

THE 7TH WASHINGTON NORTH KOREA ROUNDTABLE  
*Pyongyang Summit of the Two Koreas Towards Reconciliation and Unity, and  
New American Policies towards Korea*

Sponsored by  
The Institute for Strategic Reconciliation, Inc. and  
The Korea Society

Monday, May 15, 8:30 am to 2:30 pm  
Gold Room 2168, Rayburn Building, The U.S. Capitol, Washington, DC

**AGENDA**

(**Note:** An asterisk preceded by a title indicates that the corresponding paper is available for publication)

8:30 am - Registration

8:50 am - Welcoming Remarks

Ambassador Donald P. Gregg, Chairman, The Korea Society

Rev. Inhwa Sohn, Chairman, The Institute for Strategic Reconciliation

9:00 am - 10:30 am (**Track 1**)

**PYONGYANG SUMMIT OF THE TWO KOREAS TOWARDS RECONCILIATION AND UNITY**

*\*Significance of the Summit and the Day After*

Donald P. Gregg (Chairman, The Korea Society)

*Roadmap to Peace between the North and the South*

John Merrill (Korea Analyst, US Department of State)

*Seoul's Approach to the Pyongyang Summit*

Yoon-joe Shim (Counselor, Republic of Korea Embassy to the U.S.)

*\*Lessons from the German Reconciliation Process*

Stephen Szabo (Professor of European Studies, SAIS, Johns Hopkins University)

*\*Political and Economic Cooperation Towards the Reconciled Korea*

Young-Kwan Yoon (Professor, International Political Economy, Seoul National University)

10:45 am - 12:30 pm (**Track 2**)

**NEW AMERICAN POLICIES TOWARDS KOREA**

*\*Gates to Engaging DPRK: Prospects for Reconciliation Diplomacy*

Asaph Young Chun (President, Institute for Strategic Reconciliation)

*\*Historical Assessment of American Policies Towards Reconciliation of the Two Koreas*

Bruce Cumings (Norman and Edna Freehling Professor of International History and East Asian Political Economy, University of Chicago)

*\*The KEDO LWR Project and its Potential Benefits in Preparing DPR Korea for Rehabilitation of its Electrical Energy Complex*

John B. Mulligan (Director of Project Operations, Korean Peninsula Energy Development Organization)

*\*DPRK Policy Challenges of the New American Administration*

Mike Spirtas (Senior Fellow & Director of Foreign Policy Program, Center for National Policy)

1:00 pm - 2:30 pm (**Reception & Luncheon at Woo Lae Oak Restaurant - Conference Hall**)

*Relations between DPRK and the U.S., and Peace in East Asia*

Bruce Cumings (Professor, University of Chicago)

**Historical Assessment of American Policies towards  
Reconciliation of the Two Koreas**

**Bruce Cumings**

Norman and Edna Freehling Professor of International History and East Asian Political Economy  
**The University of Chicago**

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The paradox is that that Korea, for all its problems, may be a place where a humanitarian crisis in the DPRK and a democratic transition in the Republic of Korea can be the prelude to settling the long-lasting, seemingly interminable war as well. The limited history of the past decade suggests grounds for optimism about ending the endless Korean conflict.

The crisis over the North's nuclear program lasted for three years and nearly led to war in 1994, but the final result was good: a comprehensive diplomatic agreement in October 1994 to freeze the North's nuclear facilities, and open relations between P'yongyang and Washington. The mini-crisis of 1998-99 over an alleged underground nuclear site also ended with an unprecedented inspection agreement. North Korean immobilism, which seems so fearsome whether inside the country or in the interminable negotiations that went on over the preliminaries to the "four-power talks," appears not to be an insurmountable obstacle to real change—as these diplomatic agreements and other recent changes suggest.

In recent years North Korea has actually changed quite a lot, above all in its basic strategic orientation: long determined to get the U.S. out of Korea, there are suggestions that it now wants us to stay involved, to deal with changed international circumstances since 1989 and to help the country through its current, unpredictable transition. North Korea is also an industrial society, and with relatively modest expenditure and sharp reforms of its economic orientation, the food problem could quickly be solved (in contrast to the endless and seemingly insoluble humanitarian crises of several African nations).

The transition to democratic politics in the South since 1997 has also brought remarkable changes in the South's policy toward the North under President Kim Dae Jung. He wants first of all to bring a final end the Korean War, something that would set the stage for much better relations between the two Koreas. Washington should support him in every way that it can.

## **How to Avoid a Case of Post-Summit Ennui.**

Donald Gregg  
Chairman, The Korea Society

The 7<sup>th</sup> Washington North Korea Forum  
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Summit meetings, particularly between leaders who have not met before, carry a certain element of risk along with them. Participants who have not been able to build sufficient symbolism and substance into their meeting may be left after the summit feeling “why did we do this?”

In the case of the upcoming Korean summit meeting, the two protagonists, apart from both being Korean, bring vastly different experience, and perhaps expectations, to the meeting. Kim Dae-jung is a veteran summiteer, who has personally, through top-level meetings and follow-up discussions, built a uniquely powerful diplomatic position for South Korea, where he enjoys strong support from all of the countries in Northeast Asia. South Korea enjoys the best set of relationships with its neighbors of any country in the region, and for the first time in history can work in harmony with Japan, China and Russia on the North Korean issue. Despite his having achieved all of his diplomatic success abroad, President Kim’s party lacks a majority of votes in the National Assembly, and he thus suffers from the handicaps of being a minority president.

Kim Jong-il, on the other hand, has never had a summit meeting with any foreign leader, but enjoys monolithic control in North Korea. The vastly differing positions of the two Korean leaders places an additional burden on the upcoming summit, and its planning. The management of expectations and the avoidance of surprises will be particularly important. Both leaders should go into a summit with clear expectations of what they can achieve. It is always better to achieve more, rather than less than was expected. It is thus very sensible to keep expectations sensibly low. The avoidance of surprise is also of high importance. Some leaders like to please their counterpart by an unexpected “present” or concession. This can be dangerous if the counterpart is not prepared to reciprocate. Even worse is the unpleasant surprise, where a participant brings up a difficult policy issue that has not been worked out in advance by planning staff from both sides.

For a summit to have lasting impact, it must lead to ongoing contacts between the countries involved. It is easy to meet once, it is much more difficult to meet twice, unless fertile areas of discussion and compromise have been defined in the first meeting. We have a clear idea of Kim Dae-jung’s expectations from the first meeting. They are quite modest and realistic. We have very little idea of what specific and achievable objectives Kim Jong-il is looking for. Therein lies the biggest question about the true significance of the summit in Pyongyang.

In the end, one has to say that the idea of a summit is far more good than bad, and that the symbolism of the meeting will be strong and positive. Beyond that, the greatest hope for the success of the summit lies in any sort of positive chemistry that emerges between the two leaders, who are, after all, Koreans.

# **The KEDO LWR Project and its Potential Benefits in Preparing North Korea for Rehabilitation of its Electrical Energy Complex**

John B. Mulligan

Director of Project Operations

The Korean Peninsula Energy Development Organization

The 7<sup>th</sup> Washington North Korea Forum

May 15, 2000, Washington, DC

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## **A B S T R A C T**

The United States (US), the Republic of Korea (ROK) and Japan formed KEDO in 1995 to implement the Agreed Framework signed between the US and the DPRK in 1994. Under the Agreed Framework, the DPRK agreed to “freeze” and eventually dismantle its production reactors in return for two proliferation resistant commercial nuclear reactors of the light water type (LWR) and 500,000 metric tons of heavy fuel oil each year, until the first LWR unit goes into operation.

