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Consolidation to Systemic Dissonance (Albany: State University of New York Press, 2006), and the co-editor (with Edward Friedman) of *Regional Cooperation and Its Enemies in Northeast Asia: The Impact of Domestic Forces* (London: Routledge, 2006). He has also contributed a number of articles in academic journals including Systems Research and Behavioral Science and Communist Studies and Transition Politics.

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Six-Party Talks: "Action for Action" and the Formalization of Regional Security Cooperation in Northeast Asia

*Scott Snyder**

Abstract

The reemergence of a second North Korean nuclear crisis in October of 2002 has underscored the fragility of regional relations and highlighted the continuing proliferation dangers posed by North Korea's ongoing nuclear development efforts. The regional response to the crisis through the establishment of Six-Party Talks in August of 2003 marked a new phase in efforts to develop regional multilateral dialogue to address regional security issues. This paper will analyze the significance of the Six-Party Talks, the September 19, 2005 Joint Statement of Principles, and the February 13, 2007 implementing agreement from two perspectives. First, the author will conduct a detailed examination of the "action for action" principle cited in both the Joint Statement and the implementing agreement, analyze its significance and implementation, and analyze implications for the next steps toward the fulfillment of the objectives identified in the September 19, 2005 Joint Statement. Second, the Six-Party Talks will be considered as the latest stage in a series of ad hoc multilateral efforts over the past two decades to overcome strategic mistrust in Northeast Asia.

Keywords: North Korean nuclear crisis, action for action, regional security dialogue, Six-Party Talks, US-DPRK relations

* The opinions presented here are those of the author alone and do not represent positions of the organizations to which he is affiliated. Questions or comments may be directed to the author at snydersa@aol.com or ssnyder@asiafound-dc.org.

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Introduction

The reemergence of a second North Korean nuclear crisis in October of 2002 has underscored the fragility of regional relations and highlighted the continuing proliferation dangers posed by North Korea's ongoing nuclear development efforts. The escalation of tensions rapidly erased a concrete but limited record of cooperation that had been built in the context of implementation of the 1994 US-DPRK Geneva Agreed Framework, through which North Korea pledged to give up its nuclear program in return for the provision of two light water reactors to North Korea by a US-led multinational consortium. The unraveling of the Agreed Framework in December of 2002 and January of 2003 deepened levels of mutual mistrust between the United States and North Korea to levels that equaled or surpassed those of the first crisis and constrained the development of inter-Korean relations following an historic summit in June of 2000.

The regional response to the crisis through the establishment of Six-Party Talks in August of 2003 marked a new phase in efforts to develop regional multilateral dialogue to address regional security issues. The multilateral dialogue faced an even more difficult challenge as a second attempt to overcome deep-seated mistrust and to build confidence through a shared record of cooperation between the United States and North Korea—this time ratified, supported, and witnessed by all major concerned regional parties. Whether or not such a record could be built in light of past failures would depend on whether support could be built on the basis of "commitment-for-commitment" and "action-for-action" pledges represented in a September 19, 2005, Joint Statement of Principles, the first official effort by the parties of Northeast Asia to forge regional consensus through multilateral negotiations.

Despite repeated attempts since the late 1980s to formalize a regional security dialogue mechanism for the purpose of addressing

security issues in Northeast Asia, the second North Korean nuclear crisis highlighted the absence of regional security institutions in Northeast Asia in contrast to almost every other region of the world, leading some analysts to refer to Northeast Asia as an "anti-region."[1] Ironically, although tensions on the Korean peninsula have often been cited as the primary obstacle to the promotion of regional security cooperation in Northeast Asia, the North Korean nuclear crisis has also long been the primary catalyst for promoting multilateral co-operation among neighboring stakeholders surrounding the Korean peninsula. In this respect, the Six-Party Talks represents the latest phase in ongoing efforts to develop multilateral cooperation in response to the greatest source of instability that the parties in Northeast Asia collectively face; the prospect of instability that derives from North Korea's inability to integrate itself with a broader set of collective interests in the promotion of stability and prosperity. The success or failure of the Six-Party Talks will depend on the ability of all parties to build a concrete record of shared cooperation in the service of jointly identified objectives of denuclearization, political normalization, economic development, and the establishment of a permanent peace in Northeast Asia.

This paper will analyze the significance of the Six-Party Talks, the September 19, 2005 Joint Statement of Principles, and the February 13, 2007 implementing agreement from two perspectives. First, the author will conduct a detailed examination of the "action for action" principle cited in both the Joint Statement and the implementing agreement, analyze its significance and implementation, and analyze implications for the next steps toward the fulfillment of the objectives identified in the September 19, 2005 Joint Statement.

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[1] Paul Evans, "Constructing Multilateralism in an Anti-Region: From Six-Party Talks to a Regional Security Framework in Northeast Asia?" conference paper presented at Stanford University Shorenstein Asia Pacific Research Center conference on "Crosscurrents: Regionalism and Nationalism in Northeast Asia," May 2006.

Second, the Six-Party Talks will be considered as the latest stage in a series of ad hoc multilateral efforts over the past two decades to overcome strategic mistrust in Northeast Asia.

Six-Party Talks and the Evolution of the "Action for Action" Principle

In the early rounds of the Six-Party Talks, the American unwillingness to meet bilaterally with the DPRK and the conditional nature of US and DPRK opening positions (whereby the other side was required to meet demands before one's own side was willing to undertake reciprocal actions) were two major obstacles that blocked forward movement in six-party negotiations. The DPRK sought bilateral negotiations with the United States and the simultaneous implementation of commitments as essential prerequisites for being willing to move forward. The evolution of the US position on these two issues has been a critical factor in shaping the current agreement and will continue to play a major role in influencing prospects for its effective implementation.[2]

The hard-line positions of both the United States and North Korea in the early rounds of Six-Party Talks reflected a mutual disinterest in pursuing substantive negotiations, despite their participation in six party meetings. The DPRK sought a direct dialogue with the United States on core security issues, while the United States perceived the Six-Party Talks primarily as a vehicle for crisis management and a tool for isolating the DPRK from taking measures to escalate the crisis.[3] The first three rounds of six-party dialogue were

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[2] For a detailed analysis of the Bush administration's approach to North Korea, see Curtis Martin, "US Policy Toward North Korea Under G. W. Bush: A Critical Perspective," paper presented at the 48th Annual Convention of the International Studies Association, Chicago, Illinois, Feb. 28-March 3, 2007.

[3] See Scott Snyder, Ralph Cossa and Brad Glosserman, "USIP Peace Briefing: Whith-

distinguished more by voicing each side's demands than by give-and-take negotiations. Although the United States and DPRK finally put forward concrete "comprehensive dismantlement" and "reward for freeze" proposals in June of 2004, the conditional nature of the respective proposals illustrated the depth of the impasse.[4] The third round of six- party talks was followed by a one-year hiatus in the talks amidst the US 2004 presidential election campaign and resulting changes in the second-term line-up of the Bush administration following the elections.

The fourth round of Six-Party Talks resumed as a result of a notable change in the tactics of the Bush administration in its second term; namely, a willingness to have bilateral meetings with North Korea in the context of the Six-Party Talks. Following public assurances by Secretary of State Condoleezza Rice that the United States recognized the sovereignty of the DPRK, Assistant Secretary of State Christopher Hill met with DPRK Vice Minister Kim Kye-gwan in a meeting brokered by the Chinese in Beijing in July of 2005 to announce the resumption of the six-party process. The announcement of the resumption of talks itself came in the context of a bilateral US-DPRK meeting, and paved the way for a quite different US approach to the Six-Party Talks, in which plenary sessions were de-emphasized in favor of bilateral meetings with the DPRK and other parties to discuss the principles that should underlie progress on the Korean peninsula.

The result was the September 19, 2005 Joint Statement of Principles, an understanding endorsed by the six parties that was hailed as a guideline for pursuing a more concrete negotiation of specifics and enshrined the principle of "word for word, and action for

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er the Six-Party Talks," May 2006, http://www.usip.org/pubs/usipeace_briefings/2006/0517_six_party_talks.html.

[4] See Scott Snyder, "The Second North Korean Nuclear Crisis: Assessing US and DPRK Negotiating Strategies," *Pacific Focus*, forthcoming, 2007.

action," another way of describing North Korea's long-standing "tit-for-tat" approach to dealing with the United States.[5] This term suggested that parties would be required to take simultaneous concrete actions to realize the principles embodied in the Joint Statement, laying the foundation for a more detailed negotiation process through which each side would be expected to accommodate the other as the means of reaching a negotiated settlement. The only way to bridge the high level of mutual mistrust between the United States and the DPRK would be a process that required both sides to take concrete simultaneous actions to prove good faith to the other side by performance rather than promises.

Two roadblocks emerged to stall the talks, both of which illustrated the practical challenges inherent in defining and implementing "action for action." The first roadblock, which emerged immediately upon the announcement of the Joint Statement, was a difference in interpretation between the United States and North Korea over the timing of provision of light water reactors (LWRs) as part of North Korea's right to utilize nuclear power as a means for pursuing peaceful energy production. While the DPRK insisted that the provision of LWRs was a precondition for its return to the NPT, the United States argued that only after North Korea had returned to the NPT would it be possible to begin a discussion of the provision of LWRs to North Korea.[6]

A second roadblock involved the initiation of a Section 311 announcement by the US Treasury into the Macao-based Banco Delta Asia (BDA), which had been suspected of complicity in DPRK alleged money laundering and counterfeiting activities. The

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[5] Leon Sigal, *Disarming Strangers: Nuclear Diplomacy With North Korea* (Princeton, NJ: Princeton University Press, 1999).

[6] See Jack Pritchard, "Six-Party Talks Update: False Start or a Case for Optimism," Brookings Institution, The Changing Korean Peninsula and the Future of East Asia, December 1, 2005, see http://www.brook.edu/fp/cnaps/events/20051201presentation.pdf, accessed on January 29, 2007.

September 15th US Treasury announcement drew little notice in the run-up to the successful conclusion of six-party negotiations, but resulted in a run on the bank in Macao that caused the Macao Monetary Authorities to seize control over the bank and freeze its assets. Although the United States government described the BDA action as a "defensive measure" designed to protect the integrity of the US dollar against counterfeiting, the DPRK saw the moves as aggressive measures that contradicted the spirit of the September 19th Joint Statement.[7]

DPRK Vice Minister Kim Kye-gwan made the BDA issue the central focus of six-party meetings that convened briefly in November, blocking progress in negotiations to implement the joint statement and insisting that the US "financial sanctions" against the DPRK be lifted prior to the resumption of negotiations. This demand resulted in another one-year suspension of Six-Party Talks as the DPRK made resolution of the BDA issue a prerequisite for resuming six-party negotiations on denuclearization of the Korean peninsula. On the other hand, the United States insisted that the BDA issue was a legal matter involving suspected counterfeiting and money laundering; as such it should be dealt with separately from political negotiations such as the Six-Party Talks. Both of these roadblocks and their respective handling by the two sides provided a clear illustration of how difficult it would be for the United States and DPRK, respectively, to abandon conditional approaches to negotiation in favor of a formula that required simultaneous implementation of objectives embodied in the Joint Statement; i.e., North Korea's implementation of denuclearization in parallel with the US implementation of diplomatic normalization with the DPRK, provision of

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[7] For a detailed analysis of the US financial actions vis-à-vis BDA and North Korea, see Tae-hwan Kwak and Seung-ho Joo, "The US Financial Sanctions Against North Korea," paper presented at the 48th Annual Convention of the International Studies Association, Chicago, Illinois, Feb. 28-March 3, 2007.

international economic assistance, and the establishment of a peace regime on the Korean peninsula.

The Significance of "Action for Action": A Tactical or a Strategic Change in Addressing North Korea's Nuclear Challenge?

The North Korean nuclear test catalyzed a new approach to dealing with North Korea, raising questions among many observers in Japan and South Korea as to whether the United States made a tactical or strategic change in its approach to North Korea's denuclearization. Following the North Korean nuclear test and the adoption of a unanimous resolution of the UN Security Council slapping sanctions on trade with North Korean involving nuclear or missile components, large-scale conventional arms, and luxury goods, the United States appeared to have made a dramatic shift from punishment of North Korea to renewed negotiations with the DPRK on terms that accepted both the need for bilateral negotiation and the necessity if simultaneity in implementation of obligations on both sides.[8]

Assistant Secretary Christopher Hill held another surprising meeting with DPRK Vice Minister Kim Kye-gwan in late October to announce North Korea's return to the Six-Party Talks. Hill also met bilaterally with the North Koreans in late November to provide the DPRK with a list of concrete proposals for moving forward in improving US-DPRK relations in the context of North Korea's fulfillment of its denuclearization commitments. The DPRK side continued to insist that North Korea's money be unfrozen from its BDA accounts and that DPRK access to international banking

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[8] United Nations Security Council S/RES/1718 (2006), http://daccessdds.un.org/doc/UNDOC/GEN/N06/572/07/PDF/N0657207.pdf?OpenElement, accessed on May 6, 2007.

privileges be restored. Although negotiations on the financial issue were held alongside Six-Party Talks in Beijing in December of 2006, there was no evident progress during that set of meetings. Instead, Assistant Secretary Hill and Vice Minister Kim Kye-gwan reached an understanding regarding how to proceed at a bilateral meeting in Berlin which set the stage for the resumption of Six-Party Talks and the announcement of the February 13, 2007, agreement on Initial Actions for the Implementation of the Joint Statement.

The process leading up to the agreement is important to fully understand the nature and significance of the actions to be undertaken by the United States, North Korea, and the other parties as part of the implementation of the February 13th agreement. Namely, the February 13th implementing agreement constitutes the officially ratified outcome of the six-party process, but does not fully reflect the understanding developed between the United States and North Korea in Berlin in January. The initial "action for action" roadmap contained in the implementing agreement does not address the resolution of the issue of North Korea's frozen accounts in BDA or its inability to utilize the international financial system to move its financial resources following the US Treasury action and in light of sanctions on North Korea imposed by the UN Security Council Resolution 1718. However, the DPRK clearly includes Berlin pledges on the financial issue as part of the "action" that the United States must fulfill prior to the DPRK taking steps to shut down its reactor. Thus, an assessment of the February 13th agreement in isolation from the US-DPRK Berlin discussions is incomplete.

The significance of the Berlin discussions as they relate to implementation of the February 13th agreement is revealed in a report by the pro-North Korean newspaper *Chosun Sinbo*, which has increasingly been used by the North Koreans to signal their views on six-party-related issues. A *Chosun Sinbo* dispatch released during the third stage of Six-Party Talks revealed that the United States gave

assurances that it would lift "financial sanctions" on BDA within 30 days, while the DPRK would shut down its 5 Megawatt reactor and allow IAEA inspectors to monitor the plant within 60 days in return for 50,000 tons of heavy fuel oil.[9] The BDA issue is not mentioned in the February 13th agreement but clearly became the main sticking point in North Korea's willingness to proceed with its first-phase obligations by the April 14th deadline that had been envisaged in the February 13th agreement.

Thus, it is clear that a bilateral understanding had been reached in Berlin between Chris Hill and Kim Kye-gwan that the BDA issue would be resolved as a prerequisite for the implementation of the February 13th agreement, but in the absence of a public record of the nature of the bilateral agreement between the United States and DPRK, it is impossible to determine whether the misunderstandings surrounding the resolution of the BDA issue are due to a lack of specificity in the bilateral understanding or to North Korea's reinterpretation of the meaning of the bilateral understanding as a delaying tactic and in order to maximize tangible benefits from the agreement. It is also not clear whether the US obligation was only to ensure that the money was released or to also provide the DPRK with a financial mechanism for transferring the funds. All of these issues have come up as obstacles delaying the implementation of the initial steps under the February 13th agreement. The emergence of such a misunderstanding serves to underscore the importance of the Six-Party Talks as a forum in which it is possible for third parties to verify and ratify bilateral obligations between the United States and DPRK so as to avoid further deepening of mistrust.

The missteps and delays over the unwinding of the BDA issue

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[9] Kim Chi-yong, "Third Stage of Fifth Round of Six-Party Talks—The United States 'Betrayal' Creates Impasse—Factor That Makes it Difficult to Take Initial Stage Steps and To Reach Agreement," *Choson Sinbo*, February 11, 2007, Korean internet version.

point to the depth of the cultural and political misunderstanding between the United States and North Korea that must be overcome. The United States had initially claimed that the US Treasury action against BDA was a legal matter and a "defensive measure" to protect US currency against counterfeiting; however, the North Koreans saw the issue as additional evidence of the US "hostile policy" and as evidence of American bad faith that had contravened the spirit of the Joint Statement. For North Korea's leadership, politics always trumps legal matters; thus, the DPRK sought a political decision from the United States that would unfreeze North Korean assets as evidence of American political will to deal with North Korea on different terms from those that had previously characterized the relationship. American positive actions toward North Korea were perceived as a litmus test of American intentions in light of the chasm of mistrust that had built up over half a century. At the same time, unverified assertions from the US Treasury Department's Daniel Glaser that cash turned over to North Korea would be used for "humanitarian purposes" were a humiliation following the Treasury's aggressive handling of North Korean accounts in the context of terrorist and WMD financing networks, especially given the lack of transparency of North Korea's financial system.

From Pyongyang's perspective, the return of North Korea's cash would be direct evidence of a change in US intentions, but it also contravened US support for international rule of law and sent the message to Pyongyang that North Korea could continue to expect exceptional treatment outside the bounds of international rules. However, the idea that the United States would make exceptions to the international rules in order to accommodate a regime like that of North Korea rubs many American observers the wrong way. Such exceptions run the risk of teaching the North Koreans the same wrong lesson that the North Koreans have taken from other interactions with the international community on a wide range of issues from

humanitarian aid to human rights.[10]

Perhaps the most surprising aspect of the February 13th agreement is that the Bush administration has in practice set aside concerns over simultaneity and has even agreed to "go first" by attempting to resolve the BDA issue prior to implementation of joint obligations in the first phase of actions envisioned by the agreement. In effect, Christopher Hill has tried to provide the leadership in Pyongyang with political steps designed to prove that the United States indeed does not have a "hostile policy" toward North Korea. By moving forward first to take a unilateral measure of good will toward the DPRK, the show of good faith on the part of the United States will put pressure on North Korea to fulfill its obligations.[11] Failure to respond to positive American unilateral steps in the context of the six-party process would in principle lead to North Korea's further isolation by the other members of the Six-Party Talks. Such a strategy represents a very different approach by the United States to its interactions with the North; according to this logic, the faster the United States improves relations with North Korea, the more pressure Pyongyang will face to move forward with denuclearization. But the early technical problems with implementation of the February 13th statement raise serious questions about how long the process will take and how far it will go. Christopher Hills' analogy to a video game in which each level of the game has an increasing level of difficulty is not reassuring; in fact, the analogy suggests that the parties may fail many times before being able to master the game.[12]

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[10] See Bruce Klingner, Banco Delta Asia Ruling Complicates North Korean Nuclear Deal, Heritage Web Memo #198, March 15, 2007. Accessed at http://www.heritage.org/Research/AsiaandthePacific/wm1398.cfm on May 6, 2007.

[11] This concept, known as reciprocal unilateral measures (RUMs), was developed through detailed study of the US-Soviet arms control experience at Stanford University's Center for International Security and Cooperation in the early 1990s.

[12] Christopher Hill, remarks at Georgetown University conference, entitled "The Future of the Korean Peninsula and Northeast Asia," March 26, 2007.

The analogy also betrays a danger in the current approach that the tactical changes in the Bush administration's approach to Pyongyang, if not implemented effectively, may have strategic consequences in the form of ultimate acceptance of North Korea as a nuclear weapons state, particularly if steps toward denuclearization stall and states lose political will to enforce existing UN Security Council resolutions. While the United States must move toward diplomatic normalization with North Korea in order to induce Pyongyang's reciprocal performance in taking practical measures towards denuclearization, such a strategy also requires continuing pressure to ensure that North Korea fulfills its obligations. But North Korean leaders continue to regard such pressure as ill-will and evidence of a continuing "hostile policy" on the part of the United States, while seeking political and economic guarantees of regime survival that would perpetuate North Korea as an exceptional country rather than integrating it effectively into the international community.

The North has shown its distrust of the United States and other members of the Six-Party Talks by attempting to maximize tangible benefits while minimizing its obligations under the February 13th agreement. At the same time, the DPRK has repeated assurances that it is committed to the implementation of the agreement, putting the onus for delay on the United States. The United Nations Security Council sanctions remain in place as a constraint on North Korea's capacity to interact with the international community. While the implementation of the UN sanctions under resolutions 1695 and 1718 remain suspended as of this writing, the North Koreans have also tested the resolve of the six parties to determine what they can get away with under current circumstances. The North's insistence on the ability to transfer BDA funds represents one test; the US decision to look the other way while North Korea sold military goods to Ethiopia was another striking development that served in practice to weaken

the threat of UN sanctions against the North.[13] Likewise, the North has utilized inter-Korean economic negotiations to test whether South Korea would be willing to provide pledged rice assistance on a humanitarian basis despite the North's lack of movement to implement the February 13th agreement.

A final potential sticking point in the spirit of "action for action" lies in the establishment of five working groups on denuclearization of the Korean peninsula, normalization of US-DPRK relations, normalization of DPRK-Japan relations, economy and energy cooperation, and Northeast Asia peace and security mechanism. The February 13th agreement states that "plans made by the five working groups will be implemented as a whole in a coordinated manner."[14] Although all five working groups were able to meet within 30 days as envisioned, the tone of the brief meeting of the Japan-DPRK working group held in Hanoi on March 7th (especially compared to that of the US-DPRK working group held in New York at the same time) illustrated the challenges inherent in keeping the working groups moving forward in parallel. A steady stream of criticism from *Chosun Sinbo* and other North Korean media sources very clearly illustrates North Korean unwillingness to move forward with Japan as long as the abduction issue remains the priority concern of Japan in its relations with the DPRK. The Japan-DPRK meeting in Hanoi illustrated that a working-group meeting will be ineffective in resolving the important issues between Japan and the DPRK. A much higher level of engagement between the two sides will be necessary, most likely through quiet diplomacy involving senior envoys of the respective leaders under circumstances that are propitious to a more relaxed approach by both sides. But it is hard to imagine real "action for

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[13] Michael R. Gordon and Mark Mazzetti, "North Koreans Arm Ethiopians As US Assents," *New York Times*, April 8, 2007, p. 1.

[14] "Initial Actions for the Implementation of the Joint Statement," Beijing, February 13, 2007.

action" steps being taken at this time given the intransigent nature of the respective initial negotiations positions of both sides. It will be very hard for progress in the Japan-DPRK working group to be implemented in a "coordinated manner" with that of other working groups without serious consideration of a change in approach by both sides.

Six-Party Talks: Latest Stage in Ad Hoc Multilateralism in Northeast Asia

Among the working groups established under the February 13th agreement, the working group to establish a Northeast Asia peace and security mechanism is the one that requires the most long-term vision. Although the list of efforts to promote regional cooperation in Northeast Asia predates the emergence of the North Korean nuclear crisis, the challenge of alleviating tensions on the Korean peninsula has been at the center of all of these efforts. Mikhail Gorbachev proposed expanded regional cooperation on the model of the Council for Security Cooperation in Europe at a Vladivostok speech in the late 1980s.[15] Roh Tae-woo put forward proposals for a consultative conference to end Korean division in a speech to the United Nations in 1988.[16] Even former US Secretary of State Jim Baker advocated the establishment of a regional mechanism for dealing with Korean tensions in 1992.[17] None of these proposals gained traction as viable mechanisms for multilateral management of Northeast Asia's security problems.

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[15] *Izvestiya*, "European Peace Charter," August 1, 1986, as translated by BBC Summary of World Broadcasts, August 5, 1986.

[16] Paul Lewis, "South Korean Chief, at UN, Calls for World Talks and Unification," *New York Times*, October 19, 1988, p. 1.

[17] James A. Baker III, "America in Asia: Emerging Architecture for a Pacific Community," *Foreign Affairs*, Winter 1991/1992, Vol. 70, No. 5, pp. 1-18.

With the emergence of the first North Korean nuclear crisis and DPRK threats to withdraw from the NPT, the IAEA referred the matter to the United Nations in 1993, and the UN Security Council called for dialogue among interested parties. Under the Clinton administration, the United States responded to the call and initiated a bilateral dialogue with the DPRK, much to the shock and chagrin of the Kim Young Sam administration. That dialogue eventually resulted in the Geneva Agreed Framework, but that agreement could not be implemented by the United States alone without support from its allies, and decided to form a multilateral consortium named the Korean Peninsula Energy Development Organization (KEDO), to implement the terms of the deal. Although South Korean and Japanese leaders understandably complained about "no taxation without representation," since the United States signed the agreement but asked its allies to sign the check to pay for its implementation.

The negotiation of the bilateral Geneva Agreed Framework provided the best evidence that a bilateral approach to solving North Korea-related issues, while necessary, was insufficient. KEDO represented a very practical step forward in forging multilateral cooperation to meet North Korea's energy security needs as a solution to the North Korean nuclear crisis, but as an exercise in multilateral cooperation, the core membership was incomplete. The European Union joined South Korea and Japan on the board, but Russia and China remained aloof from the organization for their own reasons.[18]

Another step forward in developing multilateral cooperation to solve Northeast Asian regional issues was the establishment of the Four Party Talks (two Koreas, US, and China), despite North Korea's initial reluctance to join. But this dialogue never really got off the ground due to North Korea's own struggle for survival during the peak

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[18] See Scott Snyder, "The Korean Peninsula Energy Development Organization: Implications for Northeast Asian Regional Security Cooperation?" University of British Columbia Working Paper Series, 2000.

of the famine in 1996-1998. The four party talks did more to promote Chinese cooperation with the United States and South Korea than to address problems involving North Korea.

A third form of multilateral cooperation involved the establishment of the Trilateral Coordination and Oversight Group (TCOG) among the United States, South Korea, and Japan. This group did much to overcome differences among allies in support of the Perry Process in the late 1990s, as all parties supported cooperative efforts to engage North Korea in more active cooperation on the basis of Kim Dae Jung's sunshine policy. Suspicions about covert North Korean nuclear efforts at Keumchangri (later proved unfounded) and North Korea's Taepodong launch in 1998 catalyzed the establishment of TCOG to address differences in policy priorities among the three countries.

Through the mid 1990s, China had always been reluctant to participate in multilateral forums. China's approach in the initial years of the ASEAN Regional Forum was cautious and skeptical. But the development of China's "new security concept" in the late 1990s accepted globalization as an opportunity that both safeguarded conditions of regional peace necessary for China's economic development strategy and as a tool by which China could improve relations with neighboring countries on China's periphery. As Chinese leaders overcame fears that multilateralism might be a tool through which China would be isolated, they began to realize that active multilateralism could be used to bring other parties on board and bind them to a common set of objectives.[19] These changes were essential prerequisites for China to take a more active role as the host and primary mediator for the establishment of the Six-Party Talks.

The United States also showed a preference for pursuing a

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[19] Yong Deng and Thomas Moore, "China Views Globalization: Toward a New Great-Power Politics?" *The Washington Quarterly*, Summer 2004, Vol. 27, No. 3, pp. 117-136.

multilateral approach to the second North Korean nuclear crisis, setting aside unilateral and bilateral approaches as impractical at an early stage. Early in the crisis, it became apparent that the United States had no option for unilateral action through military means, and one lesson of the Agreed Framework was arguably that a US-DPRK bilateral approach by itself was also likely to fail. Senior officials within the administration saw the underdevelopment of regional mechanisms for dealing with these issues as part of the problem, and consciously attempted to build in such mechanism in early 2003 as part of their strategy for dealing with the second North Korean nuclear crisis.[20] So President Bush cast the second crisis as a "regional issue," and eventually the six-party process was established, with China taking the lead role as host and mediator for the process.[21] All the regional stakeholders are represented in this forum, but the dialogue itself did not make much progress in the initial rounds due to a combination of US reluctance to engage with North Korea and North Korea's continued focus on the United States.

By early 2005, following three rounds of sporadic negotiations, many critics thought the Six-Party Talks were dead, while others asked whether the parties themselves would ever be able to agree on the conditions under which it was possible to say that all diplomatic options had been exhausted.[22] In May of 2005, Secretary of State Rice stopped describing the DPRK as an "outpost of tyranny" and acknowledged the fact that the DPRK is a sovereign state."[23] Within weeks, newly-appointed Assistant Secretary of State Christopher Hill met bilaterally in Beijing with his counterpart DPRK Vice Minister

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[20] Presentation by Michael Green, Woodrow Wilson Center for International Scholars, May 15, 2007.

[21] Press conference with President George W. Bush, March 6, 2003.

[22] Francis Fukuyama, "Re-Envisioning Asia," *Foreign Affairs*, Vol. 84, No. 1, January /February 2005, p. 75.

[23] Condoleezza Rice, "Remarks with Foreign Minister Ban Ki-moon," March 20, 2005.

Kim Kye-gwan to announce the resumption of Six-Party Talks after a delay of over one year, signaling a US willingness to negotiate with the DPRK bilaterally in the context of the six-party process. Following intensive negotiations over the course of two sessions in July-August and September of 2005, all parties agreed to a September 19th Joint Statement of Principles for addressing the North Korean nuclear crisis.

The statement itself was vague and underwhelming. The document contained few concrete measures, only pledges that the various sides would move forward on the basis of "words for words" and "actions for actions." But the Joint Statement did signify that for the first time, the regional stakeholders had identified and articulated the minimum common rhetorical objectives that through joint action and implementation might in the future bind the parties together as a "security community." The common objectives identified were the the denuclearization of the Korean peninsula, normalization of relations among all the regional stakeholders, economic development (focused on North Korea), and peace on the Korean peninsula and in Northeast Asia. The rhetorical shared objectives that might constitute a Northeast Asian "security community" had been identified, but it was not yet clear that the parties were willing to take concrete actions in pursuit of those objectives. In retrospect, the Joint Statement marked the inauguration of a commitment to collective action in the service of these four common objectives, but circumstances related to the Banco Delta Asia issue prevented this rhetoric from being translated into action.

North Korean Nuclear Test: Catalyst for Moving from Rhetorical Consensus to Collective Action?

The North Korean missile and nuclear tests in July and October of 2006 represented a direct challenge by North Korea to the rhetorical

consensus embodied in the Joint Statement. The tests catalyzed joint action among all the parties, utilizing coercion both multilaterally (UN Security Council Resolutions 1695 and 1718) and bilaterally (Chinese and ROK withholding of benefits promised to DPRK) in response to the DPRK challenge. The DPRK's nuclear test had been tactically successful in that it drew all parties back to the negotiation table, but a strategic failure to the extent that the other parties saw the DPRK test as having flouted shared interests in peace and prosperity that had been articulated in the Joint Statement. Only in the aftermath of the tests did the Joint Statement take on added significance as the basis for pursuing North Korea's denuclearization through the mobilization of a variety of forms of collective action in both bilateral and multilateral forms in the service of the common objective of maintaining regional stability—presumably through the eventual denuclearization of the Korean peninsula.

The North Korean nuclear test proved to be a clarifying event and an immediate catalyst for needed tactical adjustments to policy in Washington, Beijing, and to a lesser degree, in Seoul. First, North Korea's nuclear test proved that two decades of US efforts to deny North Korea a nuclear weapons program had failed. The clarity of the failure required adjustments in US policy, if for no other reason than that a policy geared to prevent North Korea from testing nuclear weapons was no longer applicable in a context in which a weapons test had already occurred. President Bush clearly warned of the dangers of proliferation and the certainty of retaliation if such proliferation were to put US national security interests at risk. But the test also posed a tremendous challenge for the Bush administration, since no state that has tested has ever voluntarily given up its nuclear weapons. Given the enormity and unprecedented nature of the challenge, the task of challenging the six parties to undergird their rhetoric with collective action remained as the only viable action available to the administration in the immediate aftermath of North Korea's nuclear test. A more

passive action risked acquiescence to North Korea's challenge and pursuit of the "Pakistan model" of gaining de facto acceptance as a nuclear weapons state, while a more active approach risked escalation that the administration could ill-afford to pursue unilaterally in view of other commitments in the region. Enhanced promotion of cooperation/collective actions with other parties in the region was the only option available to the Bush administration.

A second shift caused by North Korea's nuclear test concerns Chinese policy interests. China's willingness to utilize UN instruments to condemn North Korea in the aftermath of the North's missile and nuclear tests was unprecedented, but these actions did not signal that China was willing to promote or instigate political instability in North Korea. Nonetheless, the North had taken actions that directly impinged on Chinese security interests, primarily in the form of catalyzing further insecurity in Japan (and therefore a more rapid augmentation of Japanese military capabilities in response to the escalation of the threat from North Korea). China needed to find ways to restore its influence with North Korea while avoiding promotion of instability in the North. Rather than using economic sanctions or cutting off North Korea's energy or food lifelines, the Chinese took their own bilateral financial measures to freeze financial transactions with North Korea and withheld bilateral economic cooperation with the North. At the same time, the Chinese sought to restore top-level dialogue with Kim Jong Il that had been cut following the missile test. Special Envoy Tang Jiaxuan visited Washington, Moscow, and Pyongyang immediately following North Korea's nuclear test, and China was able to bring North Korea and the United States back to the dialogue table within three weeks of North Korea's nuclear test. The US interest in cooperation with China required a willingness to show that Washington was doing all it could to work with the North in return for China's unprecedented willingness to join multilateral and bilateral measures designed to bring North Korea back into line.

North Korea's nuclear test appears to have had a lesser impact on South Korean policy than either that of the United States or China, but South Korea has taken clear actions to subordinate inter-Korean cooperation to the objectives of the Six-Party Talks, including withholding of rice (but not fertilizer) assistance to North Korea unless the North adheres to its commitments under the February 13th agreement. For instance, the resumption of inter-Korean ministerial talks occurred immediately after the conclusion of the February 13th implementing agreement, and South Korea has continued to raise North Korea's need to fulfill its obligations in order to improve the atmosphere for inter-Korean progress. A major test will be whether or not South Korea will continue to place the commonly held objectives of the Six-Party Talks as its highest priority, even over the desire to enhance inter-Korean relations.

The test also drove a division among US policy makers between the objectives of non-proliferation (state-based restraints on spread of technology) and counter-proliferation (more aggressive international efforts to prevent transfer of materials such as interdiction, etc.) factions within the US government. Such divisions came into relief most clearly in the context of questions about the implications of aggressive efforts to promote regime change in North Korea that might actually facilitate proliferation by causing the loss of assured command and control of weapons in the hands of a state actor.

The February 13th agreement came about in the context of North Korea's isolation and a lack of North Korean alternatives as a result of regional compellance toward North Korea as much as the offering of benefits through the agreement. For the first time, in the wake of North Korea's nuclear test, all the parties were willing to recognize their common strategic interest in maintaining a non-nuclear Korean peninsula and to subordinate lesser (bilateral) interests to a common shared objective. The extent to which the shared objective of denuclearization of the Korean peninsula can be achieved in the long

run will depend on whether or not all parties hold firm to policies that place the collective interest in denuclearization, normalization, economic development, and peace above perceived bilateral strategic interests vis-à-vis other parties in the region.

However, it remains to be seen whether that unity of purpose among the five parties can be sustained in action in light of their differing priorities. For such unity of purpose to be sustained, it will require that China and South Korea continue to subordinate their bilateral ties with North Korea to the common objective of North Korea's denuclearization, while it will require that the United States and Japan subordinate their respective antipathies to North Korea to the common will to improve bilateral relations with Pyongyang, including through offering of political and economic incentives that are referenced in the Joint Statement. The effectiveness of a "collective security" mechanism in Northeast Asia, as embodied through actions taken through the Six-Party Talks, will depend on whether or not all the parties are willing to hold to a shared strategic purpose and willingness to subordinate their own strategic objectives to practical steps necessary to achieve the commonly identified objectives of the Joint Statement of principles.

North Korea's nuclear test has been the only issue in the region thus far that is big enough to achieve such a purpose. It is unlikely that lesser issues of functional cooperation will have the same kind of transformative impact on regional political relations as cooperation in the context of Six-Party Talks. In order to understand the contributions of the Six-Party Talks to the establishment of a regional security mechanism—as foreshadowed in the February 13, 2007, Agreement on Initial Actions for the Implementation of the Joint Statement—is to view this objective in the context of almost two decades of incomplete, ad hoc efforts to establish multilateral security cooperation in Northeast Asia. The six-party talks represent the best opportunity to date for creating the conditions under which a meaningful and

lasting multilateral security mechanism with capabilities to take collective action in response to emerging security threats might be established; on the other hand, if the Six-Party Talks ultimately fail to reach this objective, there is likely to be a subsequent crisis, perhaps on an even larger scale than that of a North Korean nuclear test, that will once again reveal the need for collective action. Although certain forms of collective actions are also being mobilized on an ad hoc basis in response to non-traditional security issues such as environmental degradation, there are not yet sufficient positive indications that meaningful collective actions to address strategically sensitive security issues in Northeast Asia can be achieved in the absence of yet another crisis as a catalyst for mobilizing such cooperation.

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China and the Korean Peninsula: A Chinese View on the North Korean Nuclear Issue

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Abstract

History and geography have combined to make the Korean peninsula important to China's security. This importance lies not only in the fact that the peninsula shares a long border with China's industrial heartland in the northeastern part of China, but it also stems from the convergence- and often the clash-of the interests of Russia, Japan, and the United States in Korea. For the last century, Korea has served as an object, or an area of conflict and an invasion corridor for these three powerful states. The Chinese were involved in the Korean War from 1950-1953, supporting North Korea after the United States intervened on behalf of South Korea. This, together with the close ties between the leadership of the Chinese Communist Party and the Korean Workers Party, led by Kim Il Sung and his son Kim Jong Il (links which can be traced back to the 1930s), has reinforced the importance of Korea in China's policy calculations. The recent development of a North Korean nuclear program has introduced elements of unpredictability and somewhat of a dilemma into the foreign policy concerns of the Beijing leadership. Uncomfortable with Pyongyang's nuclear program, China joined the

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United States and other neighboring countries in their efforts to stop the North Korean nuclear weapons program. Yet, the detonation of a North Korean nuclear device on October 9, 2006 has put the relationship between China and North Korea to a serious test, as Beijing publicly registered its opposition to North Korean actions. At the time, people became pessimistic about the future denuclearization of the Korean peninsula. This pessimism was somewhat dissipated when the United States and North Korea suddenly hammered out an agreement to freeze Pyongyang's nuclear program on February 13, 2007 in Beijing. According to this agreement, North Korea will receive fuel oil, economic assistance, and humanitarian aid in return for shutting down and sealing its nuclear facilities within 60 days. However, when no action was taken by the North Korean authorities by the time the April 14 deadline passed, people began to question the sincerity of North Korea in implementing their side of the agreement. What then, are the prospects for the denuclearization of the peninsula? What are China's interests in this issue and in the region in general? How much can Beijing do to push for a nonproliferation of North Korean nuclear technology? The purpose of this essay is to answer these questions by examining the development of the North Korean nuclear issue and the implications of this issue for Chinese interests, as well as to review Chinese policy towards the Korean peninsula more generally. This paper argues that although there are many uncertainties on the path towards denuclearizing the peninsula, there is still hope because the recent pact signed on February 13 represents an important step towards realizing that goal.

Keywords: Chinese foreign policy, China-North Korean relations, North Korea's nuclear issue, February 13 Pact, Northeast Asian security

Background

In order to better understand the issues surrounding the deal reached on February 13, 2007, as well as the prospect for implementing it, we need to conduct a brief review of the historical development of the issue.[1]

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[1] For a useful review of the North Korean nuclear issue, please see Disarmament Diplomacy with North Korea, and IISS Strategic Dossier.

Efforts to deal with North Korea's programs to acquire nuclear weapons and to develop its ballistic missile capabilities can be traced back to 27 years ago. In 1980, US intelligence agencies detected the construction of a new research reactor at Yongbyon Nuclear Research Center, located about 60 miles north of Pyongyang, which US experts believed could be designed to produce plutonium for a nuclear weapon. With the help of the former Soviet Union, United States successfully pressured Pyongyang into acceding to the Non-Proliferation Treaty (NPT) on December 12, 1985 and allowing the IAEA to inspect its facilities. In return, Moscow promised to sell North Korea four light water reactors (LWR) for the generation of nuclear energy. However, Pyongyang advanced a number of reasons to delay implementing the agreement and later even requested the reduction of tensions in the US-North Korean relationship as a prerequisite to "facilitate" its completion of a safeguards agreement.

Meanwhile, North Korea accelerated the development of its nuclear program with the operation of a 5MW graphite-moderated reactor in 1986 and the construction of a 50MW graphite-moderated reactor at the end of the 1980s. George H. Bush adopted a balanced approach of inducement and pressure, announcing that all land and sea-based US tactical nuclear weapons would be removed from overseas locations including South Korea. In the wake of Bush's initiative, North and South Koreans announced the North-South Denuclearization Declaration (NSDD) in December 1991, which banned the development and possession of nuclear weapons as well as enrichment and reprocessing facilities, and called for a North-South inspection regime to verify this agreement. Washington subsequently suspended its annual team spirit military exercises with South Korean troops as an acknowledgement of the more relaxed situation in the peninsula. Soon after this, North Korea also signed a comprehensive safeguard agreement with the IAEA which came into force on April 10, 1992.

However, the tension between IAEA and the North Korea government soon mounted as the IAEA indicated that it intended to inspect the other two underground sites that it suspected may contain waste from undeclared reprocessing. The North Koreans simply viewed these two sites as "military-related" facilities which were beyond the jurisdiction of the IAEA. In March 1993, North Korea suddenly announced its withdrawal from the NPT, justifying this move in terms of its national interests being jeopardized by American military threats as well as America's efforts to manipulate the IAEA to gain access to its military sites.

Washington finally agreed to resolve the issue through direct meetings with Pyongyang. From June 1993, the United States and North Korea entered into a 17-month negotiation which eventually produced the October 1994 Agreed Framework. Under this agreement, North Korea would immediately freeze its reactors and related facilities and put them under IAEA monitoring. In return, the United States would organize an international consortium to finance and supply the LWR project and supply heavy fuel oil (HFO) to North Korea for energy use. As expected, the implementation proved to be complicated and difficult with the delay in the LWR project. In April 1996, the US initiated a proposal for four party talks-between the US, China, North Korea, and South Korea—to discuss the possibility of confidence-building measures on the peninsula and to conclude a treaty to replace the 1953 armistice which has been in operation since 1953.Nevertheless, little progress was made in several rounds of talks until North-South relations substantially improved after Kim Dae Jung was elected as South Korean President, advocating as he did, the "sunshine policy" which emphasized inducements when dealing with Pyongyang.

The historical summit in Pyongyang between Chairman Kim Jong Il and President Kim Dae Jung in June 2000 helped ameliorate the tension and gave North Korean leaders confidence to deal with the

missile proliferation issues raised by the United States. North Korea suggested that it would freeze the development, production, deployment, and the testing of missiles with a range of over 500km if the United States promised that other countries would launch a limited number of North Korean civilian satellites every year at no cost. Although some progress was made during these discussions between North Korea and the United States, there were some major differences over a number of key issues. Pyongyang even suggested that President Clinton visit North Korea to discuss these issues. However, American domestic politics prohibited Clinton from taking that step.

When George W. Bush came into office in January 2001, there were divergent views within the new American policy team on North Korea. Many incoming officials disliked the Agreed Framework, regarding it as paying blackmail to a rogue regime that could not be trusted to honor its commitment. The neo-conservatives within the administration argued that the US should adopt a strategy of containment and isolation, hoping in the process to remove the problem at its root by quickening the collapse of the Pyongyang regime.

Although no major policy changes were made at the beginning of the administration, September 11 helped shift Washington's North Korean policy. These terrorist attacks galvanized fears of a new threat posed by the combination of international terrorism and the proliferation of weapons of mass destruction. Although North Korea has not been associated with terrorism, Bush still included it in the "axis of evil." This has, to a large extent, deepened Pyongyang's suspicion of US intentions and led to the death of the Agreed Framework.

Soon America suspected that North Korea was constructing a plant that could produce enough weapon-grade uranium for two or more nuclear weapons. After a successful summit between Japanese Prime Minister Koizumi and Kim Jong Il in Pyongyang, America

decided to send Assistant Secretary Kelly to North Korea, making it clear that the US could not take steps to improve bilateral relations until North Korea dismantled its clandestine uranium enrichment program. To Kelly's surprise, his North Korean counterpart, Vice Minister Kang Sok Ju angrily acknowledged the enrichment program, justifying it as a response to the Bush administration's threats and hostility. Washington demanded that North Korea abandon its nuclear weapon program as a condition for any further bilateral discussion on improved relations. Pyongyang rejected America's demand and made three counter-demands as prerequisites for negotiation: firstly, that the US recognizes the Democratic People's Republic of Korea (DPRK) sovereignty; secondly, it reassures the DPRK that it will not be the target of US aggression; and thirdly it does not hinder the economic development of North Korea.[2]

Just as was done a decade earlier, North Korea ordered the IAEA to remove all surveillance cameras and seals on the 5MW reactors and the other reprocessing facilities in December 2002, and formally withdrew from the NPT on January 10, 2003. As a result, Washington reportedly deployed additional bombers and stealth aircraft to the region and put its long-range bombers on alert for possible deployment to the Korean peninsula.

