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INTRODUCTION

Korea: Caught in the Crosscurrents

By Jae-Jung Suh



For the past ten years, asynchronous cycles of elections in the United States, South Korea and Japan have produced conflicting foreign policies that have pulled the Korean peninsula in complex, unpredictable ways; 2008 marked a new set of these crosscurrents. In February, the conservative Lee Myung-bak took South Korea's presidential office, ending his predecessor Roh Moo-hyun's liberal policies and ushering in hardline policies toward the North, just when President Bush was trying to engage Pyongyang in diplomacy. The gentle ripples created by these dissonant approaches became more turbulent in September when Japan replaced its pragmatic Prime Minister Fukuda Yasuo with conservative Aso Taro. While the Bush administration's new policy of engagement made some important advances in disabling North Korea's nuclear facilities by the end of the year, the small group of engagers in the Bush administration who had rammed the negotiations through faced growing opposition from the Korean and Japanese governments.

Meanwhile, also in 2008, turbulence swept through South Korea fueled by an economic deal between Washington and Seoul. The Roh and Bush administrations had signed the Korea-U.S. Free Trade Agreement (KORUS FTA) in 2007, but were stalled on the issue of U.S. beef imports. By April 18, 2008, negotiators finally succeeded in making a breakthrough on this issue, clearing the last hurdle to its ratification. Under the free trade supporting Grand National Party (GNP) which won the majority in the general election just days before the agreement on U.S.

beef, ratification of the KORUS FTA seemed on the verge of smooth sailing. The rushed beef agreement, however, created an unexpected turbulence that sent the Korean society into a whirlwind of protests and candlelight vigils throughout the hot summer of 2008. The Lee administration and the GNP came out of the frenzy too drained to push for ratification, opting instead, to wait for the fate of U.S. elections before moving forward.

While the crosscurrents created ripples in many issue areas affecting the two nations, Seoul and Washington managed to contain them from rocking their relationship. The Six-Party Talks made steady, albeit haltingly, progress until the end of the year; the FTA was not ratified but not killed; and more importantly, the two governments rose above the crosscurrents and ripples to confirm during the summit meeting in August, their commitments to developing the alliance relationship into “a strategic and future-oriented structure.” The two governments initiated programs, such as the Work, English Study and Travel (WEST) Program to enhance mutual understanding and friendship between the two peoples; and Washington later in the year succeeded in including Korea in the U.S. Visa Waiver Program (VWP), facilitating exchange of people between the two countries.

The third edition of the SAIS U.S.-Korea Yearbook chronicles these crosscurrents as well as other important developments in North and South Korea that characterized their relations with their allies and enemies in 2008. Each chapter was written by SAIS students in the course, “The Two Koreas: Contemporary Research and Record,” in the fall of 2008. Their insights were based not only on extensive reading and study, but also on numerous interviews conducted with government officials, scholars, NGO workers, academics and private sector experts in both Washington and Seoul.

Before we begin a whirlwind tour, this introduction situates 2008 in the past ten years of crosscurrents that have swept through the Korean peninsula and the United States.

Crosscurrents Begin

In 2000, candidate George W. Bush won a presidential election that had little to do

with Korea throughout the primaries and campaigns. Consolidating his victory over the Clinton administration's Vice President, Al Gore, Bush launched his "ABC" (Anything But Clinton) policy, distancing himself from any policy that had to do with his predecessor, including President Bill Clinton's engagement of North Korea. Even before Bush was sworn in, signs of trouble emerged in his relationship with South Korea's then-president Kim Dae-jung.

Three years earlier, Kim had won a close contest with Lee Hoi-chang on a platform that adroitly combined his regional loyalty votes with support from various liberal sectors of Korean society. Heeding his electorate's demand and the general public's wish for peace on the peninsula, Kim pursued a policy of engagement with North Korea called the "Sunshine Policy" after Aesop's fable about the sun's superior power over wind to have a man take off his coat. Kim's Sunshine Policy culminated in the first-ever inter-Korean summit in Pyongyang in 2000, and was internationally endorsed with the Nobel Peace Prize later that year.

Harmonious with Kim's measures, Clinton was blazing his own trails of engagement by holding a meeting with North Korea's Vice-Marshall Cho Myong-rok and sending Secretary of State Madeleine Albright to meet with Kim Jong-il, the North's "Dear Leader." The dual track of engagement, on which the two allies pushed in lock step, seemed near the final destination of peace toward the end of 2000, when Clinton considered a summit with Kim Dae-jung as a way to address all the remaining concerns about the North's weapons of mass destruction. The two allies were in the same boat, enjoying the calm waters as they collaborated to engage the North.

All that came to a screeching halt in January 2001, when Bush became president. Engagement of the North was the last thing he was about to endorse. Republicans were upset that the Agreed Framework, the Clinton legacy on North Korea, rewarded the North's "bad behavior" with a nuclear reactor that could give Pyongyang access to fissile material. Bush immediately ordered a review of America's North Korea policies. He brushed aside Kim Dae-jung when Kim tried to explain the virtues of engagement in a telephone conversation. "I can't believe how naïve he is," Bush said in the middle of the call, with his hand covering the phone's mouthpiece. Kim's subsequent visit to the White House only exacerbated the situation when the differences between Seoul and Washington were made

public.

Kim, a statesman who had staked out his entire political career on engagement with the North since before President John F. Kennedy's time, came home humiliated after his appeal for engagement with the North fell on deaf ears. His policy had been rebuked. He was the first, but certainly not the last, casualty of the strong crosscurrents created by the American election.

Crosscurrents Turn Violent

The crosscurrents which began with the American election, became more turbulent in 2002, when Koreans voted Roh Moo-hyun president. A relatively obscure lawyer who had risen to stardom with his stellar performance in a congressional hearing, Roh managed to stage an upset victory over Lee Hoi-chang, who had been leading in all the polls. The election was a contest between the status quo and anti-status quo. Lee had everything: a degree from the best program at the most elite school in the nation, a distinguished career as a public prosecutor, a blue-blooded family and roots in the most populous region; Roh had none of these. In a close race, the majority sided with the new face.

Roh brought a breath of fresh air into Korean politics, still stale with legacies of the authoritarian past. In terms of domestic politics, however, Roh's fresh air added turbulence to the crosscurrents in the U.S.-Korea relationship. Roh, after all, was a politician who took pride in the fact he had never visited the United States before his election and who made the campaign pledge that he would not rush to Washington, D.C., for a summit meeting. He painted himself as the candidate who could say "no" to Uncle Sam. Once sworn in, he tried to tone down his coarse rhetoric, but he implemented policies that many in the Bush administration suspected were tinged with nationalism. His version of an engagement policy with the North, "peace and prosperity" in particular, began to create friction, if not clashes, with the Bush administration's "do not reward bad behavior with engagement" posture.

The turbulence, an unintended byproduct of the American and Korean elections, became violent in 2007, when the Japanese cast their lot with Prime Minister

Shinzo Abe. Riding the wave of anti-North sentiment among Japanese voters who were appalled at the North's abduction of Japanese citizens, Abe placed resolution of the abduction issue front and center in his policies. Once in office, he reversed, as had Bush, his predecessor's engagement policy and began to adopt hardline containment policies against North Korea.

Although these policies failed to produce any tangible outcomes on the abduction issue, they fared well for alliance politics so long as they flowed in the same direction as Bush's North Korea policy. Abe never had the kind of uneasy moments that his predecessor Junichiro Koizumi experienced when he pursued his vision of engagement irrespective of, or even despite, Bush's preference. Abe and Bush saw eye-to-eye on North Korea; both nourished and rode the strong anti-engagement waves.

The combined force of the anti-engagement waves clashed head-on with the Korean wave of peace and prosperity. Compounded by his own set of problems with the North, Roh did not make much headway in the first years of his presidency. For a few years, there was little official contact between the two Koreas, and the two tangible legacies of Kim Dae-jung's Sunshine Policy - Mount Kumgang tourism and the Kaesong Industrial Complex - were in serious trouble. The light water reactor construction project, the epitome of the engagement policy, was officially declared dead in May 2006. Five months later, North Korea responded by detonating an atomic bomb underground.

U.S. Voters Turn the Tide

The anti-engagement wave seemed about to overtake the Korean wave of engagement in 2006, when a majority of American voters expressed displeasure with the Bush administration's Iraq policy by giving Democrats control of both the U.S. House and Senate. The election created an opening in which the otherwise moribund Korean wave could survive. Following the electoral defeat, the Bush administration saw an exodus of the officials who had maintained the "we don't negotiate with evil, we defeat it" posture. Secretary of State Condoleezza Rice seized the diplomatic opening and put Assistant Secretary for East Asian and Pacific Affairs Christopher Hill to work. Hill held a series of tough but ultimately

successful negotiations with his North Korean counterpart, Kim Kye-gwan, to produce in February 2007, an agreed plan to implement the 2005 agreement that committed the North to denuclearization.

Now that the Bush administration had shifted its course to test the engagement waters, the Korean wave began to gather strength. Bush and Roh seemed to converge on the same wavelength about seeking a diplomatic solution to the North Korea problem. That, however, spelled trouble for Abe who had boxed himself into the no-engagement cage and saw no easy way out. Abe continued to stick to his abduction-before-engagement policy, which quickly became a sticking point in the six-party process - formed by China, Japan, the two Koreas, Russia and the United States to seek a peaceful resolution to security concerns stemming from North Korea's nuclear weapons program - when everyone else was ready to move on.

However, a prime minister does not have the same level of political flexibility that a president has to respond to electoral outcomes; either he adheres to his policy or resigns. After his party's crushing defeat in the 2007 election, Abe tried to stick it out until he realized that his position was no longer tenable. He resigned that September. While it is premature to predict what policy the new prime minister, Fukuda Yasuo, will pursue, it is more likely now than before that he too will begin to tap into the engagement wave that is gaining force in Seoul and Washington. As chief cabinet secretary under Prime Ministers Yoshiro Mori and Junichiro Koizumi, Yasuo had consistently advocated engagement and normalization with the North, but he is now faced with the Japanese public, whose anti-North sentiments were piqued during his predecessor's term.

The crosscurrents of elections and dissonant foreign policies seem to have come full circle. The 1997 election put Seoul and Washington on a concordant engagement wave, which began to diverge with the 2000 U.S. election. The Korean election in 2002 turned the crosscurrents of the allies' foreign policies more turbulent, as did the Japanese elections. The violent turbulence began to mollify with the 2006 election in the United States and the one in Japan. The elections which, driven by local politics, generated clashing waves in foreign seas, were starting to calm when a tsunami lay poised on the horizon.

