

Beyond Pessimism: The June Summit and Prospects for Inter-Korean Relations

by
Dr. Chung In Moon

Chung In Moon: Thank you very much for your wonderful introduction. This is my second time to talk at the Sasakawa Peace Foundation USA Asian Voices forum. For this honor I have to thank the old network between John Ikenberry and I, who met on matters in Washington D.C.

I was very lucky to accompany President Kim Dae Jung to Pyongyang and to observe the entire summit meetings in very close proximity. It is not easy for me to sum up my observations in 30 to 40 minutes, but I will do my best.

I will be starting with first an attempt to come up with some brief overview of the significance of the summit meeting. Then I will get into the June 15 Joint Declaration in an item by item analysis. I will then come up with some challenges and constraints surrounding the Kim Dae Jung Initiative with North Korea. Lastly I'll make a brief conclusion.

Significance of the June Summit

The summit meeting has a number of items of significance. The most important of which is open dialogue supported by South Korea. For a long time South Korea has tried to open a dialogue with North Korea, but North Korea consistently turned the South down. Indeed, when Kim Dae Jung was inaugurated in February 1998, one of his first proposals was to have an exchange of special envoys with the North, but the North spurned his advances. In spite of this South Korea was able to arrange two vice ministerial talks. Both of these talks failed.

North Korea was trying to deny and negate South Korea as a legitimate entity with whom to negotiate. At the same time North Korea

was trying to penetrate non-governmental organizations in South Korea and circumvent the South Korean government. Out of this stalemate, the South Korean government was able to bring about the June summit talks with North Korea. It is apparent that it is really quite a revolutionary change in inter-Korean relations.

Equally important is the method of arranging the talk. As you may recall, the aborted July 1994 summit meeting between Kim Il Sung and Kim Young Sam, and most other inter-Korean talks were mediated through a third party such as Jimmy Carter, Korean residents in the United States, Japan, or China. They played a middleman role in making arrangements between Pyongyang and Seoul. But this time the South Korean government was able to open up direct talks with the North. I think this is a very significant factor.

Elevated Status of South Korea

In fact, as a result of the summit meeting, South Korea has become a kind of independent variable, rather than the dependant one, in shaping inter-Korean relations. In other words, inter-Korean relations were contingent upon Washington-Pyongyang ties or Pyongyang-Tokyo ties. South Korea could not take any initiatives in engineering inter-Korean relations. It was tied to what was going on between Pyongyang and the other four major powers in the region.

Since the summit meeting, however, South Korea has been able to take the initiative. Prime Minister Mori sent his letter to Chairman Kim Jung Il through President Kim Dae Jung. At the same time, I understand that the United States has sent a message to Kim Jung Il through President Kim Dae Jung on

issues of weapons of mass destruction and missiles. The ball game has really changed in Northeast Asia. The summit talk has elevated the status of South Korea.

Another important contribution of this summit meeting is that both leaders of North and South Korea were able to enhance inter-personal confidence building. In fact, most of the Korean problems have resulted from the lack of understanding and lack of recognition between the two leaders. On the occasion of the summit meeting, the situation has changed. President Kim spent 11 hours and 15 minutes with Kim Jung Il altogether. They had an intense four hours and 15 minutes summit talk.

Furthermore, it was unlike other inter-state summit talks where you would necessarily be employing an interpreter, who would talk half the time. In the last summit talk, both leaders could spare sufficient time to have exchange of candid views. As a result, I believe, they were able to cultivate strong inter-personal confidence and trust. Such development could really contribute to reducing tensions on the Korean Peninsula.

The third important thing, which you can derive from the summit talk, is the increased transparency. The South Korean people, as well as intelligence agencies, were able to have very limited access to North Korea. As you all know, North Korea has been an extremely reclusive hermit kingdom. Particularly, access to Kim Jung Il and the North Korean military leadership has been virtually impossible. Even for the South Korean intelligence agencies, information on them have been limited. Their human intelligence to have access to Chairman Kim Jung Il and North Korean military leadership has not been very successful.

As a result of the summit talk, even I myself was able to have a chat with Vice Marshal Cho Myong Rok. I exchanged drinks with Generals Park Jae Kyung and Hyun Chul Hae.

They are the three most powerful military figures in the North. Even the ordinary people in the South were able to sense and watch the words and deeds of Chairman Kim Jung Il. This can be seen as a fundamental breakthrough in our intelligence gathering on North Korea. As both Koreas engage in exchanges and cooperation, North Korea will become more transparent than ever before. Indeed, the veil of North Korean society is being gradually lifted as a result of the summit talk. I think that, this contributes to tension reduction on the Korean Peninsula.

The fourth important element is a narrowing gap between agreement and implementation. In the past, North and South Korea have entered several agreements, like the July 4th Joint Communiqué and the Basic Agreement on Reconciliation and Exchanges and Cooperation in 1992. The North and South have come up with wonderful agreements but they have failed to implement them. Since the summit talk, the speed of implementation has been quite remarkable. In fact, a bunch of South Koreans are now somewhat alarmed at the speed of implementation.

Closer Ties Immediate Effect of Summit

Instantly, after the summit talk, there was a suspension of mutual denunciation along the demilitarized zone. Then there was the reunion of separated families. There was a regularization of inter-Korean ministerial talks. There was a resumption of a liaison office in Pyongyang. Most recently, the North Korean Defense Minister came all the way down to Cheju Island to have the first inter-Korean Defense Ministerial talk. Both North and South Korea have embarked the reconstruction of the Seoul-Shinuiju railroad system, which has been suspended for more than 50 years.

Yet another interesting phenomenon is that both North and South Korea have installed 300 lines of optic fiber cable between Pyongyang and Seoul. These are direct lines.

Nowadays, we may well imagine key officials in Seoul and Pyongyang can communicate directly. Therefore given all these kinds of progress in inter-Korean relations, we can see there has been quite impressive implementation of agreements between the two leaders. Such implementation was lacking in the past

North Has Shown Signs of Changes

Another important implication of the summit meeting is that North Korea has shown very clear signs of changes. These are changes in the direction of opening and reform; of course it is very difficult to detect any hard evidence pointing to the aforementioned opening and reform. But we can pick up bits of information on the North Korean intentions to change in the direction of openness and reform. I would argue that is another profound development. In my personal view, North Korea has nothing to lose in making the changes to the direction of opening and reform.

The most important and tangible outcome of the summit meeting is the adoption of the so-called June 15 Declaration. The adoption of the June 15 Declaration is very different from the previous ones particularly with regard to item one and item two. Item one of the Joint Declaration redefines the issue of self-determination. Item one states that the North and South, which are the masters of the country, should resolve the question of Korean reunification through self-determination. But the issue of self-determination has been very controversial.

If you look back, old North Korean propaganda always argued for self-determination by excluding foreign interference. The exclusion of foreign interference was predicated on the withdrawal of American forces from South Korea and a fundamental realignment of the U.S.-ROK military alliance. North Korea has never compromised on this ironclad principle.

But on the occasion of the summit meeting, North Korea made a great concession or relax-

ation on its previous position. As a matter of fact, it is known that Chairman Kim Jung Il initially requested the withdrawal of American forces from South Korea.

President Kim responded that American forces in South Korea have a number of positive functions. He cited three important reasons why there should be a continued presence of American forces in South Korea. First, American forces still can play a role of military deterrence to the outbreak of war on the Korean Peninsula. Second, American forces can play a very important role of stabilizing the balance of power mechanism in Northeast Asia. Third, continued presence of American forces in South Korea might be needed even after unification because of the potential power vacuum which would follow the withdrawal of American forces from South Korea. If America disengages itself from the region including South Korea, then there will be the remilitarization of Japan and also a concurrent Chinese move to deter or balance Japanese ascension, eventually leading to major regional hegemony rivalry.

