

# THE ALLIES AND NORTH KOREA

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This paper was produced as part of the project “Improving Regional Security and Denuclearizing  
the Korean Peninsula: U.S. Policy Interests and Options.”

## **The Allies and North Korea**

The current trouble with our allies is rooted in U.S. failure to meet their security needs by a sustained effort to resolve the North Korean nuclear issue peacefully. That problem has been exacerbated by the fact that our North Korea policy and those of our allies have seldom been in synch politically and that North Korea policy is more salient in their domestic politics than in ours.

The Obama administration's moves to bolster defense ties with South Korea and Japan, as well as to work closely with the allies and the international community to secure sanctions, have helped created a united front for now in response to North Korea's actions. But differences are likely to resurface over time as both allies are likely to feel uneasy without constraints on further arming by North Korea.

### **South Korea.**

North Korea wants improved relations with South Korea. At the same time it subordinated inter-Korean relations to reconciliation with the United States. That is a source of considerable unease in Seoul, especially on the center-right. As a result, Seoul at times has tried to take the lead in engaging with Pyongyang and at other times has tried to impede Washington from engaging.

Engaging with Seoul when Washington is moving to reconcile is well-established policy in Pyongyang. So, too, is trying to engage with Washington when Seoul balks at reconciliation. Whenever Washington took steps to end enmity, Pyongyang moved ahead with Seoul. When Washington backtracked, Pyongyang spurned engagement with Seoul and blamed Washington's "hostile policy" for the lack of progress, stalling North-South engagement. The worst crises – in March 1993 and again in May 1994 – came when Seoul tried to impede U.S.-D.P.R.K. relations and Pyongyang tried to move ahead with Washington but Washington balked. The greatest progress came when Washington and Seoul moved in tandem to reconcile with Pyongyang.

Engagement, whether reciprocal or not, has been the policy of all recent South Korean governments because an overly confrontational stance is politically unsustainable in Korean politics because it poses economic risks – capital flight – or worse, a risk of war.

Lee Myung-bak came to power convinced that Kim Dae-jung and Roh Moo-hyun had been too accommodating to Pyongyang. He conditioned engagement and aid – even food aid – on North Korean denuclearization, opening and reform.

In winning the presidency, Lee had to overcome not only his center-left opponent, Chung Dong-young, but also the right-wing candidacy of Lee Hoi-chang, whose

single-issue campaign of getting tough with North Korea made Lee's stance of reciprocal engagement seem moderate by comparison. Lee also had the advantage of talking office at a time when economic growth was job one and the Bush administration had moved to a less confrontational course with Pyongyang, which reduced the political salience of the North Korea issue and the risks of confrontation.

Once in office, Lee moved to slow down US-DPRK reconciliation. He sided with Tokyo in insisting that delisting of the North as a state sponsor of terrorism and later energy aid be withheld until Pyongyang provided a written protocol on verification in the second-phase of denuclearization, which was not required under the October 2007 six-party accord on second-phases actions. Hardliners in his administration, who were instrumental in pressing the Bush administration to suspend energy aid in November 2008, were especially uneasy about President Obama's expressed willingness to meet with Kim Jong-il. When Pyongyang retaliated for the suspension of energy aid with a rocket launch, hardliners in the Lee administration were ebullient. As one Blue House official told *Chosun Ilbo*, if the U.S. and North Korea speed up too much in bilateral talks, Japan could play a role in "slamming on the brakes." The implication was that bilateral negotiations between Washington and Pyongyang after the North launched a rocket could normalize ties too fast for Seoul's comfort. "Japan was once considered a stumbling block to solving North Korean issues," another South Korean official said. "But now has the most important role."