The KEDO LWR project will benefit North Korea (DPRK) well beyond just providing an additional 2000MW of electrical power. The experience the DPRK gains during the project will prove invaluable in its efforts to rehabilitate its power generation and distribution system.

There is little doubt that its electrical power system is in need of major rehabilitation! Power blackouts are frequent. Voltage and frequency fluctuations destroy equipment. Hotels are often very cold during the winter. In major cities apartments are barely lighted and most factories are not operating. The electrical distribution system is in disrepair. KEDO has to generate its own electricity to supply construction power. Published reports are consistent with KEDO’s experience.

The DPRK’s “Juche” ideology of self-reliance has left it with few of the skills it needs to be capable of making significant short-term improvements in its electrical system without massive foreign assistance. The KEDO LWR Project will provide DPRK experts with training and on-the-job experience in areas such as: modern technology and the marketplace, grid system design and construction, modern construction techniques, quality assurance, craftsmen skills, and training skills.

Both the DPRK regulator and the DPRK utility that will operate and maintain the LWR units will have to become expert in the areas noted above. KEDO will provide classroom training, hands-on experience and other technical assistance to help them develop the necessary expertise. As part of this process, DPRK personnel will be exposed to advanced technology and companies outside the DPRK, which can provide that technology.

The KEDO LWR project provides a unique opportunity for the DPRK to view modern technology and methods that could assist them to make badly needed improvements in their electric energy complex.

## P A P E R

### Introduction

The LWR project will benefit North Korea (DPRK) well beyond just providing an additional 2000MW of electrical power. The experience the DPRK gains during the project will prove invaluable in its efforts to rehabilitate its power generation and distribution system when it is financially able to do so. The focus of this paper is to discuss some of the added benefits from a mostly technical perspective. I will not attempt to speculate on whether or when the social and financial conditions in the DPRK would permit it to undertake a comprehensive rehabilitation program.

The opinions expressed in this paper are my own and are not necessarily the views of KEDO or its member governments.

### Background

I expect that, for many people in this room, the Korean Peninsula Energy Development Organization, KEDO, and its purpose are well known. So, I will dwell only briefly on KEDO itself.

The United States (US), the Republic of Korea (ROK) and Japan formed KEDO in 1995 to implement the Agreed Framework signed between the US and the DPRK in 1994. Under the Agreed Framework, the DPRK agreed to “freeze” and eventually dismantle their production reactors. In return, the US would arrange to supply two proliferation resistant commercial nuclear reactors of the light water type (LWR) as well as 500,000 metric tons of heavy fuel oil each year, until the first LWR unit goes into operation.

KEDO now has four Executive Board members, the three founding members plus the European Union, as well as nine other member countries. We have been meeting our commitment to provide heavy fuel oil and have been on the ground in the DPRK performing site studies and site preparations for the LWR project since 1995. During that time we negotiated a Supply Agreement, seven Protocols and about 20 supplementary agreements to enable us to carry out our work.

There are presently about 400 ROK workers and 100 DPRK workers at our construction site in the Kumho region of the DPRK working for our prime contractor, the Korea Electric Power Company (KEPCO). The number of workers will be substantially increased in the near future to support the start of plant construction.

KEPCO is the ROK national electric utility company. It has an extensive, very reliable nuclear power generation capacity including 15 nuclear units, totaling 11,716MW capacity, in operation and another 5 units, totaling 5000 MW, under construction in the ROK.

If you spend more than a few hours in the DPRK you are left with little doubt that its electrical power system is in need of major rehabilitation! Power blackouts are frequent, often leaving you sitting with your DPRK counterparts in a darkened meeting room. Voltage and frequency fluctuations destroy computers, copiers and other electronic equipment unless you use special voltage regulation equipment to protect it. Hotels are often very cold during the winter, so that you may be inclined to sleep fully dressed under several blankets and to attend meetings and meals wearing an overcoat. Passing through the major cities outside of Pyongyang, such as Hamhong, you notice that the apartments are barely lighted and most factories are not operating. As you drive along the roads you will see an electrical distribution system in disrepair – power distribution poles with archaic porcelain insulators on power pole cross arms that are askew. Power lines are often drooping near the ground or have fallen down completely. Much of the substation equipment pre-dates WWII.

During recent negotiations at the “resort” hotel at Myohangsan, I returned to my room to find that the maid had filled my bathtub, although there was no water available in the toilet or from the water taps. The explanation was that the pumps had been shut down to avoid the time-of-day of the worst voltage swings, thereby protecting the pumps from damage.

When we were able to use the electric trains from Pyongyang to Kangsang-ri, a small town near the construction site, the trip of roughly 150 miles would often take 15 to 20 hours. A major factor in the length of the trip was the frequent electric power outages.

To supply electrical power for our worker community and to support construction activities, KEPCO planned to tie into the DPRK power system and use diesel-generators as backup. However, even though it meant not collecting hard money electricity fees from KEPCO, the DPRK would not let KEPCO make the connection. The authorities admitted that the system could not support the additional load, so now we generate all of our own power using diesels.

Finding a reliable quantitative assessment of the actual condition of the DPRK’s electrical system is difficult because current and accurate information is not readily available from DPRK sources. There have been a number of interesting and informative reports in the last five years by the Nautilus Institute, the Institute on Global Conflict and Cooperation, the US Energy Information Administration, and others including ROK sources addressing this topic. My conclusion, based on the widely varying data and assumptions in these reports, is that their electric power generation and distribution “grid” has a total installed capacity of roughly 8000MW but that only 30-50% of that capacity is actually operable, on average. This is consistent with information provided to KEDO in informal discussions with DPRK officials. Much of the DPRK’s hydroelectric capacity has been rendered unusable due to damage from flooding during recent years and thermal-electric plants are said to be poorly maintained. KEDO personnel who periodically visit a number of the DPRK’s thermal-electric plants for oil flow meter installation and maintenance have confirmed the latter point. Transmission line energy losses are estimated to be between 15 and 30 percent. Frequency varies by as much as 10 percent.

If the picture I painted above is anywhere close to the truth, the DPRK’s electrical complex is quite substandard as compared to most industrialized nations. As a general rule, electrical generation growth tracks closely with GNP growth. Thus, if the DPRK is to realize any significant long-term improvement in its economy, it will have to embark on a program to vastly improve its electricity generation and distribution capacity and reliability.

#### **Learning from the LWR Project**

The DPRK has been on its own, nearly isolated track of human endeavor for the last 50 years. Advances in power generation and distribution technology, modern project management and construction techniques, the power equipment marketplace, and modern power system operations and management practices have passed it by, as have other experiences and skills which it needs to be effective in rehabilitating and maintaining the its electric power complex. The “Juche” ideology of self-reliance has left them with few of the skills they need to be capable of making significant short-term improvements without massive foreign assistance.

The safe operation and maintenance of nuclear power plants requires highly skilled and experienced personnel conducting day-to-day business in a very formal manner. The Institute for Nuclear Plant Operations (INPO) and the World Association of Nuclear Operators (WANO) have established standards for nearly every aspect of operations and maintenance from top to bottom. Most nuclear utilities worldwide belong to either INPO or WANO and endorse those standards. The standards and

related implementation techniques such as self-assessment and independent audits have been designed to ensure a high degree of safety, but have the collateral benefit of improving plant reliability. KEDO intends to provide technical assistance to the DPRK and to evaluate DPRK performance based on worldwide practice to ensure protection of the public and the environment.

