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Crafting a Peace Mechanism for the Korean Peninsula

a presentation by

Stephen Costello, Director of the Korea in Transition Program
Atlantic Council of the United States

Introduction

The construction of a peace mechanism for ending the Korean War has been one of the ultimate goals of the fifteen-year process of “engagement” with North Korea by South Korea and the United States. The dynamic that informs the whole engagement project also informs consideration of a peace mechanism. Building such a mechanism cannot be an isolated effort in that engagement process. Instead, the signing of a peace mechanism or treaty will be recognition of work accomplished, of relationships nurtured, of deals negotiated and concluded. When it comes, this achievement will bring closer the often-stated and widely shared goal of a North Korea at peace with its neighbors and more open and connected to the outside world. No actor stands to gain more than North Korea from such a development, since its options remain so limited in the present circumstances. For these reasons, consideration of the steps necessary to reach a formal ending to the Korean War is a useful exercise.

What are the preconditions?

A formal end to the Korean War will be possible only with the active and coordinated involvement of several interested actors: the two Koreas, the United States, China, and Japan. Russia could be either helpful or mischievous. Where do we look for leadership in moving toward the goal, and how do we know what is possible?

Leadership has come first from Seoul. President Kim Dae Jung has declared the drive for a North-South peace treaty (separate from a “peace declaration” during the anticipated second summit) to be a major priority of the second half of his term. We have just witnessed the example of leadership on this issue from the European Union (EU) through its high-level mission to Pyongyang. The EU role can be stabilizing, helpful, and even critical, although insufficient to move the process along by itself. Expressions of worry or bafflement from U.S. observers regarding the EU’s recent diplomatic initiative seem to have been overstated, since the “deliverables” from the EU will never be great, and will not substitute for what Kim Jong Il wants from the United States. Indeed, it is Kim Jong Il’s desire for the symbolism, legitimacy and access to foreign credit that could come from the U.S. relationship that has kept his attention primarily on the U.S. relationship this past year. That U.S. focus has also frozen North Korea’s diplomacy with South Korea for the past few months. While the EU can be helpful in the broad engagement strategy, the U.S. role is critical, so leadership will also be required from the Bush administration. Disinterest, inattention, or long delays in activity from the U.S. side will almost certainly doom the effort.

What would a formal end to the Korean War need to include?

1. A deal between the United States and North Korea concerning the production, sales, and testing of missiles;
2. A deal between the United States and North Korea to end North Korea’s designation (by the United States) as a state sponsor of terrorism, facilitating North Korea’s application for membership in the international financial institutions;
3. Some formal role for China, the United States, and the United Nations.
4. Statements of no hostility by North and South Korea, and possibly by the United States and China;
5. Some guarantee of North Korea’s security, from its perspective, by the Republic of Korea (ROK) and the United States;
6. Agreement on an asymmetrical pullback of North Korean military capabilities from the Demilitarized Zone (DMZ);
7. Agreement on a reconfiguration of the U.S. and ROK troop presence after the conventional threat is reduced.

Some would argue that the U.S. movement to develop and deploy a National Missile Defense (NMD) would be another complicating factor for North Korea. However, it is highly unlikely that the NMD program is anything but a convenient symbolic target for DPRK propagandists, since North Korea is far from viewing or using its nuclear weapons as strategic assets affected by U.S. defense systems. As this list makes clear, the drive for a peace arrangement is a subset of the much larger strategic engagement process.

The South Korean political system is going through the necessary public debate about the details of the process, and the direction of the process is clear. There is broad support for continued economic and diplomatic interaction with the North, although with extensive argument over details. Indeed, this support was recently emphasized in a letter from the

Korea Peace Forum to U.S. President Bush, dated May 3, 2001. The letter, which was very similar in structure and intent to the U.S. Council on Foreign Relations' recent Korea Task Force report to President Bush, was signed by several major figures from the ROK opposition and ruling parties, as well as diplomats, civic leaders and academics.

The U.S. political system has now entered a period of intense debate on the issue of how to engage North Korea, but the consensus needed for action is not yet visible. The challenge now for the Bush administration is to arrive at some degree of clarity on the group of interrelated issues in East Asia, and form that consensus.