Lee's tougher stance on North Korea was initially popular in the South, but public support for it has eroded somewhat as tensions have mounted. The Lee administration is internally divided between conservative realists who preferred to engage with North Korea and a more ideological right-wing and Lee kept tacking between them, giving his policy an appearance of indecisiveness. This was especially obvious on the question of participating in the Proliferation Security Initiative, where having decided to join, Lee delayed announcing the decision three times. Indecision was also evident on how to treat the North Korean request to renegotiate the terms of Kaesong. Despite the brevity of the April 21 meeting with the North and the shrillness of North Korean rhetoric, moderates in the administration sought to portray it as an opening for further talks. As a Blue House official put it, "It can be said that a momentum for talks has now been secured." The same pattern recurred on aid: in August 2009 Lee authorized private food aid by Korean NGOs while continuing to withhold government-to-government aid.

Pyongyang's agreement with Hyundai to resume tourism to Mount Kumgang and ease travel restrictions to the Kaesong Industrial Zone, restoration of the North-South military hotlines and release of four fisherman who strayed north of the NLL as well as agreement in North-South Red Cross talks on holding another round of family reunions provided an opening for President Lee to reengage with the North.

His response to those moves by Pyongyang shows he is continuing to tack back and forth. Kim Dae Jung's funeral occasioned Lee's first meeting with senior North Koreans, but he conditioned further aid on North Korea's "willingness to change" and officials in his administration have dismissed the North's moves as a "smile offensive" and conditioned progress on resumption of six-party talks.

President Lee may feel trapped. His whole campaign to "go global" was intended to enhance South Korea's stature on the world stage and disassociate it from the struggle on the peninsula, but the current crisis once again put the spotlight on North-South relations. He also cannot move too far to accommodate the North because he needs right-wing votes in upcoming National Assembly elections, but confrontation could alienate some of his more centrist and business supporters.

Under these circumstances, he has to move cautiously to try to improve North-South relations rather than risk an open breach. Any improvement is likely to prove fragile without a parallel improvement in U.S.-D.P.R.K. relations.

## Japan

The political environment in Japan is far more antagonistic to Pyongyang than it is in South Korea, but the rout of the Liberal Democratic Party in August elections could open the way to change.

Bush administration officials thought that tensions with Pyongyang and Beijing would compel Tokyo to close ranks, but far from strengthening pro-U.S. figures like Prime Minister Junichiro Koizumi, the Bush administration's policy undercut them. Experienced Japan hands like Rust Deming anticipated that development. "Emerging policy will likely emphasize expanding Japan's capacity for a more autonomous defense, as well as the wherewithal to participate fully in internationally sanctioned operations," wrote Deming. Far from strengthening pro-American figures like Koizumi, Bush administration policy toward North Korea undercut them. "Perceived American missteps with respect to a provocation on the Korean Peninsula," Deming warned, "could give further ammunition to both the Japanese left and right advocating more independence from the United States." The failure of Washington to deal with the North Korean nuclear issue has eroded political support for the alliance in Japan on both the right and the left.

Japanese policy circles roughly fall into five schools of thought:

*Americanists*, like Hisahiko Okazaki or former Prime Minister Ryutaro Hashimoto, want to bind Japan more tightly to the United States, partly to hedge against China but mostly to block alternative courses. Americanists are a force in the Foreign Ministry and dominate the Japan Defense Agency, which can be counted on to support almost anything the Pentagon wants.

The Americanists have allies of sorts among a second school of thought, the *internationalists* who want Japan to be freer to engage more actively in collective security under a U.N. mandate. Internationalists are found in the Liberal Democratic Party and especially in the opposition Democratic Party of Japan as well as in the Foreign Ministry.

Among the Americanists' rivals are *Asia-firsters* who view Japan's future tied to Asia economically and politically and who favor development of multilateral institutions in the region to bind a rising China into a web of cooperation. Asia-firsters see Japan in a triangular relationship with the United States and China. While not rejecting close bilateral ties with Washington, they want better relations with Beijing as well and they worry that U.S. aggressiveness on North Korea or Taiwan could entrap Japan in unwanted confrontation with China. "Japan should not be partial to the United States," Yohei Kono, speaker of the lower house, said in April 2004, but "needs to discuss matters more thoroughly with its Asian neighbors and make diplomatic efforts to settle problems. I'm not sure the country really made enough effort to do that." Asia-firsters are also a major force in the DPJ.