Even if Korea is united, Korea will be in a harder geo-political situation. To avoid these kinds of developments, it is better for us to maintain American forces in South Korea. It is known that Kim Jung Il agreed with Kim Dae Jung on that point.

That is a very remarkable development, because if you go back to the old rhetoric of North Korea, North Korea had always come up with six major preconditions for inter-Korean improvement. They are: number one, replacement of the armistice treaty by a U.S.-DPRK peace treaty; number two, withdrawal of American forces from the South; number three, immediate suspension of U.S.-ROK joint military maneuvers; number four, the abolition of South Korea's national security law; number five, release of political prisoners who are affiliated with pro-North Korea forces; and number six, the adoption of the so called *Koryo* confederated democratic model

of reunification, which has been the North Korean model of unification. Given these ironclad preconditions which North Korea had set, Kim Jung Il's recognition of American forces in South Korea as *fait accompli* is a very important change of the attitude on the part of North Korea.

Item two deals with the mode of unification. In the past, North Korea has always emphasized the adoption of their version of unification, which North Koreans call the "confederation," but which is really based on the concept of federation (*yonbang*). The North Korean proposal simply means "one nation, one state, two local governments, and two systems" where diplomatic sovereignty and military command and control are totally merged. That has been North Korea's traditional position.

North and South See Path to Unification Differently

As a matter of fact, it is said that when the two leaders met, Chairman Kim told President Kim that "You came all the way to Pyongyang. It was a quite difficult journey. Why don't we (President and Chairman) give a big gift to the Korean nation of 70 million?" Kim Dae Jung responded by asking the chairman "What kinds of gift are you referring to?" The chairman replied "Why don't we adopt the *Koryo* confederate democratic republic model?" He meant the North Korean version of unification based on the notion of federation.

President Kim Dae Jung counter-argued that "Look! We are in the state of division and conflict. How can you make the big jump from the state of division and conflict to federation? You look at the Yemeni case. They initially agreed to unify North and South Yemen through the federal model. But the process of military integration led to military conflict, and eventually North Yemen took over South Yemen." President Kim is known to have emphasized that there is an inherent risk in adopting the federal model of Korean unifica-

tion, namely through the process of unified democratic representation and integration of military command and control.

President Kim Dae Jung suggested the South Korea proposal, which is very much an incremental and functional approach to unification. It is the so-called *Nambuk Yonhap*, a North-South Union of State or confederation in a literal translation. The confederate model refers to the "one nation, two interim states, two local governments, and two systems."

In fact, the idea of the confederate model reveals a historical continuity. It was initially proposed by the Roh Tae Woo government in September 1989 within the framework of the Korean Commonwealth model of unification. In that commonwealth model of unification, President Roh Tae Woo identified three stages to Korean unification. The first stage is a promotion of exchanges, cooperation, and reconciliation with the North. The second stage is the adoption of the confederate stage, meaning the union of the state between North and South. The third stage is a realization of a truly unified Korean state.

The *Nambuk Yonhap* has evolved out of this second stage of the commonwealth unification model. The confederate model is comprised of four major stages. The first stage is the peaceful management of division and conflict through tension reduction, military conference arms control, arms reduction, and eventually an inter-Korean peace treaty.

The second stage is the promotion of exchanges and cooperation in the direction of unification.

The third stage involves the institutional realignment for the promotion of reunification in both Koreas. That means simply that both Koreas actively oppose and rescind hostile laws and institutions, while adopting cooperative laws and institutions. The by-law of the Korea Workers Party, which identifies its goal as the communization of the South through

revolutionary means and South Korea's national security law are good examples of hostile laws and institutions. Thus, it becomes essential to abolish the mutually adversarial laws and institutions.

The final stage involves the routinization of inter-Korean cooperation in an organizational form. For example, routinizing summit talks, routinizing ministerial talks, and routinizing parliamentary talks, would create certain kinds of inter-Korean consultative bodies, which can be comparable to the European Union.

At this point, it is known that Chairman Kim Jung Il commented it would take at least ten years to develop even a confederate model of unification. In order to realize the federal form of unification, it would take more than 40-50 years. In these statements, there appeared a common understanding about the mode of unification between the two leaders. Therefore item two really illustrates that both leaders agreed on a commonality between the confederation and the loose form of federation and to strive towards unification in that direction.

De Jure vs. De Facto Unification

Given the long stalemate on the mode of unification in the past between the North and the South, reaching an agreement on the common ground of unification proposals can be interpreted as a major breakthrough. As a matter of fact, North Korea has always emphasized de jure unification and the unification as the final product. Meanwhile, South Korea has always argued for unification as a process by focusing on de facto unification. Therefore, there was no convergence in the discourses on the mode of unification on the Korean Peninsula. As a result of the summit meeting, both leaders have been able to come up with some degree of convergence, narrowing the previous gap.

Item three of the joint declaration addresses the issue of reunion of separated families and return of unconverted North Korean spies and sympathizers to the North. These are well-

established facts, and so I will not get into it in detail.

Item four touches on the issues of promotion of exchange and cooperation in economic, social and cultural areas, public health and medicine, environment, and sports. What is really interesting in item four is the way it describes the nature of inter-Korean economic exchanges and cooperation. In the past, economic exchanges and cooperation used to be designated as a goal per se rather than an instrument. But in item four of the Joint Declaration, economic exchanges and cooperation are identified as an instrument to achieve a balanced development of the national economy. Usage of the term, "national economy," implies that they do not have two separate economies, but one national economy.

Both sides have shown an intention to have a greater degree of economic integration. The nuance of a balanced development seems to have rich implications. I interpret it in such a way that South Korea would not be making unilateral concessions to the North. At the same time, South Korea will not try to exploit the North through the market mechanism. There are some safeguards with regard to modus operandi of economic exchanges and cooperation.

Item five deals with the resumption of official talks between the North and the South. That has happened now. We have regularized ministerial talks and now we are having the first inter-Korean defense minister talk. As a result of the third ministerial talk, which is going on in Cheju Island, we might be able to have three regularized joint commissions between the North and the South in the areas of economic cooperation, social and cultural exchanges and tension reduction in our joint commissions. I think this will definitely go well.

Debate on Signing Joint Declaration

We have one addition to that Joint Declaration. It is a written statement about the return visit

by Chairman Kim Jung Il to South Korea. An interesting episode has emerged in this regard. When President Kim got back from Pyongyang, he made an arrival statement at the Sung Nam airport. In the statement, he remarked that he had some desperate moments during negotiations with Kim Jung Il.

One of those moments was when he was trying to obtain a concession from Chairman Kim Jung Il regarding his return visit to South Korea. The chairman refused to pay a return visit to Seoul by arguing that since he is Chairman of National Defense Commission and South Korea is still considered the enemy, his visit to Seoul would make his people unhappy with him. Despite Chairman Kim's reluctance, President Kim is known to have persistently called for the formalization of his return visit.

In so doing, it is known, President Kim obtained the chairman's concession by citing Confucian ethics. Since his arrival in Pyongyang, Chairman Kim cited three times that the two Koreas are countries of Confucian ethical code. President Kim is known to have capitalized on that by pointing out that he is almost 20 years older than Chairman Kim, and judged on the Confucian ethics, it is the mandate for Chairman Kim to reciprocate his visit. At this point, the chairman agreed to put that item (return visit) in the Joint Declaration. Definitely, culture really matters.

Finally, the signing of the document was yet another happening. It is known that Chairman Kim Jung Il refused to sign the Joint Declaration by arguing that he is not the formal head of the state. He proposed, as in the case of the July 4th Joint Communiqué, to ask Kim Yong Soon and Lim Dong Won, both of whom were responsible for the arrangement of the summit, to sign the document on behalf of the leaders. Of course, President Kim could not accept that proposal.