The Six-Party Talks

It was in the midst of these rising tensions and the obvious death of the Agreed Framework that Beijing decided to step in. Having a major interest in regional stability, China called for three-party talks in Beijing to solve the issue. The talks were held on April 24-25, 2003 but went badly as North Korea asked for a series of undertakings from

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[2] Disarmament Diplomacy with North Korea, and IISS Strategic Dossier, p, 18.

the United States, including the resumption of oil shipments, a nonaggression pact, and normalization of the relations between Pyongyang and Washington and Tokyo as preconditions. The Americans viewed these demands as totally unacceptable.

In July 2003, China, together with Russia, blocked action by the UN Security Council against North Korea. At the same time, Beijing tried to find a formula for multilateral talks concerning the North Korean, nuclear issue. Finally, China persuaded North Korea to agree to a series of Six-Party Talks (involving the US, China, Russia, Japan, North Korea, and South Korea) with the inducement of extra food and oil supplies.

The first round of these Six-Party Talks was held in Beijing in August 2003 and the other two rounds of talks were held in February 2004 and June 2004, respectively. Only in the June 2004 talks were there any signs of positive moves to reducing the large gaps in terms of perceptions and policy positions between the United States and North Korea. However, before the fourth round of talks resumed in July 2005, the North Koreans suddenly declared that "the DPRK has become a full-fledged nuclear weapon state, the Six-Party Talks should be disarmament talks where the participating countries negotiate the issue on an equal footing."[3] After a fruitless fifth round of talks in November 2005, Pyongyang finally boycotted the talks.

In July 2006, Pyongyang tested its ballistic missiles, including one Taepodong 2 missile. On October 9, 2006, the DPRK undertook its first ever test of a nuclear device in open defiance of repeated warnings by the five other parties and the international community. This move arguably reflected a purposeful, long-term commitment and the dedication of substantial resources toward such a goal by a small, isolated, economically vulnerable and self-referential regime

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[3] Ralph C. Hassig and Kongdan Oh, "Prospects for Ending North Korea's Nuclear Weapons Program," October 17, 2006, FPRI, E-Notes.

to obtain a nuclear weapon.[4] It pushed China and Russia into agreeing to a UN Security Council Resolution condemning the tests and threatening sanctions.

Even though the quantitative and qualitative characteristics of North Korea's capabilities remain to be determined, its possession of nuclear weapons has become a fact. When most international observers believed North Korea would not dismantle its entire nuclear inventory and weapon potential, Pyongyang indicated its willingness to "trade," or to limit some of its nuclear activities in return for guarantees and commitments from external powers. Then on February 13, 2007, Pyongyang suddenly agreed to sign a pact with the United States, indicating a willingness to shut down and seal its nuclear facilities in Yongbyon within 60 days. The world reacted with surprise at this news, and there followed a great deal of speculation. When the deadline of April 14, 2007 for North Korea to take action passed, there was widespread pessimism in the international community, with many observers believing this action to possibly be another stalling tactic by North Korea.

China's Interests

What are Chinese regional objectives and interests? How will China pursue its interests in the context of these recent developments? Chinese policy towards the Korean peninsula is largely a function of its overall foreign policy concerns, which at present are based on the following premises:

- As the only superpower in the world, the US is potentially a major security concern to China. Although direct military confrontation with the United States is unlikely in the near future, the issue of

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[4] Jonathan Pollack, "North Korea's Nuclear Weapons Program to 2015: Three Scenarios," *Asia Policy*, Number 3 (January 2007) pp. 105-123.

Taiwan, with the historical involvement of the US and the current independent-minded leaders in Taiwan, imposes a major challenge to bilateral relations and to PRC security interests.

- China needs a relatively long period of peace in order to develop its economy, solve its surging domestic social problems, upgrade its industrial and defense capacity and become strong enough in the long run to defend itself in the face of external threats. For these purposes, Beijing needs to maintain political stability and harmony internally and a peaceful environment externally.
- Russia is not a threat to China. On the contrary, it is potentially a strategic partner in the face of American military and political pressure; therefore, maintaining good relations with Russia is important to China's national interests.
- Having a positive and healthy relationship with Japan is important for the stability of East Asia; particularly at a time when Japan is readjusting the rise of China and is seeking political influence in the world. At the same time, China would not want to see the Japanese rearm themselves too quickly. A militarily strong Japan is not in China's interests.
- To have a good neighbor policy for its surrounding regions so as to allow neighboring countries to make adjustments to an ascendant China is desirable. At the same time, to explore economic opportunities with all neighbors benefiting China's economic development is also a policy of interest to China.

These foreign policy calculations require China's regional policy toward the Korean peninsula to be aimed at three basic objectives: to maintain regional peace and stability; to denuclearize the Peninsula to avoid a chain reaction of other powers deciding to "go-nuclear" in the region; and to maintain the historically shaped "special strategic relationship" with the DPRK.

It is China's principal interest to maintain a peaceful environment

along its border whilst China is concentrating on its economic development and modernization program. Chinese leaders believe that China's future lies in sustained economic growth, and social and political improvements. In his carefully prepared speech at the Bo'ao Forum in April 2004, President Hu Jintao stated that China's goal for the first 20 years of this century is to "quadruple the 2000 GDP to US$4 trillion with a per capita GDP of US$3,000" and to "further develop the economy, improve democracy, advance science and education, enrich culture, foster greater social harmony, and upgrade the texture of life for the people."[5]

For these purposes, China is attempting to cultivate good relations with the outside world, particularly at a time of China's increasing economic and military capabilities arousing much apprehension. Indeed, within the span of a single generation, China has moved from near isolation to a hub of the globalized economy, from an obsolete military to a much more professional force with high-tech weapons and capabilities, and from hostility to global institutions to active participation in multilateral organizations. As China's economic and military power grows, China has expanded its influence not only within Asia but in other regions of the world as well. People all over the world are beginning to wonder what kind of international behavior an increasingly powerful China will have in the foreseeable future.

According to President Hu Jintao, "China will promote the steady growth of relations with major countries, stick to the principles of building friendships and partnerships as well as security and prosperity with her neighbors while combining bilateral friendship with regional cooperation."[6] Since the United States has a great influence on China's external environment, China attaches great

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[5] "Full Text of Hu Jintao's Speech at BFA Annual Conference 2004," *Bo'ao*, April 24, 2004, http://www.china.org.cn/english/features/93897.htm.

[6] Ibid.

importance to its relations with the US and has sought at every opportunity to develop a cooperative relationship with Washington.

In terms of the Northeast Asian region, fulfilling these goals will require a peaceful relationship between the United States and DPRK even though it may be a cold peace fraught with occasional problems. China would prefer not want to see any trouble between the US and the DPRK that may undermine the relationship between China and the United States. Any development in and around the Korean peninsula that can lead to instability will be regarded as adverse to China's interests. The reasons for China to desire stability on the Korean peninsula are obvious. A military conflict would impose upon China an extremely serious dilemma that Beijing neither is willing to nor ready to face. Bound by its traditional relationship with North Korea, China may find it hard to handle the issue of whether to assist the DPRK if a conflict occurs without a provocation by Pyongyang. If China chooses to assist North Korea, it will inevitably damage China's cooperative relations with the United States and Japan, and could compromise China's economic modernization program. Therefore, the primary objective of China's regional policy is to maintain the status quo and to reduce the tension on the peninsula.

China believes the best way to maintain regional stability is through inter-Korean dialogue and multilateral talks. China sees the improvement of inter-Korean relations as essential to increasing regional stability and eventually to create a relaxed environment for resolving the North Korean nuclear crisis. The top priority of China in Northeast Asia is to actively engage in and indeed seek to lead the regional security dialogue so as to ensure that the Six-Party Talks become a security mechanism for maintaining regional peace and stability.

The second concern of China is the potential spread of nuclear weapons to Japan, South Korea and ultimately, to Taiwan. China regards these possible developments with the utmost seriousness.

North Korea's first nuclear test on October 9, 2006 sent security shockwave across Northeast Asia. Regional powers such as Japan and South Korea began to scramble to find a response, coming up eventually in the form of sanctions. China is particularly worried that an unstoppable North Korean nuclear program may push Japan into develop its own nuclear program. It is widely believed that Japan has nuclear weapon technology and has stockpiles of uranium, enough for hundreds of nuclear weapons. Tokyo prefers not to go nuclear simply for political reasons.

What is of concern to China is that among the current non-nuclear weapon states in Northeast Asia, some "reversal" or "threshold" states may be provoked by North Korea into embarking upon their own nuclear weapon programs. Japan may be the first to reconsider its nuclear options, closely followed by South Korea reacting to the change of stance by both North Korea and Japan. All these may give Taiwan a new interest in nuclear weapons capacity.[7] Although President Bush has noted his concern and has expressed confidence that Japan would not go nuclear, there is a degree of willingness in the United States to exploit again the so-called "Japan Card" to encourage Japan's breaching of its non-nuclear stance as a means of punishing China for its failure in pressuring North Korea on the nuclear program.[8] If Japan took that step, it would force China to reconsider upgrading its nuclear capabilities and doctrine in reaction to a nuclearized Japan and a nuclearized Korean peninsula. This will trigger an arm race in East Asia which would be a nightmare for China's national security. Therefore, dismantling North Korea nuclear program is in China's best interests.

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[7] Christopher W. Hughes, "North Korea's Nuclear Weapons: Implications for the Nuclear Ambitions of Japan, South Korea and Taiwan," *Asia Policy*, Number 3, January 2007, pp .75-104.

[8] Jim Lobe, "US Neo-Conservatives Call for Japanese Nuke, Regime Change in North Korea," *Japan Focus*, October 17, 2006.

Beijing's overriding security interests in Korea cannot be fully protected without a good relationship with Pyongyang. Even if regional stability is maintained, if North Korea, like Vietnam in the late 1970s, turns hostile towards China, the consequences would be as adverse to China's interests as any other form of instability in Korea. In addition, such instability in North Korea might increase the possibility of large number of impoverished people pouring into the northeast regions of China which will be equally adverse to China's national interest and domestic stability.

Among China's objectives, the most difficult is to maintain its relations with North Korea in such a way that Sino-America and Sino-ROK relations will not be strictly circumscribed. 20 years ago, the cornerstone of China's regional policy was its relationship with the DPRK.[9] Today, regional policy has been gradually changed as the strategic importance of North Korea has declined. Beijing has also lost much of its leverage over Pyongyang due to its policies towards the United States and South Korea. No matter how much importance the Chinese leadership attaches to bilateral relations, North Korean leaders have always cast a wary eye on Beijing's dealings with Washington, Seoul, and Japan. Fortunately, Pyongyang has no Soviet card to play as it did some 20 years ago when dealing with China. Yet the nuclear program seems to give its leaders some bargaining power in their current dealing with China.

Therefore, Chinese national interests require Beijing to be actively involved in the North Korean nuclear crisis. China does not want to see nuclear weapons on the Korean peninsula, and at the same time China does not want to see any kind of destabilizing change in North Korea. China would like to maintain the "brotherly friendship" relationship with Pyongyang, and for this reason alone, China insists

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[9] Yufan Hao, "China and Korean peninsula," *Asian Survey*, Vol. xxvii, No. 8, August 1987, pp. 862-884.

that the North Korean nuclear issue be resolved in a peaceful manner which will not undermine the stability of the region.

China's basic objectives on the Korean peninsula are likely to mesh well with those of Washington, Moscow, Tokyo, and Seoul. All these countries desire regional stability and have no interest in allowing tensions to escalate or radical changes to occur in the status quo on the peninsula. However, Beijing and Washington differ on how to achieve this stability. Before 2002, Beijing's position was to support a nuclear free Korean peninsula achieved through peaceful dialogues. China opposed any US policies that could bring down communist control in North Korea. Privately Chinese officials urged Washington to resolve the dispute directly with North Korea and complained that US policy towards North Korea was too harsh and counterproductive. At the request of US Secretary of State Powell, during his visit to Beijing in February 2003, Beijing advocated three-party talks in April 2003, in which the US and North Korea would in fact talk to each other in Beijing and China only playing the role of host.

China has always advocated resolution of international problems through multilateral cooperation and international organizations. As former Vice Premier Qian Qichen put it in 2004, "we should opt for multilateralism and give full play to the important role of the UN. Our world is one big family. Naturally, family affairs should be handled by all its members through consultations." The United Nations, Qian said, is "the core of the collective security mechanism and the best venue for multilateral interchanges." It therefore "should continue to play its important role in international affairs."[10]

It is widely believed that China has more leverage over North Korea than any other country in the world. Indeed, North Korea has

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[10] "Multilateralism, the Way to Respond to Threats and Challenges: Statement by H.E. Mr. Qian Qichen, Former Vice Premier of China, at the New Delhi Conference," July 2, 2004, http://www.fmprc.gov.cn/eng/wjdt/zyjh/t142393.htm.

close economic ties with Beijing. From 2000 to 2005, North Korea's imports from China (including oil, pork, electronic gadget and machinery) rose to $1.1 billion, more than double in five years, while its exports to China (fish, low-grade steel and minerals) rose more than tenfold from $37million to $499 million, counting for more than half of the DPRK's total exports and imports in 2005. Japan used to be North Korea's largest trade partner in 2000. Yet it fell to third place in 2005 with a total trade of only $200 million, far below North Korean-Chinese trade of 1.6 billion. China supplies about 80% of North Korea's energy and supplied more than 90% of the 576,582 tons of cross-border food aid to Pyongyang in 2005.[11]

However, China's influence over North Korea is often slightly overstated. Although China holds a certain degree of economic leverage, Beijing has gradually lost its influence after it established diplomatic relations with Seoul without insisting upon the United States recognizing North Korea first as a precondition. In addition, Beijing has reduced its economic assistance to North Korea, forcing Pyongyang to appeal to the United Nations for emergency food aid.[12]

The Prospect of the February 13 Agreement

The Six-Party Talks stalled after Pyongyang refused to discuss the agreement to disable its nuclear facilities until the recovery of its $25 million held in North Korean accounts at the Banco Delta Asia in Macau. Finally, the joint document was issued in Beijing on February 13, 2007 after President Bush decided to accept North Korea's longstanding offer. The DPRK agreed to take action to "shut down

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[11] Jian Yang, "A Matter of Lips and Teeth: China and North Korea and the Prospect of the Six-Party Talks," in *Whither the Six-Party Talks?* Edited by Yongjin Zhang, NZAI Regional Analysis 2006/1, pp. 27-34.

[12] Antonaeta Bezlova, "Politics-China: Beijing's Influence over North Korea Overstated," Global Information Network (NY), January 10, 2003, p. 1.

and seal for the purpose of eventual abandonment the Yongbyon nuclear facility, including the reprocessing facility and invite the return of IAEA personnel to conduct all necessary monitoring and verifications." In return, North Korea and the United States would resume bilateral talks aimed at resolving pending bilateral issues and moving towards full diplomatic relations. The US would begin the process of removing the designation of the DPRK as a state-sponsor of terrorism and advance the process of terminating the application of the Trading with the Enemy Act with respect to the DPRK.

In addition, North Korea and Japan would start bilateral talks aimed at taking steps to normalizing their relations in accordance with the Pyongyang Declaration, and the parties agreed to provide 50,000 tons of heavy fuel oil within 60 days as the initial phase of the agreed energy assistance package to North Korea.[13]

This would indeed be a significant step towards the denuclearization of the Korean peninsula if it could be implemented. However, the international community has a good reason to be suspicious of the real intentions of North Korea. Is the goal of denuclearization realistic or achievable in light of recent developments? Are North Korea's promises mere stalling tactics or do they herald the beginning of a strategic adjustment?

As the April 14 deadline passed, a new complication arose. According to the terms of the agreement, North Korea would only take action after their $25 million of funds deposited in the Delta Bank in Macau are unfrozen. However, no money has been withdrawn so far from those 52 accounts held by North Koreans. It became clear that the United States only agreed to allow the Macau Bank to release the $25 million deposited by North Koreans but insists that the money be taken away in cash. However, North Korea insists that the money be transferred into other financial institutions so that it can be used

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[13] http://www.state.gov/r/pa/prs/ps/2007/february/80479.htm.

internationally. Obviously, what North Korea wants is a lifting of financial sanctions imposed by the United States while Washington is only willing to release the $25 million in frozen funds that belong to North Korea. Therefore, the transfer of the $25 million has been delayed due to unexpected differences in perceptions, and has become a test for mutual trust. At the time of publication, North Korea has not taken any action to move the money, and has only expressed its willingness to have the money transferred either to a bank in Russia or Italy, or a bank in the United States. In that sense, Pyongyang did not really defy the February 13 Agreement as it only promised to take agreed actions after it receives the money. Meanwhile, Washington has indicated its willingness to give North Korea more time. Although Washington is reluctant to allow North Koreans to use American banks, it has extended the deadline to the end of the year for North Korea to implement the deal.

When reviewing the new agreement signed on February 13, 2007, it is important to keep in mind that the most important issue on the table is how to get Pyongyang to give up its nuclear weapon program at best; how to prevent it from proliferating nuclear weapons to other countries at the least, and how to develop the means to deliver upon such promises. The nature of the issue is that North Korea would like to keep a nuclear weapon program while the United States and the other countries including China would like to disable it.

The key to the current impasse is in the hands of Pyongyang and Washington. The North Korea's justification for its nuclear weapon program is the perceived American threat. It claims that the sole purpose of its nuclear program is to deter a US attack. Part of the reason for Pyongyang to pursue nuclear weapons program is its further lagging behind in conventional weapon systems compared with that of South Korea. Since an American attack would be likely to trigger a second Korean War, North Korea justifies its nuclear program as protecting all Koreans on the Peninsula. Kim Jong Il

argued that if the United States signed a nonaggression pact and a peace treaty and normalized its diplomatic relations with the DPRK, Pyongyang would have no need to pursue a nuclear deterrent.

It seems that the primary reason for North Korea's dramatic change from conducting tests of missiles and nuclear weapons to agreeing to reopen the Six-Party Talks and agreeing to the pact is that it has to overcome their economic predicament by seeking to end the financial sanctions imposed by America. In this sense, it may appear to be little more than a stalling tactic. However, there are a number of very practical reasons for Pyongyang seeking a strategic change.

It is well known that North Korea has wide ranging economic difficulties. Being suspicious about China's reform and opening-up policy, it missed a historical chance at the end of the Cold War to concentrate on economic reform. Instead, it focused on improving relations with the South and sought a path of peaceful reunification of the Peninsula. The nuclear issue raised by the United States slowed down the progress of Pyongyang-Seoul contact and forced Pyongyang to put security before economic development. Since Kim Jong Il took full control of power, North Korea seems to have pursued a policy of "military first" which speeded up the collapse of its economy.

Of course, Washington's policy toward Pyongyang is an important factor leading to North Korean's economic stagnation. At the beginning of the new century, there were signs that North Korean leaders were considering the option of changing their economic policies. Kim Jong Il visited China on an unofficial basis to study China's economic achievements. Pyongyang actively sought diplomatic relations with European countries, demonstrating its eagerness to look outward, and some reform policies were introduced. However, the Bush administration quickly developed a hostile attitude towards Pyongyang and made it impossible for North Korea to adjust its development strategy. Following this, a nuclear deterrent

seemed to become a primary concern for North Korea's survival.

Therefore, a final solution of the nuclear issue may offer a major opportunity for Pyongyang to bring positive changes in its internal and external environments. This is why Pyongyang's major objectives in the talks are to obtain a formal nonaggression guarantee from and to normalize its relations with the United States. To Kim Jong Il, trading its nuclear program for the normalization of US-North Korean relations may be a feasible strategic choice.

The question is now whether the United States is willing to give North Korea a chance. Having rejected Clinton's engagement policy, the Bush administration adopted a high-handed policy towards Pyongyang. However, such an attempt serves no good for the solution of the nuclear issue, as it makes North Korea more vigilant and forces it to take a continuously hostile stance toward the United States. It also places Beijing continuously in a difficult position in dealing with both countries.

There now seems to be an equally important need for the Bush administration to bring back the North Koreans to the negotiation table. Obviously Bush's war against terrorism has not entirely gone according to plan. The turmoil in Iraq led to the defeat of the Republicans in the midterm elections last November. The Democrat-controlled Congress has just passed a resolution calling for a timetable to withdraw US troops. With the rising tension over Iran, Bush would prefer an agreement with North Korea so as not to be confronted with two nuclear standoffs at the same time. That is why Bush needs some concrete result from North Korea over the nuclear issue. In this context, North Korea's initiatives have paved the way for a US policy change.

It is primarily domestic pressures from both North Korea and the United States for a possible change that have made the agreement, signed on February 13, 2007, so potentially promising. The major stumbling block in the talks so far is that both the United States

and North Korea have made extreme demands but have failed to demonstrate good faith in the negotiations by considering the possibility of making a compromise. Confidence building is essential for both sides at this moment. From the agreement itself, we have seen a beam of hope. We recognize the need for a settlement for both North Korea and the United States for domestic reasons. However, we also have to recognize that dismantling the North Korea nuclear program is a long and complex process.

What China can do is limited. So far, there are four commonly agreed instruments at China's disposal in dealing with the North Korean nuclear issue: bilateral diplomatic capital and the ability to persuade both North Korea and the United States of the need for a peaceful settlement of the denuclearization issue, multilateral talks exemplified in the Six-Party Talks, in which China's position as host and its effective working relations with all the other five concerned parties make it a unique and effective leader, leverage over North Korea as the most important supplier of energy and food to that country, and a model of economic reform to North Korea.

China will continue to exert its influence to encourage Pyongyang to talk with the other four parties to the nuclear issue and to open its economy to the world as China has done. Beijing favorably noted the DPRK's recent plan to reform its economic system and to set up special economic zones. Even though Pyongyang is reluctant to give up its strategy of self-reliance in its development, Beijing leaders seem confident that they can influence North Korea's future economic orientation if China's own modernization program proves to be successful.

Conclusion

China opposes North Korea's pursuit of nuclear weapons, and it is likely that Beijing will remain active in finding a solution to the North Korean nuclear issue. That sense of urgency has been well reflected in Chinese initiatives since 2003. Although there is a strategic consensus among all six parties regarding the goal of a nuclear free Korean peninsula, most Chinese analysts believe that the key to the nuclear issue remains in the hand of the United States.

American hardliners have never trusted North Korea and have always believed that normal diplomatic give-and-take is actually simply rewarding bad behavior, arguing that Kim Jong Il duped President Clinton in halting its plutonium program while starting a covert uranium enrichment program. However, most Chinese observers believe that the United States bears more responsibility for the current impasse. It is the United States that first reneged on the 1994 Agreed Framework, failing to reward North Korea's good behavior. Washington managed to freeze Pyongyang's plutonium program, which if continued to operate would have generated enough plutonium for at least 50 bombs, yet Washington failed to live up to its end of the bargain. Since Republicans acquired control of the Congress after the accord was signed in the mid 1990s, Clinton did little to ease the sanctions until 2000. Although the United States had pledged to provide two nuclear power plants by a target date in 2003, the concrete for the first foundation was not poured until August 2002. In addition, the delivery of heavy oil was seldom on schedule. Above all, it did not live up to its promise to "move toward full normalization of political and economic relations."

In the mid 1990s, there was an illusion within Washington policy circles that the North Korean regime might not last much longer. Therefore, many people within the Washington Beltway preferred economic sanctions and a naval blockade when dealing with

Pyongyang. However, China, Russia, South Korea nor even Japan under Koizumi would go along, as they all knew pressure would only provoke the North to arm itself sooner rather than to simply collapse.[14] Therefore, to change the course in Washington is the key to resolve this issue. Only the US's willingness to reconcile would alter North Korea's course.

However, there are some very valid reasons to look beyond what "should" have happened but instead at what is likely to happen in regards to the February 13 Agreement. Considering the domestic political climate in the United States, it is likely that, as a lame duck president, President Bush may have to make some difficult political concessions on the basis of a reasonable expectation on the North Korean nuclear issue, as it may be the only way out of its self-imposed policy corner via-à-vis North Korea. Obviously, President Bush has realized that a hard-line strategy was not working, and he is ready to engage in diplomatic give-and-take to shut down the nuclear facilities at Yongbyon as an initial step. Since Pyongyang insisted on the US taking a number of genuine steps to end the enmity, the lifting of the financial sanctions resulted from the possible solution of the $25 million in the Macao bank would give Kim a sense that America may have indeed changed policy tack.

Kim Jong Il may also have an interest in changing his policy course, as the North Korean domestic situation continues to worsen. Nothing seems to be more important to Kim Jong Il than the regime's survivability in a highly fluid situation. Such a change of course may help him to ameliorate both internal and external threats. So far, North Korea remains committed to its promise but the road to its implementation may be complex and fraught with as yet unseen difficulties. The prospect of a successful denuclearization of the

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[14] Leon V. Sigal, "North Korea to Suspend Plutonium Production," http://www.alternet.org/story/48617.

Korean peninsula in a peaceful manner is still within our reach. The joint agreement signed on February 13 has provided the guiding principle for further negotiation and implementation.

Because of the strategic importance of North Korea, China cannot treat Pyongyang too harshly. North Korean leaders may not like some Chinese policies, but they also recognize that to a large extent they must depend on China economically and militarily and more importantly China is the principal counter to US pressure. This unavoidable dependence may breed frustration and resentment. However, China will continue to encourage North Korea to reaffirm, rather than to renege on its commitment to abandoning its nuclear program. However, due to the special nature of its relationship with Pyongyang, China may be very cautious in handling its policy towards the DPRK and may concentrate more on its own domestic economic development in order to ensure the success of China's modernization program. One reason for this is that, quite simply, the success of the PRC's modernization drive would not only increase its economic leverage on North Korea, but also would have a significant effect on North Korea's international economic orientation and its foreign relations.

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What's New? Comparing the February 13 Action Plan with the Agreed Framework

Narushige Michishita

Abstract

The February 13 Action Plan represents the lowest common denominator for the parties involved. In agreeing to the plan, all parties made minimum necessary concessions, and gained minimum satisfactory outcome. North Korea succeeded in bringing the United States back on the engagement track, but it had to freeze the important part of its nuclear facilities and be satisfied with a much smaller aid package than under the Agreed Framework. China and South Korea successfully persuaded the United States to come back on the engagement track. But to compensate for the US concession, China had to provide strong political leadership, and South Korea had to show its willingness to shoulder the financial burden involved in implementing the Action Plan. Japan was upset by the shift in the US position, but the Action Plan was not totally a bad thing for Japan since it could have North Korea's nuclear facilities frozen without making substantial financial contributions as it did under the Agreed Framework. The objective of this article is to make a preliminary evaluation of the Action Plan by comparing it with the October 1994 Agreed Framework and, more broadly, comparing the first phase of North Korea's nuclear diplomacy in 1993-1994 with the second phase, which started in 2003.

Keywords: North Korea, nuclear issue, United States, Agreed Framework, Six-Party Talks

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On February 13, 2007, the Third Session of the Fifth Round of the Six-Party Talks ended with the adoption of the "Action Plan" for the implementation of the September 2005 Joint Statement.[1] This February 13 Action Plan represents the lowest common denominator for all the involved parties. In agreeing to the plan, all parties made minimum necessary concessions and gained a minimum satisfactory outcome. North Korea succeeded in bringing the United States back to the engagement track, but it had to freeze the important part of its nuclear facilities and satisfied itself with a much smaller aid package than under the Agreed Framework. The United States convinced North Korea to commit to a freeze of its key nuclear facilities at the price far cheaper than in 1994. But by softening its North Korea policy and appearing to reward North Korea's bad behavior (namely, North Korea's test of a nuclear device) by giving in to North Korea's brinkmanship diplomacy. China and South Korea successfully persuaded the United States to return to the engagement track. But to compensate for the US concession, China needed to provide strong political leadership, and South Korea had to show its willingness to shoulder most of the financial burdens involved in implementing the Action Plan. Japan was upset by the shift in the US position since the policy change appeared to isolate Japan as the only advocate of containment. However, the Action Plan was not totally a bad thing for Japan since North Korea was committed to freeze its nuclear facilities without a substantial financial contribution from Japan such as the commitments under the Agreed Framework.

The objective of this article is to make a preliminary evaluation of the Action Plan by comparing it with the October 1994 Agreed Framework and, more broadly, by comparing North Korea's first nuclear diplomacy in 1993-1994 with the current phase since the start

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[1] "Initial Actions for the Implementation of the Joint Statement," Beijing, China, February 13, 2007.

of the second North Korean nuclear crisis in 2003. In order to make a systematic comparison, this article will discuss characteristics of North Korea's coercive actions, and assess the effectiveness North Korea's actions in achieving its objectives. Two caveats follow. First, the implementation of the Action Plan is still an ongoing process. Therefore, we do not know how well the plan will be implemented. For this reason, this article will compare the provisions of the Action Plan and the Agreed Framework while setting aside the issues of implementation. Second, while the Agreed Framework was a comprehensive agreement containing both goals and full-fledged action plans, the February 13 Agreement was only a partial action plan for the "Joint Statement of the Fourth Round of the Six-Party Talks" (hereafter simply referred to as the Joint Statement) signed in Beijing on September 19, 2005. In this context, provisions of the Joint Statement will be referred to where necessary in the following discussion.

Characteristics of North Korea's Coercive Actions

Coercive Tools

In both 1993-1994 and 2003-2007 cases, North Korea used more or less the same set of coercive tools to achieve its policy objectives: the pursuit of plutonium-based nuclear weapons program and medium- range ballistic missiles. With regard to the nuclear program, of particular importance were the 5 megawatt-electric (MWe) reactor and the reprocessing facility in Yongbyon, which together could produce the amount of plutonium enough for one to two nuclear bombs annually. The second nuclear crisis started in October 2002 when the United States revealed that North Korea had been acquiring necessary equipment for uranium-based nuclear weapons program. However, North Koreans actions after announcing their withdrawal from the Treaty on the Non-Proliferation of Nuclear Weapons (NPT)

in January of 2003 were not aimed at building nuclear weapons based on uranium enrichment but were designed to lift the freeze on its facilities in Yongbyon through renewed production of plutonium.

The new elements of the second nuclear crisis were the maturity of North Korea's nuclear program and the North Korea's increased capacity to produce nuclear weapons from plutonium. North Korea conducted a nuclear test in October 2006 almost twelve years after the signing of the Agreed Framework. Under the Agreed Framework, central components of its nuclear program—the production, extraction, and accumulation of plutonium—were frozen. However, as the freeze did not cover the development of a detonator, the miniaturization of nuclear devices, and the development of delivery means, it is believed that North Korea has continued work on these projects even after 1994. The yield of the October 2006 nuclear explosion was much smaller than expected. In this sense, the test was not a clear-cut success, but it was still significant that North Korea detonated a nuclear device. Finally, in terms of plutonium production, the amounts that North Korea produced in the 1990s and in the recent years are roughly equivalent. The Institute for Science and International Security (ISIS) estimates that the 5MWe reactor had produced 28-39 kilograms of plutonium (4-9 bombs equivalent) prior to the Agreed Framework, and 23.5-30 kilograms between 1994 and February 2007 (of which 10-13 kilograms have not been extracted). So the volume of plutonium produced is not very different between the two periods. However, the difference is that while the Agreed Framework stopped the plutonium from being separated in the former case, nothing prevented the separation in the latter. In 1994 there were only 0-10 kilograms of separated plutonium (0-2 bombs equivalent). In 2006 there were 33-55 kilograms of separated plutonium (6-13 bombs equivalent).[2]

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[2] David Albright and Paul Brannan, "The North Korean Plutonium Stock, February

North Korea launched three Scud missiles and one Rodong missile in May 1993, about two and a half months after North Korea's announcement of its withdraw from the NPT. In the second crisis, it launched three Scuds, two Rodongs, and one Taepodong 2 missile in July 2006. In the former, all missile launches seemed to have been successful while in the latter, the Taepodong 2 launch failed.

An important difference between the two sets of missile launches was that in 1993 the missiles were launched in the direction of Tokyo whereas in 2006 they were launched in the direction of narrow sea corridor between Japan and Russia. The only exception was the Taepodong 2, which was supposedly launched in the direction of Hawaii. Also new in 2006 was that Rodong missile had become operational and had been deployed in large numbers in North Korea and that Taepodong 2 with the estimated range of 3,500-6,000 kilometers was tested. In the second half of the 1990s, North Korea began deploying Rodong missiles with a range of 1,300 kilometers. At present, it has deployed some 175-200 Rodong missiles capable of covering almost the entire territory of Japan.[3] As it is difficult to spot Rodong missiles mounted on mobile launchers before they are launched, a preemptive strike cannot be effective. Since Japan and the United States are not capable of defending Japan against Rodong missiles, Tokyo, like Seoul, is now held hostage militarily.

Deterrent

In both first and second nuclear crises, North Korea's deterrent capabilities played a critical role. While exercising nuclear coercion, North Korea had to deter preventive attacks to take out the nuclear facilities by the United States. Also, North Korea had to avoid being

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2007," Institute for Science and International Security (ISIS), February 20, 2007.

[3] *Asahi Shimbun*, April 25, 2003, p. 2.

coerced into abandoning its nuclear development without obtaining meaningful "compensation."

By June 1994 the United States had developed a plan to attack North Korean nuclear facilities. According to the plan, the United States could execute such an attack with little or no risk of US casualties and a low risk of North Korean casualties, as well as a very low risk of radiation release into the atmosphere.[4] Since the North Korea's capability to defend its nuclear-related facilities against such an attack was limited, it had to deter such an attack in the first place. And this has not changed until now.

In the first nuclear crisis, conventional offensive military capabilities seem to have played the central role in deterring possible US attack. More specifically, the deployment of a large number of long-range artillery and the multiple-rocket launchers along the Demilitarized Zone (DMZ) was important. North Korea reinforced its artillery capability in the forward areas since 1993, first in the central and western areas, and then in the eastern area.[5] North Korea was capable of delivering artillery shells and rockets to Seoul, making the North Korean threat to turn Seoul into the "sea of fire" a credible one.

The most important reason why the United States and, in particular, South Korea wanted to avoid a serious military clash was not the fear that the US-ROK side might be defeated militarily but the large number of casualties and damages that would be suffered even if the war was won. Based on the US-ROK combined Operation Plan (OPLAN) 5027, which envisaged offensive operations deep into North Korea, an all-out war on the Peninsula was estimated to result in one million people killed, including 80,000-100,000 Americans,

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[4] Ashton B. Carter and William J. Perry, *Preventive Defense: A New Security Strategy for America* (Washington, DC: Brookings Institution Press, 1999), p. 128.

[5] Ministry of National Defense, Republic of Korea, *Defense White Paper 1998* (Seoul: Korea Institute for Defense Analyses, 1999), p. 67.

US expenditure of more than $100 billion, and more than $1 trillion in damages incurred upon property and business activity. North Korean threats worked quite effectively. South Korean President Kim Young Sam became reluctant to risk military confrontation as the tension rose in 1994. On the US part, although policymakers did not think that all-out war was highly likely, they expected North Korea to take "some form of violent retaliation" such as attacks along the DMZ, long-range artillery shell strikes against Seoul, and commando attacks somewhere deep in South Korea.[6]

The basic deterrent structure was not different in the second nuclear crisis. The United States and, in particular, South Korea were reluctant to use force for fear that a large number of casualties and damage would be suffered in case North Korea retaliated. The United States formally adopted the strategies of "preemption" in 2002 and continued to strengthen their counter-fire capabilities. However, the number of North Korea's 170-mm artillery pieces has reportedly grown from about 200 in the early 1990s to over 600 in 2001, and that of the 240-mm multiple rocket launchers (MRL) has increased to 430 by 2001.[7] It is therefore reasonable to assess that North Korea's deterrent capability based on its threat to "punish" Seoul had not diminished in a meaningful way.

What has changed most is North Korea's ballistic missile arsenal. North Korea's deterrent capabilities have been strengthened

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[6] Joel S. Wit, Daniel B. Poneman, and Robert L. Gallucci, *Going Critical: The First North Korean Nuclear Crisis* (Washington, DC: Brookings Institution Press, 2004), p. 244.

[7] Hwang Il-do, "Bug Jangsajeongpo: Alryeojiji anhneun Daseos gaji Jinsil" [North Korea's Long-Range Artillery: Five Unknown Facts], *Sindong-a*, December 2004, http://www.donga.com/docs/magazine/shin/2004/11/23/200411230500004/200411230500004_1.html; Yu Yong Won, "Sudogwon-eul Sajeonggeori An-e Neohgo Issneun Bughan-ui Dayeonjang Rokes Mich Jajupo Yeongu" [Study on North Korean MRL and Self-Propelled Artillery that Put Seoul Metropolitan Area within their Range], *Wolgan Chosun*, March 2001, http://monthly.chosun.com/html/200102/200102280011_1.html.

since 1994 due to the deployment of more than 100 Rodong missiles capable of striking most of Japanese territory, in addition to over 500 Scud missiles targeted at South Korea. By now, not only South Korea but also Japan has become a hostage to North Korean missile attack. Moreover, North Korea has reportedly flight-tested new solid-fuel mobile ballistic missiles based on the Soviet SS-21 Scarab in May 2005 and March 2006.[8] There was also a report that North Korea might have acquired 3,000-kilometer-range Kh-55 cruise missile technologies from Ukraine via Iran.[9]

Finally, although nuclear weapons did not play an important role as a deterrent in the first nuclear crisis, it has become a more important factor since then. In 1994 North Korea's nuclear weapons, even if they existed, had not been tested. North Korea's nuclear deterrent was simply not credible in 1994.

This situation has changed. In 2006 there were 33-55 kilograms of separated plutonium (6-13 bombs equivalent). Moreover, the nuclear device has been tested at least once. The credibility of North Korea's nuclear deterrent has definitely improved since 1994, although its ability to load nuclear devices on top of ballistic missiles is still questionable.

In addition, North Korea's declaratory policy has changed. In June 2003 North Korea for the first time publicly discussed the possession of "nuclear deterrent force" as a policy option.[10] In February 2005, North Korea announced that it had "manufactured" nuclear weapons "for self-defence to cope with the Bush administration's evermore undisguised policy to isolate and stifle the DPRK [Democratic People's Republic of Korea]."[11]

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[8] Center for Nonproliferation Studies, Monterey Institute of International Studies, *CNS Special Report on North Korean Ballistic Missile Capabilities*, March 22, 2006, p. 3.

[9] *Sankei Shimbun*, June 26, 2005, p. 1.

[10] "KCNA on DPRK's nuclear deterrent force," *KCNA*, June 9, 2003.

[11] "DPRK FM on Its Stand to Suspend Its Participation in Six-Party Talks for Indefi-

One thing has not changed, however. North Korea will not be able to get away with using nuclear weapons. The fact remains that using nuclear weapons would result in the end of the North Korean state. In this sense, North Korea's nuclear deterrent is credible only in the extreme scenario in which the United States blatantly invades the country and threatens its regime survival. Nuclear deterrence would be less credible in the face of more limited use or threat of force.

Duration

The critical part of the first nuclear crisis lasted for one year and seven months, between March 1993 and October 1994. In March 1993, when North Korea announced its withdrawal from the NPT, it came as a total surprise. Given the sophisticated and systematic conduct of the military-diplomatic campaigns during the 1993-1994 period, it seems likely that North Korea had already prepared a concrete game plan for its nuclear diplomacy by the time it announced its withdrawal from the NPT in March 1993. The crisis was concluded in October 1994 with the signing of the Agreed Framework.

The second nuclear crisis lasted for at least four years and one month between January 2003 and February 2007. In January 2003 North Korea again announced its withdrawal from the NPT. Since then, North Korea has played more or less the same game as in the 1993-1994 period. The crisis was at least tentatively concluded with the signing of the Action Plan. The second nuclear crisis, therefore, has lasted much longer than the first, and might be reignited in the future.

The timing of the commencement of the nuclear diplomacy was not entirely of North Korea's own choosing. By March 1993, North Korea had already been under international pressure to accept nuclear inspections for some time. Moreover, the decision to withdraw from

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nite Period," *KCNA*, February 10, 2005.

the NPT was made immediately after the International Atomic Energy Agency (IAEA) demanded North Korea to accept special inspections and the Team Spirit military exercise began. In 2003, North Korea decided to withdraw from the NPT after the United States revealed North Korea's covert uranium enrichment program. In both cases, North Korea was, at least from its perspective, forced to take strong action in the face of international pressure.

Moreover, when North Korea conducted missiles and nuclear tests, it really took a chance. The North Korean leadership did not know exactly what would happen when they made the decision to go ahead. In fact, the Taepodong 2 flight test disastrously failed in July 2006, and the nuclear test in October 2006 was really a half success and a half failure.

Modalities

North Korea's nuclear diplomacy did not involve actual application of force in both cases, only the demonstrations of force combined with verbal coercion such as the declaration of a "state of readiness for war."

What is particularly noteworthy of the two nuclear crises was the fact that no actual use of force took place during the period and no casualties or physical damages were done to the US-ROK side. This was a departure from the 1980s when a large number of casualties, particularly on the South Korean side, were inflicted by North Korean terrorist actions.

Although verbal threats were made against the United States, no real military threat was made against it probably for the following reasons. First, North Korea was not able to pose a direct military threat against the continental United States since it was simply too far away. Second, in order to normalize relations with the United States, it was better to avoid actually attacking Americans.

Level of Military-Diplomatic Coordination

The 1993-1994 nuclear diplomacy was the first, long, complex, and sophisticated military-diplomatic campaign conducted by North Korea. Although North Korea had used force for diplomatic purposes even before 1993, the past experiences were nowhere near the nuclear diplomacy of 1993-1994 in terms of complexity and level of sophistication. Military actions and diplomatic moves were extremely well orchestrated. And it was also true in the second nuclear crisis.

Among the different actors, the Ministry of Foreign Affairs (MFA) took the lead, and in particular Vice Foreign Minister Kang Sok Ju was the key person. The Ministry of People's Armed Forces (MPAF) and the Korean People's Army (KPA) played supporting roles by backing verbal threats issued by the MFA with words and actions. The General Bureau of Atomic Energy seemed to have provided technical support to the MFA. Significant knowledge of legal and technological issues related to the nuclear issues was demonstrated in the process, suggesting that the different organizations within the North Korean government were working closely together.

Conduct of a coherent and systematic military-diplomatic campaign seemed to have been made possible partly by the highly centralized decision-making system in which the most important governmental organizations like the MFA and the MPAF reported directly to Kim Il Sung and Kim Jong Il without going through the Central Committee of the Workers' Party of Korea.[12]

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[12] Ko Yeong Hwan, "Bughan Woegyo Jeongchaeg Gyeoljeonggigu mich Gwajeong-e Gwanhan Yeongu: Bughan-ui Dae-Jungdong/Apeurika Woegyo-reul Jungsim-euro" [A Study on North Korea's Foreign Policy Decision-Making Organizations and Processes: Focusing on North Korea's Foreign Policy towards Middle East and Africa], Master's Thesis, Kyunghee University, Seoul, August 2000, p. 23.

US Reaction

The new features in the second nuclear crisis discussed above came mainly from the North Korean side. However, the most significant difference between the two crises did not come from the North Korean side, but from the side of the United States.

In the first crisis, the United States decided to use bilateral engagement as a means of resolving the nuclear problem. The US-DPRK bilateral talks started in June 1993, approximately three months after the onset of the crisis. Moreover, the most important US policy objective was to stop nuclear proliferation, and not seek regime change in North Korea. In the second crisis, the United States called for multilateral talks from the beginning and attempted to outsource to China the mission of solving the nuclear issue. Also, hardliners in the US government seem to have seriously sought regime change in North Korea.[13] Other less hardline "hawk engagers" attempted to force North Korea to make a "strategic decision" to completely dismantle its nuclear programs in a short period of time. Moreover, the US policy toward North Korea seems to have been significantly affected by the developments in Iraq and Iran.

It was only recently that the United States changed its stance and decided to sign on to the soft engagement policy. With this, the United States has become more engaged with North Korea diplomatically. However, it really meant that the US commitment to North Korea policy has diminished in the sense that the US policy objectives regarding North Korea have become much more limited. Now, the US policy toward North Korea is about trying to achieve minimum attainable outcome with minimum necessary commitment.

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[13] Yoichi Funabashi, *Za Peninshura Kuesuchon: Chousenhantou Dainiji Kakukiki* [The Peninsula Question: The Second Nuclear Crisis on the Korean Peninsula] (Japanese) (Tokyo: Asahi Shimbunsha, 2006) (English edition is forthcoming).

Assessing the Political Results

In order to assess the effectiveness of North Korea's nuclear diplomacy, we have to first identify North Korea's policy objectives. In the first nuclear crisis, North Korea presented a list of demands entitled, "Solution of the Nuclear Issue: Factors to be Considered," to the US side on October 12, 1993. According to the list, North Korea demanded that the United States fulfill the following requirements: conclusion of a peace agreement (or treaty) that includes legally binding assurances to the DPRK against the threat or use of nuclear weapons; provision of light-water reactors (LWRs); complete normalization of diplomatic relations between the DPRK and the United States to insure respect for each other's sovereignty and non-interference in each other's internal affairs; and US promise to take balanced policies toward North and South Korea for the purpose of peaceful reunification.[14]

It is quite significant that North Korea proposed these items, all but one of which were to be included in the Agreed Framework, as early as October 1993. This fact indicated that North Korea had clearly envisaged what it wanted to achieve through its nuclear diplomacy at a relatively early stage in the process.