The setting for the next step between the Koreas will be the reciprocal North-South summit in Seoul, expected later this year. At that time, the joint statement will be more or less ambitious depending largely upon the United States-North Korea relationship existing at the time. Indeed, the realization of a summit in the first place may depend on that relationship. The Kim Dae Jung administration will also be hoping to bring the North-South relationship back under the terms of the Basic Agreement on Non-Aggression, negotiated in 1991, and to take some important military confidence-building measures (CBMs). It is likely that some steps will be taken to reconvene the Four Party Talks (4PT) or otherwise move toward consideration of a final peace arrangement.

The Four Party Talks

After years of disinterest demonstrated by North Korea at the 4PT, the summit of last summer gave new hope that this venue would be the logical place to discuss an ultimate ending to the war, beginning with military CBMs and economic items. It remains to be seen whether North Korea will see an advantage in beginning to discuss a treaty, or perceive this venue as the most appropriate one for such a discussion. The original need for the 4PT grew from a Kim Young Sam administration perceived as uninterested in reduced North-South tension, and a Clinton administration looking to replace the Agreed Framework meetings with some forum for dialogue. For most of its duration, the 4PT helped parties let off steam and pass information, but did not advance the parties toward substantial tension reduction.

There have been statements from the Bush administration suggesting that there are too many different meetings going on related to Korea, indicating a possible lack of enthusiasm for the 4PT venue. Here, too, the participation of China can be either welcomed or resisted, depending upon the new U.S. strategy. Avoiding tension in North Korea has been one of the common goals in the U.S.-China relationship in recent years. It may therefore be preferable for China's participation in the inter-Korean peace process to be treated by the United States primarily as a stabilizing contribution rather than as a source of friction in U.S.-Chinese relations.

The Sunshine policy

Nothing could demonstrate more clearly the wisdom of the underlying principle of engagement with North Korea – that North Korea needs engagement far more than any of

the other actors – than the behavior of Kim Jong Il during the EU visit last week. Kim Jong Il's reported worry during that visit over the prospect of a change in U.S. policy, and his repeated desire to improve his relationship with the United States, underscore the degree to which he may be effected by having so much more to lose now than he did just one year ago. As previously noted, the limits of South Korea's ability to drive the three-year-old engagement alone were made very clear. To paraphrase Kim Dae Jung's message to Kim Jong Il last summer, "Meet the concerns of the United States and Japan, or I cannot help you. No one can help you."

The reaction from Chairman Kim also reminds us of the utility of demonstrating one's "walking away point" during negotiations. One weakness of the sunshine policy was that the Clinton and Kim administrations both failed to convince their constituencies that they had established such a point, and were prepared to pack up and leave if it were reached. The two administrations thereby undermined support for the policy in Seoul and Washington. This became a matter of perception: did the engagement proponents have solid principles to which they would hold?

Another weakness was a failure in both capitols to stress the strengthened deterrent aspect of the engagement policy, an oversight with large political costs to Kim Dae Jung and his party. For Bill Clinton, this failure only contributed to the chasm that grew between the White House and the Congress, to be bridged only after heroic effort by William Perry. In fact the deterrent was significantly strengthened since Kim Dae Jung's election in terms of joint training, reorganization, equipment upgrades and increased trust between the U.S. and ROK forces. Only this fundamental strength could have allowed the architects of ROK North Korea policy to move forward so consistently.

South Korean political considerations

In South Korea, engagement was pursued largely for tactical reasons during the 1980s and most of the 1990s. The government's regular need to provoke nationalism and anti-communism drove the pace and direction of engagement, and public opinion was mostly irrelevant within a broad, security-first consensus. Regular misbehavior by the North or outrage and tough rhetoric by the South prevented meaningful North-South progress.

With the election of Kim Dae Jung, engagement was pursued for more broadly strategic reasons, and an attempt was made to drain the issue of its short-term political utility. That attempt has been largely successful. The percentage of public support for Kim's general engagement direction still stands in the high 70s to low 80s, with similar support seen for a return summit by Kim Jong Il. So far, this support remains unaffected by the dip in Kim's personal popularity to 30 percent.

Many observers have noted the significance of the ROK change in *direction*, and the resulting movement in North-South dialogue. Most striking was the active encouragement of international contact with North Korea, with the growing European-North Korean relationship as a prime example. But of equal importance has been the change in the *rationale* for engagement by the Kim administration. A peaceful North-

South relationship was seen by the new President and his top North Korea policymaker, Lim Dong Won, to have several medium and long-term advantages for the South, apart from its advantages to the North and other actors. Kim has long held that a chief cost of the fifty-year confrontation was the poison and dysfunction it maintained in the South Korean political system. Regrettably, the political dysfunction continues across all issues. But the current government's pursuit of a new engagement with North Korea was never likely to gain it votes; rather, the policy has been pursued *in spite of* its cost to the ruling party. Exaggerated and incautious statements by the Kim administration in defense of the policy more likely represent attempts to limit its cost rather than expectations that it would attract voters.

