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KOREAN PENINSULA SECURITY AND THE U.S.–JAPAN DEFENSE GUIDELINES

CONTENTS



| | |
|--|-----------|
| Preface: The Bilateral–Multilateral Context in Northeast Asian Security..... | 1 |
| <i>Michael STANKIEWICZ</i> | |
| | |
| The Impact of the U.S.–Japan Defense Cooperation Guidelines on East Asian Security | 5 |
| <i>AHN Byung-joon</i> | |
| STABILITY OR HEGEMONY?..... | 5 |
| <i>Rivalry and Cooperation</i> | 6 |
| <i>Sino-American and Sino-Japanese Cooperation</i> | 7 |
| KOREA’S AMBIVALENT REACTION: SUPPORT AND WORRY..... | 8 |
| <i>Reinforcing the Korea–United States Alliance</i> | 8 |
| <i>Worrying about Japanese Militarism</i> | 9 |
| <i>Promoting South Korean–Japanese Security Dialogue and Cooperation</i> | 10 |
| A LOOSE BALANCE OF POWER OR CONCERT OF POWERS? | 10 |
| <i>Bilateralism as Balancing Act</i> | 10 |
| <i>Obstacles to Forming a Concert of Powers</i> | 11 |
| <i>A Loose Balance of Power</i> | 11 |
| PROSPECTS FOR A NORTHEAST ASIAN REGIONAL FORUM: FROM TRACK TWO TO TRACK ONE..... | 12 |
| <i>Focusing on the Korean Question as a Regional Security Issue</i> | 12 |
| <i>North-South Korean Talks as the Key to Peace and the Unification Process</i> | 13 |
| <i>Convening a Summit of Two Koreas and Four Powers</i> | 13 |
| | |
| New Developments on the Korean Peninsula and Regional Security..... | 15 |
| <i>Konstantin SARKISOV</i> | |
| THE KOREAN PENINSULA CONFLICT..... | 16 |
| THE CURRENT STATE OF INTERNATIONAL ENGAGEMENT IN THE KOREAN PENINSULA CONFLICT | 17 |
| COUNTRY AGENDAS FOR UNILATERAL, BILATERAL, AND COLLECTIVE CONTRIBUTIONS TO A PEACEFUL SOLUTION ON THE KOREAN PENINSULA..... | 18 |
| <i>The United States</i> | 18 |
| <i>China</i> | 19 |
| <i>The Republic of Korea</i> | 19 |
| <i>The Democratic People’s Republic of Korea</i> | 19 |
| <i>Japan</i> | 20 |
| <i>Russia</i> | 20 |
| CONCLUSION..... | 21 |

KOREAN PENINSULA SECURITY AND THE U.S.–JAPAN DEFENSE GUIDELINES

PREFACE: THE BILATERAL–MULTILATERAL CONTEXT IN NORTHEAST ASIAN SECURITY

Michael Stankiewicz



In December 1997, the seventh meeting of the Northeast Asia Cooperation Dialogue (NEACD) convened in Tokyo, Japan. Sponsored by the University of California's Institute on Global Conflict and Cooperation, NEACD is the leading track-two multilateral security forum in Northeast Asia, joining academics and government officials from the major powers (China, Japan, South Korea, Russia, and the United States) in that region.*

The centerpiece of the NEACD process is discussion of national and military perspectives on Northeast Asian security, led by two government officials' presentations. One (almost always a Foreign Ministry representative) outlines the national perspective on the Northeast Asia security situation; the second (usually by a Defense Ministry or other military official), offers a similar overview from a national military perspective. The substance of the presentation usually includes the presenter's explication of the country's policies toward the region, its bilateral relations with its neighbors, and its concerns about the policies of other states. Emphasis typically focuses on events of the intervening eight months since the previous NEACD plenary.

Government participants in the region value NEACD because it has created an ongoing opportunity to share security perceptions in a multilateral setting. The opportunity to question and challenge those assumptions, beliefs, and perspectives builds understanding and trust among these security experts.

Over the course of the dialogues held since the first in 1993, it became evident that significant overlap among the presentations of security perceptions hindered the depth of the discussion. For example, headline topics such as the 1996 Taiwan Straits Crisis of 1996 were featured in presentations by all government officials. Thus, at NEACD VI (April, 1997, Harriman, New York), participants decided that future NEACD meetings should include analysis by NEACD academics and security experts of the most significant Northeast Asian security topics to occur during the interim months between dialogue meetings. These presentations reduced the problem of overlap, allowing officials to delve deeper into issues uniquely important to each government. More importantly, they took advantage of the track-two format, giving non-government experts the opportunity to inject new ideas into the policymaking process.

*In "track-two" meetings, government officials participate in their private, unofficial capacities. Discussions are both private and off-the-record, allowing ideas to be explored unofficially as participants engage in confidence-building discussions to reduce mistrust and avert conflict.

At this most recent plenary, two academic participants led discussions about U.S.–Japan relations, the U.S.–Japan Defense Guidelines Review, and the current situation on the Korean Peninsula. These contributions were subsequently revised to reflect the tumultuous events of the first half of 1998: the inauguration of South Korean President Kim Dae Jung and his “sunshine policy” towards North Korea; stalemate in the Four Party Talks on the Korean peninsula; a second Clinton–Jiang summit; and the deepening of the economic crisis in Asia.

Presented here are Prof. Ahn Byung-joon’s (Yonsei University, Seoul) reflections upon the revision of the U.S.–Japan Defense Guidelines and their potential impact upon regional security. Dr. Konstantin Sarkisov (Institute of Oriental Studies in the Russian Academy of Sciences and visiting professor, Hosei University, Tokyo, Japan) addresses the challenge of putting the continuing conflict on the Korean peninsula in the context of the broader regional security environment. While addressing different topics, both make remarkably similar observations regarding the increasing complementarity between bilateral and multilateral diplomatic efforts in Northeast Asia, despite the lack of an official multilateral organization akin to NATO or the European Union.

Revision of the U.S.–Japan alliance’s Defense Guidelines were required to reflect new military realities in the region following the drastic reduction of Soviet/Russian military power in the Pacific and heightened tension on the Korean peninsula. But unlike the first guidelines review in the 1970s, the 1997 revisions brought with them substantial controversy, and a corresponding series of intense and overlapping bilateral consultations between U.S. and Japanese officials and their counterparts throughout the region. These consultations sought to enhance transparency and overcome suspicions regarding the revisions. Professor Ahn places the Guidelines in the context of these broader regional relations, arguing that they reflect a loose balance of power among the great powers in Asia. Unlike in Europe, Ahn contends, there is little hope for a concert of powers, and the Guidelines reflect attempts on the part of both nations to balance against the rise of any one dominant power in the region. He argues that warming bilateral relations throughout the region have also tended to reflect such balancing behavior, while attempts at cooperative, multilateral security have stalled because of the divisiveness of issues such as territorial disputes (Russia–Japan, Japan–Korea, China–Japan) and civil wars (Korea and China–Taiwan).

But Ahn also contends that cooperative, multilateral security is possible, if nascent multi-

lateral efforts adopt the same focus as ostensibly drove the bilateral Guidelines revision—the Korean peninsula. The major powers in the region, which share significant interests on the Korean peninsula, must view problems there from a regional perspective. He therefore argues for a regional forum, such as NEACD, where those powers can discuss ongoing developments without raising the suspicions that followed the U.S.–Japan Guidelines revision. Such a forum would be a critical confidence-building measure on the road to establishing cooperative, multilateral security in the region.

While Ahn ends up where Sarkisov begins—the Korean peninsula—Sarkisov adopts a very different analytical approach, contrasting the tensions and breakdown in diplomatic relations between the two Koreas with the warming relations among the other major powers in the region. He emphasizes internal economic reform in North Korea as the most practical solution to crisis on the peninsula. He thus argues that the appropriate bilateral policy prescription for each country is to focus its efforts on reducing tension between the two Koreas, and laying out the respective agendas for each of the six countries that can best achieve this outcome.