Despite its provocative actions including the October 2006 nuclear test, North Korea's policy objectives seem to remain the same as those in 1994. North Korea is still seeking to ensure regime survival by improving relations with the United States and Japan. In October 2002, North Korea officially clarified that it was ready to seek a negotiated settlement of the nuclear issue on the condition that the United States recognize the DPRK's sovereignty (non-interference with internal affairs), assure the DPRK of nonaggression, and not

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[14] C. Kenneth Quinones, *Kitachousen: Bei-Kokumushou Tantoukan-no Koushou Hiroku* [North Korea's Nuclear Threat "Off the Record" Memories] (Tokyo: Chuuoukouronsha, 2000), p. 259.

hinder the DPRK's economic development. At US-China-North Korea tripartite talks held in Beijing in April 2003, North Korea came up with a "proposal for a package solution to the nuclear issue and the order of simultaneous actions." At the Six-Party Talks held in August 2003, also, North Korea restated the same proposal, and made the contents public.

According to the proposal, the United States was to conclude a nonaggression treaty with North Korea, establish diplomatic relations with it, guarantee economic cooperation between the DPRK and Japan, and between the two Koreas, and compensate for the loss of electricity caused by the delayed provision of LWRs and complete their construction. In return, North Korea will allow nuclear inspections and not make nuclear weapons, finally dismantle its nuclear facilities, and put on ice the test-firing of missiles and stop their export. These actions would be taken simultaneously in four stages. First, the United States will resume the supply of heavy fuel oil and sharply increase humanitarian food aid, and North Korea will declare its intention to scrap its nuclear program. Second, when the United States concludes a nonaggression treaty with the DPRK and compensates for the loss of electricity, North Korea will refreeze its nuclear facilities and nuclear substances, and allow monitoring and inspection of such facilities and substances. Third, when diplomatic relations are established between the United States and the DPRK, and between Japan and the DPRK, North Korea will settle the missile issue. Finally, when the LWRs are completed, North Korea will dismantle its nuclear facilities.

In short, the core elements of its policy objectives—non-use of force against it, the supply of energy, and the normalization of diplomatic relations with the United States—have not changed since 1994. Now we will undertake to find out similarities and differences between the Agreed Framework and the Action Plan.

Table 1. Comparison of the Agreed Framework and the February 13 Action Plan Timetables

	Agreed Framework		February 13 Action Plan	
Timetable	North Korea	US & Others	North Korea	US & Others
T+0 or ASAP	US-NK experts talks on alternative energy and LWRs, and arrangements for spent fuel storage and ultimate disposition *Remain a party to NPT, and allow implementation of safeguards agreement (SA)*	Contract talks for LWR begins Provide formal negative nuclear security assurances to NK		
	Allow IAEA to monitor the freeze			
T+1 month or 30 days	*Freeze on graphite-moderated reactors and related facilities implemented*		Working Groups (WG) on 5 subjects incl. "Northeast Asia Peace and Security Mechanism" meet	
				Parties hold the 6th Round of the Six-Party Talks on March 19, 2007.
T+60 days			*Shut down and seal Yongbyon nuclear facility*	US & NK start bilateral talks for resolving pending bilateral issues and moving toward full diplomatic relations.

	Agreed Framework		February 13 Action Plan	
Timetable	North Korea	US & Others	North Korea	US & Others
			Invite back IAEA personnel to conduct all necessary monitoring and verifications Discuss a list of all its nuclear programs, including plutonium extracted from used fuel rods	US will begin the process of removing the designation of NK as a state sponsor of terrorism and advance the process of terminating the application of the Trading with the Enemy Act. Japan & NK start bilateral talks aimed at normalization. *Provision of assistance equivalent to 50,000 tons of HFO commences*
T+3 months		500,000 tons of HFO to NK annually begin (until the completion of the first LWR unit). US & NK reduce barriers to trade and investment.		
	Inspections for the continuity of safeguards will continue at the facilities not subject to the freeze.			

	Agreed Framework		February 13 Action Plan	
Timetable	North Korea	US & Others	North Korea	US & Others
Upon conclusion of the supply contract	Ad hoc and routine inspections will resume at the facilities not subject to the freeze.			
Once the initial actions are implemented.				Six Parties hold a ministerial meeting.
T+6 months		Conclude a supply contract for LWR		
During the LWR construction	*Store spent fuel, and dispose of the fuel*			
When a significant portion of the LWR project is completed, but before delivery of key nuclear components	Come into full compliance with SA			
T+9 years	*Dismantle graphite-moderated reactors and related facilities*	*LWR (2,000 MW(e)) by 2003*		
Not specified	Take steps to implement the North-South Joint Declaration on the Denuclearization of the Korean Peninsula	US-NK agreement for cooperation in peaceful uses of nuclear energy	Provide a complete declaration of all nuclear programs, and *disable all existing nuclear facilities*	*Provide assistance equivalent of 1 million tons of HFO (incl. the initial shipment equivalent to 50,000 tons of HFO)*

	Agreed Framework		February 13 Action Plan	
Timetable	North Korea	US & Others	North Korea	US & Others
	Engage in North-South dialogue	US & NK open a liaison office in the other's capital. US & NK upgrade bilateral relations to the Ambassadorial level. US & NK move toward full normalization of political and economic relations.		The directly related parties will negotiate a permanent peace regime on the Korean peninsula.

☞ Italics are critical elements in these documents.

Provision of Light-Water Reactors and Heavy Oil

In the Agreed Framework, the United States pledged to "undertake to make arrangements for the provision to the DPRK of a LWR project with a total generating capacity of approximately 2,000MW(e) by a target date of 2003." In March 1995, the Korean Peninsula Energy Development Organization (KEDO) was established according to the provision in the Agreed Framework. KEDO was set to build two 1,000MW LWRs in Kumho on the east coast of North Korea. KEDO held a groundbreaking ceremony in August 1997. The turnkey contract went into effect in February 2000.[15]

Related to the provision of the LWRs was the provision of alternative energy. According to the Agreed Framework, heavy oil for heating and electricity production would be provided to North Korea. In 1995, the United States provided 50,000 tons of heavy oil to North Korea. After that the United States provided 500,000 tons of heavy oil annually, though with delays in 1997 and 1998.[16]

However, in light of North Korea's acknowledgement in October 2002 that it had a uranium enrichment program,[17] the KEDO Executive Board decided in the following month that delivery of heavy fuel oil would be suspended and that future shipments would be dictated by North Korea's willingness to dismantle the program.[18] In May 2006, the Executive Board of KEDO decided to terminate the LWR project.

Based on the Agreed Framework, North Korea was to receive the LWRs and the heavy fuel oil, but at considerable cost. North Korea

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[15] For details of KEDO activities, see KEDO homepage at http://www.kedo.org.

[16] David Albright and Kevin O'Neill (eds.), *Solving the North Korean Nuclear Puzzle* (Washington, DC: The Institute for Science and International Security, 2000), pp. 32-39 and pp. 42-44.

[17] "North Korean Nuclear Program," Press Statement, Richard Boucher, Spokesman, US Department of State, Washington, DC, October 16, 2002.

[18] "KEDO Executive Board Meeting Concludes," *KEDO News*, November 14, 2002.

agreed to give up its plutonium program. In exchange for the acquisition of the LWRs, North Korea froze its graphite-moderated reactors and related reprocessing facilities, and would have to dismantle them when "a significant portion of the LWR project is completed, but before delivery of key nuclear components."

The Action Plan has two phases - the 60-day initial phase and the open-ended "next" phase. In the initial stage, North Korea will "shut down and seal" the Yongbyon nuclear facility, including the reprocessing facility, and invite back IAEA personnel to conduct monitoring and verifications within 60 days. In return, the other parties of the talks will provide emergency energy assistance equivalent to 50,000 tons of heavy fuel oil (HFO) to North Korea. In the next phase, North Korea will provide a complete declaration of all nuclear programs and disable all existing nuclear facilities. In return, the other parties will provide economic, energy and humanitarian assistance up to the equivalent of 950,000 tons of HFO. However, the timing and the details of the nuclear "disablement" and the provision of assistance are not specified, making it likely that the parties will disagree over how to interpret the words in the Action Plan.

Peace Agreement and Security Assurances

North Korea first proposed the conclusion of a peace agreement bilaterally with the United States in 1974. It then proposed in 1984 the conclusion of a peace agreement with the United States concurrently with the conclusion of a nonaggression agreement with South Korea. In 1992 North Korea pledged to "endeavor to transform the present state of armistice into a firm state of peace" between the two Koreas in the North-South Basic Agreement. Then, North Korea started again in 1993 to call on the United States to bilaterally conclude a peace agreement on the basis that a "nonaggression agreement" had already been concluded with South Korea under the

name of the Basic Agreement.

In the Agreed Framework, the United States did not accept even the mention of a peace agreement. North Korea's renewed effort to pursue the conclusion of a peace agreement with the United States was not successful. Instead, North Korea obtained "formal assurances" against the threat or use of nuclear weapons by the United States. The North Koreans regarded this provision as highly important. When they proposed the conclusion of "nonaggression treaty" with the United States in October 2002, they reiterated the American obligation to "give formal assurances to the DPRK against the threat or use of nuclear weapons."[19] The North Koreans seemed to have been concerned about a March 2002 media report of the US decision to consider developing earth-penetrating nuclear weapons to be used against nations armed with weapons of mass destruction, including North Korea.[20]

The Action Plan combined with its base document - the September 19 Joint Statement - marked two steps forward for North Korea. First, in the Joint Statement, the United States affirmed "it has no nuclear weapons on the Korean peninsula and has no intention to attack or invade the DPRK with nuclear or conventional weapons." This was one big step forward for North Korea since the Agreed Framework provided negative "nuclear" security assurances only, and did not provide "conventional" security assurances. Second, the Joint Statement called for the "directly related parties" to negotiate a "permanent peace regime" on the Korean peninsula, and the Action Plan used the same expression. Indeed this is an open-ended commitment without any target date, and the nature of the "permanent peace regime" may not necessarily be what the North Koreans have

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[19] "Conclusion of nonaggression treaty between DPRK and US called for," *KCNA*, October 25, 2002.

[20] Michael R. Gordon, "US Nuclear Plan Sees New Targets and New Weapons," *New York Times*, March 10, 2002.

been calling for. But it is at least more likely than before that the parties can create a new peace regime, through which North Korea would have a better chance of normalizing relations with the United States.

Normalization of Relations with the United States

The Agreed Framework provided that the United States and the DPRK would "move toward full normalization of political and economic relations." On this point, the Agreed Framework discussed reduction in barriers to trade and investment, opening of liaison offices in each other's capital, and upgrading of bilateral relations to the Ambassadorial level.

The Action Plan provided that the United States and North Korea would start bilateral talks toward full diplomatic relations in the initial phase. Moreover, the United States promised that it would begin the "process of removing the designation of the DPRK as a state-sponsor of terrorism" and advance the "process of terminating the application of the Trading with the Enemy Act" with respect to the DPRK." Again, this is an open-ended commitment on the part of the United States. However, given the fact that unless North Korea is removed from the list of state sponsors of terrorism, substantial improvement in US-DPRK relations would be legally impossible, and the beginning of these processes was important for North Korea.

What was Achieved and What was Not?

What can we say about the policy objectives that the North Koreans spelt out in the two crises and what they obtained in the two different agreements? In October 1994, North Korea obtained one solid "yes" and two half "yes" to their stated goals. In the Agreed Framework, the United States pledged to provide North Korea with LWRs, offered assurances against the threat or use of nuclear

weapons, and gave general agreement for normalization of diplomatic relations between the two countries. However, it did not agree to conclude peace agreement (or treaty) with North Korea, achieve complete normalization of diplomatic relations and "insure respect for each other's sovereignty and non-interference in each other's internal affairs," or take balanced policies toward North and South Korea.

In September 2005 and February 2006, North Korea obtained half "yes" to three of the demands that it made in October 2002. The United States did not conclude a nonaggression treaty with North Korea, but it affirmed that it had no intention to attack or invade the DPRK with nuclear or conventional weapons. The United States did not decide to establish diplomatic relations with North Korea, but it pledged to start bilateral talks with North Korea aimed at moving toward full diplomatic relations, and begin the necessary process to that end. The United States did not guarantee economic cooperation between North Korea and Japan, and between the two Koreas, nor did it promise to compensate for the "loss of electricity" caused by the delayed provision of LWRs and complete their construction. The United States together with other parties promised to provide assistance equivalent to 50,000 tons of HFO within a relatively short period of time and another 950,000 tons of HFO equivalent in the long run.

Conclusion

Given the comparison between the Agreed Framework and the Action Plan, we can draw several preliminary conclusions. First, the Action Plan has smaller substantive ingredients than the Agreed Framework. With regard to North Korea's nuclear facilities, both agreements are expected to do more or less the same: freeze them. However, the Action Plan has no specific target date for eventual

dismantlement (or disablement) of the nuclear facilities on the one hand, and on the other hand, North Korea is not getting nearly as much real material benefit in return as in the past. The Agreed Framework offered North Korea annual provision of 500,000 tons of HFO for about nine years, which would have amounted to 4.5 million tons of HFO. The Action Plan pledged only 1 million, and even that without specific timeframe. The Joint Statement mentioned the possible provision of LWRs to North Korea, but this idea was dropped in the Action Plan. In a way, this disadvantage to North Korea was offset by the fact that its nuclear development is more advanced now than 12 years ago. North Korea had the potential capacity for one or two nuclear devices in 1994. Now it has the potential capacity for 6-13 bombs. There was no provision on the canning of the spent fuel in the Action Plan because it was no longer an option.

Second, the Action Plan has some largely symbolic but potentially more important new elements than the Agreed Framework. While the Agreed Framework provided North Korea with negative nuclear security assurances, the Joint Statement provided more comprehensive security assurances. Although the Action Plan did not talk about technical issues such as reduction in barriers to trade and investment, and the opening of liaison offices as in the Agreed Framework, it addressed more important issues of eliminating legal obstacles for US-DPRK normalization. It also called for establishing a "permanent peace regime," which in the long run might pave the way for the US-DPRK normalization. Moreover, in the Action Plan, Japan and North Korea agreed to start normalization talks even though the short-term prospect for positive development is not very good.

Third, the Action Plan is a more open-ended commitment than the Agreed Framework. The target date of 2003 in the Agreed Framework was not a binding provision. But the Agreed Framework at least had a target date. The Agreed Framework had more deadlines and target dates than the Action Plan. The Agreed Framework had

"[a]s soon as possible after the date of this document," "within one month," "within three months," "[u]pon conclusion of the supply contract," "within six months," "[d]uring the LWR construction," "[w]hen a significant portion of the LWR project is completed, but before delivery of key nuclear components," and "a target date of 2003." The Action Plan had only "March 19, 2007," "within next 30 days," "within next 60 days," and the open-ended "next phase."

Finally, the Action Plan has a larger number of signatories. While the Agreed Framework was a bilateral document signed by the United States and North Korea, six countries signed the Action Plan. This is significant because, at least theoretically, more countries are directly committed to the document and, therefore, more obliged to share burden. It means that there will be a number of different ways of sharing the burden in implementing the Plan. For now, what is most likely is that while the United States and Japan will shoulder less material and financial burden than under the Agreed Framework, China and Russia will be asked to do more. And South Korea is willing to play at least as important a role as it did under the Agreed Framework.

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North Korea's Nuclear Issue: Beyond the February 13 Agreement

Tae-Hwan Kwak

Abstract

The six-party nuclear talks which began in August 2003 have produced the September 19, 2005 and the February 13, 2007 agreements for denuclearizing the Korean peninsula. This article analyzes and evaluates the two agreements and proposes a three-phase roadmap for the Korean peninsula denuclearization. Although the 9.19 agreement included only general terms of principles for designing a detailed roadmap for denuclearizing the Korean peninsula, it marked the first specific agreement among the six parties. The Feb. 13 initial actions agreement was a first step toward implementing the 9.19 agreement in a phased manner in line with the principle of 'action for action.' The nuclear deal was made possible primarily because President Bush was willing to take a new flexible approach to reach a deal with North Korea. Based on initial actions, disablement, and dismantlement phases in the Korean peninsula nuclear disarmament process, the author proposes a three-phase roadmap for denuclearizing the Korean peninsula. North Korea's nuclear issue--a serious international issue as the most important obstacle to the Korean peace process--needs to be resolved peacefully through the six-party process. While the six-party process is the best means to resolve North Korea's nuclear issue, US-North Korea bilateral talks are necessary and essential for a peaceful resolution of North Korea's nuclear issue. There are a

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number of difficult key issues yet to be resolved at the six-party talks. Both US and North Korea's hard-line policies cannot resolve these issues peacefully and therefore, both sides need to be flexible about their respective positions with political will to make a compromise in order to eventually achieve the denuclearization of the Korean peninsula.

Keywords: September 19 Joint Statement, February 13 nuclear deal, proposed roadmap for denuclearization, HEU, BDA

Introduction

North Korea's alleged admission of a highly enriched uranium program sparked the second nuclear crisis on the Korean peninsula. The Democratic People's Republic of Korea (DPRK or North Korea) officially announced on February 10, 2005 that it had nuclear weapons, and tested its first nuclear weapon on October 9, 2006. It is estimated that North Korea already has six or seven nuclear devices.

The North Korean nuclear issue—a serious international issue as the most important obstacle to the Korean peace process—needs to be resolved peacefully through the six-party process. This paper argues that while the six-party process is the best means to resolve the North Korean nuclear issue, US-DPRK bilateral talks are equally important to a peaceful and diplomatic resolution of North Korea's nuclear issue. Both US and North Korea's hard-line policies cannot resolve the nuclear issue peacefully. Therefore, both sides need to be flexible about their respective positions with political will to make a compromise.

This article analyzes and evaluates international efforts to implement the September 19, 2005 joint statement (hereafter as 9.19 joint statement or agreement) and the February 13, 2007 agreement (hereafter as 2.13 agreement) for resolving the North Korean nuclear issue, and proposes a three-phase roadmap for denuclearizing the Korean peninsula based on the two international agreements.

The September 19 Agreement for Denuclearizing the Korean Peninsula

The six nations at the second session of the fourth round of the Six-Party Talks held in Beijing on September 13-19, 2005 signed a joint statement of principles for designing a detailed roadmap for denuclearizing the Korean peninsula. Although the accord included only general terms of principles, it marked the first specific agreement since the Six-Party Talks began in August 2003. It was designed to serve as the basis for further talks on the timing of North Korea's dismantlement of its nuclear weapons programs and the corresponding provision of economic aid and diplomatic relations and other incentives for the DPRK.[1]

The joint statement stated, "the DPRK committed abandoning all nuclear weapons and existing nuclear programs and returning at an early date to the treaty on the non-proliferation of nuclear weapons (NPT) and to International Atomic Energy Agency (IAEA) safeguards." However, the agreement was vague at best, and did not specify anything about when or under what conditions the DPRK would dismantle all of its nuclear programs, reenter the NPT and allow IAEA inspections.

The issue of a light-water nuclear reactor (LWR) was hotly discussed during the September 2005 talks. China as a mediator played a key role in reaching this agreement. The agreement was based on a compromise proposed by China to resolve the LWR issue: the DPRK would be accorded the right to peaceful nuclear energy in principle, but only after dismantling its nuclear weapons programs and rejoining the UN nuclear inspection regime and the NPT.

The Chinese compromise proposal was introduced after it became

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[1] See the September 19, 2005 Joint Statement at http://www.state.gov/r/pa/prs/ps/2005/53490.htm.

apparent that North Korea would not accept an earlier draft agreement with no mention of its demand for LWR as part of any accord on abandoning its nuclear weapons programs. The agreement said, "the DPRK stated that it has the right to peaceful uses of nuclear energy. The other parties expressed their respect and agreed to discuss at an appropriate time the subject of the provision of a light-water reactor to the DPRK."[2]

The Bush administration dropped its opposition to the DPRK receiving a LWR in the future, showing a softening of its hard-line position, and President Bush finally approved the 9.19 joint statement. Chief US negotiator Hill said that the administration did not want to see any mention of providing North Korea with LWR in the joint statement. But the Chinese included it. To break the impasse, US Secretary of State Rice suggested that each country would issue separate statements describing their understanding of the deal with a specificity that is not in the agreement itself. The ROK and Japan went along with the idea, but Russia and China remained vague about it.[3]

There was no mention about the highly enriched uranium (HEU) program, which sparked the second nuclear crisis. The agreement does not explicitly address the issue of the HEU program. The DPRK still denies having one, despite growing evidence that it at least tried to develop HEU-based bomb fuel with Pakistan's assistance. However, the HEU program was covered by the pledge to dismantle "all nuclear weapons and existing nuclear programs" and by a separate reference to the 1992 Inter-Korean Joint Declaration on the Korean Peninsula Denuclearization, which prohibited uranium enrichment. But the accord did not require the DPRK to confess the existence of the HEU

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[2] Ibid.

[3] Joseph Kahn and David E. Sanger, "US-Korean Deal on Arms Leaves Key Points Open," *New York Times*, September 20, 2005; Glenn Kessler and Edward Cody, "N. Korea, US Gave Ground to Make Deal," *Washington Post*, September 20, 2005, A01.

program. It means that unless Pyongyang admits to the HEU program in a declaration of all nuclear facilities, IAEA inspectors will have to uncover the uranium program in an adversarial way. Moreover, the joint statement did not mention verification procedures either. Regarding the timing of the provision of LWR to North Korea, Secretary of State Rice argued that the wording of the agreement implied that the DPRK would disarm first. "At an appropriate time we are prepared to discuss-discuss" the idea of building a nuclear reactor, she said. She said several times that the discussion would not even begin until North Korea dismantled its weapons programs.[4]

The BDA Issue: Key Obstacle to the Progress of the Six-Party Talks

The first session of the fifth round of the Six-Party Talks was held on November 9-11, 2005, in order to agree on a roadmap for implementing the 9.19 joint agreement, but it ended without any progress. The Banco Delta Asia (BDA) issue was a main reason for a failure of the first session of the fifth round of Six-Party Talks. The BDA issue refers to Washington's freeze of $24 million in North Korean accounts at BDA in September 2005. The United States alleged that North Korea's illegal funds were raised from counterfeiting, gold-smuggling, drug trafficking, and missile exports. The US argued that the BDA was used for the North's money laundering and distribution.[5]

The stalled Six-Party Talks resumed when the US accepted North Korea's proposal to discuss the BDA issue in December 2006

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[4] David Sanger, "Yes, Parallel Tracks to North, but Parallel Tracks Don't Meet," *New York Times*, September 20, 2005.

[5] For detailed analysis of the BDA issue, see Tae-Hwan Kwak and Seung-Ho Joo, "The US Financial Sanctions Against North Korea," paper presented at the 48th annual convention of the International Studies Association, Chicago, Illinois, Feb. 28-March 3, 2007.

after its 13-months boycott of the talks. From the first day of the second session of the fifth round of six-party talks, however, the US and North Korea showed a big difference in views. North Korea's Trade Bank President Oh Kwang-chul and Deputy Assistant Secretary of Treasury Daniel Glazer had two-day working-level meetings in Beijing to discuss the BDA issue within the six-party framework. In the meantime, The DPRK made an effort to resolve the BDA issue by enacting a law prohibiting money laundering. The ROK National Intelligence Service on February 20, 2007 confirmed that the standing committee of the DPRK's Supreme People's Assembly adopted the legislation in October 2006 to ban financial transactions involving illegal earnings.[6]

North Korea's Ballistic Missile and Nuclear Tests

The DPRK conducted its ballistic missile tests in July 2006 and its first nuclear test in October 2006, perhaps to induce the United States to be flexible about the BDA issue and to come to direct bilateral talks with North Korea. The US, Japan, South Korea, China, and Russia strongly urged the DPRK not to test-fire a long-range ballistic missile. But on July 5, 2006, the DPRK shocked the world by launching seven missiles, including an unsuccessful launch of its Taepodong 2 long-range missile. The short- and medium-range missiles were successfully launched. The DPRK held that the launchings of the seven missiles had been "routine military exercises." It declared that it would continue to test-fire missiles. Thus, the DPRK Foreign Ministry justified the missile tests that were "part of the routine military exercises staged by the KPA to increase the nation's military capacity for self-defence."[7] Some of American

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[6] Park Song-wu, "North Korea Enacts Law Against Money Laundering," *Korea Times*, February 20, 2007.

[7] "DPRK Foreign Ministry Spokesman on Its Missile Launches," *KCNA*, July 6,

leaders favored a preemptive strike on the North Korean missile sites if North Korea tested missiles, and others and the Bush administration opposed it.[8]

The North Korea's test launch of a long-range ballistic missile significantly had a negative impact on peace and stability in the Korean peninsula and Northeast Asia, US missile defense system (MD), the long-stalled six-party talks, Japan-DPRK relations, and US-DPRK relations, but it strengthened the US-Japan alliance.[9] The UN Security Council moved toward a vote on a resolution sanctioning North Korea for its missile launch despite dissent from China and Russia. Both nations resisted US pressure to take a get-tough approach to North Korea because it could fuel instability and jeopardize efforts to restart Six-Party Talks. Neither country, however, has threatened to use its veto power to block UN sanctions. Finally, the UN Security Council voted for its resolution 1695 sanctioning North Korea.[10] South Korea took some punitive measures against North Korea by rejecting the latter's proposal for military talks, made several days before the missile tests, and by holding off sending 500,000 tons of rice and 100,000 tons of fertilizer to North Korea.

The North's nuclear test on October 9, 2006 promptly triggered the adoption of a UN Security Council resolution 1718, aimed at punishing North Korea for its nuclear test by imposing economic

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2006, http://www.kcna.co.jp/index-e.htm (November 21, 2006).

[8] For details, see Ashton B. Carter and William J. Perry, "If Necessary, Strike and Destroy," *Washington Post*, June 22, 2006, A29; David E. Sanger, "Don't Shoot. We're Not Ready," *New York Times*, June 25, 2006; Glenn Kessler, "US Rejects Suggestion to Strike N. Korea Before It Fires Missile," *Washington Post*, June 23, 2006, A21; Charles L. "Jack" Pritchard, "No, Don't Blow It Up," *Washington Post*, June 23, 2006, A25.

[9] Joseph Coleman, "Missile Threat Strengthens US-Japan Ties," *Associate Press*, June 23, 2006.

[10] For details, see "Security Council Condemns Democratic People's Republic of Korea's Missile Launches, Unanimously Adopting Resolution 1695 (2006)," www.un.org/News/Press/docs/2006/sc8853.doc.htm (December 20, 2006).

sanctions on Pyongyang, thereby isolating deeply it from the international community.[11] The DPRK that rejected the resolution threatened "physical countermeasures" against any state that tried to enforce the UN sanctions.[12] The North Korean nuclear test failed to change US position on direct bilateral talks and instead put more pressure on Pyongyang through the UN Security Council Resolution.

Why did North Korea want to go nuclear? First, the survival of the Kim Jong Il regime is a top priority. The DPRK has repeatedly emphasized the buildup of its nuclear deterrent force against a US preemptive attack, while the US has again and again stated that it has no intention to attack it. Second, the North Korea's nuclear test is viewed as a bargaining chip to strengthen its negotiation position with Pyongyang conducted a nuclear test to put pressure on Washington to accept direct bilateral talks to find a way to lift financial sanctions against it. Using the brinkmanship tactics as in the past, Pyongyang attempted to force Washington to come to the negotiating table ahead of its midterm elections in November 2006.[13] Third, the DPRK wanted to enhance its international prestige as a nuclear power and revenge on the US for its malign neglect, just as the 1998 Indian and Pakistani nuclear tests elevated their international prestige as nuclear powers. President Bush's 2002 "axis of evil" speech, the US invasion of and subsequent quagmire in Iraq, the US military doctrine of preemptive attack and the fear of a possible US invasion may have all

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[11] For details, see "Resolution 1718 (2006) Adopted by the Security Council at its 5551st meeting, on October 14, 2006," http://daccessdds.un.org/doc/UNDOC/GEN/NO6?572/07/PDF/N0657207.pdf?OpenElement (November 21, 2006); John O'Neil and Norimitsu Onishi, "US Confirms Nuclear Claim by North Korea," *New York Times*, October 16, 2006.

[12] "DPRK Foreign Ministry Spokesman Totally Refutes UNSC 'Resolution'," *KCNA*, October 17, 2006, http://www.kcna.co.jp/index-e.htm (October 23, 2006).

[13] Sohn Suk-joo, "N. Korea's nuclear test threat targets US concessions," *Yonhap News*, October 3, 2006.

contributed to the Chairman Kim's decision to accelerate the nuclear development programs.

Efforts to Implement the 9.19 Agreement through the Six-Party Talks

The DPRK decided to return to the Six-Party Talks after a 13-month hiatus, partly because the US agreed to discuss the BDA issue at bilateral US-DPRK talks. The second session of the fifth round of the Six-Party Talks held in Beijing on December 18-22, 2006 went into recess without any breakthrough. During five days of the talks in Beijing, Pyongyang refused to address its nuclear weapons issue, but instead persistently demanded that US financial restrictions be lifted. As a result, the Six-Party Talks ended without any progress. But Chinese chief negotiator Wu Dawei stated all six participants reaffirmed the 9.19 joint agreement and pledged to "reconvene at the earliest opportunity."

DPRK chief negotiator Kim Kye-gwan said that the DPRK would not abandon its nuclear weapons until the United States gives up its "hostile" policy and drops financial sanctions. He also said, "the problem will be resolved when the hostile policy is changed to a policy of coexistence. I do not yet know whether the US is prepared to do that."[14] Thus, the DPRK refused to engage in negotiations on the nuclear issue until the BDA issue would be resolved.

US envoy Christopher Hill said the US financial curbs issue would be dealt with in discussions carried out in parallel with the Six-Party Talks. He said the Six-Party Talks should focus on dismantling North Korea's nuclear programs, stressing that "it's very important that we not focus on those financial issues but rather on the

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[14] "Before Talks, North Korea Accuses US of 'Hostile' Policy," *Reuters*, December 17, 2006.

central matter of denuclearizing the Korean peninsula."[15]

Hill made a new breakthrough US proposal to North Korea. The US had outlined a process of the North Korea's nuclear dismantlement plan in which Pyongyang at the initial stage would first freeze its nuclear program and allow IAEA inspections followed by North's voluntary declaration of its nuclear programs, verification measures and eventual dismantlement. In return, the US offered security guarantees, a peace treaty and normalization of relations as well as removal of Pyongyang from Washington's list of states sponsors of terrorism if it dismantles its nuclear weapons program.[16]

In short, the DPRK said it would be willing to halt operation of its main nuclear reactor and allow international inspectors "under the right conditions."[17] The DPRK made it clear that it would only discuss a freeze on nuclear weapon production programs, and that it would not discuss giving up nuclear weapons it has already built.

The First BDA Working-Group Talks in Beijing

The US argued that the financial issue had no direct relationship to the six-party nuclear talks. But North Korea's Trade Bank President Oh Kwang-chul and Deputy Assistant Secretary of Treasury Daniel Glazer had two-day working-group talks in Beijing for the first time to discuss the BDA issue within the six-party framework. Those sessions were useful, but did not resolve the financial standoff. There have been signs that the US might be willing to unlock part of the frozen $25 million funds.

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[15] Brian Rhoads, "US presses for real progress in N. Korea nuclear talks," *Reuters*, December 16, 2006.

[16] Kwang-Tae Kim, "South Korea Urges North to Mull US Proposal," *Associate Press*, January 10, 2007.

[17] "North Korea demands US lift financial restrictions before it will dismantle nuclear program," *Associated Press*, December 20, 2006.

After preliminary contacts in Beijing, the US and the DPRK decided to continue talks in Beijing in January 2007. But North Korean negotiators said the BDA issue must be resolved before they can begin official talks on implementing the September 2005 agreement. The BDA issue was a major interest for North Korea. The US and other participants believed they could go forward while the BDA issue was resolved on a parallel track. US chief negotiator Hill said that the North Korean delegates "did not have the instruction it needed to go forward."[18] The usefulness of continuing the Six-Party Talks was questioned, given North Korea's stance on the BDA issue, suggesting the six-party process could be scrapped after more than three years of inconclusive results.[19] Hill said, "we are disappointed that we were unable to reach any agreement," and "we still believe that diplomacy is the best way to solve this, and we believe in particular that the six-party process is the best way to solve this."[20]

Many wondered whether Chairman Kim Jong Il made his strategic decision to abandon nuclear weapons. It appears North Korea will not easily give up nuclear arsenal unless the US and the international community will meet Pyongyang's demands. DPRK envoy Kim Kye-gwan said that the US was using a carrot-and-stick approach to his government, adding "we are responding with dialogue and a shield, and with the shield we are saying we will further improve our deterrent."[21] North Korea's stand may signal the increased difficulty in persuading Pyongyang to give up its nuclear programs,

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[18] Edward Cody, "Nuclear Talks With N. Korea End in Failure, Six-Party Process Thrown Into Doubt," *Washington Post*, December 23, 2006, A12.

[19] For details of this round of the Six-Party Talks, see Joseph Kahn, "Talks End on North Korea's Nuclear Weapons," *New York Times*, December 23, 2006; Mitchell Landsberg, "N. Korea nuclear talks end with no resolution," *Los Angeles Times*, December 23, 2006.

[20] Mitchell Landsberg, "N. Korea nuclear talks end with no resolution," *Los Angeles Times*, December 23, 2006.

[21] Ibid.

now that it tested a nuclear device and declared itself a nuclear weapons state.

Hill-Kim Accord in Berlin

Hill and Kim held three-day US-DPRK bilateral talks in Berlin on January 16-18, 2007 at the DPRK's request. The bilateral talks in Berlin were significant, long overdue, and the first outside the framework of six-party nuclear talks in Beijing. The talks made mutually satisfying progress for the next round of the Six-Party Talks. Hill said, "it was a substantive discussion."[22] He also said on January 20 in Tokyo that the US and the DPRK agreed to hold the next round of the Six-Party Talks and also agreed to the US-DPRK bilateral working-level talks to discuss the financial issue.[23] The agreement would mark a shift in Pyongyang's long-held position: previously, it said it would not discuss nuclear disarmament unless the US first lifted financial restrictions on North Korea. US officials indicated that some of the $25 million North Korean accounts frozen at BDA would be released.[24]

A spokesman for the DPRK Foreign Ministry also said, "a certain agreement was reached there." He continued, "we paid attention to the direct dialogue held by the DPRK and the US in a bid to settle knotty problems in resolving the nuclear issue."[25] Hill suggested those roadblocks to the Six-Party Talks would be cleared

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[22] Mark Landler and Thom Shanker, "North Korea and US Envoys Meet in Berlin," *New York Times*, January 18, 2007.

[23] Hans Greimel, "US, N. Korea Agree to Hold Nuke Talks," *Associate Press*, January 20, 2007.

[24] Carol Giacomo, "US said considering release of some N. Korea funds, " *Reuters*, January 16, 2007; Louis Charbonneau, "US and N. Korea pursue nuclear talks," *Reuters*, January 17, 2007.

[25] "Spokesman for DPRK Foreign Ministry on Results of DPRK-US Talks," *KCNA*, January 19, 2007, http://www.kcna.co.jp/index-e.htm (January 20, 2007).

after his consultations in Berlin with Kim. Kim said in Beijing on January 23, 2007 that he was satisfied with the Berlin Talks and he had gotten 'positive impressions' from Hill that Washington could change its stance toward the North.[26]

Hill and Kim reached the compromise agreement. First, Hill and Kim agreed in principle to hold "parallel talks" on the next round of the Six-Party Talks and the second round of US-DPRK Financial Working-Group Talks.[27] Second, Hill and Kim reached an agreement in which the DPRK would freeze operations at a reactor in Yongbyon, and allow on-site monitoring by the IAEA as the first steps to abandoning its nuclear program in exchange for energy aid, releasing legitimate funds of the frozen $25 million in North Korean accounts, and economic aid.[28] It was reported that the US gave a positive response to North Korea's demand that Washington consider transforming the Korean armistice into a peace treaty as soon as it would start implementing the initial measures.[29]

The US and North Korea appeared to make an agreement for resolving the BDA issue. South Korea asked the US to consider unfreezing at least five of North Korea's 50 accounts with the BDA. The US official said Washington agreed that the five accounts were evidently legitimate. Thus, the US considered unfreezing them to provide North Korea with a chance to start dismantling its nuclear program.[30]

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[26] "N. Korea Envoy Notes Movement in US Stance on Nuclear Weapons," *Associated Press*, January 23, 2007.

[27] *Kyodo News*, January 22, 2007.

[28] *Chosun Ilbo*, January 22, 2007.

[29] Ibid.

[30] "Seoul 'Asked US to Unfreeze N. Korean Accounts'," *Chosun Ilbo*, January 23, 2007.

The February 13 Initial Actions for the Implementation of the Joint Statement

The third session of the fifth round of the Six-Party Talks held on February 8-13 reached a dramatic breakthrough agreement. The nuclear deal on the February 13, 2007 initial actions was a first step toward implementing the 9.19 joint statement in a phased manner in line with the principle of 'action for action.'

The Gist of the February 13 Nuclear Deal

The followings are key points of the 2.13 agreement on "Initial Actions for the Implementation of the Joint Statement."[31] This action plan has two phases —the initial phase and the disablement phase—to implement the joint statement. First, at the initial phase, the DPRK must shut down and seal its main nuclear facilities at Yongbyon within 60 days. IAEA inspectors should be allowed to monitor and verify the process. In return, Pyongyang will get energy, food, and other aid worth 50,000 tons of heavy fuel oil.

Second, at the disablement phase, the DPRK must provide a complete list of its nuclear programs and disable all existing nuclear facilities. In return, the DPRK will get aid in corresponding steps worth 950,000 tons of heavy fuel oil or the equivalent in the form of economic or humanitarian aid, from China, the United States, ROK, and Russia—details of which will be addressed in working-group discussions.

Third, Washington and Pyongyang will begin bilateral talks to normalize their diplomatic relations and the US will begin the processes of removing North Korea from its designation as a

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[31] See full text of the February 13 Agreement on line at http://americancorners.or.kr/e-infousa/wwwh5668.html.

terror-sponsoring state and also ending US trade sanctions against the DPRK, but no deadline was set. Fourth, Tokyo will begin bilateral talks with Pyongyang to normalize their relations in accordance with the Pyongyang Declaration.

Fifth, after 60 days, foreign ministers of six nations will meet to confirm the implementation of the joint agreement and discuss security cooperation in Northeast Asia. The directly related parties (i.e., the US, China, and two Koreas) will hold a separate forum on negotiations for a permanent peace regime. Sixth, five working groups will be established to carry out the initial actions and implement the joint statement: denuclearization of the Korean peninsula chaired by China, normalization of US-DPRK relations, normalization of Japan-DPRK relations, economic and energy cooperation chaired by the ROK and Northeast Asia peace, and security cooperation chaired by Russia. Seventh, the sixth round of the Six-Party Talks will be held on March 19, 2007 to review action taken for 30 days and discuss actions to be taken for the next phase.

In short, at the initial phase, the deal requires the DPRK to shut down its Yongbyon reactor within 60 days, until April 14, 2007, in exchange for 50,000 tons of fuel oil or equivalent aid. After the 60-day period, the DPRK will receive another 950,000 tons of fuel oil, or equivalent aid at the disablement phase, when it takes further steps to disable its nuclear facilities.

Bush Administration's New Flexibility and Its Implications

The nuclear deal was made possible primarily because President Bush was willing to take a new flexible approach to reach a deal with North Korea.[32] Ever since the North Korea's second nuclear crisis

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[32] Glenn Kessler and Edward Cody, "US Flexibility Credited in Nuclear Deal With North Korea," *Washington Post*, February 14, 2007, A11.

took place in 2002, the Bush administration had insisted that the DPRK should not be rewarded for its 'bad behavior.' However, after the 2006 November US congressional elections, hardliners in the Bush administration appeared considerably weakened, and pragmatic realists have prevailed.

The decision-making process in the Bush administration reportedly differed from the usual procedures in the nuclear deal case. Secretary of State Rice bypassed a usual policy review process to get approval of a deal directly from President Bush. Four key members—Secretary Rice, Assistant Secretary Chris Hill, National Security Adviser Stephen J. Hadley and President Bush himself were directly involved in the decision-making process when a deal with North Korea was reviewed after Hill and Kim engaged in negotiations in Berlin in January 2007. The usual procedures in the Bush administration were to review "the details though an interagency process that ordinarily would have brought in Vice President Dick Cheney's office, the Defense Department and aides at the White House and other agencies who had previously objected to rewarding North Korea before it gives up its weapons." But "it seemed the usual procedures were cut short."[33]

As a result, an attack on the deal came from neo-conservatives, starting with John R. Bolton who said that it was a "bad deal," and Under Secretary of State for Arms Control and Disarmament Robert Joseph said that "the new agreement was no better, and perhaps worse, than one signed by President Clinton in 1994."[34] President Bush approved a deal with North Korea in Berlin, and Hill signed it in Berlin, although "a full six-party session was required to formalize the deal because the Bush administration was insisting on a multilateral

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[33] David Sanger and Thom Shanker, "Rice Is Said to Have Speeded North Korea Deal," *New York Times*, February 16, 2007.

[34] Ibid.

format to better enforce any agreement with the North."[35]

The Bush administration's new flexibility produced a deal with Pyongyang. Bush's decision was praiseworthy, realistic, and long overdue, and it finally contributed to a significant breakthrough at the Six-Party Talks. If President Bush had made such a decision during the first-term of his presidency, the denuclearization on the Korean peninsula would have been realized by now. The new deal is not open-ended: The DPRK will get no more than the one-time emergency energy supply equivalent to 50,000 tons of heavy fuel oil, unless it takes further action. This accord will be carried out through the six-party process. As the *Washington Post* editorial pointed out, "it is wrong to argue that the administration has simply reverted to the Clinton-era arrangement that it repudiated in 2002, and if it is rewarding North Korea's misbehavior, the bribe is a small one."[36]

The US-China-ROK trilateral cooperation at the third session of the talks was essential to the breakthrough deal. President Bush told Chinese President Hu Jintao that "it was now up to the leader of North Korea to live up to the commitments made in order to create a better life for the North Korean people."[37] President Hu stressed that China was "willing to maintain close communication and cooperation with the United States and other parties concerned ... to play a constructive role" in the denuclearization process. He also said, "a full implementation of the document is not only of great significance for safeguarding peace and stability on the Korean peninsula and in Northeast Asia, but also serves the common interests of all parties concerned." [38]

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[35] Ibid.

[36] WP Editorial, "Nuclear Bargaining," *Washington Post*, February 14, 2007, A18.

[37] Steve Holland, "Bush seeks to tamp down revolt on North Korea deal," *Reuters*, February 15, 2007.

[38] "China Intent on Making Nuke Deal Happen," *Associated Press*, February 16, 2007.

Key Issues yet to be Resolved

The breakthrough agreement left at the next phase dealing with key issues such as the declaration of all North Korea's nuclear programs, including the amount of plutonium and highly enriched uranium (HEU), the disablement of the nuclear facilities, and nuclear weapons. Let us take a brief look at the more difficult issues yet to be resolved hereafter.

First of all, will North Korea and five other participants implement the nuclear deal? As Chief US negotiator Christopher Hill cautioned that difficult work remained to implement the accord with the DPRK,[39] there will be the long, afar, and bumpy road ahead. Shutdown, sealing, and disabling of North Korea's nuclear facilities will not necessarily lead to a complete, verifiable, and irreversible dismantlement of all nuclear programs, including the nuclear weapons, which will be a more difficult and long-term issue yet to be negotiated.

The North Korean Central News Agency reported, perhaps intentionally, that the 2.13 agreement requires only a temporary suspension of North Korea's nuclear facilities. It said, "at the talks the parties decided to offer economic and energy aid equivalent to one million tons of heavy fuel oil in connection with the DPRK's temporary suspension of the operation of its nuclear facilities." [40] This statement deliberately misled the North Korean people. Chris Hill dismissed this report, saying, "they [North Koreans] do it for various domestic reasons." Hill insisted that if the North Koreans cheated on the agreement, "we will know that pretty soon" and "they would be reneging on a commitment to China and four other countries, not just the United States."[41] In the meantime, Kim Kye-gwan told the

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[39] Linsay Beck, "Hard work yet to come on North Korea nuclear deal," *Reuters*, February 13, 2007.

[40] "Third Phase of Fifth Round of Six-Party Talks Held," *KCNA*, February 13, 2007 online at http://kcna.co.jp/index-e.htm.

