

Solving the Puzzle: U.S.-North Korea Negotiations as a Two-level Game

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THE PUZZLE OF U.S.-NORTH KOREA NUCLEAR/MISSILE NEGOTIATIONS

Since 1991 the United States and North Korea have engaged in three rounds of negotiations to resolve major conflicts over nuclear/missile crises: the Youngbyon nuclear crisis (1991-4: the Agreed Framework), the Kumchang-ri nuclear crisis (1998-9: the New York Agreement), and the Daepo-dong missile crisis (1999: the Berlin Agreement). Major issues of those crises follow:

First, the main issues in the Agreed Framework were twofold: Does North Korea already have a nuclear bomb? Will North Korea soon collapse? These two questions characterize the starting point in the problems of solving the puzzle of U.S.-North Korea nuclear/missile negotiations, since all debates on how to deal with Pyongyang were played out in connection with the North's alleged nuclear program and a scenario of impending collapse. Second, the issues of Kumchang-ri and the Daepo-dong missile crisis involve whether North Korea, is undermining the 1994 Agreed Framework. Is the U.S. policy towards North Korea effective? These issues

demonstrate that the repeated occurrence of Korean peninsula nuclear/missile crises as well as the three nuclear/missile negotiations were one-sided, and favored the weaker North Korea.

How, then, can we explain the puzzle of “asymmetric” and repeated negotiations between the “strong” U.S. and “weak” North Korea? In such an asymmetrical situation, it would be expected that the U.S. would prevail over a weaker North Korea in an international bargaining situation, since by definition, it possesses a huge economic and industrial complex in general, greater military capability, and more skillful strategic ability. In other words, the result suggests that the U.S. should maximize its gains through a non-cooperative strategy to the North’s disadvantage. However, such an explanation cannot comprehensively explain *why* and *how* the U.S. and North Korea have been repeatedly entangled in negotiations, at times cooperative during the nuclear negotiations and yet, were rather non-cooperative at other times.

This means that neither a purely domestic nor a purely international analysis can account for these three nuclear/missile crises. Interpretations cast in terms of either domestic causes and international effects, or of international causes and domestic effects would represent only partial equilibrium analyses and would miss an important part of how the domestic politics of countries became entangled via international negotiations. To discuss this, and explain asymmetric negotiations between the strong U.S. and to weak North Korea, the paper traces how U.S.-North Korea nuclear/missile negotiations became possible *politically*. It will focus on the domestic politics of the U.S. and North Korea and their strategies.

Background and context

The United States understood the serious implications of the North Korean nuclear weapons program; it would potentially destabilize three important U.S. security objectives, fostering regional non-proliferation, international non-proliferation, and

promoting regional stability. In other words, nuclear proliferation would have profound implications for U.S. strategy and planning, and would affect America's interests and commitments around the world. Also, it would pose an immediate threat to the countries in the region, as well as to U.S. security interests. The dilemma for the United States was that no approach to resolving the problem would likely be able to accomplish all three objectives simultaneously. To some extent, these objectives were mutually exclusive, so that action taken to solve one problem would exacerbate the others, and vice versa.

For more than four decades, indeed, U.S. plans for dealing with nuclear-armed adversaries focused sharply on the arsenals of the Soviet Union and, to a lesser extent, China. The United Kingdom and France, the only other declared nuclear weapons states, plus Israel, with its undeclared nuclear status, were, and still remain reliable U.S. allies. However, the collapse of the Warsaw Pact and the disintegration of the Soviet Union, by then plainly visible on the horizon, forced policy makers to re-examine the sources of threats to U.S. national security. Especially, after the 1990 Gulf War, the discovery of the scope, size, and relative sophistication of Iraq's nuclear weapons program jolted political leaders in Washington and many other countries.

In this situation, the fears and concerns of the international community about the North Korean nuclear program naturally aggravated after it kept International Atomic Energy Agency (IAEA) inspectors away from Yongbyon for several years after signing the Nuclear Non-Proliferation Treaty (NPT) in 1985. The first evidence that North Korea already had the potential for developing a large nuclear arsenal came from U.S. intelligence analysts. Based on this intelligence information, policy makers debated on how to deal with the North's nuclear development program. After lengthy discussions on how to conduct policy towards the North Nuclear program, the U.S. government decided that it would attempt to increase multilateral international pressure on North Korea, urging it to

conform to internationally accepted standards of behavior. The first step for the U.S. was to develop a consensus among concerned nations such as China, the Soviet Union, Japan, and South Korea about the nature of the threat. To that end, it organized briefings to share intelligence, first with its allies and eventually with the IAEA.

