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# **Nautilus Institute Policy Forum Online: Discussion of “Berlin: What have we learned and where do we go from here?”**



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## **Discussion of "Berlin: What have we learned and where do we go from here?"**

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# September 17, 1999

## **I. Introduction**

The following are comments to the recent Policy Fora Online: "Berlin: What Did We Learn and Where Do We Go from Here?" by Victor Cha. This report includes commentary by Josh Parr of the Pacific News Service, Hugo WheeGook Kim, President of the East-West Research Institute, and Haksoon Paik of the Sejong Institute.

## **II. Comments on Victor Cha's Essay**

### **1. Comments by Josh Parr**

The following comments are by Josh Parr, a reporter and editor with Pacific News Service.

It's an interesting argument- who is generating crises, the North or the US? In my estimation the entire "crisis" was fueled by the US' Cold War military-industrial export of its TMD technology. Moves to bring the TMD technology to US allies, particularly Japan, in Northeast Asia came well before the DPRK's August 1998 missile launch. And if the ROK now gets the technology, it will further bottle up North Korea and polarize the Korean Peninsula further. For the Sunshine policy to actually work, the ROK must demonstrate that it is not simply a US puppet. What is being lost in the debate here is that Japan has re- armed itself and is now capable of wading into other Asian nation's politics with a military threat. This allows the US to continue its zero-casualty war scenario, boxes in China on the Taiwan issue, changes the regional balance in the favor of the US' policy of "a single integrated economy," and allows the US to profit from a regional arms race- which its fading military technology sector has been lobbying for. Also, look for the US to use such exports of its TMD technology to erase the 1973 ABM treaty outlawing just such missile defense technology. Essentially, while to many observers, the North seemed to have generated a crisis, the US provoked it by trying to stretch its influence in the region in the absence of a Russian threat to balance things. As has been the case with most US actions since the collapse of the USSR, America continues to enter into areas where Soviet withdrawal has left a power vacuum. Such is the case again, in the Northeast Asian theater

### **2. Comments by Hugo WheeGook Kim**

The following comments are by Hugo WheeGook Kim, President, East-West Research Institute,

Washington, DC.

## INTRODUCTION

I enjoyed my friend Victor's paper consisting of the two parts. In the first part ("what we learned"), the essay pointed out three lessons: (a) the DPRK is willing to negotiate after they are ready, (b) fine tuning of policies between allies is effective and essential in negotiating with the DPRK, and (c) the DPRK is responsive to engagement when they see a concrete offer. In the second part ("where to go"), the paper recommended an enhanced measure of deterrence: ROK participation in TMD. Despite large agreement, I would like to comment on his essay.

North Korea has usually considered three elements in making foreign policy: world environment, ROK situations, and DPRK situations in terms of strategic and tactical changes on the plane of history. The first part of Victor's essay mainly focused on negotiation techniques or diplomatic skills. However, the fundamental lessons may come from observations of dynamic changes of supra system (global and regional environments), system (North and South Korea), and subsystems (DPRK and ROK's politics, economy, military, and socio-cultural elements) as follows.

### I. GLOBALIZATION AND REGIONAL CONVERGENCE

The information age introduced unlimited (borderless) competition to the world system, maximizing global efficiency by minimizing local costs. The United States has a hegemonic power for the foreign policy leadership to maintain the world system efficient in the age of globalization. Washington leads multipolar regional powers in the uni-multipolar world, while regional powers resist the hegemonic power, having limited resources and being unable to last forever.

In this sense, U.S. constructive engagement with China is mutually beneficial since both countries need each other. As long as Washington and Beijing are positively engaged as potential strategic partners, inter-Korean relations are on the same plane for mutual betterment. I firmly believe that China is not an adversary of the United States but her potential strategic partner, with which some others may not agree. When China becomes a friend of the United States, how does DPRK sustain without following the wind? Recently we are able to observe signs of recovery in Sino-American relations, which is in the DPRK's backyard.

### II. SOUTH KOREA STRENGTHENED

The Kim Dae-jung (DJ) leadership of South Korea has pursued the engagement policy with the North consistently, as firmly declared in the three principles at his inauguration: No absorption intended, No armed challenge allowed, and reconciliation and cooperation. The members of the National Security Council of the DJ administration consist of top quality of theorists and practitioners, including Lim Dong Won, Chun Yong Taek, Cho Sung Tae, and Hwang Won Tack. They are the elite who can recommend reasonable policies to the President through the decision-making process. There has been no official record for DJ to reject the NSC's recommendations. The national security policymaking process under the DJ administration is democratically advanced so that the system absorbs various voices through conferences, seminars, public hearings, internal discussions, and other activities around the world. The team knows the importance of policy tuning with allied and friendly countries.