South Korea's December Elections

Just when the three allies seemed to be on the same wavelength of engagement, South Korea held its presidential election in December 2007, electing Lee Myung-Bak, the conservative Grand National Party's candidate who ran on the platform of reversing Roh's peace and prosperity policy. While he was, in principle, supportive of engagement - his so-called "Vision 3000" policy, for example, promised the South would help the North so that its per capita income would rise to \$3,000 within a decade - his offer of aid was strictly conditioned on the North giving up its nuclear ambitions and opening its economy.

Lee's overwhelming victory, and the subsequent sweep by his party in the 2008 general election, ensured that his preconditions would be translated into a bulwark against engagement. His policies indeed turned hardline, rolling back many of his predecessors' and eliciting harsh responses from Pyongyang. While the gradually deteriorating inter-Korean relations did not have a direct, visible impact on the Six-Party Talks, they weakened one important source of momentum for the talks.

Riding the Waves: 2008

This third edition of the SAIS U.S.-Korea Yearbook overviews a tumultuous 2008, detailing some of the challenges Korea faced and the accomplishments it made throughout the year. The Yearbook is divided into two parts: South Korea's Foreign Relations and North Korea's Foreign Relations. In the first part, student authors explore the dynamic foreign policy changes that were brought about by the Lee Myung-bak administration, and how these policies affected South Korean politics both at home and abroad.

Alisher Khamidov analyzes the changes to South Korea's foreign policy that occurred when President Lee Myung-bak came to power. In a major break from his predecessors, Lee adopted an aggressive policy toward North Korea that linked economic assistance to its abandonment of its nuclear weapons program, a break that eroded many achievements from past administrations. At the same time, Alisher points to issues where Lee's foreign policy demonstrated a degree of

continuity with his predecessors. Of these, the most notable issues were Lee's steadfast support of the KORUS FTA which was negotiated under the Roh administration, and the continued transformation of the U.S.-ROK alliance into a security alliance with only modest modification.

Alisher focuses on these three issues to illustrate the divergent responses of the Lee administration to previous policy directions and poses the question as to why this variance exists, especially in light of Lee's promise for change in his presidential campaign and the subsequent anticipation that he would bring about radical changes in all areas. Additionally, Lee's party, the conservative GNP, won an absolute majority in the Parliament, providing legislative support and allowing for him to implement broad-based changes. Alisher addresses this puzzle by closely examining politics within the government, between political parties, and in the context of society at large. He argues that the inconsistencies in Lee's foreign policy directions can be better understood by dispelling the myth of a bipolar political inclination in South Korea, as well as by examining the institutional constraints of Korea's political structure as a whole.

Michal Petrik analyzes the various political, economic and social changes that occurred within the United States and South Korea that worked to prevent the ratification of the Korea-U.S. Free Trade Agreement (KORUS FTA) in 2008. He asserts that the victory of Lee Myung-bak in the 2007 presidential elections and his Grand National Party in the 2008 parliamentary elections put strong proponents of the KORUS FTA into power, while at the same time, the Democratic Party's loss of power deeply influenced its stand on the FTA; thus the party that initially started the trade negotiations quickly became the FTA's greatest opponent. Similar political obstacles to KORUS FTA ratification arose on the U.S. side as well. Leading up to the November elections, movement on all FTA discussions was deadlocked due to an impasse between the Republican administration and Democratic-majority in Congress. With a full Democratic sweep in the November 2008 elections, Barack Obama became President with his Democratic Party holding majority in both the House and Senate. Although this sweep created the possibility for swift enactment of Obama's agenda, Democrats have historically opposed FTAs more than their Republican counterparts and key Democratic legislators began to voice heated opposition to the KORUS FTA.

In addition to these high-level political crosscurrents, Michal highlights concerns that arose from civil and business interests in both countries that impacted the ratification process as well. Large protests over U.S. beef imports in Korea manifest into a greater critique of President Lee's policies in general, and U.S. automakers, trade unions, and beef producers leaned heavily on U.S. congressional members to fight for greater access to Korean markets in an attempt to narrow the seemingly large trade imbalance in these sectors. Despite the failure to get the KORUS FTA ratified in 2008, Michal argues that both sides showed a willingness to make concessions in order to keep the FTA alive, and with greater political stability in 2009, offers hope that ratification is still possible.

Sandy Yu examines the current state of South Korean civil society under Lee Myung-bak. More specifically, she focuses on the ideological chasms found within South Korean civil society organizations, as well as the current and future challenges civil society organizations face in an increasingly disconnected South Korean society. Her analysis highlights that in 2008, cleavages between conservative and progressive groups resulted in two major social movements: candlelight vigils against U.S. beef imports and the North Korean human rights balloon campaign. By focusing on these two civil society movements, Sandy draws conclusions about the relationship between civil society organizations and the Lee Myung-bak administration, as well as South Korea's relations with the United States and North Korea.

Li-Chih Cheng analyzes South Korea's efforts to improve its image and reputation to international audiences. Surprised at Korea's low rankings in the Anholt-GfK Roper Nation Brand Index, President Lee Myung-bak vowed in 2008 to place greater emphasis and resources into the shaping and managing of South Korea's "brand" and increasing Korea's "soft power." In Li-Chih's examination, she evaluates the effectiveness of past nation branding and cultural diplomacy policies and campaigns. Her evaluation of the "Dynamic Korea" campaign designed around World Cup 2002 which evoked positive images in Asia but not in the West, as well as the success of the cultural phenomenon of *hallyu*, "the Korean Wave," in Asia but not the West, reveals the need for country and/or region-specific branding efforts.

Li-Chih also examines the role of cultural diplomacy as a critical tool to increasing

South Korea's soft power. Her analysis includes an evaluation of the three pillars of the Lee administration's cultural diplomacy policy: the formulation of long term programs, the stimulation of the culture industry, and the creation of a second wave of *hallyu*. Li-chih argues that although the new government is filled with ambition, Korea's nation branding and cultural diplomacy policies are very much still in an infant stage and that increased emphasis on actively managing Korea's brand will only be effective if backed by first-class cultural contents and well-coordinated government policies.

Eduard Eykelberg examines important developments in China's and Russia's relations with the Korean peninsula. He argues that China's hosting of the Summer Olympics and Russia's invasion of the former Soviet satellite state, Georgia, symbolizes the rise - or at least a rise in assertiveness - of both China and Russia. For Korea this implies a sensitive change in its strategic environment, a change that is being accentuated by an overstretched and financial-crisis-weakened ally, the United States.

Eduard's paper examines how in 2008, China and Russia pursued new efforts to gain access to and cooperation with both North and South Korea. China's importance in North and South Korea is clearly stronger than Russia's due to historical and geographic realities in the region. However, while China's influence has grown incrementally and at a steady pace, Russia's presence on the peninsula expanded vastly in 2008. Eduard argues that, although the intensified interest in and competition between China and Russia over the two Koreas may place restraints on future China-Russia relations, this competition offers great security benefits to the region as a whole, and substantial benefits to the economic future of the Korean peninsula.

In the second part, student authors explore how shifting power dynamics both in the United States, as well as among the member states of the Six-Party Talks, affected North Korea's foreign relations in 2008.

Shin Yon Kim examines the progress made in 2008 with regards to the denuclearization of North Korea. Her paper chronicles North Korea's implementation of key six-party agreements, and analyzes how the shifting power dynamics among the six-party members affected this process throughout the year.

With North Korea failing to meet the December 2007 deadline to submit a full declaration of all its nuclear activities, the tone for the 2008 six-party process was contentious from the start. Despite these rocky beginnings, the United States was able to negotiate a compromise on the format of the declaration, and North Korea submitted its nuclear accounting to the United States and to China, the host of the Six-Party Talks, in late June. As an added gesture, North Korea also toppled a cooling tower at its Yongbyon nuclear facility.

Despite progress made on disablement, Shin Yon points to deadlock over the issue of verification. Verification was seen as critical to ensuring the accuracy of North Korea's nuclear declaration, and the United States pushed forward a rigorous draft verification protocol which warranted objections from North Korea, as well as China and Russia. The issue of verification caused North Korea to stall disablement measures, and the U.S. failure to delist North Korea from the list of state sponsors of terrorism (SST) spurred North Korea to not only to halt disablement measures, but began to reverse them as well. Although further concessions were made in order to come to an agreement on verification and prompt North Korea to resume disablement measures, including the delisting of North Korea from the SST, Pyongyang later denied making any such agreement. Amid a grim outlook for sustainability on the deal itself, the six parties gathered in Beijing in early December for the year's last round of talks, only to fail to come to an agreement on a verification protocol. Shin Yon argues that the latest failure of the Six-Party Talks to adopt a written verification protocol seems to portend an even more precarious path ahead in bilateral and multilateral negotiations with North Korea.

Erin Kruth analyzes alternative diplomacy towards North Korea, including food aid, musical diplomacy and Track II exchanges. Amid major concerns about a severe food shortage in the Democratic People's Republic of Korea (DPRK), Erin asserts that significant progress in the area of humanitarian assistance to North Korea occurred in 2008, including the resumption of U.S. food assistance for the first time since 2005. Erin's analysis explores the worsening food shortage in the DPRK and focuses on developments in U.S. humanitarian assistance. Furthermore, it provides an in-depth look at how the United Nations World Food Programme (WFP), U.S. government agencies such as the State Department and the United States Agency for International Development (USAID), nongovernmental

organizations (NGOs), and their South Korean and North Korean counterparts are working together to address the shortage, and provides prospects for the continuance of this aid in 2009.

Erin's analysis also examines the role of cultural exchange and Track II diplomacy in building relations between the two countries. She points to the landmark performance that the New York Philharmonic gave in Pyongyang in February 2008 as a key example. As "musical diplomacy" was a precursor to formal diplomatic relations in the Soviet Union and China, Erin evaluates the role of musical diplomacy in the case of the DPRK. Along similar lines, Erin also examines the role of informal diplomatic efforts or "Track II" exchanges in U.S.-DPRK relations. She reviews the exchanges that took place in 2008 and the general prospect these meetings have for playing a larger role in impacting formal relations between the United States and North Korea in the future.

Jane Kim examines the slow and quiet progress that was made on North Korean human rights and refugee resettlement in the United States in 2008. Large-scale efforts to increase awareness about the human rights atrocities in North Korea have advanced to a point where governments are both conscious of the issue and have started to include human rights in their dialogue with North Korea. Additionally, the discussion has broadened to include debate and concrete solutions for the safety and security of North Korean refugees. Jane argues that a large portion of today's debate regarding North Korean refugees, concerns their permanent resettlement. Although South Korea is the country of choice for most defectors, the North Korean Human Rights Act passed into public law by the U.S. Congress in 2004 opened new opportunities for North Korean defectors to resettle in the United States.