Russian ambassador to Pyongyang and a senior diplomat at the Chinese embassy at Pyongyang's airport, upon his return to Pyongyang from Beijing on February 15, 2007 that the DPRK was ready to implement the 2.13 agreement on the initial steps toward denuclearization. He expressed, "the talks went well."[42]

Second, the landmark deal has no mention about North Korea's declared nuclear weapons, estimated to be as many as 10 bombs from a stockpile of perhaps 50 kilograms of plutonium it has produced. This key issue remains unresolved. According to the action plan deal, at the next phase, the DPRK must permanently disable the Yongbyon facilities and provide a "complete declaration of all nuclear programs" in exchange for the equivalent of 950,000 tons of fuel oil. The HEU program the DPRK has denied is a vexing issue yet to be resolved. ROK National Intelligence Service Director Kim Man-bok said that the DPRK "has a clandestine uranium-enriching program."[43] The US initially wanted to include North Korea's abandonment of uranium enrichment in a draft agreement China proposed at the Six-Party Talks, but agreed to drop it after North Korea rejected the idea.[44] The uranium issue is expected to resurface during the second phase. The six-party nuclear talks will eventually address two issues of North Korea's nuclear arsenal and the HEU program.

Third, the DPRK at the initial actions phase must meet the disclosure requirements. The nuclear disarmament deal requires the DPRK to submit a report to the IAEA a list of all its nuclear programs,

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[41] Steve Holland, "Bush seeks to tamp down revolt on North Korea deal," *Reuters*, February 15, 2007.

[42] *Kyodo News*, February 15, 2007; "Report: North Korea Ready to Disarm," *Associated Press*, February 15, 2007.

[43] "S. Korea believes N. Korea has uranium-enriching program: intelligence chief," *Yonhap News*, February 20, 2007; Park Song-wu, "North Korea Enacts Law Against Money Laundering," *Korea Times*, February 20, 2007.

[44] "US gave in to N. Korea over uranium enrichment plan: source," *Kyodo News*, February 19, 2007.

including uranium-based ones. Will it honestly disclose the amount of plutonium it has produced? Will it admit to the HEU program? These are some of many questions, including verification, to be addressed at the working-group meetings. Despite all the weaknesses contained in the breakthrough deal, it is still a good deal and must be a first step toward the North Korea's denuclearization.

Chairman Kim Jong Il appears to have made a strategic, yet bold decision to give up nuclear ambitions considering North Korean domestic and international factors from the long-term perspectives. I do agree with Carlin and Lewis when they argued that "denuclearization, if still achievable, can come only when North Korea sees its strategic problem solved, and that, in its view, can happen only when relations with the United States improve."[45] The initial action plan in the agreement will be expected to pave the way to the US-DPRK normalization of diplomatic relations and it is the start of the Korean denuclearization process.

The First US-DPRK Working-Group Talks on the Normalization of Relations

The United States and the DPRK had the first working-group meeting on March 5-6, 2007 in New York to discuss steps toward establishing diplomatic relations. Nobody expected any breakthrough, but the talks marked the beginning of a long and bumpy road to establishing diplomatic relations between the two. A US-DPRK working group on the normalization of relations was set up within 30 days under the 2.13 agreement. The US and North Korea expressed an optimistic view about their two-day meetings that lasted more than eight hours. Assistant Secretary of State Hill said, "these were very

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[45] Robert Carlin and John W. Lewis, "What North Korea Really Want," *Washington Post*, January 27, 2007, A19.

good, very businesslike, very comprehensive discussions," and "for now, I think we feel we're on the right track." Hill also said "there was a sense of optimism on both sides that we will get through this 60-day period and we will achieve all of our objectives." Vice Foreign Minister Kim Kye Gwan, was also upbeat, saying "the atmosphere was very good, constructive, and serious."[46]

Hill and Kim discussed the political and legal obstacles to the normalization of bilateral relations, including the BDA and HEU issues. The US wanted the DPRK to eliminate all nuclear weapons and any uranium enrichment programs before normalizing relations. Hill said North Korea spent a lot of money buying centrifuges, manuals, aluminum tubes, and other equipment for what appears to be a Pakistani-designed program to enrich uranium, and "they need to come clean on it" and ultimately abandon it. He made it clear that North Korea cannot denuclearize if highly enriched uranium "is still out there." Hill said he and Kim agreed to resolve the matter before North Korea makes its final nuclear declaration and decided that US and North Korean experts will meet in order "to get to the bottom of this matter."[47]

The United States expected North Korea to fully account for its program to enrich uranium for nuclear weapons as a part of the February 13 deal. US Deputy Secretary of State John Negroponte said during a visit to Seoul, "I have no doubt that North Korea has had a highly enriched uranium program," and "we would expect that when North Korea makes its declaration of nuclear facilities that would be one of the issues addressed in North Korea's declaration."[48] Hill also said, "they [North Koreans] need to come clean on it, explain what

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[46] Paul Eckert, "US, North Korea deal on track: official," *Reuters*, March 6, 2007.

[47] Edith M. Lederer, "US, N. Korea Optimistic After Talks," *Associate Press*, March 7, 2007.

[48] Jon Herskovitz, "US calls on North Korea to account for uranium," *Reuters*, March 6, 2007.

they have been doing, why they have been doing it, and ultimately they would need to abandon it."[49] Thus, the DPRK has no choice but to declare the existence of the HEU program.

The US told North Korea that Washington had its doubts about how much progress North Korea had made in enriching uranium. Joseph DeTrani, North Korea Coordinator for the Director of National Intelligence, told Congress that there was only moderate confidence that the equipment North Korea bought had been used. This suggestion may save North Korean face to turn over its equipment with an explanation that an effort to produce energy, rather than a nuclear bomb, did not work out.[50]

Hill and Kim also had in-depth talks on two key issues—US's designation of North Korea as a state sponsor of terrorism and US trade sanctions against it under the Trading with the Enemy Act, which would open the way for a normal trading relationship with the US for the first time. They also discussed a Korean peninsula peace regime issue to end the Korean War. The first meeting of the Japan-DPRK working group on the normalization of relations held on March 7-8 in Hanoi failed because of the Japan's demand that the DPRK resolve the issue of its abductions of Japanese citizens.

Delayed Transfer of the BDA Funds and Its Implications for the 2.13 Deal

The first session of the sixth round of the six-party talks was held on March 19-22, 2007 in Beijing to implement the February 13, 2007 agreement, but it ended abruptly with no progress after four days of

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[49] Warren Hoge, "US Presses North Korea Over Uranium," *New York Times*, March 7, 2007.

[50] David E. Sanger, "US to Offer North Korea Face-Saving Nuclear Plan," *New York Times*, March 5, 2007.

negotiations. The session failed because the $25 million frozen at BDA had not transferred to a North Korean account at the Bank of China. Throughout the session, the DPRK avoided discussing the 2.13 agreement to shut down its main nuclear reactor by April 14. Chinese Vice Minister Wu Dawei, Chairman of the Six-Party Talks, issued a brief statement saying "parties agreed to recess and will resume the talks at the earliest opportunity to continue to discuss and formulate an action plan for the next phase."[51] Thus, the sixth round of the Six-Party Talks stalled because North Korea insisted that it would not take part in talks unless it confirmed the transfer of the $25 million to its account in China.

Problems with the BDA Transfer

The BDA transfer issue was a key obstacle to the Six-Party Talks to discuss the "disablement" phase in the 2.13 agreement. Why was the funds transfer delayed? There were technical and procedural issues with the funds transfer. There was a problem in getting all the account holders to fill out forms and sign on the dotted line. There was confusion about how North Korea would get it and how much of the $25 million the North was entitled to have. The Macao monetary authority said it would handle all money according to instructions from the account holders. However, banking analysts said it was unlikely that all account holders would agree to have their money transferred to an account they could not control at the Bank of China.[52] For instance, one account holder, Daedong Credit Bank, North Korea's only foreign-managed bank, which reportedly holds $7

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[51] Bo-Mi Lim, "Nuclear Talks Breakdown, No Restart Date Set," *Associated Press*, March 22, 2007; Anna Fifield, Andrew Yeh, and Robin Kwong, "North Korea halts arms talks over frozen funds," *Financial Times*, March 22, 2007.

[52] David Lague, "China Ends North Korea Talks Amid Delay in Return of Funds," *New York Times*, March 23, 2007.

million of $25 million frozen at BDA, reportedly threatened to sue the Chinese and the Macao authorities if the funds were transferred to an account. Further, the Bank of China was reluctant to receive a transfer of the illegal funds from BDA.

On March 25, Deputy Assistant Treasury Secretary Daniel Glaser flew back to Beijing to guarantee the Chinese bank and any banks in a third country that that there would be no problem if they received the North Korean funds. The US delegation assured Chinese banking authorities that Washington would not punish them for handling the North Korean funds.[53] The US delegation also met the North Korean officials to work out the transfer of funds to a North Korean account at the Bank of China.[54]

The Six-Party Talks remained stalled as the DPRK refused to participate in discussions on implementing initial steps of a Feb. 13 agreement until the transfer of $25 million from BDA was completed. When to hold the second session of the sixth round of the Six-Party Talks would be up to DPRK's reaction to the settlement of its frozen funds transfer issue. The Six-Party Talks could only move forward after the technical problems of the frozen funds were completely resolved. As of this writing on April 2, it appears that the timeline of implementing the initial actions of the 2.13 agreement may be delayed, and the next Six-Party Talks will be expected to resume soon after the DPRK confirms the funds in its account. With the BDA transfer issue resolved, the next Six-Party Talks will inch closer toward setting a timetable for implementing the 2.13 deal.

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[53] Scott McDonald, "US, China Discuss North Korea Frozen Funds," *Associated Press*, March 26, 2007.

[54] "US official meets North Koreans over funds Reuters," *Reuters*, March 27, 2007.

What is to be Done Beyond the February 13 Initial Actions Agreement?

The DPRK and other five participants at the next round of the Six-Party Talks will discuss detailed plans for implementing the 9.19 joint agreement and the 2.13 deal. Based on initial actions, disablement, and dismantlement phases in the 2.13 agreement, the author would like to propose a three-phase roadmap for denuclearizing the Korean peninsula.[55]

Phase 1: Preparation for Shutdown and Seal of North Korea's Nuclear Programs

As discussed above, the DPRK should make a complete declaration of all its nuclear programs and freeze all nuclear activities in order to make preparations for shutdown, disabling, and eventually dismantling of all nuclear weapons and existing nuclear programs in accordance with the initial action plan in the 2.13 deal. The DPRK must rejoin the NPT and allow the IAEA's special inspections of its declared nuclear facilities.

The HEU program will be a very hot issue. There are allegations that the DPRK has its own HEU program, but there is no hard evidence supporting the allegation.[56] The DPRK is responsible for first giving an account for what has happened to some twenty centrifuges reportedly provided by Dr. A. Q. Khan. And it is desirable that the

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[55] For an earlier version of the roadmap, see Tae-Hwan Kwak, "The Six-Party Nuclear Talks and the Korean Peninsula Peace Regime Initiative: A Framework for Implementation," (Chapter 2) in Tae-Hwan Kwak and Seung-Ho Joo (eds.), *The United States and the Korean Peninsula in the 21st Century* (Hampshire, England: Ashgate, 2006), pp.17-19, pp. 26-28.

[56] For a review of HEU program, see Bruce E. Bechtol, Jr., "Assessing the Present and Charting the Future of US-DPRK Relations: The Political Diplomatic Dimension of the Nuclear Confrontation," (Chapter 6) in Kwak and Joo (eds.), op. cit., pp.119-123.

DPRK must renounce its HEU program since it has denied the existence of the HEU program. Thus, North Korea must declare that it will not have it in the future. If the DPRK renounces its enriched uranium in a verifiable manner, the five other nations should discuss their economic assistance to the DPRK and the LWR issue with North Korea. The ROK should also discuss its promised supply of electricity to the DPRK. The five other nations should provide written security guarantees to the DPRK. All six nations should also discuss and agree to verification procedures. These measures should be simultaneously taken without preconditions.

A peace regime forum among the four parties (the US, China, and two Koreas) should be held at this stage to prepare for a declaration of the Korean War termination in the short-term and a peace treaty among the four in the long term in order to replace the 1953 Korean armistice agreement. President Bush stated at the US-ROK summit meeting in Hanoi in November 2006 that he would sign a declaration ending the Korean War with Chairman Kim Jong Il. This document will differ from a Korean peninsula peace treaty.[57] These two documents should be promoted in sequence, first a declaration of war termination and later a peace treaty. It is desirable that a declaration be signed by the four leaders at the four-nation summit meeting.

Phase 2: Disablement of Nuclear Facilities

The DPRK should implement the February 13 initial actions agreement on eventual dismantlement of nuclear weapons and nuclear facilities in a phased manner. The IAEA should inspect and verify disabled nuclear programs and North Korea's past nuclear

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[57] For a Korean peninsula peace regime building, see Tae-Hwan Kwak, "The Six-Party Nuclear Talks and the Korean Peninsula Peace Regime Initiative: A Framework for Implementation," (Chapter 2) in Kwak and Joo (eds.), op. cit.

activities. The five other nations and the DPRK should agree on a new construction of LWR or resumption of the defunct KEDO (Korean Peninsula Energy Development Organization) project at Sinpo in North Korea under new arrangements. At the same time, US-DPRK normalization and DPRK-Japan normalization talks should proceed. It is desirable that a six-party summit meeting be held at this phase. The four-party peace regime forum should continue discussing a peace treaty ending the Korean War.

Phase 3: Dismantlement of Nuclear Facilities and Conclusion of the "Six-Party's Korean Peninsula Denuclearization Guarantee Agreement"

Nuclear dismantlement will be at the third phase, during which the six parties should conclude a denuclearization guarantee agreement in which, institutional and legal arrangements for enforcement measures for the denuclearization on the Korean peninsula should be contained. The six participants should sign a multilateral agreement in which North Korea would completely dismantle its nuclear programs in exchange for multilateral security guarantees and economic cooperation. This agreement should be registered with the United Nations Secretariat. The construction of LWR should be under way, and massive economic assistance to North Korea will be provided, and US-DPRK and Japan-DPRK normalization agreements will be signed at this phase (see Table 1.).

In the final analysis, there will be a long and bumpy road ahead to a peaceful resolution of North Korea's nuclear issue. The US and the DPRK should continue cooperating through mutual cooperation and concessions to achieve the verifiable denuclearization of the Korean peninsula.

Concluding Remarks

The US and the DPRK need to make all efforts to implement the 2.13 nuclear agreement soon after the stalled BDA issue would be resolved through a political will. The BDA issue was a key obstacle to the Korean peninsula denuclearization process, and President Bush needs to make a "political decision" to resolve the BDA issue as he made a bold decision to release all the frozen $25 million North Korean accounts at BDA. Without making mutual concessions between the US and the DPRK, the BDA issue would not be resolved. If the DPRK will take the initiative in implementing the initial actions plan in the 2.13 agreement, then Washington will reciprocate it. With the resolution of the BDA issue, the Six-Party Talks will be able to move rapidly in the direction of implementing the denuclearization of the Korean peninsula. Thus, Chairman Kim must make a bold decision to commit again to dismantlement of all nuclear weapons programs.

The DPRK and five other nations need to sincerely take the initial steps for building mutual confidence between the US and the DPRK that will be a firm foundation of peace and stability on the Korean peninsula and in Northeast Asia.

Table 1. Author's Roadmap for Denuclearization of Korean Peninsula

Objectives and Goals of Different Stages \ Concerned Parties		North Korea (NK)	International Community (5 Parties +)
Three-phase roadmap for verifiable denuclearization of Korean peninsula	1st Phase: Preparation phase (Disclosure of all nuclear programs, including HEU)	• Shutdown of all nuclear facilities • Abandoning of all nuclear weapons/existing nuclear programs • Return to NPT/ IAEA's monitoring/inspections • Renunciation of HEU • Verification procedures agreed • Inter-Korean summit meeting • Four-party peace regime forum held	• Fuel oil supply to NK (5 parties) discussed • Economic aid to NK discussed • Written security guarantees by five parties • Verification procedures agreed • ROK's supply of electricity discussed • LWR provision discussed • Four-party peace regime forum held
	2nd Phase: Disablement of nuclear facilities	• Disablement began • IAEA inspections of all nuclear facilities • IAEA's inspections on past nuclear activities • Six-nation summit meeting • Declaration of Korean War termination at the four-nation summit	• Resumption of suspended LWR or new construction of LWR • NK-US, NK-Japan normalization talks began • Six-nation summit meeting • Declaration of Korean War termination at the four-nation summit
	3rd Phase: Dismantlement/ Conclusion of Korean peninsula denuclearization guarantee agreement	• End of nuclear dismantlement • LWR nuclear reactor construction under way • Korean peninsula denuclearization guarantee agreement registered with UN Secretariat • A Korean peninsula peace treaty signed	• LWR nuclear reactor construction under way • Grand economic assistance program to NK • US-NK, Japan-NK normalization agreement signed • Korean peninsula denuclearization agreement registered with UN Secretariat • A Korean peninsula peace treaty signed

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*A Prospect for US-North Korean Relations beyond the BDA Issue**

*Kang Choi & Joon-Sung Park***

Abstract

The February 13 Agreement has provided us not only opportunities but also challenges. We have just entered into a long, possibly rocky, process of denuclearizing North Korea. In order to keep the momentum of the denuclearizing process, several things need to be kept in focus. First of all, it is quite essential to pay keen attention to domestic political dynamics of the United States and North Korea, that is, how domestic political dynamics are related to the issue of North Korea as a whole and the North Korean nuclear problem in particular. Second, we should be more concerned with and keenly aware of changes in regional setting and strategic alignment, most importantly the US-China relations. The United States has found that Chinese cooperation is essential in solving the North Korean problem and China has been cooperative. Many more consultations are going on between the United States and China. To solve North Korean problems well beyond nuclear ones, South Korea needs to find ways to utilize the unfolding US-China cooperative relations and to be part of it. So while maintaining and strengthening South Korea-US-Japan TCOG relations, it would be worth seeking a new trilateral cooperation, or at least

* Views and ideas, contained in this paper, are entirely those of the authors.

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consultation, mechanism among South Korea, the United States and China. Thirdly, it is necessary to look beyond the current North Korean nuclear problem and to see not only the trees but also the forest since the North Korean nuclear problems are related to more fundamental North Korean problems. North Korean nuclear problem is a symptom of North Korean problems and one of many issues we should tackle in the process of realizing true peace and stability on the Korean peninsula. Last, but not least, as we have seen in the BDA case, technical details matter. Especially, to realize a swift and fast implementation of denuclearization, much more detailed homework should be done in advance. And real technical expertise is required. Meetings and consultations among technical experts are essential, and, through this, it would be possible to breed common understanding and common language, that would back up the political determination in real terms. To keep the momentum of the Six-Party Talks going and realize the denuclearization of North Korea, much more comprehensive understanding and detailed/focused approaches are required. For that purpose, South Korea should intensify its consultation and coordination with the US and seek all cooperation it can find in other participating countries, especially China.

Keywords: Six-Party Talks, North Korean nuclear problem, US-DPRK relations, BDA issue, peace regime

Introduction

From the beginning of 2007, the Bush administration began to show more flexibility and willingness in seeking peaceful solutions to the North Korean nuclear problem. Unlike its previous position of refusing to have direct bilateral talks,[1] or negotiations with North Korea, the Bush administration finally had meetings with North Korea twice, one in Berlin and the other in Beijing.[2] Those two

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[1] From the beginning, the Bush administration, which criticized the previous Clinton administration for its North Korean policy, especially the Geneva Agreed Framework, refused to have any bilateral negotiation with the DPRK.

[2] On January 16, 2007, a three-day US-DPRK bilateral talks was held in Berlin, Germany between US Assistant Secretary of State for East Asian and Pacific Affairs, Christopher Hill and DPRK Vice Foreign Minister Kim Gye-gwan. It was the second US-DPRK direct bilateral contact in the Bush administration that took place outside of the Six-Party Talks framework, after Ambassador James Kelly's visit to Pyongyang in October 2002. Reportedly, the United States and North Korea negotiated

meetings enabled the six countries to get together again and resulted in the adoption of the February 13 Agreement of 2007 (hereafter '2.13 Agreement'), which contains initial phase actions for implementing the September 19 Joint Statement of 2005 (hereafter '9.19 Joint Statement'). Furthermore, in recent days the United States has softened its posture regarding the financial sanctions against North Korea over the issue of Banco Delta Asia (hereafter BDA),[3] which has blocked the Six-Party process and the implementation of the initial phase action measures laid out in the 2.13 Agreement.

Standing in contrast to US changes, North Korea has not altered its claims much. From the beginning of the Bush administration, North Korea has persistently demanded the abolition of the US hostile policy toward North Korea. North Korea has also claimed that it would not return to the Six-Party Talks so long as sanctions are imposed upon it. However, after the two meetings, North Korea returned to the Six-Party Talks and accepted the 2.13 agreement, even before US financial sanctions were lifted. And, in the follow-up working-group meetings,[4] North Korea has shown some positive signs of change. For example, in the inaugural meeting of the US-DPRK bilateral working group for normalizing relations held in New York on March 5, North Korea raised the necessity of completely

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on the terms and conditions of resuming the Six-Party Talks in this unprecedented meeting. On February 9, before the beginning of the fifth round of Six-Party Talks, the United States and North Korea had similar bilateral contact to further narrow down the gaps in their respective positions.

[3] The financial sanction against BDA was imposed due to suspicion of money laundering. Article 311 of the Patriot Act was the rationale. Thus, the United States often claimed that "the issue of BDA was a matter of law enforcement, and it had nothing to do with North Korean nuclear issues." And, it demanded unconditional and immediate return of North Korea to the Six-Party Talks.

[4] The 2.13 agreement has produced five working groups: Korean peninsula denuclearization working group; US-North Korean normalization working group; Japan-North Korean normalization working group; economy and energy cooperation working group; and Northeast Asian peace and security cooperation working group. Between March 5 and 19, all five working groups met.

clarifying the suspicion on highly enriched uranium (hereafter HEU) program up front and consented on the establishment of an expert group for the clarification. Also, North Korea showed its willingness for quick normalization of its relations with the United States.[5] In the Northeast Asia peace and security mechanism working group, North Korea expressed that "we hope to be friends with the United States and Japan and become a responsible member state of the international community."[6]

Despite an incomplete resolution of the BDA problem, the United States and North Korea face another opportunity to improve, maybe normalize, their bilateral relations. However, the past experience makes us very cautious since, against initial optimism, the two previous opportunities of 1994 and 2000 had failed and resulted in even worse situations and confrontation.[7] It is still uncertain whether both the United States and North Korea have made "*the*" strategic decision or not. And there are other issues and concerns, which can derail, or at least stall, the negotiation process. Because of these reasons, it is quite risky to positively predict the future of US-DPRK relations. But, this makes it necessary to identify and analyze issues and positions, which have influenced and will influence the course of US-DPRK relations.

US Policy and Approach toward North Korea

There are several things to be pointed out regarding the US approach toward North Korea. During the 2000 US presidential

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[5] *Chosun Ilbo*, March 8, 2007.

[6] Ibid., March 17, 2007.

[7] In 1994, by adopting the Geneva Agreed Framework, both the United States and North Korea agreed to pursue the normalization of their relations. In October 2000, during Vice Marshall Cho Myongrok's visit to Washington, the United States and North Korea once again affirmed their intention to normalize the diplomatic relations.

campaign, the Republicans criticized President Clinton's policy toward North Korea, especially the Geneva Agreed Framework,[8] and strongly opposed to President Clinton's intent to visit Pyongyang and demanded a tougher stance on North Korea. After the election, the Bush administration tried to differentiate itself from the predecessor in almost every aspect. The so-called 'ABC' —anything but Clinton —was so pervasive in Washington's policy and political circles that a general tone of Bush administration's policy toward North Korea was characterized as tougher and aggressive. And, from the US perspective, North Korea's past behaviors, especially repeated blackmailing and cheating, were totally unacceptable. On top of that, the United States upheld a quite strong moralistic position in dealing with North Korea that is, 'no concession' and 'no reward for bad behaviors.'[9] The South Korean government explained that there are small but meaningful signs of changes in North Korea and urged the United States to engage North Korea. But the argument and explanation of the South Korean government were not well received by the United States.

The United States has viewed and approached the North Korean nuclear problem from the two dominant aspects: terrorism and proliferation. Since 1988, North Korea still has been on the list of state sponsors of terrorism.[10] Being attacked by Al-Queda on September 11, 2001, the most serious threat to national security of the United States was terrorism. Almost everything was viewed from terrorism

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[8] The Republicans criticized the Geneva Agreed Framework for the failure of eliminating North Korean nuclear capabilities. It was considered as an appeasement.

[9] For example, the words such as "axis of evil" and "outpost of tyranny" can be viewed as examples of such US perspective on North Korea.

[10] After the bombing of a Korean civilian airliner (KAL 858) in 1987, the US State Department listed North Korea as a state sponsor of terrorism on January 20, 1988. Since then, North Korea has been on the list of countries supporting terrorists. The latest 2006 Country Reports on Terrorism, released by the US State Department on April 30, 2007, did not change North Korea's status.

and counter-terrorism. Simply put, anything or anyone related, or believed to be related, to terrorism was an evil to be eliminated at all cost. This provided a basis for forming a US perception of North Korea and set the tone for and orientation of US approach toward North Korea. So the US rhetorical expressions such as "axis of evil" and "outpost of tyranny" could not and should not be taken lightly since they reflected genuine mindsets of the Bush administration rather than superficial, political meanings.[11] Thus, it implied that negotiation with North Korea was not perceivable for the United States since doing so meant a compromise on terrorism, which was in fact a surrender of the upheld principle of "no negotiation with terrorists." In conjunction with this, North Korea was regarded as a possible, or probable, candidate for major proliferators of nuclear weapons. In the investigation of the A.Q. Khan network and activities of smuggling nuclear material and technologies, the United States discovered that North Korea was connected. Consequently, a combination of terrorism and proliferation contributed to even deeper distrust of the United States vis-à-vis North Korea and left little room for flexibility in dealing with North Korea.

For the United States, the North Korean nuclear problem is an important issue, but not an urgent one. Therefore it was sometimes off of the US policy radar screen and not enough consideration was given. Consequently, the situation has deteriorated and distrust between the United States and North Korea has deepened. While it has maintained and emphasized the principle of peaceful resolution of the North Korean nuclear problem through diplomatic negotiation, the United States has not given due attention to it and made only nominal effort in seeking a solution to the problem. Since the United States has been preoccupied with the other more urgent and pressing problems of Iraq

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[11] It's been pointed out that the South Korean government underestimated the impact of the 9/11 incident upon the forming image of North Korea in the US and general sentiment in the US aftermath.

and Iran, the North Korean nuclear problem was not a priority, though important. The United States often said that "the ball is in North Korea's court" and that it was always ready to talk with North Korea. The United States appeared to be quite reluctant in taking any kind of initiative unless North Korea makes the strategic decision of unilaterally giving up its nuclear ambitions. And it urged North Korea to show its strategic decision through concrete actions, not words, by saying that North Korea should try hard to earn trust by deed.

For the past six years, the Bush administration, especially during its first term, has maintained its North Korea policy primarily focused on the nuclear issue.[12] The overall picture and background of North Korean problems appears to have been forgotten, or at least underestimated. And yet, such a narrowly focused understanding of and approach toward the North Korean nuclear problem were so successful since the linkage between the North Korean nuclear problem and the related complexity of the problems was not well understood and utilized. And this was one of the causes of friction between the United States and the other concerned parties and, consequently, took a long time to agree on a common approach toward the North Korean nuclear problem.

Based on the abovementioned background, the Bush administration's policy approach toward North Korea has evolved overtime: from the initial "comprehensive approach," to "bold approach," and finally to "common and broad approach." After completing a policy review, in June 2001, the Bush administration announced "the comprehensive approach."[13] In that approach, the United States identified four issues, or concerns, regarding North Korea: nuclear weapons, other WMD and delivery means, conventional military

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[12] This is quite different from the previous Clinton administration's approach toward North Korea. The well-known Perry Process was designed to solve North Korean problems in a comprehensive manner.

[13] http://www.state.gov//eap/tls/rm/2001/4304.html, searched on April 8, 2007.

threats, and humanitarian issues, including human rights violations. What makes the Bush administration different from the Clinton administration is that instead of seeking solutions for these concerns through negotiation, or engagement, with North Korea, the Bush administration set forth North Korea's unilateral actions to meet US demands as a nonnegotiable precondition for talks and improvement of US-DPRK relations. That is, a "quid-pro-quo principle" was adopted. On the other hand, North Korea perceived such US positions as "hostile, or oppressive policy" of the United States vis-à-vis North Korea and rejected the demands. The nuclear standoff between the two continued and further worsened.

The situation became even worse for two factors. The first is the 9/11 incident and its aftermath. The second is the revelation of the highly enriched uranium (hereafter HEU), or alternative nuclear program.

Shortly after the announcement of comprehensive approach, the 9/11 incident took place. Consequently, the United States became preoccupied with terrorism, and the North Korean nuclear issue was almost forgotten. When it began to revisit the North Korean nuclear issue, the United States viewed the North Korean nuclear issue from the perspective of the 'war on terror' and 'proliferation of weapons of mass destruction (hereafter WMD),' and took a tougher, maybe militaristic and aggressive, stance. For example, in the 2002 State of Union Address, President Bush identified three countries—North Korea, Iran, and Iraq—as an "axis of evil," which presents serious threats to world peace and security.[14] Moreover, in Nuclear Posture Review (hereafter NPR),[15] the United States revealed a new doctrine

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[14] US President George W. Bush first used the term, 'axis of evil' in his State of the Union Address on January 29, 2002 to accuse regimes that were believed to be sponsoring international terrorism and having WMD programs, http://www.whitehouse.gov/news/releases/2002/01/20020129-11.html, searched on April 8, 2007.

[15] In the NPR, the United States identified a new triad: offensive strike capabilities both nuclear and non-nuclear; defense both active and passive; and a revitalized

of "preemptive strike." To realize this, it argued for the development of various means, including new nuclear weapons such as a bunker buster.[16] In other words, the United States recognized the necessity to have means available for prevention and tailored response. Otherwise, it would be self-deterred. The combination of these two elements led people to believe that the United States was taking a very aggressive and militaristic approach toward rogue states including North Korea, with little room for diplomatic negotiation.

As mentioned before, investigating the A.Q. Khan connection, the United States found evidence that North Korea allegedly pursued an alternative nuclear program based on HEU, which was a clear violation of the Geneva Agreed Framework. Upon his visit to Pyongyang in October 2002, Assistant Secretary of State for East Asian and Pacific Affairs James Kelly raised the HEU issue, and North Korea admitted the existence of the HEU program bluntly. That was the beginning of the second North Korean nuclear crisis. As the first North Korean nuclear crisis of 1993 did, this enabled the United States to take tougher stance vis-à-vis North Korea.

The comprehensive approach evolved into "the bold approach." The difference of the bold approach from the previous comprehensive approach was that while other elements remained same, the scope of the bold approach became much narrower since it primarily focused on the North Korean nuclear issue. The essence of bold approach was that once North Korea decided to give up all nuclear programs, the United States would provide economic assistance and improve its relations with North Korea. Still the quid-pro-quo principle, or 'conditionality,' was applied. Disappointingly, however, North Korea

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defense infrastructure. Among these new three elements, the issue of offensive strike capabilities became most controversial. US Department of Defense, *Findings of the Nuclear Posture Review* (January 9, 2002).

[16] While it authorized the development and acquisition of conventional bunker buster, the US Congress rejected nuclear ones.

responded to the new US approach with heightening the level of crisis. North Korea's resumption of nuclear activities and announcement to withdraw from the Non-Proliferation Treaty (NPT) deteriorated the situation and helped the United States justify its position.[17]

To prevent further deterioration and to seek diplomatic solutions to the North Korean nuclear problem, South Korea and China began to move actively. Both countries emphasized peaceful resolution through diplomatic dialogue. In the meantime, China used its leverage with North Korea by controlling the oil supply.[18] And South Korea actively consulted with the United States to create chances to make a breakthrough and solve the problem. Such efforts were successful insofar as to bring the United States, North Korea and China to a negotiation table: that is, three-party talks were held in Beijing on April 23, 2003. However, the three-party talks failed to produce any tangible outcomes. Both the United States and North Korea reiterated their previous positions. Neither side was really ready to propose workable solutions to the nuclear problem, unless the other side made concession.

Based upon the consultation and coordination with South Korea and Japan, maybe China also, the United States put forward a principle of "complete, verifiable, and irreversible dismantlement (hereafter CVID)" of North Korean nuclear programs but showed no detailed incentives. It suggested "the Libyan model" and urged North Korea to make a similar strategic decision as Libya did. The United States again said that "the ball is in North Korea's court." However, the United

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[17] Initial response to North Korea was the suspension of the supply of heavy fuel oil to North Korea, which had been carried out by the Korean Peninsula Energy Development Organization (KEDO) established under the Geneva Agreed Framework. About two years later, KEDO project was terminated. At the beginning, it was reported that the United States demanded immediate termination of KEDO project. But due to the reservation of other board member countries, the suspension measure was agreed instead. The KEDO project was officially terminated in December 2005.

[18] It was reported that China shut off one oil pipeline for some months.

States could not move its policy priority to the North Korean nuclear issue, since the war in Iraq was expected to prolong. Thus, for the following two years, the Six-Party Talks did not make any meaningful progress at all.[19]

The frustration over the North Korean nuclear problems was rising, especially in Seoul. So, in July 2005, to make a breakthrough, South Korea took an initiative, known as "important proposal," in which South Korea proposed a provision of 200MWe electricity for terminating North Korea's nuclear program. That was very similar to the Geneva Agreed Framework.[20] In parallel, China and Russia urged flexibility and patience. In the meantime, the United States began to be concerned with criticism on aggressive US unilateralism in executing the war on terror and lack of enthusiasm to solve the North Korean nuclear issue. It seemed that the United States recognized that it could become a target of criticism if the Six-Party Talks failed. A new formula, 'transformational diplomacy' was put forward; that is, regime transformation, not regime change. Regime transformation meant that without changing political leadership, the United States would seek policy, or behavioral, changes of a target state. This new formula appeared less militant and more flexible.

These factors contributed to the resumption of the Six-Party Talks after about a year of suspension. On September 19, 2005, six countries adopted the 9.19 Joint Statement, which laid out the principles for denuclearizing the Korean peninsula. The major contents of the Joint Statement are as follows;

- Denuclearization of the Korean peninsula;
- Normalization of relations between the US and North Korea;

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[19] For this period, the Six-Party Talks were held five times. The first Six-Party Talks were held from August 27 to 29, 2003; The second from February 24 to 27, 2004; The third from June 24 to 26; The first phase of the fourth from July 26 to August 4, 2005; The second phase of the fourth from September 13 to 19, 2005.

[20] The US response to South Korean proposal was rather lukewarm. Secretary Powell said that "it is interesting."

- Normalization of relations between Japan and North Korea;
- Promotion of economic cooperation in the fields of energy, trade and investment;
- Negotiation of a permanent peace regime on the Korean peninsula
- Exploration of ways and means for promoting security cooperation in Northeast Asia; and
- Taking coordinated steps to implement the consensus in a phased manner in line with the principle of "commitment for commitment, action for action."[21]

The next task was to spell out more detailed action plans. Unfortunately, the Six-Party Talks stalled again, and optimism was replaced with pessimism due to US financial sanctions against North Korea, known as the BDA issue. After finding suspicion, or evidence, of North Korea's money-laundering activities through BDA and counterfeiting, based on Article 311 of Patriot Act, the United States enforced the financial sanctions vis-à-vis BDA. By this US action, as many as 50 North Korean accounts in BDA, which amounted to about 25 million dollars, became frozen.[22] North Korea vehemently reacted to this action and argued that it would not return to the Six-Party Talks under the sanction.

The United States seemed to have finally found effective tools and means in dealing with North Korea, and now it could finally, realistically do something toward North Korea. The United States continued to press North Korea by explaining that the two issues—the issue of illicit activities and the nuclear issue—were totally separate, and that the former was not subject to negotiation since it was a law-enforcement issue. And, to show its commitment to the peaceful

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[21] http://www.state.gov/r/pa/prs/ps/2005/53490.html, searched on March 28, 2007.

[22] Sunghan Kim, "US Coercive Diplomacy toward North Korea: Current Status and Prospects,"*Policy Brief,* No. 2006-8 (Seoul: Institute of Foreign Affairs and National Security, 2006), p. 4.

resolution of North Korean nuclear issue through diplomatic dialogue, the United States repeated its position that "we are ready to discuss the North Korean nuclear issue within the Six-Party Talks."

In addition, under the assumptions of democratic peace and transformational diplomacy,[23] from the beginning of 2006, the United States galvanized moral and ethical charges against North Korea by bringing up human rights issues in North Korea as well as the oppressive, tyrannical nature of the Kim Jong Il regime. And North Korea was described as one of the "outposts of tyranny." It seemed that in its second term the Bush administration was pressing North Korea from all possible angles and advancing its North Korea policy, not simply the North Korea nuclear policy. And the so-called "regime transformation" policy began to be executed.

North Korea responded in its own typical way: test firing seven missiles on July 5th and a nuclear test on October 9th. Strangely, the US response to those two provocative actions was rather calm, while Japan took a tougher stance. The United States did not take any action except diplomatic ones to bring the issue to the UN Security Council. In punishing North Korea for its missile and nuclear test, the UN Security Council adopted Resolution 1695 (UNSCRES 1695) and Resolution 1718 (UNSCRES 1718) respectively.[24] The United States finally secured international consensus and justification for enforcing sanctions against North Korea for its bad behaviors. It is noteworthy that those two incidents brought China and Russia closer to the United States, and a coalition among the five parties emerged to take a common stance against North Korea. From that, one of the major concerns of the United States was not only how to press North Korea

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[23] For transformational diplomacy, see Kang Choi, "US Transformational Diplomacy and the Prospect for US-North Korean Relations," *Policy Brief,* 2006-6 (Seoul: IFANS, 2006), pp. 1-9.

[24] Because of Chinese and Russian reservation, both resolutions exclude the use of force: Chapter 7, Article 42 of the UN Charter.

but also how to maintain the newly emerged coalition, especially sustaining China's support. About a month later, November 2006, President Bush met his Chinese and South Korean counterparts in Hanoi, Vietnam during the APEC Summit. Chinese Premier Wen Jiabao urged the United States to show flexibility in dealing with North Korea and reiterated the Chinese position—the peaceful resolution of the North Korean nuclear problem through diplomatic dialogue and negotiation. In the meantime President Roh and President Bush agreed on a new policy formula: that is, a "common and broad approach."[25] Furthermore, it was reported that President Bush said that if North Korea gave up nuclear weapons, along with the two Koreas, the United States would sign a declaration to terminate the Korean War.[26]

Despite such agreement and understanding, the United States did not take any concrete action and rather called for the immediate resumption of the Six-Party Talks. At the same time, sanctions were under way and the United States urged the others to participate in implementing UNSCRES 1718.

Against such a favorable external background and development, the United States suddenly began to move quickly to solve the North Korean nuclear problem from January 2007. Finally, all six parties agreed on initial phase actions on February 13, 2007. The major contents of the 2.13 Agreement are:

- Shutting-down and sealing Yongbyun nuclear facility and monitoring and verification by IAEA;
- the DPRK's declaration of nuclear programs and discussion with other parties;
- Beginning the process of removing the designation of the DPRK as

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[25] Details of the common and broad approach are not available. But the term itself refers to a rather comprehensive approach focusing on not only nuclear but also other issues.

[26] Sunghan Kim, op. cit., p. 6.

a state sponsor of terrorism and advancing the process of terminating the application of the Trading with the Enemy Act with respect to the DPRK;

- Resumption of normalization talks between the DPRK and Japan;
- Cooperation in economic, energy and humanitarian assistance to the DPRK, including the initial shipment of emergency energy assistance equivalent to 50,000 tons of heavy fuel oil (HFO) within the following 60 days;
- Establishment of 5 working groups and holding the first meeting of each working group within 30 days;
- Holding a ministerial meeting; and
- Holding a separate forum for negotiation of a permanent peace regime on the Korean peninsula.

Until March 19, 2007, everything looked quite promising. However, the unexpected technical issues associated with wiring North Korea's money from the BDA accounts once again impeded further progress. But the United States showed flexibility and moved actively and quickly to solve the problem once again. What do all these changes mean? Why has the United States begun to show flexibility not only in word but also in action? Is it a real strategic shift or a mere tactical adjustment? What has caused such a shift or adjustment? It seems there are at least three reasons.

First, the recent 2006 US midterm elections resulted in a sweeping victory for the Democratic Party and a sound defeat for the Republicans.[27] The Republican defeat created and increased pressure on the Bush administration in securing success in its foreign policy. US National sentiment and bipartisanship, which were supportive of the Bush administration's policy of war on terrorism, have

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[27] The 2006 US midterm elections were held on November 7, 2006. After the elections, the Democratic Party captured the US House of Representatives and Senate, and won a majority of state governorships.

substantially eroded. Criticism against the Bush administration's Middle East policies in general, and specifically Iraq and Iran policies, was mounting.[28] And the Democrats also criticized the Bush administration for refusing direct bilateral talks with North Korea. Iraq and Iran have been proved as almost failure cases for Bush's foreign policy. The increasing number of casualties and an unstable political situation in Iraq has made the call for an immediate withdrawal from Iraq widespread.[29] At this time, no feasible exit strategy is in sight. For Iran, the United States does not have viable policy alternative, either. So the Bush administration is not in a position to afford another failure in foreign policy. North Korea appeared to be the only remaining chance for achievement. If the Bush administration succeeded in resolving North Korean problems, it would be remembered as an administration which has cleaned up the Clinton legacy. So it is possible to assume (conclude) that a domestic political background and calculus of political leaders have contributed to such a shift in a US approach toward North Korea.

Second, development and management of US-China cooperative relations have become very important. As a matter of fact, the rise of China is inevitable and has tremendously significant implications for future international order and security structure. China can present a "disruptive challenge" for the United States in the long term, and China is described as "a country at strategic crossroads" in *The 2006 National Security Strategy of the US*.[30] China is and will be the primary

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[28] It seems that the US is entrapped in all three cases of the Middle East. For Iran, due to the reservation of European countries, China and Russia, the US cannot take any concrete action.

[29] Even the Iraq Study Group (ISG), headed by former Secretary of State James Baker, recommended gradual reduction of troops in Iraq. And the House demanded the withdrawal of troops with the approval of $124 billion war spending bill.

[30] In *The 2006 Quadrennial Defense Review*, the US identified four challenges: conventional, catastrophic, irregular, and disruptive. China belongs to the 4th category of disruptive challenge. In *The 2006 NSS*, three countries were regarded as countries at strategic crossroads: India, Russia, and China.

concern of the United States in shaping the future. Thus, despite some friction and differences, it is a kind of mandate for the United States to develop cooperative and friendly relations with China. From circa 2005, the United States began to call China a "stakeholder" and to emphasize responsibility-sharing.

The North Korean nuclear problem could be regarded as one test case. From the beginning of the North Korean nuclear crisis, the United States persistently asked China to play a more active role and at times expressed some disappointment.[31] The October 9th nuclear test by North Korea created a turning point in both countries' relations in dealing with North Korea. China, along with Russia, moved closer to the United States and took a very tough stance toward North Korea. Within the Six-Party Talks framework, a "five (South Korea, the United States, Japan, China and Russia) versus one (North Korea) structure" finally formed. Since then, on various occasions, the United States has expressed its appreciation of Chinese cooperation and efforts, and emphasized the significant and positive role of China in dealing with North Korea. From the US perspective, cooperative efforts and relations between the United States and China are crucial in dealing with the North Korean nuclear problem. But, from a long-term perspective, such cooperation can be further developed in dealing with the peninsula as well as regional issues and concerns. For that purpose, the United States might have thought that it is not desirable to create any situation that undermines or discredits Chinese interests, most notably causing unstable situations in North Korea.[32] And the United States might have felt it necessary to take Chinese concerns into account and show flexibility.

Third, the ROK-US alliance management is another source of

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[31] In response, China usually said that it has only limited influence over North Korea and that it has done what it can.

[32] It is believed that the US and China have had talks on a North Korean contingency.

US policy change. There are two aspects of it: the one is the rising fear of abandonment in South Korea; the other is the South Korean public understanding of and concern over the ways in which the United States handles the North Korean nuclear problem.

Since 2003, South Korea and the United States have modernized their alliance system through a series of consultations and negotiations. Both have agreed on and ironed out the outstanding issues: relocation of Yongsan garrison as well as the US 2nd Infantry Division, adjustment of the Land Partnership Plan (LPP), and strategic flexibility of USFK.[33] The other pending issues such as Joint Vision Study of the ROK-US security alliance (JVS), comprehensive security assessment (CSA), and command relations study (CRS) were concluded at the 38th ROK-US Annual Security Consultative Meeting (SCM). And the target date of transferring wartime operational control to the ROK Joint Chiefs of Staff—April 17, 2012—was agreed upon at the meeting between South Korea's Minister of National Defense Kim Jangsoo and US Defense Secretary Roberts Gates on February 23, 2007. Both countries have resolved most of the contending issues. But, throughout the process of consultation and negotiation, a lot of concerns and criticism were raised. Some South Koreans began to argue the possibility of abandonment by the United States. So the key concern for the United States was how to reassure the US commitment to the defense of South Korea. For that purpose, the United States has reaffirmed its commitment to the defense of South Korea on various occasions, most notably at the 38th SCM by inserting the words, "extended nuclear deterrence," in addition to the US offering its nuclear umbrella to South Korea.[34] The one concern—fear of

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[33] For details, see Kang Choi, "Tasks for the Development of the ROK-US Security Alliance" [Hanmi Dongmaeng Baljeoneul Wihan Gwajai], *Analysis of Major International Issues [Juyo Kukje Munjai Bunseok]*, November 15, 2006 (Seoul: IFANS).