The ROK economy is rapidly recovering and the statistics show optimistic trends despite some noises of conflicting interests in the process of adjustment. The market is recovering competition and exports have expanded to the previous level. The foreign exchange reserves may reach US\$70 billion before the start of the new millennium with the inflow of foreign capital and the rise of trade

surplus. The absolute amount of ROK defense spending is much higher than that of the DPRK's, considering the size of the economy. As Victor suggested, if South Koreans believe that TMD is definitely necessary by consensus, there would be no problem for investment, I believe. After the collapse of communism, a decade was enough for the South Koreans to enhance their confidence and pride in building liberal democracy in the free market system, so the self-adjusted feedback of the system is properly working in South Korea. The DPRK already understood that South Korea can NOT be shaken by external tricks or disguised threats since its subsystems are healthy enough to protect the system.

### III. NORTH KOREAN DILEMMA BETWEEN POLITICS AND ECONOMY

What then does North Korea have other than missiles and weapons? Hunger and diseases and the need to beg for grain and energy continuously from foreign countries. As Professor Paul Kennedy described in his book of 1987, over-expansion of armed forces spent most of their available capital, so that investment for the private sector declined. The fall of capital accumulation reduced the productivity growth of industries as it did the nation's economic efficiency. This is one of major reasons why the DPRK economy has been falling continuously without any sign of recovery. Considering that the USSR, despite a huge arsenal of strategic weapons, fell quickly due to economic collapse, we can believe that a couple of the DPRK's primitive missile launches cannot save the DPRK from collapse--even with China's subsidization--if the leadership ignores the seriousness of its position.

The DPRK's intention to develop nuclear weapons is one of the measures to escape from difficulties of domestic instability, diplomatic isolation, economic decline, and military inferiority to the South. However, without liberalizing the market, the DPRK's economy can never recover. The risks of freedom waves by openness may threaten the regime, but the closed autarkic economy causes the DPRK to fall without noises. Therefore, the DPRK has no choice but gradual and simultaneous development of politics and the economy, like China since 1978. Time is essential in economic development, particularly in the age of information and globalization. The DPRK has recognized that gains from long negotiations with the United States and South Korea are much less than the costs of time lost in economic development. If the DPRK loses the opportunity of the package deal offered by the US leadership, its economy will be stagnated another decade with many deaths of innocent people, while the world enjoys prosperity in the age of globalization owing to borderless competition.

### CONCLUSION

(a) A big lesson from the Berlin Talks is that Kim Jong Il is a rational actor, more directly a clever dictator seeking to maintain his totalitarian regime, if he follows the U.S. guidance (of the package deal) without making further troubles as we expected. This implies that the DPRK is unable to sustain for another decade if the policy of non-intervention with economic sanctions is continued, which Kim Jong Il should recognize.

(b) Where to go? The civilization led by the United States should force DPRK authorities to understand that it is impossible to monopolize (or control) information forever, so that Pyongyang had better liberalize the system (more directly, liberalize politics and economy) gradually and simultaneously but not slowly to avoid the external shock. There is no other way for the DPRK to escape from the existing difficulties but open. (All comments welcome to [wgkim@ewri.org](mailto:wgkim@ewri.org))

### 3. Comments by Haksoon Paik

The following comments are by Haksoon Paik, The Sejong Institute, Republic of Korea.

Victor Cha has put forward many important points in his assessment and lessons of the Berlin talks, and I do not have any serious disagreement with him. For me, however, the problem with his essay lies in the second part, where he argues that South Korea should join TMD against North Korea as a measure to "enhance" engagement strategies toward North Korea.

To begin with, Cha argues that we have "nothing" that will make the North Koreans hold to their agreement and stop them from extorting more concessions by manufacturing another crisis later other than a mere rescission of the lifting of economic sanctions if North Korea testfires any long-range missiles. He continues to argue that the rescission of the lifting of sanctions against North Korea in this case will provide very little deterrence against North Korea doing it again, if North Korea "does not value" the carrot of lifting economic sanctions.

