwark of democracy against the expansion of communism. As one of the key elements of the U.S. strategy in the Northeast Asian region, the ROK-U.S. alliance has been the basic pillar to deter North Korea's military threats. It has also been strongly linked to the U.S.-Japan security alliance.[2] As for Japan, it developed an economically powerful country under the Washington-Tokyo security framework. That is, military stability on the

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1) See Young-Ho Park, Changes in U.S.-North Korea Relations and South Korea's North Korea Policy (in Korean) (Seoul: Korea Institute for National Unification, 1997), pp. 46-53.

2) Alan D. Romberg, "U.S.-Japan Relations in a Changing Strategic Environment," Graham Allison and Gregory F. Treverton, eds., Rethinking America's Security: Beyond Cold War to New World Order (New York: W. W. Norton & Company, 1992), p. 367.

Korean Peninsula was regarded as a precondition for the security of Japan. The U.S. also believed that it could benefit by promoting better relations with the ROK and Japan, respectively.

In the post-Cold War era when North Korea was believed to develop its own nuclear weapons, the U.S. saw North Korea as a serious challenge to its global strategy. As a result, it began direct negotiations with Pyongyang. Those coordinated efforts between the ROK and the U.S., and among the ROK, the U.S., and Japan have been regarded as one of the key variables in its policy making process toward North Korea. Policy coordination has not been limited to the North Korean nuclear issue, but to other areas such as aid to the North, peace building on the Korean Peninsula, and overall policy reviews on North Korea. Nonetheless, the key focus has been on security concerns surrounding North Korea. With an ailing economy, serious lack of food, and increasing numbers of North Korean refugees, North Korea has been regarded as uncertain, unstable, and dangerous.

It is worth noting that policy coordination has also been focused on providing solutions to the conflicts between the U.S. and North Korea. Particularly since the first inter-Korean summit meetings, North Korea has strived to overcome its economic difficulities by getting as much economic assistance as possible from South Korea and China. For its part, South Korea has enhanced its efforts to improve relations with North Korea by taking a position that resolving North Korean nuclear problem can run parallel with improving inter-Korean relations.[3)]

But the U.S. policy toward North Korea was changed: While the Clinton administration's approach was to offer some carrots first in order to induce North Korea to come forward, the Bush administration's approach requires North Korea to behave first before the U.S. expands its efforts to

3) (Korea) National Security Council, Peace-Prosperity and National Security (in Korean) (Seoul: The Secretariat of the National Security Council, 2004), pp. 33-34.

help North Korean people, ease economic sanctions, and take other political steps. In dealing with North Korea, the Bush administration has taken a hard-line policy stance based upon fundamental distrust about its leader and skepticism about its regime.[4] Therefore, conflicting relations between the U.S. and North Korea have become a 'key' variable to South Korea in its own policy making toward North Korea. That is, the South Korean authorities pay more attention to a North Korean position and also take into account the North variable in its relations with the U.S.

The ROK and the U.S. have maintained a strong security alliance for over five decades. Although the time has come to reassess the security alliance to accommodate the changing internal and external circumstances in the post-Cold War era,[5] few can deny the fact that the ROK has become a rare example of getting successfully established liberal democracy and market economy with the help of the U.S. Both the ROK and the U.S. find mutual interests in maintaining a robust security alliance. Thus, it can be said that the starting point for a solid partnership and policy coordination on North Korea in particular should be based on shared fundamental values and the common perception of mutual interests.

Different Beds, but Same Dreams?

Although the ROK and the U.S. have shared values, goals, and interests, there are also differences. These are mainly due to different perceptions on North Korea, national interests and concerns, strategic considerations, and policy priorities of each nation, which can be outlined as follows.[6]

4) Refer to President George W. Bush's State of the Union Address on January 29, 2002.
5) Wook-hee Shin, "Internal Dynamics of the ROK-U.S. Security Alliance: A Search for an Analytic Framework," (in Korean) National Strategy, Vol. 7, No. 2 (Summer 2001).
6) See Young-Ho Park, U.S. Policy toward the Korean Peninsula and Korean Unification (in Korean) (Seoul: Korea Institute for National Unification), pp. 59-66.

Perceptions on North Korea

There are somewhat different perceptions on the North Korean leader and the regime itself. South Korea believes that the North Korean leader is 'pragmatic' and that North Korea has been trying to take a more 'practical' policy for its system's stability and economic recovery.[7] Given the embedded characteristics of the 'North Korean-style' socialism, South Korea believes that the efforts taken by North Korea since the first inter-Korean summit, especially since July 1, 2002, should be interpreted as 'significant' changes, even though they fall short of fundamental reforms such as system change or the introduction of a market economy per se. In fact, the South Korean authorities see the North Korean regime as a partner, necessary to improve inter-Korean relations. For some in South Korea, Pyongyang's quest for nuclear weapons program and insistence on North Korea-U.S. nonaggression pact originated from its 'real' worries about its security, caused in part by the U.S. threats to it.

In contrast, President George W. Bush and his advisors strongly harbor mistrust of the North Korean leader. A case in point, the President once said that the North Korean leader Kim Jong Il must drastically change his policy in favor of individual freedom. Calling him a "despot" or a "tyrant," President Bush also believes that North Korea is one of the most dangerous countries to the U.S. national interest by developing nuclear weapons programs.[8] One apparent difference from the Iraqi situation, the U.S. promises clearly that it has no intention to launch a military attack against

7) Ministry of Unification, "Trends of North Korea's Change since the Inter-Korean Summit" (in Korean) (June 2002); Ministry of Unification, "Recent Trends of North Korea's Change" (in Korean) (December 2004).

8) President George W. Bush, State of the Union Address, January 29, 2002; Washington File, April 15, 2002; The White House, Office of the Press Secretary, "President Discusses Iraq and North Korea with Reporters," Crawford, Texas, December 31, 2002; The White House, Office of the Press Secretary, "U.S. Will Pursue 'Common Approach' to North Korea, President Bush Says," Press Conference of the President, April 28, 2005.

North Korea.[9]

Also, the U.S. is still suspicious of North Korea's behavior and intentions. They read the recent changes in North Korea as being tactical, and thus they are not certain as to whether North Korea is truly heading for change. They regard North Korea as "failed" regime and thus cannot rely on Kim Jong Il's word. It seems that their perceptions on North Korea are in line with a former U.S. President Ronald Reagan's when termed the former Soviet Union the "evil empire" or "the focus of evil in the modern world."[10]

Approaches to North Korea

While the ROK and the U.S. have a shared goal of resolving North Korean nuclear weapons program, different approaches to North Korea should be considered. South Korea has paid more attention to the improvement of inter-Korean relations, especially by extending various forms of aid to North Korea, and also through the revitalization of a variety of exchanges and cooperation programs. South Korea believes that North Korea will come to trust it more in the process of aiding the economic recovery of the North, and that the North will finally give up its military designs. While South Korea is in general agreement with the U.S. as evidenced by its firm insistence that North Korea give up its nuclear program, it believes that military tension could also be lessened through positive inter-Korean economic and socio-cultural relations. In other words, South Korea's approach has been a gradual one, beginning with those issues on which the two Koreas can easily reach agreement.[11] It

9) U.S. State Department, Office of the Spokesman, "Rice Says Six-Party Talks To Focus on Ending Nuclear Threat," July 10, 2005.
10) "Remarks to the National Association of Evangelicals," March 8, 1983, in Strobe Talbott, ed., The Russians and Reagan (New York: Vantage Books, 1984), p. 113.
11) Ministry of Unification, Unification White Paper 2003 (in Korean) (February 2003), p. 33.

expects that the policy of expanding exchanges and cooperation will promote to build political and military confidence.

