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## INTRODUCTION

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### *Engagement as a Viable Alternative to Coercion*

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Tension between North Korea and the outside world has drastically increased over the past few years. In 2006, North Korea tested an intercontinental ballistic missile and then a nuclear device; in response, the United Nations Security Council adopted two resolutions that sanctioned North Korea for its destabilizing behavior. However, the member countries of the Six-Party Talks—North Korea, South Korea, the United States, China, Russia, and Japan—reached an agreement in February 2007 about an initial step toward the denuclearization of North Korea. The agreement aimed at the shutdown and disablement of North Korea’s nuclear facilities and the complete declaration of all its nuclear programs, in exchange for an arrangement of heavy-oil aid. The actual shutdown in July and the disablement process that started in November are regarded as the first accomplishments of the five countries’ concerted engagement with North Korea for the common goal of dismantling this isolated country’s nuclear program. In a similar vein, North Korea declared its nuclear program in June 2008, and the five engaging countries, at the beginning, responded to this declaration positively.

But how to continue to make progress—centered on, first, the verification of North Korea’s nuclear programs and then the dismantlement of weapons-grade materials and the weapons themselves by North Korea—has remained a big question, and the process will undergo ups and downs. Differences among the five states with regard to their policy toward North Korea, and the mutual distrust between North Korea and the United States and

Japan, still work as an important distracting factor in the overall denuclearization process. Furthermore, the progress differs from the completion of the process. For the completion, there needs to be a paralleled substantive change in international relations centered on the Korean Peninsula, particularly between the United States and North Korea, as well as between Japan and North Korea.

Inasmuch as the issue of the denuclearization of North Korea is complicated and unpredictable, there has been extensive controversy among policymakers and academics over the wisdom and legitimacy of engagement as a strategy in dealing with the issue. This disagreement over engagement can be traced back to differing assessments of the Clinton administration's deal with Pyongyang in 1994, also known as the Geneva Agreed Framework. This deal was to end the first North Korean nuclear crisis by stipulating the provision of two light-water reactors to North Korea in return for freezing the country's nuclear facilities. But the Republican-controlled U.S. Congress called the Agreed Framework "appeasement."<sup>1</sup> For more than a decade, critics and defenders of engagement debated the merits and the drawbacks of proposed policies toward North Korea.<sup>2</sup> After North Korea's nuclear test in October 2006, critics' denunciations of engagement have become harsher. For example, Aaron Friedberg, former deputy national security advisor to Vice President Dick Cheney, characterized engagement with North Korea as "fanciful," saying that "it is precisely the *absence* of sufficient pressure that has gotten us where we are today."<sup>3</sup> Critics also targeted the Bush administration's abrupt policy shift from punishment to engagement after the nuclear test; John R. Bolton, former ambassador to the United Nations, accused the administration of having done a "complete U-turn" on the North Korean nuclear issue.<sup>4</sup>

On the other hand, there is a large group of scholars and analysts who have argued that engagement, as a strategic alternative to coercion, might resolve the North Korean nuclear issue. Leon Sigal advocated the position that "promises, not just threats" constitute the means to induce North Korea's cooperation, and he assessed the Agreed Framework as an exemplary success of the engagement strategy.<sup>5</sup> Joel Wit, Daniel Pone-man, and Robert Gallucci stressed the significance of negotiations with an adversary, even if a deal should not be based on trust.<sup>6</sup> Victor Cha, targeting hawkish policymaking audiences, maintained that engagement with a rogue state, indeed, carries with it a significant threat of future punishment in case the state violates any engagement-based promise, and Cha backed this assertion up by saying that "carrots today are the most effective sticks tomorrow."<sup>7</sup> Victor Cha and David Kang presented a comprehensive debate on engagement with North Korea. Even though they arrived at different prescriptions for how best to denuclearize the peninsula (Kang's endorsement of greater open engagement versus Cha's more hawkish approach), they commonly explored the rationale of engagement with North Korea as

a part of America's long-term strategy.<sup>8</sup> Stressing the long-term ineffectiveness and irreversible damage of sanctions, Ruediger Frank recommended assistance, that is, incentives, for an alternative way of changing the operating environment for North Korea.<sup>9</sup> Following the logic of constructivism, Son Key-young advocated the legitimacy of South Korea's Sunshine policy toward the North, arguing that "comprehensive engagement was premised on the belief that identity shifts *vis-à-vis* an enemy state are possible . . . and that engagement is an integration initiative."<sup>10</sup>