While the overall picture was troubling, the main problem was that no evidence could provide proof of North Korea's intentions or capabilities, or fill in gaps about hidden activities. The uncertain information accordingly divided domestic constituents in the United States. Some argued that North Korea might already have extracted enough plutonium to make a few bombs, and it would be crucial to remove North Korean nuclear potential for the long-term interests of the U.S. and for international peace and security. On the other hand, others argued that there was not enough information to conclude that North Korea had extracted plutonium, and even less to conclude that it had the technical capability to use reprocessed plutonium in constructing a nuclear device. They thought that a new pro-active diplomacy was the proper strategy to confirm the nature of the suspected North Korean nuclear program.

In the negotiations process, above all, *international pressure* was very important, as policy makers within the "dove minority" of each government attempted to redefine the issue in order to alter domestic pressures. In other words, to gain domestic support, policy makers persuaded others that more inclusive policy concerns affecting core national values were at stake. The targets of such persuasion were primarily government officials and societal groups blocking ratification, or other officials and groups capable of countering them.

OUTCOMES OF THE THREE NUCLEAR/MISSILE NEGOTIATIONS

The dispute on suspected North Korean nuclear facilities was initiated by the Central Intelligence Agency (CIA) and the Pentagon

based on their intelligence agencies' photographs. Hawks in the U.S. government shared the same interest in stunting what appeared to be an increasingly aggressive program in the North to build nuclear weapons, preferring a more aggressive approach to the problem.

The intelligence agencies had tracked suspected North Korean nuclear facilities and reported them to the government since spring 1982. However, the U.S. government showed little concern until a larger five-megawatt reactor was completed in 1987.¹⁾ And then, when the reactor was shut down for 100 days in 1987, concern increased that the shutdown provided sufficient time for North Korean to extract plutonium from the spent fuel for one or two bombs.

For the United States, Pyongyang's nuclear proliferation had profound implications for U.S. military strategy and planning, as it affected America's perception of its interests and commitments around the world. In the face of proliferation, the definition of American interests and objectives were influenced by bureaucratic politics, especially the differing opinions of the National Security Council, the Defense Department, the State Department, Congress, and the various intelligence agencies.²⁾ These various attitudes were based on uncertain information and wrong assessments of domestic politics on North Korea. Accordingly, U.S. domestic politics exerted an effect on negotiations with North Korea.

Most suspected North Korean nuclear facilities were placed at

1) Indeed, North Korea had signed the NPT in 1985 at the Soviet Union's urging, but had never negotiated the safeguards agreement required within 19 months of entry. If it complied, Pyongyang's shrouded program might finally become more transparent: not only would North Korea have to provide a list of nuclear facilities to the IAEA, an arm of the United Nation (UN), it would also have to open its facilities to IAEA inspections charged with verifying the list's accuracy and pinning down the history of the North's nuclear pursuits. Although international pressure was growing for North Korea to fulfill its safeguards obligations, Pyongyang consistently argued that it would not comply until the U.S. removed all its nuclear weapons from South Korea, stopped Team Spirit military exercise, and pledged not to use nuclear weapons against the regime.

Yongbyon, 60 miles north of Pyongyang. The major installations include: (1) a 5 Megawatt electric (MWe) research reactor; (2) two larger reactors that were under construction--50 MWe reactor in Yongbyon and a 200 MWe reactor at Taechon; and (3) a plutonium reprocessing facilities.