Thus, Ahn views improving bilateral relations in the region as reflective of balancing behavior that hinders the potential for cooperative security. He sees Korea as the only possible focus for nascent multilateral security efforts. Ahn seeks a regional solution—possibly a regional security guarantee—to help achieve reconciliation on the Korean peninsula. Sarkisov, on the other hand, points to improving bilateral relations as vital to ultimately solving the Korean peninsula crisis. Cordial bilateral relations among the major powers (China, Japan, Russia, and the United States) will create an atmosphere that will push the two Koreas into reconciliation, unable to play off competing neighboring powers against each other. Joint, bilateral efforts to promote and support reform in North Korea are more important to Sarkisov than regional security guarantees.

Bilateral-Multilateral Dynamics and the Korean Peninsula

Policymakers need to reflect upon the underlying assumption both Ahn and Sarkisov have adopted—the growing complementarity between bilateral and multilateral relations. It is true that

multilateral efforts such as NEACD are successful because of improving Sino–American, Russo–Japanese, Sino–Japanese, Sino–Korean, Russo–Korean, Russo–American, and Japanese–Korean relations. It is also true that multilateral efforts such as NEACD foster an atmosphere that necessitates improving bilateral relations, even in the case of intractable rivalries, such as between Russia and Japan (with a half-century of mistrust engendered by the lack of a peace treaty ending World War II, and its resulting sovereignty disputes). Policymakers can therefore capitalize on the dynamic between bilateral and multilateral diplomacy, and should do so in managing the Korean peninsula standoff.

Korea is the most immediate challenge facing this new web of interlocking relations in Northeast

Asia, and failure to understand the multilateral dimension of that region’s relations while handling the Korean situation could reverse the improvement in major power relations achieved there over the past five years. A U.S.-Japan-ROK-imposed “solution” to a Korean peninsula crisis that excluded (or neglected) prior and continuing consultation with, if not active participation by, China and Russia would have unintended consequences for the peninsula itself. Successful resolution of a peninsular standoff would necessitate consultation among the major powers—but such consultation could be successful only with prior foundations of mutual understanding. It is that foundation that multilateral discussion creates.



THE IMPACT OF THE U.S.–JAPAN DEFENSE COOPERATION GUIDELINES ON EAST ASIAN SECURITY

AHN Byung-joon



The new guidelines for U.S.–Japan Defense Cooperation have catalyzed serious debate about their impact on East Asian security. What were the original intentions of the United States and Japan for reviewing the 1978 guidelines? How have China and Korea reacted? What is their impact on regional security: Have they contributed to rivalry, or to cooperation, among major powers? What pattern of major power relations is resulting from their bilateral interaction? What implications do these developments have for Northeast Asian security cooperation and the track-two Northeast Asian Cooperation Dialogue (NEACD) in particular?

Stability or Hegemony?

The intentions of the United States and Japan in concluding the *Joint Declaration on the Alliance for the Twenty-First Century* (signed in April 1996 by United States President Bill Clinton and Japanese Prime Minister Hashimoto Ryutaro) and of the new *Guidelines for U.S.–Japan Defense Cooperation* (September 1997) are to ensure peace and stability in the Asia-Pacific in the new strategic environment shaped by the demise of the Cold War. But rather than smoothing the regional waters, these two documents have aroused Chinese and Korean fears of United States aims to seek regional hegemony and allow Japan to play an overt military role in Asia. China especially suspected that the United States and Japan jointly aimed to keep China from becoming a great power, and/or aimed to have the option of intervening in China's internal affairs (namely Taiwan). South Korea was more ambivalent: supporting the Guidelines where they contribute to Korean peninsular security, but opposing any application that could infringe upon Korean sovereignty. Only North Korea's reaction to the Guidelines was completely negative, viewing them as clearly aimed at the Kim Jong Il regime. Nonetheless, these agreements have not resulted in a bifurcation of the four regional major powers into competing blocs: the U.S.–Japan alliance on one hand, and China–Russia on the other.

The central tenet of this article is that the Guidelines have instead contributed to East Asian security by firmly anchoring an American presence in Asia as a stabilizing force, and by specifying how the United States and Japan can share a regional security role, while preventing Japan from developing military power beyond a self-defense capacity. For the time being, China seems to view its national interests in seeking bilateral cooperation—not confrontation—with the United States and Japan, while seeking reassurance that they are not pursuing an anti-China coalition policy, in order to attain strategic and economic

benefits. South Korean ambivalence has had a positive outcome, prompting South Korean and Japanese efforts at security dialogue and cooperation designed to build transparency and confidence.

Given these reactions, the ultimate future of these new Guidelines depends on the state of Sino–American relations and the future of the Korean peninsula—North Korea in particular. If Sino–American relations remain cordial, the Guidelines will remain a useful stabilizing element. But if Sino–American relations once again become strained, the Guidelines assume an anti-China look. A war on the Korean peninsula or a violent North Korean collapse would test the basic premise of the Guidelines and the U.S.–Japan security alliance.

The Guidelines reveal elements of both rivalry and cooperation in Sino–American and Sino–Japanese relations. Rivalry is present at the level of political and strategic competition but cooperation is present on economic, scientific, and environmental issues. Burgeoning bilateral interaction following the reaffirmation of the new U.S.–Japan alliance can be viewed as a balancing act among the four Asian powers, including Russia. In addition, we are witnessing expanded bilateral relations among traditional rivals, paving the path to exploring strategic partnership between China and Russia, and even between China and the United States.

In this web of bilateral interactions, the major powers contest over issues such as sovereignty and human rights, but cooperate on issues such as economic and ecological interdependence. As long as territorial disputes remain unsettled and political systems different, it will be difficult, if not impossible, to form “a concert of powers” similar to that of the 19th century European Concert. What is emerging from this realignment in East Asia is a rather loose balance of power, with China, Japan, Russia, and the United States checking and balancing each other to prevent one hegemon from dominating.

Despite differences on many other issues, the major powers share common concerns about peace and stability in Korea by virtue of the proximity of their borders (except for the United States, which nevertheless has 37,000 soldiers stationed in South Korea). The four major powers and South Korea all support the importance of keeping the Korean peninsula nuclear-free, and of preventing the DPRK from succumbing to an unpredictable and violent collapse. Thus, it is important for the major powers to recognize the Korean question as the most serious challenge to regional security, and to

develop a multilateral dialogue focusing on the peninsula. Convening a summit of “2 + 4” countries (the two Koreas plus the four major powers) solely devoted to the Korean question might catalyze the institution of a multilateral track-one (that is, official) Northeast Asian Regional Forum as a most effective means to guarantee the Korean peace process and to habitualize confidence building in Northeast Asia.¹ With North Korea’s participation in the first Four Party Talks in Geneva in December 1997, there is reason to believe that country might attend the track-two NEACD—a final bridge to such a “2 + 4” track-one.

Rivalry and Cooperation

From the perspectives of the United States and Japan, the purpose of the new security declaration and Defense Cooperation Guidelines was to provide security not only for the signatories, but for the Asian region as a whole. The 1995 United States *East Asian Security Report (EASR)* already sought to redefine the U.S.–Japanese security treaty as the basis for stability in the region by maintaining the forward presence of American troops, engaging China, and encouraging multilateral institutions such as the ASEAN Regional Forum (ARF) to supplement existing bilateral alliances.

In April 1996, Clinton and Hashimoto issued the Joint Security Declaration, reaffirming the alliance as “the cornerstone for achieving a common security objective, and for maintaining a stable prosperous environment for the Asia-Pacific region as we enter the twenty-first century.” Thus, this joint commitment to anchoring American presence and to sharing regional security roles was justified as ensuring peace and stability in the Asia-Pacific so that countries can promote economic development and interdependence in a secure environment. But according to one original contributor to the *EASR*, it also made it difficult for China to “play a Japan card against the United States or try to expel the Americans from the region.”²

After the dissolution of the powerful Soviet military threat, it was necessary for the signatories to review the 1978 Guidelines and update them to reflect the changing regional strategy. On 23 September 1997, when Washington and Tokyo announced the result of their reviews, the new Guidelines provided a framework for Japan to

¹Richard Feinberg, “Summitry in the Americas: A Progress Report,” Institute for International Economics.

