

Joel Wit

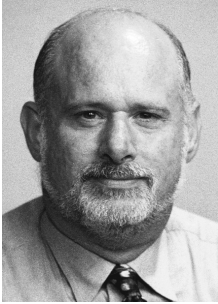
The United States and North Korea

North Korea has been the poster child for rogue states for over five decades. It has pursued a nuclear weapons program, constructed and exported ballistic missiles, sponsored terrorist acts, allegedly participated in the drug trade and counterfeiting, and posed a continuous threat to U.S. allies and interests, resulting in the stationing of U.S. forces in South Korea and Japan. But it has also been the subject of a policy experiment. Both Republican and Democratic administrations have tried to engage Pyongyang in order to improve relations and end its objectionable behavior. That policy, albeit politically controversial, particularly during the Clinton administration, is probably here to stay, not just because its attraction has been compelling to a cross-section of mainstream Democrats and Republicans, but also because political trends in Northeast Asia, particularly the ongoing rapprochement between North and South Korea, only reinforce the logic of engagement. The key question for the new administration is how it should shape its diplomatic policy towards North Korea to further U.S. interests in a region possibly transitioning away from the cold war confrontation of the past five decades to some unknown status.

The Historical Record

It has become fashionable to associate engagement of North Korea with the Clinton administration. But in fact, its historical roots can be traced back to 1988 and President Reagan's "modest initiative," which allowed unofficial non-governmental visits by North Koreans to the United States, easing of stringent financial regulations which impeded travel to North Korea by American citizens, permission for limited commercial export of U.S. humanitarian goods to Pyongyang, and permission for U.S. diplomats to engage in substantive discussions with North Koreans in neutral settings. Leaving aside the debate over the Clinton Administration's policy towards the North, U.S. engagement policy should be evaluated in the context of four key objectives:

- **Enhance regional stability.** The prospect of a potentially unstable North Korea, armed with a large nuclear weapons stockpile and a growing long-range missile force, has been forestalled and hopefully avoided. Also, by buying time and helping to keep a lid on tensions, U.S. policy has served as a bridge from difficult times to today's more promising atmosphere.



Joel Wit is a guest scholar in the Foreign Policy Studies program at the Brookings Institution.

An Agenda For

- **Thwart weapons proliferation.** A nuclear North Korea would have threatened the international non-proliferation regime, led to pressures in the Republic of Korea (ROK) and perhaps Japan to develop nuclear weapons, and possibly sold nuclear weapons material or technology abroad. All of those outcomes have been avoided so far. As for missiles, U.S. efforts secured the North's announcement of a long-range test moratorium in fall 1999, although there has yet to be a deal curbing the North's exports or its own indigenous deployments.
- **Encourage South-North dialogue.** U.S. policy has had mixed results, not entirely due to its own efforts, but also because of domestic and inter-Korean politics. President Kim Young Sam's inconsistency—a product of his own style of policymaking and domestic political pressures—had a lot to do with his lack of success with Pyongyang. President Kim Dae Jung's consistent pursuit of improved relations—in spite of various domestic political pressures—has been an important factor leading to the nascent rapprochement between the two.
- **Maintain close U.S.-ROK cooperation.** Periodic differences between the United States and the Republic of Korea over policy towards the North have not undermined the overall bilateral relationship. Working out these differences through consultation is what counts and, on that score, the United States has done well.