To resolve the Yongbyon nuclear crisis, the Agreed Framework was established. Under the agreement, North Korea made a commitment to (1) remain a party to the NPT--a treaty aimed at preventing the spread of nuclear weapons; (2) freeze the operation and construction of its graphite-moderated reactors and related facilities, including the reprocessing plant, and eventually dismantle them; and (3) cooperate with the United States to safely store and dispose of the spent fuel in its possession. In return for these concessions, the United States agreed to (1) create an international consortium of member countries to replace North Korea's graphite-moderated reactors with a light-water reactor (LWR) project by a target date of 2003, (2) supply North Korea with energy--heavy oil

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- 2) The spread of nuclear weapons can be expected to push the United States to clarify, and in some cases to change, the definition of its national interests and the objectives of its foreign policy. In addition public and world opinion are also important. Public opinion is shaped by (1) perceptions of a new nuclear weapon state's leadership--whether it is a dictatorship or a democracy, whether it is believed to sponsor terrorism, whether it is perceived to respect human rights; (2) perceptions of what the United States stands to gain or lose in a given region; and (3) the views of experts, as expressed in public pronouncements, the release of intelligence data, stories in the media, and so on. Also, world opinion is molded by similar considerations--whether the proliferator is an upstanding member of the international community, a pariah, or something in between; how much is at stake in the region; and by public and private diplomacy. As channels through which significant pressure is brought to bear on the White House, both domestic and international opinion have the potential to act as serious constraints on how U.S. interests are defined. See Michele A. Flournoy, "Implications for U.S. Military Strategy," in Robert D. Blackwill and Albert Carnesale (ed.), *New nuclear Nations: Consequences for U.S. Policy* (New York: Council on Foreign Relations Press, 1993), p.137.

for heating and electricity production—pending the completion of the first LWR, (3) normalize diplomatic relations with the North Korea starting with the opening of liaison offices in the capitals of both countries, and (4) initiate open trade and investment relations that would include South Korea and Japan.

Indeed, the Agreed Framework was based on the following three assumptions: first, the Framework would freeze North Korea's nuclear program. Second, that a "hard-landing"—collapse perhaps accompanied by aggression—should be avoided in North Korea, already a failed state on the verge of collapse. Third, the Agreed Framework would induce North Korea to open up to the outside world, initiate a gradual process of inter-Korean reconciliation, which would lead to real reform and a "soft-landing."

However, these assumptions were open to question. The discovery of a suspicious nuclear site at Kumchang-ri on August 18, 1998, and also the August 31, 1998 launch of a Taepo-dong missile combined to raise fundamental questions about Pyongyang's intentions, its commitment to the agreement, and the possibility of South-North reconciliation. They also raised profound questions about the sustainability of U.S. policy towards the North Korea's nuclear program. The report of the North Korea Advisory Group pointed out that "[t]he United States has replaced the Soviet Union as a primary benefactor of North Korea . . . U.S. aid to North Korea has grown from zero (before the Clinton administration) to more than \$270 million annually, totaling \$645 million over the past five years."³⁾

Ironically, the threat of conflict on the Korean peninsula was not reduced; yet North Korea has become the largest recipient of U.S. foreign aid in East Asia. U.S. taxpayers have, thus, become the financiers of the Stalinist regime's survival. Why, then, did two more

3) See the report of the North Korea Advisory Group, issued on November 3, 1999 and available at http://house.gov/international_relations/nkag.htm.

crises occur on the Korean peninsula, and why did the two negotiations conclude unfavorably for the U.S.?

U.S.-NORTH KOREA NEGOTIATIONS AND U.S. CONTROVERSIAL DOMESTIC POLITICS

The Agreed Framework

The three Yongbyon nuclear crises on the Korean peninsula contributed to diverse U.S. views on the North's suspected nuclear program. Compared with the initial motives of the U.S.-North Korea negotiations, in which diplomacy itself was viewed as a reward in the Department of State, indeed, North Korea can be seen as receiving most of what it wanted from negotiations with the U.S. Such direct political ties and economic aid have been a key North Korean diplomatic goal for years.

Still, the negotiated resolution drew sharp criticism. For example, some argued that it was unclear what impact the deal would exert on the strength and credibility of the NPT. While the IAEA officially supported the agreement, some representative indicated that they were not pleased with the staggered timetable for North Korean compliance. The framework's inclusion of oil shipments to North Korea also provoked criticism, with detractors claiming such assistance would serve to prop up and prolong a regime that was ready to topple if left alone. Not only would North Korea be provided with superior nuclear reactors capable of producing more electricity than those it had been building itself, but the annual infusions of heavy oil would be a significant donation to the cash- and resources-poor country.