KEDO will ensure that the DPRK is fully capable of safe operation of the two LWR units before it completes construction and delivers nuclear fuel to the plant site. To accomplish this objective, KEDO will conduct extensive classroom and on-the-job training as well as provide technical assistance to help DPRK personnel implement a utility organization, procedures and practices consistent with worldwide standards. KEDO will audit to ensure that implementation is both competent and complete. Much of the expertise developed by the DPRK during LWR project construction and in readying itself to operate and maintain the LWR units will be directly applicable to any program to rehabilitate the entire electrical generation and distribution system.

In industrialized countries we have come to expect a highly reliable supply of electrical power. We are inconvenienced by even very short, infrequent power outages caused by electrical storms, the occasional car knocking down a power pole and the like. Such high reliability is no accident but is due to the combination of high quality engineering, construction, operations and maintenance. To effectively rehabilitate its system the DPRK must first understand modern technology and practices. The KEDO LWR project will afford them a unique opportunity to do so.

I will touch on some areas of the KEDO program and the opportunities they present to the DPRK. These are:

- Awareness of technology and the marketplace
- Grid system design and construction
- Modern construction techniques
- Quality Assurance
- Craftsmen skills
- Training skills

### **Technology and Marketplace Awareness**

Any significant near term improvement in the DPRK's electrical system will require that it utilize modern technology and have an awareness of how to buy such technology in the world marketplace. It would not be cost effective for the DPRK to take the time to improve indigenous technology.

KEDO's experience in technical discussions with DPRK engineers on the plant switchyard and off-site power distribution system is that, as you might expect, they are not up-to-date with advances in technology. For example, they suggested they would utilize older technology air-insulated switchgear, rather than much more reliable gas-insulated switchgear.

The DPRK is already engaged in review of the design of the LWR units in some detail since they will, within the next year or so, be required to review and approve the eighteen volume Preliminary Safety Analysis Report as the basis for issuing a construction permit to KEDO. Also, drawings, equipment manuals and other documents will be available for training and review. KEDO will engage in extensive discussions with them on the design of the electrical grid, as I will explain later.

As the project evolves, the DPRK will become increasingly involved in the technical details. So, their engineers' familiarity with available modern technology and with the companies that supply that technology will continue to grow.

## **Grid System Design and Construction**

Worldwide, regulations require that nuclear power plants be connected to a very reliable electrical grid system. The grid is one of a number of redundant backup sources of power that the nuclear plant can use to cool the reactor, should normal power sources become temporarily unavailable. Without cooling, the reactor could experience serious damage and possibly release radioactivity.

The DPRK, not KEDO, is responsible for providing a reliable grid. Because of its safety significance KEDO will not deliver fuel to the site until it is convinced that the grid system meets international standards. Thus, even though it is the DPRK's responsibility, KEDO will need to maintain an awareness of the DPRK's work to design, analyze and construct the grid and guide them, as necessary. KEDO cannot afford to wait until the DPRK is finished its work only to find that the grid is inadequate. The design and construction process together with KEDO's oversight and guidance is bound to rapidly increase the DPRK's power transmission technology knowledge base and analysis skills. Unquestionably, this will improve the DPRK's capability to rehabilitate other parts of its grid.

## **Modern Construction Techniques**

I can tell you from personal observations during ten visits to the DPRK that construction techniques are nowhere nearly as advanced as they are in industrialized countries. Much of the work is done by hand and construction equipment appears to be of a much older vintage. The quality of the final product is substandard by comparison to that with which we have become accustomed.

KEPCO intends to employ thousands of DPRK workers in the construction of the LWR units. These workers will be using the modern construction techniques routinely employed by KEPCO and its subcontractors. Representatives of the DPRK government and the various DPRK "enterprises" which supply labor and services will have access to the construction works and thus they too can become quite familiar with these methods. Again, many of these techniques can be used to rehabilitate the electrical system much more quickly than would be possible using the old ways and they will help ensure the level of quality needed to significantly improve system reliability.

## **Quality Assurance**

The LWR Units will be constructed to the quality requirements of the American Society of Mechanical Engineers Standard NQA-1. While this may mean little to most of you in the audience, NQA-1 is among the most exacting and rigorous quality standards for design and construction in the world. DPRK regulators, plant managers and supervisors, and maintenance and construction craft personnel will be thoroughly schooled and get extensive practical experience in working under NQA-1. While this standard exceeds the level needed to improve the DPRK's electric grid, DPRK participants will learn basic concepts of a rigorous quality program that can be useful in ensuring that high reliability is built into future grid system improvements.

## **Craftsmen Skills**

An essential element in building reliability into any system is the qualification and dedication of the craftsman doing the work. As mentioned earlier, KEPCO expects to be able to employ thousands of DPRK workers in the construction of the LWR Units. However, there is no reliable way to pre-judge

the general skill level of these workers, so KEPCO plans to train them to at least the minimum skill level needed and further develop those skills on the job.

Besides the immediate objective of completing the LWR units using competent DPRK labor, KEDO's long-range objective is to leave behind highly skilled DPRK maintenance crafts following turnover of the plant to the DPRK. This is a very important nuclear safety objective.

The craftsmen trained by KEPCO will be exposed extensively to modern construction techniques making them well qualified to operate heavy equipment, weld stainless steel, and troubleshoot and maintain computers and sophisticated electronic equipment. These are just a few of the many skills they will acquire, which will make them capable of leading the DPRK power industry into a new era.

### **Training Skills**

KEDO is obligated under its Supply Agreement with the DPRK to train the staff for the LWR units. This training will be comprehensive, covering plant managers and supervisors, operators, technical support staff and maintenance crafts. KEDO, however, will not train all of the staff. Rather, our prime contractor will train the first class comprising over 500 people, among which there will be a number of people trained to be instructors and training program supervisors. These instructors and supervisors will train subsequent classes under the watchful eye of KEDO. Before we will load fuel, the DPRK's training program will have to be certified by a board of international training experts constituted by KEDO.

Improving the DPRK's energy generation and transmission system will require the DPRK to develop a cadre of well-trained people to design, construct, maintain and manage the system. While the LWR program can provide leaders to seed the rehabilitation program, other highly qualified persons must be found to actually implement the program. The training skills the DPRK acquires in participating in the LWR training program will enable them to "grow" these people.

### **Conclusions**

I have been outlined just a few of the areas where the DPRK will benefit. There are others such as utility organization and management where the DPRK can learn from worldwide utility experience.

The KEDO LWR project provides a unique opportunity for the DPRK. Among its many advantages, the LWR project provides a window allowing the DPRK to view modern technology and methods that could assist them to make badly needed improvements in their electric energy complex. If the DPRK recognizes the opportunity and so chooses, it can use its participation in the LWR Project to great advantage to learn how best to rehabilitate their electrical grid system. Even if they rely heavily on assistance from foreign companies, they still need the knowledge base and skill to effectively manage the program.

**The Two Koreas: Lessons from German Unification**

**Stephen F. Szabo**  
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**Johns Hopkins University**

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As the two Koreas face the real prospect of national reunification within the next decade, the lessons learned from the experience of the two Germanies in their versions of unification of ten years ago are of obvious interest. In fact South Korean officials and academics have spent a good deal of time examining the German experience for lessons on what to do and what not to do.