Especially after the eruption of the second nuclear crisis in 2002, debates about multilateral engagement have become more intense. James Laney and Jason Shaplen asserted that while not rewarding North Korea for its misdeeds, relevant countries should "guarantee the security of the entire Korean Peninsula."<sup>11</sup> Paying attention to the North's economic atrophy, Michael O'Hanlon and Mike Mochizuki argued that a policy alternative, for the relevant countries, should be intended to "reduce the core threat that has existed in Korea for half a century" and "offer some hope that economic reform in the DPRK might begin to succeed."<sup>12</sup> James Moltz and Kenneth Quinones noted that, through multilateral engagement, the United States might gain political, military, and economic advantages.<sup>13</sup> With the inauguration of President Barack Obama in January 2009, the logic of multilateral engagement seems to have gained stronger momentum than ever before.

Both the debate and the controversy over the wisdom and legitimacy of engagement will continue until not only North Korean nuclear facilities undergo irreversible dismantling but also a consensus emerges regarding the dismantlement *per se*.

Despite the extensive controversy, however, there has been little sustained effort either to explore the theoretical logic of engagement or to assess whether or not—and if so in what ways—engagement has worked on the Korean Peninsula. The question of engagement is a vital issue for both scholars and policymakers. How the world deals with North Korea will have ramifications for both regional and global stability, and it is thus all the more important that a policy be adopted and conducted from a sound theoretical and empirical basis.

The purpose of this volume is to examine the nature and the effectiveness of the engagement strategy insofar as the neighbor states (and different actors in South Korea) have applied the strategy to North Korea. This volume deals with denuclearization as a critical subject but not as the only critical subject. Engagement with North Korea involves negotiations and economic relations between relevant states; in particular, the economic issue has mattered and will continue to matter in the denuclearization process. Therefore, this volume deals with political implications of the economic issue as well as of North Korea's nuclear issue *per se*.

This introductory chapter discusses both the theoretical basis and the practical questions related to the five states' engagement with North Korea, and in connection with this discussion, the following chapters in this volume address two overarching questions.

First, what are the goals, instruments, and logic of engagement with North Korea?

Second, why has engagement succeeded, or why has it shown limitations, on the Korean Peninsula?

#### ENGAGEMENT AND COERCION IN INTERNATIONAL RELATIONS

In exploring ways to deal with a state's undesirable behavior, the international relations literature has focused on coercive strategies, primarily on either deterrence or compellence.<sup>14</sup> Coercive strategies in the form of deterrence or compellence have received extensive attention, especially during the cold war between the United States and the Soviet Union.<sup>15</sup> Rewards and punishments (carrots and sticks) are tools of both social interaction and foreign policy. However, while many of the other social sciences such as sociology and psychology pay equal attention to both rewards and punishments, the study of international relations has tended to focus on coercion-based punishments. In coercive strategies, deterrence functions to persuade an adversary not to take a certain action by demonstrating resolve and capabilities, whereas compellence uses threats and other punitive actions to persuade an adversary to undo an action that the adversary has taken or to change course.<sup>16</sup>

That international relations scholars place a substantively greater focus on coercion than inducement is somewhat surprising, because both coercion and inducement operate within a cost-benefit calculus and on the assumption of rational action and, theoretically, because both deserve equal attention. Most theories regarding coercive strategies rest on the presumption that a state's preferences and identities are fixed and conclude that only punishment can correct an adversary's destabilizing behavior. Insofar as a state's preferences and identities are fixed, an adversary will refrain from a policy undesirable to other states only if the other states increase the costs that the adversary must endure to pursue the policy. According to proponents of the coercive strategies, deterrence and compellence, whether in the form of military moves or economic sanctions, raise the costs of the offending action and, in turn, modify a state's behavior.<sup>17</sup>

Although there is logic behind coercive strategies, particularly economic sanctions, there is just as much skepticism in the literature about whether or not these strategies are effective.<sup>18</sup> Indeed, even targeted economic sanctions are rarely strong enough to modify an adversary's desta-

bilizing behavior; the sanctions may actually reinforce that behavior by strengthening the adversary's existing preferences and identities. External pressure often strengthens the links between the regime and its citizens by offering a convenient external target for anger at the punishment received. Miroslav Nincic notes that "negative sanctions should undermine domestic support for a regime, but the opposite can occur if they produce a rally-round-the-flag and if, in the context of foreign besiegement, the regime's domestic opponents can be linked to hostile foreigners."<sup>19</sup> In this regard, economic sanctions may reinforce the adversary regime's relevant preferences and identities—even while they prove incapable of correcting the destabilizing behavior.