²Joseph S. Nye, “The Case for Deep Engagement,” *Foreign Affairs*, July/August 1995, p. 15.

engage in military activities outside its territory for the first time since World War II. Chinese, South Korean, and North Korean anxiety about the Guidelines existed because they provide for U.S.–Japanese cooperation not only in and around Japan but also “in situations in areas surrounding Japan.” Interestingly, the new guidelines clarified, that, “The concept ‘situations in areas surrounding Japan,’ is not geographical, but situational.”³ The 40 examples provided of cooperation during emergencies in areas surrounding Japan were the most controversial aspect of the Guidelines revision. These include sea transportation of personnel and materials, among them weapons and ammunition to United States ships on the high seas; inspection of ships to enforce economic sanctions; and cooperation in noncombatant evacuation operation. Other examples were cooperation in surveillance, minesweeping, and sea and airspace management.

Specifically, the Guidelines revision has led to two major questions. First, concerns about the geographical limits of Japanese cooperation with the United States. Whether they can be applied to Taiwan in addition to Korea is a major issue in Sino-Japanese relations. Second, how the Japanese Diet can institute legislation and even constitutional interpretation in order to implement these controversial provisions remains uncertain. The Diet must revise the Self-Defense Law to allow Japanese forces to carry out military operations beyond Japanese territory. Since the ruling Liberal Democratic Party and the opposition are taking divergent positions, a new consensus will be difficult to forge.

Thus, the impact of the new guidelines on regional security has been to increase both rivalry and cooperation between the United States and China; between Japan and China; and, indirectly, between these three powers and Russia. To a considerable degree, their impact, therefore, depends on the state of Sino–American relations. If tensions about Taiwan and human rights increase, they will hasten the rise of Sino–American and Sino-Japanese rivalry, but if efforts by Clinton and Chinese President Jiang Zhemín to promote common economic and strategic partnership gain momentum, the Guidelines will strengthen the trend towards bilateral cooperation.

Sino-American and Sino-Japanese Rivalry

Japan’s sharing of America’s dominant position in Asian regional security has given rise to Sino-American and Sino-Japanese rivalry. China views the reaffirmed alliance as being aimed at the “China threat.” Chinese officials suspect that the United

States is trying not to defend Japan, but to keep China from becoming a great power by encouraging Taiwanese independence. They favor a multipolar world in which China can have greater maneuverability and autonomy in seeking its national interests.

Taiwan President Lee Teng-hui’s visit to Cornell University in June 1995 strained Sino-American relations; those strains were further exacerbated by March 1996 Chinese missile tests and live military exercises near Taiwan. Occurring just prior to the Taiwanese presidential election, these exercises elicited a strong response from the United States, which dispatched two aircraft carrier battle groups to the Taiwan Straits. It would appear, then, that there is no guarantee that Beijing’s policy of “one country and two systems,” or Washington’s policy of “strategic ambiguity,” as applied to Taiwan, will work as intended under the current domestic political conditions. If Washington does not take any military action when Taiwan is invaded, blockaded, or merely harassed (as in the 1996 missile crisis) by China, American legitimacy in Asia will suffer irreparably. Hence there is a prospect for long-term rivalry between the United States as a *status quo* dominant power, and China as a rising power.

The Sino-Japanese rivalry, then, derives from Sino-American rivalry, because the more the United States pressures Japan to share a regional security role, the more China fears the rise of Japanese militarism. While Beijing recognizes the role of the U.S.–Japan security treaty in keeping Japan from attaining the capability to project power, China therefore opposes the alliance’s extension beyond the defense of Japan. For example, when Tokyo dispatched Self-Defense Force vessels to the vicinity of the Taiwan Straits in March 1996, Beijing expressed grave concern about Tokyo’s intentions. Naturally, Beijing became more vocal in challenging Tokyo’s assertion of sovereignty over the Senkaku (Diaoyudao) islands in the East China Sea. Tokyo’s attitude towards a joint U.S.–Japan Theater Missile Defense (TMD) system has worried Beijing, for such a system might make Beijing’s “minimum deterrence” capabilities against America’s long-range ballistic missile attacks almost useless.⁴

Thus, lack of clear, abiding articulation of whether or not the Guidelines specifically apply to the Taiwan Strait has rankled Beijing’s leaders. The issue was politicized in August 1997, when Seiroku Kajiyama, then Japanese chief cabinet

³The *Nikkei Weekly*, September 29, 1997.

⁴As of September 1998, Japanese defense officials had not committed to TMD amid concerns about China’s diplomatic and security reaction and the program’s high cost of development, but had committed to \$150 million on BMD (ballistic missile defense) research through 2003.

secretary, stated that the Guidelines *would* cover military conflicts there. Even though Hashimoto denied this one month later when visiting Beijing, Chinese leaders remain skeptical and seek further assurances from Tokyo.

Sino-American and Sino-Japanese Cooperation

It is remarkable that coincident with such rivalry, the United States and Japan also are implementing serious efforts to foster more cooperation with China in both the economic realm and strategic interactions. Hashimoto visited Beijing in September 1997 to allay Chinese suspicions about the Guidelines. Jiang's trip to Washington in October 1997 marked the first Chinese summit with an American president since Deng Xiaoping's historic visit in 1979. Chinese Prime Minister Li Peng discussed economic cooperation with Hashimoto in Tokyo in November 1997. These reciprocal visits are designed to build confidence through reassurance and minimizing misunderstanding about the Guidelines and their implications. By exchanging these high-level visits, Beijing seeks to deepen common interests with Washington and Tokyo while reserving different values and perspectives on contentious issues such as sovereignty, human rights, Taiwan, and WTO accession.

The Clinton–Jiang summit was instrumental in rebuilding Sino-American cooperation, largely frozen since the 1989 Tiananmen repression. Among the agreements reached were China's commitment not to share nuclear technology with Iran, to work to maintain peace and stability in Korea by actively fostering Four Party Talks, to avoid accidents at sea between the Chinese and American navies, and to establish a hotline between Beijing and Washington. Most importantly, "the two presidents are determined to build toward a constructive strategic partnership between the United States and China through increasing cooperation to meet international challenges and promote peace and development in the world" by having regular meetings between the two governments at all levels—including the military.⁵

Although the two presidents publicly debated their sharp differences on human rights, they reaffirmed their commitment to a "one China policy," with Taiwan as part of China. Their attempts to define a strategic relationship between the two powers on the basis of a wide range of issues, without concentrating on any one, is very important. By advocating a comprehensive engagement, Clinton tried to prevent United States-

China policy from being defined by special interests.

Thus, with the Clinton–Jiang summit, Washington has set in motion a cooperative relationship with Beijing. On Taiwan, too, Clinton reaffirmed the commitment of six previous United States presidents to a one-China policy towards Taiwan, and Jiang implied that China would pursue a peaceful solution as long as foreign powers do not intervene. After Jiang returned to China, Beijing released Wei Jingsheng, China's leading pro-democracy dissident, and let him go to the United States, implying that Beijing may be willing to recognize the prevailing human rights concerns of the U.S. Congress and broader American society.

There are many signs that China and Japan are cooperating despite their sharp differences on the implications of the new Guidelines. When Prime Minister Hashimoto visited Beijing in September 1997 as part of the celebration of the twenty-fifth anniversary of Sino-Japanese diplomatic relations, Chinese leaders did raise their discomfort with the Guidelines but did not confront him on the issue. When Chinese Prime Minister Li visited Tokyo in November, he warned Japanese leaders that Japan should stay out of potential quarrels between China and Taiwan. Despite not receiving a firm commitment from Hashimoto that Japan would not intervene in Taiwan scenarios, Li persisted with his quest for deepening China's economic cooperation with Japan. It is expected that President Jiang will make a state visit to Japan in 1998 to celebrate the twentieth anniversary of the Sino-Japanese Treaty of Peace and Friendship. These high-level visits reflect the common interests of both countries and embody the positive direction in which Sino-Japanese relations are developing.

Korea's Ambivalent Reaction: Support and Worry

North Korea has reacted angrily to the Guidelines, regarding them as clearly aimed at the Korean peninsula in general, and the DPRK specifically. However, South Korea's reaction is ambivalent, showing both support and worry. South Koreans support them insofar as they contribute to Korean security and unification, but worry that they could trigger Japanese militarism. However, on balance Seoul sees the Guidelines as positive in that they meet the North Korean challenge, and thus seeks reassurances from security dialogues with Tokyo.