For these reasons, the South Korean opposition Grand National Party (GNP) takes some risk when it declares, as it did recently, that the North Korea policy will be a major issue in the 2002 mid-year parliamentary elections and the year-end presidential election. The GNP leadership has admitted privately that it was a serious blunder to reject President Kim's invitation to join the North-South summit delegation last year. This past winter, the GNP alternately criticized the government for going too fast and going too slow on North Korea policy. Its confusion on this issue was palpable in the aftermath of the Kim-Bush summit, when it switched between hearty support for Bush's skepticism and injured concern that North-South interaction would be interrupted due to the "high-handed" U.S. statements.

The engagement policy's financial costs to the public have been overstated as well. So far, the cost is in the realm of several hundreds of millions of U.S. dollars. With continuing economic malaise and unemployment in the wake of the 1997 economic crisis, South Korea will be unable to devote major funds to support North Korea policy for the foreseeable future. When significant South Korean investment in North Korea eventually begins (for infrastructure development, for example) it is likely to be on limited or business terms, both for political and economic reasons. In the meantime, the underlying principles of the economic dimension of engagement will provoke further public debate, and what funds are committed will be expected to "prime the pump" rather than remain open-ended. A settlement between Japan and North Korea may one day release billions of dollars in development aid, but the conclusion of an agreement is not at all in sight now. One of the main reasons for coaxing North Korea into the regimen of the IMF and World Bank as soon as possible is to show Pyongyang the only real route to foreign investment and development.

The newly active civic groups in South Korea have an impact on public policy that cannot be overstated. Their contribution to public knowledge and participation has been increasingly sophisticated and effective, and reflective of sometimes conflicting deep social rifts. They also hold one of the most valuable keys to effective U.S. policy in Korea and the region. Despite grumbling about a "white wash" of the Nogun-ri Korean War investigation and continuing low tension over the revised U.S.-ROK Status of Forces Agreement (SOFA), the civic groups have accepted that these issues are, for the time being, resolved. If, as a result of new U.S. actions, the U.S. is increasingly seen by the Korean public as being opposed to reduced tension and North-South *rapprochement*,

even a very friendly Korean president will not be able to rescue the U.S. position with the public in the future. The only thing we can say with some certainty about the next Korean president is that his vulnerability to strong interest groups, be they regional, economic, cultural or political, will be greater than that of the current president. He will have less room for maneuver and less opportunity to lead opinion and policy.

President Kim will surely press ahead to try to make the new engagement posture irreversible for future Korean administrations. If not for Kim Jong Il's desire for the U.S. diplomatic embrace as a precondition for progress, the two Koreas could continue to make some progress this year. But the sort of self-confidence and independence that this would require of Kim Jong Il is not to be expected, given the insularity he still demonstrates. One of the more interesting, if unfortunate, scenarios we may witness would be a hardened U.S. posture leading to lowered and adjusted expectations by North Korea, a policy consensus by all the actors except the United States, and modest but significant movement this year without U.S. leadership. It is all but certain, however, that progress in the remainder of this year depends largely upon U.S. interest and energy.

American political considerations

In the United States, the attempt at various engagement strategies over the years was driven by the recognition by successive administrations that further isolation of the DPRK would never mitigate the destabilizing threat it posed, nor would it lower the costs of containing that threat. During the 1990s the Perry process came closest to establishing a political consensus in Washington about how, tactically, to proceed toward the goal of reducing the threat from the North. Nevertheless, the polarized political atmosphere during the Clinton years made it impossible to disentangle policy from politics on the North Korea issues, with the result that the new Bush administration must contend with a history of highly emotional political and ideological baggage from the past eight years. These factors are in addition to the critical strategic, regional and global issues at stake, and make maintaining a domestic U.S. consensus much more difficult.

The current nervousness across East Asia and Europe about the direction of the Bush administration is a reminder that what may be called the "Perry Consensus" attracted the support of a broad range of U.S. allies, as well as China and Russia, most of whom remain convinced of its sensibility. The Bush policy review has already inadvertently provoked deep suspicion and distrust among the public in many countries, so there will be an added burden on the Bush administration's diplomats to make the case for any changes when they establish a direction, perhaps later this month.