Prospects for U.S. Policy

Perhaps the key question for the United States is whether recent moves by the North to improve relations with Seoul and Washington are tactical and therefore designed for short-term gain, or represent real strategic change in Pyongyang's policy. Kim Jong Il's diplomatic moves have been breathtaking—a moratorium on long-range missile tests, two visits to China, the first-ever South-North summit, a visit by his special envoy to Washington and by Secretary of State Madeleine Albright to Pyongyang, and normalization of relations with an increasing number of countries, particularly among western industrialized nations. His motivations are clear—salvaging his economy and legitimizing his government—and the direction of his policy may not be surprising, given his public pronouncements since 1997 on the need to engage the outside world. But doubts still remain, largely because political and economic engagement is outpacing progress in dealing with the real security threats posed by the North. Skeptics point to this year's North Korean military exercises, which have been the largest in years, and the continued threat posed by Pyongyang's large conventional forces stationed near the demilitarized zone. But to be balanced, skeptics should also note recent signs during Kim's talks with Albright that the North is willing to make further progress on limiting its ballistic missile program as well as to hold discussions with Seoul and Washington about reorienting its foreign and security policy away from cold war hostility.

It is prudent to be cautious given the North's track record and the tug of war between pragmatists and ideologues in Pyongyang over the past decade or more. Skeptics probably exist

The New Administration

within the North's leadership and fissures could grow if rapprochement proceeds. If that happens, it may become harder for Kim to move forward. Alternatively, engagement may fall short of expectations and result in some retrenchment, or Chairman Kim's centrality to the policy process could prove to be a problem. One motivation for Kim's engagement policy is to bolster his position in the run up to his 60th birthday—an important event in Asian societies—to facilitate the beginning of a transition to one of his sons. Kim has had health problems in the past and, according to South Korean intelligence reports, was almost killed by a fall from a horse in the early 1990s. If he were to disappear from the scene before the transition gathers momentum, all bets might be off.

But it also takes two, and in this case three, to tango. President Kim Dae Jung has been consistent in his pursuit of reconciliation. While that will continue, there is some consensus that aside from the first North-South summit, his approach has yielded little meaningful progress. Support at home for his policy has always been broad but not deep, a situation that remains even after the June 2000 summit. A small minority of South Koreans steadfastly supports President Kim and an equal minority is unequivocally opposed to the sunshine policy. The views of the vast majority lie somewhere in between. Aside from pressures to demonstrate continuous progress, Kim's political strength—and his ability to pursue engagement—may be threatened by failures of domestic governance, including an economic crisis and allegations of corruption in his administration. The domestic quagmire could become more difficult as the 2002 presidential election approaches, and it is by no means certain that the next South Korean administration, particularly one led by the current opposition Grand National Party, would follow President Kim's approach unless dramatic results are achieved before then.

As for the United States, the new Bush administration is likely to continue engaging the North but the question remains whether its approach will be tougher than that of the Clinton administration. It will inherit a warming U.S.-North Korean relationship, the result of Vice Marshall Cho Myong Rok's visit to Washington and Secretary Albright's visit to Pyongyang late last year. While both visits held out the possibility of real progress on specific issues, including limiting the North's missile program, the dialogue stalled as the administration became bogged down in the debate over whether President Clinton should visit Pyongyang and ended when he decided not to go.

Moderates in the Bush camp have been generally supportive of engagement and President Kim will support that view. But it may take some time for the new administration to get its footing on such a controversial issue, primarily because a number of administration officials have

Perhaps the key question for the United States is whether recent moves by the North to improve relations with Seoul and Washington are tactical and therefore designed for short-term gain, or represent real strategic change in Pyongyang's policy.

decidedly conservative views on North Korea. Whatever the result of this review, it is likely that the new administration will make some changes in the terms of engagement but not seek an entirely different approach. The best outcome will be a careful balancing of change and continuity in the American approach towards the North as well as close coordination with South Korea to reinforce each other's efforts. Dangers for the administration to avoid include: 1) a number of tactical changes in U.S. policy that give the overall impression of a change in strategic direction, that the United States is moving away from engagement; 2) frictions with South Korea as the result of U.S. efforts to toughen up President Kim's sunshine policy by making it more conditional, and; 3) U.S. encouragement of South Korea to take the lead in engaging the North but then reining it in if disagreements emerge over its efforts.