In contrast to the coercive strategies of deterrence and compellence, engagement is a strategy whose function is to defuse a potentially dangerous situation not through threats but through incentives. The distinguishing feature of engagement is the idea that positive inducements and the extension of benefits, rather than the promise of harm or the imposition of current costs, can either produce a change in the adversary's actions or transform the target state by creating new interests in the long run.

Within this broad approach to engagement are two variants: conditional engagement and unconditional engagement.<sup>20</sup> First, unconditional engagement uses available incentives whose cumulative effects ultimately transform the target state's policy preferences as well as its behavior. As Richard N. Haass and Meghan L. O'Sullivan note, unconditional engagement proceeds "without explicit agreement" that a reciprocal act will follow.<sup>21</sup> Because it is necessarily a long-term strategy, unconditional engagement is politically vulnerable in the sense that it may not be accompanied in the short run by concessions.

Perhaps the most widely studied aspects of this unconditional type of engagement are found in the literature on economic interdependence, which explores ways in which expanding economic ties between states tends to reduce adversarial relations.<sup>22</sup> An increase in the benefits that the states might receive from crafting good economic relations can alter their overall policy objectives. The states may expect that, in the long run, economic interdependence will change the target state's policy and reduce the possibility of military conflict.<sup>23</sup> That is, economic interdependence may produce different objectives with respect to diplomacy: economic ties matter more than security.

The discussion about economic interdependence has been expanded by addressing the possible relationship between the interdependence and a shift in the target state's domestic coalition. Paying special attention to the grand strategy of national survival, Etel Solingen notes that a domestic coalition, composed particularly of outward-looking, internationalizing segments of the society, pursues domestic economic growth, regional cooperation and

stability, and dependable access to global markets, capital, and technology.<sup>24</sup> The internationalizing domestic coalition's preference for openness and international stability is related "not merely to material interests but also to cultures, identities, and values."<sup>25</sup> A notable point is that, as Solingen notes, a domestic coalition with an outward-looking, internationalizing grand strategy may emerge not only in democracies but also in authoritarian regimes.<sup>26</sup> Thus, the logic of engagement with a certain target state, addressing that state's outward-looking grand strategy, lies in facilitating the structure of the positive inducement of improved international relations and in strengthening the target state's domestic forces who hold internationalizing identities and values. Engagement aims also to sever the links among inward-looking backlash forces in the target state and to prevent a logrolling effect or a rally-round-the-flag effect among them. Engagement seeks to weaken the inward-looking forces in the target state by creating alternative incentives for the outward-looking forces and by encouraging the emergence of a ruling coalition that opposes confrontation. If successful, engagement as a strategy can be accompanied by changes in the target state's preferences and identities as well as the state's behavior.

Unconditional engagement may also involve unilateral concessions designed to create new identities and values in international relations. An exemplary case concerns President of the Soviet Union Mikhail Gorbachev's unilateral offer to U.S. Secretary of State James Baker in May 1989 in which he proposed that his decaying communist country withdraw tactical nuclear weapons from Eastern Europe. Gorbachev's offer inspired the Malta Conference that December, when he and George H. W. Bush moved forward to an unprecedented agreement on nuclear arms control.<sup>27</sup> Unconditional engagement may also involve purely humanitarian aid, as when a state intervenes because of a moral obligation to help citizens. The engaging state may expect changes over time in the target state's public perception of the outside world. Humanitarian aid is usually accompanied by direct or indirect contacts, which induce greater positive perceptions among the public regarding the engaging state.

Second, conditional engagement is accompanied by specific conditions and corresponding incentives that may affect the target state's calculations about cost and benefit. One of the most famous examples is Robert Axelrod's solution to "the prisoner's dilemma." He found that a tit-for-tat strategy of cooperative and noncooperative moves links the "shadow of the future" to current behavior and consequently best promotes stable cooperation between adversaries.<sup>28</sup>

Conditional engagement uses give-and-take practices, and thus it necessarily involves negotiation. As Leszek Buszynski notes in this volume, staged engagement is a model of engagement with negotiation. On the basis of both the engaging state's and the target state's respective imple-

mentation of agreed points, both states attain a higher stage on the path to an ultimate goal that they have already identified. Staged engagement involves a sequence wherein the engaging state would offer incentives in phases in response to the target state's cooperative acts. The February 13 agreement in 2007 at the Six-Party Talks has as its framework this type of staged engagement: the provision of fifty thousand tons of heavy-oil aid in response to the shutdown of nuclear facilities; the sending of nine hundred fifty thousand tons of heavy-oil aid as compensation for declaration of all nuclear programs and disablement of the facilities.