A look at the German case reveals a number of important similarities and dissimilarities. Korea is the only country, with the exception of China/Taiwan, that remains divided from the Cold War as a divided country. As in the case of Germany, the border between the two states is the most dangerous border in the world. Like Germany, Korea was unified historically and has been unnaturally divided, although Korea has a much longer past as a unified country than Germany. As in the German case, a democratic and free enterprise South Korea confronts a highly ideological and much less successful North Korea. Despite these important similarities, there are many differences between the East-West German case and the North-South Korea case which including the following:

East Germany's population was one-third of the West Germany population, whereas North Korea represents one-half of South Korea's population. The East German economy produced one-quarter of the West German GDP, whereas the North Korean economy is estimated to produce one-tenth of the South Korean GDP.

German unification was preceded by two decades of détente and dialogue, broadly known as the Ostpolitik. The German approach was based on the notion that, "the nation exists when people meet," and contacts kept alive the idea of a common nationality and opened up East Germany to influence from the West. North Korea, in contrast, is much more isolated and cutoff than East Germany. In the past, there was some Nordpolitik with North Korea, but it was a much more shallow interaction than was the case for the two Germanies. This isolation means that North Korea will be even more difficult to integrate into a unified Korea than East German was to integrate into Germany. It is more independent from the influence of allies as well. East Germany could not survive without Soviet support, including Soviet troops, and once Soviet policy changed, East Germany was gone. There is no such outside influence on North Korea.

The net of international interdependence in Europe embodied in NATO, the European Union and the Organization for Security and Cooperation in Europe provided a strong international web in which to fit German unification. This was reinforced by a long period of détente with the Soviet Union, resulting in a higher level of trust between West Germany and the USSR than existed before. The Two Plus Four mechanism in the German negotiations created ways in which East Germany could be eased into the West. It was a triumph of creative diplomacy. No such mechanism exists in Korea. There is no institutional, regular communication.

With these contrasts in mind there are a couple of lessons or warnings for the Koreas as they approach a unification which is as inevitable as it was in the German case. It is inevitable because the division

in an artificial one and most Koreans still think of themselves as Koreans and not North or south Koreans.

One lesson is that the dynamics of the situation can rapidly change and we should expect non-linear rather than gradual change. It will be like ice becoming water. In the German case it was the result of a change in Soviet policy and the pressure of immigration and refugees. Today we begin to see signs of a possible beginning of such a situation with the influx of North Korean refugees into China. A number of possible scenarios for what will happen include a gradual change in the North through a period of détente or Nordpolitik leading to a soft landing or orderly change as is occurring in China. However a big bang or sudden collapse, as occurred in East Germany is more likely, especially given the state of the North Korean economy.

The outside powers need to be prepared for revolutionary change and should do what they can to separate the external aspects of unification from the internal ones. This was the formula of the Two Plus Four approach. The four powers worked out the external aspects of unification while leaving the internal ones to the two German states. Just as the German, US and Soviet relationship was key to the peaceful outcome of the German case, so the US, Japan, China and Russia must work closely to channel and contain the effects of Korean unification. In doing so they must be clear that they will not interfere with the right and ability of Koreans to structure their own society and polity.

As for the US role in all of this, it should keep in mind the lessons drawn by Robert Zoellick, one of the US architects of German unification, who, when speaking at a seminar at Johns Hopkins on this topic four years ago, emphasized the importance of US support for South Korea, just as the US was clear in its support of West Germany during its year of unification. Personal ties between American and South Korean policy makers have been strengthened and there should be two high level officials, one in Washington and one in Seoul, appointed as principles for this policy. A key issue in the German case was the role of Germany within NATO and the role of the US in Germany after unification. What should be the military context of a unified Korea? Will a US troop presence be part of the conditions for unification? What will be Korea's nuclear status? These were all key questions in the German case and they will also be so in the Korean one.

Another problem or lesson is that external unification may be easier to manage and will proceed more rapidly than internal unification. The German case offers many examples of what not to do in regard to internal unification. West German policy was driven by politics rather than economics and by a desire on the part of the Kohl government to insure the electoral support of easterners while remaining sensitive to western worries about eastern immigration into the west. The economic condition of the east was also overestimated, and the Kohl government painted an overly optimistic picture about "blooming landscapes" in the east and of the low costs of reunification. In fact over one trillion dollars has been transferred to the east over the past decade and the economic problems of underdevelopment and unemployment continue. This has led to mutual recriminations with westerners believing that the easterners are not grateful for the support they have received while easterners feel they have been taken over and have lost control of their society. In addition the public sector and planning played too large a role and the market and market incentives were not given a large enough one. The South Koreans have learned this lesson well and are unlikely to go into this with an overly optimistic attitude.

Korea, like Germany, is likely to emerge from unification weaker rather than stronger, at least for a decade. However, as Nicolas Eberstadt, an economist at the American Enterprise Institute has pointed out, there may be some positive economic benefits as well. Short-run benefits include a possible decrease in labor costs, an increase in Korean national competitiveness, and the possibility that reunification will increase the standard of living of most Koreans.

Assuming the obsolescence of North Korean capital stock, there is the opportunity for a supply side effect which could lead to more modern capital replacement - this could lead to big responses. There is also the opportunity for a substantial economic reintegration with China and Russia if the capital

base of the North is renovated. Finally, if one considers reunification as a single, huge investment project, the rates of return generated are critical. If there are high rates of return, reunification could pay for itself.

The US security guarantee will be extremely important because if the US is strongly committed, Korea will be perceived as a less risky business environment. If the security protection is removed, rebuilding Korea becomes very risky.

In conclusion, the West should be prepared for dramatic changes in the Korean situation soon. It should be working now to prepare the international framework in which the new Korea will be embedded. Koreans should be preparing for internal unification and should have a realistic and long term approach. They should allow North Korea to develop based on its own comparative advantages of location, low labor costs and a motivated population.

## **Political Economic Co-operation towards the Reconciled Korea**

**Young-Kwan Yoon**

Professor of International Political Economy  
Seoul National University

The 7<sup>th</sup> Washington North Korea Forum  
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### **1. The Meaning of the Summit from a Political Economic Perspective**

One of the most influential thinkers in the field of international relations, David Mitrany argued in the 1940s that social and economic mal-adjustments were the basic causes of war and conflict. Functionalist (and neo-functionalist) theories stemming from his works have since had a significant impact on the way of thinking about, and the practice of, international relations. For instance, they have laid the theoretical foundation for the progress of European integration in the second half of the 20<sup>th</sup> century.

South Korean governments had few chances to apply the functionalist approach to conflicts on the Korean Peninsula in the peak of cold war confrontation, but this has recently changed somewhat. Naturally, the government and its ally America have approached North Korean issues mainly from the strategic perspective.

I think the coming summit, if it turns out to be successful, will mark the beginning of a new, fully-fledged functionalist approach to the North Korean problem. This may be the most important meaning of the summit. Instead of replacing the conventional strategic approach, the new approach will complement it. From a functionalist perspective such as David Mitrany's, we have so far mainly dealt with the symptoms, such as the nuclear and missile issues, on an ad hoc basis. From now on, we may be able to begin tackling the fundamental causes of the problem - that is, the North's economic difficulties. Without curing this fundamental cause, the symptoms may appear repeatedly in the future.

The 1994 Geneva Agreed Framework and the 1999 Perry Process have partially included the functionalist aspect. The former, for example, provided economic aid in the form of the KEDO project of building two light-water reactors, and the latter promised to lift economic sanctions on North Korea. However, in handling these two cases, American and Korean policy-makers have not yet fully adopted the functionalist approach.