If the Bush administration continues down the path of engagement, it will probably have an easier time building domestic consensus for its approach than its predecessor. However, whether its engagement policy produces results will also affect whether such a consensus can be maintained. Maintaining a strong domestic consensus could also serve the administration well in coping with political pressures on other issues—particularly on reducing the number of U.S. troops in the Korean peninsula—which may become more salient if rapprochement gains steam. Senate Foreign Relations Committee Chairman Jesse Helms (R-N.C.) has already suggested that possibility if reconciliation continues.

The conduct of U.S. diplomacy may be complicated by competition from other powers, although that competition will probably be limited by political and economic realities. Beijing may be a ready source of assistance but Pyongyang will remain suspicious of its motives. China has been willing to cooperate with Washington in trying to ease tensions on the peninsula, although Beijing has yet to seriously consider America's future role on the peninsula. Moscow's relationship with Pyongyang has improved this past year. While Russia may be able to offer some tangible assistance for North Korea's industrial infrastructure, with its Soviet roots, that assistance will be limited by Russia's economic difficulties. Although the European Union's role has increased through its membership on the Executive Board of the Korean Peninsula Energy Development Organization (KEDO) and substantial humanitarian assistance, its political interests will remain limited. Japan has the means and the interest to play an influential role, but it is handicapped by the difficult domestic politics of engagement and will be politically limited for many years to come by its former occupation of Korea in the past. Finally, competition among various countries may not only be limited by political and economic realities but also by shared support for reconciliation. Such support could falter if reconciliation seems headed for reunification, largely because each country may have different views on the desirability of a unified Korea, but that is probably a distant prospect. In short, speculation about the competition may be exaggerated, but increased involvement by other countries will require an expanded management role for Washington and pressure for the administration to create a "concert of powers" while coping with any rivalries.

Policy Agenda for the Future

The objectives for a new administration remain unchanged—stability, nonproliferation, reconciliation, and a strong U.S.-ROK alliance. Controlling North Korean weapons of mass destruction and ballistic missiles has been and will continue to be a critical U.S. priority, but that does not preclude a much more active effort to tackle what is likely to be a more critical threat: the North's forward-deployed conventional military forces. The Bush administration should push forward on both fronts, recognizing that in the near-term, progress may be more likely in controlling ballistic missiles and nuclear weapons if only because conventional forces remain the bedrock of the North's security posture.

In pursuing engagement, U.S. policymakers should keep in mind a number of guidelines. First, coping with changing circumstances on the peninsula will require shaping an effective policy-making mechanism inside the executive branch, with Congress, and with our allies. Second, policymakers can engage in endless debates about Pyongyang's intentions, but constant diplomatic probes are still the best way to find out its real motives. Third, the United States should keep its priorities focused. Its main objective is not to transform North Korean society but to bound and diminish the security threat. Changing North Korea may be a by-product of that effort. Seeking to do both may be a prescription for failure. Fourth, the United States must be seen by all, but particularly Seoul, as actively supporting the Korean peace process. Close policy coordination will be essential to avoid undermining South-North dialogue. Fifth, Washington should be prepared for speed bumps, particularly unexpected provocations by the North that could undermine engagement. Therefore, maintaining a long-term perspective will be critical. Finally, the United States will have to work with others to generate international support as well as maintain a balance of power on the peninsula. With these guidelines in mind, a new administration should consider the following specific steps:

Integrate Political, Economic, and Security Initiatives Moving ahead with political and economic engagement more quickly than progress on lessening the security threat could create the worst of all worlds—a politically unreconstructed North Korea with a stable economy and a revitalized military. Some experts have argued that engagement policy, and some of the economic benefits it has provided the North, has already helped the North Korean economy bottom out and enabled Pyongyang to hold its largest series of military exercises in years.