The "grand deal" is another model of conditional engagement; with an exchange of packages arranged through a long negotiation process, relevant partners may open a new chapter in their relationship. The Paris Peace Accords in 1973, reached after three-year-long talks seeking a cease-fire during the Vietnam War, is a historic example of a grand deal—a deal that broke down with North Vietnam's military occupation of the South.<sup>29</sup>

In sum, there exists a solid theoretical rationale for exploring engagement as an alternative to punishment or coercion in dealing with an adversary's destabilizing behavior. Engagement as a strategy seems a practical and moral alternative to coercion, particularly in the post-cold war era.

#### HAS ENGAGEMENT WORKED?

Regarding the Korean Peninsula, the sheer complexity of the issues, the number of states (and various actors, in the South Korean case) with direct interests in the outcome, and the differing nature of those interests have made crafting any policy toward North Korea prohibitively difficult. Although the shutdown of North Korean nuclear facilities has continued since July 2007, the question remains as to how momentum might be maintained for further progress in the denuclearization of the Korean Peninsula. Skepticism remains as to how much North Korea will actually honor the Six-Party Talks' agreements on its denuclearization. Also, an engagement strategy raises several practical issues with regard to the effectiveness of conditional engagement with North Korea; among them are North Korea's response, the problem of coordination among engaging states, and the domestic politics of each engaging state.

#### *North Korea as Dynamic Actor*

The heart of concern over an engagement strategy is whether or not the Six-Party Talks and other forms of engagement (for instance, Chinese and South Korean economic engagement) can effectively induce North Korea's cooperation. Changes in North Korea's behavior or preferences and identity might start with the country's cost-benefit calculations and perceptions of

neighbor states. There are three notable problems. First, there is a huge gap between the five states' nuclear disarmament demands and North Korea's calculations regarding this issue. The then Japanese delegate at the Six-Party Talks, Sasae Kenichiro, aptly noted this point by declaring, "There are differences of opinion among the five nations, but there are greater differences between the five nations and North Korea."<sup>30</sup> North Korea has been a dynamic actor that has created a new gap with an ensuing negotiation structure that favors its own goals.<sup>31</sup> There is ample evidence of North Korea's approach: the two nuclear crises in 1993 and 2002, the missile launches in 1998 and 2006, and the nuclear test in 2006 have functioned to coerce Washington into having direct talks with Pyongyang. The point is to convince North Korea that by snowballing its demands and delaying the requested actions, it will fail to act in its best national interests; that is, to convince North Korea that the sooner it denuclearizes, the sooner it will receive rewards.

Second, North Korea, never a passive actor, takes advantage of the five engaging states' strategies, which differ from one state to the next. The multilateral engagement produces a triple-level diplomacy—multilateral talks, bilateral relations, and domestic politics; this situation complicates interactions among the states. In particular, there is a certain degree of tension between the Six-Party Talks (the multilateral level) and each of the five states' relations with North Korea (the bilateral level) precisely because of the different interests among the states with regard to the North Korea issue, as shall be discussed later. North Korea is naturally tempted to use this situation to curb the binding power of any agreement achieved at the multilateral talks or, more ambitiously, to drive wedges between the five states. Therefore, coordination between the five states is an important task for the success of engagement in the multilateral context.

Third, there is a close linkage between North Korea's nuclear diplomacy and its national identity. Anti-imperialism, that is, anti-Americanism, has long been one pillar of North Korea's national identity. Devastated by American aerial attacks during the Korean War and by economic sanctions afterward, North Korea considers itself a victim of imperialism. The image of a "nuclear state" targeting the United States permeates the consciousness of North Koreans, a people already familiar with the slogans of self-defense sustained by "military-first politics."<sup>32</sup> Therefore, the present U.S. conditional engagement has limitations regarding its ability to fully induce a positive North Korean response to the nuclear issue. The Six-Party Talks with a staged format are a crucial instrument of conditional engagement but not the only crucial instrument. The United States must act to lessen the existing North Korean animosity. To begin with, Washington needs to establish a negotiating foundation in which the peninsula may distance itself from the legacy of the Korean War, so that Washington and Pyong-

yang eventually normalize relations with each other unencumbered by the past six decades.