While addressing several issues such as the North's nuclear program, missiles, economic sanctions, further economic aid to the North, and other political measures, the Bush administration explored whether the North Korean regime was willing to change its policy with regard to WMD, missile, and conventional weapons. Furthermore, the Bush administration insisted that North Korea comply before any material compensation would be considered. And it did not show any interest in having bilateral talks with North Korea even within a multilateral framework until the latter's nuclear issue was getting worse.[12] It is quite understandable that the U.S. has preoccupied itself with the North's WMD in terms of war on terrorism. But there are other players, including South Korea, China, Japan, and Russia in dealing with North Korea. The structural condition surrounding North Korea is in no way favorable for it to live in seclusion. In this context, giving North Korea an early chance to negotiate might prompt to resolve its nuclear program.

Policy Priorities

The South Korean government's policy goal is two-fold: One is to expand inter-Korean exchanges and cooperation in economic, social, cultural, humanitarian, and other areas in ways that benefit both sides and build trust; the other is to establish a durable peace system on the Korean Peninsula. The North's nuclear program is also an imminent issue to be resolved.[13] Viewing from the records of the inter-Korean relations for the

12) "No Direct Bargaining with North Korea, Powell Says," Washington File, October 21, 2004.
13) (Korea) National Security Council, Peace-Prosperity and National Security (in Korean) (Seoul: The Secretariat of the National Security Council, 2004), p. 33.

past few years, South Korea seems to have focused more on economic issues such as the connection of inter-Korean railways and roads, revitalization of the Mt. Kumgang tourism project, and the construction of the Kaesong industrial complex. Although the South Korean government points out the need to solve the military problems such as WMD and missiles, it doesn't seem to regard them as a top-priority issue.

By contrast, the U.S. government has prioritized those security-related issues as well as the North's nuclear program. Regarding North Korea's nuclear and missile capabilities as a major threat to the security in the Northeast Asian region and to U.S. national interests,[14] the U.S. believes that no peace and security on the Korean Peninsula could be possible without solving those military issues. For some South Koreans, however, the Bush administration's emphasis on the North's WMD issues has been interpreted as an excuse to keep the U.S. dominance in Northeast Asia intact. The U.S. also takes issue with North Korea's human rights, illegal drug trafficking, and counterfeiting of notes.

The ROK-U.S. Policy Coordination

Acknowledging Differences and Making Joint Efforts

Despite some differences between the ROK and the U.S., it is not difficult for the two countries to come up with a common denominator to solve the current North Korean crisis. As they did in the past, they can take advantage of a close policy coordination mechanism. Close policy coordination is a necessary condition for the improved bilateral relations

14) The White House, The National Security Strategy of the United States of America, September 2002, p. 14.

vis-à-vis North Korea. In this context, they must enhance their efforts to find a coordinated approach to North Korea. Policy coordination should start from the acknowledgment that each nation might have a different perception on North Korea, dependent upon its own national interests, or policy priorities, but they should do their utmost to come up with a wide range of common denominators, especially in dealing with the North Korean problems. Then, they need to develop a policy roadmap with North Korea, including goals, strategies, specific tasks, and practical measures. On North Korea's nuclear weapons programs, both countries should focus their policy coordination efforts on the consequences of the North's "good behavior" as well as those of its "bad behavior."[15)]

Enhancing Shared Understanding on North Korea

As already mentioned, the Bush administration is still doubtful of North Korea's change. It also keeps its view of the current North Korean regime as an "evil" one. But, the South Korean government sees North Korea as undergoing significant changes and tries to view the North as it is. Given lack of assured policy alternatives regarding North Korea, the starting point for the U.S. and the ROK to find effective policy alternatives is to enhance shared understanding on North Korea and its leadership. Seoul and Washington should increase joint efforts to build a greater understanding on what North Korea is saying and doing. It is highly necessary and recommended for the two countries to launch a policy-oriented joint study group, composed of civilian and government experts on North Korea, in order to deliberate and find out differences and to narrow down misunderstanding, if any, between themselves. By doing

15) James J. Przystup, "Trilateral Coordination on North Korea," paper presented at the 7th KIDA-INSS Workshop on "Transformation of the ROK-U.S. Alliance and USFK," September 21, 2004, p. 2.

this, the two countries will be able to overcome the problem that there may be no effective leverage in operating from outside to initiate a 'real' change inside North Korea.

Taking a Comprehensive Approach

While South Korea's approach includes security issues as well as non-security issues, the U.S. approaches focus primarily on security issues. Considering the current situation in North Korea, it would better take a comprehensive approach in order to get North Korea to be more involved in transactions with the outside world.[16] While confronting with the U.S. concerning its nuclear weapons programs, North Korea's top priority is to build better relations with the United States. It seems to be well aware that, for assurance of its security and economic recovery, improved relations with the United States are essential.

But, without seeing any benefits in their hand, North Korea is anticipated to be very reluctant to strike a deal on its nuclear weapons programs. Pyongyang will continue to maintain its stance that the development of WMD and missiles is a strategic response to the U.S. strategy to "suffocate" North Korea. It would be very difficult for North Korea to make concessions on these issues because they represent its strongest cards at the negotiating table.

Taking a ROK Version of Engagement Policy into More Consideration

The Bush administration emphasized that it strongly supports the South

16) During the Clinton administration, the U.S. found it necessary to have a comprehensive approach to North Korea as evidenced in "Review of United States Policy Toward North Korea: Findings and Recommendations," (October 12, 1999) which was called "Perry Report." Richard L. Armitage, who became Deputy Secretary of State in the first Bush administration, had also proposed a 'comprehensive approach' in March 1999. See Richard L. Armitage, "A Comprehensive Approach to North Korea," Strategic Forum, No. 159, INSS, National Defense University, March 1999.

Korean government's efforts to reconcile with North Korea. The U.S. also made it clear that it respects North and South Korea's lead in resolving tensions on the Korean Peninsula, and that U.S. role should be supportive of inter-Korean rapprochement in that regard. But there have been some worries in South Korea that the Bush administration's North Korea policy has been unilateral in the sense that it reflects mainly the U.S. security strategy. It is hoped that the Bush administration takes the effect of exchanges and cooperation into more consideration.

Role-Sharing between the ROK and the U.S.

For the U.S., one of the basic rationales for supporting South Korea has been the geo-strategic importance of the Korean Peninsula. It is true that North Korea's large conventional forces still pose a threat to U.S. Forces in Korea as well as to South Korea, and the North's WMD is also a major threat to peace and stability in Northeast Asia. As the close policy coordination between the ROK and the U.S. led to the opportunity to end the Cold War on the Korean Peninsula, it will continue to be the basic pillar in implementing the comprehensive approach. The South Korean government believes that reconciliation and cooperation with North Korea may lead to tension reduction on the Korean Peninsula. Stressing that the North Korea's nuclear issue is as important to South Korea as it is to the U.S., it also wants to establish a permanent peace regime through dialogues and negotiations.

But North Korea has maintained its position that security matters should be dealt with between North Korea and the U.S. For the U.S., the North's nuclear and missile programs are the most threatening issues to be resolved. In this context, role-sharing between the U.S. and the ROK would be a more effective way to implement the comprehensive approach. While the U.S. is to play a leading role in tackling the North's nuclear and missile

issues, the ROK is to play a facilitating role. When the ROK and the U.S. consider role sharing in other areas, it should be taken seriously that there are gaps in capabilities and priorities of agendas between them. Both the ROK and the U.S. should acknowledge what they can do and cannot vis-à-vis North Korea.