Chairman Kim then came up with a second proposal suggesting that since Mr. Kim Young

Nam as the Chairman of the Standing Committee of the Supreme People's Assembly officially represents the DPRK, he must be the right person to sign the document. Again President Kim refused the proposal by stating that as the Basic Agreement of 1992 stipulates, inter-Korean relationship is not inter-state relations, but intra-national special relationship. He then suggested that those who have engaged in direct negotiations should sign the document. At that point, Chairman Kim finally gave up his position and signed the document. It is quite an intriguing episode.

Why then was there so much success at this meeting? I think there are a number of factors responsible for the success.

Reasons for a Successful Meeting

The first factor must be closely related to economic rationality. North Korea has gone and is still having a hard time. Economic hardship, famine, and protracted energy shortage have made North Korea desperate in obtaining economic assistance from outside. Initially it was trying to get something from the United States and Japan, but that didn't work out. North Korea could have perceived that South Korea was the only one that could provide economic assistance to the North.

Other than the economic factor, Kim Jung Il's decision to hold the summit might have been politically motivated. On the occasion of the summit meeting, he was able to demonstrate to the Korean people and to the world, that he has consolidated full power in the North. During my short stay in Pyongyang, I came to a conclusion that Chairman Kim Jung Il has completed the process of power consolidation over the party, over the military, and over the cabinet. Consolidation of political power, coupled with economic hardship, could have induced him to seek alternative paths to his political and economic governance by holding the summit talk with the South.

In my view, there is another important

element. It has something to do with inter-subjective understanding. In February, I think it was February 22nd, President Kim had an interview with Tokyo TV and the reporter asked President Kim “What do you think about Chairman Kim?” and President Kim responded by stating that he must be a very insightful and competent leader.

Mutual Recognition of Identity

I strongly believe that the statement should have provided a critical turning point in inter-Korean relations, because it was the first time that South Korean president made such a statement. There were critiques of President Kim by the conservative press. But North Korea showed a prompt response after the statement, ultimately leading to the realization of the summit meeting. Throughout the summit meeting I discovered that mutual recognition of identity appeared to be the most critical factor in facilitating inter-Korean relations.

In the past, we emphasized that complementarity of mutual interests towards unification could bring us together and closer. But a sequence of events suggest that identity could be more important than interest. Reputational politics appears to be more influential in shaping the dynamics of inter-Korean relations than rational calculation of interest between the two.

Finally, I think the complementary personality between the two leaders made a very important contribution to the success of the summit. Kim Jung Il was like the chairman of the *chaebol* group. He was commanding, decisive, and orchestrating. He was bold, and could do whatever he wanted to do.

On the contrary, President Kim was like a hired CEO for 5-year one-term tenure. He was always attentive to public opinion and reactions of opposition party and groups in the South. He was prudent, cautious, patient, and persuasive in dealing with Kim Jung Il. He economized his words and was always willing to listen.

I would say that Kim Jung Il’s charismatic boldness and Kim Dae Jung’s calculating prudence led to a very interesting alchemy between the two leaders resulting in the successful summit.

Many South Koreans Believe North Will Never Change

Now since the topic of my talk is “Beyond Pessimism,” let me deliberate on the pessimist side of the summit meeting. Pessimism one is closely associated with a skeptical view of North Korea. A large number of South Koreans still believe that North Korea will never change. Changes shown by North Korea so far are nothing but tactical ones. There have been no signs of structural changes. North Korea is a ticking bomb. You never know when North Korea might enter another round of erratic behavior. You can never rule out the possibilities of contingencies involving nuclear weapons, missiles, or conventional military provocation along the DMZ. Such pessimism on the scope and intent of changes in the North is looming in the South, especially among conservatives.

The second kind of pessimism has to do with a trade-off between inter-Korean relations and South Korean-U.S. relations. As inter-Korean rapprochement gets more visible since the summit talk, some progressive members of South Korean society including liberal NGOs have been arguing for reduction and withdrawal of American forces in South Korea. They have been trying to make political mileage out of the Nokeun-ri and Maehyang-ri issues and to link them to anti-American sentiment.

If reduction or withdrawal of American forces take place in whatever way, it could critically undercut the Kim Dae Jung government’s negotiation with the North. Worsening U.S.-South Korean relations will precipitate a polarization of political forces in the South, leading to a very tense South-South conflict. Once the South is divided from within, it will

be very extremely difficult for it to engage in constructive negotiations with the North.

Debate on Who Is South Korea's Main Enemy

There is another pessimism, which is newly emerging after the summit. The third type of pessimism has something to do with the weakened national security position. When President Kim came back to Seoul from Pyongyang, he said in his arrival statement that we should deal with North Korea under the assumption that there will be no longer war on the Korean Peninsula. Such a statement instantly triggered an intense debate on who is the South Korea's main enemy. The debate got more intensified because the June 15 Joint Declaration does not contain any agreements on tension reduction, confidence-building, and arms control.

The sudden rapprochement between the North and the South has created confusion over South Korea's national security posture. Some extreme conservatives argue that President Kim Dae Jung has made a fundamental mistake of compromising national security for the sake of blind improvements in inter-Korean relations. They further argue that such attitude could make the South fall prey to North Korea's ploy to penetrate, destroy, and ultimately to communize the South. These kinds of pessimism have been quite widely shared among the conservative folks in South Korea.

The fourth type involves the "no money" pessimism. I use the term "no money pessimism," because the entire Korean rapprochement is predicated on extensive economic cooperation and exchanges. Economic cooperation requires large sums of money, but as you all know the South Korean economy is still in trouble. The South Korean government is in very severe fiscal stress as a result of injecting large public funds in restructuring the banking and financial as well as corporate sector. Also the Kim Dae Jung government has undertaken the productive welfare initiative which is

designed to transform the developmental state into a social democratic welfare state.

Obviously, the government needs a lot of financial resources in order to meet new welfare demands. But it is short of fiscal resources. International banking and financial community also does not appear to be very favorable to the extension of financial assistance to North Korea. Failure to settle its old foreign debts as well as failure to ensure economic data transparency and to initiate meaningful opening and reform will make it difficult for the North to attract international capital. Likewise, fiscal constraints at home and lack of interest in investing in the North by international business community could derail the entire process of inter-Korean rapprochement.

Finally, domestic political impasse in South Korea could hold inter-Korean relations at bay. South Korean politics has been extremely polarized. President Kim Dae Jung's moment of enthusiasm following the summit meeting has been rapidly depreciated. As usual politics has resurfaced. Legislative gridlock and paralyzed party politics have critically undermined the process of consensus building in the South. If the trend continues, President Kim's North Korean venture could have a turbulent time.

Kim Must Focus on Domestic Issues

Can President Kim overcome all these constraints and challenges? Yes, I think he will be able to do so. But he should make some important policy changes. First, he should be more accommodative to his political opposition in the South. He has been pursuing an engagement policy in the North but now it is time for him to pursue an engagement policy towards the South. This is very important because of divisive regionalism.

I have given several talks in the Kyungsang province. The audience from the area said, "Well, we all agree about the success of the summit talks, but so what?... We don't trust

Kim Dae Jung, period.” As long as there are these sort of regional and ideological cleavages, President Kim Dae Jung will have hard time in carrying out his engagement policy. Therefore, I think it is very important for him to create a new national consensus in the South by extending another round of engagement policy with opposition forces in the South.

Second, I think he should come up with a much more modest plan or road map in pursuing economic cooperation with North Korea. He cannot achieve all those economic promises during his tenure. He should also make a very clear division of labor between what he can do, and what successive governments can do, especially with regard to economic cooperation with the North. We do not have the kind of capital and fiscal resources to support huge economic cooperation with North Korea. I think he needs to be more modest and prudent in this regard.