*Engagement in a Multilateral Context*

The nature of an engagement strategy depends partly on whether the engagement is bilateral or multilateral. An agreement reached by multilateral engagement might be more effective than an agreement reached through merely bilateral relations, although this assertion presumes that multilateral states are all in agreement. One key issue worth exploring is whether or not multilateral negotiations introduce coordination problems that undermine the effectiveness of engagement. Thus, just as a lack of coordination can undercut sanctions, which is the standard finding, so too can this lack undercut engagement.

The five states, anchored by the Six-Party Talks, have had a common goal, the nuclear disarmament of North Korea. However, this goal is not the first priority of each state; each state has its own additional—sometimes more important—goals for engagement with North Korea. Accordingly, the type and the logic of each state's engagement strategy differ from those of every other state (see Table 1.1). In bilateral relations with North Korea, there are specific and important differences within these two types of engagement: conditional and unconditional. Japan takes a mostly coercive approach, and the United States maintains conditional engagement; China and Russia (and South Korea of the Roh administration) maintain unconditional engagement. The point is that all of these different types of engagement are in tension with one another. The five states' effort to remain in concert as they try to end North Korea's nuclear ambitions constitutes a challenging issue.

The most notable difference existed between South Korea of the Roh administration on the one hand and Japan and the United States on the other. Considering the nuclear issue a troubling obstacle on the path toward the construction of an economic community on the peninsula, the Roh administration in South Korea tried to extend aid and economic projects in North Korea. Indeed, the South Korean government intended to change the identity of North Korea in the long run by way of inter-Korean dependence, namely, the formation of a "South-North Economic Community."<sup>33</sup> As inter-Korean relations developed, the emotional proximity or distance between the United States, North Korea, and South Korea changed. If one may use Theodore Caplow's two-against-one formula,<sup>34</sup> the triangular relations shifted from "against North Korea" to "against the United States." This situation paralleled a weakened perception among South Koreans about the North Korean nuclear threat.<sup>35</sup>

Table 1.1 Each Country's Strategy of Engagement with North Korea

	<i>Goals</i>	<i>Type of Engagement</i>	<i>Domestic Relevance</i>	<i>Logic</i>	<i>Instruments</i>
Japan	<ul style="list-style-type: none"> <li>• Resolution to abduction issue,</li> <li>• Denuclearization</li> </ul>	<ul style="list-style-type: none"> <li>• Conditional</li> </ul>	<ul style="list-style-type: none"> <li>• High</li> </ul>	<ul style="list-style-type: none"> <li>• Pressure,</li> <li>• Dialogue</li> </ul>	<ul style="list-style-type: none"> <li>• Sanctions,</li> <li>• Six-Party Talks,</li> <li>• Potential normalization if Japanese goals are met</li> </ul>
U.S.	<ul style="list-style-type: none"> <li>• Nonproliferation,</li> <li>• Denuclearization</li> </ul>	<ul style="list-style-type: none"> <li>• [2000–2006]</li> <li>• None [2007–present]</li> <li>• Conditional</li> </ul>	<ul style="list-style-type: none"> <li>• Low</li> </ul>	<ul style="list-style-type: none"> <li>• Negotiation,</li> <li>• Disciplining</li> </ul>	<ul style="list-style-type: none"> <li>• Six-Party Talks,</li> <li>• Sanctions,</li> <li>• Normalization and lift of sanctions if U.S. goals are met</li> </ul>
Russia	<ul style="list-style-type: none"> <li>• Maintenance of influence on the peninsula,</li> <li>• Economic growth of the Russian Far East,</li> <li>• Denuclearization</li> </ul>	<ul style="list-style-type: none"> <li>• Unconditional</li> </ul>	<ul style="list-style-type: none"> <li>• Low</li> </ul>	<ul style="list-style-type: none"> <li>• Persuasion,</li> <li>• Arbitration in differences</li> </ul>	<ul style="list-style-type: none"> <li>• Six-Party Talks</li> </ul>
China	<ul style="list-style-type: none"> <li>• Avoiding economic collapse in North Korea,</li> <li>• Maintenance of influence on the peninsula,</li> <li>• Denuclearization</li> </ul>	<ul style="list-style-type: none"> <li>• Unconditional</li> </ul>	<ul style="list-style-type: none"> <li>• Low</li> </ul>	<ul style="list-style-type: none"> <li>• Persuasion and pressure,</li> <li>• Intervening between the U.S. and North Korea</li> </ul>	<ul style="list-style-type: none"> <li>• Economic aid and trade,</li> <li>• Six-Party Talks</li> </ul>
South Korea	<ul style="list-style-type: none"> <li>• [1998–2007]</li> <li>• Changing North Korean identity</li> <li>• Avoiding North Korean collapse</li> <li>• Denuclearization [2008–present]</li> <li>• Denuclearization,</li> <li>• Reform and opening-up of North Korea</li> </ul>	<ul style="list-style-type: none"> <li>• [1998–2007]</li> <li>• Unconditional [2008–present]</li> <li>• Conditional</li> </ul>	<ul style="list-style-type: none"> <li>• High</li> </ul>	<ul style="list-style-type: none"> <li>• [1998–2007]</li> <li>• Interdependence [2008–present]</li> <li>• Preconditioning of denuclearization to economic assistance</li> </ul>	<ul style="list-style-type: none"> <li>• [1998–2007]</li> <li>• Economic projects,</li> <li>• Humanitarian assistance,</li> <li>• Six-Party Talks [2008–present]</li> <li>• Consultation with U.S.,</li> <li>• Six-Party Talks,</li> <li>• Economic projects,</li> <li>• Humanitarian assistance</li> </ul>