### **2. The Background of the Summit**

The changed international environment has enlarged the room for South Korea, the United States, and Japan to practice this new approach to the North. First of all, the end of the cold war international order could not but influence the choice of policy options for North Korean policy-makers, which in turn led them to come to the summit table. For example, it is well known that much reduced support from Russia and China in the early 1990s was one of the major reasons for the North's economic difficulties. Despite its ideological rhetoric, North Korea's actual policy-orientation has gradually moved in a more pragmatic direction in recent years.

Why then did the role of curing the fundamental source of the North Korean problem through economic co-operation fall into the hands of the South's government and companies? There are a few reasons for this. These may in fact be the reasons for the North's top leader, Kim Jong-il, to come to the summit table with the South's president. In fact, Kim Jong-il's decision to come to the table represents an important change, since the North's policy has been not to recognize the South's government as the legitimate partner.

First, the South Korean government's consistent pursuit of an engagement policy has begun to reap fruit. Despite North Korea continuing to issue hostile public criticism of the South's engagement policy, the North's leadership seems to quietly approve of it. For instance, the North seemed to recognize the sincerity of the engagement policy when the South permitted the Hyundai Group to begin the Kungang Mt. tour project. The South Korean public was somewhat concerned that it was dangerous to transfer cash to the North, but President Kim decided to permit it despite the potential for a negative political impact. Kim Jong-il may also realize that without the South encouraging Western countries to open their doors to North Korea, it would be still very difficult to normalize diplomatic relations with them.

Second, almost every government from which the North has requested economic aid has encouraged it to deepen its economic ties with the South first. North Korea might have recognized finally that the South is the only country ready to undertake large-scale economic co-operate with the North.

Third, the recent advancement of U.S.-N.K. economic relations has contributed to South Korea adopting a new economic-functional approach. Contrary to the North's initial expectations, economic ties with America did not progress much after the 1999 Berlin agreement. This was despite America's decision to relax economic sanctions in return for a halt to the North's missile launching.

To some extent, this reflects the differences between the nature of the American political economic system and that of Korea. In the American system, the state does not have much influence to make private enterprises invest in another country, such as North Korea. American investors make decision themselves and have been unwilling to take risk investing in North Korea given its present economic conditions. For example, American investors seem to be concerned that North Korean authorities have not prepared adequate legal and institutional mechanisms to protect property rights and resolve economic conflicts when they occur.

Of course South Koreans and North Koreans are culturally and linguistically homogeneous, but another important factor is that the South's government has greater influence in the market than does America's. Thus, while American government has not had much to offer the North in negotiations so far, the South's government may be able to. I think that the North, one way or another, has recognized this and decided to come to the table.

I don't think, however, that the success of the inter-Korean Pyongyang summit will weaken American leverage on the North. We have to consider the time variable here. Instead, I think the success of the summit will rather strengthen US leverage in the medium and long run. If North-South economic co-operation deepens quickly, the South' capacity to invest in North Korea will dry up at some point in time. Both Koreas will desperately need American or Japanese capital investment. Furthermore, as the result of the much expected trial-and-error process in its economic co-operation with the South in the short run, North Korea will be better prepared institutionally, legally, and psychologically to accept more market-oriented U.S. capital investment later.

Actually, the U.S. government holds important leverage over North Korea even now. American is now mulling over the removal of North Korea from its list of terrorist countries. To finance the huge costs of rebuilding its infrastructure, the North will need assistance from the World Bank or the Asian Development Bank. This will not be available as long as the United States refuses to

remove North Korea from the list. In this sense, U.S. support is vital to the success of the economic and functionalist approach that will be practiced on the Korean Peninsula.

One important thing is that we still do not know whether North Korea will accept this functionalist approach or not. In other words, we still do not know whether Kim Jong-il is coming to the table mainly to get fish from a short-term perspective, or to learn how to catch fish from a long-term perspective as well. This remains to be seen, and is basically up to North Korea itself.

So, its own decisions will be important. But the signs coming from the North are not all that negative. Kim Jong-il seems to have become more confident in the last six years, after securing control, especially over the military, and apparently steered the economy through the worst stage of its economic difficulties.

Furthermore, though Kim will likely not publicly announce it, he may be willing and ready to gradually follow the authoritarian developmental model of the Third World in the 1970s. This may be the reason why he came to the table. For example, he may have the Park Chung Hee model of economic development in mind. This model was based on the assumption that economic development through market utilization can go together with strict political control. This model may not be that easy for North Korea to practice, and they may have to take some risks. However, this seems to be a more practical option than totally forsaking economic reform, or the former-Soviet Union's radical political economic reform.

In this regard, one of President Kim Dae-jung's missions in this coming June 12 summit will be to persuade his counterpart to adopt this model of economic development. This type of economic development may strengthen Kim Jong-il's political power base in some ways. President Kim Dae-jung will also have to persuade him that the South can be a truthful partner that is willing to share its know-how and experiences of authoritarian development of the 1970s.

### **3. The Goals of the Summit**

We should not expect too much from the summit. It will take time, and this is only the beginning. In my view, if the summit can get some results in the following areas, we will be able to call it a major success.

(1). Confidence building between the two leaders is the key to solving almost every pending issue related to North Korea. For the first time in the past half-century, we have a major opportunity to build confidence between the two Koreas. This will in turn change the nature of the game between the North and the South, and that between the North and the United States, from a cold war zero-sum game into a post-cold war positive-sum game. Thus, it is important for both leaders to agree on continuing the summit talks.

(2). Through the summit, both leaders should make a deal: the South should offer to help the North build economic infrastructure, such as electricity and reconnecting railroad across the border, while North Korea should promise to sincerely co-operate with the South on the issue of separated families. Almost ten million people have not heard from their separated families and do not know whether they are alive or not.

(3). As mentioned earlier, the summit will provide an opportunity for President Kim Dae-jung to persuade the North Korean leader to follow the South's authoritarian developmental model of the 1970s. It may be somewhat ironic that Kim Dae-jung, pursuing the goal of achieving democracy and free markets in the South, should try to persuade Kim Jong-il to pursue the authoritarian model. But it is better be realistic, and admit that there are different stages in the course of economic development.

#### **4. Division of Labor between South Korea, the United States, and Japan**

The summit, if it turns out to be a success, will naturally produce a division of labor between the South, the United States and Japan in the near future. South Korea will have to mainly focus on dealing with the North's economic problems for the time being while it maintains current strategic cooperation with America and Japan. These latter two countries will have to for now focus mainly on dealing with the issue of weapons of mass destruction (WMD) and other pending issues in bilateral negotiations. Later on, America and Japan will also join in the economic rebuilding of the North.

If we define the nature of the first summit from this perspective, it is natural for the two leaders to focus on economic and humanitarian issues. Since this is the first of its kind in the last fifty years, the leaders may publicly announce their positions on the broad range of issues. However, the real bargaining will be mainly about economic and humanitarian issues.

In other words, North Korea should not seriously pursue politically sensitive issues like the withdrawal of American troops or the repeal of the South's national security law. Actually, the North's position on these issues will be a litmus test, showing their true intentions for coming to the summit. If the North insists and seriously pursue these issues as in the past, they will jeopardize the summit and show that they have not changed much.