⁵ *Korea Herald*, October 30, 1997.

Reinforcing the Korea–United States Alliance

Since its establishment, the U.S.–Japan security treaty has had implications for peace and stability on the Korean peninsula. Article 6 of the treaty, for example, gave the United States the right to use bases in Japan “for the purpose of contributing to the security of Japan and the maintenance of peace and security in [the Korean peninsula, Taiwan Strait, and Northern Territories].” It has been obvious to Seoul that the joint decision by Washington and Tokyo to review the 1978 Guidelines to deal better “with situations that may emerge in the areas surrounding Japan and which will have an important influence on the peace and security of Japan” referred to the Korean peninsula in particular.

If war does break out in Korea, the Guidelines require Japan to make her ports, airports, and other facilities available for American use. Given that the initial two weeks after any North Korean attack would be most crucial, use of Japanese facilities as a rear base is essential for an effective U.S. military response.⁶ If, because of the prevailing domestic interpretation of Article 9 of the constitution, that support were not forthcoming, the U.S.–Japan alliance would be jeopardized.

Seoul understands that for the United States to rapidly deploy forces during a Korean emergency it would be necessary for Tokyo to provide rear area support, including transportation, medical service, humanitarian relief, and even surveillance. Thus, as long as the North Korean threat remains, Seoul will not be receptive to the idea of removing the United States Marine force from Okinawa—as some Asian security experts are suggesting—to defuse local protests. Such removal would undermine the credibility of U.S. forces in Japan and Korea as effective deterrents.⁷

Thus, Seoul tends to view the U.S.–Japan alliance as reinforcing the Korea–U.S. alliance, by jointly anchoring the deployment of 47,000 American troops in Japan and 37,000 troops in Korea, and by preparing for various peninsular contingencies. Where the Guidelines cement this mutually reinforcing relationship, South Korea welcomes them.

Worrying about Japanese Militarism

The alternative to such stationing—Japanese assumption of a larger share of the security

burden—is less palatable to Korea. If Japan’s “increasingly active foreign policy will cause friction in Asia and strain the U.S.–Japanese relations,” as some observers contend, no less will South Korea’s sense of mistrust be heightened.⁸ As Japan’s regional security roles expand to meet its obligations under the new Guidelines, suspicion remains that Japan may in the future become a military power. Some Koreans worry that a Japanese arms buildup in conjunction with American military disengagement from Asia will lead to Sino-Japanese rivalry, with an arms race intensifying around the Korean peninsula, where there still lingers a deep sense of resentment and mistrust rooted in bitter memories about Japan’s harsh colonial rule there during 1911–45.

Indeed, a public opinion poll jointly conducted by the *Asahi Shimbun* and the *Dong-a Ilbo* in the summer of 1995 has indicated a sharp increase in distrust of Japan in recent years. Fully 97 percent of respondents felt that Japan had not shown good faith in dealing with uncomfortable issues of the past, while 87 percent believed that overall Japan had not done enough to rectify past mistakes. Over two-thirds—sixty-nine percent—of Koreans claimed to dislike the Japanese, while only six percent liked them. A clear majority of 58 percent said that Japan should officially compensate “comfort women,” and as to whether Japan had done enough specifically to compensate South Korea for past wrongs, 56 percent believed it had not.⁹

Such historical legacies and domestic political considerations cause many Koreans to fear that Japan could use the new Guidelines to expand its regional security roles into Korean territory. Editorials in the Korean press openly express these concerns whenever Japan upgrades its military capabilities or when Japanese politicians make ultra-nationalist remarks advocating an independent foreign policy for Japan.

The flaring of nationalist sentiments in both countries, triggered by politicians’ insensitive statements, has worsened the business-like relationship between the two neighboring countries. When Seoul carried out a military exercise in the area surrounding Tok-do/Takeshima island in February 1996 following Tokyo’s dispatch of a ship from its Maritime Safety Agency, only a summit between President Kim Young Sam and Hashimoto could defuse the confrontation. Seoul and Tokyo ultimately agreed to disagree, committing to undertake negotiations on setting exclusive economic zones and a new fishery agreement, while for the time being setting aside the territorial issue.

⁶Lonnie Henley, “Korean Cataclysm,” *Washington Post Outlook*, May 4, 1997.

⁷For an example of proposals to reduce the United States military presence on Okinawa, please see Mike Mochizuki, “Japan,” *Brookings*, Spring 1997, p. 13.

⁸Milton Ezrati, “Japan’s Aging Economics,” *Foreign Affairs*, May/June 1977, p. 103.

⁹*Asahi Shimbun*, July 29, 1995.

Still, as long as Japan remains within the framework of the U.S.–Japanese security treaty and practices liberal democracy, there is little likelihood that these Korean worries will become a reality.

Promoting South Korean–Japanese Security Dialogue and Cooperation

Following this precedent, to alleviate fears of resurgent Japanese militarism, South Korea has called for transparency and consultation with Japan whenever the latter implements Guidelines pertaining to Korean sovereignty and security interests. Thus, ultimately the Guidelines have prompted both Korea and Japan to launch security dialogues to avoid misunderstandings and to explore cooperation in areas of common perception and interest. The deteriorating situation in North Korea reinforces the need for this common endeavor.

During the Cold War, Japan was wary of being drawn directly into Korean conflicts. In the Nixon–Sato Communiqué of 1969, Prime Minister Eisaku Sato told President Richard Nixon that the security of the Republic of Korea was “essential” to Japan’s own security only because he wished to please the United States and negotiate the return of Okinawan sovereignty to Japan. Thus, Japan regarded its relations with South Korea as ancillary to its alliance with the United States. Tokyo’s official position on Korea as first stated in 1974 by Prime Minister Takeo Miki—the security of Northeast Asia, including the Korean peninsula, was essential to Japanese security itself—should be understood with this caveat.

However, in the post-Cold War world, Japan has recognized that North Korea’s potential for developing nuclear and other weapons of mass destruction (including medium-range missiles that can strike Japan) poses a direct threat to Japan. In the 1995 and 1996 editions of Tokyo’s *White Paper on Defense*, for example, North Korea was singled out as “the major destabilizing factor” for Northeast Asian regional security. This changed strategic environment has prompted Japan to hold close security consultation and cooperation with South Korea, independent of its security treaty with the United States. Now that the new U.S.–Japan Guidelines are agreed, Japan must further intensify its security cooperation with South Korea.

Similarly, South Korea sought to discreetly expand security cooperation with Japan. In November 1997, Seoul agreed to have regular bilateral security dialogue with Tokyo in addition to its trilateral consultation for the Korean Peninsula Energy Development Organization (KEDO). It has been Seoul’s policy that Tokyo must consult first with Seoul before making any new diplomatic gesture toward or normalizing

relations with Pyongyang, and before implementing Guidelines that involve Korea.

As long as Japan implements the Guidelines within the framework of its security treaty with the United States and its constitutional constraints, many South Korean security specialists conclude that the U.S.–Japan security treaty constitutes a guarantee that Japan will not resume its militarism, and will restrain Japan from developing power projection capabilities. From this perspective, the U.S.–Japan treaty dampens the rising tide of anti-Japanese sentiments in Korea, in addition to reducing the likelihood of a direct Korean–Japanese confrontation.

A Loose Balance of Power or Concert of Powers?

It is important to assess the Guidelines based on the broader context of regional relations. What impact, if any, do the new U.S.–Japan Guidelines have on major power relations involving China, Japan, Russia, and the United States? Is a loose balance of power or a concert of powers emerging in East Asia? There are many obstacles to building a concert of powers, and recently reactivated and frequent bilateral interactions seem to be balancing rather than concerting acts. For some decades to come, therefore, a loose balance of power will be emerging among the four powers.

Bilateralism as Balancing Act

If intensifying bilateral interactions between the United States and China, Japan and China, Japan and Russia, and China and Russia exhibits elements of both rivalry and cooperation, they can be viewed as a balancing act among them. We find this phenomenon more conspicuous in Sino–American and Sino–Japanese relations in the sense that each seeks to maintain strategic autonomy while pursuing economic interdependence. What is clear is that all the major powers prefer bilateral to multilateral negotiation when their vital national interests are at stake.