The South Korean approach was unacceptable to the United States, which pursued a resolution to the North Korean nuclear issue in the contexts of both nonproliferation and the War on Terror. The United States called the North a member of the axis of evil in 2002 and invaded Iraq in 2003, arguably undermining South Korea's engagement effort. The U.S. punitive approach continued until the beginning of 2007, when it lifted sanctions against North Korean accounts at Banco Delta Asia in Macau. In the process of imposing the sanctions and then lifting them, the United States demonstrated that it grasped the financial flow in relation to North Korea. Meanwhile, Japan consistently favored sanctions over engagement, withholding any offer of aid until the abduction issue is resolved. In response to North Korea's missile launches in July 2006 and the nuclear test in October of the same year, Japan, along with the United States, initiated two strong UN Security Council Resolutions (Resolution 1695 on July 15 and Resolution 1718 on October 14).

As many scholars have noted, the success of the five states' engagement with North Korea depends on the coordination of those states' strategies.<sup>36</sup> Just as no unilateral coercive measure can either discipline North Korea or induce a positive response, no appeasement measure at the bilateral level can enhance the overall utility of engagement. The five states should coordinate their differences at the multilateral level. The coordination involves the confirmation of common goals and incentives that would link the five different sets of bilateral relations with North Korea to the multilateral engagement centered on the Six-Party Talks.

Common goals for North Korea should include the following:

- Nuclear disarmament and nonproliferation;
- Neither unilateral use nor unilateral testing of weapons of mass destruction;
- Commercial practices in accordance with international norms and practices;
- Cooperative resolutions to outstanding bilateral issues, especially in U.S.-DPRK and Japan-DPRK relations.

Common incentives to North Korea should include the following:

- A security guarantee to the DPRK;
- Facilitation of the normalization of U.S.-DPRK and Japan-DPRK relations;
- Facilitation of the integration of the DPRK into the international economy;
- Humanitarian aid, educational or training assistance, and energy assistance.

While most of these elements already appeared in the Joint Statement of the Six-Party Talks issued in September 2005, the listed elements are not optional entries on a menu but necessary entries, both for North Korea and among the five states. Of the elements from the list, the third element stipulates that commercial practices in accordance with international norms and practices constitute a common objective both in each of the five states' bilateral relations with the North and in the multilateral context. For example, South Korea's economic engagement with North Korea should facilitate the North's accommodation of international norms and practices, a situation that would lessen American worries that the South would be simply appeasing the North.

On the other hand, the five states have to deepen discussions about the collective provision of incentives. For instance, North Korea's normalization of relations with the United States and Japan comprises not merely two bilateral affairs but affairs of other states, as well. Both China and South Korea should assist Japan-DPRK normalization talks; this cooperation would, in turn, raise the Six-Party Talks to a higher level. In the same vein, the security guarantee is not a bilateral issue between the United States and North Korea but an issue for peace on the Korean Peninsula as a whole. If the United States pursued a military option against the North, then the South, for fear of war, could not become a genuine partner in the multilateral engagement and would have to pursue its own strategy of survival—for instance, the South might adopt a unilateral appeasement measure in relation to the North rather than remain faithful to the principled approach.