On the other hand, the United States should trust South Korea, and refrain from requesting that the South raise the issue of WMD. The South raising this issue will not help the summit to be successful. It is best left for bilateral negotiations between the North and the United States, and talks with Japan. It would only jeopardize the opportunity to achieve other goals from the summit. In this sense, we are entering a period in which we need more confidence on each other and more sophisticated forms of policy co-ordination between South Korea, the United States, and Japan.

## **Gates to Engaging DPRK: Prospects for Reconciliation Diplomacy**

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The 7<sup>th</sup> Washington North Korea Forum  
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### **A B S T R A C T**

They ask, “In a world without gates, who needs Bill Gates?” I would reply that gates are required to engage the Democratic People’s Republic of Korea (DPRK, or North Korea). The “gates” metaphor is useful to understand the engagement behavior of Korea where physical gates carry cultural underpinnings. In traditional Korean residence, front gates are used for official, open contacts whereas side or back gates are used for more confidential meetings, or when open meetings may misrepresent the intentions of engaged parties. From the gates perspective, cultural or non-governmental back gates are more effective and efficient to enter DPRK as political front gates are difficult to open. Economic side gates enhance substantial contacts with the DPRK leadership as governmental front gates are closed.

Time is a critical factor to assess a relationship developed through gates. With this measure in mind, I argue that the American and international benefits of engaging DPRK since the 1994 Agreed Framework on nuclear arms in Geneva have outweighed cost of isolation. Without the Geneva agreement, DPRK might have already produced a score of nuclear weapons by this year with their own nuclear reactors then under construction. As a result, the international nuclear non-proliferation treaty could have collapsed in 1994. Last fall in Berlin, the Perry team has struck a deal with DPRK to agree on a temporary flight test moratorium for long-range DPRK missiles. These two critical benefits of engaging DPRK have been connected by non-governmental back gates, or economic side gates over the past six years.

Years of adolescent engagement policy initiatives have made steadfast accomplishments to engage DPRK and manage peace in East Asia. It is time for the United States to empower the ‘proactive reconciliation’ between the North and the South, in order to expand the effects of current engagement policy. Above all, American business leaders are to be empowered to trade with DPRK business partners by removing half-a-century-old economic sanctions, as agreed in Geneva in 1994. Second, tens of thousands of Korean Americans displaced since the Korean war should be supported to communicate and see their loved ones in DPRK. Third, the United States is encouraged to launch the Peace Corps kind of program to help rehabilitate DPRK’s energy, agriculture, roads, and public health.

Patience is a modest gate to reconciliation in a divided state. It may be only the matter of time to see the Taedong river economic miracle in the reconciled Korea, just as we have seen the Han river miracle in the divided Korea.

## P A P E R

They ask, “In a world without gates, who needs Bill Gates?” I would reply that gates are required to engage the Democratic People’s Republic of Korea (DPRK, or North Korea). The “gates” metaphor is useful to understand the engagement behavior of Korea where physical gates carry cultural underpinnings. In traditional Korean residence, front gates are used for official, open contacts whereas side or back gates are used for more confidential meetings, or when open meetings may misrepresent the intentions of engaged parties. From the gates perspective, cultural or non-governmental back gates are more effective and efficient to enter DPRK as political front gates are difficult to open. Economic side gates enhance substantial contacts with the DPRK leadership as governmental front gates are closed.

In such a pragmatic point of view, Bill Gates would be well received to engage in the 21<sup>st</sup> century the DPRK’s leadership as well as the DPRK’s hardware engineers and software developers, some of whom have claimed the best award in international game software competitions. Basic science and technology focused discipline has been embedded in DPRK’s Confucian culture of valuing higher-education and respect of the filial duty while communal belief system rocked on “Self-reliance” has nurtured and guarded attitude and behavior of people of DPRK, specially during the last five years of “arduous hardship march.”

The objectives of my talk are both to assess the engagement behavior between the international community and DPRK over ‘time,’ and to address the challenges beyond the engagement policy initiatives..

### **Gates to Engaging DPRK**

Time is a critical factor to assess a relationship developed through gates. With this measure in mind, I argue that the American and international benefits of engaging DPRK since the 1994 Agreed Framework on nuclear arms in Geneva have outweighed cost of isolation. Without the Geneva agreement, DPRK might have already produced a score of nuclear weapons by this year with their own nuclear reactors then under construction. As a result, the international nuclear non-proliferation treaty could have collapsed in 1994. Last fall in Berlin, the Perry team has struck a deal with DPRK to agree on a temporary flight test moratorium for long-range DPRK missiles. These two critical benefits of engaging DPRK have been connected by non-governmental back gates, or economic side gates over the past six years.

First, people-to-people contacts created by the international gates have induced positive changes from DPRK. Five years ago, there was rare presence of western experts of agriculture and public health in DPRK. There are now over 110 international relief and development aid delegates in country and 20 foreign resident offices including NGOs, World Food Programme, UNICEF, and International Federation of Red Cross. Five years ago, no county in DPRK was accessed by a foreign delegation. The international monitors may now access 163 out of 211 counties, or 77% of the isolated state, by taking advantage of five regional offices of WFP in key cities in coast and mountain areas. They are also allowed to do spot checks of 10% of targeted institutional beneficiaries, which is twice the usual number of checks WFP makes in a country.

Second, hundreds of Korean laborers of the North and the South have been working hand in hand in Sinpo in east coast to construct the two light water reactors according to the Geneva agreement and its offspring Korean Peninsula Energy Development Organization. For the first time in 55 years of

divided Korea, the US-led Agreed Framework has made it real for the two Koreans in hate relations to work in partnership towards a common goal.

Third, Hyundai founder Jung Joo Young's "Mountain diplomacy" with DPRK's Asia Pacific Peace committee has allowed over 200,000 southerners to visit beauty mountains in the North, promoting mutual understanding and tour industry. In fact, the business community of the Republic of Korea (South Korea) has found since 1992 competent quality labor of DPRK. About 169 souther business groups have engaged in manufacturing in norther sites in 1999, about twice as many as in 1997. In 1999, inter-Koran trade has risen 50% to a modest 333 million dollars. Southern business industry in joint venture with northerners have included textile and shoes, television and computer monitors, and automobiles and softwares.

Considering all these engaging behavior of DPRK, it may not be a surprise to learn that DPRK has recently normalized relations with Italy, and has agreed with Australia to normalize relations after a 25-year freeze. Pyongyang receives delegations from Britain and Belgium for potential normalization talks. The Japan-DPRK normalization talks are underway. Pyongyang is expected to normalize relations also with the Philippines this year, and join the ASEAN Regional Forum.

The upcoming June 12 Pyongyang Summit is the most recent breakthrough. A patient, bipartisan American engagement with DPRK has helped induce the direct dialogue between Seoul and Pyongyang, a key requirement of the Geneva agreement, without which the bilateral U.S.-DPRK relations have been difficult to reach the pivotal diplomatic developments.

### **American Challenges beyond the Adolescent Engagement Policy**

Years of adolescent engagement policy initiatives have made steadfast accomplishments to engage DPRK and manage peace in East Asia. It is time for the United States to empower the 'proactive reconciliation' between the North and the South, to expand the effects of current engagement policy.