Bilateral interactions among the four major powers greatly increased right before and after Washington and Tokyo issued the revised Guidelines in September 1997. Hashimoto traveled to Beijing to reassure the Chinese leadership in early September that the guidelines are not targeted at China but at uncertain “situations” that may or may not occur in East Asia. President Jiang then travelled to Washington in October for a summit with President Clinton that issued the statement on working toward fostering “a strategic partnership.”

In November, Hashimoto held a summit with Russian President Boris Yeltsin at Krasnoyarsk in which they pledged to negotiate a peace treaty by 2000, including resolution of the Northern Territories issue. Directly following this meeting, Yeltsin went to Beijing to sign a historic treaty demarcating the 1,860-mile border between Russia and China. Chinese Prime Minister Li's visit to Tokyo to warn the Japanese leadership not to intervene in the Taiwan Straits, and to promote Sino-Japanese economic cooperation, soon followed.

This balancing act has obviously warmed relations between China and Russia. For example, Jiang and Yeltsin agreed in April 1997 to work together to limit American power in the world by saying, "No country should seek hegemony, practice power politics or monopolize international affairs."¹⁰ Reaffirming this principle in November 1997, they made another interesting statement: "Russia and China confirm that the time for alliances directed against a third country and the time for 'strategic triangles' are over."¹¹ The strategic triangle referred to here means the one among the United States, China, and the Soviet Union that prevailed during the 1970s. It is important to note that China and Russia do not seek a revival of their alliance formed during the 1950s, but neither do they want the United States and Japan to sustain another robust alliance, as was directed at China and the Soviet Union during the Cold War.

Obstacles to Forming a Concert of Powers

There are many obstacles to forming a concert of powers in East Asia: territorial disputes, the lack of compatible values and political systems, and the strategic asymmetry between the United States as the sole superpower and China as a rising power.

Further, unlike Europe, which is united for the first time in history, East Asia remains divided by territorial divisions on the Korean peninsula, Taiwan, and in the Northern Territories. Most intractable is the Taiwan issue, because neither Beijing's policy of "one country and two systems" nor Washington's policy of "strategic ambiguity" can satisfy all the concerned parties. In the years ahead, domestic politics in China and Taiwan will make it increasingly difficult to achieve an agreement on reunification.

As the American people and Congress are not likely to relent about their concerns for the human rights situation in China, clashes of domestic politics between the United States and China will

continue. Exacerbating this Sino-American relationship are the negative perceptions that both the Chinese elite and the Chinese people have toward America and its people. According to one Chinese observer, "Beijing's attitude toward the United States has been consistent because it has its origins in China's domestic goals and needs rather than in the international system itself."¹² Until Chinese domestic politics are sufficiently democratized to practice rule of law and transparency, it will be difficult for China to fully reconcile its political differences with the United States to the degree that it can coordinate strategic efforts with the United States in East Asia. Beijing reportedly declined the idea of having defense minister meetings among the United States, Japan, and China when Japanese strategic institutes proposed it. Nevertheless, Tokyo managed to get Beijing involved in a U.S.–Japan–China track two among strategic institutes and NGOs, which met for the first time in July 1998.¹³ Apparently, Beijing prefers bilateral to multilateral negotiation on issues involving Chinese sovereignty and security, although it does not want to be excluded from multilateral dialogues such as ARF, CSCAP (Council for Security Cooperation in the Asia Pacific), APEC, and NEACD. How China engages in bilateral and multilateral negotiations will determine the future of regional security cooperation: likely either a concert of powers or a multilateral forum in East Asia.

A Loose Balance of Power

The tendency for China, Russia, the United States, and Japan to negotiate bilaterally on issues that directly concern their security makes for a loose balance of power among them. Especially when China consistently subscribes to classical realism by practicing balance of power policies, the United States has little option but to respond. As the powers check and balance one another—mainly through their bilateral interactions—to prevent one hegemon from rising in East Asia, China has been particularly adept at playing this balance of power game in the ancient tradition of "using barbarians to control barbarians." China's strategic culture supports a "hard *realpolitik*" paradigm which generally places offensive strategies before static defense; it does not rule out use of force for Taiwan; it prefers ambiguous principles to concrete measures.¹⁴ While this culture persists in Chinese

¹⁰ *New York Times*, April 24, 1997.

¹¹ *Korea Herald*, November 11, 1997.

¹² Wang Jisi, "The Role of the United States as a Global and Pacific Power: A View from China," *The Pacific Review*, vol. 10, no. 1 (1997), p. 14.

¹³ *Asahi Evening News*, November 7, 1997.

¹⁴ Alastair Iain Johnston, "Cultural Realism in Maoist China," in Peter J. Katzenstein, ed., *The Culture of National Security Norms and Identity in World Politics* (New York: Columbia

strategic thinking, it is more likely that China will confront the United States only on vital political issues while cooperating in economic fields.

If China deliberately works for a “multipolar” world and if “chipping away at the perceived American hegemony has become the new organizing principle for most other nations as the old politics of the Cold War era fade,”¹⁵ the result of these games in East Asia will be a loose balance of power. This contains dangers of confrontation and even war, as was the case in nineteenth-century European history. Some scholars note that today’s East Asia resembles nineteenth-century Europe and is “ripe for rivalry.”¹⁶ What distinguishes today’s East Asia from nineteenth-century Europe is the degree to which the actors share common interests, values, and culture, for the East Asian balance of power is characterized more by asymmetry, diversity, and amorphousness than by direct confrontation. There are no formal treaties or multilateral institutions that can connect them and govern their relations. Further, unlike nineteenth-century Europe, a major outside power—the United States—is deeply engaged in East Asia.

Indeed, Henry Kissinger argues that there is already a balance of power at work in East Asia: “The Soviet Union challenged us to establish a balance of power built around American military strength. In Asia, at least for the next generation, peace will require conscious and deliberate calibration of a balance of power that already largely exists between the major powers—with United States power in reserve against hegemonial threats. The Chinese challenge is less to create than to manage a balance of power—a task with which the United States has never felt comfortable.”¹⁷

Prospects for a Northeast Asian Regional Forum: From Track Two to Track One

If a concert of powers is not feasible, what are prospects for a Northeast Asian Regional Forum? In order for this forum to progress from track two (NEACD) to track one in the form of “2 + 4” talks, it is necessary for the participants to focus their

discussions on the Korean question as the most imminent issue of regional security, to facilitate North–South Korean negotiation on peace and cooperation as the key to resolving the Korean question, and to convene a summit of two Koreas and four powers in Korea as soon as possible.

Focusing on the Korean Question as a Regional Security Issue

To institute a Northeast Asian Regional Forum, the potential participants must focus their discussions on the Korean question as the most important challenge to maintaining peace and stability throughout Northeast Asia. It is most urgent for them to see the Korean question as a regional security issue and to seek a regional forum to address it multilaterally, for any violent change in Korea where their interests are intersecting is bound to invite major power involvement and confrontation.

Despite many differences in bilateral issues, the four major powers and South Korea share substantial common interests on deterring proliferation of weapons of mass destruction, on maintaining peace and stability, and on preventing North Korea from a messy collapse. Most importantly, Korean unification must proceed in a peaceful manner that does not harm regional stability or the interests of each power. To accomplish these goals, it is imperative that the concerned parties have a regional forum where they can focus on Korean issues, rather than raising contentious issues within their bilateral relationships. Thus far, ARF and NEACD have not focused their discussions on Korea, beyond emphasizing the importance of maintaining peace and stability in Korea by treating Korean issues primarily in terms of the national perspectives of each participant.

It is time to undertake a multilateral approach to the solution of Korean issues. Two examples of such an approach already exist: KEDO and the Four Party Talks. In KEDO, South Korea, the United States, and Japan are the leading actors in launching the project and in ensuring that it makes steady progress, with the European Union joining the process recently. It is in the interests of regional stability that China and Russia also should participate in this process. Jiang and Clinton committed themselves to urging North and South Korea to start the Four Party Talks on building a lasting peace and confidence as early as possible. Subsequently, the parties first met in Geneva on December 9, 1997; the first small step for a peace process in Korea in the years ahead.