Third, President Kim has been very successful in obtaining concessions from Kim Jung Il on the continuing presence of U.S. forces in South Korea. Now it is time for him to persuade South Koreans, who are pushing for the earlier reduction or withdrawal of American forces from the South. If he does not, he will encounter enormous domestic political and diplomatic hardship.

Finally, he should really continue to persuade the North Korean leadership Chairman Kim Jung Il to come forward with opening and reform. If North Korea doesn't show more real and authentic signs of opening and reform, it will be extremely difficult for the Kim Dae Jung government to mobilize financial resources from home and abroad. Without economic support and assistance, there will be no change, no chance for North Korea to go through another round of revival.

Robert Hathaway: I would like to remind you out there of what a Johnny come lately I am to Korean issues. This week celebrates my

seventh anniversary in my intense interest in Korea. Seven years ago this week I was in Sri Lanka in Colombo, and I got a call that pulled me out of a dinner party. I was working for the U.S. Congress at the time, and when the around the world voice connection came through there was a voice on the other end, “Congressman Ackerman wants you to meet him in a country I can't say over the open line.” Congressman Ackerman who at that point was the Chairman of the Asian Subcommittee in the House of Representatives I knew wanted to go to North Korea so it wasn't too difficult to figure out that he wanted me to meet him in North Korea. It was pretty difficult indeed to find a North Korean Embassy in Colombo, Sri Lanka to give me a visa. At any rate that marked my introduction to this issue and it's been a real ride over the last years.

If you remember seven years ago, there were serious people in this country and I think South Korea as well, who were talking about the necessity for preventive or preemptive air strikes on nuclear facilities in the DPRK. Even though we knew there were nuclear facilities, we didn't necessarily know where stockpiles of missile material might be stored. So if you look where we are today compared to where we were seven years ago you really do get a sense for how far we have traveled.

John Ikenberry, our moderator, has playfully, I think, said the duties of the two commentators are to beat up on our principle speaker. That I can not and will not do. First of all he has just flown into town. He is, not withstanding a bravo performance, certainly tired and not in the mood to be beat up upon. He might beat me back. So prudence would dictate that I don't do that.

Beyond that and more importantly I agree with so much of what he said, so much of what he emphasizes and that which that he found important to stress. I absolutely agree with his overall assessment of the significance of what has transpired not only simply in June but a

process that has taken place in the last six months or so. Like Chung In, I was struck by the title of this presentation tonight "Beyond Pessimism." It has been striking how much of the recent commentary looks at growing engagement between North and South as something threatening, something to be viewed as a challenge or a problem rather than an opportunity.

Newspapers Publish Negative Comments on North Korea

I can think of any number of commentaries I have read in the Washington papers in the last couple of months, the tone of which was, "well lets remember that Kim Il Jung has not changed his stripes, he is the same nasty character he has always been." *The Washington Post* just this last Friday carried a news item reporting that the pentagon had come out with a report detailing new North Korean military buildups along the DMZ. The American officials are worried about where we can base U.S. troops if we are forced out of the Korean Peninsula and if this process of reconciliation between North and South continues.

Now, it is true and I think it is important to note out that the military threat to South Korea and to U.S. troops in South Korea remains a serious one. It is true that the North has not pulled back from the DMZ in any meaningful way. It has not taken any other measures to reduce its massive military presence within 30 miles or so from Seoul. But what strikes me is that, that is not the tone of the thing that makes this new initiative important. We may in another 5 or 10 or 20 or 50 years look back upon the events of 2000 and particularly the events of June of 2000 and see it as the Korean Peninsula's toppling of the Berlin Wall. We might not. We don't know. But it certainly seems to me that Chung In is perfectly right in emphasizing the potentially breathtaking and path-making nature of recent developments.

Importance of Kim Dae Jung

I would also agree with him in the central role

that he assigns to Kim Dae Jung. Historians, I am a professional historian myself, have, over the last generation, tended to down-play the role of the individual, tended to write their histories in terms of broad sweeping impersonal forces against which mere individuals are virtually powerless. Certainly, there is something to be said for this understanding of history. But I think it clearly undervalues the role of the outstanding leader.

Kim Dae Jung both recently but indeed through much of his career has reminded us of the importance that leadership and the central role the individual can play and in really altering the course of history. So here as well I agree with Chung In.

I also agree with him in emphasizing the importance of the intelligence gathering or more neutrally perhaps the information gathering process that took place simply because a large delegation went from the South to the North. I can remember when we were hitting Pyongyang seven years ago, since I couldn't get a visa in Colombo, I ended coming back to the United States. We went over to Langley, and talked to the so-called experts, the CIA, about what to expect in the event we got to meet the great leader. They portrayed an old sickly leader whose aides had propped him up every morning and see if he could put two sentences together coherently before his aides would decide if he was fit to meet anyone during the course of the day.

Well the Kim Il Sung we meet was a completely different individual. I found at one point myself hoping that when I was 81 which was his age that I was as fit, physically and mentally, as he appeared to be when we meet with him. So certainly the process by which a large number of South Korean intelligence officials, but also political figures, academics and people in the media see what life in Pyongyang is like or at least a slice of life in Pyongyang is like, see what an important group of North Koreans is like is terribly important. I think this will ultimately or at

least could contribute to the fashioning of better policy.

Important Role of Politics in Korea

Finally, I would also agree with a point that Chung In made in the important role that politics plays in South Korea. I agree with the necessity of Kim Dae Jung to reach out not simply to his long time adversaries to the North, but also to his adversaries long time and more recent in the South. I think Chung In is exactly right when he suggests that it's important that Kim Dae Jung engage in a sunshine policy in the South as well as the North. It reminds us, I think, of the uncertainties. This is yes a great, a potentially historic set of developments we've seen but it could still go sour.

It could go sour for many reasons. I think, first and foremost it could go sour because of decisions made in the North. There are many uncertainties about the North. We know very little yet about what their objectives are and what Kim Jung Il's purpose is. Whether he has any purposes, whether he has a plan, whether he has any sense of where he wants to go and how to get there.

But I think there are also uncertainties in the South having to do with domestic support in the South for Kim Dae Jung's policies. I think very well that he could lose his political authority for reasons having nothing to do with this policy toward the North and yet that would ultimately undermine his ability to carry forth with this bold policy toward the North.

Finally and this is where I will conclude. There are also uncertainties about the United States. It is less remarked upon but I think is important nonetheless the decisions we make and the actions we take here in this capitol and this country also can have a major importance on how this whole process unfolds. Maybe Mr. Moderator if we have time later on we might want to talk a little bit about what the

United States might be able to do to contribute to this forward momentum in this relationship between the North and the South.

All I would say now is that I think it is terribly important that we be conscious of our ability to encourage this process. Also our great ability to screw this whole thing up. At the end of the day, because many, most of us, at any rate live here rather than Pyongyang or in Seoul I think it is important that we also think about what we can do to further this process.

Robert Manning: Thank you Bob. Well let's see, I don't know where to start. Let me begin by saying I didn't find a tremendous amount in Chung In's presentation that I disagree with. But its more what he did not say than what he said and that's what I'm mostly going to focus on.

First of all I think Kim Dae Jung deserves an enormous amount of credit. He has demonstrated a remarkable amount of political courage. He's had these consistent views for a long time, long before he became president. He endured quite a bit of criticism in his first year and a half when he was putting out this sunshine policy. All this while he basically was getting slapped in the face in return by the North Koreans. Yet he kept it up and persisted and it bore fruit so I think that has to be said.