### *The Domestic Politics of Engagement*

Under what conditions will engagement be sustainable in the domestic politics of each state? Each state's engagement with North Korea constitutes a double-edged policy. Domestic politics in South Korea and Japan, for example, are more intense than in other states. In South Korea, the Kim administration and Roh administration undertook an unconditional engagement strategy to buy peace through changes in North Korea and then through inter-Korean dependence, whereas the then opposition party denounced the government's leniency toward North Korea's unprincipled practices, not to mention the missile launches and the nuclear test in 2006. In response to domestic pressure and criticism, the Roh government had to pay special attention to the promotion of the government policy; also, it tried to demonstrate the policy's symbolic outcomes, such as trade volume increase, investment projects, and the railway connections crossing the inter-Korean border. South Korea's polarized domestic politics and the government's obsession with symbolic achievement undercut the effectiveness of the policy, whose purpose was to bring about the long-run transfor-

mation of North Korea's identity as well as its behavior. The Lee Myung Bak administration, newly launched in 2008, pursues conditional engagement with North Korea, reversing the previous two administrations' policy, but the conditional engagement is criticized by the ruling-turned-opposition party. It is fair to note that whoever takes control of power, the North Korea policy in Seoul remains a politically divisive doubled-edged policy.

In Japan, the domestically sensitive abduction issue has eclipsed the denuclearization issue. North Korean agents conducted abductions of Japanese citizens during the 1970s and the 1980s, and North Korean authorities' admission of the abductions at the 2002 summit between Koizumi Junichiro and Kim Jong Il only fueled Japanese public anger. The admission exacerbated the Japanese people's feelings of disgust that had arisen since the North Korean missile launch over Japanese territory in 1998. It is said that the domestic atmosphere in Japan after the North Korean admission of the abductions was similar to the sentiment of Americans after the September 11 terrorist attacks.<sup>37</sup> Besieged by the abduction issue, the Japanese government has maintained the conditional position of "no progress in the abduction issue, no aid to North Korea," reflecting exactly the standpoint of abductees' families.<sup>38</sup> This firm position seems unlikely to change significantly in the immediate future, because the forces in Japan that promote the bashing of North Korea have been strengthened since the end of the 1990s.<sup>39</sup> In the same vein, the Japanese government did not welcome North Korea's shutdown of nuclear facilities in July 2007 and, indeed, simply called it "no more than the first step."<sup>40</sup>

Domestic politics are also tied up with credibility issues that arise in the course of conditional, tit-for-tat engagement. The North may doubt whether or not the American government, regardless of a new presidency, will follow through on its commitments. This is why the North is so concerned about presidential elections in the United States. In this regard, domestic politics is closely related to the consistency or inconsistency of engagement and to engagement's overall effect.<sup>41</sup>

For the management of domestic politics to be successful, each government has to assign an exit point to the pending issue at hand. For instance, the Japanese government must define a minimally acceptable resolution to the abduction issue—that is, the minimal exit point for undoing Japan's coercive measures against North Korea, whether this point is North Korea's renewal of investigations into the abductions or its punishment of the abductees' organizers. The important question is whether or not the Japanese government is willing to confront the media-framed trauma and can convince the public to reasonably separate its negative views of North Korea from its own foreign policy toward North Korea.<sup>42</sup> In the South Korean case, the Lee administration has to lower tension in domestic politics with regard to the government's North Korea policy; it needs to compromise with the

present opposition party in order to avoid political and social polarization, which inevitably undercuts the effect of engagement.

#### THE FINDINGS OF THIS BOOK

From a number of diverse perspectives, the chapters assembled for this volume examine North Korea-oriented engagement and North Korea's responses, both at the international level and at the inter-Korean level. Core findings from this volume are as follows: (1) For each state, engagement in general is a viable alternative to coercive strategies for inducing North Korean cooperation. Inasmuch as engagement aims at creating an unprecedented value, it has undergone ups and downs. The key point is to narrow, through confirming common goals and incentives, the gaps between North Korea and the five states and between differing objectives and logic of the five states. (2) In order to achieve complete success of engagement in the multilateral context, relevant actors have to increase the degree of coordination among their diverse strategies. Engagement with North Korea is *triple-edged*, encompassing domestic politics concerning DPRK, bilateral relations with DPRK, and multilateral relations in the Six-Party Talks. There always exists tension between the three levels; the most important question for sustaining progress at the multilateral talks is how to prevent the various strategies from undercutting the positive effect of engagement. (3) The Six-Party Talks with a staged format is a crucial instrument of conditional engagement but not the only crucial instrument. The logic of quid pro quo in the current format has worked not based on trust but calculation; it will not be sufficient to convince North Korea that full cooperation for denuclearization would serve the country's best national interest. In view of that there is a close linkage between North Korea's nuclear diplomacy and its national identity, particularly with respect to anti-Americanism, the United States needs to construct foundations that will help the peninsula distance itself from the legacy of the Korean War and facilitate the normalization of relations between the two countries.