Univ. Press, 1996).

¹⁵Jim Hoagland, “Chipping Away at America’s Perceived Hegemony,” *Washington Post*, November 11, 1997.

¹⁶Aaron L. Friedberg, “Ripe for Rivalry: Prospects for Peace in a Multipolar Asia,” in Michael E. Brown, Sean Lynn-Jones and Steven E. Miller, eds., *East Asian Security* (Cambridge: MIT Press, 1996), pp. 3–31.

¹⁷Henry A. Kissinger, “Outrage Is Not a Policy,” *Newsweek*, November 10, 1997, p. 47.

North-South Korean Talks as the Key to Peace and the Unification Process

North–South Korean talks, either in the Four Party setting or directly between themselves, are the key to a successful peace process. The North can hardly sustain its survival without dealing with the South: neither the United States, nor China, nor anyone else can keep North Korea on life support indefinitely. Only South Korea is in a position to help the North significantly, even though the South Korean economy is itself in deep trouble as a result of financial difficulties that invited the December 1997 IMF bailout. Even within the Four Party Talks, it is desirable that the two Koreas directly discuss the matter of replacing the armistice with a lasting peace system, and that the United States and China only facilitate the talks and guarantee the results. As for unification, the Korean states are primarily responsible for reconciling their differences and reaching agreement.

Any grand bargain that would give North Korea massive aid and a security guarantee in exchange for significant change and reform in North Korean military and economic policy also must be struck directly between North and South Korea, with other parties facilitating these efforts. Without a reduction of the North Korean military threat and sincere efforts at economic and agricultural reform, it would be difficult for South Korean taxpayers—and international financial institutions—to offer the DPRK Marshall Plan–type assistance. South Korea, the United States, and Japan should pursue a policy of conditional engagement, by which they tie aid to the DPRK’s willingness to negotiate peace, cooperate with the South, and—at least in its agricultural and economic policy—carry out reform and opening.

Convening a Summit of Two Koreas and Four Powers

To focus international attention on Korea and to jump-start the Korean peace process, South Korea should initiate a summit of two Koreas and four

powers akin to the proposal made by recently-elected ROK President Kim Dae Jung after he assumed power in February 1998. By endorsing this idea, NEACD can make a substantive contribution to transforming track two into track one, in the form of “2 + 4” talks. As the country that can afford the most economic and technical assistance, Japan needs to participate in the Korean peace process, as does Russia—a major power with a long history of involvement in Korean issues.

Such a summit would not only be a breakthrough in the Korean peace process, but could also help launch a Northeast Asian Regional Forum. A multilateral security dialogue on Korea could be an important confidence-building step in a region where many dangerous flash points exist. Once a “2 + 4” summit materializes, it should be possible for participants to agree upon general principles for a nuclear-free Korea, peaceful North–South relations, unification, multilateral economic assistance and humanitarian aid to North Korea, and other regional issues on environment, energy, and freedom of navigation. There is much potential for a summit on Korea to develop into a Northeast Asian Regional Forum; NEACD should recast its efforts by persuading the concerned governments to act to realize this idea.

The alternative multilateral forum, ARF, has been too slow in tackling urgent issues such as nuclear nonproliferation and the North Korean problem, not because of any “Asian Way” of “building security with others rather than against them,” or because there is any real necessity to put more emphasis on the process of gradually building consensus, but because its agenda is defined by weaker actors—and thus avoids dealing with the tougher Northeast Asian issues.¹⁸ As a result, the major powers do not exercise leadership to make the ARF process work as more than a forum for consultation. In Northeast Asia, the track-two NEACD is the best example of a forum where the most important regional security issues are concentrated—in lieu of official government-to-government talks.



¹⁸ Amitav Acharya, “Ideas, Identity, and Institution-building: From ‘ASEAN’ Way to the ‘Asia-Pacific Way’?” *The Pacific Review*, vol. 10, no. 1 (1997), pp. 319–346.

NEW DEVELOPMENTS ON THE KOREAN PENINSULA AND REGIONAL SECURITY

Konstantin Sarkisov



In November 1997, an unprecedented intensity of contacts and agreements between the leaders of the major powers in Northeast Asia (Russia, Japan, China, and the United States) took place. First came the Russian-Japanese “No Necktie” summit in Krasnoyarsk with a pledge to “make all efforts” to end the long-lasting territorial dispute and sign a peace treaty by 2000. Next came Chinese leader Jiang Zemin’s successful visit to Washington with a slogan of “constructive strategic partnership”; evidence of profound changes in bilateral relations. A few days later, Russian President Boris Yeltsin’s visit to Beijing resulted in a critical agreement to end tensions and settle disputes along the Amur River border. Finally, Chinese Prime Minister Li Peng’s visit to Tokyo was notable for the absence of any visible row over the new U.S.–Japan Defense Guidelines.

It is important to underscore that these positive steps were achieved through compromise between the parties. Despite some old geopolitical rifts, these trends continued in 1998, including a Russia–Japan summit in Kawana, Japan in April, U.S. President Bill Clinton’s visit to China in June, and Clinton’s visit to Moscow—all signs of centripetal tendencies among the major powers in Northeast Asia. The harsh economic crisis in East Asia and Russia, one year old as of July 1998, also underscored the necessity to foster such cooperative efforts.

Do these events mark a shift toward a new political-strategic situation in Northeast Asia? Driven by powerful economic and political factors, this new quadrangle configuration of powers is becoming more important and productive than the triangles (U.S.–Japan–China or U.S.–Japan–Russia) popular in strategists’ minds in recent years, and may become an influential determinant of a new regional order. APEC’s approval of Russia’s admission in November 1997 in Vancouver was an immediate result of this trend.¹

Meanwhile, rapprochement among the four major countries contrasts with the situation on the Korean Peninsula: a bizarre, dangerous standoff completely contradictory to the mainstream of post-Cold War foreign relations. Can this new regional power structure in Northeast Asia help solve the Korean peninsula crisis? It certainly creates opportunities to influence the Korean peninsula and force DPRK leaders to be more

¹At the Vancouver APEC session, both the Chinese and Japanese foreign ministers for the first time discussed and agreed to strengthen these four-way relations. At the same time, Japanese support of Russian membership in APEC is significant, beginning the process of fulfilling the goals of the Krasnoyarsk agreement.

constructive and serious in dialogue with major powers and South Korea. The more cooperative the relations between parties of the quadrangle, the earlier the crisis will be resolved.

This paper explores new possibilities for regional cooperation toward a final and peaceful solution of the problems on the Korean peninsula. It addresses:

- the structure and essence of the conflict;
- the state of international engagement in the conflict, particularly Four Party Talks; and
- the new and historical agendas for unilateral, bilateral, and collective contributions to a peaceful solution of the crisis.

The Korean Peninsula Conflict

First and foremost, it is essential to understand the core of the Korean conflict to construct a possible solution. The essence of the peninsula's division is a contradiction between the DPRK and its neighbors about its reclusive character, its unwillingness to recognize the drastic and qualitative changes in the world, and its failure to develop a more open foreign policy. Pyongyang doesn't recognize South Korea as a legitimate state and tries to develop its foreign policy under the premises of the 1950s, when the Korean War had just ended. That produces a threat to regional peace and stability and the safety of South Korea, a legitimate member of the world community recognized by all countries, including China, Russia, Japan, and the United States

While the world and regional community should not be able to violate the North Korean people's right to choose their own way of life and politics, it is undeniable that North Korean foreign policy and behavior are a product of that country's particular political and state system. It is important to explore and understand what helped both Russia and China get rid of their state-controlled economies, and what prevents North Korea from doing the same. The primary goal of international and regional engagement is to find the proper constructive—not destructive—means to facilitate North Korean modernization, openness, and economic development, while avoiding a humanitarian catastrophe.