Sunshine Policy Commendable

The point I would make is I want to judge the sunshine policy on its own terms and I think that the immediate predicate for the whole summit was Kim Dae Jung's speech in Berlin in March. That speech is a very important document. In it he laid a grand bargain, something I had been stressing for a long time. I was hoping the U.S. might be the one initiating the bargain. We can't know what's in Kim Jung Il's mind so all we can do is test his intentions and what Kim Dae Jung did was promise a very large package of major economic incentives including building roads, railways and investments. These are a whole

range of things necessary to revive a morbid economy. The trade off really was “what does South Korea want.” Principally South Korea wants threat reduction, reducing danger of war, a whole range of threatening behavior and weapons systems in North Korea. I think that is a quite commendable policy.

He also has argued that the core of his policy is based on reciprocity. Having said that I think there is a large gap between the articulation of Kim Dae Jung’s policy and the implication of it. I guess there are two broad views. What Kim Dae Jung did was, what might be called the rosy scenario, take everything at face value and take Kim Jung II seriously when he suggests he wants to move in this direction. I’m not persuaded yet that it’s irreversible. Although if I had to bet where we go from here I would say the most likely scenario would be what I call creeping reconciliation. That is nothing dramatic would happen but we would also not see a move back in the other direction. Although all of that is possible I ask myself why did this happen? And I think desperation is one element.

I also think there is a pattern of North Korean behavior that we’ve seen that I find troubling.

First of all, Bob referred to the recent DOD report, and we can question motives, we can raise questions about what it means but there are some facts on the ground that are indisputable. The North Koreans have conducted the largest military exercises in a decade just last summer. Meanwhile they were criticizing very small planned exercises between the U.S. and South Korea. They have moved more artillery up with in a hundred kilometers of the DMZ and moved more troops up, 5% more troops. They have been laying all kinds of fiber-optic, which increased their command and control and made it more difficult to monitor and reduce U.S. response time. Far be it for me to ask the question why, but these are facts on the ground and they do not militate in the direction of reconciliation. That’s one set of facts we need to think about.

While I would not accept the rosy scenario I would equally not believe the cynical interpretation. I would not buy into the scenario, which is that the North Koreans are really good at manipulating. Since they are not a democracy all it takes is two-three people who can make whatever decision they want. They are very good a manipulating, and that Kim Il Sung was a genius at manipulating China and the Soviet Union for 50 years and that includes suckering them into the Korean War. That’s well documented and this pattern has continued. I think what we have seen over the last seven years is a pattern of rewarding bad behavior systematically to where as they are building a third generation of missiles, the U.S. has given them 600 million dollars worth of food and heavy oil and a number of other goodies.

I’m not sure that the summit would have happened had we not gone through with the Perry Review process. I think that Bill Perry deserves a little bit of credit, not so much that his initiative has been rewarded, but the fact that he had to go through the exercise. Up until the past Perry Review of the North Koreans we have this whole pattern of what I call food for meetings. I add that the Perry Review was not a Clinton initiative, as they claim, but was forced upon them by congress. The pattern is we wanted to have diplomacy so we could say something was happening. The North Koreans would refuse the Four Party Talks, and then suddenly they’d finally agree. Within 24 hours an announcement from the State Department would say that we had decided to give them several hundred thousands tons of rice or wheat.

If we went back and did a nexus search we could look at all the news groupings, and this pattern would continue. What Bill Perry did was say okay, I think two things happened the missile launch in 1998 and the suspect nuclear sight. These created new doubts that the agreed framework which had seemingly addressed our big concern by putting a cap on their nuclear program. Then these new issues surfaced.

Perry Review: Weapons Will Cost You

The point of the Perry Review was that the policy didn't really address these two instances and what Perry's Review ended up saying was that essentially if you want to move forward with this you have got to do something about the question of missiles and covert nuclear activities. In other words what he was saying is you don't get anything for free anymore. It's gonna cost you.

Suddenly at this point they started to say well... thank you very much I think there are plenty more people we can normalize relations with. You then saw this remarkable shift in normalizing first with European countries, Italy, the Philippines, Australia, and joining the ASEAN economic forum. Just a remarkable engagement policy on the part of North Korea most dramatically of course with South Korea. Again if you look at what we've seen so far I don't think we know it all.

There are a lot of rumors in Seoul of what has actually been given to North Korea. What we know has been given to North Korea is a lot. It started out with 300,000 tons of fertilizer before the summit, a million tons of food, the Hyundai deal which has essentially 900 million dollars right now, hard currency for nothing which in that economy is real money.

What has South Korea gotten in the main tangible benefit apart from the important symbolism of the meeting is three tons of mushrooms that were delivered recently by a four star general. I would say this doesn't pass the laugh test in terms of reciprocity.

Now having said that nonetheless what Kim Dae Jung has done is justifiable. I would view it as sort of start up costs. It's an investment. The investment has certainly paid off in the summit and since.

We have a number of other small but important things in terms of process. One, meeting

of family reunions; two, now more have been agreed to and three, a number of regularization even though the military talks basically agreed that "we were willing to talk" and "have another set of talks with the promise that some sort of process is important." This is certainly, if you go back over the 1972 agreements and 1991 agreements which were pieces of paper that never went anywhere, well beyond anything that has happened before. So that has to be said as well.

Roadmap for Reunification Necessary

How do we know that Kim Jung Il is serious? I think Kim Dae Jung is right, he just needs to implement his own policy. He just needs to define how he is going to define reciprocity. My view would be as Chung In alluded to a detailed road map. I think there should be a roadmap, but what we have now is all these different elements operating independently. We have family visits. You have economic activity. You have military talks. But we have no apparent connection between them.

I think that some, like reuniting divided families should go on on their own. This is a humanitarian issue, in fact, I think, it is unfortunate they are only doing a hundred at a time. We are talking about ten to fifteen thousand separated families; this is an important issue. It's certainly a very important political issue in South Korea.

Though I think all you can do is test them and get back to the grand bargain. Let me use a cold war analogy. If you go look over the history arms control over the past 50 years, before 1987, you are in what was the pre-Gorbachev period. There really wasn't any arms control. What passed for arms control was operational things like a hot line just to regulate and try to avoid miscalculation or regulating competition. The SALT I, SALT II did not reduce arms, it just set the rules for how high we would go. Suddenly in 1987 you had whole classes of weapons systems completely eliminated, intermediate nuclear forces, the

conventional force agreement in Europe and then the STAR I, STAR II and the hope of STAR III. "Why did this happen?" Because the strategic competition was over.

Now lets speed up to the present, if indeed North Korea has decided the old game of trying to communize Korea is over and they are willing to settle for the peaceful co-existence that Kim Dae Jung is trying to build. It then seems to me it is in their interest to move forward on this, on these kinds of issues. And then the question is are they willing and so forth?

A lot of these things are very simple. What the South Koreans have asked for in these military talks for example is a hot line pre-notification of military exercises, just the troop movements. You could think also of an incident at sea agreements. These are all very simple things, which could be done in five minutes if the political will was there to do it. It wouldn't compromise their military capability, in fact, it's so easy that you have to wonder, and I don't have the answer to this question, why do they resist?

I mean, and I don't want to be Machiavellian about it, but if I was Kim Jung Il and I really wanted to dupe everybody, you could agree to a package of what would be really harmless measures. These would get him an award list for his political credit in South Korea and all over the world and yet he hasn't done this. You have to wonder why.

President Kim Too Clever to Get Wrapped Around Finger of North Korea

I don't have the answer but this should be the measure of where this goes. I don't see it rolled back. I can see it as a sort of car moving at 60 miles an hour and is amazed its going to start slowing down. I think that Kim Dae Jung is too clever a politician to get wrapped around the finger of North Korea. I think that what we saw after the Meiwong incident out in the West Sea was not a change in policy. If

you went back and said it always was based on a policy of reciprocity. So he really changed the policy without changing it in reality, without changing it in name. You could see him pulling back quite significantly if over the next few months with some concrete progress.

