

CHAPTER VIII

Developments on the Korean Peninsula and in Trilateral Relations

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THIS CHAPTER EXAMINES changes in South and North Korea in the context of the roles of China-Japan-U.S. trilateral relations in recent developments on the Korean peninsula. The intention is not to disregard or diminish the importance of the internal dynamics in the two Koreas; rather, it is to focus on the consensus about the need for stability on the Korean peninsula. The chapter then looks at the impact of the Korean issue on developments in relations among China, Japan, and the United States.

CHANGES IN THE TWO KOREAS

Exhausted from a decade of nuclear crisis, the two Koreas seemed since 1997 to be looking for a more stable *modus vivendi*. The Korean Peninsula Energy Development Organization (KEDO) started operating in August 1997 after three years' delay, and the first Four-Party Talks, involving the two Koreas, China, and the United States, were held in Geneva that December.

Inter-Korean governmental contacts initially failed to bear tangible fruit. The second round of Four-Party Talks, held in March 1998, was

adjourned when the North remained adamant that the withdrawal of U.S. troops from the peninsula had to be part of the official agenda. A vice-ministerial meeting, conducted in Beijing in April 1998 to discuss trading South Korean fertilizer for concessions from the North on reuniting families separated since the Korean War, did not result in a breakthrough. The overture proved to be premature as Pyongyang was not prepared to accept inflows of people from outside.

The Four-Party Talks had evolved as a compromise. North Korea reluctantly accepted the formula in order to achieve its foremost policy objective of establishing a relationship with the United States. The South had failed to corner the North into accepting an inter-Korean formula and, since it did not want to be alienated from diplomatic initiatives concerning the peninsula, it agreed to the Four-Party scheme as a way of maintaining its influence. Given the South's insistence on and the North's resistance to official inter-Korean talks, the Four-Party recipe was not the first choice of either Korea. But the retreat of Kim Dae Jung's government from previous governments' attempts to prevail on the North by establishing an inter-Korean framework means that the Four-Party Talks may become relatively more important.

The South did not expect immediate results from vice-ministerial contacts, so Pyongyang's quick response to the overtures from President Kim were received with surprise. North Korea may have been testing the will and ability of its new counterpart. Whatever the motivation, that North Korea agreed to have official contact with the South after three years of vehement rejection of the idea was important. Also noteworthy was the fact that the usual exchange of harsh, reproachful words did not accompany the failure of the meeting in Beijing.

Pyongyang had been in a wartime situation of de facto military rule. The Supreme People's Council, the North Korean equivalent of a parliament, was suspended, and the military became even more omnipresent in society. In late 1997, signs of change appeared. The official media declared that the hardest period of the "long march of suffering" had ended, and, in the official and essential step needed to revert from the wartime system to normalcy, an election for the Supreme People's Council Representatives was scheduled for July 1998. The fiftieth anniversary of the Democratic People's Republic

of Korea on September 9, 1998, was to be the consummation of this normalizing process.

In tandem with political restructuring, economic cooperation with the South was accelerated. In a symbolic example, Chung Ju Young, president of the Hyundai group, received permission to cross the Demilitarized Zone with trucks of cows as presents to the people of North Korea. During the crisis years, Pyongyang adamantly opposed opening the demarcation line for direct contact between the two Koreas. Maintaining a certain level of tension across the border was an essential part of its brinkmanship. Even humanitarian aid had to be transported by sea, or via China.

The North also announced plans to establish free export zones in Nampo and Wonsan. Different from the secluded Rajin-Sunbong special economic district in the North's far northeast, these two cities are close to the North's political and economic heartland. It is still unclear how far Pyongyang is willing to go in economic opening to the world, but a free export zone in Nampo might be a leap toward Chosun-style market socialism—despite consistent official denials of following a China model.

The policy reversals of the South are an important part of the emerging scene. President Kim's "Sunshine Policy" is based on criticism of previous policies. With the demise of the cold war and the collapse of the Soviet Union, Seoul pursued variations of "unification by absorption." The success of this strategy depended on several conditions. First, the Stalinist state would only be able to survive if ties with its traditional allies—China and the Soviet Union—remained intact. Second, with its vibrant and expanding economy, Seoul would have enough diplomatic influence to isolate Pyongyang. Third, the oppressive and unpopular leadership in the North would disintegrate quickly if external pressure were reinforced. Developments have proven these prerequisites to be nonexistent, if not false.

Ironically, the South Korean quest for the "Koreanization" of the Korean problem resulted instead in its "internationalization." The more Seoul tried to contain Pyongyang within an inter-Korean framework in which it could prevail, the more it lost diplomatic influence. The centers of diplomacy on Korea subsequently became New York, Geneva, and Beijing, where the Four-Party Talks, KEDO, and United Nations-initiated food assistance programs are respectively based.