Changes may well strengthen the hand of the United States and its allies in making progress with North Korea. All the ingredients are in place. The State Department team, in particular, is configured for effective and experienced management of the Korea relationships. The review has provoked some of the most positive and sophisticated behavior yet by North Korea, with Kim Jong Il unilaterally declaring an extension of the testing moratorium on long range missiles to his EU visitors. The North Korean leadership also seems to be taking the advice of its foreign contacts in refraining from

extreme actions and showing a rare patience. If the Bush administration is able to avoid overreaction to the usual swings in North Korean rhetoric, and to calibrate its own for diplomacy, it may find that Pyongyang is now more eager to negotiate than it has been in a generation. The unusual control of Washington's political institutions by the Republican party could make it possible to capture the elusive domestic consensus on what the United States is willing to do to achieve reduced tension on Korea.

There are, however, reasons to be concerned about how effectively a new Korean policy will be carried forward. The Perry consensus appears to have been rejected during the four-month pause in the U.S. North Korea policy. Looking back, one can imagine a "neutral" pause, during which critical ongoing meetings and discussions would be attended, with general principles reinforced and critical details left for later. In such an atmosphere, language would be measured and diplomatic, and the Kim Dae Jung – George Bush summit of early March may have made little news. But importantly, whether by design or not, the North Korea policy review has not been perceived as neutral. It was preceded by strong statements during the campaign which were repeated and elaborated upon in the first months of this year. And it was punctuated by actions and statements strongly at odds with the general consensus among U.S. allies established through the June 2000 North-South summit and up to the November 2000 talks on missile issues. Some change in policy was anticipated, but a change in goals will require extensive public diplomacy to explain.

The ability of the Bush administration to move forward depends, first, on its ability to minimize internal debates over strategies and goals of the Korea policy. It appears that the divisions within the administration are not minor, but fundamental. If these are not reconciled, and an internal consensus is not reached, the prospect for active U.S. participation, and therefore for meaningful North-South progress, will be small. Secondly, movement will depend upon a judgment that the goal of a less-threatening North Korea is in the U.S. interest and worth the expenditure of diplomatic and political capital. Thirdly, forward movement will require that ROK leadership and judgment be welcomed on several key decisions, such as when to press North Korea for conventional force reductions. The alternative is to substitute U.S. positions for ROK positions on issues that Koreans feel are their prerogative. Finally, forward movement will require a diplomatic effort on a scale similar to that now being undertaken on behalf of the missile defense program. This is necessitated by the loss of momentum and growing concern and distrust toward the United States during the policy review. One could argue that the prize for success in the case of North Korea is both equally valuable and more easily obtainable than that for a national missile defense.

North Korea has always held the key to its own survival and development. That is no less true today. Kim Jong Il could boldly take credit for a renaissance in North Korean agricultural development, energy system rehabilitation and security guarantees from the U.S. and South Korea, while finding creative ways to put the Korean People's Army to productive work in a growing industrial sector. However, few analysts predict this. A rigorous assessment of the nature of the North Korean system, together with a calibrated determination of what is possible from that system, has in recent years informed a

common policy by South Korea, the United States, Japan, the EU, and other countries widely seen to have produced positive results. The South Korean administration believes it knows how far we can push the North. President Kim has no incentive to put off the hard choices for the DPRK beyond what is systemically bearable. It will be very difficult to have progress toward a North-South peace mechanism, or even to regain the trust between the ROK and the United States gained in recent years, if the U.S. side seeks to impose its assessment of North Korea on the South.

U.S. officials probably misjudge the mood of the South Korean opposition and public if they believe there is significant support for a new policy that does not result in real movement forward for the two Koreas. The general perception is that the momentum of late 2000 was real, and was very hard-won. If movement remains stalled in the aftermath of the U.S. North Korea policy review, the U.S. administration will be blamed, fairly or not, by many of its allies and much of the public. The key to resumption of positive progress on North Korea — which will quickly include the issue of crafting a peace mechanism — will be a careful rebuilding of a broad consensus on goals and strategy, with new elements and new priorities if necessary. The intersection of several major regional issues on the Korean peninsula can be seen as an opportunity for the United States to work with its allies to get the policy right and achieve a rare clarity of goals and direction.