[34] In the Joint Communiqué at the 38th SCM, which was announced on October 20, 2006 in Washington DC, the term, 'extended deterrence,' was included upon South Korea's request. The relevant texts of the Joint Communiqué read as follows.

abandonment—has been kept at bay.

On the other hand, suspicion or concern was raised over the way the United States handled the North Korean nuclear issue: the possibility of using force and/or managing rather than solving the North Korean nuclear problem. Witnessing the United States' use of force in dealing with terrorism in Iraq, despite reiterated US commitment to the principle of peaceful resolution of the North Korean nuclear problem through diplomatic negotiation, South Koreans were very concerned with the possibility of the use of force against North Korea, however remote. For instance, when the NPR was released, South Koreans were alarmed by the word "preemptive strike." And South Koreans found that the United States became so frustrated with lacking of the Six-Party Talks and tired of North Korea's repeated brinkmanship. Consequently, it was possible for South Korea to speculate that the United States might use force against North Korea. Nevertheless, any split between the United States and South Korea would only benefit North Korea. Having that in mind, the United States found it necessary to eliminate, or at least reduce, such ungrounded suspicion and concerns of South Koreans by showing flexibility in and enthusiasm toward diplomatic negotiations.

Some South Koreans had and still have concerns over the US's posture on the North Korean nuclear problem. That is to say, due to the difficulty in finding a fundamental solution to the North Korean nuclear problem, the United States might implicitly acknowledge North Korea as a nuclear power so long as it does not proliferate—an Indian model, not Libyan model, would be adopted. In other words, a "capping" approach might be sought. If so, South Korea would remain

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"3. Secretary Rumsfeld offered assurances of firm US commitment and immediate support tothe ROK, including continuation of *extended deterrence* [emphasis added] offered by the US nuclear umbrella, consistent with the Mutual Defense Treaty," http://www.defenselink.mil/news/Oct2006/d20061020uskorea.pdf, searched on March 28, 2007.

subject and vulnerable to a North Korean nuclear threat, which would be a different kind of abandonment. Such understanding of US posture on North Korean nuclear problem would seriously damage US credibility and trust as an ally to South Korea. As in the case of fearing abandonment, for alliance management purposes, the United States would have to recognize the necessity of eliminating such misunderstanding by taking on more active diplomatic initiatives, a depart from the previous reactive "wait and see" posture.

In sum, flexibility is not the result of policy review. It can be considered as a product of the factors which are not directly related to the North Korean nuclear problem: domestic political background, development and management of cooperative US-Sino relations, and ROK-US alliance management. It is uncertain whether Washington's flexibility and activeness can be sustained further into the future. And this is why it is difficult to argue that the United States has made a strategic shift. Thus, sustainability can only be conditioned and tested by North Korean action.

North Korea's Calculation and Responses

Since the beginning of the second nuclear crisis, North Korea has taken steps to worsen the situation from withdrawing from the NPT, unfreezing its nuclear facilities and activities, announcing the possession of nuclear weapons, and finally its nuclear test. And it has persistently argued for the abandonment of the US's hostile policy toward North Korea and the assurance of regime security. After the introduction of financial sanctions on North Korea, it has argued that as long as sanctions are enforced, it cannot return to the negotiation. And, while participating in the Six-Party Talks, North Korea has emphasized the importance and centrality of US-DPRK bilateral negotiations. In response, the United States urged North Korea to

immediately return to the Six-Party Talks without any precondition and showed its intention to have US-DPRK bilateral talks within the framework of the Six-Party Talks. As aforementioned, the United States refused to lift up financial sanctions. On the contrary, the United States began to raise andpress human rights issues.

To increase pressure upon the United States and to drive a wedge among the other five countries, North Korea took its traditional "acts of brinkmanship": test-firing seven missiles on July 5 and a nuclear test on October 9. However, unlike its expectation, North Korea itself became the victim of its own actions. Even China and Russia began to distance themselves from North Korea and criticize North Korean actions. Isolation of North Korea deepened even further. An international coalition was formed against North Korea and North Korea was put under rather comprehensive sanctions, just short of the use of military means.

Under the given situation, North Korea was left with few options: ignoring and giving no response, taking even far more aggressive actions such as staging another nuclear test to create a dramatic turning point and solution, or cutting a deal directly with the United States. The first two options might have appeared neither feasible nor desirable. The mounting external pressure supported by UNSCRES 1718 would not allow North Korea to simply ignore everything and take no action. Until North Korea made its move, the international pressure would keep mounting. Consequently, North Korea would be in a worse and weaker position. On second option of going further down the road would further the distance between North Korea and China. North Korea would be left alone without any reliable external supporter. China no longer would be North Korea's strategic center of gravity. The world would be completely different. So it is possible to conclude that North Korea could not consider the second option due to its possible negative impact on North Korean-Chinese relations. Now North Korea was left with the third

option: making a deal with the United States, as it did in 1994. The general mood in Washington after the mid-term elections would have led North Korea to believe that the Bush administration is not in a position to press hard upon North Korea and that further resistance to returning to the Six-Party Talks would damage seriously its relations with China. Around December of 2006, the United States began to show some gestures of flexibility. China as well as South Korea actively sought ways to make a breakthrough in the nuclear stalemate. Another opportunity was given to North Korea. This brought about the resumption of the Six-Party Talks and resulted in the 2.13 agreement on initial phase action measures.

In the inaugural meeting of US-DPRK normalization working group, North Korea gave reconciliatory signals for expediting the normalization process. For instance, the North Korean officials at the meeting pointedout the necessity to clarify the suspicion over the HEU program and agreedon the establishment of an expert group meeting for this matter. Furthermore, North Korea expressed the hope for an early establishment of full diplomatic relations by skipping the usual practice of setting up a liaisons office.

It is conceivable that domestic political change in the United States and its consequences upon US policy toward North Korea, warming relations between the United States and China, rising dissatisfaction of China with North Korea, and shrinking (diplomatic and strategic) room for North Korea have all made it possible for North Korea to think about a desirable response and decide to return to the Six-Party Talks, as well as agree on the initial phase action measures on February 13, 2007.

Table 1. Chronology of Major Events in the Second North Korean Nuclear Crisis

2002	
October 3	James Kelly, US Assistant Secretary of State for East Asian and Pacific Affairs, visits North Korea (bringing out HEU problem).
November 15	KEDO executive board decides to suspend the provision (shipments) of heavy fuel oil (HFO) to North Korea.
December 12	North Korea announces its resumption of operation and construction of Yongbyon nuclear facilities.
December 21	North Korea begins removing the IAEA seals and monitoring devices from Yongbyon nuclear facilities.
2003	
January 10	North Korea announces its withdrawal from the Nuclear Non-Proliferation Treaty (NPT).
April 23-25	Three-Party Talks held in Beijing between the United States, North Korea, and China
August 27-29	First Round of Six-Party Talks held in Beijing (CVID solution proposed)
October 2	North Korea announces the completion of reprocessing spent fuel rods and warns that it will maintain and increase its nuclear deterrent force.
October 20	The United States expresses its willingness to provide a security guarantee to North Korea in a multilateral framework.
November 21	KEDO decides to suspend the light water reactor (LWR) project for one year.
2004	
February 25-28	Second Round of Six-Party Talks
June 23-26	Third Round of Six-Party Talks
2005	
February 10	North Korea declares its possession of nuclear weapons.
May 11	North Korea says it has completed extraction of spent fuel rods from Yongbyon.
July 26-August 4	Fourth Round of Six-Party Talks (First Phase)
September 13-19	Fourth Round of Six-Party Talks (Second Phase) adopts a '9.19 Joint Statement.'
November 9-11	Fifth Round of Six-Party Talks (First Phase)

2006	
January 18	Delegation Heads from the United States, North Korea, and China meet in Beijing.
March 7	The United States and North Korea have working-level contact in New York to discuss solutions for the financial problems caused by the BDA issue.
July 5	North Korea test-fires its missiles.
July 16	The UN Security Council adopts the UNSC Res. 1695 to impose sanctions on North Korea over the missile tests.
October 9	North Korea carries out an (underground) nuclear test.
October 15	The UN Security Council adopts the UNSC Res. 1718 with unanimous votes to impose weapons and financial sanctions on North Korea over its claimed nuclear test.
October 18-19	Tang Jiaxuan, State Councilor of China, visits Pyongyang and delivers Hu Jintao's message to Kim Jong Il.
October 31	The United States, North Korea, and China agree on an early resumption of the Six-Party Talks.
November 28-29	US-DPRK bilateral talks held in Beijing (between Christopher Hill and Kim Gye-gwan)
December 18-22	Fifth Round of Six-Party Talks (Second Phase)
2007	
January 16-18	US-DPRK bilateral talks held in Berlin (Christopher Hill-Kim Gye-gwan)
February 8-13	Fifth Round of Six-Party Talks (Third Phase)
March 5-6	Inaugural meeting of the US-DPRK Bilateral Working Group for normalizing relations held in New York
March 7-8	Inaugural meeting of the Japan-DPRK Bilateral Working Group for normalizing relations held in Hanoi, Vietnam
March 16-18	First working-group meetings on economy and energy cooperation, Northeast Asia peace and security, and denuclearization of the Korean peninsula held in Beijing

A Prospect for the Future

For the time being, US-DPRK relations are more likely to proceed in a gradual way to seek solutions to problems rather than to bring up differences and confrontation. It is now clear that no party can

afford the failure of the Six-Party Talks. And there is a general consensus that all parties should keep the momentum of negotiations and dialogue. Meetings of the five working groups will be held occasionally.

However, whether both the United States and North Korea have ultimately made so-called 'strategic decisions' or have adopted just tactical adjustments is still unclear. It is expected that both will probe and test the other carefully. Deeply embedded distrust and hostility, which are the product of more than 50 years of confrontation, are not easily alleviated. Stereotyped perceptions and negative images of the other will be in place for some time and impede, if not derail, the process. Anything short of the other's expectation can easily be interpreted as a sign of cheating or weak commitment and in turn reconfirm bad images. There will always be dangers of misinterpretation and misjudgment.

The domestic political setting in the United States as well as North Korea will very likely influence the future courses of US-DPRK relations. In the United States, the Republicans are on the defense, whereas the Democrats hard press the Bush administration for its foreign policy. On North Korea, not only nuclear issues but also other concerns such as non-military issues, including its malpractice of human rights, oppressive nature of governance, illicit activities, and suspicion of state sponsorship of terrorism will be raised. Without any progress achieved in these fields, the Democrats will surely oppose to the Bush administration's last push for normalization with North Korea. In particular, on the nuclear dimension, the Democrats will not accept anything short of the Geneva Agreed Framework. On the other hand, due to North Korea's resistance, the Bush administration won't be able to deliver what the Democrats demand. Furthermore, for President Bush, it would be difficult to find justifications or excuses to back away from what he has been saying on North Korea, especially regarding human rights and freedom. If so,

he shall be criticized for making concession for achieving a personal political agenda. So domestic political support for the Bush administration's approach toward North Korea will be weak at best.

On the other hand, North Korea cannot simply reverse its previous position and cooperate with others in denuclearizing North Korea. As in the case of South Africa and Libya, the abandonment of nuclear weapons is the most fundamental strategic decision a state can make, and it could be considered as the beginning of true systemic reform of the Kim Jong Il regime, a departure from its "military first ideology, politics, and policy." It can discredit the firmly established organization in the North: the North Korean military. The current political situation and structure of North Korea do not allow such things to happen. Chairman Kim needs the military to control and sustain his regime. And the military is believed to back up the nuclear programs. Unless an alternative tool or organization governs the system and support Kim Jong Il, the military remains the central organ in North Korea's political system. No other organ can replace the military in the foreseeable future, and triangular relations (structure) between Kim, the military and nuclear weapons will be maintained. Likewise, structural and systemic constraint on the abandonment of nuclear weapons will remain formidable.

The issues of dismantling nuclear weapons, establishing a peace regime on the Korean peninsula, and achieving normalization of relations are closely tied up. The United States and North Korea have different perspectives and approach toward these issues. The United States considers the nuclear issue as one of the sources that threaten peace on the Korean peninsula. So denuclearization should be attained first and then peace can be realized. In other words, nuclear weapons are a destabilizing and threatening factor to peace, so the dismantlement of nuclear weapons must be a precondition for peace and security. On the other hand, North Korea argues exactly the opposite: that is, peace *is* the precondition for its abandonment of

nuclear weapons. North Korea has been arguing that the possession of nuclear weapons is a legitimate and inevitable response to the US's hostile policy toward North Korea and that unless the United States shows non-hostile intent through its actions,[35] it cannot give up its nuclear weapons. So it is possible to expect continuous collision and debate between the United States and North Korea over the issue of which should come first: denuclearization or peace (or peace as a consequence vs. peace as a precondition).

The issue of peace regime on the Korean peninsula is also indirectly but substantively related to the issue of normalization of relations between the United States and North Korea. How fast and how far both the United States and North Korea can improve their relations will greatly influence the scope and pace of peace talks. But, as in the case of peace and denuclearization, the United States and North Korea have different approaches from each other. North Korea has always demanded a very swift, early normalization. In the first meeting of the US-DPRK normalization working group, it was reported that Vice Foreign Minister Kim Gyekwan of North Korea suggested skipping the step of opening liaisons offices and going for an expedited establishment of full diplomatic relations. In response, Assistant Secretary of State Christopher Hill pointed out the necessity to have intermediate steps before establishing full diplomatic relations since there remain numerous other issues to be solved.[36] Given the pressure from Capitol Hill, it would not be feasible for the US government to proceed and realize normalization without substantial improvement or resolution on two key issues: terrorism and human rights. More specifically and realistically, the US administration may

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[35] Traditionally, North Korea puts forward four conditions of peace: non-aggression pact or treaty (sometimes peace treaty) between the US and North Korea; withdrawal of US troops; stopping of joint military exercises on the Korean peninsula and banning of import of weapons into the Korean peninsula. Nowadays, it has added the lift up of all sanctions.

[36] *Chosun Ilbo*, March 12, 2007.

be able to lift up some sanctions, but not all, against North Korea. Among forty-two sanction measures, the President, or Secretary of State or Treasury, can waive as many as thirty-four within their own authority. The other remaining eight measures need at least partial revisions of respective US laws and require consent of the Congress.[37] Even regarding the thirty-four measures subject to the waiver, due to the possible domestic political repercussions and damages on the moral integrity of the President, the Bush administration cannot simply exercise waiver rights unless there is clear evidence of resolution, or improvement. However, such an approach would be perceived by North Korea as a sign of the continuation of a hostile US policy. In sum, it is expected that we will see the collision between the US's gradual approach and North Korea's swift approach toward the normalization of diplomatic relations.

If we come to the issue of denuclearization, we can see a very completely, entirely different picture and collision: namely, comprehensive and swift US approach toward denuclearization versus North Korea's gradual 'salami' approach. The United States will try to solve the problem as soon as possible, whereas North Korea will lengthen the process by opting for salami tactics. Each side's position is intended to probe and test the other. Especially the Bush administration wants and will try to secure concrete results, which may be beyond, or at least equivalent to, the Geneva Agreed Framework within less than two years. Knowing the time constraint on the Bush administration, North Korea is very likely to either raise the price in a bold approach or go for salami tactics, or both. In any

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[37] There are four rationales in imposing sanctions against North Korea: North Korea poses a threat to US national security; North Korea is designated by the Secretary of State as a state sponsor or supporter if international terrorism; North Korea is a Marxist-Leninist state, with a Communist government; and North Korea has been found by the State Department to have engaged in proliferation of weapons of mass destruction. For details, see Dianne E. Renmack, North Korea: Economic Sanctions, *CRS Report for Congress* (October 17, 2006).

case, it would appear particularly difficult for the United States to accept either. The timeframe for proceeding from the shutting-down/ sealing up of North Korean nuclear facilities to the ultimate dismantlement will be an element of contention between the two sooner or later.

Here, let's assume that both agreed on the timeframe. But, as we have seen in the case of resolving the BDA issue, technical and legal issues can hold the process of policy implementation. First thing to be expected is the scope and reliability of North Korea's declaration list of existing nuclear programs. North Korea is supposed to list and declare all nuclear programs it runs. It may include the programs that are already known to us, and possibly HEU also. The issue shall be centered around nuclear material and/or nuclear weapons. If North Korea excludes information on these two, this would inevitably create the suspicion over North Korea's sincerity and commitment to denuclearization, and consequently, another confrontation might arise, as we have seen in the first nuclear crisis of 1993. On the other hand, North Korea can go in exactly the opposite direction. If North Korea declares all its nuclear program, material, and weapons, and demands the acceptance of North Korea as a nuclear power and nuclear arms control, that would completely change the nature of this nuclear "tug-of-war."[38]

After declaration, the next issue is verification and monitoring. Who should carry out these functions? The 'IAEA' or the 'other five countries + IAEA'?[39] We can think of different formulas. What about the scope and nature of inspections and verification? Of course, we will demand a full scope inspection and verification, the so-called

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[38] The first option is more probable than the second. But we cannot rule out the possibility of the second option. The second option will become more probable when the pressure upon North Korea increases.

[39] IAEA has its own limits since it cannot access nuclear weapons. Only P5 are authorized to access and dismantle nuclear weapons. Among the P5, the US, maybe Russia, has experience of dismantling nuclear weapons.

'93+2,' for all nuclear programs past, present and future. North Korea would not accept this kind of full scope of inspection and verification at first. It may try to confine the scope only to the five facilities: that is, current nuclear activities. Past nuclear activities might be reserved for a later period and negotiation. If so, the Six Party Talks would face another great challenge, and the United States may be forced to take a tougher stance.

The concept, methods, and timeframe of disabling are still unclear.[40] When the word "disabling" came out it was hard to figure out what it really meant. And it is still unclear. The only thing we can say for sure is that disablement is a transitional measure between shutdown and dismantlement. This actually leads us to raise another concern the duration of the disablement stage. Crucial questions are about how long it will take to disable North Korea's entire nuclear program and how long the disabled stage will last. The United States, along with four other participating countries in the Six-Party Talks, will make efforts to shorten the period of disablement, which will be immediately followed by the steps and measures of dismantlement, whereas North Korea will try to stretch out the phase. So it is not unreasonable to have doubts in mind that another collision is ahead of us unless we are well prepared for in detail.

Finally, rather a seemingly minor issue is the cost and sharing of burdens. In the 2.13 Agreement, all parties agreed to bear "equal share." Some participating countries might have some reservation in bearing equal share, most notably Japan, unless the pressing issues are resolved. The Abe administration has made it clear that without making progress in solving the abductee issue, Japan will not provide any assistance to North Korea. The Bush administration is also in

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[40] When the concept of disablement was introduced, it was criticized for vagueness of the concept. And it was also criticized for being overlapped with dismantlement: waste of resources, energy, and time. On methods, several methods were speculated but not confirmed.

a difficult position due to legal constraints imposed by the North Korean Human Rights Act and ADVANCE Democratic Act, which tie up the humanitarian assistance to the improvement of human rights conditions.[41] So the principle of equal burden-sharing can be challenged and debate over who pays how much is most likely to arise.

Conclusion: Implications for the Future

The February 13 Agreement has provided us not only opportunities but also challenges. We have just entered into a long, possibly rocky, process of denuclearizing North Korea. In order to keep the momentum of denuclearizing process, several things need to be kept in focus. First of all, it is essential to pay keen attention to domestic political dynamics of the United States and North Korea that is, how domestic political dynamics are related to the issue of North Korea as a whole and the North Korean nuclear problem in particular. Especially, in the United States, the issue of North Korean nuclear problem is subject to the debate between the administration and the Congress and between the Republicans and the Democrats. Given the political schedule, with the presidential election in 2008, the intensity of debate is much more likely to increase as time passes by. It may become more difficult to find bipartisan support for the resolution of the North Korean nuclear problem. ABB—anything but Bush—can intervene and impede the process. A more challenging problem lies with North Korean political structure. Chairman Kim may find himself posed between external pressure and internal constraint. Triangular relations formed around "military first ideology, politics, and policy" and manifested in his nuclear programs would not easily allow for Chairman Kim Jong Il to make the strategic decision of

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[41] See Kang Choi, *US Transformational Diplomacy* (2006).

abandoning the nuclear option once and for all. The key challenge is how to break up this triangular relationship. This may be the most fundamental task for us to tackle and may take longer time than we expect. Thus we should be ready to deal with the North Korean nuclear problem with a rather long interim period in mind.

Second, we should be more concerned with and keenly aware of changes in regional setting and strategic alignment, most importantly US-Sino relations. The United States has found that Chinese cooperation is essential in solving the North Korean problem and China has become very cooperative. Many more consultations are going on between the United States and China. Yet, it is uncertain how long and how deep this trend will go. To solve North Korean problems well beyond nuclear ones, South Korea needs to find ways to utilize the unfolding US-Sino cooperative relations and to be part of it. So it would be worth seeking a new trilateral cooperation, or at least consultation, mechanism among South Korea, the United States and China.[42] This does not necessarily mean undermining the previously established trilateral cooperation mechanism among South Korea, the United States and Japan. It is necessary and desirable to revisit and rejuvenate the previous TCOG mechanism, a product of the Perry Process, and to have another complementary mechanism. Both trilateral mechanisms can be developed in a mutually supporting and reinforcing way: China as a facilitator and Japan as a supporter. Two, or a dual structure, is better than one.

Third, it is necessary to look beyond the current North Korean nuclear problem to see only the trees but also the forest. Since North Korean nuclear problems are related to more fundamental North Korean problems, the North Korean nuclear problem is in essence a

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[42] Chungin Moon argued for the desirability of having South Korea-US-Chinese triangular cooperation mechanism in his column, *Joongang Sunday,* April 29, 2007. Furthermore, these three countries, along with North Korea, are the directly concerned parties to the peace regime on the Korean peninsula.

symptom of North Korean problems. We also need to understand that it is only one of many issues we should tackle in the process of realizing true peace and stability on the Korean peninsula. So it is both desirable and necessary to approach the current nuclear problem from the perspective of peace and understanding the complex linkages among the issues to be raised regarding North Korea. For that purpose, it is worth forming a common understanding of a "Korean Peninsula Peace Roadmap among the Parties."

Last, but not least, as we have seen in the BDA case, technical details matter. Especially, to realize a swift and fast implementation of denuclearization, much more detailed homework should be done in advance. And real technical expertise is required. Otherwise, despite the agreement on action and measures, the implementation process itself can be stalled again and suspicion may arise. Meetings and consultations among technical experts are quite essential and, through this, it would be possible to breed common understanding and common language, that would back up the political determination in real terms.

To keep the momentum of the Six-Party Talks going and realize the denuclearization of North Korea, much more comprehensive understanding and detailed/focused approaches are required. For that purpose, South Korea should intensify its consultation and coordination with the United States and seek all cooperation it can find in other participating countries, especially China.

Joint Statement of the Democratic People's Republic of Korea and the United States of America

New York, June 11, 1993

The Democratic People's Republic of Korea and the United States of America held governmental-level talks in New York from the 2nd through the 11th of June 1993. Present at the talks were the delegation of the Democratic People's Republic of Korea headed by First Vice Minister of Foreign Affairs Kang Sok Ju and the delegation of the United States of America led by Assistant Secretary of State Robert L. Gallucci, both representing their respective Governments. At the talks, both sides discussed policy matters with a view to a fundamental solution of the nuclear issue on the Korean peninsula. Both sides expressed support for the North-South Joint Declaration on the Denuclearization of the Korean Peninsula in the interest of nuclear non-proliferation goals.

The Democratic People's Republic of Korea and the United States have agreed to principles of:

- Assurance against the threat and the use of force, including nuclear weapons;
- Peace and Security in a nuclear-free Korean peninsula, including impartial application of full-scope safeguards, mutual respect for each other's sovereignty, and non-interference in each other's internal affairs; and
- Support for the peaceful reunification of Korea.

In this context, the two Governments promised to continue dialogue on an equal and unprejudiced basis. The Government of Democratic People's Republic of Korea has decided unilaterally to suspend as long as it considers necessary the effectuation of its withdrawal from the Treaty on the Non-Proliferation of Nuclear Weapons.

Agreed Framework Between the United States of America and the Democratic People's Republic of Korea

Geneva, October 21, 1994

Delegations of the governments of the United States of America (US) and the Democratic People's Republic of Korea (DPRK) held talks in Geneva from September 23 to October 21, 1994, to negotiate an overall resolution of the nuclear issue on the Korean peninsula.

Both sides reaffirmed the importance of attaining the objectives contained in the August 12, 1994 Agreed Statement between the US and the DPRK and upholding the principles of the June 11, 1993 Joint Statement of the US and the DPRK to achieve peace and security on a nuclear-free Korean peninsula. The US and the DPRK decided to take the following actions for the resolution of the nuclear issue:

I. Both sides will cooperate to replace the DPRK's graphite-moderated reactors and related facilities with light-water reactor (LWR) power plants.

1) In accordance with the October 20, 1994 letter of assurance from the US President, the US will undertake to make arrangements for the provision to the DPRK of a LWR project with a total generating capacity of approximately 2,000 MW(e) by a target date of 2003.
   - The US will organize under its leadership an international consortium to finance and supply the LWR project to be provided to the DPRK. The US, representing the international consortium, will serve as the principal point of contact with the DPRK for the LWR project.
   - The US, representing the consortium, will make best efforts to

secure the conclusion of a supply contract with the DPRK within six months of the date of this Document for the provision of the LWR project. Contract talks will begin as soon as possible after the date of this Document.

- As necessary, the US and the DPRK will conclude a bilateral agreement for cooperation in the field of peaceful uses of nuclear energy.

2) In accordance with the October 20, 1994 letter of assurance from the US President, the US, representing the consortium, will make arrangements to offset the energy foregone due to the freeze of the DPRK's graphite-moderated reactors and related facilities, pending completion of the first LWR unit.
   - Alternative energy will be provided in the form of heavy oil for heating and electricity production.
   - Deliveries of heavy oil will begin within three months of the date of this Document and will reach a rate of 500,000 tons annually, in accordance with an agreed schedule of deliveries.
3) Upon receipt of US assurances for the provision of LWR's and for arrangements for interim energy alternatives, the DPRK will freeze its graphite-moderated reactors and related facilities and will eventually dismantle these reactors and related facilities.
   - The freeze on the DPRK's graphite-moderated reactors and related facilities will be fully implemented within one month of the date of this Document. During this one-month period, and throughout the freeze, the International Atomic Energy Agency (IAEA) will be allowed to monitor this freeze, and the DPRK will provide full cooperation to the IAEA for this purpose.
   - Dismantlement of the DPRK's graphite-moderated reactors and related facilities will be completed when the LWR project is completed.
   - The US and the DPRK will cooperate in finding a method to store safely the spent fuel from the 5 MW(e) experimental reactor

during the construction of the LWR project, and to dispose of the fuel in a safe manner that does not involve reprocessing in the DPRK.

4) As soon as possible after the date of this document US and DPRK experts will hold two sets of experts talks.
   - At one set of talks, experts will discuss issues related to alternative energy and the replacement of the graphite-moderated reactor program with the LWR project.
   - At the other set of talks, experts will discuss specific arrangements for spent fuel storage and ultimate disposition.

II. The two sides will move toward full normalization of political and economic relations.

1) Within three months of the date of this Document, both sides will reduce barriers to trade and investment, including restrictions on telecommunications services and financial transactions.
2) Each side will open a liaison office in the other's capital following resolution of consular and other technical issues through expert-level discussions.
3) As progress is made on issues of concern to each side, the US and the DPRK will upgrade bilateral relations to the Ambassadorial level.

III. Both sides will work together for peace and security on a nuclear-free Korean peninsula.

1) The US will provide formal assurances to the DPRK, against the threat or use of nuclear weapons by the US.
2) The DPRK will consistently take steps to implement the North-South Joint Declaration on the Denuclearization of the Korean Peninsula.
3) The DPRK will engage in North-South dialogue, as this Agreed

Framework will help create an atmosphere that promotes such dialogue.

IV. Both sides will work together to strengthen the international nuclear non-proliferation regime.

1) The DPRK will remain a party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and will allow implementation of its safeguards agreement under the Treaty.
2) Upon conclusion of the supply contract for the provision of the LWR project, ad hoc and routine inspections will resume under the DPRK's safeguards agreement with the IAEA with respect to the facilities not subject to the freeze. Pending conclusion of the supply contract, inspections required by the IAEA for the continuity of safeguards will continue at the facilities not subject to the freeze.
3) When a significant portion of the LWR project is completed, but before delivery of key nuclear components, the DPRK will come into full compliance with its safeguards agreement with the IAEA (INFCIRC/403), including taking all steps that may be deemed necessary by the IAEA, following consultations with the Agency with regard to verifying the accuracy and completeness of the DPRK's initial report on all nuclear material in the DPRK.

Robert L. Gallucci	Kang Sok Ju
Head of Delegation of the United States of America, Ambassador at Large of the United States of America	Head of the Delegation of the Democratic People's Republic of Korea, First Vice-Minister of Foreign Affairs of the Democratic People's Republic of Korea

US-DPRK Joint Communiqué Released by the Office of the Spokesman

US Department of State, October 12, 2000

As the special envoy of Chairman Kim Jong Il of the DPRK National Defense Commission, the First Vice Chairman, Vice Marshal Jo Myong Rok, visited the United States of America from October 9-12, 2000.

During his visit, Special Envoy Jo Myong Rok delivered a letter from National Defense Commission Chairman Kim Jong Il, as well as his views on US-DPRK relations, directly to US President William Clinton. Special Envoy Jo Myong Rok and his party also met with senior officials of the US Administration, including his host Secretary of State Madeleine Albright and Secretary of Defense William Cohen, for an extensive exchange of views on issues of common concern. They reviewed in depth the new opportunities that have opened up for improving the full range of relations between the United States of America and the Democratic People's Republic of Korea. The meetings proceeded in a serious, constructive, and businesslike atmosphere, allowing each side to gain a better understanding of the other's concerns.

Recognizing the changed circumstances on the Korean peninsula created by the historic inter-Korean summit, the United States and the Democratic People's Republic of Korea have decided to take steps to fundamentally improve their bilateral relations in the interests of enhancing peace and security in the Asia-Pacific region. In this regard, the two sides agreed there are a variety of available means, including Four-Party talks, to reduce tension on the Korean peninsula and formally end the Korean War by replacing the 1953 Armistice Agreement with permanent peace arrangements.

Recognizing that improving ties is a natural goal in relations among states and that better relations would benefit both nations in the 21st century while helping ensure peace and security on the Korean peninsula and in the Asia-Pacific region, the US and the DPRK sides stated that they are prepared to undertake a new direction in their relations. As a crucial first step, the two sides stated that neither government would have hostile intent toward the other and confirmed the commitment of both governments to make every effort in the future to build a new relationship free from past enmity.

Building on the principles laid out in the June 11, 1993 US-DPRK Joint Statement and reaffirmed in the October 21, 1994 Agreed Framework, the two sides agreed to work to remove mistrust, build mutual confidence, and maintain an atmosphere in which they can deal constructively with issues of central concern. In this regard, the two sides reaffirmed that their relations should be based on the principles of respect for each other's sovereignty and non-interference in each other's internal affairs, and noted the value of regular diplomatic contacts, bilaterally and in broader fora.

The two sides agreed to work together to develop mutually beneficial economic cooperation and exchanges. To explore the possibilities for trade and commerce that will benefit the peoples of both countries and contribute to an environment conducive to greater economic cooperation throughout Northeast Asia, the two sides discussed an exchange of visits by economic and trade experts at an early date.

The two sides agreed that resolution of the missile issue would make an essential contribution to a fundamentally improved relationship between them and to peace and security in the Asia-Pacific region. To further the efforts to build new relations, the DPRK informed the US that it will not launch long-range missiles of any kind while talks on the missile issue continue.

Pledging to redouble their commitment and their efforts to fulfill their respective obligations in their entirety under the Agreed Framework, the US and the DPRK strongly affirmed its importance to achieving peace and security on a nuclear weapons free Korean peninsula. To this end, the two sides agreed on the desirability of greater transparency in carrying out their respective obligations under the Agreed Framework. In this regard, they noted the value of the access which removed US concerns about the underground site at Kumchang-ri.

The two sides noted that in recent years they have begun to work cooperatively in areas of common humanitarian concern. The DPRK side expressed appreciation for significant US contributions to its humanitarian needs in areas of food and medical assistance. The US side expressed appreciation for DPRK cooperation in recovering the remains of US servicemen still missing from the Korean War, and both sides agreed to work for rapid progress for the fullest possible accounting. The two sides will continue to meet to discuss these and other humanitarian issues.

As set forth in their Joint Statement of October 6, 2000, the two sides agreed to support and encourage international efforts against terrorism.

Special Envoy Jo Myong Rok explained to the US side developments in the inter-Korean dialogue in recent months, including the results of the historic North-South summit. The US side expressed its firm commitment to assist in all appropriate ways the continued progress and success of ongoing North-South dialogue and initiatives for reconciliation and greater cooperation, including increased security dialogue.

Special Envoy Jo Myong Rok expressed his appreciation to President Clinton and the American people for their warm hospitality during the visit.

It was agreed that Secretary of State Madeleine Albright will visit the DPRK in the near future to convey the views of US President William Clinton directly to Chairman Kim Jong Il of the DPRK National Defense Commission and to prepare for a possible visit by the President of the United States.

Joint Statement of the Fourth Round of the Six-Party Talks

Beijing, September 19, 2005

The Fourth Round of the Six-Party Talks was held in Beijing, China among the People's Republic of China, the Democratic People's Republic of Korea, Japan, the Republic of Korea, the Russian Federation, and the United States of America from July 26th to August 7th, and from September 13th to 19th, 2005.

Mr. Wu Dawei, Vice Minister of Foreign Affairs of the PRC; Mr. Kim Gye Gwan, Vice Minister of Foreign Affairs of the DPRK; Mr. Kenichiro Sasae, Director-General for Asian and Oceanian Affairs, Ministry of Foreign Affairs of Japan; Mr. Song Min-soon, Deputy Minister of Foreign Affairs and Trade of the ROK; Mr. Alexandr Alekseyev, Deputy Minister of Foreign Affairs of the Russian Federation; and Mr. Christopher Hill, Assistant Secretary of State for East Asian and Pacific Affairs of the United States attended the talks as heads of their respective delegations.

Vice Foreign Minister Wu Dawei chaired the talks.

For the cause of peace and stability on the Korean peninsula and in Northeast Asia at large, the Six Parties held, in the spirit of mutual respect and equality, serious and practical talks concerning the denuclearization of the Korean peninsula on the basis of the common understanding of the previous three rounds of talks, and agreed, in this context, to the following:

1. The Six Parties unanimously reaffirmed that the goal of the Six-Party Talks is the verifiable denuclearization of the Korean peninsula in a peaceful manner.

The DPRK committed to abandoning all nuclear weapons and existing nuclear programs and returning, at an early date, to the Treaty on the Non-Proliferation of Nuclear Weapons and to IAEA safeguards.

The United States affirmed that it has no nuclear weapons on the Korean peninsula and has no intention to attack or invade the DPRK with nuclear or conventional weapons.

The ROK reaffirmed its commitment not to receive or deploy nuclear weapons in accordance with the 1992 Joint Declaration of the Denuclearization of the Korean Peninsula, while affirming that there exist no nuclear weapons within its territory.

The 1992 Joint Declaration of the Denuclearization of the Korean Peninsula should be observed and implemented.

The DPRK stated that it has the right to peaceful uses of nuclear energy. The other parties expressed their respect and agreed to discuss, at an appropriate time, the subject of the provision of light water reactor to the DPRK.

2. The Six Parties undertook, in their relations, to abide by the purposes and principles of the Charter of the United Nations and recognized norms of international relations.

The DPRK and the United States undertook to respect each other's sovereignty, exist peacefully together, and take steps to normalize their relations subject to their respective bilateral policies.

The DPRK and Japan undertook to take steps to normalize their relations in accordance with the Pyongyang Declaration, on the basis of the settlement of unfortunate past and the outstanding issues of concern.

3. The Six Parties undertook to promote economic cooperation in the fields of energy, trade and investment, bilaterally and/or multilaterally.

China, Japan, ROK, Russia and the US stated their willingness to provide energy assistance to the DPRK.

The ROK reaffirmed its proposal of July 12th, 2005 concerning the provision of 2 million kilowatts of electric power to the DPRK.

4. The Six Parties committed to joint efforts for lasting peace and stability in Northeast Asia.

   The directly related parties will negotiate a permanent peace regime on the Korean peninsula at an appropriate separate forum.

   The Six Parties agreed to explore ways and means for promoting security cooperation in Northeast Asia.

5. The Six Parties agreed to take coordinated steps to implement the aforementioned consensus in a phased manner in line with the principle of "commitment for commitment, action for action."

6. The Six Parties agreed to hold the Fifth Round of the Six-Party Talks in Beijing in early November 2005 at a date to be determined through consultations.

Initial Actions for the Implementation of the Joint Statement

February 13, 2007

The Third Session of the Fifth Round of the Six-Party Talks was held in Beijing among the People's Republic of China, the Democratic People's Republic of Korea, Japan, the Republic of Korea, the Russian Federation and the United States of America from February 8 to 13, 2007.

Mr. Wu Dawei, Vice Minister of Foreign Affairs of the PRC; Mr. Kim Gye Gwan, Vice Minister of Foreign Affairs of the DPRK; Mr. Kenichiro Sasae, Director-General for Asian and Oceanian Affairs, Ministry of Foreign Affairs of Japan; Mr. Chun Yung-woo, Special Representative for Korean Peninsula Peace and Security Affairs of the ROK Ministry of Foreign Affairs and Trade; Mr. Alexander Losyukov, Deputy Minister of Foreign Affairs of the Russian Federation; and Mr. Christopher Hill, Assistant Secretary for East Asian and Pacific Affairs of the Department of State of the United States attended the talks as heads of their respective delegations.

Vice Foreign Minister Wu Dawei chaired the talks.

I. The Parties held serious and productive discussions on the actions each party will take in the initial phase for the implementation of the Joint Statement of September 19, 2005. The Parties reaffirmed their common goal and will to achieve early denuclearization of the Korean peninsula in a peaceful manner and reiterated that they would earnestly fulfill their commitments in the Joint Statement. The Parties agreed to take coordinated steps to implement the Joint Statement in a phased manner in line with the principle of "action for action."

II. The Parties agreed to take the following actions in parallel in the initial phase:

1. The DPRK will shut down and seal for the purpose of eventual abandonment the Yongbyon nuclear facility, including the re-processing facility and invite back IAEA personnel to conduct all necessary monitoring and verifications as agreed between IAEA and the DPRK.

2. The DPRK will discuss with other parties a list of all its nuclear programs as described in the Joint Statement, including plutonium extracted from used fuel rods, that would be abandoned pursuant to the Joint Statement.

3. The DPRK and the US will start bilateral talks aimed at resolving pending bilateral issues and moving toward full diplomatic relations. The US will begin the process of removing the designation of the DPRK as a state sponsor of terrorism and advance the process of terminating the application of the Trading with the Enemy Act with respect to the DPRK.

4. The DPRK and Japan will start bilateral talks aimed at taking steps to normalize their relations in accordance with the Pyongyang Declaration, on the basis of the settlement of unfortunate past and the outstanding issues of concern.

5. Recalling Section 1 and 3 of the Joint Statement of September 19, 2005, the Parties agreed to cooperate in economic, energy and humanitarian assistance to the DPRK. In this regard, the Parties agreed to the provision of emergency energy assistance to the DPRK in the initial phase. The initial shipment of emergency energy assistance equivalent to 50,000 tons of heavy

fuel oil (HFO) will commence within next 60 days.

The Parties agreed that the above-mentioned initial actions will be implemented within next 60 days and that they will take coordinated steps toward this goal.

III. The Parties agreed on the establishment of the following Working Groups (WG) in order to carry out the initial actions and for the purpose of full implementation of the Joint Statement:

1. Denuclearization of the Korean peninsula
2. Normalization of DPRK-US relations
3. Normalization of DPRK-Japan relations
4. Economy and Energy Cooperation
5. Northeast Asia Peace and Security Mechanism

The WGs will discuss and formulate specific plans for the implementation of the Joint Statement in their respective areas. The WGs shall report to the Six-Party Heads of Delegation Meeting on the progress of their work. In principle, progress in one WG shall not affect progress in other WGs. Plans made by the five WGs will be implemented as a whole in a coordinated manner.

The Parties agreed that all WGs will meet within next 30 days.

IV. During the period of the Initial Actions phase and the next phase-which includes provision by the DPRK of a complete declaration of all nuclear programs and disablement of all existing nuclear facilities, including graphite-moderated reactors and reprocessing plant - economic, energy and humanitarian assistance up to the equivalent of 1 million tons of heavy fuel oil (HFO), including the initial shipment equivalent to 50,000 tons of HFO, will be

provided to the DPRK.

The detailed modalities of the said assistance will be determined through consultations and appropriate assessments in the Working Group on Economic and Energy Cooperation.

V. Once the initial actions are implemented, the Six Parties will promptly hold a ministerial meeting to confirm implementation of the Joint Statement and explore ways and means for promoting security cooperation in Northeast Asia.

VI. The Parties reaffirmed that they will take positive steps to increase mutual trust, and will make joint efforts for lasting peace and stability in Northeast Asia. The directly related parties will negotiate a permanent peace regime on the Korean peninsula at an appropriate separate forum.

VII. The Parties agreed to hold the Sixth Round of the Six-Party Talks on March 19, 2007 to hear reports of WGs and discuss on actions for the next phase.

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South Korea as a Middle Power: Capacity, Behavior, and Now Opportunity

Jeffrey Robertson

Abstract

South Korea in terms of physical, economic, and military capacity is often considered as a middle power. However, such a definition sits uneasily given South Korea's past foreign policy behavior and its limited success in garnering coalition support for recent initiatives dealing with North Korean issues. Effectively, South Korea is representative of the dichotomy that exists between middle-power classifications based on foreign policy behavior and those based on measurements of capacity. Recognizing the constituent differences between emerging middle powers and traditional middle powers, and their ability to evolve from one into the other, allows for a better explanation of South Korea's recent foreign policy behavior. South Korea has rapidly evolved into a traditional middle-power state. This is reflected in its aim to maintain the status quo and its tendencies towards compromise, coordination, and cooperation in foreign policy behavior. This paper determines how South Korea's status as a traditional middle power affects its aims and methods on Korean peninsula issues, and how this will affect policies in the aftermath of the agreement reached at the Six-Party Talks in Beijing on February 13, 2007.

Keywords: middle-powers, South Korea, South Korea's foreign policy, Six-Party Talks, The February 13 Agreement

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Scholars often describe Australia, Canada, and the Nordic countries as middle powers,[1] and less frequently a much wider group of states ranging from Malaysia, Indonesia and the Philippines to India, Iran and South Korea.[2] The division lies in the question as to whether a middle power is more representative of power, as demonstrated by a state's foreign policy behavior, or more representative of power, as constituted by a state's physical, economic, and military capacity.

The behavioral approach emphasizes the tendency of middle powers to seek multilateral solutions to international problems, to seek compromise in international disputes and to demonstrate good international citizenship.[3] To a limited extent, it also accounts for capacity. The "technical and entrepreneurial capacities" of middle powers, cite Cooper, Higgot and Nossal, are able to provide "complementary or alternative initiative-oriented sources of leadership and enhanced coalition building." The behavioral approach defines middle powers as states that have a vested interest in the maintenance of the status quo, and seek to maintain it through compromise, cooperation, and coordination.

In comparison, a much wider and much more fluid net can be cast through categorizing middle powers as states positioned in the 'middle' of an international hierarchy based on comparative measurements of physical capacity (land mass, geographic position, natural resources, etc.), economic capacity (gross domestic product, labor, education, etc.), and military capacity (armed forces, technology, leadership, national character, etc.). In 1984, using comparative measures of population and economy, Carsten Holbraad identified

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[1] Andrew F. Cooper, Richard A. Higgot, and Kim R. Nossal, *Relocating middle powers: Australia and Canada in a changing world order* (Vancouver University Press, 1993).

[2] Jonathan H. Ping, *Middle Power statecraft: Indonesia, Malaysia and the Asia-Pacific* (London: Ashgate, 2005).

[3] Cooper, Higgot, and Nossal, *Relocating middle powers*, 1993, p. 19.

eighteen middle powers,[4] not including those often associated with middle-power diplomacy, namely Sweden, Norway, and the Netherlands.[5] More recent approaches have refined measurement methodologies to account for changes in the post-Cold War international system.[6] Yet still there exists a dichotomy between middle powers based on behavior and middle powers based on capacity.

Many scholars have pointed out the inconsistency between the two approaches.[7] South Korea is the perfect example. Its physical, economic, and military capacity places it neatly in the upper middle bracket of any measure of power. Yet South Korea's foreign policy behavior has not reflected the internationalist tendencies we associate with middle powers such as Sweden, Norway, Canada, and Australia. South Korea, limited by its position as a divided nation and facing a constant and not inconsequential security threat from its northern neighbor, has rarely engaged in middle power initiatives of its own accord.