The last thing I close on is there is a timetable here; that he's got little more than two years left in the office of president. Obviously the North Koreans know this, if the cynical interpretation is wrong and they are not trading one cash cow for another cash cow then it seems it is in their interest to start to do concrete things that would demonstrate with their intentions. I think it is possible that this will happen, I do think that the North will do this.

Deng Xiaoping used to describe Chinese reforms as crossing the river by feeling for stones. I think that is kind of what Kim Jung Il is doing. He knows he needs to do these things; he's very nervous about the consequences of doing it. And he's taking little baby steps, putting his toe into the water to see how cold it is. Unfortunately he's been doing this more or less for the last ten years puzzlingly.

They have been toying with economic reform and I will close on this point, for the last ten years. It seems to me that for the last ten years this whole thing revolves around their willingness to alter their system, the way the Chinese have their economic system. Don't forget the Chinese communist party has held on to power quite nicely for twenty years despite these economic reforms. And they've been advising the North Koreans for a long time to do the same. Whether it is possible Kim Jung Il is thinking along these lines, but I don't think the evidence is in yet and so I think the whole thing really revolves around that. Because if he is not willing to do that then we really don't have much to offer him, cause if he can't really absorb investment and he's not gonna get it.

There is not a single South Korean company that has made a nickel as far as I am aware in North Korea and there are a hundred or so

small corporations which have in various ways done things. This is not sustainable particularly when you have the economic, structural, and financial problems that exist in South Korea. So I think it is sort a kind of *Field of Dreams* kind of situation "If they build it, investment will come" and if they don't the whole thing is gonna go from 60 miles an hour pretty much back gear back into neutral.

Q&A

John Ikenberry: Thank you Robert. Now we are going to turn to discussion, and rather than to ask Chung In to directly respond we'll open up. I do want to be the moderator and take the moderators prerogative and ask the first question and this is really your opportunity to respond to Bob Manning's last point. At this June summit, how deep into issues of military arms reduction and disengagement did talks go? In the some 20 odd hours Kim Jung Il was talking to Kim Dae Jung, how much of that time was spent on military issues looking forward to arms reductions and pull back. If very little, is this that Kim Dae Jung has a theory of - don't press now, don't even talk about contingent steps or reciprocity on military issues now but rather start on the soft stuff, i.e. on economic and cultural issues and not even raise the military issues till much later? Will he wait until the facts on the ground change? Or is there much more of a sense that there is knowledge of a commitment to prove reciprocity on to these security issues? Do you have any thoughts on when we'll open it up?

Moon: All of you have raised very pertinent questions. First to John's question, before I reply, to my recollection before President Kim Dae Jung went to Pyongyang, he came up with a very simple principle of running the summit talk. With Kim Jung Il he would address the easy things first and difficult things later.

He was not planning to touch on the sensitive issues such as arms control and reduction or the status of armistice treaty. He would cover topics up to tension reduction and certain ele-

ments of military confidence building such as notification and observation of military exercise, setting up hotlines between the two, and even up to the exchange of military personnel and intelligence. But I don't think he had any intentions to raise such issues as military redeployment, and all the way to structural arms control, such as arms limitation and reduction with Kim Jung Il.

First of all, these issues are too technical to be dealt with in the summit talk. And unless they go through operational arms control involving military confidence building between the two, it is really virtually impossible for them to get into the dimensions of structural arms control.

Replacement of the armistice treaty by inter-Korean peace treaty is another item that could have been dealt with during the summit. But this issue was not raised either. Given the legal structure of the existing armistice treaty, North and South Korea alone cannot unilaterally resolve the issue. It is because the United States representing the United Nations Command and China are also directly involved. Thus, President Kim has been trying to resolve the issue through the Four Party Talks in which inter-Korean peace treaty can be guaranteed by the U.S. and China.

The military question is made up of extremely complicated issues and some of those issues cannot be resolved between just the North and the South. Therefore all of those issues are to be dealt with at a later stage by utilizing such channels as inter-Korean defense ministerial talks. Just two days ago, the inter-Korean defense ministerial talk took place on Cheju Island. A major gap emerged during the talk. While North Korea just wanted to limit the agenda of the ministerial talk to the very technical issues related to the removal of the land mines along the railroad system from Seoul to Kesong, South Korea wanted to have a quite comprehensive agenda for the discussions.

Likewise, the military topics are quite difficult to deal with. It will take a much longer time.

President Kim wishes to make major breakthroughs for peace building on the Korean Peninsula during his tenure. But I really don't think it will happen. I agree with Dr. Manning on that point.

North Korea's Contradictory Behavior

As to Dr. Manning's two other issues relating why North Korea continues to show contradictory behavior, let me answer it is quite understandable and even predictable. It is virtually impossible for both Koreas to make a complete transition from the state of conflict to the state of peace. They are bound to encounter transitional contradictions between the old inertia and new thinking. Chairman Kim made interesting remarks in this regard. Kim Jong Il is the paramount leader in the North, but he has shown an unusual sensitivity toward the military. In his interview with South Korea's mass media delegation during its visit to Pyongyang in the first week of August, Chairman Kim stated that "we want to have a direct air route between Pyongyang and Seoul. But our military folks opposed it. I will persuade the military to agree to open up a direct route between Pyongyang and Seoul."

Chairman Kim: Military Power Is Foundation of Our Country

In another statement at the end of his conversation with the South Korean mass media delegation, Chairman Kim said that "everything comes from military power. Unless you have military power, you cannot engage in effective diplomatic negotiations. Military power is the foundation of our country." Likewise, North Korea has been showing the two contradictory faces of peace and security at the same time.

The contradiction is not limited to the North, but extended to the South. In the South, we have had a similar happening after President Kim came back from Pyongyang. While emphasizing the importance of peaceful co-

existence with the North, President Kim Dae Jung and other government officials have been portraying North Korea as the main enemy. They have been championing the virtue of strong security posture. For the South, national security should be the foundation from which it should pursue its reconciled policy with North Korea. Here, you can clearly see contradictory mirror images between the two Koreas. Both emphasize the importance of national security, and within that constraint, they will engage in reconciliation, exchange, and cooperation.

In both Koreas the military is the most powerful and organized social force, though in the North it is much stronger. In the South, civilian control over the military has been firmly institutionalized within the framework of democratization, but you never know. When its institutional interests get threatened, the military could emerge as another serious threat. In this sense, the military might be the last barrier that both leaders should overcome in making peace on the Korean Peninsula and I'll stop right here.

Questioner: You mentioned briefly the repatriation of long-term political prisoners in the South, and while on the one hand this seems a very noble gesture it has of course increased the pressure placed upon Kim Dae Jung in this area of reciprocity. I am wondering how much more vulnerable this has left him and what type of a time frame do you see before the North will have to reciprocate, given the hundreds of South Koreans believed to be imprisoned in the North. What kind of time frame do you see before the North needs to undertake some kind of gesture of reciprocity before the pressure is too much to bear given the EMO precedent by Kim Il Sung?

Moon: The problem with this is that there is no reciprocity between the return of unconverted North Korean spies and South Korean fishermen who were kidnapped and prisoners of war who are still retained in the North. In fact I had chances to discuss these issues with

North Koreans. Their reactions were quite interesting.

What they told me was that there was no such thing as kidnapped South Korean fishermen. They are all voluntary defectors to the North. There was a popular welcoming ceremony for them. They were given jobs. Their defection was by choice, not by force. As for prisoners of war during the Korean War, North Koreans made a similar argument. When there were official exchanges of prisoners of war in 1953, North Korea was estimated to hold 9,000 South Korean prisoners of war of which 8,000 went back to the South, while about 1,000 wished to remain in the North and they did. The prisoners of war we are referring to are in fact those who were left behind at the end of the Korean War. It is estimated that their figure goes all the way up to 35,000.