For U.S. decision makers, however, war remained a last-ditch alternative among various other alternatives. A Second Korean War would be different from Desert Storm, in which the U.S. suffered few

human losses. Military leaders had already warned that another Korean War could kill more than one million, including as many as 50,000 Americans. General Gary Luck, Commander in Chief of U.S. and Allied Forces in South Korea, estimated that the cost of another Korean War would be a trillion dollars, and that another \$100 billion dollars would be attached to that. He argued that the U.S. had spent about \$71 billion in the Gulf War, but that another Korean War would cost even more.⁴⁾

U.S. policy makers knew that they had to overcome numerous international hurdles before implementing sanctions or initiating war against North Korea. First, such a decision would face the veto of China, which had been North Korea's patron for years. Second, Japan, which held the key to effective sanctions, was reluctant to acquiesce, fearing that economic pressure could drive the North over the edge into terrorist attacks or war. Third, Russia began to protest that it had not been sufficiently consulted during the drafting phase of the sanctions, and was calling for an international conference to mediate the standoff. Fourth, even South Korea feared the consequences of a hard-line stance that condemned the North's actions.⁵⁾

Under the circumstances, as seen in the complex and varied pressures brought to bear both from in and out of government, policy makers had no choice but to devise a compromise policy. Its aim, ultimately, was to eschew both war and any extreme policies. In the end, the policy makers of the U.S. and South Korea began to consider a modification of their policy, hoping that an alternative policy would serve as a tool to achieve stability on the Korean peninsula.⁶⁾ It was, in other words, a soft-landing policy.

Worthy of note, the signing of the Agreed Framework was only

4) Hearing, *op. cit.*, p.22.

5) James Sterngold, "South Waits Calmly as North Korean Transition Proceeds," *The New York Times*, July 11, 1994. A3.

two months before the off-year election on November 8, 1994. To satisfy the voters, who expressed more interest in domestic economy than potential war in a far-off country, the White House attempted to demonstrate its capability to conclude the long-delayed negotiations with North Korea as soon as possible. Besides the North Korean nuclear crisis, a number of other foreign issues were placed on the agenda: the ongoing war in Bosnia-Herzegovina; supporting the Russian economy; the redefinition of the relationship between Russia and West Europe; new Japan-U.S. relations; and the shaky relations with China, including the recurring Taiwan issue. In this environment, a long-term conflict with North Korea harmed the Democrats' election chances.

Kumchang-ri and Daepo-dong nuclear/missile crises

The causes of Kumchang-ri and the Daepo-dong nuclear/missile crisis were linked to faults inherent in the Agreed Framework. When the U.S. signed the agreement, many in the administration expected North Korea to collapse before the promised light-water nuclear reactors became operational in 2003. Rather than a step towards normalization, the agreement was looked upon as a temporary solution. Accordingly, the U.S. did not focus on the political and economic supports for the Geneva implementation with North Korea. Its goal was to lead dialogue with the "rogue state" and maintain the NPT for the benefit of the election.

In addition, at least two tensions emerged in U.S. government policies towards North Korea. First, some policy makers supported limited engagement and steps towards normalization of relations. Second, many specialists in the CIA and the Pentagon, along with conservatives in Congress and the media, and conflicting bureaucratic agencies in Washington, were deeply skeptical of

6) Christopher W. Hughes, *Japan's economic power and security: Japan and North Korea* (London and New York: Routledge, 1999), p.102.

engagement. This tension rendered U.S. foreign policy towards North Korea inconsistent and deeply flawed.

Similarly, due to funding problems, a consequence of both the 1997 East Asian financial crisis and political pressure from conservatives within the United States, U.S. implementation of the Agreed Framework became more and more inconsistent. Washington delayed shipments of heavy oil and made only token moves towards normalizing relations with North Korea. First, one of the primary obstacles facing the Agreed Framework was the U.S. obligation to supply the North with heavy fuel oil. Under the agreement, the U.S. would be responsible for Korean Peninsula Energy Development Organization (KEDO) supplying 500,000 tons of heavy fuel oil annually until the first LWR began operations. However, KEDO continually faced difficulty in financing the shipments of heavy fuel oil and furthermore, increased oil prices raised the question of whether KEDO would be able to fulfill its commitment to supply oil. Due to the severity of the North's energy shortage, Pyongyang threatened several times to restart its Yongbyon nuclear reactor if KEDO failed to provide the heavy fuel oil.⁷⁾

Second, the Agreed Framework required that the two sides move towards full normalization of political and economic relations. Nevertheless, full normalization of political and economic ties was linked to other issue areas. The major sticking point in the normalization of U.S.-North Korea relations was the U.S. designation of the North as a terrorist state, a designation that required the U.S. to veto North Korea entry into international financial organizations such as the World Bank, and thus deprived the North access to international financial resources.⁸⁾

7) Daniel Pinkston, "Implementing the Agreed Framework and Potential Obstacles," a paper for the 12th Pacific Basin Nuclear Conference in Seoul, Korea, October 29 to November 2, 2000, p.3.