Jane's analysis looks into the North Korean refugee resettlement issue, particularly in the United States. More specifically, it examines the significance and shortcomings of the North Korean Human Rights Act of 2004, as well as events in 2008 that impacted North Korean refugee resettlement.

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Shin Yon Kim is a graduate of the Hankuk University of Foreign Studies in Seoul, South Korea, where she earned a B.A. in English and French education. During her undergraduate studies, she acquired the Diplome d'Etudes Francaises at the Universite de Bordeaux III, France, and worked as an interpreter and translator as a member of the University Student Interpreters' Association. Shin Yon has worked for the economic office in the South African embassy and for a German-based trading company in Seoul. She also has a background in accounting and is a member of the American Institute of Certified Public Accountants. At SAIS, Shin Yon is pursuing an M.A. in international relations, with a concentration in Korea studies.

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Sandy Yu is a graduate of the University of California-Berkeley, where she earned a B.A. in political science. She has worked in the non-profit sector focusing on development issues for NGOs in the East Asia and interned in the communications department of KORUS House at the South Korean embassy. At SAIS, Sandy is pursuing an M.A. in international relations, with a concentration in Korea studies.



PART I

SOUTH KOREA'S FOREIGN RELATIONS

The Lee Myung-bak Revolution: Explaining Continuity and Change in South Korea's Foreign Policy



By Alisher Khamidov

I. INTRODUCTION

Since coming into power in February 2008, ROK President Lee Myung-bak has ushered in dramatic changes to South Korea's foreign policy. In a major break from his predecessors, Lee adopted an aggressive policy toward the Democratic People's Republic of Korea (DPRK or North Korea) that linked economic assistance to the DPRK's abandonment of its nuclear weapons program, a break that has eroded many achievements of the decade-long Sunshine Policy. Yet, Lee also demonstrated a degree of continuity with two of his predecessors, Kim Dae-jung and Roh Moo-hyun, on other foreign policy issues. Most notably, Lee showed steadfast support for the Free Trade Agreement with the United States, known as the KORUS FTA, which was negotiated by previous administrations, and continued with only modest modification, the transformation of the U.S.-ROK alliance to a security alliance.

In short, President Lee has demonstrated divergent responses to his predecessors' policies on these key foreign policy issues: a radical departure on North Korea, a modest modification in U.S.-ROK alliance transformation, and little change at all regarding the KORUS FTA. How does one account for this variation? This question becomes particularly puzzling in light of the great anticipation that Lee

would bring about radical changes - in all areas - having won the presidency on a platform of change amid widespread discontent with former president Roh Moo-hyun's performance. Added to this conundrum is that his party, the conservative Grand National Party, won an absolute majority in the Parliament as well, providing legislative support for his policies. Why then did President Lee, after having swept both the presidential and general elections, depart from his predecessor on some policies but not others?

This paper addresses this puzzle by closely examining politics within the government, between political parties, and in the context of society at large. It argues that the inconsistencies in Lee's foreign policy directions can be better understood by dispelling the myth of a bipolar political inclination in South Korea, as well as by examining the institutional constraints of Korea's political structure as a whole.

Lee's victory is often linked to the demise of progressive forces and the rise of the conservative camp in South Korean politics. Contrary to such views, this paper argues that Lee and his team represent a new political force in ROK politics: although they share some of the ideological views of the conservative camp, they do not fully belong to it, nor do they represent the values of the progressive camp. Rather, the president and his team can be categorized as adherents of a pragmatist camp; the defining feature of which is that their domestic and foreign policy goals are guided more by pragmatic considerations of state interests rather than the ideological preferences or emotions that have characterized progressives and conservatives in the past.

This paper argues that the 2007 presidential election presented a unique opportunity for the pragmatist camp: the South Korean public was weary of the corruption and economic problems associated with the decade-long rule of progressives; while also unwilling to embrace all that conservatives stood for. Lee and his team then formulated a platform of economic change and pragmatic foreign policy, especially toward North Korea, that appealed not only to voters across the two camps, but also to different layers of South Korean society that customarily did not associate themselves with right-wing or left-wing political groups.

Pragmatists also benefited from South Korea's constitutional design which endows the executive with broad powers to implement foreign policy. Although granting the president this mandate, the constitution also limits him to a single five-year term, providing the incumbent with little incentive to keep high political approval ratings usually necessary to secure reelection. As such, this paper argues that once Lee and his team of pragmatists secured victory, they were insulated from growing criticisms, shifts in public opinion, and declining approval ratings because this term limit prevented the need to heed pressures commonly associated with reelection.

II. THE PROGRESSIVES, THE CONSERVATIVES, AND THE PRAGMATISTS

Observers of South Korean politics have long distinguished between two main political camps that dominate South Korean politics: progressives and conservatives. The progressive camp has been closely associated with support for the Sunshine Policy toward North Korea and for a foreign policy independent from the United States. Meanwhile, adherents of the conservative camp have generally been known for their steadfast support of the security alliance with the United States and their antagonism toward North Korea.

While these characterizations may hold some relevance when applied to the elite level, studies conducted at the grassroots level have established that political polarization among South Korean residents is not very significant and that the distinction of South Koreans as progressives or conservatives is often misleading. In an article entitled, "Conservatives and Progressives in South Korea," which was published by *Washington Quarterly* in fall 2008, Haesook Chae and Steven Kim argued that "South Koreans are not as ideologically driven as currently assumed, but are broadly governed by a pragmatic and realistic appraisal of South Korea's position in world affairs. There is a remarkable degree of coherence and consensus on the pressing foreign policy issues of the day."

Contrary to popular opinion, the research by Chae and Kim also demonstrates that both the progressives and conservatives are driven by pragmatic and centrist considerations when it comes to foreign policy issues. For example, the

progressives' support for North Korea is not unconditional. Many progressives recognize the threat posed by the DPRK's nuclear program. They are also critical of human rights violations by Pyongyang. Although progressives view the United States with a degree of suspicion, they recognize the importance of the U.S.-South Korea security alliance.

At the elite level, the dichotomous depiction of the South Korean polity into right-wing (conservatives) and left-wing (progressives) has often eclipsed the existence of a separate political force - the pragmatist camp. The defining feature of pragmatists is that they place pragmatism and rational choice above ideological and emotional considerations in promoting the ROK's state interests. Pragmatists operate with business-like minds and strategies. For them, any investment, be it in an enterprise or a relationship, must bring dividends, and the costs involved must not outweigh the benefits. In keeping with this thinking, if the ROK invests a lot of resources in a relationship with another country, the relationship must be beneficial to the ROK.

Many observers have linked Lee with the conservative camp, citing his criticism of the Sunshine Policy and his steadfast support for the security alliance with the United States. However, Lee and his team of close aides have repeatedly announced that they consider themselves as pragmatists. Among key figures within this camp who have exerted and continue to exert considerable influence on Lee are Kim Tae-hyo, presidential adviser for external strategy, Hyun In-taek, former professor at Korea University, and Yoo Jong-ha, former foreign minister. Hyun In-taek and Yoo Jong-ha led the team of researchers that crafted the tenets of the "MB (Myung-bak) Doctrine."

Pragmatists share some goals and views with the conservative camp. For example, pragmatists, like conservatives, have distaste for what they see as flaws in the Sunshine Policy. Under the auspices of the Sunshine Policy, the administrations of Kim Dae-jung and Roh Moo-hyun provided almost \$3 billion in economic and humanitarian assistance to the DPRK. In extending this massive assistance, these administrations were allegedly trying to "appease" the DPRK government by refraining from criticism of North Korea's flagrant violations of human rights and the continuation of its nuclear program. From a pragmatist's perspective, South Korea gave a lot to the North and received very little in return. Despite numerous

overtures by the South, North Korea continued to test nuclear weapons, balked at returning South Korean abductees, and maintained a belligerent rhetoric that exacerbated the security situation on the Korean peninsula.

Unlike the conservative camp, pragmatists have a more nuanced approach of dealing with North Korea. They are not against the Sunshine Policy *per se*. They are against the lack of reciprocity that characterizes the tenets of this diplomacy. President Lee repeatedly stated his support for engagement with North Korea. As such, the MB Doctrine provides for massive economic and humanitarian aid as long as Pyongyang reciprocates Seoul's steps, denuclearizes, and opens itself up to the outside. Lee outlines his vision for economic and humanitarian assistance to the DPRK in his development plan entitled, "Denuclearization and Opening 3000." In this plan, South Korea pledges to help the DPRK raise its GDP per capita to \$3,000 within ten years in exchange for North Korea's willingness to give up its nuclear program and to open the country to South Korean businesses.

Pragmatists place special importance on the ROK's military and economic partnership with the United States because this relationship is highly beneficial for promoting the ROK's national interests. They usually cite three main reasons. First, the alliance with the United States is paramount for the ROK's military security. South Korea is located in a region that is marked by increased security risks and uncertainty. The steady growth of China and its military might, the DPRK's nuclear testing, and territorial disputes with Japan all present serious security ramifications and necessitate closer relations between the United States and South Korea. Second, the economic partnership with the United States, the largest and most important economic actor in the global arena, is important for the ROK's economic development. And third, pragmatists believe that policy coordination with Washington is necessary to ensure the success of South Korea's North Korea policy by preventing the DPRK from playing the United States against South Korea in efforts to gain political and economic dividends.

By the beginning of 2008, members of the pragmatist camp found themselves at a critical juncture. Due to a configuration of political developments, pragmatic political views and economic plans appealed to many South Koreans who had yearned for political and economic change. After several decades of steady economic growth, South Koreans faced a different reality: their national currency

was in a slump, their stock markets had been devalued, and their private debt was soaring. The *chaebols*, once the country's engines of economic growth, fell down, creating a mass of unemployed citizens.

Many South Koreans have come to equate the period of rule by Lee's predecessors, Presidents Roh Moon-hyun and Kim Dae-jung, with corruption, government ineffectiveness, incoherent foreign policy, and deep economic and social problems. By the time Roh Moo-hyun's presidential term was up, his approval ratings had dropped to 10 percent. This trend sent a clear message to all political forces in South Korea about the public's fatigue with the status quo and its yearning for dramatic changes.

The controversial legacies of the two presidents weakened progressive forces before the December 2007 presidential elections. Members of Roh's Uri Party struggled to distance themselves from Roh by branching off and creating the United New Democratic Party (UNDP). They also sought to join forces as evidenced by the merger between the UNDP and the Creative Korea Party. Nevertheless, these efforts did not help the progressives to reverse the political tide against them.

Lee's decisive victory in the December elections demonstrated the rise in influence of pragmatic-thinking politicians. This trend played a powerful role in the formulation of Lee's foreign policy. In pursuit of his agenda, Lee also benefited from the peculiarities of South Korea's institutional design.

