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# South Korea's Package Deal



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### **South Korea's Package Deal**

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### **I. Introduction**

This is the second in a series of articles on the current state of US, ROK, and Japanese policy toward the DPRK. This article was originally distributed by Pacific Forum, CSIS as PacNet #10 on March 12, 1999. It was written by Ralph Cossa, the Executive Director of Pacific Forum, CSIS.

Dr. Cossa praises ROK President Kim's proposed "package deal" with the DPRK as a "valiant attempt" to save both his own "sunshine policy" toward the DPRK and the 1994 Agreed Framework. In contrast, he criticizes both the US and Japan for lacking a comprehensive policy toward the DPRK. He argues that what is needed to bring Kim's package to fruition is an implementing agency on the lines of KEDO, but headed by the ROK instead of the US.

### **II. Article by Ralph Cossa**

South Korean President Kim Dae-Jung's recent announcement of a proposed "package deal" with North Korea represents a valiant attempt to save two very important initiatives: his own Constructive Engagement Policy with the North (also known as the Sunshine Policy), and the Agreed Framework/KEDO (Korean Peninsula Energy Development Organization) process aimed at halting North Korea's suspected nuclear weapons program. Both initiatives are in danger of coming apart, due not only to North Korean actions and intransigence, but also to lukewarm support and

domestic partisan politics in the ROK, the U.S., and Japan; both initiatives, I would argue, are worth saving.

During the previous Kim Young-Sam regime, the United States was frustrated with South Korea's failure to develop a coherent, comprehensive, long-range policy in dealing with the North. Kim Dae-Jung has risen to this challenge. His Constructive Engagement policy is forward-thinking and clear-headed. It has as its first pillar, a firm determination (backed by the U.S.-ROK security alliance and 37,000 American troops) not to tolerate aggression by the North. But it also extends an olive branch to Pyongyang by renouncing a policy aimed at absorbing the North or provoking its collapse in favor of one that aims at setting the stage for eventual reunification by stressing cooperation and confidence building today to bring about a gradual opening up of the North. Its aim is separating economics from politics; it stresses people-to-people and other exchange programs, based on North Korean reciprocity.

As with any long-term policy, it is open to partisan sniping, given the tendency -- ever prevalent among opposition politicians and the press in a democratic society -- for policies that provide instant results. Add to this continued North Korean instigation, and it is no wonder that President Kim's fragile coalition government has experienced difficulty in generating legislative or broader general public support for his long-range North Korea engagement policy.

The U.S., despite its previous insistence on ROK leadership in crafting an engagement policy with the North, today only pays lip service to President Kim's Sunshine Policy. When Kim visited Washington, he received bipartisan praise for his inspired policies and heroic struggle to promote democracy in South Korea. But, when he urged the Clinton Administration and Congress to consider lifting U.S. sanctions against North Korea to assist in his effort to engage and open up the North, his request fell on deaf ears.

What's missing, of course, is a comparable long-term, comprehensive U.S. policy in dealing with North Korea, one that would put individual programs like the Agreed Framework/KEDO, the US-DPRK missile talks, and other such initiatives in broader perspective. Hopefully, former Secretary of Defense William Perry's ongoing review of U.S. North Korea policy will help in creating such a comprehensive strategy, although the prospects of bipartisan Congressional endorsement or Administration implementation of any politically-risky recommendations appears slim to me (despite what is sure to be a series of sensible policy recommendations by Dr. Perry).

The above criticisms also apply to Japan, which has rightfully hailed President Kim's efforts to promote closer Japan-ROK ties but lacks the political courage or foresight to construct a forward-leaning policy toward North Korea. Of course, North Korea has done little to help this process. Its August 31 no warning three-staged rocket launch over Japan has made Japanese political overtures toward Pyongyang difficult despite President Kim's blessings. Another launch will likely kill any chance of Japanese-DPRK rapprochement or meaningful Japanese support to President Kim's Sunshine Policy. It could also spell the end of Japan's support to KEDO.

President Kim also recognizes that the U.S.-led Agreed Framework/KEDO process, which continues to serve as the most successful vehicle for U.S.-DPRK cooperation, is also in serious trouble over Congressional reluctance to fund U.S. obligations as long as the status of the suspicious underground facility at Kumchang-ri remains unclear. President Kim realizes that the Agreed Framework, flawed as it may be, is better than the alternative -- a resumption in earnest of North Korea's nuclear weapons program and a possible return to the 1994 U.S.-DPRK standoff that threatened to drag the ROK and Japan into a military confrontation with North Korea over U.S. non-proliferation policy.

The package deal -- by tying together continued North Korean compliance with the Agreed Framework (including inspections of Kumchang-ri) with food and economic aid, an end to the U.S. economic embargo, and normalized relations between Pyongyang and both Washington and Tokyo -- is an attempt to get the Agreed Framework process back on track and to rescue the Sunshine Policy without appearing to yield to North Korean blackmail over inspections.

What's missing from the package, however, is an implementing mechanism. Whether or not one supports the Agreed Framework, it is clear that its implementing mechanism, KEDO, has been one of the bright spots in U.S.-ROK-Japan cooperation with North Korea. I would propose a parallel organization, KADO -- the Korean Peninsula Agricultural Development Organization -- chaired not by the U.S. but by the ROK, to administer the future food aid and agricultural assistance programs that would be a central part of any package deal. KADO would provide a vehicle for channeling U.S., Japanese, and broader international food aid to North Korea with Seoul in the driver's seat and with emphasis not just on handouts but on agricultural development to address North Korea's long-term food needs. This could help depoliticize U.S. and Japanese food aid and would provide a meaningful demonstration of actual support for President Kim's Constructive Engagement policy.

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