As a general rule, the United States, the Republic of Korea, and Japan should be willing to continue to provide short-term aid designed to prevent instability or collapse in the North—such as food assistance—without strings attached. That does not preclude also using assistance to secure progress on security issues, including larger, multi-year food assistance or agricultural development packages. Funds for the large-scale rehabilitation of the North's industrial infrastructure should be provided only in return for tangible reductions in the military threat.

Support South-North Reconciliation Since the economic component of rapprochement will become increasingly important, the new administration should seek money from Congress to establish a Korea Reconciliation Fund. The fund would be used for humanitarian programs such as food assistance and agricultural development, fostering economic cooperation through, for example, industrial infrastructure improvement and cooperative threat reduction if progress is made in military confidence-building measures or conventional arms control. Funds could be provided bilaterally or funneled through South Korean, non-governmental, or international organizations.

Support for reconciliation may require the United States to help facilitate the conclusion of new peace arrangements. The current arrangement consists of the 1953 Armistice agreement and accompanying commissions—the Military Armistice Commission and the Neutral Nations Supervisory Commission—which monitor the armistice. If rapprochement gains momentum, the symbolism of replacing an arrangement which dates back to the Korean War will become irresistible. Publicly, the United States should be prepared to support any new arrangements but, privately, it should counsel caution to avoid raising unrealistic public expectations about reconciliation before tangible progress is made in dealing with the North Korean threat.

Solve the Missile Problem The United States and North Korea seem to have been discussing a comprehensive agreement that would essentially roll back all its programs from the medium range Nodong missile to the longer-range Taepodong missile. The agreement would end exports, testing, and perhaps even development and deployment of such missiles. It may also require destroying mobile missile inventories, the “reloads” for its mobile launchers. Difficult technical details remain. Verifying far-reaching limits on mobile missiles, for example, would require intrusive on-site measures. U.S.-Soviet nuclear arms control agreements that limit mobile missiles could provide helpful guideposts for such measures. But they may prove unacceptable to North Korea at this point. The new administration should be prepared to consider less far-reaching, but still significant, agreements such as a permanent flight test ban combined with a ban on exports of missiles and related technologies. Such limits could be a first step toward a comprehensive agreement.

Reinvigorate the Nuclear Agreed Framework The agreement suffers from a reactor project that is behind schedule, a delay in the planned certification by the International Atomic Energy Agency that North Korea is nuclear-free (since certification is linked to the reactor project), and significant funding shortfalls in the agreement’s other key component, heavy fuel oil deliveries to the North. The new administration should explore reinvigorating the agreement by offering the North conventional energy sources rather than the nuclear power plants. This approach would more realistically take into account the North’s growing need for ready sources of energy and therefore could prove attractive to Pyongyang. Balanced against these considerations would be the wishes of U.S. allies who are paying for the reactors, the sunk costs of the current reactor program, which amount to millions of dollars, and the uncertainties of starting down a new path. An alternative that should be seriously considered is to reach agreement with the North to provide electricity from South Korean plants in return

for Pyongyang agreeing to ship out its stored spent nuclear fuel rods—which contain bomb-making material—earlier than specified in the 1994 Agreed Framework.

Propose Conventional Arms Control Including Force Reductions The new administration should work closely with South Korea to help craft serious conventional arms control proposals. These should run the gamut from confidence-building measures to force reduction proposals.

Small-scale unilateral reductions are also not out of the question. The United States was engaged in such reductions in the early 1990s but they were halted because of concerns about the North’s nuclear program. Perhaps a new program could begin in the context of a continuing thaw on the peninsula or further assurances that the North has fully abandoned its weapons of mass destruction. Of course, reductions, either negotiated or unilateral, would have to be based on close examination of future requirements to deter a North Korean attack as well as a careful reading of both regional and domestic political audiences. But the United States and the Republic of Korea should also not lose sight of the political utility of such reductions in positively influencing domestic political debate in both countries about the future of U.S. troop levels.