Concluding Remarks

It is no wonder that the ROK and the U.S. have different policy alternatives in addressing the North Korean problem. But it is necessary for both countries to expand shared interests vis-à-vis North Korea. Both the ROK and the U.S. want a stable, secure environment that allows them to advance their respective objectives. But if the U.S. deals with the Korean question primarily in terms of nonproliferation, inter-Korean relations may see no "real" progress. This would lead to increasing criticism by the South Koreans regarding U.S. policy toward North Korea. Therefore, Washington should pay more attention to the South Koreans' concerns, along with its key policy priorities. It is essential for South Korea and the U.S. to have shared interests with regard to North Korea.

In conclusion, it is recommended for the ROK and the U.S. to organize a joint review committee on the existing policy (and coordination). Since conflicting ideas and thoughts on North Korea between the two nations are based upon their different national interests, it may be wise and appropriate to re-adjust those interests to the changed milieu surrounding North Korea. A stable and 'transforming' North Korea without nuclear weapons programs is in the interests of both South Korea and the United States.

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Chapter_6

Altered States: The Future of U.S.-ROK Cooperation

William M. Drennan*

Introduction

By most measurements the U.S.-ROK alliance has been a huge success, benefiting the two partners far beyond their initial expectations. The alliance played a major role in winning the Cold War, and has continued to deter North Korean aggression since. Equally important, under the security afforded by the alliance, the ROK has transitioned from authoritarian to democratic rule, and from a ward of the international community to the ranks of the world's leading trading economies.

The U.S.-ROK alliance survived the end of the Cold War because the last vestige of that war – the existence of an unremittingly hostile North Korea – required it. The alliance has not only kept the peace on the peninsula, it is a vital element in the security architecture of the Asia-Pacific region. This structure has underwritten the stability of an area that was formerly an arena of great power rivalry but that is today one of the world's great economic engines. And with a heavily armed, isolated, unreformed, nuclear-weapons-seeking North Korea still occupying the northern half of the peninsula, the need for, and the vitality of, the alliance would seem to be beyond question.

But that is hardly the case. The alliance today is in the worst shape in its history, periodic official announcements to the contrary notwithstanding.

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Washington and Seoul are eyeing one another warily and there are indications that each is beginning to contemplate alternative security arrangements.

Some of the reasons for this state of affairs emanate from the war on terrorism and the transformation of the US military. Much of the cause, though, stems from the dramatically altered environment in South Korea. The alliance today is adrift in a sea of lingering anti-Americanism in South Korea and the subsequent skepticism about, and negativity toward, the ROK in the United States. Circumstances on and off the peninsula have thus converged and appear to have reached critical mass, making one thing increasingly clear: When ROK President Roh Moo-hyun leaves office in 2008, the alliance will almost certainly look substantially different than it did in 2003 when he was sworn in.

To be sure, the alliance has always been "high-maintenance." What sustained it through good times and bad in the past was the overarching threat that North Korea posed to South Korean security and to US interests. Today the foundation of the alliance – the shared perception of that common threat – is badly eroded, and the alliance is losing its raison d'être. Since the South-North summit in 2000, the United States and South Korea simply no longer agree on the nature, or even the existence, of a North Korea threat, ironically at a time when the threat is growing, with North Korea having added two nuclear weapons programs as well as long-range missile delivery systems to go along with its conventional forces.

In American eyes many South Koreans today are in a state of denial about the nature of North Korea and the continuing threat it poses to the ROK. Perhaps more than fifty years of successful deterrence have left them complacent. Perhaps they have taken to heart President Kim Dae Jung's statement following the summit that "it is important for our citizens to believe that there will no longer be war." Certainly the ROK government's

"hear no evil, see no evil, speak no evil" approach toward the North since the summit has been a factor, as has North Korea's repeated appeals for "pan-national unity" against foreign (read US) forces. For these and other reasons, many South Koreans – and especially those in the younger generations - now ascribe a new, benign intent to North Korea, tending to minimize or dismiss the North's potent, offensively oriented military capabilities.

These new attitudes have led to a tendency among growing numbers of South Koreans to view the most serious challenge to the South's security since the Korean War – the North's quest for nuclear weapons - as exclusively, or at least primarily, America's problem. How things have gotten to this point can be understood only in light of the new political context in South Korea, a context spawned by the "operationalization"of the President Kim's Sunshine policy in the aftermath of the Pyongyang summit.

A Changed South Korea

The first half of President Kim's five-year term was spent waiting for the North to grasp his outstretched hand. His persistence seemed to have paid off when he made his historic trip to Pyongyang. The summit created a new "mood," at least in the South, and suggested that the two Koreas were abandoning the mutual enmity and zero-sum approach that had long characterized the Korean standoff.

For decades following the Korean War it was a violation of the South's National Security Law to say or do anything deemed supportive of the North Korean system and regime. Technically it still is, but in actuality the post-summit orthodoxy imposed in the South mandates essentially the opposite – that Southerners, and particularly government officials, are to do and say nothing that might prove offensive to the North's totalitarian

leadership.

This new approach to the North, which survived the transition to the Roh Moo-hyun government in 2003, and the positive portrayals of the South's old enemy in state-controlled media and in school classrooms have had a profound effect in the South. Many South Koreans today see North Korean nuclear weapons as solely a deterrent measure needed to fend off an aggressive United States. Some hold the view that a North Korea armed with nuclear weapons is acceptable. Others even see a nuclear North as desirable, assuming that after unification those weapons will belong to the ROK. Missing from these attitudes is any apparent recognition of the dire implications for South Korea's security of the North's going nuclear, or of the effect a nuclear-armed North Korea would have on the region and on the global norm against the proliferation of nuclear weapons.

The theory behind Sunshine and its successor, President Roh Moo-hyun's Peace and Prosperity policy, is that North Korea will become "hooked" on the economic benefits being dispensed by the South, putting Seoul in charge of South-North relations. Once addicted to capitalism and dependent on the South's generosity, the totalitarian North would, the theory goes, be transformed economically into a mini-South Korea, leading to true reconciliation and — eventually, inexorably — to unification on Seoul's terms.

Sunshine *as implemented*, however, has stood theory on its head. It is the South that has become addicted, hooked on providing hard currency and other aid in order to keep the North from cutting off contact and shattering nascent North-South reconciliation. Sunshine was supposed to give the South leverage. Instead, it is North Korea that has used Sunshine to leverage the South. Pyongyang has consistently gotten it what it wants from Seoul by threatening not to participate in official meetings, cultural or sporting events, or to withdraw early once there.

The missing element in Seoul's engagement policy is objective

standards against which to measure success or failure.[1] In the absence of such standards, the South's largely unrequited pursuit of the North cedes control of bilateral relations to Pyongyang, leaving Seoul open to manipulation and embarrassment. The ROK government has gone to great lengths since before the June 2000 summit not to upset or provoke the North. This skittishness has ceded the initiative in South-North relations to Pyongyang. The stronger party has assumed the posture of the weaker, allowing the supplicant to become the master of the relationship.

Having seized control of inter-Korean relations with his high profile hosting of the summit, Kim Jong Il continues to dominate the tenor, the timing, the terms, and the tempo of North-South relations. When Kim Jong Il wants to meet with the South, there is a meeting. When he does not, Seoul is left waiting, frustrated by its circumscribed ability to influence the agenda, the pace, and the scope of relations with the North.