Given the North Korean argument, it might be difficult to apply the principle of reciprocity. Instead of applying the principle of reciprocity, we may consider appealing to the North in the name of comprehensive humanitarianism. Since the South has returned to the North those who have refused to accept the South Korean constitution, the North should reciprocate in a similar manner. If there are any South Koreans in the North who want to go back to the South, they should be allowed to do so. Likewise, dealing with the issue is much more complicated than what has been reported in the South Korean mass media.

Questioner: I have a question I guess more for Dr. Manning or Dr. Hathaway. It has to do with how the U.S. is going to look at this development. In the next couple of years, there are about two more years to the Presidency of Kim Dae Jung, the KEDO reactors are supposed to be coming on line. In the next couple years, there must be some decisions made about whether they are going to be turned over. We are going to be looking for something in the way of real reciprocity from North Korea about specific nuclear verification and also perhaps on the missile question.

Both of these are very specific things. We are going to be looking for congress to press whatever administration is going to be there for something that is real. It seems to me, that there is going to be very little consideration in this country to the idea that we need to somehow go along with reconciliation between North and South. This reconciliation with no real reciprocity might just pull the plug on the whole thing. Would you like to comment on that?

Hathaway: Bob and I have differed somewhat I think over the years at assessing the utility and effectiveness of recent U.S. diplomacy. I am one of those who happens to think the Agreed Framework has worked pretty well and to our advantage. I would disagree with you David. I do not expect the reactors to be on in a couple years and, matter of fact, never expect them to be on line. But I do suspect that the process will continue for a good many more years.

No Real Progress on KEDO

We have essentially been at KEDO and been pushing dirt around on these sites for about two years now without ever really pouring any concrete or doing anything that looks like even the beginning of building reactors. The North Koreans have not been blind to this and they've been vehement in their charges that KEDO and the U.S. and the South Korean government have not been living up to their part of the Agreed Framework.

I think, in so far as that goes they have a case. I also think they haven't lived up to the treaty either, but that's a different matter. So my guess is, we will continue to go through the motions of beginning to build reactors for a good many more years without ever really getting to the point.

The critical point is the North Koreans have to make good on whatever they may have produced in the early 1990's in the way of material, before we provide any of the principle

nuclear components to these reactors. I think this is a useful process to continue even if we don't ever get to the completion as it was originally envisioned in 93 because it buys time. It bought time for instance for this process which back in 93 and 94 had no idea was going to happen. A year ago we had no idea it was going to happen.

So I am a great one for kicking the problem further down the road in an effort to buy time so long as neither side, and in this case instance so long as the North Koreans don't do something egregious. Now if they were to launch a new missile test that would change the whole political dynamics here. Probably more so than in Seoul, and Tokyo rather than in Seoul. But short of something like that I think we are likely to see no matter who wins the White House and no matter who runs the congress next time around I think we will see some version of what we have seen so far.

Manning: Let me offer a slightly different perspective on this. I think there is a bit of culture shock in the U.S. government in this kind of thing. In the last seven years diplomacy has been solely focused around U.S. and North Korea and the South Koreans were really innocent bystanders more or less.

Now we almost have a paradigm shift and the one way to think about it is up until now we had no choice but to deal with the symptoms of the problem. I think nukes and missiles WMDs are those symptoms. Now we have the possibility to deal with the cause of the problem, which is a divided Korea. So in that sense I am perfectly comfortable to stay in the back seat and let Kim Dae Jung do the driving.

Growing Divergence Over Agenda

Having said that, I think there is going to be a growing divergence between their agenda and the agenda we are kind of stuck with. Our agenda is we have this terrorist list because of

legislation by which we judge the world on all kinds of issues. Terrorism, being one of them, is going to impede North Korean entry into international financial institutions. That's an obstacle we have to have an Agreed Framework over.

We have to have a U.S.-North Korea nuclear cooperation agreement before we can do anything on the reactors. We have to approve licenses for export and in order to get that, you have to come into compliance with U.S. non-proliferation law. Which means you can't have somebody who may have enough plutonium secreted away to make two bombs. The IEA for example says it needs at least two years to go in. Two years to make and do the kind of work they need to do, inspection wise, to make a judgment about how much plutonium there is. When is that going to start?

I agree with Bob. I don't think we are ever going to see any reactors built and even if we do they won't produce any energy because they don't have any connectors for their grid. It never made any sense from the point of view if North Korea has a very serious energy program. Let me just throw in some unconventional wisdom, I think that the degree to which the North-South process moves forward, the Agreed Framework might start to look like a relic from times past and may be superceded.

There are some people in this town who want to just rip up the Agreed Framework. I have on numerous occasions testified in favor of it, holding my nose while I did it. But nonetheless, I think it was a bad idea whose time had come. It was the least bad of the alternatives but I think that there is no reason why it could not be renegotiated. We could build North Korea four-five coal fired powered grids in a short period of time as an alternative should they choose to renegotiate it.

I think to the degree that they say they really want investment, which is not clear to me they

do, that's going to be critical. In the end there's not much companies can do when there's not much infrastructure. There simply is no energy. They have an energy grid that's basically a residue of what the Japanese built before World War II. It's in horrible shape and that needs to be totally refurbished. So you got all those issues out there but I think the core question is really whether the North-South process moves forward and whether it has tangible results.

Questioner: An analogy made to the Berlin Wall, that this might be a Berlin Wall. Taking that analogy one step further, and what happened with the reunification of Germany. I'm concerned about the economic impact. West Germany was in much better economic shape and after the euphoria it underwent quite a number of problems. South Korea as you have all indicated is much more unstable fiscally although it's coming back. What could, what's the worst and best case scenario in terms of the soon North Korea and South Korea economy, not just with country but within region and then perhaps around the world then?

Moon: I believe South Korea's strategy has been simply to develop the North Korean economy in such a way that North Korea and South Korea can get into some kind of integrated economy. They hope to do so through a sequence of free trade areas, customs union, common market, economic union and currency union. What South Koreans have in mind is the functional and incremental approach to economic integration. It is what President Kim Dae Jung would call *de facto* unification.

When you approach South Korean discourses on Korean unification, you need to make a distinction between *de jure* unification and *de facto* unification. South Koreans do not want to do *de jure* unification right now. They want *de facto* unification. What is the best way of achieving *de facto* unification? It is through economic integration.

No German Type of Reunification for Korea

In other words, South Koreans are not thinking of German type of reunification by absorption. I believe that during the summit, President Kim has made it clear to the North Korean leadership that the South is not willing to absorb North Korea. Chairman Kim in turn made it very clear to the South Korean leadership that they are not willing to Vietnamize or communize South Korea. I think that is a very important point for the gradual, functionalist integration of the Korean Peninsula.

Ikenberry: Chung In, in that sense, the events of June and now are not so much a Brandenburg Gate moment but rather an *ost politick* of the 1970's. They are more of a process of making tentative gestures in both directions. Maybe not enough in the North to the South spectrum but we may be starting that very long process of a very preliminary diplomatic dance. These events have more to do with, more in common with *detente* in the 70's than with the unification of Germany some 20 years later but you may have needed that *ost politick* to ready the ground so to speak

Moon: It took 20 years.

Questioner: Along those lines I would like to ask Chung In what might be some benchmarks that, by the end of President Kim Dae Jung's term, would have to be met for you to say that the policy had been a success at least during this period. What are some results you would expect to see?