A fourth school, *the Gaullists*, distrust U.S. reliability and judgment. They exploit U.S. demands to do more in order to enhance Japan's capacity for independent political and military action. Shinzo Abe and Shigeru Ishiba reflect the Gaullist viewpoint.

To their right is a fifth school, *neo-nationalists* like Tokyo's governor Shintaro Ishihara as well as many younger politicians and bureaucrats who want Japan to look after its own security, unbound by the alliance with the United States, and who favor scrapping the constitution as a symbol of U.S. domination imposed on a defeated Japan after the war.

A few of the Gaullists and neo-nationalists in the LDP are serious about questioning reliance on the United States for security and contemplate going nuclear, but so far the occasional upsurge in talk about reconsidering its nuclear options have been used by the Japanese to get Washington along with China to take Japan's security interests seriously by negotiating with North Korea in earnest.

Recent governments in Tokyo have wavered between pressing Washington to negotiate with the North and doing their utmost to impede talks. Convinced that the only way to resolve the nuclear and abduction issues was diplomatic give-and-take, Prime Minister Koizumi, an Americanist, publicly embraced President Bush and tightened military cooperation with Washington in an attempt to deflect the United States from open confrontation with Pyongyang or Beijing that would cause a fatal breach in his party and government. He held two summit meetings with Kim Jong-il and urged President Bush to negotiate in earnest with the North – to no avail.

Once Koizumi's balancing act failed, the beneficiaries of U.S. policy toward North Korea were not those who would bind Japan more tightly to the United States but Asia-firsters and nationalists who wanted looser ties. His successor, Shinzo Abe, rode to power on his uncompromising stance on the abductions issue – only to have President Bush turn around and begin serious talks with the North. He failed to dissuade the U.S. from delisting the North as a "state sponsor of terrorism" before Japan made progress on the abductions. Having seen first-hand U.S. intransigence as chief cabinet secretary under Koizumi, Yasuo Fukuda tried to resume direct talks on the abductions with Pyongyang but an agreement on first steps fell apart when he resigned abruptly. His successor, Taro Aso, having done his best to exploit the abduction issue, delisting of North Korea as a "state sponsor of terrorism" and later verification issues in the Six Party Talks to impede U.S.-North Korea rapprochement, fanned fears of the rocket launch to arouse nationalism to boost his fast-waning popularity, but his resounding defeat could open the way to a more forthcoming policy toward Pyongyang.

### **Bringing the Allies Along**

Under these circumstances, it may be possible to coax South Korea and Japan down a negotiating path with North Korea. Whatever the allies' misgivings about US diplomatic give-and-take with Pyongyang, and even if Washington, Seoul and Tokyo take steps to tighten their security relationships or to impose sanctions on Pyongyang, letting North Korea's nuclear and missile programs run free will only aggravate relations. Direct talks with the North, combined with prudent steps to bolster ties with each other, are the best way to satisfy each country's security and other interests, if not necessarily their leaders' domestic political needs.

In Japan, national elections have brought the Democratic Party of Japan (DPJ) to power. While Prime Minister Aso demonstrated his preference to exploit the North Korea nuclear issue rather than attempt to resolve it through negotiations, his defeat could open up new options for Washington. The DPJ, while probably wary of domestic opposition fanned by the conservative press, will nonetheless be less beholden to its own right-wingers. The DPJ wants to improve relations with China. The power behind the throne in the party, Ichiro Ozawa, was invited to meet with President Hu Jintao before Prime Minister Aso, a not so subtle signal that Beijing is well aware of the DPJ's intentions. To improve relations with China, the new government cannot afford renewed confrontation with North Korea, which would mean binding Japan more tightly to the United States. That is why the DPJ has emphasized collective security under U.N. auspices, in contrast to the LDP's emphasis on collective self-defense through tighter military integration with Washington. Tensions with North Korea would also invite attacks by the LDP that China is not doing enough to bring North Korea to its knees. That is why Tokyo may no longer try to impede U.S.-D.P.R.K., whether in six-party talks or bilaterally, and may even open direct talks of its own with Pyongyang.