Why this is so became clear with the revelation in 2003 that the summit came about as the result of a payment of at least $500 million to Kim Jong Il. This "cash for summit" arrangement established the pattern of subsequent South-North interaction – there is no interaction unless the North is paid. The common denominator of every meeting between the two Koreas since the summit – ministerial-level meetings, family reunions, cultural exchanges, sporting events — has been that the South pays the North to participate, sometimes with goods (food, fertilizer, computers, etc.), sometimes with cash. No reward for North Korea means no meeting for South Korea.

The South's pursuit of North Korea has come at a substantial price. The ROK has transferred literally billions of dollars of cash and goods to the

1) One way to test the proposition that the North is as sincerely committed to reconciliation as the Kim and Roh governments have claimed would be to stop paying North Korea to come to meetings. If North Korea is truly a partner for peace as the ROK government asserts, it would not be necessary to pay it to engage the South.

North, and plans to spend billions more in the next few years.[2] The South has realized only the most modest of tangible benefits – and none in the security area – as a result of these transfers.[3]

But the price paid by the South has gone beyond the money and goods sent to the North. The non-monetary costs incurred by the South have also been significant, and have not gone unnoticed by its alliance partner.

- *ROK Prisoners of War (POWs)*. The governments of Kim Dae Jung and Roh Moo-hyun appear to have written off South Korean POWs held by the North since the Korean War. Of the thousands of POWs that the North failed to repatriate with the signing of the Armistice Agreement in 1953, hundreds are known to be alive in the North,[4] many working in labor camps. The Pyongyang summit was the first opportunity since the Armistice to negotiate their return. Kim Jong Il used the summit to win the release of sixty-three North Korean agents held for many years by the South.[5] But Kim Dae Jung did not attempt a swap with the North. He chose not to raise the issue of ROK POWs at all.[6]

  Instead, senior ROK officials initially repeated North Korea's line that there are no Southern POWs,[7] and ordered four who had escaped to the South a month after the summit to remain silent, lest publicity prove embarrassing to the North.[8] When it became impossible to

2) "Another W5 Trillion to Be Poured Into North Korea," Chosun Ilbo, Nov. 1, 2005, http://english.chosun.com/w21data/html/news/200511/200511010022.html.
3) "Sunset," Far Eastern Economic Review, Jul. 10, 2003; "NK to Keep Military-1st Policy," Korea Times, Oct. 10, 2005, http://times.hankooki.com/lpage/nation/200510/kt2005101019512311990.htm.
4) "Southern Families Demand Action on NK Abductees," Korea Times, May 26, 2004.
5) "Repatriation of Unconverted Long-term Prisoners," Hangyore, Aug. 21, 2000; Yi Su-kun, "Kim Jong Il Must Give Back," Joongang Ilbo, Aug. 25, 2000.
6) Chosun Ilbo, Jun. 15, 2000.
7) Yonhap, Jun. 22, 2000; Chosun Ilbo, Jun. 21, 2000.
8) Chosun Ilbo, Aug. 28, 2000.

deny the existence of the POWs any longer, President Kim's government announced that they would be treated as members of separated families, an approach that effectively stripped the POWs of any modicum of protection afforded by the Geneva Convention regarding the status and treatment of prisoners of war.[9)]

- *Abducted South Korean Citizens*. There is also little evidence that the Kim and Roh governments have raised the issue of the 337 South Koreans abducted during the war that are known to still be alive, as well as the hundreds of ROK citizens seized by the North since the Armistice. Only a handful have ever made it back to the South. The ROK government now defines them as "those who got stuck inadvertently in the North" and has not made their status an important issue in meetings with representatives of the North.[10)]

- *Deaths of ROK Sailors.* One year after the summit, six South Korean sailors were killed by North Korea in a well-planned and rehearsed ambush at sea. Within hours the ROK government issued a pre-emptive exoneration of North Korea and announced that the Sunshine policy would not be affected by the sailors' deaths.[11)] The government seized on a mid-level North Korean bureaucrat's telephoned expression of "regret" over the "accidental conflict" to close the books on the incident and continue the flow of money and other assistance to the North.[12)] Within weeks, hundreds of North Korean athletes,

9) Chosun Ilbo, Jun. 18, 2000; James Brooke, "Red Cross Officials to Discuss P.O.W.'s Still Alive in North Korea," New York Times, Aug. 23, 2005, http://www.nytimes.com/2005/08/23/international/asia/23korea.ready.html.
10) "N. Korea Unresponsive to Seoul Ministerial Talks," Chosun Ilbo, Jun. 22, 2005, http://english.chosun.com/w21data/html/news/200506/200506220022.html; "21 POWs and Abductees Alive in NK," Korea Times, Oct. 25, 2005, http://times.hankooki.com/lpage/nation/200510/kt2005102519534211990.htm.
11) "Inter-Korean Exchanges Will Continue," Korea Times, Jun. 30, 2002.
12) "Pyongyang Regrets 'Accidental' Sea Clash," Chosun Ilbo, Jul. 25, 2002, http://english.chosun.com/w21data/html/news/200207/200207250020.html; Don Kirk, "North Korea Regrets Naval Clash With Seoul and Seeks Talks," New York Times, Jul. 26, 2002.

cheerleaders, and fans were warmly welcomed to the Asian Games in Pusan, just a few miles from the South's largest naval base.

- *North Korea's Human Rights Record*. President Kim built his political career and international reputation on his opposition to South Korean autocratic leaders and his advocacy of democracy and human rights. Yet as president he was silent on the totalitarian nature of North, ignoring its horrific human rights record and the suffering of millions of North Koreans. He was also silent on the plight of hundreds of thousands of North Korean refugees leading a precarious existence in China.

  President Roh Moo-hyun, a former human rights lawyer, has been silent as well. Since 2003 the ROK – a member of the United Nations Commission on Human Rights – has refused to vote on Commission resolutions condemning North Korea's human rights record, lest the Kim Jong Il regime take offense.[13)]

Other examples abound of ROK governments adopting "low posture diplomacy" so as not to upset Kim Jong Il: Using tax audits in an attempt to muzzle newspapers critical of the administration; firings senior officials for remarks deemed potentially offensive to the North; deleting any mention of North Korea's being the South's "main enemy" in the annual Defense White Paper.[14)]

While the Sunshine policy of unconditional engagement has had no discernible positive effect on either the totalitarian nature of the North

13) "Seoul to Abstain on N.Korea Human Rights Resolution," Chosun Ilbo, Oct. 27, 2005, http://english.chosun.com/w21data/html/news/200510/200510270016.html.

14) A June 2004 opinion poll showed that South Koreans between the ages of 20 and 40 identified the United States as the ROK's "main enemy." "For Young Koreans, U.S. 'Main Enemy'," Chosun Ilbo, Jun. 30, 2004, http://english.chosun.com/w21data/html/news/200406/200406300034.html.

Korean regime or on the level of threat posed by the North's offensive military posture, its impact in South Korea has been profound. The deep ideological divide between Left and Right in South Korea re-surfaced after the summit. South Korean society today is deeply polarized,[15] with conservatives – now in the minority – charging the majority liberals with being pro-Pyongyang sympathizers, and liberals accusing conservatives of being anti-unification, anti-Korea, and pro-American "flunkies."

The flip side of the sense of oneness many South Koreans feel for the North is the mainstreaming of anti-Americanism in the South.[16] Of course, there have been episodes of anti-Americanism in the past, some quite serious. But the anti-Americanism following the summit and especially in 2002-03 differed from past episodes, and not just in terms of duration. For the first time, segments of the middle class joined the radical elements in South Korean society long opposed to the United States and to the presence of U.S. Forces Korea (USFK). Also for the first time, individual Americans, and especially American military personnel, were targeted for assault and abuse on the streets of Seoul and other major cities.[17] The U.S. media covered these incidents extensively, and the fallout lingers today in official Washington.