Eduard Jordaan reconciles the division between behavior and capacity in an attempt to refine the concept of a middle power in international relations. He describes them as states that are "neither great nor small in terms of international power, capacity and influence, and demonstrate a propensity to promote cohesion and stability in the world system."[8] Whilst allowing for both behavior and

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[4] Japan, West Germany, China, France, United Kingdom, Canada, Italy, Brazil, Spain, Poland, India, Australia, Mexico, Iran, Argentina, South Africa, Indonesia, and Nigeria.

[5] Carsten Holbraad, *Middle powers in international politics* (London: MacMillan, 1984).

[6] Ping, *Middle Power statecraft*, 2005.

[7] For a particularly good description, see David Black, "Addressing Apartheid: Lessons from Australian, Canadian and Swedish policies in South Africa," in Andrew Cooper (ed.), *Niche diplomacy: Middle powers after the Cold War* (New York: McMillan Press, 1997).

[8] Eduard Jordaan, "The concept of a middle power in international relations: distinguishing between emerging and traditional middle powers," *Politikon* (November

capacity, Jordaan distinguishes middle powers between those that are 'traditional' and those that are 'emerging.'

Traditional middle powers are stable social democracies. They demonstrate a high level of social equality and established socio-political values. Importantly, traditional middle powers are situated at the core of the world economy, with the majority of citizens highly integrated into the world economy. Accordingly, traditional middle powers have a vested interest in the maintenance of the status quo, effectively "entrenching (and exacerbating) existing inequalities in power and wealth to their relative benefit."[9]

In comparison, emerging middle powers are less stable social democracies, usually having emerged from authoritarian, or one party rule, with the end of the Cold War. They have greater levels of social inequality and less established socio-political values. Emerging middle powers are not as integrated into the world economy and can be on its periphery. With the combination of social inequality and less integration into the world economy, emerging middle powers have relatively less interest in the maintenance of the status quo.

Jordaan notes that the constitutive differences between traditional and emerging middle powers—the depth of democratic institutions, societal cleavages, socio-political values and position in the global economy—affect the foreign policy behavior of middle-power states. Constitutive differences between traditional and emerging middle powers liberalize or restrict the exercise of middle power diplomacy.[10]

Implicit in Jordaan's argument is that states first attain a middle-power *capacity*, and then proceed to a stage of development in which middle power foreign policy *behavior* becomes increasingly

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2003), Vol. 30, No. 2, p. 165.

[9] Jordaan, Ibid., 2003, p. 167.

[10] Jordaan, Ibid., 2003, p. 174.

apparent. Effectively, middle power states go through an evolutionary process. As democratic institutions deepen; societal cleavages become less pronounced, socio-political values mature and the state's position in the global economy evolve; so does the propensity for middle-power foreign policy behavior. Constitutive change is manifested in a middle-power's foreign policy behavior.

This paper traces the evolution of South Korea as a middle power. It argues that South Korea, long a middle power in terms of capacity, has undergone a stage of constitutive change which is beginning to manifest itself in its foreign policy behavior. It argues that South Korea has evolved from an emerging middle power to a more traditional middle power. It then proceeds to look at how South Korea's position as a traditional middle power affects the situation on the Korean peninsula. Finally, adapting the conditions for middle-power activism put forward by Evans and Grant,[11] the paper looks at the propensity for South Korean middle-power activism, in the aftermath of the February 13, 2007 Agreement reached at the third session of the fifth round at the Six-Party Talks in Beijing.

South Korea as an Emerging Middle Power

There is a tendency for scholars, commentators, and politicians to label South Korea as a middle power due to its physical, economic, and military capacity. In 2005, its population placed it 24th in the world; Gross Domestic Product (GDP) of USD 787.627 billion[12] and military expenditure of USD 16.4 billion[13] ranked it eleventh in the

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[11] Evans and Grant, *Australia's Foreign Relations*, 2005, p. 347.

[12] World Trade Organization, "Trade Profile: Republic of Korea," WTO Statistics Database, September 2006, http://stat.wto.org/Home/WSDBHome.aspx?Language.

[13] Stockholm International Peace Research Institute (SIPRI), "The fifteen major spender countries in 2005," http://www.sipri.org/contents/milap/milex/mex_trends.html.

world, in each measure respectively. In the majority of physical, economic, and military capacity measurements, South Korea outranks states traditionally associated with middle power foreign policy behavior.

Indeed, it's hard to think of South Korea as anything but a middle power. Writing in 1991, then Australian Foreign Minister Gareth Evans and Bruce Grant thought along similar lines. In the notes to the book *Australia's Foreign Relations*, they reformulate Holbraad's eighteen middle powers (see above), noting "there are good cases for including the Republic of Korea now..."[14] During the 1990s, South Korea emerged as a pivotal player in the global economy. In the early 1990s, it was instrumental in the establishment of the Asia Pacific Economic Cooperation (APEC) forum, joined the Organization for Economic Cooperation and Economic Development (OECD) in December 1996, and in September 1999, and became one of the founding members of the G20 forum, which brings together finance ministers and central bank governors of systemically important countries within the framework of the Bretton Woods system. In terms of physical, economic, and military capacity South Korea is unarguably a middle power.

Yet, South Korea's significant physical, economic, and military capacity has not manifested itself in foreign policy behavior. Despite claims in the early 1990s that it would "seek new roles as a middle power."[15] South Korea's foreign policy did not reflect traditional middle-power foreign policy aims—a vested interest in the maintenance of the status quo, nor did it reflect traditional middle-power foreign policy behavior—a tendency to seek multilateral solutions to international problems, to seek compromise in international

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[14] Gareth Evans and Bruce Grant, *Australia's Foreign Relations in the world of the 1990s*, Second Edition (Melbourne University Press, 1995), p. 397.

[15] Roh Tae-Woo, "Speech at the Hoover Institution," *Palo Alto*, June 29, 1991, as quoted in Evans and Grant, Ibid., 1995, p. 397.

disputes, and to demonstrate good international citizenship.[16]

During the 1990s, South Korea did not pursue initiatives in areas in which traditional middle-power diplomacy has excelled, such as arms control and disarmament, trade liberalization, regional conflict resolution, and environmental protection. South Korea demonstrated no desire to sign the Ottawa or Mine Ban Treaty (for obvious reasons), nor has it enthusiastically pursued any other initiatives in the area of arms control. South Korea played no role in the largely middle-power initiative to bring peace to Cambodia, and played only a limited role in East Timor. South Korea has more often been an opponent of middle-power trade liberalization efforts and in environmental protection has only recently started to demonstrate greater initiative. During the 1990s, South Korean foreign policy behavior did not reflect its middle-power capacity.

In part, the inability to demonstrate middle-power foreign policy behavior can be attributed to the unique security situation on the Korean peninsula. Strategic imperatives continue to impede the South Korean capability to act decisively in relation to a number of middle-power initiatives. As Bae Geung Chan of the Institute of Foreign Affairs and National Security (IFANS) notes in relation to East Asian regionalism:

> "...all of Korea's diplomatic resources are pooled toward resolving the North Korean nuclear issue or strengthening the ROK-US alliance, leaving Seoul with very little means to show the least appreciation for or reciprocate Southeast Asian countries' interest."[17]

In fact, the unique security situation on the peninsula has impeded the ability of South Korea to evolve from a middle-ranking

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[16] Cooper, Higgot, and Nossal, *Relocating middle powers*, 1993, p. 19.

[17] Bae Geung-Chan, "Prospects for an East Asia Summit," *Policy Brief*, No 2005-5/ September 2005, Institute for Foreign Affairs and National Security (IFANS).

state in terms of capacity to a middle-ranking state in terms of foreign policy behavior. Throughout the Cold War South Korea relied upon the United States for its security and economic development. As a divided nation, South Korea, to a degree, even relied on the United States for political recognition. Its capability to act independently was understandably severely constrained.

The end of the Cold War presented a greater opportunity for South Korean foreign policy behavior to reflect its middle-power capacity. It enabled South Korea to diplomatically engage a wider range of major powers, notably the Soviet Union in September 1990, and the People's Republic of China (PRC), in August 1992. It also enabled diplomatic engagement with a wider range of middle and lesser powers, particularly through representation at the United Nations, which commenced in August 1991. Effectively, the end of the Cold War normalized South Korea's position in diplomatic terms, allowing it greater scope to maximize its influence through cooperation.

South Korean as a Traditional Middle Power

The election of Kim Dae Jung to the South Korean Presidency was a watershed in Korean politics as the first democratic transition to an opposition leader. Yet, it was also a watershed in terms of South Korea's middle-power evolution. The Sunshine Policy, which sought engagement with North Korea, demonstrated that South Korea had evolved from a middle power based solely upon capacity, to one which was beginning to demonstrate middle-power foreign policy behavior. Inherent in the Sunshine Policy are three tendencies representative of middle-power foreign policy behavior.

Firstly, the Sunshine Policy demonstrated a tendency towards compromise in international disputes. A key principle of the Sunshine Policy, that of coexistence and the rejection of attempts to absorb or

forcefully unify the peninsula, was a policy that made a stark departure from the policies of previous South Korean administrations. Whilst the notion of engagement with the North had played a part in Roh Tae Woo's 'Northern Diplomacy,' the Sunshine Policy was 'qualitatively different.'[18] The depth of engagement that followed; the conviction to sustain the policy in face of pressure from the United States and other diplomatic partners, and in face of North Korean provocations; and the strong support from the population leads to the conclusion that compromise had become a primary motive in South Korean foreign policy.

Secondly, the Sunshine Policy demonstrated a vested interest in the maintenance of the status quo. Despite arguably the greatest potential to topple North Korea in the history of the peninsula's division, due to the collapse of its economy and the uncertainty of its leadership transition, South Korea instead opted for the maintenance of the status quo. As noted in South Korean studies of German unification during the 1990s, the costs to be borne by the South in even the most conservative estimates would make the 1997 financial crisis seem insignificant.[19] Cost estimates of unification varied from USD 260 billion to USD 3.2 trillion.[20] The South Korean population, accustomed to its advanced level of development and aware of the risk to it, opted for the maintenance of the status quo.

Finally, the Sunshine Policy demonstrated the beginnings of middle power activism, in the form of a diplomatic initiative to encourage third-country engagement with North Korea. As demon-

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[18] Sung-Bin Ko, "South Korea's search for an independent foreign policy," *Journal of Contemporary Asia*, Vol. 36, No. 2, 2006, p. 262.

[19] See Marcus Noland, Sherman Robinson and Li-Gang Liu, "Costs and benefits of Korean unification," *Working Paper 98-1* (International Institute for Economics, 1998).

[20] Australian Department of Foreign Affairs and Trade, "Financing Korean unification," *Korea rebuilds: from crisis to opportunity*, Commonwealth of Australia, 1999, http://www.dfat.gov.au/publications/korea_rebuilds/economicpolicies.html.

strated by the South Korean Ambassador to Australia, Dr Han Seung Soo:

> "Although the road to reunification is winding and tortuous, it seems that we are traveling toward our destination. As we proceed on this journey, we welcome the support of our friends and well-wishers overseas. It is especially important that North Korea be eased out of its diplomatic isolation and gradually integrated into regional and multilateral structures."[21]

The active encouragement of third-party engagement with North Korea played a substantial role in lessening North Korean diplomatic isolation. Between 1997 and 2002, one country after another established diplomatic relations with North Korea.

These three tendencies in foreign policy behavior are in fact a manifestation of constitutive change as South Korea evolves from an emerging middle power to a traditional middle power. This includes the consolidation of democracy (as noted, the first democratic transition to an opposition leader), the weakening of societal cleavages,[22] the maturation of socio-political values (reduction of 'color controversies' or 'red scare' in national politics), and the increased stake of the population in the stability of the regional and global economy.

Accordingly, it could be expected that regardless of external developments, as long as the constituent elements remained constant, then these tendencies in foreign policy behavior would continue. This is exactly what occurred when the current North Korean nuclear issue emerged.

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[21] Han Seung Soo, Dinner address at the Fourth Korea-Australia Forum, Moorilla Estate, July 16, 2002.

[22] According to the International Monetary Fund, South Korean income inequality fell for much of the 1980s (while it was rising elsewhere) and rose only mildly during the early 1990s, with a surge in the aftermath of the financial crisis. For further, information see IMF, "Republic of Korea: Selected Issues," *IMF Country Report,* No. 06/381, October 2006, pp. 67-80.

On October 16, 2002, the United States disclosed publicly that North Korea had admitted to then US Assistant Secretary of State James Kelly to the possession of a highly enriched uranium (HEU) program in contravention of the 1994 Agreed Framework.[23] In November of that year, after consultations with regional allies, the United States recommended suspension of a Korean Peninsula Energy Development Organization (KEDO) shipment of heavy fuel oil to North Korea, citing the alleged DPRK admission as a violation of the 1994 Agreed Framework. The situation rapidly deteriorated with North Korea's removal of IAEA monitoring equipment, withdrawal from the nuclear Non-Proliferation Treaty (NPT), and the recommencement of nuclear programs frozen under the Agreed Framework.

Despite the significant and substantial security issues that the October 16, 2002 announcement and the subsequent events represented, the Sunshine Policy remained a fixture of the Korean political scene. During the Presidency of Roh Moo-hyun it has remained in place despite ongoing threats of war, the testing of intermediate and long-range missiles and ultimately, the testing of a nuclear device on October 9, 2006.

To be certain the security issue has reduced the capacity of South Korea to exhibit middle-power foreign policy behavior. Notably, under the current circumstances it has been extremely difficult to encourage third-party engagement with North Korea. Other middle powers, such as Australia, at the height of the crisis reverted to following a policy of strategic neglect as pursued by the first Bush administration. As has occurred in the past, increased tension on the Korean peninsula reduced the role of middle powers, and increased the role of the major powers.

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[23] Richard Boucher, 'US seeks peaceful resolution of North Korean nuclear issue,' *State Department Press Release*, October 16, 2002.

However, further changes in the constitutive elements that differentiate an emerging middle power from a traditional middle power have influenced contemporary South Korean foreign policy. Democratic institutions have been strengthened in the post-financial crisis, including the rule of law, corporate governance, and electoral law reform. Societal cleavages have been reduced. Despite income inequality increasing, social cleavages based on ethnicity, gender, sexual orientation, and the rights of the disabled have substantially been reduced under the progressive government of Roh Moo-hyun. Socio-political values have matured, as evidenced by the greater role of ideology and tentative weakening of regional affiliations in national politics.[24] Finally, the population has an ever-increasing stake in the stability of the regional and global economy, as evidenced by an increased activism in bilateral and regional trade diplomacy.

South Korea's evolution from an emerging middle power to a traditional middle power has also manifested itself in other aspects of foreign policy. Despite the sometimes ridiculed foreign policy of the Roh administration, throughout its tenure South Korea has demonstrated greater consistency in middle power behavior than during any previous administration. The aims behind South Korean foreign policy have included maintaining the status quo and increasing the capability to act independently. Methods to achieve this have reflected middle power diplomatic preferences of compromise, cooperation, and coordination.

The promotion of South Korea as an economic hub in East Asia, attempted to turn Korea's geographic legacy, a vulnerable position at the geopolitical center of East Asia, into a modern economic strength. The primary goals were economic: the establishment of a logistics hub, the promotion of Korea as a regional financial hub, and the

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[24] Lee Sook Jong, "The transformation of South Korean politics: Implications for US-Korea relations," *Center for Northeast Asian Policy Studies (CNAPS) Working Paper*, Brookings Institution, September 2004, p. 9.

establishment of an industrial innovation cluster. Yet, underneath the economic rhetoric was classic middle-power diplomacy.

The economic hub policy sought to distinguish South Korea as an economic node connecting the major powers. Rather than posing South Korea as a competitor against the major powers, the economic hub policy positions it as an entrepôt. This niche strategy typifies middle-power foreign policy behavior, focusing limited resources and seeking success through cooperation and coordination.

Further, as South Korea settles into its role as a traditional middle power, it is experiencing a natural tendency towards 'exceptionalism.' Traditional middle powers by virtue of their unique place in the power hierarchy, and their exceptional foreign policy behavior, have a tendency to seek to distinguish themselves from other states—even from other middle powers. This type of behavior is consistent in Australian and Canadian foreign policy rhetoric.

Dating back to the immediate post war years, Australian and Canadian foreign policy rhetoric sought to distinguish itself from lesser powers. Australia and Canada were instrumental in ensuring a place for middle powers as non-permanent members alongside the major powers at the formation of the United Nations Security Council.[25] As noted in 1945, by then Australian Deputy Prime Minister Francis Forde at the United Nations Conference on International Organization:

> "It will have to be recognized that outside the great powers there are certain powers who, by reason of their resources and their geographical location, will have to be relied upon especially for the maintenance of peace and security in various quarters of the world... they have a special claim to recognition in any security organization."[26]

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[25] Ping, *Middle Power statecraft*, pp. 37-38.

[26] Francis Forde, "Speech by the Deputy Prime Minister of Australia (Mr. Forde)," Plenary Session, United Nations Conference on International Organisation, San Francisco, April 27, 1945.

Even today, with the rise of other middle powers—including those that have unarguably surpassed Australia in terms of capacity and foreign policy behavior—Australia seeks to define itself as a 'special case.' The Australian Foreign Minister Alexander Downer has made multiple speeches urging audiences not to think of Australia as a middle power, which he sees as belittling Australia's role in global affairs. In 2003, Downer postulated, "my view is that we are not just a 'middle power'...we are not a middling nation, but a considerable power..."[27] By 2006, this exceptionalism, fuelled by party politics, was neatly formulated, with Alexander Downer on several occasions describing Australia not as a middle power, but as a "significant power."[28]

A similar tendency is rapidly emerging in South Korean foreign policy rhetoric. South Korean exceptionalism, tinged with a flavor of nationalism, has been explicit in several of Roh's better-known speeches. On March 8, 2005, in a speech to graduating cadets at the Air Force Academy, Roh stated that historic struggles for primacy on the Korean peninsula, when Korea "had no choice but to just watch helplessly" had passed, and that Korea now had sufficient power to defend itself. However, Roh went on to state, "we have nurtured mighty national armed forces that absolutely no one can challenge."[29] Such rhetoric effectively seeks to convince the audience that South Korea has outgrown the middle-power category.

Given such a significant change in foreign policy behavior, the Roh administration has received criticism in some quarters, notably from the conservative side of politics, which view such rhetoric as

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[27] A. Downer, "The myth of little Australia," Speech by the Hon. Alexander Downer to the National Press Club, Canberra, November 26, 2003.

[28] A. Downer, "Speech and question and answer session," Speech by the Hon. Alexander Downer to the Australian National University International Relations Society, Canberra, August 7, 2006.

[29] Roh Moo-hyun, "Speech at ROK 53rd Air Force Academy Graduation and Appointment Ceremony," March 8, 2005.

weakening the alliance with the United States. Other more analytical approaches have viewed the change in foreign policy as a natural elaboration of South Korea's increased capacity to pursue an independent foreign policy.[30]

As South Korea evolves further towards a traditional middle-power classification, such tendencies should continue—even in the event of a change to a more conservative administration after the 2007 presidential elections. Indeed, this has already been put forward by several academics. Sung Bin Ko of Cheju National University argues that South Korea's current attempts to achieve an "independent foreign policy" should not be understood as the policy of a single-term government but as a long-term trend, dating back to the attempts of Park Chung Hee's efforts to achieve self-reliant national defense.[31]

A conservative administration, while paying greater lipservice to United States and perhaps seeking greater accountability in relations with North Korea, will not be able to fundamentally change South Korea's newfound middle-power foreign policy tendencies. South Korea will retain a greater propensity to act independently, and will retain an interest in the maintenance of the status quo. Indeed, more than likely, it will increasingly seek to maximize its influence through coalition building and niche diplomacy.

Accordingly, through constitutive change, South Korea has evolved into a traditional middle power. It can thus be expected that South Korean foreign policy behavior will increasingly reflect that of other traditional middle powers, including the tendency to seek multilateral solutions, to seek compromise, and to demonstrate good international citizenship. The key measure of this will be the South Korean approach to the nation's most pressing international issue—

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[30] Kim Sunhyuk and Lim Wonhyuk, "How to deal with South Korea," *The Washington Quarterly*, Vol. 30, No. 2, Spring 2007.

[31] Ko, "South Korea's search for an independent foreign policy," 2006, p. 269.

settlement of the North Korean nuclear issue.

February 13 as an Invitation to Middle-Power Activism

During periods of security tension, major power diplomacy dominates Korean peninsula issues. During periods of reduced security tension, opportunities for middle-power activism emerge. After the July 4,1972 South-North Joint Communiqué a series of western middle powers established diplomatic relations with North Korea, including Australia (1973), Denmark (1973), Norway (1973), Switzerland (1974), and Sweden (1973).[32] In the aftermath of the 1994 Agreed Framework, middle powers started reengaging with North Korea, including through participation in the Korean Peninsula Energy Development Organization (KEDO). In the most significant reduction of security tension, the June 15 Summit in 2000, middle powers further engaged (including a significant number that established or reestablished diplomatic relations) and commenced programs to encourage the reintegration of North Korea into the international community.

The February 13 Agreement reached at the third session of the fifth round at the Six-Party Talks in Beijing could prove to be another such window of opportunity. Even if it is not North Korea's intention in the long term to abandon its nuclear programs, it is in its interests to ensure that perceptions of the North as a threat are minimized in the lead up to South Korean presidential elections. As security tensions ease during the earlier, easier stages of the February 13 Agreement, middle powers will naturally seek closer engagement with North Korea. South Korea as a traditional middle power could potentially

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[32] It must be noted that the period during which talks occurred between 1971 and 1973 was a *relative* reduction in security tension. Provocative acts continued to occur, but not on the scale of those before or after the short period of meaningful contact.

coordinate middle-power reengagement with North Korea.

In determining South Korea's ability to utilize middle power diplomacy to further its interests on the Korean peninsula there are two aspects to be considered. First, what South Korea's interests are on the Korean peninsula and second, how these interests can be pursued.

As a traditional middle power, South Korea's primary interest is in the maintenance of the status quo. On the Korean peninsula, this essentially means the effective deterrence of North Korea, while at the same time, the maintenance of North Korea. As noted, traditional middle powers seek to "entrench and exacerbate existing inequalities" to their relative benefit.[33] Accordingly, support of reform in the North or isolation and intimidation of the North will be tempered by the desire to ensure the existing status quo is maintained.

Traditional middle powers pursue their interests through compromise, coordination, and cooperation, which as noted are already the driving forces behind South Korea's policies with regard to the North. However, by dint of circumstance, South Korea's capacity to pursue policy aims through compromise, coordination, and cooperation have been restricted due to the heightened security threat on the peninsula. The February 13 Agreement, however, potentially removes these restrictions.

The February 13 Agreement calls for the shutdown, sealing, and eventual abandonment of the Yongbyon nuclear complex, and for this to be monitored and verified by the International Atomic Energy Agency (IAEA); further talks on North Korean nuclear programs; the commencement of diplomatic normalization talks between North Korea and Japan as well as between North Korea and the United States, including the removal of the designation of North Korea as a state sponsor of terrorism; and economic, energy, and humanitarian

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[33] Jordaan, "The concept of a middle power in international relations," 2003, p. 167.

assistance for North Korea, including an initial shipment of emergency energy assistance equivalent to 50,000 tons of heavy fuel oil within 60 days of the agreement.

The February 13 Agreement is only the end of the beginning to what has already been a long and drawn out diplomatic process.[34] Given the centrality of major power interests to the entire Six-Party Talks process, the resultant agreement can only be framed in terms of a middle power contribution to a major power initiative—in a traditional patron-client support role. The real test of South Korea's ability to utilize its newfound middle power strengths will be in the period of relative calm that could follow the February 13 Agreement.

The Propensity for South Korean Middle-Power Activism

There are four interconnected conditions that are critical to efforts to capitalize on the opportunity for middle-power activism presented by the February 13 Agreement—timing, diplomatic capacity, creativity, and credibility. [35]

Firstly, timing must be such that the international community, and particularly potential coalition partners, recognizes the salience of the initiative. With regards to the Korean peninsula, timing plays a critical role. As noted above, periods of heightened tension, the role of middle powers is severely curtailed. Heightened tension reduces the capability of middle powers to play an active ameliorative role, instead placing them in a limited hegemonic support or client state role. As tension is reduced, middle powers can play a larger role.

As tensions were reduced on the Korean peninsula during the late 1990s, facilitated by the 1994 Agreed Framework and the

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[34] See Jeffrey Robertson, "North Korea: Diplomatic efforts," *Research Note*, Parliament of Australia, August 14, 2006.

[35] Adapted from Evans and Grant, *Australia's Foreign Relations*, 1995, pp. 346-347.

September 1999 North Korean missile test moratorium, middle powers started to diversify their engagement with North Korea. This included initiatives outside of the 1994 Agreed Framework and its major-power dominated Korea Energy Development Organization (KEDO).

Whilst uncoordinated and limited in nature, middle-power diplomacy during this period raised hopes that reform was underway in North Korea. Unencumbered by the burden of security and political commitments, middle-power states were able to rapidly react, in diplomatic terms, to the change in circumstances. Throughout 1998 to 2002, a number of middle-power states established, or reestablished, diplomatic ties with North Korea, leading to a commensurate interest in the establishment of commercial ventures.[36] Similarly, during this period a number of middle-power states initiated programs to encourage North Korean reintegration into the global community, including training programs for North Korean officials, people-to-people links, academic exchanges, high-level visits of parliamentarians, and cultural exchanges.

Already in the aftermath of the February 13 Agreement at the Six-Party Talks there are signs that other middle-power states are prepared to involve themselves in Korean peninsula affairs. The day after the February 13 Agreement was announced, Australian Foreign Minister Alexander Downer reiterated offers of Australian assistance to reward progress in the Six-Party Talks:

> "I have stated on previous occasions Australia's willingness to support substantive progress in the Six-Party Talks process, including through provision of energy assistance, bilateral development assistance, and safeguards expertise."[37]

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[36] Bertil Lintner and Yoon Suh-Kyung, "Coming in from the cold," *Far Eastern Economic Review*, October 25, 2001.

[37] Alexander Downer, "North Korea: Progress in Six-Party Talks," *Press Release*, February 14, 2007.

Not long after, a six-member delegation from the Australian Department of Foreign Affairs and Trade (DFAT) visited Pyongyang, with leader of the delegation reported in the press as saying:

> "We felt it was important to relay [to North Korea] that there are governments outside the participants in the Six-Party Talks who are willing to provide assistance should they meet their commitments."[38]

In the following weeks, similar statements could be heard across the majority middle-power states, with each offering their particular strengths—Australia in the form of energy assistance, Canada in the form of relations with the United States, New Zealand in the form of financial contributions, and France in the form of relations with the EU and humanitarian assistance. The weakness of these uncoordinated efforts is where South Korea's middle-power capacity will be most tested. A major task for South Korea will be coordinating these efforts to allow other middle-power states to play more than a hegemonic support role. Through coalition building South Korea could allow middle-power states to play a much larger role, reflecting South Korean, rather than major power aims.

The second condition critical to efforts to capitalize on the period of relative calm following the February 13 Agreement is that of diplomatic capacity. A middle-power state must have sufficient capacity to carry through the initiative both in terms of physical resources, such as diplomats in place and foreign ministry staffing, as well as capability and experience in coalition building.

Unarguably, South Korea's diplomatic capacity is already strained. South Korea currently faces several notable issues including difficult relations with the United States and Japan, a residual workload from previous work on East Asian regionalism, and a high

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[38] Colleen Ryan, "Australian aid for Kim's compliance," *Australian Financial Review*, March 16, 2007.

volume of bilateral trade negotiations (which in an amalgamated ministry of trade and foreign affairs, such as in South Korea can place unexpected strain on resources previously dedicated to foreign affairs). Further, diplomatic expertise on North Korea is understandably engaged in the Six-Party Process, dealing with major-power relations—and the issues that interest major powers. This strain on diplomatic capacity leaves little room for middle-power initiative on North Korean issues.

The third condition is a combination of creativity, intellectual imagination, and energy. Evans and Grant note that creativity, intellectual imagination, and energy are not the sole prerogatives of middle powers, but allow them to overcome limits in economic, political, and military power.[39] Creativity, intellectual imagination, and energy are not qualities generally associated with the diplomatic service of any country. More often, conservatism, elitism, and stoicism come to mind. It could be argued that this would be a particular problem in South Korea, given the widely held perception that the Ministry of Foreign Affairs and Trade (MOFAT) remains wed to the conservative policies of close engagement with the United States. As noted by Byungki Kim of Korea University:

> "...it is no accident that the Ministry of Foreign Affairs and Trade considers the maintenance of close and solid working relations with Washington as one of the most important cornerstones of its policy."[40]

However, South Korea has demonstrated an ability to utilize creativity, intellectual imagination, and energy in its promotion of East Asian regionalism. During the late 1990s the significant efforts

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[39] Evans and Grant, *Australia's Foreign Relations*, 1995, p. 347.

[40] Kim Byungki, "The role of state institutions, organizational culture and policy perception in South Korea's international security policymaking process: 1998-Present," *International Journal of Korean Unification Studies*, Vol. 15, No. 1, 2006, p. 127.

put in by the Kim Dae Jung administration effectively positioned South Korea as the diplomatic instigator of key ASEAN Plus Three processes. The significant diplomatic groundwork, undertaken quite separate from United States influence, demonstrates a capacity to capitalize on the middle-power strengths of diplomatic energy, creativity, and agility to outmaneuver major powers.

The final and perhaps most important condition to be met is credibility. A middle-power state seeking to build a coalition of like-minded states must be perceived as credible. Essentially, this means that it must be perceived to be independent from major-power interests. The Sunshine Policy, despite the large body of criticism that has built up around it, has substantially increased South Korea's credibility as an independent actor in relation to security issues on the Korean peninsula.

Further, the domestic components of the Sunshine Policy have reinforced South Korea's credibility by removing what could be perceived as hypocritical elements in domestic policy. This includes more liberal enforcement of the National Security Law, reviews of pro-democracy campaigner convictions, and limits on the designation of North Korea as the "primary enemy" in national security and defense publications.

From a social psychology perspective there are additional conditions for effective middle-power diplomacy that are particularly relevant in the context of contemporary Korea. These include sequencing and information management.[41]

Potential coalition partners must be approached in a sequence that increases the likelihood that final target partners will be more likely to support the initiative. Effectively, a momentum must be carried forward to each new coalition partner that ultimately allows

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[41] For a good account of coalition building essentials see Michael Watkins and Susan Rosegrant, "Sources of power in coalition building," *Negotiation Journal*, January 1996.

the middle-power state to influence major-power decision making. The perfect example is the creation of APEC. Australia sought the assistance of regional elder statesmen, notably Indonesian President Suharto and President Kim Young Sam, in order to strengthen support for approaches to other regional states, ultimately carrying forward the idea to influence even major powers.[42]

As noted, there is already strong interest from certain middle-power states. Other influential states such as the Nordic countries and Canada have in the past demonstrated a willingness to support initiatives despite major-power opposition. Finally, other middle-power states, either less interested, such as South Africa or currently more prone to a strict hegemonic support role, such as Australia, can be approached prior to seeking to influence major-power policy.

Ultimately, middle powers require the assistance of a major power to ensure an initiative, particularly an ambitious one, is successful. Classic examples of middle-power diplomacy such as the creation of the Cairns Group, the Ottawa Mine Ban Treaty, and the Cambodian peace settlement required support, or at least tacit support, of a major power. With the United States, China, Russia, and Japan already pursuing national interest on the Korean peninsula in the framework of the Six-Party Talks, the natural major power to turn to would be the European Union. There are specific advantages of this approach. Firstly, the European Union has already stated its desire to play a greater role on the peninsula, and secondly, with the support of Nordic middle-power influence, gaining acceptance of the initiative may not prove overly difficult.

In terms of information, South Korea already has an advantage. In comparison to other powers with access to information sources on the peninsula it is perceived as both unbiased and credible. China,

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[42] Paul Keating, *Engagement: Australia faces the Asia-Pacific* (Melbourne: MacMillan Press, 2000), p. 87.

Russia, Japan, and the United States are all viewed as biased suppliers of information on the peninsula. In addition, recent events both in Iraq concerning weapons of mass destruction (WMD) intelligence and in North Korean concerning the highly enriched uranium (HEU) program have raised questions regarding the credibility of sources and reliability of information.

Conclusion

From this reading, it is clear that the potential exists for middle-power diplomacy on the Korean peninsula. South Korea has long had a middle-power *capacity* and has evolved to a stage where it is beginning to display middle-power *behavior*. Current South Korean foreign policy has begun to reflect that of a traditional middle power, with the pursuit of greater independence in foreign policy commensurate to a tendency to seek conflict resolution through compromise, cooperation, and coordination.

The Korean peninsula has for a long time been the preserve of great power interest. However, the growth in both the role and strength of middle powers in the international system; as well as South Korea's evolution to become a traditional middle power; presents an opportunity for change.

For the first time in history, the Korean peninsula is not a lesser power occupying a strategic pivot, contested by major powers, but rather a middle power occupying a strategic pivot, contested by major powers. By definition, this changes the security dynamics of East Asia. Traditional middle powers are states that are capable of pursuing policies independent of major powers. They are powers which through their influence can focus resources on niche issues and gain support of, and even influence major powers. South Korea's evolution into a traditional middle power brings a new, distinctly South Korean meaning to the North Korean propaganda phrase *uri minjok kkiri.*

International Journal of Korean Unification Studies

Paradigms and Fallacies: Rethinking Northeast Asian Security and Its Implications for the Korean Peninsula

*Hun-Joo Park**

Abstract

This article examines the changing characteristics of international politics in Northeast Asia; a politics which is fundamentally distrustful, conflict-ridden, and power and interest-centric and the implications of such changes for the region and the Korean peninsula especially in the post-Cold War era. There is no doubt that such a power and interest-centric realist paradigm has maintained a certain dominance as a means of explaining the lack of reconciliation or institutionalization of regional cooperation both in postwar and post-Cold War Northeast Asia. When it comes to accounting for the lack of institutionalized multilateralism or security cooperation, however, the otherwise robust analytic power of the realist perspective becomes somewhat "sterile." This is so because realists assume that the values, preferences, and goals of the units or nation states as largely fixed or determined by the anarchical international system. Such a realist paradigm has frequently led to a self-fulfilling prophecy: as if inevitably pressured by the system—or by confusing the realist assumptions with the reality—states often end up pursuing their narrow and myopic national interests, further exacerbating the security dilemmas and problems for all concerned. What is

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most strikingly pronounced is the continued primacy of such contending national interests in Northeast Asian affairs, as manifested in the North Korean nuclear deadlock and the close integration of Japanese foreign policy with America's global anti-terror war. The present article scrutinizes, in particular, the uniquely increasing trend in military spending in post-Cold War Northeast Asia as a way of further documenting these ominous changes as well as the problematic consequences of what have been arguably erroneous policy paradigms underlying the state behaviors under examination here. To help prevent the current security dilemmas from spiraling into a slippery and perilous path towards an arms race requires that the states under consideration and their policymakers change their realist assumptions, redefine their self-interests, and learn to embrace international societal norms and perspectives which are rooted firmly within this reality.

Keywords: paradigms, Northeast Asian security, foreign policy, military spending, post-Cold War era

Introduction

How to construct a more cooperative world in the midst of anarchy has been a perennial, if tantalizing, question in international politics. Noting the sheer difficulty of expecting cooperative behavior to emerge from the anarchic conditions of the present international system, realists as Hobbes portray this situation as akin to a state of war, in which the lives of men remain "solitary, poor, nasty, brutish, and short"[1] (Hobbes 1987[1651], 65). Other realists such as Morgenthau (1967) and Waltz (1959; 1979) may not be as pessimistic as Hobbes about the outcome of anarchy, but they share in common the underlying assumptions of a Hobbesian worldview based on power, self-interest, and rational egoism. In particular, Waltz defines the structure as consisting of three components: the ordering principle (anarchy), the functional differentiation of units, and the distribution

[1] The ruler-less conditions impel self-protective behavior of the fearful and hostile man, which in turn generates the problem of vulnerability for everyone.

of capabilities (Waltz 1979, 82). Moreover, because of the realist assumptions that state that the units or states are survival-seeking egoists in an anarchic, self-seeking system, the functional differentiation becomes insignificant in his structural explanation of international politics. Hence, Waltz infers the expected behavior of states from their relative place in the power-centric system. However, the realists' disinterest in the unit attributes or internal characteristics of states can lead to a seriously flawed and even harmful mode of thought and practice when it comes to the issue of security.

In rethinking the problems and prospects of Northeast Asian security, a field which has been the subject of increasing scholarly attention since the end of the Cold War, this article stresses the danger that comes from such blanket disinterest in the ideas, identities, and values of the units or states. In fact, failing to understand the problems inherent within unit-level identity and choice or assuming them away has frequently led to a self-fulfilling prophecy: as if inevitably pressured by the system, states end up pursuing their narrow and myopic national interests. In post-Cold War Northeast Asia, in particular, the hard-line positions and sterile posturing over the North Korean nuclear deadlock adopted by the states under consideration is one case in point; as is the increasingly emboldened Japanese military and Japan's often extremely nationalistic, right-wing elite being sucked into America's global strategic, if increasingly unilateral, posturing. If state behaviors are indeed structurally pre-determined, the security dilemma problem among the Northeast Asian states can be considered as being particularly acute and serious, as each state's defensive as well as offensive capabilities feed and intensify security-heightening competition and possibly spiral into an action-reaction arms race.[2]

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[2] For a recent, nice definition and discussion of the security dilemma as applied to the region, see Christensen, 2003.

Two Images of Post-Cold War Northeast Asian Security

Two images of the post-Cold War security in Northeast Asia have competed for scholarly attention. The dominant image was provided by Friedberg's (1993/1994) prediction that Asia was "ripe for rivalry." This prediction remained influential especially in Northeast Asia in part because the region continued to suffer from multiple sources of national mistrust, resentments, and conflicts including historical animosities and a lack of multilateral security cooperation. In contrast to Europe, where with the collapse of the Soviet Union and the withdrawal of its troops from Eastern Europe, a new wave of larger European cooperation and integration began, the Northeast Asian region remains fraught with virulent nationalist sentiments, political and military rivalries, and emotionally-charged territorial disputes.

Noting that none of the pessimistic predictions about Asia's future has come to pass in the post-Cold War era, such optimists as Kang (2003) and Acharya (2003/2004) argue that Europe's or Asia's own unstable past does not mean that such a past will inevitably become Asia's future. As the optimists note, Japan has as yet to go down the path of full-scale military rearmament; the level of Chinese irredentism or its military adventurism is not much higher than prior to the end of the Cold War; nor is the degree of danger from North Korean terrorism or its proliferation of weapons of mass destruction.

In particular, Kang predicts far more stability in the region as a result of more cooperation with an emerging China. Kang argues without a great deal of force (or mistakenly assumes) that Asia's past China-centered hierarchical order was peaceful or consensual, and that the countries in the region would gladly and naturally subscribe to such a form of Chinese hegemony in the 21st century. As Acharya (2003/2004, 157) points out, however, historical records do not lend any undisputable support for the hypothesis of the supposedly

consensual and peaceful nature of past Chinese hegemony. In effect, Kang's faith in the legitimacy and peacefulness of such an order for the future is misleading and dangerous. A politically unstable China or its disintegration may well be a nightmare, but if one assumes that China successfully attains this rather Herculean feat of continued economic development that would befit its regional hegemonic claims, a cohesive and hegemonic China would be of no less threat. While China meticulously publicizes its "peaceful rise," the neighboring countries remain more wary and fearful of China's rise. Clearly, an economically-engaged and prosperous China would contribute to building a more cooperative regional order in Northeast Asia, but whether a powerful and hegemonic China would be peace and stability-driven is an open question. Simply put, there is no evidence that can convincingly suggest that Chinese economic and military powers are any less fungible than those of any other countries, as realists would quickly point out.

Such realist insight would also question Acharya's justification or the theoretical foundations for his own optimism with respect to the future stability of the Asian regional order. Archarya argues that Asia's increasing economic interdependence and Westphalian norms of state sovereignty, equality, and non-interference have become institutionalized within regional diplomatic and security practice and thus would continue to contribute to the region's peace and prosperity in the future. However, this argument finds that the realist paradigm still provides a clearer understanding of the past and present regional order. Contrary to the expectations of the neo-liberal, institutionalist economic interdependence paradigm (Deutsch et al. 1957; Haas 1964; Keohane et al. 1977), the region's increasing economic interaction and interdependence may have spilled over into security cooperation in a very limited fashion.

What has kept the postwar Northeast Asian peace together to this day has been American hegemony, based as it is upon a

hub-and-spokes system of bilateral arrangements, a system which has been fundamentally driven by respective national interests defined in terms of power (Dittmer 2002). Such an American hegemony-based, realist approach towards Northeast Asia coincided with Japan's Yoshida Doctrine of mercantilism, restrained remilitarization, and subordinate foreign policy during the Cold War (Dower 1993). As its second-class power status under the United States nuclear guarantee facilitated the rise of its economy, Japan strictly adhered to the American hegemony-based rules of the game. Moreover, by keeping American forces on its soil, Japan reassured its neighbors of its intentions not to revert to its militarist past.

Since the end of the Cold War, however, the situation has begun to change. Among other changes, the United States fundamentally shifted from a hegemonic strategy to a more unilateralist one (Skidmore 2005). Moreover, with growing realism in regards to regional power relations and the sense of crisis and diminishing confidence in the prospects of its own economic model in the increasingly globalizing international economy, Japan has been gradually drifting away from its low-cost and highly profitable Cold War strategy of locking itself into America's hegemonic strategy. Other things being equal, therefore, the more pessimistic outcome seems to reflect what the future will likely bring to Northeast Asia. Nonetheless, the outcome will not necessarily be a natural or automatic outgrowth of the anarchical international structure and the presumably resultant behavior of narrowly-defined national interest-driven unitary states. Instead, it will also depend on the socially-constructed behavior of nation-states and the ideas- as well as the interest-driven process in which various states form evolving patterns of interstate relationships.

The next section looks at the evolving international politics in Northeast Asia during the post-Cold War period from the international systemic and regional perspective, and the fourth section follows up

with an analysis from the unit state-level perspective. The two sections examine the changing characteristics of international politics in Northeast Asia; a politics which is fundamentally distrustful, conflict-ridden, and power and interest-centric and the implications of such changes for the region and the Korean peninsula especially in the post-Cold War era. Then, as a way of further documenting the ominous changes as well as the problematic consequences of erroneous policy paradigms underlying the behavior of the states under consideration, the fifth section details the post-Cold War trends in military spending in the region. By way of conclusion, the sixth and final section emphasizes the pressing need for the states concerned to change their assumptions and take a fresh look at alternative ways to build trust, cooperative multilateralism, and an "international society" (Bull et al. 1984).

Northeast Asia in the Context of Post-Cold War International Politics[3]

The end of the Cold War and the collapse of the Soviet Union have not quite proved to be the end of history, nor have they heralded the obsolescence of wars or the retreat of the nation state. Instead, the postwar, albeit limited, achievements and principles in institutionalized cooperation and multilateralism may be in danger of being unlearned in the post-Cold War era (Higgot 2005).[4] The mismatch between the increasing level of global economic interaction and the still underdeveloped sense of global political community does appear more striking than ever before. Such starkly contrasting tendencies are

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[3] This section draws on Park, 2004.

[4] Incidentally, Ruggie defines multilateralism as "an institutionalized form that coordinates relations among three or more states on the basis of generalized principles of conduct," November 1993.

all the more intense in Northeast Asia, where quite virulent strains of nationalism and frequently incompatible mercantilist strategies remain potentially disruptive of the regional status quo.

Perhaps the most dominant systemic factor that overshadows the politics in Northeast Asia is America's global strategy as practiced in the post-Cold War era. United States foreign policy has increasingly tilted towards unilateralism, and the September 11 terrorist attacks further exacerbated the trend. The tendency towards American unilateralism entailed its rejection of a series of major international treaties and agreements, including the Comprehensive Nuclear Test Ban Treaty and the Kyoto Protocol on global warming, its slighting of the Anti-Ballistic Missile (ABM) Treaty, and its war with Iraq without securing UN support as part of its war against terror.

To be sure, the postwar international order which the United States led had arguably been more hegemonic than multilateralist: America only loosely subjected itself to multilateral constraints in return for providing its allies with military protection, political, and financial support, and access to American market (Skidmore 2005).

No doubt the United States postwar policy was more multilateralist in Western Europe than in Northeast Asia. Especially in Western Europe in the wake of its intensifying rivalry with the Soviet Union, the United States chose to deter the Soviet threat by rebuilding and rearming West Germany as the West's front line. Being mindful of the deep-seated fears and suspicions in Germany's war victims—especially France, the United States fully supported the Western European idea of reinstating German sovereignty and rebuilding its economy only within the framework of the North Atlantic Treaty Organization (NATO) and the European Coal and Steel Community (ECSC), the EU's precursor (Grieco 1996). In short, in order to guarantee that the German nation no longer posed a threat to their neighbors, Germany ceded its sovereignty to multilateral organizations, taming its military power.