I have no objections whatsoever to the need to enhance engagement strategies, but I would argue that Cha's overall assessment of North Korea's trustworthiness is too conservative for the following two reasons. First, if there's any reference case for judging North Korea's reliability in keeping its promise for future agreements with the United States, there is the 1994 Agreed Framework. Simply put, North Korea has kept its promise made in the Agreed Framework, and the U.S. government has never blamed North Korea for breaking it. In this regard, I think North Korea should be credited for keeping its words. The suspicion of the underground site at Kumchang-ni was raised by the U.S. and became a serious issue because of the U.S., not because North Korea. And the North Korean missile problem was not an issue in the Agreed Framework.

Second, trust and confidence may emerge or be built up between enemies from reciprocation of cooperation, not from that of confrontation and hostilities. The basic problem between the United States and North Korea has always been that neither side was willing to make the first cooperative move, due to a lack of trust. Thus, I am of the opinion that it is of utmost important for us to break out of this vicious circle of mistrust and hostilities for there to be genuine progress. In the Berlin deal, the U.S. made a cooperative first move toward North Korea, not demanding it from North Korea. The Council on Foreign Relation has recommended this measure as the key element of the "selective engagement" policy toward North Korea this past July. The cooperative first move made by the U.S. is truly a giant first step toward normalization of economic and political relations between the two countries, ultimately for peace and stability on the Korean Peninsula and in Northeast Asia.

North Korea will be dependent more on the U.S. and South Korea for food and future economic recovery than on anyone else, and North Korea knows this quite well. History shows critical junctures in time where political leaders make critical choices. In 1994, I think the North Korean leadership made a critical choice about the nuclear problem in the Agreed Framework. And now in 1999, right on the eve of the 21st century, I believe North Korea is making another such critical choice, this time about the long-range missiles. The Berlin agreement is a concrete, positive sign the North Korean leadership is seeking a way out of its dire food and economic crisis, and looking to improve its relationship with the U.S. We should help North Korea in such enterprise for mutual benefit, as well as mutual threat reduction.

Does North Korea "value" the carrot of lifting economic sanctions provided by the U.S.? I think it sure does. North Korea has been eager to have economic sanctions be lifted and have the opportunity for food and economic recovery through cooperation with the U.S. and advanced

Western economies. Remember North Korea has regarded U.S. economic sanctions as the symbol of U.S.'s anti-North Korea policy.

How about Cha's criticism of South Korea's nonparticipation in TMD? Yes, as Cha pointed out, South Korea is in a position to pay a serious attention to China's strong opposition to TMD. It is particularly so because China has played, is playing, and will be playing a very important role in solving the North Korean missile problem itself. For the first time in the past fifty years, both the United States and China are in a full support of South Korea's engagement policy toward North Korea. South Korea has never enjoyed such a favorable external political opportunity structure for its policy toward North Korea since the division of Korea. It is truly a rare, invaluable diplomatic opportunity for South Korea to implement its North Korea policy.

Moreover, South Korea's joining TMD is likely to touch off an arms race in Northeast Asia. The losers in the arms race, no doubt, will be: first, North Korea; second, South Korea; and third, China. North Korea doesn't have any resources whatsoever to pour into the arms race. Neither do South Korea nor China, albeit to different extents. All three countries are currently in a position to need to allocate more resources to economic recovery than to security and the military realm.

Finally, I am afraid I do not agree on Cha's key elements of the effectiveness of engagement policy toward North Korea. Yes, maintaining robust defense capabilities and being ready to punish North Korea's military provocation is an indispensable part of the engagement policy, which has repeatedly been emphasized by the South Korean and U.S. governments. But this does not mean that we must strengthen our defense capabilities against North Korea by joining TMD when we have already been maintaining very strong defense and deterrence capabilities against North Korea.

Understanding this point is very important for two reasons. First, if North Korea is deprived of its programs of weapons of mass destruction, for which we are working hard, South Korea's defense and deterrence capabilities with the U.S. troops in its territory are superior to those of North Korea, as was demonstrated in the naval clash in the West Sea this past June. This will hold true more and more in the era of high-tech weapons and equipment. Second, it would not be a wise policy if we agitate and make uneasy North Korea by starting an arms race at the time of reconciliation, cooperation, and coexistence. It will be much wiser if we pursue a relative superiority, not an absolute superiority, over North Korea in defense capabilities.

The other element of effectiveness of engagement policy, according to Cha, is that we "communicates clearly that engagement is a choice of the strong and not an expedient of engagement policy." Yes, but who is the target of such a message? The North Korean government or the South Korean and American people at home? I think such message should rather target those South Koreans and Americans who are against engagement policy toward North Korea, not the North Korean leadership itself.

### **III. Nautilus Invites Your Responses**

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: [napsnet-reply@nautilus.org](mailto:napsnet-reply@nautilus.org) . Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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