Certainly the complex nature of anti-Americanism in South Korea is subject to misinterpretation and misunderstanding in the United States. Despite the success of the democratization movement of the late 1980s, Korean political discourse remains dominated by a culture of protest, where violent street demonstrations are often the tactic of first resort of

15) "Park Chung-hee, the Man Behind the Miracle?" Chosun Ilbo, Nov. 29, 2005, http://english.chosun.com/w21data/html/news/200511/200511290019.html.

16) Robert J. Fouser, "Anti-Americanization of South Korea," JoongAng Ilbo, Oct. 23, 2002.

17) "USFK Soldiers Allegedly Assaulted by Korean Demonstrators," USFK News Release No. 020906, Sep. 15, 2002; "U.S. Officer Attacked by Young Men," Chosun Ilbo, Dec. 16. 2002; "Attacking U.S. Soldiers," Chosun Ilbo, Dec. 17, 2002; "Service members in S. Korea urged to use buddy system," Pacific Stars and Stripes, Dec. 29, 2002; "More U.S. Soldiers Assaulted," Chosun Ilbo, Dec. 20, 2002.

groups with a grievance or an agenda. As Korean scholars are quick to point out, the majority of those who participate in anti-U.S. protests do so for a variety of reasons having little to do with an ideologically based hostility toward all things American.

But academic parsing of anti-Americanism or anti-American sentiment into ever finer categories and ever more nuanced explanations fails to take into account the impact in post-9/11 America of South Korean demonstrators destroying huge U.S. flags in the central plaza of Seoul, as happened at the height of the 2002 ROK presidential campaign.[18] The fact that this and similar demonstrations continued for months unopposed by the ROK government, any presidential candidate, or those segments of Korean society that have traditionally supported the alliance, led to an anti-Korea backlash in the United States.[19] Within the U.S. government this backlash – muted, and not often addressed publicly, but there nonetheless – has influenced attitudes and therefore policy.[20]

From the standpoint of the long-term viability of the alliance, trends in South Korean public opinion regarding the United States and the alliance are in the wrong direction.[21] The 2002 presidential election confirmed what the polls have shown – that there is a new political establishment, a new majority, in control in South Korea, dominated by generations too young to remember the Korean War and with decidedly negative views of the United States and USFK.[22]

To be sure, anti-Americanism is not a new phenomenon in South

18) See, for example, Robert J. Fouser, "Two kinds of anti-Americanism," JoongAng Ilbo, Jan. 14, 2003; Moon Chung-in, "Between Banmi (Anti-Americanism) and Sungmi (Worship of the United States)," in David I. Steinberg, ed., Korean Attitudes Toward the United States: Changing Dynamics (Armonk: New York, 2005), pp. 139-152.

19) "Thousands of South Koreans gather in Seoul for Anti-U.S. rally," Pacific Stars and Stripes, Jan. 1, 2003; Lee Sook-jong, "Anti-U.S. sentiment roils alliance," Korea Herald, Jun. 10, 2004.

20) "Rumsfeld May Reduce Forces in South Korea," Los Angeles Times, Feb. 14, 2003, http://www.latimes.com/news/nationworld/world/lafgnorkor14feb14,1,1227106.story?coll=la%2Dheadlines%2Dworld%2Dmanual; "Rethinking South Korea's Defense," US News and World Report, Feb. 6, 2003.

21) Fouser, "Anti-Americanization of South Korea."

22) "Poll shows Koreans are shifting to the left," JoongAng Ilbo, Feb. 11, 2003.

Korea.[23] So what makes South Korea different, and why does it matter? Simply stated, the future of the alliance is at stake, an alliance that is the foundation of South Korea's national security and economic well-being, and a key element in the U.S. strategic position in the East Asia – Pacific region. Both South Korea and the United States have benefited enormously from the alliance. Both pay a price to sustain it, monetary and otherwise. And both would likely pay an even higher price if it were to crumble. Maintaining the alliance is therefore important to the United States. Objectively, it is even more important to the Republic of Korea, given the historically tough neighborhood in which it is situated.

A Changed United States

Since the terror attacks of September 11, 2001, Americans – both government officials and the general public – do not have as much patience as they had in the past for anti-American attitudes among governments and peoples long allied with – and long protected by – the United States.

Koreans, who may have been led over the years to assume that there was never a price to be paid for anti-American demonstrations and assaults on U.S. facilities in Korea, were slow to understand the impact of 9/11 on the United States. Anti-American demonstrations in South Korean have alienated important elements of the ROK's traditional base of support in the United States, prompting many who follow Korean affairs to re-evaluate the relationship and question long-held assumptions. Is the alliance still relevant? Is it still necessary? And most importantly, does it still serve U.S. interests?[24]

23) Bong Yongshik, "Yongmi: Pragmatic Anti-Americanism in South Korea," The Brown Journal of World Affairs, Vol. 10, No. 2, Winter-Spring 2004, pp. 153-165.
24) "Why Keep U.S. Troops in South Korea?" New York Times, Jan. 5, 2003.

Given the changing context in which the alliance now operates, the answers to these questions would appear no longer to be an automatic and unqualified "yes" as they tended to be in the past. Skepticism about the vector of the South Korean domestic political scene has led to accelerated adjustments to the way the United States approaches the alliance.

A historic restructuring of USFK is now taking shape in recognition of the changed conditions facing U.S. forces in Korea. The next several years will see continued adjustments in the U.S. military presence and in the roles and responsibilities assigned to each alliance partner. These adjustments include:

- *Eliminating the Tripwire.* The Bush administration has questioned the necessity – indeed, the morality – of deploying U.S. forces just south of the DMZ as a tripwire, and has decided to move the U.S. 2nd Infantry Division (2ID) south of the Han River.

- *Consolidation.* In the first phase of the move, dispersed elements of 2ID are being consolidated at Camp Red Cloud and Camp Casey.

- *Relocation.* In the second phase of the consolidation, the division will move to new bases in the Pyongtaek area. Simultaneously US forces will largely vacate the Yongsan Garrison in Seoul.

- *Force Reductions.* As part of the consolidation and relocation process, the US has begun withdrawing some forces. Plans call for USFK to stabilize at around 25,000 troops in 2008.

- *Mission Transfers.* The ROK is taking responsibility for ten military missions previously assigned to U.S. forces.

- *Command Arrangements.* Washington and Seoul have formed a joint consultative body to study combined command arrangements, with the understanding that it is time for the ROK to become more self-reliant.

While U.S. policymakers likely would have initiated some or all of these changes in any case, the anti-American attitudes in South Korea have given these initiatives added impetus and urgency. The growing national strength of South Korea has also been a factor. With double the population of the North and an economy more than thirty times as large, South Korea certainly has the capability to assume greater responsibility for its own defense.

A Changed North Korea?

The United States today is confronting a North Korean regime and system that arguably comprise the world's most perfect totalitarian state, and the only communist dynasty in history. For years the current leader, Kim Jong Il, was a mystery. But over the last decade he has demonstrated not only his rationality, but also his capabilities. He appears to be firmly in charge, and he has had a remarkably good run since emerging from the three-year Confucian mourning period following the death of his father in 1994.

- He weathered the famine of the mid-1990s that may have cost as many as 2 million lives, and that would have brought down most regimes.