In contrast, in East or Northeast Asia, the United States viewed its military capabilities as sufficient to neutralize the surrounding threats, and thus preferred to maintain its interests in the region through bilateral arrangements. The United States exercised exclusive control over the postwar occupation of Japan, and in reshaping the Japanese political and economic order, China or Korea did not have any say, nor did the US consult any other key concerned countries over the matter. In contrast to Germany, Japan ceded its military sovereignty to the US—outside of any multilateral framework. In part because of the way in which the Japanese emperor did not abdicate his throne as a symbol of Japan's full admission of war guilt, and in part because Japan never truly tried to reconcile with or compensate the Asian victims of its continental war and brutal colonial rule, fear, and mistrust fundamentally and perpetually mar international relations between Japan and its neighbors in Northeast Asia.

Thus, despite the absolute level of intra-regional trade, which has been on the rise thanks to the dynamic growth of the Northeast Asian economies, the lack of institutionalized multilateralism still aptly characterizes international relations in Northeast Asia (Kurth 1989; Betts 1993/1994; Friedberg 1993/1994; Blackwell et al. 2000). In the wake of the turn of the 21st century, for instance, Japan and China became the largest trading partners to each other, both respectively overtaking the United States; China also became the biggest market for South Korean exports and investment capital (Korea Customs Administration). The three Northeast Asian countries also began to take part in regional cooperation between central banks and finance ministries under the 2001 Chiang Mai agreement. Although this regional financial cooperation may be seen as an incipient form of multilateralism, one can hardly fail to note that it came rather inadvertently in the wake of the 1997 Asian financial crisis. It took on the form of a rather narrow, sector-specific type of multilateralism and thus remained in scope confined to the financial sector only.

In short, there is a striking variation in the level of institutionalization of regional cooperation between Western Europe and Northeast Asia, and in contrast to Western Europe, the Northeast Asian region's growing economic cooperation has hardly translated into security collaboration. As a result, no multilateral treaties but a series of bilateral arrangements govern Northeast Asian security. To this day, for instance, the ASEAN Regional Forum (ARF), a 1994 extension of the ASEAN's Post-Ministerial Conference, remains the only official and regular, if still infantile, multilateral security institution for regional dialogues. Thus, the lack of cooperative multilateralism in Northeast Asia as combined with America's global anti-terror war and what it entails for the politics of the region seems quite ominous in anticipating what the future is likely to hold for the peace and stability of the region.

The Primacy of Contending National Interests in Northeast Asian Affairs and Its Implications for the Region and the Korean Peninsula

As discussed above, Japan had been rather content with its less than fully sovereign status under America's nuclear umbrella prior to the end of the Cold War. Since the end of the Cold War, however, Japan has become increasingly unwilling to remain a second-class power in international affairs. As the world's second largest economy and a major contributor to international organizations, Japan no longer shies away from acting on the international scene as one of the world's great powers, and in fact, it has been seeking a permanent seat on the United Nations Security Council. The change of Japan's posture has reflected the rightward drift of its polity: While the ruling Liberal Democratic Party (LDP) has been unable to free itself from the Cold War framework of thought, nor effectively deal with the collapse of Japan's economic bubble, or offer an alternative vision and leadership

for the post-Cold War era, its right wing elements have ushered in dramatic changes in Japan's foreign policy stance.

At the heart of these controversial changes is the revision of Article 9 of the Japanese Constitution, which renounces "war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes." While the provision does not recognize Japan's right of belligerency, through gradual loosening of the official interpretation of it, Japan's right-wing politicians have been bringing about an incremental rollback. The Peace-Keeping Organization Law in 1992, for instance, allowed Japan's Self Defense Forces (SDF) to undertake peace-keeping missions, and the 1998 revision of the 1978 US-Japan Defense Guidelines deepened bilateral cooperation and extended it to "areas surrounding Japan," areas to be defined in situational terms. The cooperation further intensified after September 11, 2001. In October 2001, Japan under then Prime Minister Koizumi adopted a Terror Special Measures law and provided substantial logistical support to America's anti-terror war in Afghanistan. Moreover, despite the United States' failure to attain United Nations backing for the 2003 war in Iraq, Japan sent its armed SDF forces—for the first time since the end of World War II—to Iraq, albeit in a subordinate and non-combat role. Further, Japan's revised National Defense Program Outline of December 2004 described China and North Korea as potential sources of threat to Japan. Moreover, in a February 2005 joint statement on security cooperation, the United States and Japan named Taiwan as a matter of joint concern in a formal statement for the first time. Departing from its traditional strategic ambiguity, in other words, Japan deliberately made its position on Taiwan clearer by declaring that Taiwan is a mutual security concern. In making such policy changes and attaining a closer integration with America's global anti-terror alliance, Japan's right-wing politicians resorted to the principle of *fait accompli,* exploiting and feeding the nationalist paranoia about the rise of China

and the North Korean nuclear and missile threats.

To be sure, China has also become more assertive in foreign policy, feeding a negative feedback loop and engendering a heightened Sino-Japanese rivalry and sense of conflict.[5] China's 1995 nuclear weapons tests, its 1996 bracketing of Taiwan with ballistic missiles, and its emotional dispute over the Diaoyu (or what the Japanese call Senkaku) Islands represent cases in point. Particularly with respect to Taiwan, China asserts that reunification with the mainland is the only solution. China insists that it will seek to explore peaceful means first, but as demonstrated in the adoption of the anti-secession law in early 2005, which provides a quasi-legal basis for use of force, China's state power holders refuse to rule out the military option on the Taiwan question. From the standpoint of China's national security, therefore, the renewed US-Japan alliance and its missile defense programs pose grave threats to its core interests especially with respect to Taiwan. Clearly, how China behaves and uses its growing influence in its relations with other states will be as influential as how Japan handles its external conduct in determining regional stability and cooperation.

Arguably, however, the greatest source of Sino-Japanese dilemmas over security currently stems from Japan's identification of its foreign policy with America's global anti-terror strategy even at the expense of regional cooperation. Japan's proactive joining of the United States' war on terror has aroused the deep-rooted suspicion that the specter of Japan's old militarism may be on the rise once again. China's, and South Korea's for that matter, fear and mistrust of Japan remain compounded by Japan's persistent mishandling of its history, including: Japan's apologies without genuine introspection about its past military aggression, exploitation and genocidal wars of

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[5] The rise of China may well engender an unchartered territory in Northeast Asia where strong and rising China and prosperous but possibly developmentally-peaked Japan find themselves in a collision course with each other, as they jockey for leadership, power, and influence.

conquest; the Japanese government's prohibition of history textbooks which address its wartime atrocities as well as its approval of right-wing textbooks that actively justify Japan's invasion of Asian countries as a liberation.

While postwar Japan has tried to buy friendship and support for its leadership role in the region with increased economic interaction and interdependency, in the post-Cold War period it seems to have begun to lose confidence in the effectiveness of economic diplomacy. As Green (2003) perceptively points out, the key source of Japan's external behavior has been shifting from a faith in economic interdependence and its spillover effects to a "reluctant realism" with a growing emphasis on power and national security-driven interests and a tendency toward more populist foreign policies.[6] To be sure, Japan has not yet taken a strict realist policy based on its national interests as defined in terms of power. Japan has neither pursued only relative gain at the expense of neighboring countries nor translated its economic might fully into military power as yet. Instead, it has combined its strategy of engagement and continued economic interaction and cooperation with that of hedging against the prospect of potential threats such as China's rise (Green 2003, 78-79).

Indeed, what has held the Sino-Japanese rivalry and conflict in check has been the overwhelming presence of the United States in the region and Japan's continuing reliance on its alliance with the United States. The predominant military and political presence that the United States enjoys in the region has restrained Japan from, say, fully reciprocating American military ties, let alone Japan's desire to keep or not to damage its economic interests. China also prefers to keep the troubled history of Japan's wartime atrocities in the background where it cannot disrupt economic ties or complicate its relations with Japan. China is surely the world's seventh largest economy, but with

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[6] See also Pempel, 1998.

its 1.3 billion people, it still remains one of the world's poor in terms of its GDP per capita. China's rapid growth, in fact, hides a multitude of domestic problems, including rampant corruption, uncertainty over a future political transition, rigid and troubled financial institutions and inefficient state-owned enterprises, and a large number of migrant workers in urban slums without family support networks, health care, or resident permits. Any serious faltering of the economy could threaten China's political stability. Thus, China's focus on maintaining economic growth and dealing with a multitude of internal problems has compelled China to emphasize its "peaceful rise."

Being natural rivals for primacy in terms of regional politics, nonetheless, China and Japan frequently take confrontational stances to each other. Ostensibly for Japan's failure to show contrition about Japan's past militarism in the manner acceptable to China, for instance, there was no official visit to China by the Japanese prime minister from October 2001 to October 2006 until after Koizumi stepped down from the office, and none by the Chinese president to Japan since the disastrous visit to Tokyo by Jiang Zemin in December 1998, the longest hiatus since the normalization of diplomatic relations in 1972.

The South Korean-Japanese relations also remained fraught with misgivings, resentments, and animosities. In fact, despite the strategic imperative of maintaining strong bilateral ties as a cornerstone in the America-led postwar security structure in Northeast Asia, South Korea and Japan have often come close to precipitating diplomatic disasters even on such relatively marginal issues as a renewed conflict over Dokdo, a rocky set of South Korean-controlled islets. In February 2005, for instance, the Japanese ambassador to South Korea publicly claimed Dokdo as part of Japan's territory in the heart of Seoul, calling it Takeshima. Additionally, in March 2005, Shimane prefecture on Japan's west coast adopted an ordinance designating February 22nd as "Takeshima Day" to mark the date in 1905 when Japan first claimed

the islets in the midst of Japan's usurpation of Korean sovereignty. The claim and the ordinance infuriated South Koreans, and the South Korean government fulminated that it was tantamount to invasion. South Korean furies have been further stoked by the latest round of the Japanese governments' approval of history textbooks which whitewash Japan's war crimes.

The problem is that, in tandem with the strengthening of Japan's alliance with the United States in the face of what the Japanese right wing sees as the threat of a rising China and the North Korean nuclear program, Japan no longer tends to back down or yield to the concerns or pressures of its Northeast Asian neighbors—even at the expense of the spirit of trust and regional community building. Without regards to Chinese and Korean protests, for instance, Koizumi, while serving as Prime Minister, continued to visit the Yasukuni Shrine, which honors Class-A war criminals and has a museum that denies Japan's wartime atrocities and justifies its invasion of Asian countries as acts of liberation. In short, Japan's foreign policy posture has been unmistakably changing especially during the last few years, and what used to be only minority views of Japan's right-wing politicians such as the notorious Tokyo Governor Shintaro Ishihara seem to have become the polity's dominant trend during the same time span.

Against such a backdrop, it is not surprising that Korean and Chinese elites as well as their publics remain fearful and suspicious of a renewal of Japanese militarism and aggression. As Ikenberry and Mastanduno (2003, 11-12) contend, the 1995 *Yomiuri Shimbun* survey results clearly indicate that the difference between Japanese self-perception and the views of its neighbors remained striking:

> "Asked if they thought Japan might become a great military power again or that if already is one, Japanese public opinion was overwhelming: 74 percent said they did not think Japan would ever again become a great military power, while 18 percent said that it may become one. In contrast, among Koreans, 56 percent strongly believed that Japan may become and 26 percent thought it already was a military

> power. PRC respondents were roughly divided on whether Japan would again become a military power."

Hence, the Northeast Asian governments need to recognize the necessity of sincerely seeking ways to make territorial disputes or history textbook issues less of a flashpoint. The frictions may in fact constitute some manifestations of the unresolved and entangling problems of the militarist past, and they may also be signs of rising right-wing nationalism and a confident determination to pursue more narrowly-defined national interests.

Clearly, no country can be perfect or without blemish, and neither Korea nor China can necessarily claim moral superiority in condemning Japan for its failure to show a true contrition. Nevertheless, Japan's rapid upgrading of its security alliance with the United States and its steady and increasing rollback of its pacifist constitution without open debate or a consensus-building process are of grave concern, to Korea and China. Japan does need an open, public discussion on the changes to its constitution and military policies. Failing this, the brittle shell of Cold War pacifism may incrementally crumble away, and even some small but emotionally-charged territorial issues may prove to become the straw that breaks the camels back.

Historically-embedded tensions, rivalries, and nationalist passions would rise further in Northeast Asia especially if the United States is viewed as encouraging Japanese militarization, albeit as part of its global strategy. The close integration of Japanese foreign policy with America's global anti-terror war efforts and the consequent revitalization of the US-Japan alliance have indeed accompanied Japan's increasing "normalization" of its military sovereignty. In effect, America's global war on terror since 2001 has had particularly negative on Northeast Asian affairs.[7] It not only deflected America's

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[7] I do not deny that there were some positive developments in the Northeast Asian security affairs in the aftermath of the September 11 terror: in particular, the increas-

attention from focusing on a peaceful resolution to the disputed question of North Korea's weapons of mass destruction. It also entailed a more confrontational approach by America to North Korea, which halted and reversed its previous, rather respectable engagement policy under the Clinton administration, whose tit-for-tat strategy had engendered a series of reciprocated cooperative moves, culminating in the 2000 summit meeting between South and North Korea (Suh et al. eds. 2004, ch. 4).

As the North Korean nuclear crisis clearly represents a major flashpoint to the deep-seated conflict-ridden politics of Northeast Asia, what goals the United States pursues and how it conducts its foreign policy in relation to the countries concerned will indeed critically influence the future of the region and the Korean peninsula. The heightened American security concerns are understandable in the wake of the 9/11 terror attacks, but the current application of its global anti-terror war approach to North Korea will not successfully resolve the North Korean nuclear dilemma and deadlock. Instead, America's anti-terror approach may well aggravate the situation by refusing to recognize North Korea's sovereignty rights and its legitimate survival and security concerns.[8] Despite the on-and-off Six-Party Talks, in fact, the failure of Bush's rigid hard-line policy became undeniably manifest in North Korea's underground nuclear test of October 2006.[9] Contrary to its policy objective, America's fundamentally power-,

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ing cooperation between China and the United States and the resultant Six-Party Talks on the North Korean nuclear issue. As discussed below, however, none of the otherwise constructive and potentially promising developments including the Six-Party Talks would get very far without some radical rethinking of the concerned states' power- and interest-centric foreign policy assumptions and approaches.

[8] There is no evidence that can suggest that North Korea has ever sold its weapons of mass destruction such as chemical or biological weapons to anybody, and with respect to nuclear weapons, it just does not have enough, if at all, to think about selling any of them to any terrorist. See Preston, 2005.

[9] For a nice review of American foreign policy towards North Korea under President Bush, see Lim, 2006.

national interest- and military-superiority-based hard-line approach to the North Korean regime, in effect, ended up compelling and further prodding the development of North Korea's nuclear program.

There is no question about the immorality and bankruptcy of the North Korean regime: It has literally killed millions of its own people through years of man-made famine as well as through its notorious concentration camps. Moreover, given its past history of external aggression and other hideous international crimes, therefore, any country trying to deal with it would have to do so with a significant dose of caution and skepticism. However, to prevent the nuclear dilemma from further escalating into a major crisis on the Korean peninsula or in the region, if not a cataclysmic clash that no country concerned could possibly desire, requires understanding and recognizing North Korea's security concerns and its sense of vulnerability to an American preemptive attack. From Pyongyang's present standpoint, nuclear weapons may seem the only thing that can provide it with some semblance of deterrence against the military might of the world's only superpower.

Thus, the United States' neo-conservative, anti-terror approach to North Korea as a rogue state has only led to an entrenchment of the hard-line posturing of the North Korean hardliners. In fact, President Bush's labeling of the North Korean regime as an "axis of evil" compelled the North Korean regime to believe that the United States was determined to overthrow it. While such an approach posed a clear, credible and present threat to the North Korean regime, it would not by itself provide any incentive for the regime to cooperate on the nuclear issue nor indeed other issues. The United States at times complained that the reason why its hard-line, power-centric approach did not work effectively with North Korea was due to the lack of cooperation from other concerned parties such as China and Korea. Had all other parties confronted the North Korean regime with a unified voice and posture a la America's, according to this argument, the rogue regime

would not have had any choice but to comply. Even under such circumstances, however, North Korean compliance may not have been highly likely; once the North Korean regime believes that its own destruction is what its enemies really seek, and that it has nothing to gain from further engagement or negotiation, the chances of its non-compliance and an even accidental spiral to conflict and clashes may actually run higher. Moreover, the consequences of such a scenario would seem too grave and dreadful for China or Korea to conceive of; it would be the case especially for South Korea, whose capital Seoul lies well within the range of North Korea's numerous artillery pieces not to mention missiles. Hence, to move forward with the challenge of resolving the nuclear problem and the cause of constructing a more cooperative multilateralism in Northeast Asia would call for the United States in particular to set a model by going beyond power-based realist calculations and showing improved sensitivity to the region's and concerned countries' priorities, concerns, and needs. It goes without saying that North Korea itself also needs a radical rethinking of its own sense of security threat vis-à-vis the United States before it runs out of alternatives and cuts off the possibility of more desirable ways out of the nuclear deadlock,[10] especially since any preemptive attack on North Korea by the lame-duck and politically-troubled Bush administration seems increasingly unlikely and unfeasible.[11] Only with a genuine, dedicated, and reciprocal meeting of minds, designing a peaceful, feasible, and future-oriented solution to the deadlock would become

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[10] At least to some North Korean hardliners, the real or perceived security threat from America may seem useful in justifying and maintaining their totalitarian regime, but such myopia may lead to nothing but sitting on a domestic time bomb until it implodes in one way or another.

[11] As a result of America's failure to bring security and stability to Iraq in the aftermath of the 2003 invasion, President Bush's Republican Party lost the both houses of the Congress, and the Secretary of Defense Donald Rumsfeld, a key leader of the so-called neo-conservative policy camp in the Bush administration, immediately re-signed from his office.

possible.[12] Without such a meeting of minds, however, the primacy of conflicting national interests continues to be pronounced in Northeast Asian politics, a starkly clear reflection of which is found in the region's post-Cold War military build-up.

The Trend in Military Spending in Northeast Asia

The biggest problem in analyzing the state of regional security in terms of military expenditures is the lack of exact and consistent data. A number of sources offer yearly estimates of military spending, and the three most commonly cited include *The Military Balance*, the *World Military Expenditures and Arms Transfers* (WMEAT), and *The Stockholm International Peace Research Institute (SIPRI) Yearbook*. However, the numbers from even these sources are not in full agreement with one another. China may be one of the most egregious cases of information inconsistency: *The SIPRI Yearbook* holds that Chinese military spending amounted to $20 billion in 1999, while the WMEAT report claimed that $89 billion was the correct figure.[13] Other sources place Chinese expenditures somewhere in between these two figures. Such inconsistency in data partly explains the dearth of scholarly analysis on military spending and its trends. Nonetheless, my sense is that by looking at the broad trend in regional military spending, one can identify patterns of security practice and interaction. In fact, during the post-Cold War period, one is struck by

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[12] Japan, on its part, also needs to go beyond its current myopic fixation on the issue of Japanese abductees to North Korea and put it in perspective in the spirit of the September 17, 2002 Pyongyang Declaration between Kim Jong Il and the then Japanese Prime Minister Koizumi.

[13] The WMEAT reports warn that the figures for Chinese military spending should be taken with a pinch of salt. It is so in part because no appropriate exchange rate is available in China, the WMEAT uses purchasing power parity (PPP) estimates. Also, there is an inconsistency or discrepancy problem of what is counted as military expenditures not only in various estimates but also in varying countries.

the fact that Northeast Asia represented the world's only region that failed to reap any peace dividend from the Cold War's end. Whereas the military expenditures as a share of GNP decreased in all other regions of the world from 1993-2003, for instance, those in East Asia increased from 1.8 to 2.1 percent during the same period, further exacerbating the patterns of the Cold War era (*The Military Balance: 2003-2004*).

As of 1999, North America, Western Europe, and East Asia accounted for 78 percent of world military expenditures.[14] North America took up 34 percent of worldwide military expenditures in the same year. While the region's share was up from 1989, this was so because the decline in the region's military spending proved slower than the general trend in the world. North America's real expenditures actually declined by three percent per year from 1989-1999. The United States remained the largest military spender, accounting for 96 percent of North American and 33 percent of world spending in 1999.[15]

Western Europe, with 22 percent represented the world's second largest regional defense spender in 1999. However, as was the case with North America, the general trend is towards decline: the region's military expenditures declined by almost two percent per annum from 1989-1999, with such major countries as Germany and Great Britain showing higher rates of spending decrease than the regional average figure. The rising expenditures of Turkey (eight percent growth per year during the decade) were the major factor which dampened the regional average to a mere two percent.

Most noteworthy is the East Asian region, whose share of world military spending more than doubled from 1989-1999, up from ten to 21 percent at an annual growth rate of well over three percent. It

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[14] This section heavily draws on WMEAT at http://www.state.gov/documents/organization/18723.pdf.

[15] The United States quickly restored its Cold War-level military expenditures in the wake of the September 11 terror in 2001.

constituted one of the two major changes in the global trend in military spending during the immediate post-Cold War decade (with the other being the sharp decline in Eastern Europe's share of world military expenditures from 34 to seven percent in the wake of the withdrawal of Soviet troops from the region). Almost the half of the growth in regional spending came from China, but even if one discounts the China factor because of the uncertainty of its statistics, other Northeast Asian countries have also significantly contributed to the increase in expenditures. During the decade after 1989, Japan's real military spending jumped by 20 percent, South Korea's by 25 percent, and Taiwan's by 80 percent, while North Korea's declined by 11 percent. The rise in the Northeast Asian countries' military spending is, to be sure, in line with their economic development; yet, the rise remains quite significant in light of the general decline in world military expenditures since the end of the Cold War.

Even if one looks at the relative economic burden of the military build-up in the post-Cold War period, what is striking is the increased level of the Northeast Asian region's military spending as a share of their GNP in comparison to the decline in all other regions of the world. The global military expenditures as a share of world GNP fell from 4.7 percent in 1989 to 2.4 percent in 1999. However, the level in East Asia increased to 2.1 percent by 2003, up from 1.8 percent in 1993, while that in NATO countries, except for the US, dropped from 2.5 to1.9 percent, and that in non-NATO countries slipped from 1.9 to 1.7 percent from 1993-2003 (*The Military Balance: 2003-2004*).

The sheer size of the military spending in Northeast Asia itself is worth noting. If we trust WMEAT estimates, China is the world's second biggest military spender with $89 billion in 1999, although the American military budget of over $450 billion for 2004 dwarfs this high-estimated figure. Even if we use China's officially declared military spending, the absolute amount is by no means small. With double-digit increases per annum, it has more than doubled since

the mid 1990s to almost $30 billion by 2005.[16] With respect to Japan, despite thus far sticking to its Self Defense Forces' share of GDP at one percent, it spent $45 billion for its military in 2004. Japan constitutes the world's third or second biggest military spender depending on which Chinese figures are used. Japan's SDF dramatically increased expenditures on missile defense to $1.2 billion for 2004, nine times more than the total spent from 1999-2003, and it already has 38,000 kilograms of plutonium, which can make over 7,000 nuclear warheads at any time if it so chooses (Matthews 2003, 76-78). South Korea's spending totaled $16.4 billion, and Taiwan's $7.5 billion in 2004 (*The Military Balance: 2003-2004*).

Perhaps most ominously, the Northeast Asian countries' increased military spending in the post-Cold War period has not been directed at mere modernization of their respective armed forces, but at expanding their war-fighting capabilities. Going beyond simply replacing older fighter aircraft with at least some "fourth-generation" ones, the militaries have been "acquiring greater lethality and accuracy at greater ranges," which would include expanding blue-water navies, tanker aircraft for air-to-air refueling, early warning aircraft, and missile defenses (Bitzinger 2004). In acquiring such advanced, foreign-built conventional weaponry, Taiwan spent almost $26 billion, Japan $22 billion, South Korea $16 billion, and China $7 billion during the 1990s. This rising trend of regional military expenditures and power projection capacities seems set to continue for the foreseeable future. South Korea, for instance, plans to invest over $17 billion in upgrading its military forces from 2003-2007, and Taiwan over $20 billion in the next decade (Ibid.).

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[16] *International Herald Tribune*, March 5-6, 2005.

Paradigms, Fallacies, and the Future of Northeast Asian Politics

This article has analyzed the patterns of Northeast Asian security relations in the post-Cold War era, steeped in distrust and increasingly acrimonious, where the "ripe for rivalry" image remains still highly influential. Undoubtedly, the power and interest-centric realist paradigm maintains its explanatory dominance in capturing the lack of reconciliation or institutionalization of regional cooperation both in postwar and post-Cold War Northeast Asia. As documented above, in fact, the post-Cold War era has ominously witnessed an intensification of conflict, rivalry, and security competition in the Northeast Asian region, broadly in accord with what the realist paradigm would have us expect.

When it comes to prescribing for the lack of institutionalized multilateralism or security cooperation, however, the otherwise robust analytic power of realist perspective becomes "sterile." This is so because realists assume the values, preferences, and goals of the units or nation states concerned as largely fixed or determined by the anarchical international system. In this respect, neo-liberal institutionalists do not differ from realists: They fundamentally share the realist disinterest in the unit-level phenomena, paradigmatically assuming unit states' identically egoistic behavior under anarchy. The international systemic pressures supposedly dictate the patterns of state behavior, and by assumption, the resultant, largely invariable state behaviors and their interactions do not make any discernable difference in shaping or changing the anarchical system. Such a realist paradigm or wholesale disregard for the unit state-level values, principles, and policy choices has frequently contributed to a further exacerbation of security dilemmas in the post-Cold War period.

However, paradigmatic or theoretical assumptions are not facts, and thus assumptions, realist or any other kind, must not be confused

with realities. Even if self-interest represents the dominant behavioral trait in human beings or nation states, in fact, realist definitions or conceptions of it have often been overly narrow, verging nearly on the level of animal instincts. Self-interest can be open, broader, and considerate, if not exactly altruistic, empathetic, or inclusive of self-interest of others. The fact of the matter is that states or their policymakers do not always act egoistically. Even at the expense of their own immediate interests, nation states do at times advance principles or enlightened ideas, especially if they regard their principled behavior as more advantageous to them in the longer run. Some classic examples of such would arguably include the United States' Marshall Plan in the wake of the Cold War and Gorbachev's "new thinking" in Soviet foreign policy at the close of the Cold War. Such an alternative, if more balanced, approach is called for especially in attempting to approach post-Cold War Northeast Asia, where the specter of power politics and rivalry over contending national interests has increasingly loomed large on the horizon. To help prevent security dilemmas from spiraling into a slippery and perilous path of arms competition requires that the states concerned and their policymakers change their realist assumptions, redefine their self-interests, and learn to embrace international societal norms and perspectives which are built firmly within reality. Such a radical rethinking would entail shifting away from the idea of independent security through unilateral actions to that of mutual or cooperative security through close consultation, help, and support to alleviate rival or enemy states' security dilemmas and problems as a way of benefiting and attaining one's own security.

As discussed earlier, regarding the North Korean nuclear dilemma, in particular, the more strictly power-centric and narrowly self-centered approach the United States or other concerned states adopt without taking the perspective of their, albeit evil, adversary into consideration, the more "nasty, brutish, and short" the life of man

could become in the consequently insecure environment of Northeast Asia. In effect, the continued primacy of fiercely nationalistic and exclusionary definitions of national interest in Northeast Asia may be translated into nuclear deadlock and the close and problematic integration of Japanese and American foreign policies. The United States as a hegemonic power may well still be best able to overcome the "rogue" regime in North Korea and may indeed be able to turn it into a legitimate member of international society, and in the process, help mold a more stable and institutionalized multilateral security system out the Six-Party Talks. America, in rethinking its current and failing approach to embrace and prevail over North Korea, could make possible a grand political resolution of the problem of the nuclear deadlock and thereby help play midwife to a more benign and peaceful transition for the future of the region. For America, such a reconstructed foreign policy would earn a great deal of goodwill and respect from the international community.

Clearly, no state can act entirely free from systemic pressures or without regards to power and interest-driven considerations. To the extent that power matters, for instance, any realistic effort to develop cooperative multilateralism in the region may have to rest on some constructive support, if not the full-fledged exercise of leadership, of indeed hegemonic power. Nonetheless, there is room for policy choices for each and every state even under the existing anarchical international structure, albeit in varying degrees, and how states and their policymakers choose to act and what values and principles they hold in their choice of actions can and do help shape the kind of international society which develops as a result. Mistaking realist assumptions for reality and thereby subscribing entirely, uncritically to its paradigmatic worldviews as policy guidelines may lead to outcomes that no one desires.

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Transformation of National Strategy in Postwar Vietnam: Dependency to Engagement

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Abstract

A national strategy is a composite of orientations and approaches that provides contextual bases for the formulation of specific foreign policies. In postwar Vietnam, the national strategy has been both to maintain national independence in international relations and to secure necessary resources for economic development. In the two decades between 1975 and 1995, Vietnam's national strategy has shifted from Marxist-Leninist formalism to new pragmatism; in turn and during the same period, Vietnam's policy has shifted from pro-Soviet dependency to an adaptive engagement with the United States and a transition to the market. Not only have conjunctures in international relations significantly affected the trajectory of Vietnamese national strategy, but also political leaders' self-reflection relative to the nation's development path has expedited a pragmatic adaptation for accessing international resources by way of normalization with the United States. In comparison to the Vietnamese case, the political situation in North Korea, preoccupied by the military-first politics, overshadows a strategic shift in the near future.

Keywords: adaptation, national strategy, new pragmatism, engagement, military-first politics

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Introduction

About a decade has passed since the normalization of relations between Vietnam and the United States. This time span might suffice for outside observers' objective appraisal of Hanoi's shift from the anti-American armed struggle, which ended in 1975, to normalization of relations with Washington in 1995. During the past decade, the expanded bilateral relationship, both in diplomacy and in trade, might have cleared up any possible bias in relation to the background of the postwar Vietnam's shift to the normalization. This shift was radical in comparison to the Chinese and the North Korean cases. Each of the three countries—Vietnam, China, and North Korea—had engaged in a war with the United States in the Cold War era. But their respective approaches to the Western adversary have differed from one another. The time period that characterized the building of a new relationship with the United States was, in the Vietnamese case, shorter than the three decades that characterized the Chinese case, which extended from the communist takeover in 1949 to normalization of relations with the United States in 1979. And in contrast to the North Korean case of maintaining an antagonistic posture toward the enemy, Vietnam put aside the history of its war, which caused about two million deaths, and started to normalize its relations with the United States twenty years after the end of the war.

It is noteworthy that Vietnam's normalization of relations with the United States occurred only after Vietnam experimented with a couple of different national strategies. Following the end of the Vietnam War and continuing for a decade, Vietnam maintained its longstanding tradition of economic dependence. During the last phase of the war, Vietnam's dependence on foreign aid—basically on Soviet and Chinese loans and grants—soared to account for more than half of the annual budget: for instance, 60.6 percent of the budget in 1974 and 54.9 percent the following year. In the postwar period, foreign aid

remained significant, despite a noticeable decline, and accounted for an average of 38.5 percent of the budget in the second half of the 1970s.[1] Although it made a strong commitment to national sovereignty and independence, Vietnam had to lean on the Soviet Union for both economic aid and security in the midst of increasing tensions in Indochina and the development of the Sino-American relationship. Vietnam's military invasion of Cambodia in December 1978 was a climax of the Soviet-Vietnamese alliance. Later, given both the international pressure over the issue of Cambodia and the launch of *perestroika* in the Soviet Union, Vietnam undertook in 1986 a domestic renovation, the so-called *doi moi*, and made diplomatic efforts in the early 1990s to develop the US-Vietnam relationship by cooperating with the United States in relation to both a Cambodian peace settlement and the prisoners-of-war/missing-in-action (POW/MIA) issue.

The purpose of this article is to examine the onset and the nature of Vietnam's radical shift in the two decades between 1975 and 1995 by identifying the transformation of postwar Vietnam's national strategy. The article is not about the history of economic reform and opening up; it is about the ways in which different versions of postwar Vietnam's national strategy rose and fell and in which the national strategy has contextualized the country's external relations, particularly with the big powers (the Soviet Union, China, and the United States). In this article, the term national strategy means a composite of orientations and approaches that provides a country with contextual bases for its formulating of specific foreign policies. Vietnam, as a small and weak country, has had to rely on a great deal of external resources, and at the same time, it has had to cope with foreign powers. But it is a misconception that Vietnam's policies are

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[1] Vo Nhan Tri, *Vietnam's Economic Policy Since 1975* (Singapore: Institute of Southeast Asian Studies, 1990), pp. 40 and 101.

direct, immediate responses to stimuli from outside. There has been a host of instilling processes of strategic deliberation in domestic politics: rise and fall of leaders, self-criticism, and ideological reflection.

A rigorous examination of both the transformation of Vietnam's national strategy and the transformation's effects involves basically an illustration of postwar Vietnam's adaptive processes. In this article, the term adaptive processes refer to the processes of isomorphism, with which a system is able to avoid an immense cost, whether moral or material, caused by discrepancy between the internal identity and the external situation. It is also notable that the transformation occurred at junctures whereby domestically accumulated contradictions and effects from outside encountered each other: that is, changes in the national strategy occurred in the dimension of domestic-international interactions. While taking into account this interactive point, my article responds to the following questions: First, what were major conjunctures that brought about a shift in the adaptive processes? Second, what was the international aspect under each stage of the national strategy? Third, what ideological justifications did the leaders use or where did the new pragmatic thinking originate from? Finally, what is the implication of the postwar Vietnamese case for the North Korean case?

National Strategy: Definition and Application

The concept of national strategy, in this article, derives from the notion of grand strategy, which has been extensively used in the study of international relations. I use national strategy to imply a passive connotation of grand strategy, emphasizing the survival of Vietnam besieged by big powers even after the socialist reunification in 1975. And I use national strategy to stress domestic political processes, as

well as the international situation; this is an attempt to overcome the limits of the realist tradition to which most studies on grand strategy affiliate.

But it is worthwhile to examine the notion of grand strategy, whose analytic utility I partly adopt in the Vietnamese case study. Grand strategy, as Audrey Kurth Cronin and James M. Ludes note, represents a comprehensive conception that provides a framework for establishing "the relationship between means and ends" of a country and for contextualizing the ways "how a state's full range of resources can be adapted to achieve national security." Grand strategy, Cronin and Ludes continue, involves a political objective of the "identification of threat or enemies or friends."[2] In the same vein, Avery Goldstein posits that grand strategy is the "central logic" that interlinks various foreign policies, the country's vision and capabilities, and international constraints. But Goldstein points out that grand strategy is not expressed in an explicit fashion because of the conceptual inclusiveness; for instance, the United States NSC-68 in 1949, which was the basic document for the containment policy toward the Soviet Union, is not a grand strategy per se.[3]

Scholars who use the notion of grand strategy are divided in explaining dominant factors for emergence and changes of the strategy; the divisions are in line with different intellectual traditions. On the one hand, those in the hard-core realist tradition stress international factors. Lawrence Freedman states that grand strategy transforms with a shocking international event; according to him, American grand strategy prevented, for a decade after the end of the Cold War, any other nation from dominating a region whose resources might be adequate to generate international power, but the

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[2] Audrey Kurth Cronin and James M. Ludes, *Attacking Terrorism: Elements of Grand Strategy* (Washington, DC: Georgetown University Press, 2004), pp. 75-76.

[3] Avery Goldstein, *Rising to the Challenge: China's Grand strategy and International Security* (Stanford: Stanford University Press, 2005), p. 19.

9/11 terror incident brought a turning point in the grand strategy.[4] In a similar context, Steven E. Lobell points out that external situations, whether conflictual or peaceful, predominate domestic political processes, for instance, whose positions be adopted in foreign policymaking. He posits that the conflicting situation empowers advocates of a risk-taking aggressive strategy, whereas peaceful environment reinforces those of a risk-averse defensive strategy.[5] Colin Dueck also stresses the significance of the international factor, by noting that changes in international conditions are the chief cause of long-term adjustment in grand strategy, while domestic political-military cultures help specify the precise grand strategy chosen by state officials.[6]

On the other hand, there is a group of scholars who pay special attention to cultural backgrounds and domestic processes. Perhaps Alastair Iain Johnston is the forerunner of the study of strategic culture; he posits that strategic culture as an "ideational milieu" limits behavioral choices, and within the range of milieu, policymakers derive specific predictions about policy choices. For him, a country's strategic culture consists of a "system of symbols" about adversaries, threats, and efficacious strategic options.[7] Meanwhile, some scholars emphasize the domestic mechanism and leaders' role. Richard Rosecrance and Arthur A. Stein advocate that the study of grand strategy should go beyond the realist understanding, noting that "grand strategy reflects a nation's mechanism for arriving at social

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[4] Lawrence Freedman, "The Transformation of Grand Strategy," *Adelph Papers*, No. 379 (March 2006), pp. 27-48.

[5] Steven E. Lobell, "The International Realm, Framing Effects, and Security Strategies: Britain in Peace and War," *International Interactions*, Vol. 32, No. 1 (January-March 2006), pp. 27-48.

[6] Colin Dueck, "Realism, Culture, and Grand Strategy: Explaining America's Peculiar Path to World Power," *Security Studies*, Vol. 14, No. 2 (April-June 2005), pp. 195-231.

[7] Alastair Iain Johnston, *Cultural Realism: Strategic Culture and Grand Strategy in Chinese History* (Princeton: Princeton University Press, 1995), pp. 36-37.

choices."[8] Etel Solingen has conducted an extensive study about grand strategy based on actors and their orientations; according to her, domestic actors in power, particularly whether an internationalist coalition or a nationalist coalition, constitute the centrality in efforts to direct grand strategy.[9] Also, there are case studies on domestic factors of grand strategy. Eric Heginbotham emphasizes the relationship between leaders' ideological orientation and military strategy,[10] whereas Francis Herbert Marlo states that "grand strategy cannot be thought of as a given, but rather flows from the national leader's underlying beliefs, central goals and preferred tools."[11]

A survey of the study on grand strategy sheds light on its applicability to the Vietnamese case. On the one hand, there are three interactive factors that eventually decide a country's strategic direction: international environment, cultural or ideological milieu, and political leaders. This article, however, pays a particular attention not only to international situations but also to Vietnam's domestic processes in which political leaders conceived changes in international relations and ways in which the leaders deliberated foreign policies. On the other hand, the notion of grand strategy concerns mostly with global powers, such as the United States, the former Soviet Union,

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[8] Richard Rosecrance and Arthur A. Stein, "Beyond Realism: The Study of Grand Strategy," in Richard Rosecrance and Arthur A. Stein (eds.), *The Domestic Bases of Grand Strategy* (Ithaca: Cornell University Press, 1993), p. 12.

[9] Etel Solingen, *Regional Orders at Century's Dawn: Global and Domestic Influences on Grand Strategy* (Princeton: Princeton University Press, 1998), pp. 8-13 ; "Internationalization, Coalitions, and Regional Conflict and Cooperation," in Edward D. Mansfield and Brian M. Pollins (eds.), *Economic Interdependence and International Conflict* (Ann Arbor: University of Michigan Press, 2003), pp. 60-69.

[10] According the analysis, liberal leaders support naval interests, whereas nationalists frequently back army leaders. Eric Heginbotham, "The Fall and Rise of Navies in East Asia: Military Organizations, Domestic Politics, and Grand Strategy," *International Security*, Vol. 27, No. 2 (Fall 2002), pp. 86-125.

[11] Francis Herbert Marlo, "The Intellectual Roots of Reagan's Strategy," *Dissertation Abstracts International (A): Humanities and Social Sciences*, Vol. 67, No. 4 (October 2006), p. 1523.

Great Britain, and China; the word *grand* is unsuitable for a long foreign-dependent country like Vietnam.

In Vietnamese case, therefore, another notion, *national* strategy, underlies an effort to discern its transformation and the following effects on the significant changes in the country's external relations, especially with the Soviet Union and the United States (see Table 1. for the three-stage transformation of postwar Vietnam's national strategy). The role of Vietnamese leaders was the identification of two points: the situation in which Vietnam was steeped and the means by which the country strove to survive.

This study of Vietnam's national strategy shows why the background and the ideological orientation of leading figures—like war veterans in the politburo of the party, or the general secretary of the party in the Vietnamese case—are of special importance to observers who are concerned about the trajectory of external policies. Shifts of the national strategy have depended on up-and-down fate of political leaders and their orientations toward the unique postwar domestic situation (for example, triumphalism and self-criticism) and toward the international environment. In turn, the fate of political leaders has been related to gradual ideological transitions; for instance, new pragmatic views of Vo Nguyen Giap, Nguyen Van Linh, and Nguyen Co Thach paralleled a strategic shift in Vietnam.

Table 1. National Strategy and International and Domestic Spectra

	Formalist strategy	Experimental stage of new pragmatic strategy	New pragmatic strategy
Period	1975-1985	1986-1990	1991-1995
Major Conjuncture	Occupation of South Vietnam in 1975; the fourth congress of the VCP in 1976	Gorbachev's initiative for *glasnost* and *perestroika*; the sixth congress of the VCP in 1986	Collapse of communism in Eastern Europe in 1989; the seventh congress of the VCP in 1991
International Aspect	Pro-Soviet/anti-Chinese stance; invasion of Cambodia	Two tracks (maintenance of pro-Soviet stance; withdrawal from Cambodia)	Engagement with the US for normalization and the lifting of economic sanctions
Domestic Aspect	Socialist transformation; party dictatorship; socialist triumphalism	Renovation (*doi moi*); election of reformist leadership	Liberalization in the party; "market mechanism economy"
Ideological Backup	Marxism-Leninism; proletarian internationalism	Marxism-Leninism; independence and interdependence	Ho Chi Minh's thought as creative application of Marxism-Leninism (independence, peaceful coexistence)

Socialist Dependency, 1975-1985

Marxist-Leninist Formalist Strategy in Unified Vietnam

The military occupation of Saigon in April 1975 provided the northern leaders with socialist triumphalism.[12] Such a mood persisted for a decade, that is, during the period of socialist transformation. Under the name of voluntarism, this mood served the coercive and ruthless nationalization of industries and the similarly coercive and

[12] For a discussion on the postwar mood in Vietnam, see Robert K. Brigham, "Revolutionary Heroism and Politics in Postwar Vietnam," in Charles E. Neu (ed.), *After Vietnam: Legacies of a Lost War* (Baltimore: Johns Hopkins University Press, 2000), pp. 85-104.

ruthless collectivization of agriculture. Socialist triumphalism was closely intertwined with a diverging fate of the two versions of the national strategy: the solidification of the *formalist* strategy based on Marxism-Leninism, on the one hand, and the decline of the *traditional pragmatic* strategy, on the other hand.[13] The latter provided the Vietnamese people with a binary code of friend or enemy during the wars against France and the United States, whereas the former, by adopting the Soviet model, came to legitimize a rigid socialist transformation of the unified society.

Here, it is necessary to compare the two versions of the national strategy in detail. Traditional pragmatic strategy was a basis of practical diplomacy in times of national crises. It had developed in Vietnam's long history of being victimized by China's recurrent invasions and domination, by French colonialism, and by American military intervention. Vietnam's traditional pragmatic strategy had associated, by and large, with a practical war plan. It focused on a differentiation between enemy and friend in international affairs, while laying less emphasis on ideological tenets. Traditional pragmatic strategy assigned a supreme value to the independence and the sovereignty of Vietnam, because of the country's low security capacity. For this goal, traditional pragmatic strategy legitimized alliances with friends and wars against enemies, both of which were well explored and employed by a military man, General Vo Nguyen Giap.[14] Because it upheld the value of independence and sovereignty, Vietnam's traditional pragmatic strategy may be in line with nationalism in modern history. Also, the traditional pragmatic strategy warned of the possibility of an unequal alliance between Vietnam and the more powerful partners. Even during wartime,

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[13] On the naming of two versions of the strategy, see Eero Palmujoki, *Vietnam and the World: Marxist-Leninist Doctrine and the Changes in International Relations, 1975-93* (New York: St. Martin's Press, 1997), pp. 1-18.

[14] Ibid., p. 25.

Vietnam carefully examined whether any alliance with a friend could evolve into Vietnam's subordination to that friend, particularly to China. In this regard, the traditional pragmatic strategy reflected a defensive mentality of the small and weak Vietnam.

In contrast, Vietnam's formalist strategy stressed proletarian internationalism, while partly fusing itself with an essential element of the traditional pragmatic strategy, that is, independence. The founding father of socialist Vietnam, Ho Chi Minh, championed the formalist strategy. The reason that explains Ho's departure from the French Socialist Party and his move to Moscow in the early 1920s concerns his search for a way to end French colonial rule in his home country. At that time, while French socialists considered colonialism a peripheral issue, Lenin's thesis on "The Right of Nations to Self-Determination" (1914) prompted Ho to come to the home of the October Revolution.[15] In other words, Ho's journey to Moscow was originally a deliberate pilgrimage for his longheld desire for Vietnam's independence, as is evident in his famous statement that nothing is more precious than independence and liberty. However, it is also notable that his lifetime commitment to Leninism, particularly proletarian internationalism, should not be devaluated.[16] After his stay in Moscow, he maintained that the ideal of proletarian internationalism not only had provided communist leaders with tactics for the mobilizing of domestic and international support but also solidified the communist camp upon which the viability of Vietnam depended. According to Ho, proletarian internationalism, which preserved the purity of Leninism, was compatible with both national independence and the sovereignty of Vietnam.[17] In this respect, Ho believed that Marxism alone was insufficient and that it

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[15] William J. Duiker, *Ho Chi Minh* (New York: Hyperion, 2000), p. 63.