Russian and Chinese transformation took place primarily through internal political shifts, that is,

through domestic attempts to improve their dire internal situations. In North Korea, internal political factors do not work in this direction; even food shortages and famine have had a limited effect. It will clearly take time for internal forces and processes to launch drastic reforms. Moreover, it is possible that the Kim Jong Il regime in Pyongyang cannot overcome psychological and institutional barriers in order to enact reform. Persistent intrusions into South Korea by North Korean agents and submarines may reflect the difficulty of reforming the political and military machine in the North.

The collapse of the Four Party Talks in March 1998 and the failed revival of North-South dialogue in April 1998 were disappointing. However, some recent developments suggest that the North Korean political elite might be open to a constructive dialogue despite its reclusive tendencies. There are some signals of flexibility from the North Koreans. The pessimistic—maybe realistic—view is there are no new developments, and that North Korea is simply maintaining its traditional “stop-and-go” strategy. Nevertheless, given the intractable nature of this conflict, any positive opening must be seized.

North Korea's inflexibility has two essential causes. The first is simply the inertia imposed by past ideology which ultimately will be abandoned, since it has proved ineffective both internationally and economically. More problematic is the second cause: the regime's fear that any drastic changes may destroy its basis of power and result in bloodshed.

What policy prescriptions fit these circumstances? An ideological approach must be dropped. Efforts should be concentrated on encouraging the DPRK to undertake gradual and balanced reform, and a key task in this endeavor is to establish communication channels with North Korean political elites. Given the extraordinary complexity of communicating with Pyongyang, patience is essential. This is particularly true now, as Kim Jong Il's new leadership consolidates its power, hopefully creating new options.² Indeed, this consolidation should be regarded positively, as only a secure power *can* opt to reform. It would be imprudent to count on an internal power struggle and wait to deal with a new regime.

²In September 1997, a senior Russian Communist official was the first Russian to meet Kim Jong Il in 10 years, and was impressed that his host was well-informed on events in Russia and vividly discussed international issues.

The Current State of International Engagement in the Korean Peninsula Conflict

Four Party Talks are the leading forum for achieving positive results on international engagement in Korean affairs. Although they have not produced significant breakthroughs, these talks should proceed slowly but consistently. Pyongyang insists that the withdrawal of 37,000 American troops from Korea be a main agenda item of dialogue within those Talks, as well as in negotiations with the new South Korean administration under Kim Dae Jung. Certainly, this question is central to the ultimate outcome on the peninsula, and North Koreans are fully aware of this. The United States agreed that the question of troops may be discussed in the framework of a broader peace treaty, a significant demonstration that the air of compromise prevailing in regional relations can apply to the Korean peninsula too. Despite this, the March 1998 session of Four Party Talks collapsed because of a lack of compromise by either side.

Three factors explain the new rigidity in the North. First, an unprecedented economic crisis has heavily damaged the South Korean economy and internal stability, resulting in North Korean political retrenchment. Second, Kim Dae Jung's victory in South Korea's 1997 presidential election has led to North Korean disillusionment in the face of their unrealistic expectations from the new regime. Third, analysts have themselves cultivated unrealistic hopes for a new North Korean flexibility based on overestimation of the North's "near-collapse" situation—making North Korea appear "more" rigid when in fact little has changed.

Persistent and impressive growth of the ROK's economy from the 1960s through 1997, at which time it became the world's 11th largest, profoundly influenced the situation on the peninsula. But South Korea's financial crisis has changed not only the economic, but the political, landscape in the region. The South is more cautious and fearful, and the North has regained some self-confidence. The balance of power has changed slightly, and for the ROK, a new national goal of economic recovery is preeminent. More than ever, it is clear that the German reunification scenario for Korea is irrelevant.

The second factor is Kim Dae Jung, a prominent opposition leader, who was narrowly elected ROK President in December 1997. Given his political past as a dissident, suffering humiliation under dictatorial ROK regimes, his election infused the North with a certain hope that they could reach agreement about their condition of food aid without political concessions. Kim's perspectives on reunification are much more flexible, cautious, and realistic than his predecessors. His ideas assume legitimacy of the North Korean regime and respect of its historical background. His "sunshine" policy implies a gradual and organic process of resolving Korean peninsula contradictions by eliminating extreme and excessive ideological approaches.³ However, similarities—even slight ones—between Kim's ideas and the DPRK's initiatives may *not* produce progress if the North is not sincere about dialogue on the substance of reunification. Rather, those similarities may instead aggravate North-South relations, since they will make it harder to reject Kim's ideas outright while maintaining a fiction of willingness otherwise to substantively proceed.

The third factor: overestimation of the imminent collapse of the Kim Jong Il regime, is evident. The regime and its system are so reclusive that common-sense judgments are not easily achieved. Severe DPRK economic decline has lasted for seven years, and there are no obvious reasons why the system is not sustainable in the near term.

Country Agendas for Unilateral, Bilateral, and Collective Contributions to a Peaceful Solution on the Korean Peninsula

The United States

The United States will remain the dominant outside power in Korea into the foreseeable future. The DPRK preference to stake its future with America, as not only the dominant Korean, but the dominant global power, has enabled the United States to develop reliable communication lines with the North. Declining Russian–North Korean and

³Kim Dae Jung, "Peace requires patience." Interview by Alvin Toffler, *The Daily Yomiuri*, December 28, 1997.

Sino–North Korean relations enhance this American role. It also imposes on the United States a heavy responsibility and requires a great deal of flexibility, patience, and skill to satisfy the demands of all major parties within the context of bilateral relations.

The American strategy of “sticks and carrots” in this case is justified probably more than in most, but the high cost of failure makes a precise and well-defined balance between these two instruments essential. Given the generational change and growing economic and social problems plaguing the North Korean leadership, the proportion of “carrots” gradually should be increased, and a more sophisticated approach applied.⁴

The United States should:

1. proceed with efforts within the Four Party Talks, using positive measures such as KEDO, food supplies, and a Pyongyang liaison office.
2. persistently push for discussion on an eventual peace treaty to replace the current armistice; and
3. engage Japan and Russia in the process.

Japanese and Russian participation would be useful since both could provide additional resources: Japan, its financial and technological superiority; Russia, its energy supplies and affordable exports of goods and parts. Politically, such engagement is important because it magnifies leverage, encouraging the North towards reasonable compromise. It might also create a regional consensus that would be impossible to neglect, while the bigger the format, the less likely North Korea will feel cornered. In some cases, “2 + 2 + 2” (North plus South, United States plus China, and Russia plus Japan) would be better than “2 + 2” or North–South negotiations, and at the least, all levels should be utilized.

The issue of U.S. military forces on the Korean peninsula may become less sensitive after the signing of a peace treaty. If the peace treaty leads to mutual recognition of both Koreas, the dislocation of American troops in South Korea cannot be legally opposed by the North since it would be a sovereign decision of the South Korean

government, recognized by the North. In the case of reunification, keeping U.S. forces would first and foremost be a sovereign decision of a new united Korea.⁵

It is instrumental to communicate consistently that the U.S. military presence in the region is indispensable for peace and stability, but that it could decrease gradually and meld into a multinational security framework when the time is ripe. This presence should not be viewed as permanent.

The 1994 Agreed Framework between the United States and North Korea, which will provide a pair of light-water nuclear reactors to that country, is the main pillar of “constructive engagement” toward the North. It must be implemented without fail. North Korean complaints and threats to restart their existing nuclear capabilities have some credibility, since KEDO (the implementing organization of the Agreed Framework) suffers from chronic funding shortages, and the promised supplies of heavy fuel oil to North Korea have been frequently delayed.⁶

China

Although Chinese influence on North Korean leaders has decreased, it still can be strong and powerful, making China’s role crucial. China should:

1. abide by its policy of “friendly” relations with the DPRK, in order to maintain influence over Pyongyang;
2. enhance cooperation with the United States and South Korea in Four Party Talks and attempt to broker a compromise on a permanent peace treaty on the Korean peninsula;
3. continue to persuade the North Koreans to reform, offering as an example China’s unique experience of gradual economic reforms within an intact, controlled political framework; and
4. increase its dialogue on the Korean issue with Russia and Japan.