Learning from earlier failures, Kim Dae Jung tried to regain the diplomatic initiative for the South by building a basis for mutual confidence between the two Koreas. After his inauguration, he officially renounced the policy of “unification by absorption” and suggested that instead of immediate unification, the emphasis would be on peaceful coexistence. This approach, in short, is based on the status quo. Some South Korean nationalists perceive it to be a betrayal of the primary goal of unification, a perpetuation of the division of the fatherland, and as playing into the hands of surrounding powers. However, Kim feels that normalizing South-North relations is the only way to restore “Korea-centeredness” to diplomacy concerning the peninsula. The reasoning is that, once military tension is reduced, Seoul could return to center stage since it is Pyongyang’s major source of economic assistance and investment. Such a situation would also be in the long-term interests of Korea’s neighbors, given that some form of economic integration with the South is integral to any lasting solution to the North’s economic difficulties and to Northeast Asia’s stability.

So far, President Kim has successfully rallied majority domestic political support for his Sunshine Policy. No significant organized resistance to his bold initiatives toward rapprochement with the North has yet emerged. The new policies have been welcomed warmly, if not enthusiastically, and his leadership in reversing previous policies—particularly toward the North and Japan—has resulted in high approval ratings for his presidency. This is a remarkable phenomenon, considering conservatives’ deep-rooted suspicions about Kim’s ideological orientation. A couple of reasons can be identified. The first is generational change. South Koreans born after the Korean War are assuming leading roles in many areas of society and they do not share their parents’ antipathy toward the North. In previous administrations, conservative voices were overrepresented in the policy-making process. The second is the ironic impact of the economic crisis. The crisis undercut the South’s economic power, the material basis of the hard-line policy. Even conservative nationalists have had to accept the new reality that the South has only limited means to prevail over the North. Soliciting international support for his approach and drawing the North into his new scheme were the next tasks for President Kim.

U.S.-CHINESE "STRATEGIC PARTNERSHIP"

Normalization on the Korean peninsula progressed in tandem with rapprochement between the United States and China after 1996, with Korea becoming a testing ground for the emergent U.S.-China "constructive strategic partnership" in Northeast Asia. The initial record was fairly successful. Even though it is not clear how closely China was involved in the origin of the Four-Party formula, at least in its implementation China's role and contribution have been substantial. In May 14, 1998, testimony to the U.S. House Committee on Foreign Relations, Assistant Secretary of State Stanley Roth raised North Korean policy as a conspicuous example of the U.S.-China strategic dialogue "pay[ing] important results."

For its own reasons, Beijing stepped up political and material support to Pyongyang in recent years, particularly since the death of Kim Il Sung. China provided one million tons of food assistance in 1997, making up for almost half of the North's annual food shortage, and an increasing number of Chinese agricultural and industrial experts are reportedly visiting the North. China's influence over North Korea declined abruptly in the early 1990s when Beijing stopped treating Pyongyang as a special ally and began tilting toward Seoul. Several reasons can be cited for China once again embracing its former ally. First, China's own phenomenal economic growth in the 1990s has enabled it to provide material support. Second, the generational change in the North Korean leadership following the death of Kim Il Sung made it urgent for China to build new relations with the North. Third, China began to perceive the total collapse of North Korea as a real possibility, and it has good reason to fear a power vacuum, massive numbers of refugees fleeing across the border, and other chaotic circumstances.

Together with emerging direct relations with the United States, the North received some "reassurance" from China's reinforced material assistance, and perhaps its siege mentality was lessened somewhat. How China regained "influence" over its troubling socialist neighbor is a process worth examining more closely, as it might provide significant lessons for policy making toward a rogue state.

The U.S.-China "strategic partnership," a transitional substitute for a post-cold war security framework for North Korea, is based on

shared interest in maintaining the status quo on the peninsula and in preventing a sudden North Korean collapse.

However, maintaining the status quo is not a static process. Broad reforms are essential for North Korea to survive and remain existent as a society. Such changes—regardless of what they are called—will inevitably have to incorporate market economic characteristics. The fundamental dilemma for Pyongyang will be that Seoul's economic and political gravitational pull may build up inside the secluded regime as economic opening and reforms progress. This dilemma will be unique to North Korea—no such equivalent exists for socialist countries such as China, Vietnam, and Russia.

Present thoughts about scenarios beyond the status quo remain abstract, although such scenarios could obviously influence current policy options. Policy and academic discussions and studies on the postunification security system in Korea stress the desirability of a unified Korea being democratic, peaceful, and nonnuclear. Moderates in both Seoul and Washington emphasize the need to maintain mutual security ties, even after unification. The analogy is made to the choice of postwar Japan to pursue being a “trading state” with minimum military spending. Keeping the United States committed to the Northeast Asian region could spare Korea the political pressure and burden of building up its military to counter its neighbors. However, such expansion of the U.S.-centered alliance system may result in China feeling threatened close to its border.