[16] Ton That Thien, *The Foreign Politics of the Communist Party of Vietnam* (New York: Crane Russak, 1989), p. 40

[17] Yevgeny Kobelev, *Ho Chi Minh* (Hanoi: Gioi Publishers, 2000), pp. 73-93.

should be fused with Leninist self-determination.

The two versions of national strategy were not in conflict with each other during wartime, even though each had its own distinctive origin. The traditional pragmatic strategy could be a means by which Vietnam would discriminate between friend and foe at a certain situation, whereas the formalist strategy might be a means by which Vietnam would legitimate the Vietnamese Communist Party's leading role in the fierce struggle against colonialism. Insofar as the two versions shared the goal of achieving Vietnam's national independence under the party's leadership, they supplemented each other.

It is noteworthy that the seizure of Saigon by the northern forces in April 1975 brought about contrasting fates of the two versions of national strategy. For the party leaders, the scheme of discrimination between friend and foe, specifically provided by traditional pragmatic strategy, was no longer useful. The party leaders needed a strategy with which they could rationalize their domination over the society and could dismantle the legacies of capitalism in newly liberated South Vietnam. Because of this situation, the unitary formalist strategy acquired a privileged status. This change was reflected by not merely slogans but also the policies adopted at important meetings held right after unification. At the National Assembly meeting in June 1976, the general secretary of the party Le Duan noted two stages of development: transformation first to socialism and then to communism. He added that Vietnam would move into the utopian stage of communism in fifteen to twenty years. At the fourth national congress of the Vietnamese Communist Party in December 1976, party leaders declared that the immediate task now was to construct a model socialist system and to strengthen the proletarian dictatorship. Furthermore, they emphasized a steady and vigorous move toward a full-scale socialist and communist state, given that strategic tasks of the third national congress of the party—creation of a socialist economy in the North and the liberation of the South—had been

completed.[18] All tasks and policy directions were in accordance with Marxist-Leninist doctrine, typically seen in countries that are in the process of socialist transformation.

Vietnam's formalist strategy, based on Marxism-Leninism, acknowledged the Soviet Union's leading role in proletarian internationalism. It upheld the Soviet Union as the locus of integration and solidarity, viewing Vietnam as an organic part of this alliance. What was the underlying reasoning of the formalist strategy that led Hanoi leaders to believe in the leading role of the Soviet Union, leaving China behind? In addition to Vietnam's anti-Chinese history, there were two reasons that explain why Vietnam solidified its organic partnership within the Soviet leadership.[19] First, the history of the hostility between Vietnam and Cambodia led to an estrangement between Vietnam and China. Frequent border skirmishes between Vietnam and Cambodia were followed by Cambodia's tilting toward China, a situation that in turn further encouraged Vietnam's move toward the Soviet Union.[20] This change occurred before Vietnam's massive invasion of Cambodia in December 1978. Second, Beijing's resentment of Hanoi's treatment of Hoa, the ethnic Chinese in Vietnam, in the process of socialist transformation brought about a serious schism between Vietnam and China. The Vietnamese government undertook both a radical crackdown on capitalism in the South and nationalization of commerce, two policies that dismantled

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[18] Douglas Pike, "Vietnam during 1976: Economics in Command," *Asian Survey*, Vol. 17, No. 1 (January 1977), pp. 34-35.

[19] Vietnam's departure from China was first signaled in June 1975, right after the end of the war. Hanoi authorities announced that the Soviet Union was the first nation to provide Vietnam with postwar aid, even though a Chinese ship loaded with relief supplies arrived a few days before the Soviet aid ship. This announcement angered China. Steven J. Hood, *Dragons Entangled: Indochina and the China-Vietnam War* (Armonk, NY: M.E. Sharpe, 1992), p. 34.

[20] On Vietnam's invasion of Cambodia from the perspective of international relations, including a schism between China and the Soviet Union, see Stephen J. Morris, *Why Vietnam Invaded Cambodia: Political Culture and the Causes of War* (Stanford: Stanford University Press, 1999), pp. 229-240.

the Hoa population's source of wealth and that finally resulted in a massive exodus of the Hoa into China and other neighboring countries. In other words, the radical socialist transformation dissociated the commercial Hoa from the new Vietnam.[21] Open Sino-Vietnamese hostility escalated when Pol Pot attended the Chinese national celebration on October 1, 1977, in Beijing and when China stopped its food aid to Vietnam in the same year.[22]

The formalist strategy isolated Vietnam from the international scene and delayed adoption of a reform policy there. Vietnam's formalist strategy prolonged the power of old leaders and impeded an early debate about reform. Along with the formalist strategy, leaders in this war-torn country had immersed themselves in the mood of triumphalism and revolutionary heroism for a decade, without considering alternatives to the Soviet model. It was not until 1986 that Vietnamese leaders, witnessing Gorbachev's initiative for *perestroika*, began to critically review their national strategy. The prevalence of the pro-Soviet and formalist strategy was well reflected in the report by Le Duc Tho at the fifth national congress of the Vietnamese Communist Party in 1982. In the report, he was quoted as saying that the "anti-Chinese struggle is one of the most urgent tasks of all Marxist-Leninists."[23] Considering his significant role in foreign affairs, in general, and in the US-Vietnam negotiations during the early 1970s, in particular, it is imaginable that Le Duc Tho's anti-Chinese view complemented the party's rigid formalist atmosphere.

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[21] William J. Duiker, *Vietnam: Revolution in Transition*, 2nd ed. (Boulder: Westview Press, 1995), p. 147.

[22] Hood, *Dragons Entangled*, p. 43.

[23] Recited from Edmund McWilliams, "Vietnam in 1982: Onward into the Quagmire," *Asian Survey*, Vol. 23, No. 1 (January 1983), p. 64.

Pro-Soviet Dependency

The formalist strategy was closely associated not simply with Vietnam's ruthless collectivization of agriculture and radical nationalization of major industries and commerce but also with Vietnam's pro-Soviet foreign policy. One notable point is that right after the end of the war, Vietnam attempted to keep a certain distance from the Soviet Union. Rather than immediately join the Council for Mutual Economic Assistance (CMEA), which was the economic block centered on the Soviet Union, Vietnam joined only the CMEA's auxiliary organizations, such as the International Investment Bank and the International Bank for Economic Cooperation, in order to get loans.[24] It was not until 1978 that Hanoi joined the CMEA, as the hostility between China and Vietnam intensified.

The CMEA was an important source of assistance to postwar Vietnam. The CMEA summit in June 1984 decided that it would accelerate an even development among member countries and would enhance the economic growth rates of Vietnam, Cuba, and Mongolia so that these rates would match those of East European countries. Accordingly, the CMEA provided Hanoi with long-term development loans of low interest and with various forms of grants for scientific and technical assistance. In particular, the interest rate was so low that it was one-fourth that of East European countries. It is noteworthy that the economic cooperation between Vietnam and the Soviet-led CMEA focused on heavy industry, which included machinery, chemical, and energy-related industries. Also, Vietnam's honeymoon with the Soviet Union, as seen in the Soviet naval advancement in Cam Ranh Bay, resulted in various forms of economic and technical assistance from Moscow in the 1980s. In October 1983, both countries signed the USSR-Vietnam Long-term Program for Economic,

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[24] Gareth Porter, *Vietnam: The Politics of Bureaucratic Socialism* (Ithaca: Cornell University Press, 1993), p. 200.

Scientific, and Technological Cooperation. In addition, during the Third Five-Year Economic Plan (1981-1985), the Soviet Union provided Vietnam with various types of aid: loans to offset Vietnam's trade deficit, low-interest credits, and grants for the projects that had stopped after the withdrawal of Chinese aid.[25]

Under the formalist national strategy, the relationship between Vietnam and the United States remained hostile in spite of several diplomatic occasions. The two countries were concerned more about immediate needs than trust-building measures: Vietnam consistently requested economic assistance for rehabilitation, whereas the United States brought the POW/MIA issue to the forefront. Vietnam's objective during the initial stage of negotiations was to retain the past agreements between the United States and North Vietnam: the Paris Peace Accord in 1973 and a secret promise made by President Nixon. In particular, Vietnam was eager to obtain the secret promise that would ensure an aid package of $3.25 billion from the United States.[26] For the United States, Vietnam's corresponding argument was no longer valid, because Vietnam—as North Vietnam—had already violated the 1973 accord by undertaking a military occupation of South Vietnam. This stance by the United States was consistent not only for the Ford administration but also for the Carter administration. Jimmy Carter on the campaign trail pledged "to heal the wounds of war," a view similar to that of the previous president regarding the POW/MIA issue. After Carter's inauguration as president, his overriding concern was American opinion, and this concern can be evidenced by his composition of a commission for the first US-Vietnam dialogue, held in Hanoi in March 1977. Despite criticism even within the administration, Carter organized the commission, led

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[25] Vo Nhan Tri, *Vietnam's Economic Policy Since 1975*, pp. 153-154.

[26] Frederick Z. Brown, "US-Vietnam Normalization: Past, Present, Future," in James W. Morley and Masashi Nishihara (eds.), *Vietnam Joins the World* (Armonk, NY: M.E. Sharpe, 1997), p. 204.

by Leonard Woodcock, to include a member of the National League of Families of American Prisoners and Missing in Southeast Asia, which had voiced a hard-line approach to Vietnam.[27] Without a doubt, the dialogue resulted in no positive outcome.

As US-Vietnam relations exhibited no substantial progress, Hanoi's tactical approach toward international financial institutions, such as the World Bank, the IMF, and the ADB, remained in vain. During the period of the Second Five-Year Economic Plan (1976-1980), Vietnamese authorities made an effort to obtain economic assistance from Western countries and international financial institutions. The Socialist Republic of Vietnam took over the former South Vietnam's membership in the IMF and the World Bank in 1978, the same year of Hanoi's entry into the CMEA. But the United States, which was annoyed with the Vietnam War syndrome, wielded its influence to convince the international financial institutions not to provide financial assistance to Vietnam.

Postwar Vietnam, adhering to its formalist strategy, failed to benefit from its pro-Soviet diplomacy. On the diplomatic front, the Vietnamese invasion of Cambodia in December 1978 was the gravest event, simply bringing about economic burden and diplomatic isolation. Vietnam's ambition on the eve of the invasion was to become a "patron for genuine Marxist-Leninist revolutions" in Southeast Asia, to use Stephen J. Morris's term.[28] But the ambition not only seemed dim but also strengthened a strategic tie between the United States and China, a tie that in turn posed a serious threat to Vietnam. The international pressure, imposed by the United States and its Southeast Asian allies,

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[27] One of the most critical persons in the Carter administration was Michel Oksenberg, National Security Council staff specialist on China. In the memorandum to Brzezinski, he recommended against the inclusion of a member of the organization composed of war victims. See T. Christopher Jespersen, "The Politics and Culture of Non-recognition: The Carter Administration and Vietnam," *Journal of American-East Asian Relations*, Vol. 4, No. 4 (Winter 1995), p. 403.

[28] Morris, *Why Vietnam Invaded Cambodia*, p. 97.

also brought about an unbearable loss for Vietnam. Under American pressure, Japan and some Western countries stopped their modest economic assistance to Vietnam.[29] On the domestic front, relying on the euphoric triumphalism and the slogan of voluntarism, Vietnamese authorities relentlessly implemented the socialist transformation. Furthermore, they were concerned about neither the effectiveness nor the efficiency of Vietnam's use of Soviet or CMEA economic aid. Aid donors also were indifferent to Vietnam's economic conditions and ignored the possibility of industrialization there. Consequently, despite receiving substantial loans and grants during the ten years following unification, Vietnam was becoming more reliant on the Soviet Union. Exemplifying the dependency is the Soviet Union's decision to supply essential resources, such as—in 1990—gasoline and diesel for 100% of Vietnam's import needs, cotton for 100% thereof, thin steel plates for 82% thereof, and fertilizer for 68% thereof. [30]

Experiment of Peaceful Coexistence, 1986-1990

Emergence of New Pragmatism

In view of Vietnam's dependence on the Soviet Union, the twenty-seventh national congress of the Communist Party of the Soviet Union (CPSU) in February 1986 was one of the most striking events for Vietnamese leaders: Gorbachev's slogan of *glasnost* was meant to open public discussion of issues and public access to information, a situation that was necessarily followed by political liberalization. In theory, the more interconnected one system is with

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[29] Gary R. Hess, *Vietnam and the United States: Origins and Legacy of War* (New York: Twayne, 1998), p. 149.

[30] Hanoi Domestic Service in Vietnamese, January 30, 1990, cited from FBIS-EAS-90-021, January 31, 1990.

another, the more vulnerable they will be to each other's fluctuations. This notion means that the more the systems interpenetrate into one another, the higher the "coupling effect" is between them.[31] The coupling effect between the Soviet Union and Vietnam was so high that the transformation led by the CPSU under Gorbachev's leadership was immediately followed by the emergence of a new trend of interpretations of international relations in Hanoi.

The first sign of the coupling effect in Vietnam was the speech 1986 made by Vo Nguyen Giap, who had been the leading figure of traditional pragmatism, as well as a legendary military strategist. Welcoming Gorbachev's proposal, made on January 15, 1986, for the liquidation of nuclear weapons by the year 2000, Vo Nguyen Giap openly and boldly emphasized the notions of peace, friendship, and cooperation between nations.[32]

Vo Nguyen Giap had long been checked by his rivals such as Le Duc Tho and Le Duan since the second half of the 1960s while Ho Chi Minh's heath had been failing. Sophie Quinn-Judge details a related story by noting that the Anti-party Affair in 1967-68 reflected in part the power competition in the party. Through the Anti-party Affair, some 30 high-level figures were arrested and around 300 people including generals, theoreticians, professors, writers, and journalists trained in Moscow were purged. Many of them under interrogation were questioned if there was any relationship with Vo Nguyen Giap. Giap was a critic of radical classism of the land reform policy and the party rectification movement in the early 1950s, and his position was in line with Nikita Khrushchev's policies of détente and criticism of personality cult.[33] Under the postwar atmosphere of socialist

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[31] For the concept of the coupling effect in social sciences, see Herbert A. Simon, *The Sciences of the Artificial*, 2nd ed. (Cambridge, MA: MIT Press, 1981), pp. 200-202; David Easton, *The Analysis of Political Structure* (New York: Routledge, 1990), p. 248.

[32] Cited from FBIS-APA-86-067, April 8, 1986.

[33] Sophie Quinn-Judge, "The Ideological Debate in the DRV and the Significance of

triumphalism, the check against the moderate Giap might have heightened. In this context, it is no surprise that Giap was deposed from power in the early 1980s amid the rising momentum of the formalist strategy based on Marxism-Leninism; he lost two significant positions, Defense Minister and Politburo member, in 1980 and 1982 respectively, and moved to the less powerful and the more administrative position of Deputy Premier.[34]

Vo Nguyen Giap now revived himself in 1986 with a new theoretical wing in times of drastic changes in the Soviet Union and international relations. His new standpoint sharply differed from the existing formalism, which demanded Vietnam's commitment to proletarian internationalism. Vo Nguyen Giap's assertion was echoed in April by an editorial of the party organ, *Nhan Dan*, which accentuated peace, stability, security, and cooperation by praising the Soviet government's call for close economic and cultural links with the Asia-Pacific region.[35] Such an argument was soon elaborated by Foreign Minister Nguyen Co Thach's circle, which emphasized an international division of labor and regional cooperation. Nguyen Co Thach was appointed to a full member of the Politburo at the sixth congress of the Vietnamese Communist Party in December 1986; then, he became one of the most influential figures on the course of foreign policy and one the most forceful advocates of *doi moi,* even though his independent style troubled with the Politburo's traditional consensus-building approach.[36]

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the Anti-Party Affair, 1967-1968," *Cold War History*, Vol. 5, No. 4 (November 2005), pp. 487-490.

[34] Insofar as the party leadership was centered on the pro-Soviet Marxist-Leninist Le Duan, Giap's removal was apparently the suppression of the pragmatic view. McWilliams, "Vietnam in 1982: Onward into the Quagmire," p. 63.

[35] The editorial of *Nhan Dan* on April 27, 1986 entitled "An Important Program for Peace, Security, and Cooperation in Asia and the Pacific," cited from FBIS-APA-86-082, April 29, 1986.

[36] Zachary Abuza, "Institutions and Actions in Vietnamese Foreign Policymaking: A Research Note," *Contemporary Southeast Asia*, Vol. 19, No. 3 (December 1997), p. 319.

With the passage of time, the emerging new viewpoint frequently employed new terms such as order, interdependence, technological revolution, and internationalization. These new terms contrasted with those of traditional pragmatism, which had heavily emphasized independence through struggle.[37] The new set of terms may be summarized as *new pragmatism*, which supports peace instead of struggle. Unlike traditional pragmatism, which had discriminated between friend and foe for Vietnam's independence, new pragmatism now underscored Vietnam's maintenance of independence and sovereignty through peaceful coexistence. New pragmatism treated Vietnamese development as dependent on world development.

The emergence of new pragmatism was accompanied by self-criticism in the party regarding domestic and foreign economic policy. This self-criticism recognized that the party not only suffered from the stigmas of corruption and bureaucratic centralism but also wasted foreign aid through ineffective implementation programs. The criticism of bureaucrats began in earnest on the eve of the sixth national congress of the Vietnamese Communist Party in December 1986.[38] The leading theoretician in the party, Truong Chinh, ironically promoted the self-criticism among the party leaders regarding economic affairs. He regretted that Vietnam's inefficient management of state subsidies had wasted huge amounts of foreign aid. In the party congress, he became a strong advocate for reform by saying that "responsibility for these shortcomings and mistakes rests first of all with the party's Central Committee, the Politburo, the Secretariat, and with the Cabinet."[39]

Following the theoretician Truong Chinh's seemingly pragmatic turn, the party congress declared itself in favor of economic reform

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[37] Palmujoki, *Vietnam and the World*, pp. 189-195.

[38] Huynh Kim Khanh, "Vietnam's Reforms: Renewal or Death," *Indochina Issues*, Vol. 84 (September 1988), p. 5.

[39] *Wall Street Journal*, December 16, 1986.

and selected Nguyen Van Linh, the reform-minded party secretary of Ho Chi Minh City, as the general secretary. The leadership shift to Nguyen Van Linh was significant owing to the longheld predominance in party politics by the previous general secretary, Le Duan. Le Duan's tenure as general secretary began in 1960 under the auspices of Ho Chi Minh and ended in 1986 with his death. Despite collective leadership, Le Duan prevailed in party affairs during his twenty-six-year tenure. Therefore, the power succession from Le Duan to Nguyen Van Linh was a blow to the Vietnamese formalism of Marxist-Leninist proletarian internationalism. Embracing Foreign Minster Nguyen Co Thach's arguments for interdependence, the party's politburo under the leadership of Nguyen Van Linh adopted Resolution 13 in 1988. The resolution reflected a significant change in Vietnam's strategic view on international relations: major powers were in détente; global economic competition was intensifying; Vietnam needed to participate in the global division of labor; China's major concern was economic development; and most important, Vietnam had to establish new relations with major powers.[40] The changes that were outlined in this resolution paralleled the emerging new pragmatism.

New pragmatism contributed to a policy shift in foreign affairs insofar as it stressed the notion of peaceful coexistence. In the midst of the unresolved tension centered on the Vietnamese occupation of Cambodia, the idea of peaceful coexistence had a significant meaning. What was the basis of this idea? For Vietnamese leaders, it was the scientific and technological developments of this period that brought about an expansion of productive forces and a change in political relations. Even though the old revolutionary struggle was not wrong, the transformation of the material base came to be conducive to the alteration of international relations.[41] Those leaders who subscribed

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[40] Porter, *Politics of Bureaucratic Socialism*, p. 208.

[41] Ibid., pp. 183-187.

to new pragmatism saw that the emergence of new productive forces began to yield a particular form of class struggle in the international arena: the classical revolution by workers would not occur, on the one hand, and poor and rich countries became interdependent with each other through exchanges of resources and markets, on the other. In this regard, peaceful coexistence for Vietnam was a timely strategy to cope with the uncertainty of the transitional period.

However, the emergence of Vietnam's new pragmatism did not immediately lead to Vietnam's official revocation of Marxist-Leninist formalism. It seems that the country's top leaders, particularly politburo members, could clearly predict neither the direction of the changes taking place in the Soviet Union nor the worldwide trends in technological development and international interdependence. Lacking confidence in the uncertain situation, Vietnamese leaders had to wait and see while they prohibited any official judgment that might seriously erode party authority. This ambivalent position in the leadership can be seen in the stance of General Secretary Nguyen Van Linh. While he attempted to renovate the party by mobilizing non-party organizations and by promoting rectification campaigns in the party, he did not explicitly turn away from the tradition of Marxism-Leninism. It is worth noting that he became defensive in 1989 and 1990, as he witnessed the breakdown of socialist systems in Eastern Europe. At the seventh plenum of the sixth Central Committee of the party in August 1989, he made a stiff orthodox assertion that Marxism-Leninism was the "lodestar" guiding Vietnam's path.[42] This particular expression reflected Vietnamese leaders' defensive mood in relation to the upheavals in Eastern Europe.

It seems that their defensive mood was reflective not of their strong attachment to the orthodox doctrine of Marxism-Leninism but

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[42] Lewis M. Stern, *Renovating the Vietnamese Communist Party* (New York: St. Martin's Press, 1993), pp. 79-80.

of their refraining from proclaiming a turn of the official doctrine. While witnessing unprecedented developments in Eastern Europe, the leadership's chief concern hinged on the internal causes of the breakdown of socialism in Eastern Europe and on Western countries' "imperialist" infiltration tactics, the so-called peaceful evolution. For example, at a review meeting of the party committee of Ho Chi Minh City in January 1990, Nguyen Van Linh noted the deep-rooted causes of the collapse of Eastern Europe's socialist systems. According to him, those systems had violated the principle of democratic centralism, exercised arbitrary and autocratic power, alienated the masses, and prolonged the state-bureaucracy mechanism. Nguyen Van Linh pointed out two lessons from history. First, the Vietnamese Communist Party should consider the compatibility of relations of production with the development of productive forces. In other words, for him, the form of an economic system should change in accordance with the existing levels of scientific and technological development. Second, the party should consolidate its relationship with the masses. The party's estrangement from the masses would mean the end of the party's moral base. It was now certain that success of Vietnam's own socialist cause would depend on successful adaptation to changes in domestic and international environments.[43]

Transition from Pro-Soviet Dependency

During the second half of the 1980s, when new pragmatism was emerging, Vietnam adopted a two-track policy in its foreign affairs. While Vietnam intended to preserve its existing ties, to a certain extent, with the Soviet Union and the CMEA, it embarked on a new path that resembled Gorbachev's initiative. Inasmuch as new

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[43] Hanoi VNA in English, January 18, 1990, cited from FBIS-EAS-90-012, January 18, 1990; Hanoi VNA in English, January 26, 1990, cited from FBIS-EAS-90-018, January 26, 1990.

pragmatism had not matured enough to be recognized as an official ideological doctrine, Vietnamese foreign policy had ample room for the two-track policy, which turned out to be a gradual transition from the previous pro-Soviet dependency to an opening up.

The historic sixth national congress of the party, held in December 1986, concurred with changes in Vietnam's approach to the pending issues in external affairs. First of all, Vietnam made an attempt to alleviate Indochina-based tension that centered on the Cambodia issue. One notable measure took place at the eleventh Conference of Foreign Ministers of Indochina held in August 1985. At this gathering, Vietnam made a unilateral pledge to the international community regarding the Cambodia issue: the complete withdrawal of Vietnamese forces from Cambodia before 1990.[44] For Vietnam, the Cambodia issue had been a troubling issue, particularly in Vietnam's relations with the United States. Indeed, Vietnam adopted a pragmatic posture in dealing with the Cambodia issue by announcing their complete withdrawal of forces from Cambodia in September 1989. (But the United States requested that the withdrawal accompany a political settlement in Cambodia. The Hun Sen government in Phnom Penh, for Washington, seemed to be an agent of Hanoi, and thus the participation of all political factions in the general election should be a precondition of the building of a peaceful regime in Cambodia.)[45] With its pragmatic posture, Vietnam also witnessed its relations with China change and, in 1991, normalized these relations, while regarding the United States as "a useful diplomatic counterweight to China."[46]

Second, Vietnamese leaders stressed the need to extend the scope of their country's involvement in foreign economic relations and, simultaneously, to maintain their country's traditional alliance

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[44] Seki Tomoda, "Detaching from Cambodia," in James W. Morley and Masashi Nishihara (eds.), *Vietnam Joins the World* (Armonk, NY: M.E. Sharpe, 1997), pp. 139-140.

[45] Brown, "US-Vietnam Normalization: Past, Present, Future," p. 205.

[46] Porter, *Politics of Bureaucratic Socialism*, p. 209.

with the Soviet bloc. Foreign Minister Nguyen Co Thach advocated an opening up for Vietnam's economic development, insofar as both the international division of labor and international cooperation were widespread. But the party leaders gave more weight to interaction with the Soviet Union and the CMEA than to the rest of the world; for the leaders, Vietnam's alliance with the Soviet bloc was still a significant element in their foreign policy. What should be noted is that Vietnam and the Soviet bloc explored not only new state-level projects but also corporate-level cooperation. Hanoi and Moscow agreed on a framework for a direct link between enterprises in one country and those in the other. Vietsovpetro, established in 1987 for the exploitation of crude oil and gas along the continental shelf of southern Vietnam, reflected this corporate-level cooperation.[47]

Third, Vietnam's new pragmatic strategy appeared also in a legal framework that promoted foreign direct investment (FDI). In December 1987, the National Assembly passed the Foreign Investment Law, which became effective in January 1988. Although this law featured many progressive elements including a favorable tax system, guarantees of protection, and a preferential code for Viet Kieus' (Vietnamese abroad) investments, it reflected Hanoi leaders' intention to maintain the socialist potential of the Vietnamese economy by fostering labor-intensive manufacturing industries. Unlike the recently revised version, the 1987 law was intended to strengthen Vietnam's role within the framework of the international division of labor centered on the CMEA.[48] This was so because the future of the FDI was uncertain at that time, as Foreign Minister Nguyen Co Thach admitted.[49] Indeed, investment from Western countries did not immediately follow in the wake of this legislation.

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[47] Tri, *Vietnam's Economic Policy Since 1975*, pp. 209-211.

[48] Ibid., p. 216.

[49] "Vietnam's Quest for Foreign Investment: A Bold Move," *Indochina Issue*s, Vol. 80 (March 1988), pp. 3-7.

Vietnam's transition from pro-Soviet dependency to opening up was distinctive in the adoption of a competitive export mechanism in the late 1980s. Previously, a few state-owned trading companies monopolized trade; however, in 1989, the authorities allowed several trading companies to compete with one another. The shift toward competition resulted in the rice export amounting to 300 million US dollars in 1989,[50] and in the early 2000s, made Vietnam the world's second largest rice exporter after Thailand.[51] Vietnam's transformation into a large rice exporter was remarkable, in view of Vietnam's pre-liberalization reliance on food imports and on foreign aid. In sum, the emergence of new pragmatism was consistent with Vietnam's gradual distancing from pro-Soviet dependency. This transition was an adaptive process. The Vietnamese leaders perceived the world in a different way and considered the transition in foreign economic relations seriously.

Adaptive Engagement, 1991-1995

The Strengthening of New Pragmatic Strategy

The Vietnamese leaders' defensive posture toward the transformation of Eastern Europe eased off in 1991. With the opening of the seventh national congress of the party, new pragmatism, whose embryonic form had first appeared in 1986, became a stronghold of Vietnamese national strategy. The notions of independence and

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[50] David Dollar, "The Transformation of Vietnam's Economy: Sustaining Growth in the 21st Century," in Jennie I. Litvack and Dennis A. Rondinelli (eds.), *Market Reform in Vietnam: Building Institutions for Development* (Westport, Connecticut: Quorum Books, 1999), p. 34.

[51] Jehan Arulpragasam, Francesco Goletti, Tamar Manuelyan Atinc, and Vera Song We, "Trade in Sectors Important to the Poor: Rice in Cambodia and Vietnam and Cashmere in Mongolia," in Kathie Krumm and Homi Kharas (eds.), *East Asia Integrates: A Trade Policy Agenda for Shared Growth* (Washington DC: World Bank, 2004), p. 154.

sovereignty, which had originated from traditional pragmatism, revived along with an emphasis on new thinking and flexibility. It is remarkable that these notions became talking points in the military. Tu Nguyen's article in the military journal *Tap Chi Quoc Phong*, in April 1991, reflected this trend well. Emphasizing the position that the two tasks of the military are to build the nation and to defend the nation, the article pointed out that the spirit of independence, sovereignty, and self-reliance must be developed in the military during peacetime.[52] This argument was in line with the theme of the newly published book *Renovate Military Thinking* by Le Duc Anh, defense minister and a politburo member in the party, who introduced the notion of an all-people national defense.[53] This notion had already emerged—during the late 1980s—amid Vietnam's arms-reduction efforts, which involved the discharge of 600,000 regular forces, including 100,000 officers. In other words, the unilateral withdrawal of Vietnamese forces from Cambodia, arms reduction, and new military thinking were closely related each other and came to apparently disclaim the tradition of the previous formalist strategy.

The new pragmatic strategy in the early 1990s emphasized economic and technological competition, on the one hand, and peaceful settlement through negotiation in international relations, on the other. In September 1991, the party's theoretical journal *Tap Chi Cong San* published an article in which Phan Doan Nam, former assistant minister of foreign affairs and a senior advisor at the Institute for Foreign and International Relations in Hanoi, appraised the international situation as follows: the world order was changing, as observed in the radical transformation of the political landscape in the

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[52] Tu Nguyen, "Victory on the Front of National Defense and New Tasks for the Days Ahead," *Tap Chi Quoc Phong*, April 1991, cited from FBIS-EAS-91-110, June 7, 1991.

[53] Le Duc Anh was a pro-Soviet military leader who ascended to the top military position during Le Duan's rule. For this reason, he had been a hardliner on the Cambodia issue. However, he changed his position in the late 1980s to improve Vietnam's relations with China.

Soviet Union after the August Coup in 1991. The article noted also that the transformation was occurring not because of war or changes in the military balance but because of a change in the balance of general forces, that is, in the economy, science, and technology. Insofar as Vietnam had taken a defensive posture in 1989 and 1990, this strategic appraisal was a new departure, suggesting that the country would engage in the world economy by taking advantages of late starters. In the same vein, the article defined the current situation of international relations in terms of transition and détente. The definition disclaimed the traditional formalism, which had emphasized contradiction and struggle between socialism and capitalism, and summarized all these new understandings into the notion of "inter-dependence" in international relations.[54]

The new pragmatic strategy, rather than openly reject all principles of Marxism-Leninism, introduced Ho Chi Minh's thought as a source for the alteration of obsolete elements of Marxism-Leninism. An editorial staff member at *Tap Chi Cong San* noted in 1991 that Ho's thought is a creative application of Marxism-Leninism to Vietnam's historical situation.[55] The adoption of Ho's thought as the creative application of Marxism-Leninism to the Vietnamese situation paralleled the case of North Korea during the 1960s. In the midst of Sino-Soviet conflicts, North Korea presented Kim Il Sung's thought as a guideline for domestic and foreign policies. It depicted Kim's thought as a creative application of Marxism-Leninism for self-reliant and independent sovereignty. Even if the backgrounds and the motivations of the Vietnamese differed significantly from those of the North Koreans, the two cases were in common in fusing the leader's thought to Marxism-Leninism and thus promulgating a new

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[54] Phan Doan Nam, "How to Perceive Features of the Current World Situation," *Tap Chi Cong San*, September 1991, cited from FBIS-EAS-91-197, October 10, 1991.

[55] Editorial staff, "Some Issues That Need to Be Discussed Again," in *Tap Chi Cong San*, April 1991, cited from FBIS-EAS-91-110, June 7, 1991.

age of national identity. With the proposition of creative application, Vietnam no longer had to abide by its old tradition of proletarian internationalism, which had served socialist solidarity.

The new pragmatic strategy was well summarized in both the political report of the seventh party congress in 1991, read by Nguyen Van Linh, and the newly revised constitution of 1992. The political report stated that Ho Chi Minh's thought is "the perfect embodiment of union of class and nation, national and international, and national independence and socialism."[56] Inserted in the new constitution were the expressions "a state of the people, from the people, for the people" and an "alliance between the working class, the peasantry, and the intelligentsia" (Article 2), the two expressions replacing the old constitution's expression "rule by proletarian dictatorship." With regard to foreign affairs, the political report and the 1992 constitution emphasized such notions as independence, sovereignty, peace, friendship, and cooperation. These notions contrasted with those of traditional pragmatism: the latter assumed independence through struggle during wartime, whereas the former valued independence with cooperation during peacetime. (The old pragmatism and the new pragmatism are similar to each other in that they privilege independence and sovereignty over international obligation among socialist systems.) In addition, Vietnam's new pragmatism stressed practical experience, a fact that reminds us of Deng Xiaoping's lifelong proposition that truth comes from practice.

Vietnam's new pragmatic strategy in the early 1990s operated alongside expanded domain of liberalization in the expression of ideas in political arena. In preparing the seventh national congress, the party for the first time decided to publicize draft documents for the accommodation of public opinion through conferences, seminars,

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[56] "Political Report" read by Nguyen Van Linh at the opening session of the 7th National Party Congress on June 24, 1991, cited from FBIS-EAS-91-123-S, June 26, 1991.

statements in press and radio, letters, and direct meetings between responsible people. This policy change was significant in that the party congress was no more a ritual or secret event, even though the expression of ideas was limited. Liberalization could be seen also in the empowerment of the legislature and the cabinet. Even though the party-centered consensus impeded undeniably, the emergence of pluralism, the separation of power between the legislature and the cabinet, and these bodies' acquisition of decision-making power became an irreversible trend.[57]

Road to Engagement

The new pragmatic strategy in the early 1990s was a more concrete expression of Vietnam's adaptation to the changing environment than had been the strategy of the second half of the 1980s. In foreign policy, Vietnam now considered the United States the *key* for resolving all diplomatic issues. Underlying this belief was Hanoi's recognition that the economic sanctions initiated by Washington constituted the main obstacle to the inducement of foreign capital. Not only the US trade embargo but also the veto power in international financial institutions such as the IMF, the World Bank, and the ADB prevented American corporations from investing in Vietnam. The goal of America's economic sanctions was obviously to force Vietnam to follow conditions imposed by Washington.[58] For this reason, Vietnamese foreign policy under the new pragmatic strategy focused on the development of improved relations with the United States.

Vietnam's troop withdrawal from Cambodia in 1989 was not the

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[57] Dang Phong and Melanie Beresford, *Authority Relations and Economic Decision-Making in Vietnam* (Copenhagen: Nordic Institute of Asian Studies, 1998), pp. 91-94.

[58] Do Duc Dinh, *Vietnam-United States Economic Relations* (Hanoi: The Gioi Publishers, 2000), pp. 105-106.

only factor to contribute to Washington's reevaluation of the Vietnam policy. Events on the rapidly changing international scene were significant in this regard, as well. At the end of the 1980s, the Soviet Union under Gorbachev restored friendly relations with China; in turn, China improved relations with Laos, to which Vietnam had lent support, and became supportive of a peaceful settlement in Cambodia. Viewing a peaceful resolution to the Cambodia issue, the United States began to reassess its policy toward Vietnam with regard to economic sanctions. As a consequence, US-Vietnam relations have progressed since April 1991, when the Bush (George H. W.) administration presented the so-called roadmap for a normalization process. The roadmap, composed of four phases, stated that Washington would postpone normalization until the general election in Cambodia. That is, the United States now pressed Vietnam to urge the existing Cambodian government to sign a peace agreement.[59] And the roadmap stated that the United States would begin to ease economic sanctions in accordance with Vietnamese cooperation over both the peace settlement in Cambodia and the POW/MIA issue.[60]

The announcement of the roadmap was made two months before the seventh national congress of the party, and thus, the party leaders in Hanoi supposedly had to hurry to fine-tune the ways and means by which Vietnam could meet the United States' demand. The party leaders at the congress decided to address, further and peacefully, the outstanding issues that concerned the United States. Accordingly, Vietnam fulfilled one of the major components of the roadmap for normalization by inducing the Hun Sen government in Cambodia to accept Washington's proposal for a nationwide election. Also, Vietnam complied with American demands for sincere cooperation

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[59] Michael C. Williams, *Vietnam at the Crossroads* (New York: Council on Foreign Relations Press, 1992), p. 81.

[60] Robert G. Sutter, *Vietnam-US Relations: The Debate over Normalization* (Washington, DC: Congressional Research Service, May 12, 1992), pp. 14-15.

on the POW/MIA issue. Hanoi allowed American officials to perform field searches and to access archives in the Vietnamese Defense Department. Appraising these accomplishments as a breakthrough for normalization, President George H. W. Bush, in December 1992, allowed American corporations to open their offices in preparation for doing business in Vietnam.[61]

The launch of the Clinton administration in January 1993 expedited Vietnam's engagement policy. The Vietnamese government delivered significant documents to the United States regarding the POW/MIA issue, and President Bill Clinton declared in July 1993 that the United States would not oppose Vietnam-bound aid from international financial institutions. Clinton finally announced in February 1994 that the United States would lift all economic sanctions that it had imposed on Vietnam for four decades. The lift was followed by an inflow of official development assistance (ODA). The scale of ODA increased from 410 million US dollars in 1993 to 730 million US dollars in 1995 and to 1,450 million US dollars in 1999, a doubling of the 1995 amount.[62]

What should be noted here is that the Vietnamese government carefully calibrated itself in order, first, to fulfill the conditions of American corporations' business advancements and, in turn, to convince the corporations that they should call for their government's lifting of economic sanctions against Vietnam. Because American business group anticipated a chance to compete with their European and Asian counterparts, it seems that Vietnamese policy worked out effectively. The Vietnamese government permitted major US corporations—such as Motorola, Microsoft, Coca Cola, and Caterpillar —to open offices in Vietnam and to conduct field surveys there. For

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[61] Joseph P. Quinlan, *Vietnam: Business Opportunities and Risks* (Berkeley: Pacific View Press, 1995), pp. 30-31.

[62] Do Duc Dinh, "Vietnam's Doi Moi Policy: Progress and Prospects," *Vietnam Economic Review* (June 2001), p. 14.

example, the government permitted Caterpillar to open an office in Hanoi, the company which was anxiously watching its Japanese competitor Komatsu's advance.[63] Also, Vietnam responded swiftly to a request from the American Chamber of Commerce to establish a production-sharing contract between American oil corporations including Mobil and the Vietnamese company Vietsovpetro for the exploitation of the Dai Hung area, the largest oilfield off the southern coast.[64] Apparently, Vietnam expected that the American oil corporations could persuade their government to lift the economic sanctions.

In sum, Vietnam adapted actively to the rapidly changing international environment after the breakdown of Eastern Europe's socialist systems and the disintegration of the Soviet Union. The ruling circle of the party came to adopt the new pragmatic strategy, whose origin may be traced back to 1986, when the military strategist Vo Nguyen Giap advocated the notion of peaceful coexistence. Insofar as national sovereignty and national independence were not threatened, Vietnam could now apply the principle of peaceful coexistence to foreign relations and obtain international economic assistance. In fact, the introduction of loans from the World Bank and donor countries has contributed to the institutional development of Vietnam's banks and financial systems, to the reform of state-owned enterprises, and to the expansion of infrastructure such as highways, ports, and telecommunications. In turn, these changes encouraged FDI from American and Asian corporations in the fields of manufacturing industries.

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[63] *Sales & Marketing Management*, Vol. 147 (April 1994), p. 15.

[64] *Hanoi VNA* in English, December 28, 1991, cited from FBIS-EAS-91-248, Dec. 28, 1991.

Conclusion

Because of a lack of resources and its vulnerability in national security, Vietnam has attempted to find compatible approaches to two often incompatible goals: one goal is to search for a reliable neighbor, and the other goal is to maintain sovereignty and national independence. The means by which Vietnam can maintain compatibility between the two goals and between the many paths to a realization of these goals have been contextualized by the varying forms of Vietnam's national strategy. These means have changed over time in accordance with changes in Vietnam's domestic politics and international situation.

It is true that Gorbachev's reform initiative in the Soviet Union and the "grand failure" of East European socialism significantly affected the changes in Vietnamese national strategy in 1986 and 1991, respectively. Nevertheless, it is an overstatement that the variable of Vietnam's national strategy was dependent simply on international forces: there existed an internal force that allowed for the relatively radical turn from a rigid formalist strategy to a new version of pragmatic strategy, which eventually led normalization with the Untied States.

The national strategy has evolved over time, depending on who governs and which leadership prevails. The death of Le Duan, the restored voice of Vo Nguyen Giap, and the rise of Nguyen Van Linh and Nguyen Co Thach contributed to the pragmatic turn of Vietnamese national strategy in 1986. Plagued with political and economic problems, Vietnamese leaders began to introduce new economic measures beginning in 1979. But it was not until 1986 that economic reforms started to consolidate and the party's antagonistic view against capitalism began to change.[65]

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[65] Sophie Quinn-Judge, "Vietnam's Bumpy Road to Reform," *Current History*, Vol. 105, No. 692 (September 2006), pp. 284-289.

Also, the reasoning behind Vietnam's swift strategic change, that is, normalization with the United States hinged on North Vietnam's military victory against imperialism. Without triumphalism, it might have been difficult for the Vietnamese leaders, centered on the prominent theoretician Truong Chinh, to have had an opportunity to engage in self-criticism on the eve of and at the sixth congress of the Vietnamese Communist Party in 1986. If the Vietnamese people had held onto only a victim mentality in relation to the war, they would not have engaged in the self-criticism that concerned their faults, such as abuse of foreign aid and the relentless socialist transformation of the war-torn society. In this regard, it is fair to say that the transformation of Vietnam's national strategy was a complex response to both changes in the international environment and the leaders' active and receptive adaptation to the changes.

What is the implication of the Vietnamese case for the North Korean case? Is North Korea transforming from independence (or isolation) to engagement, especially with the United States? Just as postwar Vietnam needed the United States for recovery from war-torn economy, so North Korea has long desired direct relations with the United States. Just as Vietnam consequently attracted the United States attention through threatening regional security in Southeast Asia, that is, the occupation of Cambodia in 1978, North Korea succeeded in attracting direct attention of the United States through nuclear brinkmanship in 1993 and 2006.

However, North Korea differs from Vietnam in the context of national strategy. Unlike postwar Vietnam that heavily relied on the Soviet Union for ideology and economic assistance, North Korea has maintained a certain degree of independence in external relations since the Korean War. Unlike postwar Vietnam's triumphalism rendered self-criticism in the inner circle possible later, North Korea's demonizing of all things American has not permitted room for any deliberation on strategic changes. Furthermore, whereas the Vietnamese

collective leadership underwent a generational shift that contributed in part to the emergence of a new elite with pragmatic viewpoints, the North Korean leadership has based itself on monolithic power, centered on Kim Il Sung and Kim Jong Il, that inhibited the rise of an elite with diverse views. In North Korea, as a consequence, there has been little evidence of any strategic deliberation with regard to interdependence, international division of labor, and peaceful coexistence—notions which characterized the transformation of the Vietnamese national strategy in the 1980s.

A notable point is that the military-first politics contextualizes the external relations, a situation that evinces absence of a detectable change in the national strategy of North Korea. The military-first politics emerged at a critical juncture in the mid 1990s, and it has replaced the anti-Japanese guerrilla tradition, which had been a significant reference of North Korean identity and legitimacy.[66] It was no coincidence that North Korea propagated the military-first politics in times of death of old guerrilla leaders, such as O Chin-u, Choe Kwang, and Kim Kwang-chin between 1995 and 1997, following the expiry of Kim Il Sung in 1994. In other words, the generational shift in the elite has not been followed by an adaptive strategic turn for economic recovery but instead by a military-oriented ideological backup. In comparison to the Vietnamese case, the absence of a Giap, a Linh, or a Thach in the public sphere in North Korea overshadows a strategic shift in the near future.

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[66] Sung Chull Kim, *North Korea under Kim Jong Il: From Consolidation to Systemic Dissonance* (Albany, NY: State University of New York Press, 2006), pp. 198-199.

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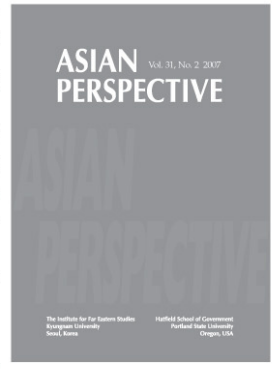

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