III. THE EFFECT OF INSTITUTIONAL DESIGN ON SOUTH KOREA'S FOREIGN POLICY

Students of political science continue to debate the benefits and detriments of various political systems that can be found in different parts of the world. Some argue that political systems that favor strong presidential power are important for the political and economic development of a state. Others claim that parliamentary democracy is the best form of government. Regardless of the sides that scholars take, these debates attest to the fact that a state's institutional design - the division of formal powers and configuration of government institutions - has a profound

effect on its policy formation.

Insights from the institutional design theory are relevant to the study of South Korean politics. In keeping with the constitution of the Sixth Republic, the National Assembly is endowed with the power to approve foreign policy goals. However, the president and the State Council determine and implement the ROK's foreign policy objectives.

The president has the power not only to determine the foreign policy objectives; he/she also chooses agents of policy implementation. As the commander-in-chief and the head of the state, the president appoints the prime minister and the members of the cabinet, including the foreign minister, the minister of unification, the defense minister, and the head of the National Security Council. The president also appoints the ROK ambassadors to other countries. Article 60 of the constitution gives the president the authority to conclude agreements with other countries, declare war, deploy ROK troops overseas, and allow the deployment of troops of other countries on ROK territory after receiving the approval of the parliament. The Foreign Affairs Committee within the National Assembly works with the office of the president in coordinating foreign policy processes.

The current institutional arrangement has allowed the National Assembly, political parties, and civil society organizations to play an important role in domestic affairs. For example, the parliament exercises its power by approving the government's economic and social programs. Political parties and civil society groups have a say in important political debates on economic and social issues. However, all of these actors take a "back seat" when it comes to foreign policy, letting the president occupy the "driver's seat."

While endowing the office of the president with broad powers, the constitution limits a president to a single five-year term. Under the constitution, the president is exempt from criminal liability while in office, and the only crimes that can bring the president down are insurrection or treason. An important implication arising from this arrangement is that the incumbent has few incentives to keep the high political approval ratings that are generally needed to secure reelection. Once a president secures an electoral victory, he is practically free to pursue whichever policy course he considers fit, regardless of what his campaign platform may have

been or whether or not it is in line with public opinion. The public may be outraged by the president's policy and stage mass protests. However, little can be done to reverse the policy unless the president decides to do so.

This institutional arrangement in South Korea - a strong, but term-limited presidential system - provides ample explanation for Lee's ability to bring about the dramatic transformation of the ROK's policy toward the DPRK and the United States. This paper now turns to the discussion of how Lee has gone about achieving this "revolution."

IV. POLICY TOWARD THE DPRK: REPLACING THE SUNSHINE POLICY WITH SUNSHINE PRAGMATISM

Since taking office, Lee and his team have pursued a determined policy of pragmatism toward the North. Among the first policy decisions made by the president was a reorganization of the decision-making process, granting the dominant role in foreign policy formation and implementation to the Ministry of Foreign Affairs. President Lee also formed a new entity called the Council on the Coordination of Diplomacy and Security Policy. The council, which consists of key ministers, meets on a weekly basis and decides major policy issues.

The Ministry of Unification (MOU) played a far more important role under the previous two administrations, but has since seen its fortunes dwindle under the Lee administration. The Lee administration cut the number of MOU workers from 290 to 210. Additionally, the number of teams that worked on various unification-related projects was cut from 40 to 24. On numerous occasions, MOU representatives were simply excluded from key decision-making processes. Before Lee assumed office in February 2008, his advisers discussed the possibility of abolishing the ministry altogether or merging it with the Foreign Ministry. Although this did not occur, the MOU's mandate under the Lee administration was reduced to promoting awareness and education about the unification.

Concurrently with changes in decision-making processes, Lee embarked on a divisive foreign policy course toward the DPRK. Soon after assuming office, Lee urged the DPRK to abandon its nuclear weapons program in exchange for peace

and closer economic cooperation. President Lee claimed in a March 2008 press conference in Seoul, “North Korea’s leadership has to realize that the settlement of its nuclear problem would be truly helpful to inter-Korean economic cooperation and unification. The North will only be able to stabilize its regime, maintain peace and achieve economic prosperity when it gives up its nuclear program.” The president also set forth ROK demands for the DPRK to return South Korean prisoners of war who had been kept in the North since the Korean War.

The DPRK’s reaction to Lee’s demands was highly negative. The North Korean leadership viewed Lee’s policies, including “Vision 3000,” as interventionist and highly threatening to their regime’s viability. To undermine the Lee administration’s efforts, the DPRK pursued a two-pronged approach: a policy of escalating tension in an effort to increase domestic pressure on the Lee administration; and a policy of rapprochement with the United States to significantly weaken the ROK’s position.

As per the first policy, the DPRK initially leveraged public accusations against Lee and his administration for their failure to implement the June 15 Joint Declaration and the October 4 Declaration, which committed South Korea to providing economic and humanitarian aid to the North. The state-run media in the North also depicted Lee as a traitor and his administration as a “fascist dictatorship” and a “racketeer” operation. In April 2008, DPRK authorities evicted one South Korean official from DPRK territory, and barred entry to two others. The North Korean leadership also accused South Korea of posing a direct military threat. On April 3, 2008, DPRK officials demanded apologies for a statement made by Kim Tae-young, the South Korean chairman of the Joint Chiefs of Staff. North Korean authorities interpreted the statement as having suggested a preemptive strike against nuclear sites in the North by the South.

However, the pressure exerted by the DPRK did not yield significant changes in the Lee administration’s approach. Addressing the DPRK’s vitriolic diatribe, Lee repeatedly claimed in his appearances before media that North Korea must abandon its outdated practice of fanning a rift among South Koreans and become more cooperative. Lee also argued that North Korea should show signs of a change in its attitude before the ROK would begin with the implementation of the June 15 and October 4 declarations.

Diplomatic ties sustained further strain in July 2008 after North Korean soldiers shot to death a South Korean tourist at Mount Kungang. Seoul responded to the incident by halting the Kungang tours and requesting that South Korean officials be allowed to participate in the investigation of the incident. The North refused to do so.

In November, North Korea escalated the rift by announcing the planned suspension of tourist travel to Kaesong City and the expulsion of hundreds of South Koreans - workers at the Kaesong Industrial Complex. The DPRK laid direct blame for the worsening relations on Lee's administration.

The deepening rift between the ROK and the DPRK galvanized various political movements in South Korea. Opposition political parties, civil society groups, human rights organizations, and mass-media outlets representing both progressives and conservatives accused the Lee administration of misguided policy toward the North. In a prominent example, former president Kim Dae-jung lambasted Lee's North policy, suggesting that it would be disastrous for stability on the Korean peninsula. In November 2008, prominent Lee critics such as Pak Nak-chung of the All-Korean Committee for Implementation of the June 15 Joint Declaration and Venerable Young-dam, chief director of the Buddhist Broadcasting System condemned Lee's policy of ignoring North Korea.

Despite the growing domestic criticism of his North Korea policy, Lee remained adamant. In his December 2008 address to the National Unification Advisory Council, Lee gave no indication of change in his Vision 3000 doctrine. Lee argued that it is "better to move towards true reconciliation and unification by getting off to the right start, even if that is difficult at first, than to arrive at a bad outcome for having been unexacting about the North-South relationship." Lee also suggested that "waiting is also a policy."

V. KORUS FTA AND SECURITY ALLIANCE: AN OLD FRIEND IS BETTER THAN A HUNDRED NEW ONES

President Lee's ability to pursue his policy objectives with little regard to political or public opposition was demonstrated not only in his North Korean policy, but

was also visible in his approach to the United States. After taking office, President Lee began implementing his pre-election promise of deepening security ties with the United States. Signifying a markedly pro-U.S. foreign policy, Lee's first official overseas visit was in April 2008 to the United States. In Washington, D.C., Lee's primary objective was to secure U.S. support for the ROK's new tough approach toward North Korea.

Although President Bush offered a warm welcome to Lee, U.S.-ROK relations were marked by a number of controversies. The first controversy surfaced during Lee's visit to the United States. The change in the Bush administration's policy toward direct engagement with the DPRK created an awkward moment in U.S.-ROK relations. Bush's change of heart regarding North Korea threatened the successful implementation of President Lee's initiatives toward the North. It also deepened concerns in South Korea that more direct engagement between the United States and North Korea would sideline the South and weaken its weight in regional politics.

Another controversy appeared in October 2008 when the Bush administration decided to remove the DPRK from the list of terror sponsoring states in an effort to save a disarmament accord with North Korea before the expiration of Bush's term in office. Following this move, there was a sense of betrayal in Seoul because U.S. officials had not taken ROK concerns into consideration, and had only informed South Korean diplomats just moments before announcing the decision. This move strengthened the mood among ROK policymakers that the United States was primarily driven by its own national interests, even at the expense of its allies' national interests.

The third controversy was over the KORUS FTA. In keeping with his markedly pro-U.S. leaning, Lee emerged as a steadfast supporter of the KORUS FTA. Despite the fact that the KORUS FTA had been a product of negotiations with Lee's predecessors, Lee and his team of pragmatists viewed the KORUS FTA as economically beneficial for South Korea in the long run. However, in the meantime, the mood in the United States had changed, and U.S. support for the KORUS FTA had weakened. At the time Lee became president, it was uncertain whether the U.S. Congress would approve the KORUS FTA.

Lee's determined support for the KORUS FTA came under fire in the spring of 2008, when thousands of South Korean citizens took to the streets protesting the Lee administration's lifting of the 2003 U.S. beef import ban. What became known as "candlelight vigil" protests brought together Lee's political opponents from several different camps; leftist labor parties, civil society organizations, and farmers' associations all joined the protests in an effort to blunt Lee's authority and embarrass him personally. The protests turned violent after youngsters clashed with riot police.

Rather than changing his position on the KORUS FTA, Lee seized on the violent clashes as a pretext to restrict assemblies and demonstrations. His administration also sought to impose controls on mass-media outlets by appointing Lee supporters to key managerial positions in powerful television networks such as SKY LIFE, YTN, and KBS.

Lee's willingness to push through the KORUS FTA amidst growing political opposition was demonstrated in January 2009. The Foreign Affairs Committee of the National Assembly, dominated by the ruling Grand National Party, submitted the KORUS FTA to a subcommittee for deliberation in spite of determined, and even violent, opposition from the rivaling Democratic Party. This move by Foreign Affairs Committee members was widely seen as directed from the Blue House. In a confrontational move, Chung Sye-kyun, chairman of the Democratic Party, accused President Lee of trying to turn the parliament into his puppet.