The “strategic partnership” between the United States and China has been instrumental in stabilizing the Korean peninsula and it will remain important to regional security. If the two powers regress to their confrontation of old, the Korean peninsula will be the first to be critically affected. To ensure the “partnership,” it is also necessary to begin talking about postunification Korea.

JAPAN'S STRATEGIC HESITANCY

The passive policy of Japan—the third pillar of the trilateral relationship—toward the Korean peninsula stands in sharp contrast with the more active policies of China and the United States *vis-à-vis* Korea. Postwar Japan has shied away from articulating a strategy toward

Korea for a few understandable reasons. First, Japan is dependent on the United States to defend its interests in the region. Second, the memory of Japanese colonial domination still makes Koreans wary of any hint of Japanese involvement on the peninsula. Third, prevalent antiwar sentiments in Japan have made discussion of national security a general political taboo. Fourth, imbued with postwar democracy, the Japanese public have resented "colluding" with South Korea's dictatorship.

However, Japan has pursued its strategic interests on the peninsula in its own way. In addition to its indirect contribution to U.S.-Japan security arrangements, Japan did make certain moves of its own when the status quo on the peninsula was seriously challenged. In the early 1970s, Tokyo made strategic approaches to Pyongyang when it was groping for a post-Nixon Doctrine security framework. The formula of cross-recognition of the two Koreas was discussed between the United States, Japan, and possibly China as an integral part of Nixon's grand strategy in the region. When President Carter announced the withdrawal of U.S. troops from Korea, Japan moved actively to reverse the decision. In the early 1980s, when South Korea languished in political and economic turmoil, the Nakasone cabinet made a historic decision to provide US\$4 billion of "national security assistance" to the military regime of General Chun Doo Hwan. Kanemaru Shin's mission to Pyongyang in 1990 would be another recent example of a Japanese initiative toward Korea.

Subsequently, Japan has maintained a detached attitude toward North Korea. Tokyo's apparent coolness toward Pyongyang in recent years is conspicuous, considering recent developments on the Korean peninsula. Japan has declined to contribute to UN food assistance programs for the North, even though it has large annual surplus stocks of rice for which it has to pay storage. It objected to the admission of North Korea into the World Bank, the International Monetary Fund, and the Asian Development Bank. When negotiating to normalize relations with North Korea, the Japanese government risked wrecking the whole process by raising the issue of Japanese kidnapped by North Koreans. These negotiations have remained suspended since 1992.

During the nuclear crisis, these attitudes were understood to reflect policy coordination among Seoul, Tokyo, and Washington.

The South Korean government kept a close eye on negotiations between Japan and North Korea. Yet the end of the crisis did not result in a change to the Japanese position. In a halfhearted response to a series of diplomatic offensives by Pyongyang in 1997, Tokyo agreed to resume the long-suspended talks in principle—on the precondition that the kidnapping cases were solved satisfactorily.

Japan's inaction and passivity can be explained in terms of the following. First, in today's Japanese diplomacy the Korean problem is given lower priority than the building of a new balance-of-power formula with regional powers such as China and Russia. Second, domestic opposition to diplomatic recognition of North Korea is still strong among conservatives both in and out of the Liberal Democratic Party. Ad hoc initiatives by politicians such as Kanemaru are severely criticized. Third, the human rights of the kidnapped are very real issues to Japanese, with widespread and deep-rooted public suspicion and rejection of North Korea resulting. The nuclear crisis further blotted Pyongyang's image.

In short, most obstacles to Japanese diplomacy vis-à-vis Korea are domestic in origin. Conversely, the lack of a grand strategy also induces domestic factors to meddle in diplomacy toward Korea. Considering its economic power and its historical ties with the peninsula, Japan's active and constructive role should be encouraged.

THE KOREAN PENINSULA AND TRILATERAL RELATIONS

Due to its geographical location, the Korean peninsula is a touchstone of the trilateral relationship among China, Japan, and the United States. Experiences this past century show that rivalry over the peninsula leads to region-wide instability and catastrophic war. A concerted framework involving the countries surrounding Korea is indispensable for the region's stability.

Several points should be stressed in this context. First, if the "concert of powers" results in the institutionalization of classic power politics, then suspicion and resistance from Asian countries—including both Koreas—are inevitable.

Second, in order to have lasting influence trilateral cooperation should be based on shared interests as well as shared values and visions.

Third, trilateral cooperation best serves the region when it functions as a catalyst for a multilayered regional system consisting of inter-Korean and other bilateral relations, the Four-Party Talks, a Six-Party forum, and an expanded ASEAN (Association of Southeast Asian Nations) Regional Forum. Within this system, each level has its own functions and roles.

Fourth, as long as both parties are committed to the principle of peaceful coexistence, "Korean-centeredness" in diplomacy toward the peninsula should be encouraged.