8) Song Sang-hoon "North Korea Applies for Entry into Asia Development Bank," *JoongAng Ilbo*, September 1, 2000.

In fact, North Korea, in the grip of a food crisis and general economic collapse, was desperate to earn hard currency. For this, North Korea accumulated bargaining chips to in order to strike the best deal with the U.S. and Japan. Washington, however, regarded the missile launch and missile sales as military gestures designed to threaten the national security of the United States and its Asian allies. In other words, the U.S. reverted to a pattern of diplomatic behavior, placing yet again, the highest priority on military responses to a crisis that *ipso facto* required primarily economic solutions.

*Kim Dae-jung administration's sunshine policy*⁹⁾

The U.S. policy towards North Korea has continued to affect President Kim Dae-jung's sunshine policy as well. Although the dangers on the Korean peninsula have not been reduced, Kim's sunshine policy has significantly changed the dynamics of diplomacy on the peninsula. His policy, based on five principles: gradualism, change in the North, the separation of economic and political relations, reciprocity, and solidarity with allied and friendly nations, it has produced mixed results. At the multilateral level, Seoul has succeeded in persuading Washington and Tokyo to form a high-level trilateral cooperation and oversight group to coordinate Pyongyang policies.¹⁰⁾ Such persistent pressure from the Kim Dae-

9) The "sunshine" policy was named after one of Aesop's fables. Following the analogy that sunshine is more effective than wind in persuading a traveler to shed his clothes, it posits that engagement, not containment, would be more effective in inducing positive changes in North Korea's behavior.

10) Seo Jang-soo, "Tripartite Policy Coordination Group on NK Policy to be Formed," *JoongAng Ilbo*, April 27, 1999; Christopher W. Hughes, "Japan's "strategy-less" North Korea Strategy: Shifting Policies of Dialogue and Deterrence and Implications for Japan-U.S.-South Korea Security Cooperation," *The Korean Journal of Defence Analysis*, Vol. 12, No. 2, 2000, pp.175-181.

jung administration has played a substantial role in pushing Japan and the U.S. to consider normalizing political and economic relations with Pyongyang.

NORTH KOREA'S DOMESTIC POLITICS AND ITS STRATEGIES

In order to understand U.S. policy towards the North Korea, it is necessary to understand that analysis of North Korean domestic politics. Because interpretations cast in terms either of domestic causes and international effects or of international causes and domestic effects would represent merely partial equilibrium analyses, and thus, would omit an important factor in how domestic politics of these countries became entangled via an international negotiations. The following is a brief explanation.

North Korea's domestic politics

Ever since the 1991 Gulf War, most experts in and out of the U.S., including those in the ROK, Japan, and the IAEA, have paid increasing attention to the problem of nuclear proliferation, regarding the suspected North Korean nuclear program as a principal threat to both the non-proliferation regime and East Asian security.

Others, however, insisted that such arguments overlooked the real North Korean situation: the U.S. tactical nuclear threat, the uncertainty over Soviet nuclear protection, and the lack of an intercontinental delivery system. Accordingly, for North Korean security planners, acquiring nuclear weapons was a vital national security issue for the North's continuing survival. In fact, North Korean leader Kim Jong-il and other elite policy makers were shaken by the failures of other long-standing communist regimes: the fatal fall from power of Romania's dictator Nicolae Ceausescu and the coup in the Soviet Union that preceded its collapse late in 1991.

In sum, North Korea was a regime without friends, money, oil, or enough military strength to defend its interests. In such a severe situation of domestic and foreign affairs, two divided and even antagonistic groups emerged among the North Korean ruling elite in terms of nuclear policy.

