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Bush Faces Challenges on the Korean Peninsula

By Karin Lee and John Feffer

The Bush administration faces challenges from allies and adversaries alike in East Asia. The recent submarine incident and rising anti-bases sentiment in Okinawa have put the U.S.-Japan "special relationship" on rocky ground. The war of words with Beijing about human rights and its relations with Iraq suggests that the Bush team's downgrading of China to the status of a "strategic rival" has already accentuated lines of division in the region.

But it is on the Korean peninsula that the Bush administration will truly wrestle with difficult choices. The new foreign policy team must decide whether to continue the Clinton approach of engaging North Korea or to adopt a tougher stance toward the "state of concern." And as South Korean president Kim Dae Jung arrives in Washington in early March, Bush faces a key ally who has acted with considerable independence on both unification and security issues.

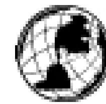
When North Korean leader Kim Jong Il and South Korean President Kim Dae Jung shook hands on the airport tarmac in Pyongyang last June, the optimists celebrated a new era of reconciliation between the two Koreas, while the pessimists warned that the June Summit was no more than a good photo opportunity. Eight months later, the camps are still divided, as North-South relations advance on multiple fronts but with frequent delays and hesitations.

For instance, the two Koreas recently hammered out an agreement for re-opening the inter-Korean railway, but the DPRK has postponed implementation for "administrative reasons." Family reunions are bumpily moving forward, with the third round taking place at the end of February. Inter-Korean commerce is on the increase, and new information technology ventures are in the planning stages. But some projects, such as Hyundai's centerpiece boat tour to Mt. Kumgang in the North, have started fraying around the edges, giving fuel to critics of Kim Dae Jung's policy. North Korean leader Kim Jong Il's visit to Seoul, which may produce significant agreements on peace and security issues, has yet to be fixed.

North Korea, meanwhile, seems poised for large-scale economic transformation. In January, Kim Jong Il spent three days in Shanghai examining the means and ends of market socialism. His entourage included senior military officers, presumably the people most in need of persuasion. Although the trip was begun under the usual veil of secrecy, it received unprecedented coverage in North Korea, where 40 minutes of TV footage showed clips of his 26 visits to factories, including joint-venture enterprises of General Motors and NEC, and the Pudong stock exchange. Perhaps most surprising of all, the TV program showed Kim Jong Il in the home of a Chinese worker, where the rewards of capitalism—TVs and stereos—were in plain sight.

Kim's trip to Shanghai represents the strongest signal yet that North Korea is contemplating economic transition. It also points to a strengthening of the DPRK/China alliance. After welcoming Russian President Vladimir Putin to Pyongyang in July, Kim Jong Il is reportedly planning a spring train trip to Moscow. In a reversal of its tradition of playing Russia and China against each other in an effort to win the best deal, North Korea seems to be forging alliances with both. Aggressive U.S. policy, particularly on the issue of missile defense, has prompted the three countries to fashion an *entente cordiale* to challenge the Japan/ROK/U.S. alliance.

Yet North Korea has not ruled out a deal with the United States. In the fall, second-in-command Jo Myong Rok visited Washington, and

FOREIGN POLICY IN FCUS

then Secretary of State Madeleine Albright made a reciprocal visit to Pyongyang. But Bill Clinton waffled on going to Pyongyang in the waning days of his administration, and missile talks between the U.S. and North Korea were stalemated as Clinton left office.

Changing Carrot-Stick Spectrum

It is against this background that the Bush administration, while initially announcing support of the Clinton administration's "engagement policy," has clearly indicated that it wants more quo for its quid. The Bush team has indicated that North Korea will have to jump through more difficult hoops on its missile program, verification, and even the placement of its conventional troops. Compliance will yield rewards, perhaps substantial ones such as the normalization of relations and a large aid package. According to columnist Richard Manning, "The Bush bumper sticker would be: "Bigger carrot, bigger stick."

The foreign policy team that Bush has assembled clusters largely on the stick side of the carrot-stick spectrum. The Bush administration set the tone early when Secretary of State Colin Powell, in his Senate confirmation hearings, characterized Kim Jong Il as a "dictator." National Security Advisor Condoleezza Rice can be expected to bring a cold war sensibility, fashioned from her analysis of Soviet politics, to the Korean peninsula. Richard Armitage, the new deputy secretary of state, has proposed that a "Red Line" be drawn in the region to clarify what is unacceptable and acceptable behavior.

Paul Wolfowitz, the new deputy secretary of defense, is as enthusiastic an advocate of missile defense as his boss Donald Rumsfeld. Perhaps only Assistant Secretary of State for East Asian Affairs James Kelly might be expected to line up in favor of dialogue. The Honolulu-based organization for which he was president, the Pacific Forum, has been instrumental in including North Korea in multilateral dialogue. The Bush administration may also be turning to the bipartisan Council on Foreign Relations, which has assembled a North Korean policy review team led by former Deputy Assistant Secretary of State Morton Abramowitz and former U.S. Ambassador to Korea James Laney.