Pyongyang has recently hinted that it still cares about improved relations with Tokyo, so it may be possible to coax Japan and North Korea to reopen bilateral discussions, particularly if Washington begins its own talks with Pyongyang. That was the strategy of Ozawa's close friend in the LDP, Yasuo Fukuda, during his brief term as prime minister. In bilateral talks, Japan promised to end some of the sanctions it had imposed on Pyongyang, including conditionally lifting a ban on North Korean ships entering Japanese ports. In return the North would reopen its investigation of what had happened to the abductees and allow Japanese authorities to review documents and interview people who had had contact with them. Fukuda, however, was forced by opponents in his own party to back away from the deal and his government fell before carrying it out.

For Japan to make headway, it would likely have to negotiate reciprocal step-by-step implementation of the September 2002 Pyongyang Declaration. Among the items that Japan sought and were noted in the document were; 1) an accounting for the abductions; 2) an end to missile tests; 3) an end to intrusions by North Korean spy ships; 4) direct talks on these and other security issues with the DPRK and; 6) a six-party dialogue on regional security. At the time, the North only agreed "it is important to have a framework in place in order for the regional countries to promote confidence-building as the relationships among these countries are normalized."

Among the items Pyongyang sought that were included in the declaration were resumption of Japan-North Korea normalization talks and "early normalization of relations," "economic cooperation after normalization ... including "grant aid, long-term loans with low interest rates and ... humanitarian assistance through international organizations" and "other loans and credits" for private economic activity bilaterally through "such financial institutions as the Japan Bank for International Cooperation," and a discussion of "the status of Korean residents in Japan." North Korea's willingness to move down the path of bilateral talks with Japan would likely depend on progress in U.S.-North Korea talks.

Making progress in North-South negotiations may prove just as challenging. A resumption of talks between Washington and Pyongyang would generate significant domestic political pressures in the South Korean government to open discussions of its own with North Korea. Once talks begin in earnest, the North is likely to insist on some gesture by Seoul, such as resumption of government food aid, in order to make progress. That seems to be the point of working-level talks now under way over the Kaesong Industrial Complex, in which the DPRK has demanded average wage raises to \$300 from the current \$70-80 a month and similarly confiscatory rent hikes. While South Korean officials tried to portray the talks as an opening, the North dismissed the idea. Seoul, in turn, said it was not about to agree to Pyongyang's terms.

One way forward would be a new willingness on the part of President Lee to discuss implementing select provisions in the 2007 North-South summit accord agreed to by his predecessor. That might include offers to:

- Expand the Kaesong talks to discuss the proposed joint fishing area, which could allow crabbing south of Northern Limit Line linked to naval CBMs. The North would benefit economically from such an arrangement while the South could claim advantages from lowered tensions and the reduced risk of a naval clash;
- Resume further development of the Kaesong Economic Zone, perhaps starting with infrastructure projects, allowing the North to back down from its demand for exorbitant wage and rent hikes and recognizing the current global economic climate which might make it unlikely for more South Korean enterprises to commit to locating new production facilities in the zone.
- Revive the Joint Committee for Inter-Korean Economic Development as a positive signal to Pyongyang that Seoul is ready to resume cooperation with financial costs;
- Begin discussion of establishment of a new joint economic zone in Haeju and vicinity or cooperative shipbuilding complexes in Anbyeon and Nampo;
- Reaffirm the commitment made during the last summit “not to interfere in the internal of affairs” as well as the commitment in the first summit accord not to slander each other in order to open the way to repatriation of the Hyundai Asan employee seized for allegedly slandering the regime and trying to induce a female worker to defect.