The Agreed Framework: North Korea's survival strategy

Under these circumstances, policy opinion was divided. For example, a minority of the North's open-liners saw the nuclear program as a useful lever for negotiations with Seoul, Washington, and Tokyo, that could gain political and economic advantages, as well as a tool to complement the regime's survival. They tried to ensure the arrival of economic aid, strengthen the North's international status, and secure the continuation of the North Korean regime through improved relations with the U.S. as well as Japan.

The hard-liners' arguments, in contrast, were of a completely different hue. In line with realist thinking, they believed that the nuclear program provided an effective deterrent against possible attack by South Korea. They argued that with the fall of communist regimes, even a limited form of nuclear status would grant the North additional independence from its traditional sponsors, China and Russia. It would also allow more freedom of diplomatic action, especially after the end of the Cold War, and the accompanying decline of support from Beijing and Moscow, both of whom had long imposed constraints on North Korea. For them, a concern for Pyongyang's independence had become an important priority. In sum, for the North Korean elite, the one simple goal for domestic debates between open-liners and hard-liners was deeply interlinked with the problem of state survival.

Kumchang-ri and Daepo-dong nuclear/missile crises

North Korea's intention to abide by its agreements is frequently

questioned in the United States. But from North Korea's point of view, the Agreed Framework has led to a serious credibility problem for the United States as well.

North Korean policy makers well understand how many members of Congress are hostile to the agreement. As a result of Congressional stalling, the Clinton administration found itself in technical violation of the agreement since it fell behind schedule in providing the heavy oil the United States was obligated to supply. And while it represent only a relatively modest amount of money (\$30-40 millions annually), there were repeated Congressional calls to cut all funding for the Accord.

Further, North Korea apparently believed the Agreed Framework was the beginning of a process of engagement with the United States that would lead to the easing of sanctions. This has not happened. Consequently, the North saw the U.S. as merely interested in capping North Korea's nuclear weapons program. What is more, from the perspective of North Korea, the United States lacks the political will to significantly change the relationship between the two countries, which has led to North Korean cynicism about negotiations, and about U.S. intentions, or ability, to deliver on future promises of political normalization and economic assistance.¹¹⁾

Under these circumstances, North Korea's goals for the first missile launch were probably fourfold: first, to demonstrate countervailing military capabilities against the U.S. (deterrence); second, to strengthen regime legitimacy in the eyes of the North Korean people; third, to show technical capabilities to prospective Middle East importers of North Korean missiles; and fourth, to create the potential capacity for nuclear blackmail.

Based on the multilateral negotiations card, North Korea began to push forward a negotiations-for-profit strategy through linkage

11) David C. Wright, "The Case for Engaging North Korea," *Bulletin of the Atomic Scientists*, Vol. 55, No. 2, 1999, p.7.

issues. In other words, in the situation of a severe food shortage due to devastating floods in 1995-1996, which displaced at least a half million people, and the drought in 1997, the North's domestic crisis was transformed from a strategic problem into a humanitarian issue. In particular, there were no coherent measures for controlling or supervising of the food supply process, as the supply of food was carried out on the humanitarian level. In this process, the North learned political techniques for exerting pressure on the United States through the use of international institutions, by linking the Kumchang-ri and Dapo-dong nuclear/missile crises to humanitarian food support.

U.S. POLICY APPROACHES AND CONCLUSION

All three of the discussions of U.S.-DPRK nuclear/missile negotiations of the 1990s were influenced by both countries' preferences and their strategies: non-proliferation policy and regional security, as well as survival strategies. In considering the preferences of U.S.-DPRK domestic politics, both nation's policy makers began to recognize the small range of choices available to them. In addition, strong pressure from American domestic actors and the international community played a significant role in galvanizing a debate on the nuclear issue between two opposing factions within North Korean domestic politics.

And now, the nuclear game between George W. Bush and Kim Jong-il administrations has begun anew. Despite the jubilation surrounding the South-North summit talks in Pyongyang in June 2000, the Korean peninsula remains locked in a Cold War. In this context, the future U.S.-North Korea relationship seems to be a repeat of earlier policies. Indeed, despite growing asymmetrical military capabilities in the face of devastated economy, the North has managed to promote itself as the largest recipient of U.S. aid in Asia, thanks to the adept use of its nuclear, missile, and "collapse"

cards. And abandoning that intimidating strategy such military power and threat would leave Pyongyang without its single most important lever in its negotiations with South Korea, the U.S., and Japan.¹²⁾ Accordingly, in theory and in experience, first, Pyongyang will do the minimum necessary to obtain the maximum possible aid from the U.S. and other countries, without reducing its military power or lessening tensions; second, the new Bush administration's hard-line policy will only end in disaster.