- He has replaced most of his father's leadership cadre with members of his own generation who owe their privileged positions and loyalty to him.

- He has retained his plutonium-based nuclear weapons program and added a uranium-based program while receiving massive amounts of international assistance, giving up nothing substantial in return.[25]

- He has sown dissention in South Korea, beginning with his charm offensive at the summit, and continues to manipulate the South Korean domestic political scene through high profile events such as reunions of family members separated since the Korean War.

- In doing so, he has helped fan the flames of anti-Americanism in South Korea.

This is an impressive performance considering that Kim presides over a country with a miniscule economy incapable of supplying basics goods and services to the North Korean people. And it is certainly ironic that Kim is achieving through charm what he and his father were never able to do through threats – drive a wedge between Seoul and Washington.

Conclusion

The old consensus in the ROK concerning proper approaches to the two countries of greatest importance to the future of the South – the United States and North Korea – has broken down under pressure from younger, liberal, politically active generations that have supplanted the former conservative majority. The younger generations increasingly look upon the United States with skepticism, if not outright hostility.[26] They do not feel particularly threatened by North Korea, even a North Korea armed with

25)"North Korea Gains Aid Despite Arms Standoff," Washington Post, Nov. 16, 2005, http://www.washingtonpost.com/wp-dyn/content/article/2005/11/15/AR2005111501793.html.
26) "Study: S. Koreans increasingly wary toward U.S.," Pacific Stars and Stripes, Mar. 26, 2004.

nuclear weapons, and they tend to view the United States as an obstacle to South-North reconciliation by confronting Pyongyang on the nuclear and other security issues. Official emphasis is now on those things that Koreans south and north have in common – ethnicity, history, language – while downplaying the continuing threat that the unreformed, totalitarian North represents to the South. As a result, traditionally close ties with the United States are in danger of being overtaken by a pan-nationalism that emphasizes ethnic solidarity between Koreans north and south over other considerations, including the North's quest for nuclear weapons.

The belief among many Southerners that North Korea would never use nuclear weapons against the ROK reveals both a strategic myopia and historical amnesia among its adherents. Those skeptical of this view are asked to believe that the same regime responsible for the deaths of over a million South Koreans in 1950-53, for the attempted assassination of ROK presidents on several occasions, for the murder of 115 South Koreans aboard KAL flight 858, and for countless other attacks against the South is now restrained by moral revulsion against using any means at its disposal against South Korea if it were to calculate that the benefits outweighed the costs.

Skeptics are further asked to believe that the regime that allowed an estimated 2 million North Koreans to die of starvation in the 1990s, that runs a vast internal concentration camp system, and that reportedly conducts chemical weapons tests on political prisoners,[27] is animated principally by compassion for, and solidarity with, fellow Koreans living in the South.

In the current confrontation over North Korea's nuclear weapons programs, Seoul appears to be more worried about possible U.S. reaction

27) "Revealed: The Gas Chamber Horror of North Korea's Gulag," The Guardian, Feb. 1, 2004, http://www.guardian.co.uk/guardian/todays_stories/0,4450,,00.html; "'NK Used Prisoners to Test Chemical Weapons'," Korea Times, Feb. 12, 2004, http://times.hankooki.com/lpage/nation/200402/kt2004021218040311950.htm.

to the threat than it is about the threat itself. Seoul is concerned that the United States might resort military force at some point in the future, despite repeated assurances that the United States seeks a peaceful, diplomatic solution to the nuclear crisis and that it has no intention of attacking or invading North Korea. Washington has always been careful to note, though, that diplomacy not backed by credible force is emasculated diplomacy, and therefore all options remain on the table.

There is a consistency in the U.S. position that is not apparent in the ROK's. Seoul's insistence on the one hand that North Korean nuclear weapons are intolerable, and on the other hand that the issue must be resolved peacefully, raises the obvious but so far unanswered question: If the issue cannot be resolved peacefully, is a nuclear North Korea still intolerable to the South?

Questions about the reliability of its alliance partner lurk in the background in both Seoul and Washington, exacerbated by the anti-American attitudes resident in segments of the ROK government and populous. Most prescriptions from South Korea for remedying this situation emphasize what the United States needs to do. To be sure, there are steps the United States can and should take to address the deteriorating image of the United States and the alliance, beginning with a sustained public diplomacy campaign to counter negativity about the United States. But while necessary, unilateral American actions will never be sufficient, and cannot succeed in isolation. Remedies that focus exclusively on U.S. "responsibility" to "fix" Korean anti-Americanism miss the essential point that anti-Americanism in the ROK is ultimately a greater threat to South Korea than it is to America.

The security of South Korea and the U.S. - ROK alliance that underwrites it remain important to the United States, as the stationing of American troops in an increasingly inhospitable environment in South Korea attests. But continued deployment of U.S. forces will be unsustainable if U.S.

leaders should ever conclude that the defense of the South against North Korea is more important to the United States than it is to South Koreans themselves.

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PART Ⅳ

Future Challenges

Chapter_7

Developments and Future Challenges Regarding Inter-Korean Relations

Young-Kyu Park*

Rationale for Policy of Reconciliation and Cooperation toward North Korea

South Korea has, for six decades, been faced with territorial division and we have thus been compelled to take this unique situation into account in formulating a North Korea policy. While South Korea and North Korea remain technically at war, we are still ethically homogeneous and have to figure out ways to co-exist for many years to come.

In this regard, our North Korean policy is bound to take on different forms and characteristics in comparison with diplomatic policies that deal comprehensively with other countries, and defense policies which focus on national security.

In hindsight of the past half century, in the midst of the Cold War, we had no other choice but to adopt a North Korean policy geared toward maintaining the nation's political regime and accordingly stayed antagonistic against the North until the 1980s.

Pyongyang also took advantage of the division of the South and the North as a means to prop up its regime. The fall of communism and the end of the Cold War in the late 1980s and early 90s, however, created an

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amicable atmosphere where South Korea was finally able to proactively pursue its North Korea policies and seek progress in inter-Korean relations.

Nevertheless, fearing possible regime collapse, North Korea stayed out of the transformation of the post-Cold War era and instead chose the path of isolation and reclusion. In addition, the death of its founder Kim Il Sung, and recurring drought and flood for 3-4 years from 1995 took a heavy toll on North Korea's economy, rendering it almost irreparable.

Amid North Korea's aggravating predicament, we couldn't expect any significant policy-change from the North and improvement of relations between the two Koreas appeared to be remote. It was not until 1998, when we implemented policies encouraging reconciliation and cooperation, that North Korea started to overcome its insecurity about its shaky regime and pursue change in its own right.

Some favored the idea that we should accelerate North Korea's disintegration by applying pressure and adopting a containment policy. Yet, that was not a viable option, since Pyongyang, driven into a corner, could resort to military adventurism or a so-called "suicidal provocation." Moreover, the feasibility of such policies appeared doubtful as North Korea remained politically unified despite its economic hardship and neighboring countries did not favor the sudden downfall of North Korea, either.

Accordingly, while bolstering the nation's strong security posture, we could only pursue a policy aimed at inducing North Korea to change its hard-line stance via reconciliation and cooperation with a goal of achieving peace in the process. That was probably the sole option on our part, in the light of our economic circumstances and the reality of our demographic distribution, with over half the population, 25 million out of 47 million South Koreans, disproportionately living within 70 miles of the military demarcation line.

What I want to emphasize here is that we should not forget the unique situation on the Korean Peninsula. If we work to understand this uniqueness, I believe we can understand why we are trying to solve the North Korean nuclear issue with a policy focusing on dialogue.