The authors of the chapters in Part One examine four neighbor states' engagement with North Korea and dilemmas that each confronts. To resolve the North Korean nuclear crisis, the role of the U.S. government is crucial. The government's policy shift, as exemplified by its decision to lift sanctions on the North Korean accounts at Banco Delta Asia and to remove North Korea from the list of State Sponsors of Terrorism, had a significant effect on multilateral engagement with North Korea. But the U.S. engagement, as Youngshik Bong notes in his chapter, has to be extended in scope. The U.S. government has to pave the way for a resolution to longstanding bilateral concerns that have plagued North Korea since the Korean War: economic sanctions, diplomatic isolation, and fear of insecurity. China has been pleased to play the role of host for the Six-Party Talks, hoping for both

denuclearization of North Korea and the maintenance of stability through continuation of the status quo on the Korean Peninsula. In adopting this approach, China proves that there are real shared strategic interests between Beijing and Washington regarding the peninsula and beyond. Fei-Ling Wang cautions here that China, as a rising power, deliberates on the North Korean issue in the context of broader global considerations. If the complications of Sino-American relations and of diverging Sino-Japanese interests develop further, then China is likely to alter its strategic calculations about the Korean Peninsula. In this type of scenario, China would not only prop up the existing regime in North Korea but also readily accept nuclear residuals in North Korea. Jung Ho Bae and Sung Chull Kim's chapter on Japan shows that politicization of the abduction issue and its ensuing phenomenon, bashing of North Korea, in the past decade has limited Tokyo's choices with regard to policy toward Pyongyang. If Japan continues to follow a coercive strategy and consider resolution of the abduction issue the precondition to other bilateral issues, then it cannot achieve that objective and will simply remain a negotiation breaker in the Six-Party Talks mechanism. In a similar vein, the motivations and the objectives that characterize Russia as it engages with North Korea constrain Russia's ability to persuade Pyongyang to dismantle its nuclear program. Leszek Buszynski points out that Russia's engagement under former president Putin, and his successor President Dmitri Medvedev, has functioned for two purposes: to maintain Russia's influence on the Korean Peninsula in both the North and the South; and to contain the U.S. use of the military option. This type of engagement sustains North Korea, raising skepticism about Russia's capacity to help induce Pyongyang's complete dismantlement of the nuclear program.

Stephan Haggard and Marcus Noland illustrate changes in North Korea's external economic relations and underscore the need for relevant states to extend "commercial" components in economic transactions with North Korea. North Korea accommodates Chinese and South Korean expansion of both trade and investment; however, North Korea seems to cautiously avoid dependence on South Korea while taking advantage of the South's humanitarian aid and noncommercial transactions. This finding warns against a moral hazard operating in the politicized nature of the South's economic engagement with the North.

The authors of the chapters in Part Two explore various aspects of inter-Korean relations: both the South Korean engagement and the North Korean responses. South Korean engagement has wedded itself to the logic of buying peace; the partners in the engagement are the government, businesses, and NGOs. Despite progress in extending trade and investment to the North, the South Korean engagement has experienced difficulty in instituting economically interdependent relations between the two Koreas. Sung Chull Kim notes that both the government-business collusion at the initial

stage of engagement and the following domestic political division in the South—not to mention the North Korean nuclear crisis—have degraded the effectiveness of the engagement strategy. The government has come to adhere to visible and symbolic short-term outcomes rather than pursue the establishment of a partnership in the North. Eun Mee Kim and Yooyeon Noh demonstrate that the corresponding business ventures have suffered from a lack of institutions, norms, and practices for commerce. But they argue that South Korean corporations have enjoyed in the North a certain comparative advantage over those of China, for example, cheap but high-quality labor and geographical proximity. Edward Reed finds that South Korean NGOs have gradually increased the influence of their reach into North Korean society, adding to the official engagement a dimension that has hitherto been missing. But he notes also that as the South Korean government expands its direct aid and economic projects in the North, the NGOs face new problems such as a lack of authentic counterparts in the North and the need to define their distinctive role there.

Charles Armstrong argues that North Korea has not undergone the significant change to which, South Korea had hoped, the engagement strategy would give rise. The North has exhibited a tactical change but not a strategic transformation in relations with the South. Pyongyang's official position toward Seoul has remained fundamentally consistent. Furthermore, since the crisis in U.S.-DPRK relations deepened in 2002, inter-Korean relations have reached a level at which Seoul is politically dependent on Pyongyang.

#### NOTES

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