Indeed, the new Bush administration's policy towards the North is also designed to firmly deter North Korean military adventurism. However, many analysts argue that an isolated and brooding North Korea could increase the risk of instability on the Korean peninsula. It is not in the U.S. interest to promote the rapid collapse of North Korea, as the shock of a precipitous disintegration could severely affect South Korea's fragile democracy and economy. Differences exist over how to deal with Pyongyang, but possible approaches towards the North by the new Bush administration could take three forms: pressure, engagement, and out-waiting.¹³⁾

The first U.S. policy option would be to increase pressure on Pyongyang. Indeed, many experts have argued that North Korea would be very vulnerable to foreign pressure, particularly economic pressure. The possible pressure by the new Bush administration towards the North could include as follows: the suspension of dialogue with the North; strong support for international economic sanctions; demand for improved human rights improvements in the North; a collective regional security stand against Pyongyang; denial of visas to North Koreans wishing to visit the U.S.; strict enforcement of the Trading with the Enemy Act; a tougher stance against

12) Richard H. Solomon, and William M. Drennan, "The United States and Asia in 2000," *Asian Survey*, Vol. 41, No. 1, 2001, pp.7-8.

13) On debates of U.S. policy approach, see CRS Issue Brief, North Korea policy determinants, alternative outcomes, U.S. policy approaches (Rep. 93-612F), Congressional Research Service, Report for Congress June 24, 1993.

Pyongyang's missiles sales; stepped up aerial surveillance on North Korea's forward military deployments along the Korean DMZ; and resumption of the Team Spirit exercise based on nuclear weapons, etc. However, many analysts argue that it could lead the North to renew efforts to destabilize South Korea through terrorism, subversion, and infiltration.

A second U.S. policy approach would be engagement. Advocates of greater engagement believe it would definitely help to sound out Pyongyang's intentions, encourage its transparency and openness, and promote understanding for mutual confidence building. According to some experts, engagement would improve U.S.-North Korea relations: by promoting more nongovernmental educational, cultural, sports, and business contacts; by easing the U.S. trade embargo against the North; upgrading the existing inter-governmental channel of dialogue; and by resuming a gradual U.S. troop withdrawal from the South. While pursuing these steps on the basis of reciprocity, the U.S. would presumably remain committed to South Korea's security and, equally important, expect concrete assurances from Pyongyang to renounce its policy to undermine South Korea.

A third U.S. policy option would be out-waiting. This strategy takes into consideration the North's penchant for mixing soft and hard-line approaches—and its calculated ambiguity in policy towards Washington and Seoul, and would be an eclectic counterpoint to Pyongyang's opportunistic stance designed to catch Washington and Seoul off guard, to extract concessions from them, and to hold out until U.S. troop withdrawal from the South. The strategy of out-waiting employs aspects of both engagement and pressure. Neither embracing nor hostile, it would refrain from actions that Pyongyang could perceive as provocative or threatening, while avoiding actions that would give support or legitimacy to the Kim Jong-il regime. Crucial to out-waiting are an informed awareness of North Korea's past tactics in dealing with Seoul and, just as important, U.S. policy continuity. Furthermore, the U.S.

would need to consult and coordinate with South Korea and Japan on their respective policies towards Pyongyang so as not to allow the North to play one party off another.¹⁴⁾

The debate about these issues among the main domestic actors in the U.S. is still remains in progress. Indeed, the U.S. policy has been flawed and contradictory, as it has employed economic carrots and military sticks in an attempt to coax and threaten North Korea into being cooperative. This asymmetric approach has alleviated short-term suffering in North Korea, but it has also contributed to escalating military tensions in the region. It is clear that North Korea is also trying to develop various strategies in order to achieve its own goals.

14) Shin Rinn-sup "CRS Issue Brief, North Korea Policy Determinants, Alternative Outcomes, U.S. Policy Approaches,"(Rep. 93-612F) Congressional Research Service, Report for Congress, June 24, 1993, pp. 1-18.