Historically, the end of the Cold War dawned in Europe not because of containment and pressure against East European countries and the Soviet Union, but because of active engagement efforts by the United States and Western countries. Our North Korean policy is also based on this historical backdrop, although we must inevitably pursue a two-fold strategy of deterrence/embracement and security/cooperation until Pyongyang relinquishes its strategy to revolutionize the South and military provocation against the South. Therefore, we must maintain our current peacekeeping strategy by securing a robust security system to deter military provocation by North Korea, while simultaneously actively supporting a peacemaking policy in parallel.

Negative peace, or passive peace, is not sufficient for maintaining peace and security on the Korean Peninsula. We must make dual efforts to create trust through a process of exchanges and cooperation, establishing a substantive cooperative relationship based on that trust to reduce mutual threats. In this regard, we can call our North Korean policy a "positive peace policy," in terms of which the nation seeks to boost exchanges and cooperation with North Korea in order to expand the fundamental basis for peace.

Outcomes of Developments in Inter-Korean Relations

Establishment of a Substantive and Cooperative Relationship

The implementation of the reconciliation and cooperation policy and the 2000 South-North Korea summit meeting prompted the conversion of the

inter-Korean relationship, marked by confrontation, a relic of the Cold War era, to one of peace and co-existence. It also served as a milestone in heading South-North relations into a practical phase. During this course, Pyongyang gained more trust in Seoul, enabling enhanced exchanges and cooperation between the two Koreas.

Dialogue with the North steadily increased in frequency, with 33 contacts in 2002, 38 times in 2003 (for 106 days), 25 times prior to the suspension of talks in July 2004, and 26 times this year, from April (when the talks were resumed) until September. Not only the increase in the number of contacts, but also in the areas which the dialogue covered, demonstrates that substantive communication took place. Areas include, but are not limited to, fisheries, marine, light industry, development of mineral resources, and agriculture.

This is a testament to the fact that the dialogue between the South and the North is not being used as a forum solely for political propaganda, but also for "substantive negotiations." The continuous flow of communication is an indicator that one dialogue leads to another and relations are developing in various areas.

There has also been a rapid increase in the number of South Koreans visiting the North. From 2002 to August this year 105,000 South Koreans, excluding Mt. Geumgang tourists, have visited the North. Among them, 50,000 visited the North this year alone. This is a 47-fold increase from some 2,200 who visited between 1991 and 1997. Exchanges including trade grew to US$720 million in 2003, positioning South Korea as a major trading partner of the North, importing one-third of North Korea's exports (as of this August, worth US$690 million).

There is visible progress in major projects involving the two Koreas, such as the completed construction linking the railroads and highways of the South and the North and the development of Gaesung Industrial Complex, and Mt. Geumgang special district. With the improvement in the

logistics infrastructure linking the two Koreas and facilitated economic exchanges, I positively believe that peace will eventually dawn on the Peninsula.

The construction of Gaesung Industrial Complex has commenced in earnest, and it is not only a project aimed at economic cooperation but a symbolic gateway to joint prosperity and peace on the Korean Peninsula.

In particular, inter-Korean military cooperation will be inevitable, although sporadic, as goods and personnel will be exchanged, passing across the demilitarized zone, and a wider geographic area will be affected by such exchanges as a result of the increased points of contact.

It is noteworthy that while we're pursuing economic cooperation across the Korean Peninsula, we are thereby increasing the probability of military cooperation and easing tension. It is well-known that Gaesung and Jangjun port are strategic military strongholds for North Korea. Nevertheless, North Korea opened them in order to promote economic cooperation, including the construction of railroad and highways, the development of Gaesung Industrial Complex, and the Mt. Geumgang tour project. In order to ensure militarily secure economic cooperation across the DMZ, several rounds of working-level talks between military working-level officers have taken place, and a direct military hotline was set up within 10 years of the initiation of such talks.

Nowadays, the South and the North have passed the stage of fruitless empty talks that didn't penalize broken promises. Cooperation on the military front to support economic exchanges projects is under way and trust is being built – although at a low level.

It is encouraging to see signs of thawing tensions amid this process of economic cooperation. Seoul's "Participatory Government" is making all-out efforts to establish a mechanism to ease tensions and build military trust by elevating the military cooperation to a higher level.

As a first step to achieving this, the two Koreas agreed, in principle, to

promptly hold a general level meeting during the 13th ministerial meeting (Feb. 3-6, 2004), followed by two rounds of general level meetings and four rounds of working-level meetings, in which both parties agreed to prevent accidental military conflicts in the West Sea, halt mutual propaganda denunciation along the demarcation line, and remove propaganda signs across the border. I believe that these peacekeeping efforts are supporting peacemaking results and vice versa. In this process, more peace on the Korean Peninsula can be ensured.

Changes in North Korea: Significant Change

In parallel with the substantive turnaround in inter-Korean relations, there are hints of significant internal changes in North Korea.

It is natural that we are interested in even minor changes occurring in the North, as our North Korean policy focuses on "support of North Korean change through inter-Korean exchange."

In the past, we tended to view those changes from a dichotomous perspective: "Strategic change vs. tactical chang"; or "symbolic change vs. fundamental shift." However, this black and white type of interpretation can result in analytic fallacy, as this view considers only the result and not the process in which change is occurring in North Korea.

Accordingly, I believe there is a stage we should not neglect in the process of change of inter-Korean relations and internal change within Pyongyang. That is "significant chang"; as an intermediate stage from tactical or symbolic change to strategic or fundamental change.

In the light of changes occurring in North Korea, I believe there are signs of "significant change" in North Korea's economy.

Recently, for several years, North Korea has been implementing realistic foreign exchange, wage, and price policies to overcome its economic predicament, and has been giving more economic leeway to individuals

and businesses. Some 40 general markets have been set up in Pyongyang alone and around 350 in major cities across the country since March 2003, providing a wider outlet for private economic activities, albeit still limited. In addition, special economic zones have been designated to serve as a buffer for economic openness and the North is actively exploring reform and opening-up models by sending delegates specializing in market economy and law to countries like China, Vietnam, and some in Europe.

Our assessment is that this move is designed to foster professional working-level personnel to support its reform and opening-up policy, in earnest. The recent move by North Korea to pursue pragmatism is reminiscent of the reform and openness introduced in China and Vietnam in its early days of reform in the 1990s. Changes in the social and cultural sectors are proceeding apace, along with economic reform.

A growing number of North Koreans are opening their eyes toward practical values and the market economy. More North Koreans are adopting capitalistic values, such as earnings and profits, as individuals start to trade in the marketplace. Their working attitude has become more active and positive with the adoption of incentive systems.

Furthermore, North Koreans are being less distrustful and hostile toward their Southern counterparts. In some parts of the North, South Korean songs and commodities are being sold, with growing preference for South Korean products and heightened interest in the South's popular culture. Sacks of rice, sent to North Korea as humanitarian aid, labeled, "Made in South Korea," and fertilizer sacks marked with names of South Korean manufacturers are being recycled across North Korea.

Changes in North Koreans' attitudes have become possible with facilitated exchanges in goods and personnel between the two Koreas and increased awareness among North Koreans of humanitarian relief from the South.

It is true that there are areas where even symbolic changes are yet to be seen, specifically in politics and the military. However, it would be unfair

to say that North Korea has not changed at all, just because changes in those areas have been minimal. In the light of the characteristics of the North Korean regime, these are the sectors where changes will be the last to be witnessed. We assess that the ongoing changes taking place in North Korea will eventually affect the political and military sectors as well.

