

# Policy Forum 99-05B: The Kumchangni Inspection and Perry's Visit to North Korea

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# Nautilus Institute Policy Forum Online: The Kumchangni Inspection and Perry's Visit to North Korea

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## The Kumchangni Inspection and Perry's Visit to North Korea

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Discussion by Kim Myong Chol

## June 16, 1999

#### I. Introduction

The following essay was written by Haksoon Paik, a researcher at the Sejong Institute in the ROK. This essay is a summary a presentation at the international conference on "The Dynamics of Northeast Asia and the Korean Peninsula," co-organized by the Institute for Far Eastern Studies(IFES)-The Graduate School of North Korean Studies, Kyungnam University and Center for Asian Studies, American University, International Conference Room of IFES, Seoul, Korea, May 27-28, 1999.

Paik reviews the state of relations among the US, the ROK, and the DPRK, in the aftermath of the inspection of the underground site at Kumchangni and US DPRK Policy Coordinator William Perry's trip to the DPRK. Paik argues that the most realistic approach would be for all sides to accept the minimum gains from the inspection and Perry's visit. Paik concludes that, given its economic difficulties, the DPRK has no choice but to accept the comprehensive package offered by the US and the ROK.

#### II. Essay by Haksoon Paik

"The Kumchangni Inspection and Perry's Visit to North Korea"

A U.S. nuclear inspection team has concluded its work at the underground site at Kumchang-ni and William Perry has also concluded his visit to Pyongyang. The final result of the Kumchang-ni inspection and Perry's visit to Pyongyang will heavily influence the future course of relationship between North Korea and its neighboring countries including South Korea, the United States, and Japan.

What is the significance of William Perry's visit to Pyongyang? In an effort to lay the basis for their own policy after Kumchang-ni, what do the United States and North and South Korea intend to gain from the Kumchang-ni inspection? What is North Korea's economic predicament like and why does North Korea have to accept a comprehensive package deal?

# 1. The significance of William Perry's Visit to Pyongyang

William Perry could not meet with Kim Jong II, but has met with many top decision-making leaders in the security and diplomacy realm. That the U.S. inspection team "received good cooperation" from North Korean officials and concluded its work in such a short period of time indicates that North Korea is confident about the nuclear-free Kumchang-ni. It also indicates that the U.S. inspection team was satisfied as far as collecting samples and on-site observation were concerned.

Two things loom large in relation to Perry's visit. First of all, the fact that Perry has talked to the North Korean leaders and heard from them about how to solve the nuclear and missile problems before he produces his final report, not after, is a significant new development in the relationship between the United States and North Korea. This means that the U.S. government is getting North Korea involved in the process of reestablishing its North Korea policy.

Secondly, Perry carried a joint message fully pre-coordinated between the U.S., South Korea, and Japan to North Korea. Through a close coordination, as Kenneth Quinones pointed out, the three countries have removed the possibility that North Korea can play them off against each other and any potential gap that may come about between them as far as their policy toward North Korea was concerned.

# 2. Maximum and Minimum Gains from the Kumchang-ni Inspection

What the Clinton Administration intends to show the Congress and the hawks is that North Korea has not violated the Agreed Framework. This maximum gain is secured if the underground site turns out to be completely free of any traces of nuclear materials and activities.

For the minimum gain, however, the United States need not get such perfect results. If the underground site turns out to be not nuclear-related, what the Clinton Administration needs for the minimum is just to demonstrate that the past activities at the Kumchang-ni site cannot be proven or determined with the inspection technology currently available.

South Korea, at maximum, wants to see the underground site turn out to be completely nuclear-free including the past record of the site. At minimum, however, as long as whatever outcome of the inspection may satisfy the U.S. Congress and other hawkish opinion leaders, it will be acceptable to South Korea. This is so perhaps because the South Korean government may not believe the underground site to be nuclear-related, but rather because U.S. support for South Korean government's sunshine policy and comprehensive approach to the North Korean problem is critical for its effort to dismantle a Cold War structure on the Korean Peninsula.