Moon: I think that President Kim Dae Jung and his government want too many things within his reign but I don't think that will really happen. One important thing is the reunion of separated families, and therefore the identification of those survivors, exchange of letters and increasing frequency and expanding size of reunion of these separated families is one thing that can be done

relatively easily. From the humanitarian point of view, this is also the most pressing issue.

Another one could be the acceleration of economic cooperation. Since the summit, North Korea is deliberating on setting up special economic zones in the Ton Chun/ Won San area, in the Kaesung area, and the Pyongyang/ Nampo area. There could be a greater degree of economic cooperation. But the size of investments by the South could be very much limited. And the Kim Dae Jung government might not be able to carry them out during its reign. Extensive investments in infrastructure and strategic industrial sectors could be done by successive governments rather than by the current government. And as to the military arena, as Dr. Manning pointed out, it might be difficult for both Koreas to go beyond tension reduction and earlier phases of military CBMs.

Questioner: Chung In, I am going to ask two questions. One is a very short one, it's more informational than anything else. What was Kim Dae Jung's view on U.S. forces in Korea in the 1960's and the 1970's. That's the first question.

The second question is, and this is sort of playing devil's advocate. There is a lot of talk about how the United States has been left out of the process of North-South summit and counter arguments to that, but I would submit that the party that is really being excluded from this is Japan. In fact at you look down the road, and you know this is something we talked about at CHED, if you look down the road there are also some real problems in Japan, and North Korea normalization. It's not only a function of the abductees, which we all know is a political issue, but it's also really the hard military issue.

In the sense that the United States, North Korea and the South may be able to work out an arrangement with regard to these longer-range programs that are more about potential capabilities than actual capabilities. When the rubber really hits the road, the debate comes

down to the shorter-range missiles that are already deployed. Those are the things that Japan is really worried about. Those are the things from a North Korea security perspective that are the most difficult to give up. So if you could say what you see on that particular issue.

President Kim Supports American Forces in South Korea

Moon: As to Kim Dae Jung's position on American forces in South Korea in the 1960's I haven't looked into any public document. But since the 1971 presidential election campaign Kim Dae Jung has been rather consistent on the issue of American forces in Korea. He has been strongly favoring the continuing presence of American forces in South Korea. The only difference is that as recently as the early 1990s, President Kim expressed the necessity of American disengagement from Korea if it is unified. But since he became president, he has been arguing that American forces should be retained even after unification.

There are two interpretations in this regard. One group of scholars argue that this view is truly an authentic and consummate position held by Kim Dae Jung. Others argue that Kim Dae Jung has a complex web of views because of his past. It goes something like this. He was accused of being a so-called pro-Communist sympathizer in the late 40's. In order to avoid this red complex accusation, he has been taking a much stronger position on American forces in South Korea. I would take the strong counter argument to this, however, because Kim Dae Jung has been a very much strategic thinker.

He has been thinking of the role of American forces within the strategic equation in North-east Asia. Therefore, I would argue his position on American forces in the South is very much a reflection of his strategic thinking than a ploy to get away from the red complex accusation.

As to the second question, I do not detect any major discords. Bilateral coordination

between South Korea and the United States and trilateral policy coordination involving the U.S., Japan, and South Korea have been quite excellent. Intelligence cooperation between the ROK and the U.S. has been equally smooth. I understand that the United States has been well informed of every move related to the inter-Korean summit. I really don't see any ruptured relationships between Washington and Seoul with regard to inter-Korean talks.

I think the thesis of ruptured bilateral ties between Seoul and Washington is more of media creation than an accurate reflection of reality. Recently, Secretary Albright came to Seoul. It was reported in the South Korean mass media that although she wanted to have a breakfast with Lim Dong Won, director of the National Intelligence Service, he turned it down. The media latched on and said, "Oh! There is a sign of ruptured relations." I think this is an example of overcasting on the part of journalists.

Close Collaboration Between Japan and Korea

As to Japan, again if you get into deeper, there is a quite close collaboration between Japan and Seoul. Prime Minister Mori came to Seoul just for the purpose of the inter-Korean talks. He wanted to send a message to Kim Jung Il through President Kim Dae Jung on the issue of missiles, but not on the issue of kidnapped Japanese. I believe that there was a shared

understanding between the two on potential threats of North Korea's medium-range missiles. And I think South Korea and Japan will continue to form an alliance in undertaking concerted efforts to make North Korea comply with international norms stipulated in the Missile Technological Control Regime.

I sound like a government spokesman. Right?

Ikenberry: Any last very quick question.

Questioner: What is... at the Korean grass-roots level? What's the general feeling? Which ones? About the reunification is there a buy in from both North and South perspectives? Is there a belief that this is really going to happen?

Moon: You can put it this way. We all want reunification. Real unification! What we want is de facto unification, and de facto unification refers to integration rather than unification. I'll put it in that way and I also think that is what the South Korean government has been pursuing. But what North Korea wants is de jure unification through the immediate formation of federation between the two. Though that is desirable, it is not feasible. De facto unification involving free movements of people, goods, and services could come earlier than expected. But the merger of both North and South Korea into one unified legal entity could take much longer than expected. (End)

About the Panelists

Main Speaker **Dr. Chung In Moon** is a Professor of political science and Director of the Institute for Korean Unification Studies at Yonsei University. Prior to joining the Yonsei faculty, he taught at the University of Kentucky, Williams College, the University of California at San Diego, and Duke University. He currently serves as an advisor to the National Security Council of the Office of the President, the Ministry of National Defense, and the Ministry of Unification of the Republic of Korea. Professor Moon accompanied President Kim Dae Jung to the historic summit meeting in Pyongyang as a special delegate. He has published thirteen books and over 130 articles in edited volumes and such scholarly journals as *World Politics*, *International Studies Quarterly*, *Journal of East Asian Studies*, and *Journal of Democracy*. His recent publications include *Democratization and Globalization in South Korea*, *Democracy and the Korean Economy*, *History, Cognition, and Peace*, and *Arms Control on the Korean Peninsula*.

Discussants **Dr. Robert M. Hathaway** was appointed Director of the Asian Program at the Woodrow Wilson International Center for Scholars in January 1999. Prior to that, he served for twelve years on the professional staff of the International Relations Committee of the U.S. House of Representatives, where he specialized in American foreign policy towards Asia. Dr. Hathaway has also been a member of the history staff of the Central Intelligence Agency and taught history at George Washington University, Barnard, Middlebury, and Wilson Colleges. He holds a Ph.D. in American Diplomatic History from the University of North Carolina. Dr. Hathaway has authored three books and numerous articles on U.S. foreign policy since 1993.

Dr. Robert A. Manning is a C.V. Senior Fellow and Director of Asian Studies at the Council on Foreign Relations, and active on the Executive Board of the Council for Security Cooperation in the Asia Pacific. Dr. Manning has been a Senior Fellow and Chair of the Defense Working group at the Progressive Policy Institute, an advisor to the Assistant Secretary for East Asian and Pacific Affairs, Department of State, and has served as an advisor to the Department of Defense. He also has been a correspondent with *U.S. News and World Report* and the *Far Eastern Economic Review*. Dr. Manning writes, edits and contributes to numerous newspapers journals and texts and has authored *The Asian Energy Factor: Myths and Dilemmas on Energy, Security and the Pacific Future*, and *Back to the Future: Towards a Post-Nuclear Ethic*, among other publications.

Moderator **Dr. G. John Ikenberry** is Professor of Government and International Affairs at Georgetown University. In addition, he was a Senior Associate at the Carnegie Endowment for International Peace and a Fellow at the Woodrow Wilson Center for International Scholars. He received his Ph.D. from the University of Chicago. Dr. Ikenberry is the author of numerous publications, including *After Victory: Institutions, Strategic Restraint and the Rebuilding of Order after Major Wars*, and *Reasons of State: Oil Politics and the Capacities of American Government*.