Continuity and change are two sides of the same coin, which is why it is as much important to pay attention to the side where change is not occurring as to focus on the side where change is occurring. Nevertheless, I believe we can achieve joint prosperity and peace by pursuing policies supporting reconciliation and cooperation to induce positive changes in North Korea by keeping tabs on both sides of the coin; continuity and change.

In other words, the groundwork for peace and prosperity on the Korean Peninsula can be achieved by encouraging changes in North Korea to develop positive inter-Korean relations, rather than applying pressure against the North. In this context, I believe that our North Korea policy, stressing reconciliation and cooperation, was rightfully instituted and it is a commendable decision on the part of the current government to succeed the former government's North Korean policy and advance it to a policy advocating peace and prosperity.

Peaceful Resolution of the North Korean Nuclear Issue

While the previous government's North Korean "sunshine policy" was developed to lure North Korea from the shade to the sun, the current government's policy toward the North is to solidify and develop change in Pyongyang within the framework of the Northeast Asian region.

The current administration's North Korean policy, stressing peace and prosperity, is to succeed the tone and accomplishments of the "sunshine policy" and expand its scope and agenda. If North Korea participates as a

member in the Northeast Asian network with the help of other countries in this region, based on improved inter-Korean relations, peace and prosperity in the Northeast Asian region can be secured.

To this end, North Korea should strive to revive its economy through reform and openness and cast off its defensive stance and sense of insecurity for fear of regime collapse. North Korea should also be a proactive player on the international stage by addressing the threatening WMD (nuclear and missiles) issue, as inter-Korean cooperation and aid to the North will be limited unless the North addresses the nuclear threat to the international community.

While amidst the escalating nuclear issue it has been agreed in principle that it should be resolved peacefully in the four rounds of Six-Party Talks, the details of resolving several critical issues are still open-ended. Considerable time and effort before the complete resolution of the nuclear program are expected, since North Korea considers the nuclear card as the final resort to prop up its current regime.

Nevertheless, North Korea should hear our message loud and clear that its nuclear development plans are unacceptable. However, it is clear that the nuclear threat cannot be resolved, and will only be aggravated, if North Korea is driven to the brink. North Korea should reduce the level of its requests, while the global community should create the necessary conditions conducive to North Korea's voluntary abandonment of the nuclear development.

Seoul is making concerted diplomatic efforts to resolve the nuclear issue peacefully, while expecting North Korea to change its nuclear stance through improved inter-Korean relations. Since October 2002, when North Korea's uranium development plan was unveiled, Seoul has been seeking dialogue with the North through various communication channels such as ministerial- and working-level meetings in order to prevent the crisis from escalating further.

Against this backdrop, if inter-Korean relations are frozen altogether, uncertainty regarding North Korea's actions will rise, with South Korea's economy and security being adversely affected by every word and every move of North Korea. Therefore, despite the lingering nuclear issue, we are managing the Korean Peninsula situation in a stable manner by committing ourselves to minimizing the effects of the nuclear threat on our economy and security by continuously maintaining amicable relations with the North, so that improved relations in turn can assist the resolution of the nuclear issue.

As improved inter-Korean relations in turn facilitate the six-way talks, and the talks address the nuclear threat, we can expect that peace and prosperity on the Korean Peninsula will eventually come in the not too distant future.

Future challenges

Unification on the Korean Peninsula does not only have economic aspects, but also security implications, which is why economic and peaceful cooperation should be forged in equilibrium.

As such, the current military cooperation, still in its nascent stage, should be elevated to a reduction of military tension, confidence-building, and eventually to arms reduction. Without progress on the military front, relations in economic, social, and cultural areas are bound to be restricted. Sustainable peace will remain a pipedream without defusing inter-Korean military tensions. We must therefore commit ourselves to laying the groundwork for peace, cooperation, and trust through ongoing meetings between military personnel of both sides.

The ramifications of potential Korean unification are certainly not confined to the two Koreas. The stakes are high for the international community as well. Although the North undesirably tends to define

unification as a task that should be resolved by both Koreas alone, citing promotion of ethnic homogeneity, it should be achieved in harmony with inter-Korean cooperation bolstered by international support, so that the fruits of peace and prosperity can be reaped.

The basis of international support is inarguably the strength of the alliance between South Korea and the United States. The U.S.-Korea alliance has served as the basis for economic development and security and made significant contributions to our political and economic progress. Today's improved state of inter-Korean relations stemming from peace and stability could not have been possible without the close alliance with the United States.

For this very reason, our strong alliance with the United States should be sustained in the future and developed to establish peace in the Northeast Asian region by responding to the changing strategic environment. Based on this future-oriented alliance with the United States, and by addressing North Korea's nuclear program and improved inter-Korean relations, we must spare no efforts to establish sustainable peace and prosperity on the Korean Peninsula and the Northeast Asian region.

It should be noted that without peace in this region, peace on the Korean Peninsula is unthinkable and vice versa. A positive security environment to promote peace and prosperity in the Northeast Asian region is thus essential. It would also do no harm to learn from the success of the Organization for Security and Cooperation in Europe (OSCE), an organization aimed at promoting security and cooperation in this region. Through this body, potential factors that create tension could be eliminated, by establishing political and military confidence, and joint security could be implemented by controlling military arsenals.To take it one step further, a comprehensive security mechanism that covers the economy, trade, environment, terrorism, and international crime should be developed.

In conclusion, I'd like to stress that the South Korean government is committed to strengthening its alliance with the United States in this new era and to developing a Northeast Asian security system to promote peace and stability on the Korean Peninsula, as well as the entire Northeast Asian region.

PROGRAM & PARTICIPANTS

PROGRAM SCHEDULE

Implementing the Six-Party Joint Statement and the Korean Peninsula

November 10, 2005

8:30 a.m. Continental breakfast and registration

8:45 a.m. Welcome and Introductions

9:00 a.m. **PANEL I: Assessing the Joint Statement**

Moderator: David Steinberg, Georgetown University

Presentation: Larry Niksch, Congressional Research Service
The Six-Party Statement: Is It a Viable Roadmap or a Road to Nowhere?

Jong-Chul Park, KINU
Negotiation Coalition of the Six-Party Talks: Its Formation, Operation and Tasks

Discussants: David Albright
Institute for Science and International Security

James Przystup, National Defense University

10:30 a.m. Coffee break

10:45 a.m. **PANEL II: U.S.-DPRK Relations and Inter-Korean Relations**

Moderator: John Merrill, U.S. Department of State

Presentation: Hak-Soon Paik, Sejong Institute
North Korean Situation, Inter-Korean Relations and North Korea-U.S. Relations

Gordon Flake, The Mansfield Foundation
Sunshine or Moonshine?: Inter-Korean Relations and their Impact upon the U.S.-DPRK Conundrum

Discussants: Frank Jannuzi, Senate Foreign Relations Committee

Joseph Winder, The Korea Economic Institute

12:30 p.m. **Luncheon**

Featured Speaker: Ambassador Donald Gregg
President, The Korea Society

2:00 p.m. **PANEL III: U.S.-ROK Cooperation**

Moderator: David Brown, SAIS-JHU

Presentation: Young-Ho Park, KINU
Building a Solid Partnership: The ROK-U.S. Policy Coordination on North Korea

William Drennan, Independent Consultant
Altered States: The Future of U.S.-ROK Cooperation

Discussants: David Steinberg, Georgetown University

Stephen Costello, ProGlobal, Inc.

3:45 p.m. Closing Remarks

4:00 p.m. Meeting Adjourned

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