The maximum goal for North Korea from the Kumchang-ni inspection is the U.S. government's full satisfaction about the inspection outcome, whatever it may be, and a dramatic change in U.S. policy toward North Korea, including earlier lifting of economic sanctions. If the underground site has never had nuclear facilities or never been used for nuclear-related activities, North Korea wants to see the inspection team prove that without fail. If the underground site has had a nuclear facility and recently has been cleared of any nuclear traces, then North Korea will wish that the inspection team will file an inspection report that the site is currently nuclear-free and that, in case some doubt about the past activities there arises, it cannot determine with any certainty about it with the current technology available. That would be North Korea's minimum gain from the inspection.

It would not be politically realistic if the three countries take the maximums of what they could gain from the Kumchang-ni inspection as the basis for their new policy. The minimum gains would rather be a more realistic basis. Then, the outcome of the inspection expected by the countries concerned may converge on an inspection report that the underground site is nuclear-free with the past activities unable to be determined. This will not be a perfect outcome, but, given the political realities at home and abroad, it is not so bad a starting point for the three countries to build up a process of dismantling a Cold War structure and of installing a peace structure on the Korean Peninsula.

The United States and South and North Korea altogether do not want to see Kumchang-ni fail their respective effort to solve the problem. It appears that both the United States and North Korea individually have reached a tacit agreement, without communicating with each other, that the North Korean nuclear and missile problems should be solved in such a way that both sides will not lose face.

# 3. Why North Korea Has to Accept the Comprehensive Deal

The dilemma for the North Korean leadership is that they do not have any magic wand with which to strike a breakthrough in the present economic predicament. They know that reform needs to be introduced for economic recovery, but they also know very well that their economic failure is the result of their long-practiced socialist economic principles and self-reliance. They also know that introducing reform will face the so-called reform dilemma and "rock the boat" if other things do not improve dramatically.

North Korea's economic disaster in the 1990s is evidenced by the drastically-reduced size of revenue for 1999, which turned out to be only 49 percent of the revenue for the 1994 budget. Kim Jong II is allegedly carrying out day-to-day business without having any concrete plan or vision of the future due mainly to the shortage of available resources.

At a top-level policy-making meeting last August, North Korea allegedly concluded that its socialist system was not functioning properly any more and that it should adjust to the external capitalist system. North Koreans are already learning international law, including arbitration law, international business transactions, etc., sponsored by UNDP, World Bank, Asia Foundation, Australian National University, and so on.

What Charles Kartman said in his talk at Asia Society on May 3, 1999, is in line with this development in North Korea. Kartman reportedly made an observation that North Korea had plans to get linked to other capitalist countries and that North Korea is in transition, he said, from confrontational policy to a more cooperative policy in its external economic realm.

On April 9, 1999, North Korea adopted a law on people's economic planning. North Korea officially explained that the law was introduced in order to manage and operate the people's economy under centralized and unified guidance more systematically, not allowing any decentralization or liberalization in economy. This law may ironically be a reflection of North Korean leadership's decision to open North Korea's economy to the outside world. I would argue that this law can be interpreted as the North Korean leadership making a "preemptive strike" against any potentially negative influence coming from their opening to the outside world in the future. In other words, emphasizing socialist economic principles and practices in the domestic realm and seeking opening and expanding economic cooperation with capitalist economies in the external realm are merely two different sides of the same coin.

The United States and South Korea will combine strong economic incentives with political, diplomatic, and military choices to engage North Korea; that is, a comprehensive approach. As usual for its official rhetoric, North Korea has criticized the comprehensive approach both the United States and South Korea adopted. Under such dire economic circumstances, however, North Korea has no way out but to turn to the outside world and to accept the comprehensive package deal that the United States and South Korea offer.

#### III. Nautilus Invites Your Responses

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