These recent developments help illustrate how, given the lack of institutional checks and balances on executive power, the Lee administration was free to push his agenda despite political or popular opinion. Some observers even go so far as to allege that Lee's policies are increasingly sliding into "authoritarian rule." Growing public disapproval, as demonstrated by protests and marches, seems to have had little deterrent effect on this team of assertive nationalists as they continue to pursue a highly divisive policy agenda.

VI. THE SECURITY ALLIANCE WITH THE UNITED STATES

Throughout 2008, President Lee repeatedly stated that security cooperation was the cornerstone of the ROK-US alliance. Lee's steadfast efforts to deepen the security alliance with the United States reflect new challenges for ROK security. Security risks and uncertainty have increased on the Korean peninsula in the past decade. In the North, the steady economic expansion of China has translated into the rise of her military might. DPRK rhetoric has become aggressive, while nuclear testing has not abated. To the east, a territorial dispute with Japan over Dokdo (or Takeshima to the Japanese) has presented serious security ramifications. To hedge all these security challenges, closer relations between the United States and the ROK has become more and more of a necessity.

A strengthened U.S.-ROK security alliance was important to the Lee administration for other pragmatic reasons as well. For instance, security collaboration with the United States, the largest and most important economic actor in the global arena, serves to increase the ROK's international influence; and, closer alliance and policy coordination with Washington was imperative for Lee to ensure the success of ROK's North Korea policy by preventing the DPRK from playing the United States against the ROK in efforts to gain political and economic dividends.

The year 2008 saw numerous signs of improving U.S.-ROK security ties. After a series of negotiations, the ROK Ministry of Foreign Affairs and Trade (MOFAT) agreed to raise its share of the costs for maintaining over 28,000 U.S. troops by 2.5 percent to reflect inflation. This increased the ROK's total contribution to United States Forces Korea (USFK) upkeep to 43.5 percent.

In another significant move, in October 2008, the U.S. Senate passed legislation that granted the ROK the most preferential treatment in government-to-government sales of U.S. weapons systems. The move symbolized U.S. willingness to further cement bilateral military relations with South Korea and came after the House of Representatives had already enacted legislation in September that granted South Korea the foreign military sales (FMS) status enjoyed by NATO members. South Korea responded to this by buying 250,000 tons of U.S. munitions.

In late October 2008, ROK Defense Minister, Lee Sang-hee, visited Washington, D.C., to meet his counterpart, U.S. Secretary of Defense, Robert Gates. During a press conference that followed their meeting, Secretary Gates told Lee that the United States remained committed to defending South Korea and that its armed forces would come to South Korea's rescue in case of military emergency. Gates also stated that the "U.S. nuclear umbrella," as a part of the ROK-U.S. Mutual Defense Treaty, would cover South Korea.

VII. CONCLUSION

A Japanese proverb states that a "reputation of a thousand years may be determined by the conduct of one hour." South Korea's decade-long foreign policy and political landscape changed dramatically in 2008 with the arrival of President Lee. Lee reversed the Sunshine Policy toward the North, pushed hard for ratification of the KORUS FTA, and made modest changes to the development course of the U.S.-ROK security alliance. This paper argues that this divergence in Lee's foreign policies - some keeping with past administrations and some veering away - can be understood by examining the changes in political power that corresponded with altered perceptions of the ROK's foreign policy priorities. Lee and his team came to power with distaste for the failures of the Sunshine Policy. Nevertheless, from the pragmatic point of view, they saw the KORUS FTA and the security alliance with the United States as beneficial to the ROK's interests, and chose to demonstrate some level of continuity on these issues with administrations of the past. The pragmatists benefited from the institutional design of the ROK political system, which is overwhelmingly slanted in favor of presidential power.

Lee's predecessors were engaged in decade-long and painstaking efforts to cultivate warmer relations with the DPRK, restraining their criticism of human rights violations and turning a blind eye to Pyongyang's uncooperative mode of operation. Unlike his predecessors, President Lee embarked on a foreign policy path marked by pragmatism and rational considerations of the ROK's national interests. His open criticism of the DPRK and his bold economic assistance program which threatens the vitality of the Kim Jong-il regime, has translated into enmity in DPRK-ROK relations and growing domestic criticism as well.

Despite the DPRK's calculated efforts to escalate the rift and the growing domestic opposition to his policies, President Lee has demonstrated no sign of changing his North Korea policy. In fact, Lee's administration appeared in 2008 to be prepared for the worst case scenario, that is, one that includes the shutdown of the Kaesong Industrial Complex and a complete diplomatic rupture in North-South relations.

Despite the Lee administration's strong belief in the veracity of its foreign policy, three particular issues may emerge as significant challenges. First, the course that U.S. President Barack Obama should decide to take toward U.S.-DPRK relations will ultimately have a poignant effect on DPRK-ROK relations. President Lee and his team members are genuinely concerned that U.S.-DPRK rapprochement is likely to undermine their pragmatic approach toward the DPRK. Second, the MB Doctrine toward North Korea was designed as a long-term process. To truly achieve success, the doctrine would require more than a decade. Given that Lee is limited to a single five-year term, the question that lingers is whether Lee has enough time and resources to accomplish his foreign policy goals.

The third serious challenge that the Lee administration faces is the uncertainty regarding the economic collaboration with the United States. Although the ROK is prepared to pass the KORUS FTA, there seems to be no indication that the U.S. Congress will reciprocate the move. President Obama already demonstrated his opposition to FTA treaties during his election campaign. It is apparent that the optimistic hopes that Obama's election rhetoric might not necessarily translate into policy are unwarranted. The unwillingness of the Obama administration to support KORUS FTA may turn out to be a serious embarrassment that could erode the Lee administration's pragmatic foreign policy course.

CHRONOLOGY

- December 2007* Lee Myung-bak secures victory in the ROK presidential election. Lee unveils his MB Doctrine.
- February 2008* Lee Myung-bak assumes office as the tenth President of South Korea.
- March* Lee urges North Korea to completely abandon its nuclear

weapons program to pave the way for inter-Korean peace and closer economic cooperation.

April

Presidents Bush and Lee discuss U.S.-Korea relations and the KORUS FTA at Camp David.

Lee proposes the establishment of high-level diplomatic channels between the DPRK and the ROK and the opening of liaison offices in the capitals.

The DPRK accuses Seoul of not fulfilling its obligations under the six-party declarations. The DRPK also seeks apologies for statements that presumably carried the threat of preemptive strikes. Pyongyang also singles out President Lee for criticism.

May

South Korea relaxes its stance on providing aid to the DPRK. The Ministry of Unification offers 50,000 tons of corn to Pyongyang.

May-June

100,000 Koreans participate in candlelight vigils in protest against beef imports and Lee's support of the KORUS FTA. Lee's approval ratings fall to 10 percent.

June-July

The DPRK limits entry to North Korea for South Korean officials.

July

Diplomatic ties sustain further strain from the July 11 shooting of a South Korean tourist at Mount Geumgang by North Korean soldiers.

November

Calls for Lee to change his North Korea policy intensify in the ROK.

December

The DPRK announces the shutdown of tours to Kaesong City and limits the number of South Korean employees allowed to work in the Kaesong Industrial Complex.

President Lee announces that there will be no change in policy toward North Korea.

KORUS Free Trade Agreement: A Lost Year

By Michal Petřík



I. INTRODUCTION

A free trade agreement (FTA) creates a pact between the participating countries in which all tariff, quota, and preference barriers to the free movement of goods and services are eliminated. Negotiations on such agreements are usually complex, given their long-lasting and difficult to reverse effects, as well as the political bargaining required to appease local constituencies and other stakeholders. Furthermore, the subsequent ratification process is often time-consuming in and of itself, as was the case with the year-long ratification of the Chile agreement by the Korean Parliament. This is because politicians who may not have been part of the original negotiations are involved in the ratification process and have the chance to pursue their own goals.

The Korea-U.S. Free Trade Agreement (KORUS FTA) is not the first or the only agreement for either country. Both the United States and the Republic of Korea (ROK or South Korea) have already concluded various free trade agreements with other countries, such as NAFTA and the ROK-Chile FTA. Additionally, South Korea is currently trying to reach a free trade agreement with China.

If the KORUS FTA is implemented, it would be the largest Korean and second largest U.S. FTA. South Korea is the seventh-largest trading partner of the United States, while the latter is currently Korea's third-largest trading partner. If the

trade barriers between the two countries are removed, the volume of trade between them is likely to increase accordingly.

The KORUS FTA contains a wide range of trade and investment issues, covering areas of sanitary and phytosanitary measures, beef, rice, automobiles, textiles and apparel, electronic products, steel, and financial and other services. The previously eliminated tariffs on most manufactured goods and partial removal of tariffs on trade services will remain part of the final version of the agreement. The treaty also addresses the issue of the Kaesong Industrial Complex (KIC). The KIC was developed by South Korean companies, employs North Korean workers, and is located north of the demilitarized zone that divides the Korean peninsula into North and South Korea. The United States officially supports the KIC. However, despite the ROK's efforts, the United States refuses to recognize products manufactured in the KIC as South Korean products, thus making them ineligible for duty-free entry to the U.S. market under the KORUS FTA.

The KORUS FTA is supposed to bring benefits to both sides. The view that South Korea wants greater access to the world's richest market and that the FTA will help revive its economy, is generally accepted in South Korea. President Lee Myung-bak in his National Assembly address in July 2008 said that the KORUS FTA "will boost the nation's economy." The ROK's interest in better access to the U.S. market was confirmed by Susan Schwab, U.S. trade representative, in an interview she gave to the *Los Angeles Times* in January 2008. She explained, "They're willing to exchange much higher [Korean] barriers for access to this [U.S.] market." Moreover, Alexander Arvizu, deputy assistant secretary for East Asia and Pacific, was quoted by the *Korea Times*, in saying that the United States would like to use the FTA to prevent its own exclusion from Asia, a potential reality with the formation of Asian regional groupings. According to U.S. officials in Seoul, the FTA also provides the United States a way to move South Korea towards a more open economy and away from its past practices of regulation and industry protection. According to these officials, the rising importance of the G20 framework offers Korea a chance to play a more significant role in international affairs. Korea's willingness to embrace this role offers another rationale for a stronger alliance between South Korea and the United States.

Despite both countries' interests in ratifying the FTA, there is also strong

opposition to it. This paper analyzes the efforts of both supporters and adversaries that culminated in 2008, as well as how these actions influenced the ratification process for the KORUS FTA, both in South Korea and the United States.