Above all, American business leaders are to be empowered to trade with DPRK business partners by removing half-a-century-old economic sanctions, as agreed in Geneva in 1994. The United States has only *announced* such a lifting in the Berlin talk last fall while DPRK has *acted* in the past five years to freeze nuclear arms production and halt a test of DPRK missiles. America has been the first to send food and medicines to people of DPRK on humanitarian ground; yet she is the last on trade. Koreans have come to learn and appreciate that Americans is the primary source of the international aid. They have seen and consumed made-in-USA wheat, rice, barley seed, medicines, and agricultural tools. DPRK has skilled laborers equipped with basic science education and a zeal for learning the state-of-the-art. DPRK's natural resources are abundant including the world's first-rated magnesite, a strategic item required in American markets. A recent poll in Seoul shows that every two out of three South Koreans support the lifting of American sanctions against North Korea. American business leaders have the right to know they are running behind in DPRK because of the current sanctions.

Second, tens of thousands of Korean Americans displaced since the Korean war should be supported to communicate and see their loved ones in DPRK. It is estimated that about five percent of Korean American population, many of whom are elderly, have their immediate family members in DPRK. It is the United States government's responsibility to make sure that her citizens may take a direct flight from Washington or New York to Pyongyang if needed for family causes. Displaced family reconciliation between the U.S. and DPRK is the utmost priority as many would soon pass away within a decade due to aging.

Third, the United States is strongly encouraged to launch the Peace Corps kind of program to help rehabilitate DPRK's energy, agriculture, roads, and public health. We have already seen people-to-people contacts in the past five years to have significantly improved DPRK's relations with the international community. More contacts breed mutual understanding. More understanding yields cooperation and reconciliation attitude. And reconciliation attitude leads to true reconciliation acts.

Patience is a modest gate to reconciliation in a divided state. It may be only the matter of time to see the Taedong river economic miracle in the reconciled Korea, just as we have seen the Han river hit in the divided Korea.

**Factors likely to affect the next presidential administration's policy toward  
North Korea**

By Michael Spirtas  
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Revised and extended remarks from  
The 7th Washington North Korea Forum

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**A B S T R A C T**

The presidential campaign in the United States between Vice President Albert Gore and Governor George W. Bush has just begun to venture into the realm of foreign policy. Neither candidate has made more than a few comments about US policy toward North Korea. Nevertheless, we can consider a variety of factors which should help understand how the next presidential administration will approach the Democratic People's Republic of Korea (DPRK). This paper will discuss how three internal factors (personnel and policy inheritance, the relationship between the Administration and Congress, and domestic politics), three external factors (allied policies, Chinese policies, and North Korean policies), and one mixed internal/external factor (national missile defense) could affect future US policy toward North Korea.

Policy makers and policy analysts in the United States should seize upon opportunities to increase interaction with the DPRK. More contact between the DPRK and US will help each side to better comprehend the other. Better communication and understanding will be crucial, on both sides, to make it possible for the US and DPRK to come to a mutually beneficial agreement. More knowledge of North Korea will help the United States government chart the policy most in line with its interests, regardless of whether the next presidential administration is Republican or Democratic.

## P A P E R

The presidential campaign in the United States between Vice President Albert Gore and Governor George W. Bush has just begun to venture into the realm of foreign policy. Neither candidate has made more than a few comments about US policy toward North Korea. Nevertheless, we can consider a variety of factors which should help understand how the next presidential administration will approach the Democratic People's Republic of Korea (DPRK). This paper will discuss how three internal factors, three external factors, and one mixed internal/external factor could affect future US policy toward North Korea.

### **Internal**

#### *Personnel and Inheritance*

One factor likely to have an effect on the next administration's North Korea policy is the people who will occupy leading positions and the policy legacies either of the candidates will inherit should they enter office. A Gore administration will likely exhibit a good deal of continuity from the previous two Clinton administrations. First of all, Gore himself has reportedly played a role in shaping Clinton administration foreign policy, and he would certainly play a part in setting policy in his own administration. Few will be surprised if Leon Fuerth, Gore's national security advisor, plays a leading role charting foreign policy for his long-time boss. U.N. Ambassador Richard Holbrooke, former Ambassador to China James Sasser, and national security advisor Samuel "Sandy" Berger are also said to be under consideration for important posts should Gore win the general election.<sup>1</sup> To some extent, all of these individuals are linked to the Clinton administration's North Korea policy. Moreover, Ambassador Holbrooke is renowned for his propensity to negotiate deals, and might look forward to taking on a challenge like North Korea.

The Clinton administration's record with regard to North Korea is not yet complete, but it is likely to be remembered for at least two events which took place under its watch. The first is the Agreed Framework of 1994, where the DPRK agreed to dismantle its plutonium-producing nuclear

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<sup>1</sup> These advisors, and others, are mentioned in "Gore's National Security Advisers Assemble as Part of a Government-in-Waiting," by John M. Broder, *New York Times*, May 17, 2000.

reactors in exchange for a combination of oil shipments and pledges to build non-plutonium producing light water reactors. The second likely hallmark is the “Perry process,” a review of North Korea policy where former Secretary of Defense William Perry engaged in extensive consultations with members of both houses of Congress, foreign policy experts, South Korean and Japanese officials, and others. Following a visit to North Korea, Perry issued a report which proposed a two-track policy, essentially arguing that the United States should reciprocate any North Korean willingness to cooperate, but to maintain military readiness on the Korean peninsula and to stand strong against any North Korean provocations.<sup>2</sup> The Perry report is a policy review. Since policy reviews do not occur frequently, it is unlikely that a future Gore administration would change course significantly on North Korea.<sup>3</sup>

The Bush campaign has its own foreign policy team, dubbed the “Vulcans.” Included in this group are a number of people who served former President George H. W. Bush, such as former National Security Council staffer Condoleezza Rice, former Assistant Secretary of Defense Richard Armitage, former Undersecretary of Defense Paul Wolfowitz, and former Ambassador to Germany and Undersecretary of State Robert Zoellick.<sup>4</sup> This group played a significant role in the previous Bush administration’s foreign policy, which indicates that they might follow a similar line should they re-enter office. Wolfowitz, echoing senior Bush administration officials, has been skeptical about engaging in negotiations with North Korea.<sup>5</sup> More recently, Armitage authored a paper which criticized the Clinton administration’s approach to North Korea and laid out a two-track, “carrot and stick” approach to negotiations with the country.<sup>6</sup> Despite its similarity to the Perry report, Armitage’s paper is seen by some to be more hawkish than current Clinton administration policy.

If the Bush administration’s history with North Korea is any indication a George W. Bush administration would likely take a somewhat harder line than the Clinton administration. The

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<sup>2</sup> Dr. William J. Perry, “Review of United States Policy Toward North Korea: Findings and Recommendations,” October 12, 1999, Department of State.

<sup>3</sup> Of course, should circumstances change, the Perry review could be overturned, and policy could change again.

<sup>4</sup> John Lancaster and Terry M. Neal, “Heavyweight ‘Vulcans’ Help Bush Forge a Foreign Policy,” *Washington Post*, November 19, 1999.

<sup>5</sup> Leon V. Sigal, *Disarming Strangers: Nuclear Diplomacy with North Korea* (Princeton: Princeton University Press, 1998) 17, 34.

<sup>6</sup> Richard L. Armitage, “A Comprehensive Approach to North Korea,” *Strategic Forum*, # 159, March 1999, National Defense University.

previous Bush administration withdrew nuclear weapons from the Korean peninsula, but this was part of an overall draw-down in American nuclear presence abroad following the end of the Cold War. Despite some successes in cooperating with North Korea, which included the United States canceling the Team Spirit military exercise in 1992 and North Korea signing the IAEA Safeguards Agreement, the Bush administration adopted a less forthcoming approach.<sup>7</sup> We could well see a similar approach in another Bush administration.