Facilitate Policy Formulation and Implementation At home, the new administration should quickly appoint a special representative for the Korean peace process. One important lesson of the Clinton administration is that the regular bureaucracy has been unable to handle a situation of dynamic change in Northeast Asia. The special representative should have enough stature and experience to bring together high-level officials to create a coherent approach with bipartisan support.

The new administration should also establish a “congressional observer group” consisting of key Republican and Democratic members from committees related to the military, foreign relations, and intelligence. Members and staff would be privy to regular, detailed briefings by the executive branch, have frequent contacts with key decisionmakers in the region, including North Korea, and might even attend important U.S. diplomatic meetings with those countries. Additionally, the Trilateral Coordination Group (TCOG)—established by the 1999 review of U.S. policy toward North Korea conducted by former Secretary of Defense William Perry and consisting of senior bureaucrats from the United States, South Korea, and Japan—should be fortified by more trilateral foreign ministers meetings.

An additional broader circle of consultation, perhaps modeled after the informal “contact group” used in the Balkans, might include Russia and China. Finally, multilateral assistance for North Korea will require multilateral coordination. While some experts have suggested a model based on KEDO, which was established to implement the 1994 Agreed Framework, using existing institutions might prove just as or even more effective. For example, the Asian

President Bush will be presented with an unprecedented opportunity to shape the future of the peninsula as well as Northeast Asia, although there will likely be some hurdles ahead.

The views expressed in this Policy Brief are those of the author and are not necessarily those of the trustees, officers, or other staff members of the Brookings Institution.

Copyright © 2001
The Brookings Institution

The Brookings Institution

1775 Massachusetts Ave. N.W.
Washington, DC 20036

NONPROFIT ORG.
U.S. POSTAGE
PAID
FREDERICK, MD
PERMIT NO. 225

Recent Policy Briefs

- *A Prescription to Relieve Worker Anxiety*
Lori G. Kletzer and Robert E. Litan
(March 2001)
- *U.S. Policy Toward China*
Kenneth Lieberthal (March 2001)
- *Iraq: Time for a Modified Approach*
Meghan L. O'Sullivan (February 2001)
- *Defending America*
James M. Lindsay and Michael E.
O'Hanlon (February 2001)

Related Books

- *Honey and Vinegar*
Incentives, Sanctions, and Foreign Policy
Meghan L. O'Sullivan and Richard N.
Haass (2000)
- *North Korea Through the Looking Glass*
Kongdan Oh and Ralph Hassig (2000)
- *Massive Entanglement, Marginal*
Influence: Carter and Korea in Crisis
William H. Gleysteen, Jr. (2000)
- *Intervention: The Use of American*
Military Force in the
Post-Cold War World
Richard N. Haass (1999)

Development Bank could administer such funds under special accounts established for North Korea.

Cautious Optimism

The prognosis for further improvement in U.S.-North Korean relations would seem to be cautious optimism. President Bush will be presented with an unprecedented opportunity to shape the future of the peninsula as well as Northeast Asia, although there will likely be some hurdles ahead. For example, South-North reconciliation may encounter some obstacles, but there should be a two-year window of opportunity before the South Korean election and Kim Jong Il's 60th birthday, during which both are committed to moving ahead. Competition from other countries offering to assist North Korea could present a new challenge for the United States, but that will be tempered by political and economic realities as well as shared support for reconciliation.

Finally, Japan remains a critical wildcard, given its potential financial contribution to engagement, but that will largely hinge on overcoming domestic political constraints. Its inability to overcome these constraints may result in tensions with the United States and the Republic of Korea, whose own practice of engagement could yield more positive results. If a new administration can both cope with and take advantage of these developments, it will secure U.S. interests on the peninsula for many years to come.

*This and all previous Policy Briefs are also posted on the World
Wide Web and linked from the Brookings home page at*

www.brookings.edu

*If you have questions or comments about this Policy Brief, please
send an email message to policybriefs@brookings.edu*

Authors' responses will be posted on the Brookings website.