II. THE BEGINNINGS OF THE KORUS FTA

Negotiations on the KORUS FTA were first made public on February 2, 2006. The United States conducted negotiations under trade promotion authority (TPA, or more commonly referred to as “fast-track trade authority”). The TPA, granted by U.S. Congress, enables the president to directly negotiate trade agreements. Congress then votes on an agreement, without the possibility to amend it. Multiple sessions of negotiations between Korean and U.S. representatives were held in order to solve the main issues in the areas of the automotive industry, agriculture, textiles, and the KIC. Bilateral negotiations were concluded more than a year later, on April 2, 2007. Later that year, on June 30, the final version of the agreement was signed by the South Korean Foreign Trade Minister, Kim Hyun-chong, and the United States Trade Representative, Susan Schwab. In South Korea, the bill was submitted to the National Assembly on September 6, and subjected to a protracted ratification process with no clear outcome.

Early Opposition in the United States

Resistance to the agreement has been raised on both sides. Democrats in the U.S. Congress have opposed the FTA for a number of reasons. First, there was grave concern over the FTA not meeting labor protection standards. The labor standards issue gained more prominence after the administration and Congress agreed on an initiative to include labor as well as environmental standards in all FTAs. The KORUS FTA needed to be further amended after the chief U.S. negotiator, Wendy Cutler, included these labor and environmental concerns in negotiations with her Korean counterpart.

The Korean ban on U.S. beef imports presented the other main issue. This stance was most vigorously promoted by Senator Max Baucus (D-MT), whose home state of Montana is one of the biggest beef producers in the country. Senator Baucus made clear multiple times that he would block the FTA if the demands to lift the

ban on U.S. beef were not met.

Despite strong political opposition, public opposition in the United States was relatively low. It consisted mostly of labor union members, most notably the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW).

Resistance in South Korea

The situation in Korea was different. In 2007, the opposition Grand National Party (GNP) was not the main opponent to the FTA. Opposition also came from the president's own Uri Party and another opposition party, the Democratic Labor Party, since some of their members feared the negative effect of free-trade on Korean farmers and fishermen.

However, it was the public that posed the most opposition to the agreement, having denounced the FTA from its initial announcement. Many Koreans feared increased competition from the United States in agricultural production, and also saw the United States as a partner too big for Korea to have an equal partnership with. Farmers feeling threatened by the possibility of cheaper imported products started to demand countermeasures that would help them deal with the negative impacts of the FTA, such as financial support for those whose products would become less competitive due to increased U.S. imports.

III. AGREEMENT IN PERIL

The KORUS FTA ratification process in 2008 was influenced by multiple factors. Domestic politics in both countries played a major role. Both countries faced power transitions in 2008. Economic and civic interest groups entered into the ratification process, with trade unions in both countries opposed to the agreement; and the U.S. automotive industry and Korean beef producers only intensified this opposition.

In late December 2007 the outgoing Korean President, Roh Moo-hyun, and the incoming President-elect, Lee Myung-bak, agreed to cooperate to get the National

Assembly to ratify the trade agreement before the end of Roh's term on February 25, 2008. However, despite the presidents' optimism, political support for ratification at that time was still questionable. In January 2008, there had been no real progress made in the ratification process; the bill had not even been presented to the standing committee. According to the *Korea Times*, the Trade Minister, Kim Jong-hoon, said in February 2008, "There are concerns that the ratification of the legislation may be delayed indefinitely if the National Assembly fails to pass it during this month's session." This prompt action was necessary to ensure there would be enough time for the U.S. Congress to ratify the agreement.

The situation was even more complicated on the U.S. side, where the administration had not even presented the bill, and the FTA was already being criticized by the Democratic Party, which held the majority in the House. This led Korean legislators to realize that rejection of the FTA by the U.S. Congress was still possible. The last possible date they acknowledged for U.S. congressional approval was July 2008 because of the presidential elections and pre-election conventions. An early approval was important for the Korean side, in order to prevent the risk of having to renegotiate the FTA after the elections with a new administration. To ensure the July date, the Korean National Assembly needed to pass the bill during February in order to approve it before April, when the United States could start to act. At that time, fearing the agreement would not be ratified, interest groups supporting the FTA, the major Korean business organizations, tried to put more pressure on the Korean parliament to meet this date and push for ratification before the end of President Roh's administration.

Activity increased from FTA opponents as well. For example, soon after the industry representatives' meeting, Lee Suk-haeng, chairman of the Korean Confederation of Trade Unions, announced plans for a protest against the FTA on January 11, 2008. The trade unions became one of the strongest objectors to the agreement.

On January 15, the GNP floor leader, Ahn Sang-soo, called for a secret ballot if necessary, in an extraordinary session of the Assembly in February to ratify the FTA. According to the Korean National Assembly Act, the secret ballot is used only for personnel bills vetoed by the president or when it is demanded by more than one fifth of lawmakers at the suggestion of the house speaker. This proposal

was turned down by the United New Democratic Party (UNDP), a part of the Democratic Party (DP). Vice-Floor Leader, Im Jong-seok, was quoted by the *Chosun Ilbo*, calling the secret ballot “irrational,” instead preferring “to work in tandem with the U.S. Congress” in the ratification process.

However, given the situation, working in tandem with the U.S. Congress would have meant waiting. In the United States, the Democratic-majority House and the Republican Bush administration were engaged in their own power struggle over the Colombia FTA; thus the KORUS FTA was set aside. After an inability to agree with congressional representatives, President Bush submitted the U.S.-Colombia FTA to Congress on April 7, 2008. Customarily the president would not submit a bill to Congress without having the support of the majority of congressional members. When President Bush submitted the U.S.-Colombia FTA he essentially broke with tradition by not having the approval of the congressional leadership for a proposal negotiated under fast track authority. As a result, the Speaker of the House, Nancy Pelosi (D-CA), reacted by deciding not to consider the bill and essentially blocking the whole process. This attempt to circumvent the system shows the highly politicized nature of the ratification process, regardless of actual economic impact, and the importance of interplay between the legislative and executive branches to the final outcome. It signaled a long road ahead in 2008 for the KORUS FTA, as congressional reluctance to consider the Colombia FTA meant that successful ratification of the KORUS FTA became less likely as well.

The struggle between the parties did not seem as fierce in South Korea, and the GNP's and DP's positions were not as different as those of Republican and Democrats in the United States. The main opposition party, the DP, was not *a priori* against the FTA. Indeed, it was President Roh from the DP who initiated the talks in the first place. Change came, however, after the progressive candidate Chung Dong-young from the then-UNDP lost the presidential election to Lee Myung-bak. Since on the economic side, there was more continuity than change between Lee's and Roh's policies and the new president decided to pursue the FTA overwhelmingly, the opposition needed an issue to differentiate itself from him. The DP decided to side with those opposing the FTA. This gave the parliamentary opposition an opportunity to criticize the president. Moreover, even before losing its majority in the National Assembly, the DP feared a potentially negative reaction from the voters in the April elections if the agreement was

approved. On the contrary, the GNP showed its willingness to deal with the ratification, despite their minority status in the Assembly. Considering the use of the secret ballot was the GNP's first push towards the ratification, with more and more significant pushes for ratification to come later. The winter session started on January 28 with high hopes for ratification. However, such optimism was soon to disappear.

According to Yonhap News, when Representative Jim Moran (D-VA) stated that he would be "shocked" if the FTA was ratified in 2008 because of both political and economic reasons, Korean ambassador Lee Tae-sik reacted by saying "Yes, political circumstances and political climate are not working favorably. ... And yet, I don't believe this is entirely impossible for this year." At play in this debate, was the highly sensitive U.S. beef issue, a key point of contention for several Democratic legislators whose support as the majority group in Congress was essential.

IV. THE BEEF CONTROVERSY

U.S. beef in Korea is a controversial issue in the U.S.-ROK bilateral relationship. U.S. beef was banned in Korea in December 2003 as a result of an outbreak of mad cow disease in the U.S. state of Washington. Prior to this, South Korea had been the third-largest importer of this U.S. commodity, making the regaining of access to this market important to the United States. Lifting the ban was a necessary precondition for several U.S. Democratic legislators who were willing to withhold ratification of the FTA until this demand was met.

Lee Myung-bak was aware of this and willing to act. Even before taking presidential office, his transition team began to consider reversing the ban of U.S. beef imports, seeing it as necessary for achieving FTA ratification. In March 2008, the U.S. and Korean presidents announced their willingness to pursue the FTA during Lee's visit to Camp David. However, the majority DP and DLP in the Korean National Assembly blocked such intentions.

Lee Gains the Majority in Parliament: Opens Way for Reforms

In the April 2008 elections, the GNP gained a majority in the National Assembly, winning 151 out of 299 seats. This opened the way for President Lee, a GNP member, to push forward his reforms. Saving the nation's economy as well as pursuing the KORUS FTA had been his agenda throughout his campaign and the reason for his immense popularity. Lee held that the FTA was an important step in reviving the Korean economy. Using the momentum gained from GNP successes in both elections, Lee opted for quick action, calling it "the golden opportunity."

On April 12, 2008, President Lee sought support for the FTA in a special May session. Since some of the U.S. senators declared their willingness to hold up the ratification process until their demand for the resumption of U.S. beef imports to Korea was met, Lee acted on the issue and lifted the ban on all U.S. beef imports. On April 16, Korean media reported that Lee might seek a deal on beef concessions in exchange for U.S. authorization of South Korean citizens to participate in the Visa Waiver Program (VWP). This program would allow South Korean citizens to travel to the United States for short-term stays without any visa requirements. Two days later, on April 18, two agreements were concluded: one which granted full reopening of the Korean market to U.S. beef and one which authorized South Korea into the U.S. VWP.

President Lee's Lost Momentum: Public Backlash

Following the conclusion of these agreements, the Korean Ministry of Food, Agriculture, Fisheries, and Forestry published a notification in its gazette that reentry of U.S. beef to Korean markets was being granted without any restrictions, under the condition of removal of all the specified risk materials (SRMs). SRMs are the parts that pose the greatest risk of infection by the Creutzfeldt-Jakob disease, commonly known as mad cow disease, and include such parts as the skull, spinal cord and brain.

The backlash from the public caused by the president's actions was surprisingly strong as aversion to U.S. beef was quite unexpected. After all, a survey of 1,000 Korean restaurants published by the U.S. Meat Export Federation in 2007, indicated that 65.8 percent were willing to serve U.S. beef, and that formerly U.S.

beef had been popular among Koreans.

However, after the ban of U.S. beef imports was lifted, protesters hit the streets expressing fears of contaminated U.S. beef. These fears were fueled by the media, which had exaggerated the issue with such programs as the April 30, 2008, Munhwa Broadcasting Corporation (MBC) episode of "The Producers Diary" called, "U.S. Beef: Is It Safe from Mad Cow Disease?" In this program, MBC showed the alleged dangers of U.S. beef. Moreover, the program stated that a gene that Koreans carry makes them more likely to be infected by mad cow disease than Americans. This claim, even though later denied, caused widespread panic. The protest rallies against U.S. beef started in early May, attracting thousands of participants. As time went on, they transformed from simply anti-beef to broader issues, including protesting Lee's pro-business policies. Weeks of these protests against U.S. beef, the FTA, and President Lee followed, culminating in the largest demonstration in June, when 80,000 protesters marched towards the Blue House.