The Republic of Korea

Recent economic troubles and Kim Dae Jung’s election brought new structural elements to the Korean peninsula. Economically tormented Seoul should realize that a sudden collapse may be too

⁴John Ikenberry stated that the “constructive diplomacy” or “liberal grand strategy” of the Clinton administration consists of three elements of engagement: “opening up,” “tying down,” and “binding together.” If he is correct, then in the case of engaging North Korea, the hardest, most important, and therefore decisive element is the first one. “White House’s Grand Strategy Uses Lofty and Material Desires,” *Los Angeles Times World Report (A Special Section Produced in Cooperation with The Yomiuri Shimbun)*, July 20, 1998.

⁵Ralph Cossa, “Post-Reunification Korea: Keeping U.S. Forces in Place,” *Japan Times*, November 13, 1997.

⁶Kunihiko Yamaoko, “North Korea may restart N-project,” *The Daily Yomiuri*, May 30, 1998.

burdensome for its economy, and adopt a more flexible and conciliatory stance toward the North. The bitter failure of official April 1998 North–South talks in Beijing can be explained by deep mistrust in spite of the substantial changes inside South Korea’s government, making irreconcilable contraposed premises: the South sought to link aid to certain political concessions by the North, while the North sought aid without any political preconditions. Both sides have their own reasons for adopting these positions, and in the case of Four Party Talks, both sides believe that further concessions may be destructive.

The new South Korean government demonstrated a great deal of tolerance through its calm reaction to a North Korean submarine intrusion into ROK territorial waters in June 1998. But another infiltration a few days later provoked a tougher reaction, illustrating that President Kim’s flexibility has its limits. As to the format of dialogue with the North, the new Kim regime reflected its approval of the flexible “2 + 2 + 2” formula, as proposed in President Kim’s inaugural address. South Korea should:

1. build a social-democratic, grass roots bridge to the North, exploring opportunities allowed under Kim Dae Jung’s “sunshine” policy;
2. reconsider its “give-and-take” negotiating strategy, in order to break the stalemate. It must be fully understood that a “tug of war” policy has its limits, and it is instrumental sometimes to loosen the tug to advance;
3. stop rhetorical warfare against the North;
4. stabilize its political and economic situation, vital for a peaceful solution of the Korean crisis;
5. widen the channels of communication with Pyongyang;
6. maintain influence in international to peninsular negotiations despite its current financial and economic crisis;
7. proceed with the idea of a “Six Countries Appeal for Peace on the Korean Peninsula,” as spelled out in February 1998 (an initiative to create a “2 + 2 + 2” framework); and
8. become less suspicious of efforts by other major powers to develop bilateral relations with the DPRK.

The Democratic People’s Republic of Korea

The situation in North Korea slowly is evolving. Essential elements of the state have remained intact since the 1950s. However, both internal and

international pressure are increasing. The gap between its unchanged political system and the international environment is exacerbating Kim Jong Il’s difficulties. Food shortages are permanent, regardless of weather conditions in the North. Time is running out, and if the major powers give up hope, lose interest in the situation, and construct a “sanitary cordon” around the reclusive state, the situation for the DPRK may become desperate. North Korea should:

1. believe that gradual political reforms may not undermine major essential elements of its current system;
2. begin economic reform;
3. recognize that the replacement of the Korean peninsula Armistice agreement by a peace treaty can support economic reform by opening North Korea to more foreign aid and investment;
4. not expect the South’s economic crisis to lead to turmoil or weaken its rival;
5. reconsider its position that the presence of American troops is the main barrier to unification. Rather, recognize that this is an issue to be decided after unification;
6. be more responsive to signals from other international powers;
7. stop hostile rhetoric against the South; and
8. cooperate with KEDO.

Japan

Japan is probably in the most delicate position among the major powers. Periodically, both Koreas blame Japan for its colonial past. Japan’s active political engagement in the conflict is not welcomed by either side. South Korea vigilantly watches for the slightest development in Japan–North Korea contacts, demanding that Tokyo abstain from any radical steps toward Pyongyang without prior consultations with and consent of the ROK government. However, Japan’s leading role as a financial supporter of eventual unification has been taken for granted.

After a long period of no contact between Tokyo and Pyongyang, some significant events occurred. Visits by a Japanese ruling bloc delegation to North Korea and visits to Japan by Japanese wives living in North Korea were carried out smoothly. The wives’ visit especially raised confidence because all of the women chose to return home to North Korea, and none appeared oppressed by living in the DPRK. The particular wives that visited were specially selected from

among more than 1,000 candidates, but the event proved that special circumstances could allow a deal to be struck with North Koreans, opening channels for future agreements between the two governments.

On April 1, 1998, Masaki Nakayama, the head of the LDP mission to Pyongyang, announced that his suggestion that a liaison office be set up in Pyongyang to facilitate Japanese visitors to North Korea had received a positive response. It may become a significant channel in international attempts to improve relations between the two long-time enemies. There were other encouraging features of that visit which foreshadow possible changes. Nakayama met with some members of the Japanese Red Army who had hijacked a Japan Airlines plane in March 1970 in Fukuoka and fled to North Korea—an event that was one of the most sensitive issues between Japan and the DPRK. The way Pyongyang dealt with this issue and its readiness to let the Japanese return to Japan if they desire can be assessed as a positive sign in the bilateral relations.

For Japan, the question of reunification scenarios is of critical significance since it is vital that unified Korea not be anti-Japanese. Japan should:

1. reject the tough linkage between progress in North-South dialogue and Japan–North Korea contacts while coordinating policy with the United States and ROK for more active diplomacy toward the North;
2. improve the psychological atmosphere by recognizing in a more explicit way its responsibility for much of the recent tragedy on the Korean peninsula. This would provide Japan the potential to be involved in the unification process and guarantee a non-hostile unified Korea;
3. broaden the possible channels of private contacts with North Korea, such as Japanese wives' visits; and
4. Maintain close contact with the United States and ROK about the Korean peninsula to develop dialogue mechanisms that include China and Russia.

Russia

The Russian role on the Korean peninsula is still limited, but potential exists. The 1961 Treaty on Friendship, Cooperation, and Mutual Assistance between North Korea and the Soviet Union has expired, and both countries are negotiating a new treaty. The Russian idea of convening a conference

for reducing the number of troops on the Korean peninsula may become instrumental during later stages of the process, but Russia's main contribution is its readiness to support a compromise plan, and its recent positive attitude toward the Four Party Talks formula (despite its jealousy at not being included in this framework). While the United States is usually not positive about Russian involvement in international crises, some positive lessons can be drawn from Russia's participation in the solution of the Iraqi inspection crisis in mid-November 1997. Russia should:

1. enhance its political and economic relations with the North, keeping in mind that better relations can foster its influence in the conflict;
2. take a greater role in international food relief efforts in the DPRK;
3. Participate in KEDO; and
4. Support the Four Party Talks, while enhancing its engagement in political activity through bilateral dialogues with all countries concerned, particularly Japan. Among the countries directly neighboring the conflict, only Japan and Russia do not participate in these discussions.

Conclusion

Negotiating with North Korea can best be accomplished by combining bilateral relations with multilateral efforts. Obviously, the multilateral aspect must be enhanced, and it may be feasible to develop the idea of a multilateral initiative, an "Initiative of Positive Engagement in Korea" (IPEK), provided that it does not undermine the Four Party Talks framework. Of course, the main challenge is getting North Koreans to participate.

The Korean Diaspora in Japan and other countries also may play a significant role in persuading North Korea to follow a reform path. Koreans sympathetic to the North should be more actively involved in the process of bridging the gap between Pyongyang and the rest of the world. They must recognize the importance of this for a people that has suffered throughout the twentieth century and now faces a crucial period of potential tragedy. Negligence in responding to the new realities of international and regional relations as we embark upon a new century could unleash a humanitarian catastrophe.

It is tempting to posit that since the problem of the Korean peninsula originated in this century, it

should be resolved in this century. Indeed, it could be argued that it might be unwise to wait, given other challenges (such as improving Russo-Japanese relations) that require concerted efforts and cooperation from the international community. But in the case of the Korean peninsula, patience is indeed a virtue. Policies must be geared, not to the

millennial clock, but to a strategy of removal—step-by-step—of the dangerous elements of mistrust, hostility, and military threats in the most explosive place in the world. There is no time limit for working out an ultimate solution to the Korean divide.