Before moving on to other factors, however, it is important to note two factors which could indicate a Bush administration more amenable to negotiating with the DPRK. First, the general policy line of the Clinton administration, and positive developments in DPRK-ROK and DPRK-Japan relations, which I will discuss below, could constrain a future Bush administration's North Korea policy.

Second, some speculate that the generally harder line represented by the Bush foreign policy team could actually help a Bush administration deal with North Korea. This argument holds that the Clinton administration, perceived by some to be somewhat weak, is politically limited in its ability to offer concessions to the DPRK. A Bush administration would face less of a constraint.<sup>8</sup> This "only Nixon can go to China" logic may seem paradoxical, but given the struggle between the executive and congressional branches over foreign policy, discussed in more detail below, this line of thinking has some merit.

#### *Relationship between the Administration and Congress*

Another internal factor which could affect the next president's North Korea policy will be the relationship between the executive and congressional branches. As mentioned above, the United States is currently witnessing a high level of tension between the executive and legislative branches over foreign policy.<sup>9</sup> Some strains might be avoided if the same party holds the presidency

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<sup>7</sup> For a more detailed account, see Sigal, 17-51.

<sup>8</sup> Joel Wit, "Clinton and North Korea: Past, Present and Future," Nautilus Institute Policy Forum, March 1, 2000, [http://www.nautilus.org/fora/security/0002A\\_Wit.html](http://www.nautilus.org/fora/security/0002A_Wit.html).

<sup>9</sup> For a systematic examination of this and other factors contributing to executive-congressional splits over foreign policy see Stanley Sloan, Mary Locke, and Casimir A. Yost, *The Foreign Policy Struggle:*

and has a majority in Congress. Other problems are likely to persist, however. Part of the break between the Clinton administration and the Republican Congress over the DPRK have arisen due to political posturing, but real disagreements over policy have also played an important part.

There is plenty of room for disagreement over North Korea; DPRK policies have offered a ready supply of ammunition for critics of engaging with the country in meaningful negotiations. Part of the problem arises from lack of experience and expertise on North Korea. Since the DPRK has been so isolated for such a long time, American understanding of it has dwindled accordingly. There are fewer scholars who focus on North Korea, and fewer policy makers with direct knowledge about the country than there would be if the country were more integrated into world politics. More contact with North Korea might not end disagreements over U.S. policy, but it would contribute to a more informed debate among a wider portion of our foreign policy community.

#### *Domestic politics*

Another internal factor which will play a role in the next administration's North Korea policy is politics outside of Washington, D.C. Beyond the Beltway little attention is paid to the Korean peninsula, except when a major crisis erupts. The average American wants the threat of nuclear war reduced, and would like to see less proliferation of missile technology, but doesn't have a clear preference for how U.S. policy should seek to further these goals in North Korea. The public would like the United States to project an image of strength, but not to project a bellicose manner which would provoke unnecessary conflict.

### **External Factors**

#### *Allies*

In addition to the internal factors discussed above, at least three external factors will influence future American North Korea policy. The policies of our major allies in the region, South Korea and Japan, will have a great impact on the next administration's policy. One recommendation of the Perry

policy review was that the United States engage in close consultation with its allies.<sup>10</sup> Accordingly, the United States, South Korea, and Japan formed the Trilateral Coordination and Oversight Group (TCOG), to help the three countries better align their North Korea policies with one another. Following a delegation to Pyongyang by former Prime Minister Toiichi Murayama, Japan began a series talks with the DPRK which could help improve relations between the two countries. In South Korea, President Kim Dae Jung's Sunshine policy of working with the North seems to be bearing fruit. The world awaits the unprecedented talks between North and South Korea set for mid-June 2000. Setbacks are possible and some disappointment is inevitable, but if South Korea and Japan continue along this path, the United States will find it difficult to follow a radically different course. At the same time, it is important to remember that the United States has played and will continue to be an important player in managing relations with North Korea.

### *China*

Another external factor is Chinese policy. China is a major power in East Asia, and its policies –toward North Korea as well as other areas– will undoubtedly affect United States DPRK policy. It is unclear how much influence China has over North Korea, but China could play either a constructive or destructive role with respect to United States goals in the region. Vice President Gore has restated his intention that he would follow a similar line toward China as the Clinton administration.<sup>11</sup> Governor Bush has stated that he would adopt a slightly harder line toward China than the Clinton administration has, although the Governor has yet to specify any steps which could antagonize China. United States government officials routinely discuss the issue of North Korea with their Chinese counterparts, but it is far from clear how China will choose to act with respect to its neighbor. Whatever course China follows, the next US administration will have to keep China in mind when thinking about North Korea.

### *North Korea*

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<sup>10</sup> Perry, 6. Critics of the administration have also urged close coordination between the three allies. For example, see Armitage.

<sup>11</sup> Gore speech.

The final external factor I will focus on is North Korean policy. One common view in Washington is that North Korea is unpredictable, irrational and unknowable –that the government could change course at any time– resulting in sudden policy shifts. Instead of this perspective, I would urge that we consider another one, that the DPRK acts to protect its interests, using a calculus that Americans may not understand, but nevertheless acting in a rational manner.<sup>12</sup> They tend to play “tit-for-tat,” responding to cooperation with cooperation, and defection with defection. For example, in 1993, after the United States announced the resumption of the Team Spirit military exercise, the DPRK responded by announcing its intention to withdraw from the Nuclear Nonproliferation Treaty. In 1994, after former US President Jimmy Carter denounced sanctions against them, North Korea accepted an IAEA-monitored freeze of its nuclear reprocessing capability, leading to the Agreed Framework. The record, as we currently understand it, is open to a variety of interpretations, but without more direct experience with North Koreans, policy makers and policy analysts will not be able to fully understand the way the DPRK calculates its interests.

### **Neither Internal nor External: Missile Defense**

The last factor I will discuss does not fit into either the internal or external categories. The defense community in the United States is currently engaged in a debate over whether or not to deploy a national missile defense (NMD). Missile defense advocates argue that NMD is needed not to protect the United States from an attack by a major nuclear power, but from a “rogue state.” The first such state usually mentioned as an example of a rogue state is North Korea. Other states, such as Libya and Iran, are also mentioned occasionally, but none seem to draw as devilish an image as the DPRK.

To some extent, those who favor deploying missile defense favor a “get tough” approach to North Korea, while those who oppose deploying missile defense argue for a more conciliatory approach to the DPRK. Unfortunately, there is a temptation for those who feel strongly about missile defense to link the issue to North Korea. While it is unrealistic to expect the two issues

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<sup>12</sup> For arguments to this effect, see David Kang, “North Korea: Deterrence Through Danger,” in Muthiah Alagappa, ed., *Asian Security Practice: Material and Ideational Influences* (Stanford: Stanford University Press, 1998) 234-263; and Sigal.

to be considered in isolation to one another, it would be unwise to let the NKD issue pull US-DPRK relations off their proper course given overall United States interests.

### **Recommendations**

Policy makers and policy analysts in the United States should seize upon opportunities to increase interaction with the DPRK. More contact between the DPRK and US will help each side to better comprehend the other. Better communication and understanding will be crucial, on both sides, to make it possible for the US and DPRK to come to a mutually beneficial agreement. More knowledge of North Korea will help the United States government chart the policy most in line with its interests, regardless of whether the next presidential administration is Republican or Democratic.