Later, the demonstrations became a platform for other interest groups as well. The progressives used them as a means to protest against the ruling party. Kang Ki-gap, a DLP member, grew to be a prominent leader of these protests, leading also several hunger strikes against the KORUS FTA. Kang wore the traditional Korean costume, a *hanbok*, in order to show that he was not different from the protesting farmers. It was also Kang's party whose members managed to physically block the committee room in order to prevent the vote on the FTA in February 2008. The Korean NGOs that participated in these protests were not only opposed to the beef issue, but were indignant that the president had not consulted them when planning his steps. Their opposition extended beyond particular policies, asserting criticisms of the Lee government as a whole.

When President Lee was elected to office, he had won by a landslide. As a former mayor of Seoul and a successful businessman, he was perceived to be a good manager by the public. However, after he lifted the U.S. beef ban his popularity declined sharply. In order to regain his lost public support, Lee replaced three members of his government with portfolios in agriculture, health and education. Rumors spread that he was willing to sacrifice the finance and foreign ministers as well. Still the protests continued. The riot police may have calmed the situation temporarily, but they caused an even greater civil society opposition. Lee's

situation did not improve. The controversy over the beef issue was immense. In order to calm the situation, Lee had to appear on TV and apologize. According to the *Washington Post* on June 19, 2008, he said, "I and my government should have looked at what the people want regarding food safety more carefully ... but we failed to do so and now seriously reflect on the failure. ... I reproached myself again and again late into the night watching the candlelight vigil."

V. NOT EVEN CLOSE

All the public actions forced Lee to rethink his policies. In terms of the FTA, he moved from willingness to approve the agreement quickly to non-action until the U.S. elections in November. Other reforms would have to be stalled as well. These events meant a delay or even a permanent stop to the privatization of state-run companies and mortgage-debt relief for low-income households.

Industry's Rising Objections

In the United States, more opponents of the FTA started to appear. Industry representatives, despite their participation in FTA negotiations, raised further concerns about what they viewed as a trade imbalance that would intensify under the FTA. For example, John Bozzella, vice president for external affairs and public policy from Chrysler, addressed the issue of the negative trade imbalance on September 24, 2008, in his testimony before the Senate Subcommittee on Interstate Commerce, Trade and Tourism. Even though this imbalance was usually attributed to low demand for U.S. cars in Korea rather than a result of quota restrictions, this discrepancy was consistently used as an argument against the agreement. According to an expert from the Korea Institute for International Economic Policy (KIEP), a major Seoul-based government-funded economic research institute, trade relations between the United States and Korea were not competitive but complementary, with Korea exporting only small and medium cars to the United States and therefore avoiding any overlap with U.S. production. However, this is not how U.S. automotive industry representatives saw it, especially when global economic crisis had them on the verge of bankruptcy. Democratic representatives were deeply concerned about this issue and both the House and Senate held meetings addressing this issue of trade imbalance. During

the Senate Subcommittee hearing, Senator Byron Dorgan (D-ND) expressed doubt over FTA approval as long as “the Korean government prevents U.S. cars from being sold in the Korean market.” Furthermore, since U.S. carmakers compete with ROK car imports, President-elect Obama’s willingness to protect these carmakers would give him more reason to act against the trade agreement.

The Effect of Power Transition in the United States

Senator Obama’s attitude towards U.S. FTAs during his election campaign was not favorable. Yet, Yonhap News reported that one of his foreign policy advisors, Frank Jannuzi, said on October 25, 2008, that Obama would submit the KORUS FTA for ratification early in 2009 if the Korean side managed to settle the issue of better access to the Korean market for U.S. carmakers, satisfy the needs of laid-off workers, and solve the beef issue. However, with the Democrats having a comfortable majority in Congress ratification might be difficult to achieve, since Democrats traditionally tend to oppose free-trade activities in general. However, Obama may be able to win their support. The fact that the representatives of the Democratic majority are from the same party as the president might make them more willing to accept his policies. Obama’s comments on NAFTA being renegotiated do not seem too favorable to other prospective FTAs, however, including KORUS.

Despite seeming hesitation on FTA issues, President-elect Obama and Lee Myung-bak agreed in a phone conversation shortly after the U.S. presidential election, to continue to bolster their alliance, and although the FTA was not addressed specifically, many believed that Obama would change his rhetoric once he took office. Some FTA supporters went even further and hoped for the ratification of the agreement under the outgoing Bush administration, during the lame duck session. This, however, did not happen. Nevertheless, there seems to be a common understanding that at this point, the real question of KORUS FTA ratification is simply a matter of timing. The second half of 2009 or the first half of 2010 are often identified as the most likely dates for ratification; the latter also being marked as the tipping point for the ratification, since the U.S. president would be unlikely to deal with the issue during the second half of his term, avoiding potential controversy before the next elections. Other reasoning for the later approval is the need for extra time for addendums to the actual FTA.

Another Try, More Public Backlash

In Korea, the U.S. presidential election triggered action too. On October 31, GNP members decided to ratify the KORUS FTA quickly in order to prevent the threat of renegotiation with a new U.S. administration. The GNP also wanted to avoid the disruption of the National Assembly's work with the FTA dispute, so that it could concentrate on other reforms. However, on November 10, the GNP changed its position once again, declaring that it would seek support from the opposition in order to ratify the agreement. The populist turn against the KORUS FTA was a winning strategy for the Democratic Party, which started to regain its popularity at the expense of the GNP, prompting the GNP to address the issue of aid for the most likely victims of the FTA and to create a package for farmers and fishermen that included DP suggestions. The rationale for these new provisions also served as an attempt to avoid a situation in which South Korea ratified the FTA but the United States demands changes in it. In that case, there would be little maneuvering space for Korea, which would be forced to either accept the changes proposed by the United States, which would be a shameful act in the eyes of Koreans, or to refuse them, which would cause the end of the KORUS FTA.

The end of the year brought unexpected progress for both advocates of and objectors to the FTA. Farmers did not remit their protests; tens of thousands of farmers were reported by Yonhap News to have protested against ratification on November 20, 2008. The reaction from the Korean public continued, and the farmers gathered to protest again. As one farmer testified during one of the November rallies, they saw President-elect Obama talking about the problems of the U.S. automotive industry, but did not feel that anyone cared about what problems the agreement would cause to them. Once the ban on beef was eliminated, the situation of the cattle raisers worsened, serving as an indication of what was to come.

Beef Issues Revisited

After major stores in Korea started to offer U.S. beef, its popularity among consumers rose quickly. According to the Korea Economic Institute, U.S. beef quickly surpassed both Korean domestic supplies and Australian imports by the end of 2008. This had a negative impact on the demand for domestic beef. The

removal of protections for domestic beef producers also negatively affected farmers of crops and livestock other than cattle. These changes were considered empirical evidence of deteriorated conditions under the FTA, and spurred fears that the same would happen to them if the FTA was ratified.

Moreover, the end of the year was marked by another positive moment for U.S. beef. On December 26, 2008, the Korean Constitutional Court ruled that the notification published by the Ministry of Agriculture in May that allowed U.S. beef market entry given the removal of SRMs, was legal. In the ruling, the court stated, "Given international sanitation criteria set by the World Organization for Animal Health and other concerned information, the notification cannot be seen as a measure apparently against the government's duty to keep its citizens safe." According to the *Korea Times*, the ruling was immediately challenged by representatives from progressive civic groups. They claimed that the decision was politically influenced and that their confidence in the court's independence was undermined. Meanwhile conservatives appreciated the decision. Such reactions reiterate how the ratification process was a highly political issue, rather than an expert economic one, and remained so until the very end of 2008.

Hot December in the National Assembly

Already in November 2008, Park Jin, the chairman of the Foreign Affairs, Trade, and Unification Committee of the National Assembly, said that he would send the bill to the committee. He did so on December 15, 2008. GNP representatives decided to pass the bill through the committee without looking at the objections from the opposition DP. DP representatives tried to balance the FTA with aid to those who were expected to be most hurt by its ratification. Nevertheless, the talks between the coalition and the opposition did not reach a successful consensus. GNP representatives met secretly in the early morning, locking the opposition committee members out of the Assembly room in order to avoid their practice of physically blocking any approval. Keeping them outside, GNP National Assembly members managed to pass the KORUS ratification bill, while opposition members were trying to enter the room using various instruments including sledgehammers. They then referred it to the legislative review committee. Once the committee approves the bill it continues to the plenary session of the National Assembly, where all its members vote. Here the ruling GNP has enough votes to

ratify the agreement.

Passing the bill in the Foreign Affairs Committee started a period of disorder in the National Assembly. The *Economist* reported that DP members organized a series of sit-ins in the plenary room and other key rooms of the assembly, including the Speaker's room. By barricading themselves in, they essentially interrupted all work flow. The two parties tried to find a solution; however, their negotiations ended unsuccessfully. The DP demanded to wait with the ratification until President-elect Obama was to take office in January 2009, demonstrating how divided Korean opinion on the KORUS FTA still was.

VI. CONCLUSION

The FTA ratification process in 2008 did not reach successful completion, and the 2009 outlook is bleak. During the past year, the KORUS FTA has brought many surprises. How will the story end? No one is able to say for sure, as there are several possible outcomes. President Obama will probably try to ratify the agreement; however, his ability to secure the needed majority from his party on the issue is still questionable. Another option is renegotiating the agreement. However, neither side admits this officially. On the contrary, Lee Hye-min, Korea's chief negotiator for the KORUS FTA, was reported by *JoongAng Daily* in November 2008 to have rejected such proposals when the opposition raised them, saying, "The KORUS FTA is by no means an item for which the U.S. can easily ask for renegotiation. ... Asking for renegotiations of a pact that was already signed not only is against international protocol, but also will seriously tarnish the U.S. government's international credibility in its bilateral and multilateral negotiations on agreements like the ongoing Doha Development Agenda." Moreover, renegotiation is a complicated process that once complete, still does not guarantee ratification. The future of the KORUS FTA, together with other unratified U.S. FTAs, is therefore still uncertain, so much so that one is not inclined to exclude their discontinuation altogether. Such a result, however, would probably have an unfortunate impact on the U.S.-South Korea alliance overall.