The reformulation of the North Korea policy will take place in tandem with a sweeping review of the U.S. military by Andrew W. Marshall, the 79-year-old head of the Pentagon's internal think tank. Marshall's suggestions for a new army will most likely emphasize missiles, missile defenses, and more mobile forces outfitted with the latest technology. Marshall's expected recommendations coincide with the push for Theater Missile Defense and National Missile Defense, which has become one of the most divisive issues in East Asia. Despite continued doubts concerning feasibility, cost, and adherence to the 1972 Anti-Ballistic Missile Treaty, as well as the hesitations of key allies such as Germany, the Bush administration continues to make missile defense its strategic priority.

The alliance of Russia and China, normally quite wary of each other, has been strengthened by their joint opposition to missile defense. South Korea, too, has signaled its skepticism. At the end of February, Kim Dae Jung and Vladimir Putin signed a surprising joint communiqué in support of the 1972 Anti-Ballistic Missile Treaty, which prevents the proliferation of national missile defense systems. Although the U.S. State Department played down the statement, saying that Seoul "has not stated any opposition to missile defense," South Korea is clearly concerned that the U.S. defense policy will endanger engagement with North Korea. Moreover, South Korea is worried about provoking China into a new regional arms race, which will plunge East Asia into heightened tensions.

Missile defense is not the only slippery patch in U.S.-South Korean relations. Public outrage in Korea concerning jurisdiction over U.S. soldiers suspected of committing crimes and the environmental degradation caused by U.S. military bases created pressure for a substantive revision of the Status of Armed Forces Agreement governing accountability of U.S. troops in the ROK. In February, Colin Powell pressed ROK Foreign Affairs-Trade Minister Lee Joung-Binn to purchase Boeing F-15 fighters. The Bush administration, with close ties to the defense industry, can be expected to emphasize the "interoperability" argument in order to pressure South Korea to buy U.S. weapon systems rather than those of Russia or France.

But the most salient difference between the U.S. and South Korea has been policy toward North Korea. Unification is the centerpiece of South Korean foreign policy; for the Bush administration, reconciliation between North and South ranks rather low on the scale of U.S. national interests. In the past, the U.S. has worried that South Korea would negotiate "bad" deals in its eagerness to patch up relations with the North. Recognizing that North

Korea is in bad economic shape, Kim Dae Jung has not insisted on the "strict mutualism" and reciprocity that Bush is seeking. Some South Koreans fear that the Bush administration's approach will hinder their own efforts toward reconciliation.

Move Toward Bilateralism

One of the hallmarks of the Clinton policy was trilateral coordination of policy toward North Korea. The Bush administration has made it clear that it prefers bilateralism to multilateralism. The first victim of this new policy is the Trilateral Coordination and Oversight Group, which presided over the U.S. part of the Japan-South Korea-U.S. triangular approach to North Korea. The body will be given a new name and a new approach. But the contours of this rump trilateralism won't be known until James Kelly arrives in Seoul later in March for a three-way meeting.

Another victim of the new bilateralism may well be the Korean Peninsula Energy Development Organization (KEDO), the multilateral body responsible for implementing the 1994 Agreed Framework. With the 2003 deadline looming for the construction of two light-water reactors in North Korea, one of the key suppliers (General Electric) has pulled out and the Bush team has made noises about revising the Agreed Framework. A new deadline will have to be negotiated, as well as liability for failure in the operation of the plant. How Bush handles this will be key to the next stage of U.S./DPRK relations.

North Korea has not surprisingly given the Bush administration's "get tough" approach a lukewarm reception. On February 22, North Korea announced that it did not feel obligated to honor agreements with the U.S. to hold off on missile testing. But on March 5, taking a more conciliatory tack, North Korea maintained that it wasn't threatening anyone but simply felt threatened by the U.S. militarism. U.S.-North Korean relations could easily dissolve into rhetorical one-upsmanship, or worse. However, a new cold war is not inevitable. North Korea, which has long maintained that it prefers to deal directly with the U.S., may welcome the Bush shift to bilateralism, perhaps hoping to more effectively play one country against the other. The Bush team, with its greater credibility with Pentagon hardliners, might have an easier time negotiating a deal with North Korea than the Clinton administration did.

The true challenge, in the end, might be in the Bush administration's relations with the South. In both Washington and Seoul, there is talk of deals afoot, such as continued U.S. support for Kim Dae Jung's unification policy in exchange for nearly $10 billion of military procurements. Whether or not any such deals are made (or publicized) South Korea has made it clear that the U.S. is not the only actor in East Asia. Such independent allies may have greater impact on the Bush administration's tendency toward unilateralism than the "states of concern" and "strategic rivals" of East Asia.

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