As it was during the past year, the rationale for the free trade agreement will probably not be the only aspect taken into account. There will not be any power

transition in 2009, and the momentum that the FTA gained after President Lee's election is lost. Yet, the election of a Democratic president with a Democratic majority Congress creates a momentum on the U.S. side that might have a positive impact in 2009. As a result, as in the past, the ratification process will again be influenced by multiple independent factors. Whether the KORUS FTA passes or not, the process shows the complexity of decision making in a democratic state. Therefore we can expect to see further interaction between the state and society, between legislative and executive powers, as well as the dynamics within individual parties and interest groups regarding the future of the KORUS FTA.

CHRONOLOGY

- January 2008* Talks about the February deadline for ratification occur.
- January 28* The ROK National Assembly's winter session starts.
- February 11* Eight DLP parliamentarians block the committee room in order to prevent FTA approval.
- February 25* Lee Myung-bak assumes office as the tenth President of South Korea.
- March 4* U.S. Representative Jim Moran (D-VA) denies the possibility of KORUS FTA passing in the U.S. Congress in 2008.
- March 7* Presidents Bush and Lee discuss U.S.-Korea relations and the KORUS FTA at Camp David.
- April 7* President Bush announces the plan to send the Columbia FTA to Congress.
- April 9* The Grand National Party wins parliamentary majority in the general elections.

- April 18* Lee Myung-bak administration agrees to reopen market for U.S. beef.
- April 22* President Lee calls on the ROK parliament to hold an extra session in May to ratify the FTA.
- May - June* Protests against Lee's decision to lift the ban on U.S. beef imports occur.
- May 31* 100,000 Koreans participate in the candlelight vigil in protest against U.S. beef imports.
- June 2* South Korea opts for a delay in U.S. beef imports due to public protests.
- June 29* More than 100 people are injured in a protest.
- July 3* South Korea resumes U.S. beef imports.
- September 24* The U.S. Senate meets with automotive industry representatives who criticize the FTA.
- November 4* Senator Barack Obama is elected forty-fourth President of the United States. The Democratic Party strengthens its position in Congress by winning majority in both House and Senate.
- November 17* South Korea becomes a part of the U.S. visa waiver program.
- December 15* GNP representatives pass the KORUS FTA through the committee without considering DP objections.
- After December 15* Members of the opposition party conduct sit-ins in the National Assembly building, eventually interrupting all parliamentary work.
- December 26* The Korean Constitutional Court rules that the notification

published by the Ministry of Agriculture in May that allowed U.S. beef into the Korean market given the removal of specific risk materials, was legal.

The Current State of South Korean Civil Society under Lee Myung-bak

By Sandy Yu



I. INTRODUCTION

The civil society movements of 2008 reinvigorated and reawakened a deep sense of purpose and political awareness in South Korea, reminiscent of the democratic struggles in the 1980s. After ten years of progressive rule under Presidents Kim Dae-jung and Roh Moo-hyun, relations with the nascent Lee Myung-bak administration are tenuous at best. Civil society members who had grown accustomed to special privileges and direct interactions with the government no longer have these advantages. However, in the tremors resonating from month-long beef protests as well as the insubordinate will of the activists involved in the North Korea balloon campaign, civil society organizations have proven that they will not be silenced. They have become an undeniable presence within South Korean democracy.

This paper will first delve into the development of civil society organizations in South Korea and the challenges they currently face. Next, it examines government responses towards the beef protests and the North Korean human rights balloon campaign, discerning from that variance, the current status of civil society organizations under the Lee Myung-bak administration. From this, the paper examines how the beef protests mirror the status of U.S.-Korea relations and how the North Korean human rights balloon campaign has adversely impacted inter-Korean affairs in 2008. Finally, it takes a look at the future prospects for civil

society organizations in South Korea.

II. GROWTH AND DEVELOPMENT OF CIVIL SOCIETY

Civil society has transformed drastically from the days under the dictatorial rule of President Chun Doo-hwan. On June 10, 1987, students and labor unions formed the bulwark of the uprising against military dictatorship. The people's desires for direct presidential elections were heard. Following this, the June 29 Declaration legalized the right to vote and the reign of military leaders in South Korea came to an end. After the volatility of military rule ceased, the once antagonistic relationship between state and society evolved into one of cooperation.

Under the civilian leadership of President Kim Young-sam, who openly embraced reform, nongovernmental organizations (NGOs) and civil society organizations (CSOs) flourished. An article by Katharine Moon entitled *South Korean Civil Society*, states that around 74.2 percent of all CSOs were established from 1993-1998. The government also began to financially support NGOs, seriously consider their policy proposals and even enact some of their recommendations into law. This pattern continued under the watch of Presidents Kim Dae-jung and Roh Moo-hyun to the extent that NGOs and CSOs came to be known as the "fourth branch of the government." Under the banner of "participatory government," the new position of "secretary to the president for civil society" was created, which ensured proper communication between NGOs and the ROK government. Additionally, various CSO leaders were recruited into government agencies.

However, under the newly elected Lee Myung-bak administration, many of the commissions that had facilitated communication between government officials and civil society leaders under Roh Moo-hyun were abolished and no new conduit for communication was established. With no formal channels of communication between the government and civil society, former Minister of Foreign Affairs and Trade, Song Min-soon, characterized as a shift from a "broad and deep" relationship under President Roh to a "nominal" relationship under President Lee. In addition to the issue of decreased communication with the government, civil society was dealing with structural issues at the start of 2008 that hastened their decline.

III. CHALLENGES FACED BY CIVIL SOCIETY

Despite the exponential growth of civil society in the 1990s, Korean civil society in the post-Roh years has been dwindling in popular support. A 2005 survey by the *JoongAng Daily* revealed that the credibility ranking of NGOs in Korea against NGOs in other countries dropped from first to fifth since 2003. In 2007, a series of exploratory articles by the *Korea Herald* analyzed the challenges of South Korean civil society and identified several factors as having contributed to the constriction of CSO and NGO influence.

First, the need for financial support poses serious challenges for civic groups to maintain neutrality. Many organizations survive through contributions from private corporations and government organizations. However David Steinberg, distinguished professor and director of Asian Studies at Georgetown University points out, "In a Confucian-influenced society, such as Korea, in which hierarchy is vitally important in administrative as well as personal relationships, the influence of the state may be more profound than, for example, in the United States." With amorphous lines between state and society, it becomes increasingly difficult to trust the intentions of civil society organizations.

Second, conservative and progressive civil society groups remain staunchly divided in their outlook concerning the North Korea issue and U.S.-ROK relations. Lee Seon-mi at the Third Sector Institute asserts that the problem is not so much different ideologies at play as it is that CSOs are too rigid in their ideological beliefs. Lee cites communication between different ideological groups as a necessary component of a sound civil society. The polarization between the two groups has been further exacerbated by differing political camps.

Finally, although the traditional spirit of social movements in the 1980s was based on student activism, many organizations now fail to reflect the desires of the public. Instead, the organizations are fueled by the ideals of its leaders and staff members. As Park Sun-young of *Hankook Ilbo's* International Affairs Desk explains in her article, "Shinsedae," "Korean civic movements have fallen into parochialism reflecting the interests of comparatively fewer people. It shows a limited capacity to brace for dynamic demands erupting from Korean society."

IV. THE INTERNET AS THE NEW PUBLIC SPHERE

South Korea is characterized as an information society, adopting a new lexicon of technical jargon such as “group think,” “madcowmob,” and “2MB.” In 2008, civil movements were emboldened by the internet and were able to grow into such large scale movements due to the new era of broadband diplomacy led by “netizens,” or internet citizens. Before taking to the streets, these netizens were able to voice their discontent and collaborate with others online, thus broadening their support base.

In the article, “Online Civic Participation,” published in *Media, Culture, and Society*, Chang Yoo-young identifies geography, government policy, economy and culture as the four main reasons South Korea has become an information society. First, in a densely populated metropolitan area like Seoul, the internet has become an economical method of connecting with one another. Second, the government has also actively pursued policies that nurture the development of information technology. Third, internet use has become greatly affordable at the equivalent of \$25 a month. Finally, for a country traditionally bound by Confucian ideals, the internet has become a way to escape solidified hierarchy and for younger citizens to freely express themselves. Chang follows up his argument by stating, “It is only natural that reform-oriented netizens would actively use online means to disseminate their own versions of public opinions and to participate in social movements.”

In a country where media is dominated by conservative voices, the internet has also emerged as an alternate method for promoting public discussion and representing a wider spectrum of opinions. Online media has formed a new grassroots medium for those previously excluded from voicing their opinions. In a June 12, 2008 *Korea Times* article, former President Kim Dae-jung observed, “We are experiencing an extraordinary phenomenon in Korea. We are witnessing the practice of direct democracy for the first time since it was exercised in Athens 2,000 years ago. [It] is practiced via the internet and text messages, and candlelight vigils on the streets.” Kim’s statement reflects the key role played by the internet in rallying and organizing supporters during the 2008 candlelight vigils.

V. 2008 CANDLELIGHT VIGILS: THE BEEF PROTEST

On April 18, 2008, the Lee Myung-bak administration agreed to reopen the Korean market for U.S. beef. U.S. beef imports had been banned in Korea after the 2003 outbreak of bovine spongiform encephalopathy (BSE), more commonly referred to as “mad cow disease,” in the United States. The decision to lift this ban was surreptitiously placed in the June 25 government gazette without forewarning or prior explanation to the public. Issued on the eve of a summit meeting between President Lee and President Bush, the agreement was meant to facilitate the passage of the Korea-U.S. Free Trade Agreement (KORUS FTA).

After the announcement, MBC’s *PD Notebook* program aired an episode, “Is U.S. Beef Safe?” The program falsely claimed that South Koreans were especially susceptible to mad cow disease, spurring panic throughout the Korean public. As rumors began to spread that school cafeterias were a designated target for U.S. beef, many school children and parents began to voice their apprehension through internet forums and discussion boards. Thirteen-year-old Cha Yoon-min told the *Washington Post*, “I am afraid of American beef. I could study hard in school. I could get a good job, and then I could eat beef and just die.” Starting from May 2, distraught parents and teenagers began organizing small scale candlelight vigils in protest. Meanwhile, the People’s Conference against Mad Cow Disease was formed by concerned netizens and on May 6 the group facilitated forums for public discussion about the dangers of U.S. beef. It wasn’t until May 26 that hundreds of thousands of South Koreans began to protest in earnest. The internet, operating as a newfound channel for the public to voice their concerns, was used to gather together hundreds of thousands of South Koreans for the 2008 candlelight vigils.

By allowing U.S. beef back into the country, President Lee removed a major obstacle to garnering U.S. congressional approval of a free trade agreement that could potentially increase South Korea-U.S. trade by \$20 billion a year. To Lee, a seasoned businessman, the justification for allowing U.S. beef back into the market seemed almost self-evident. However, his seemingly harmless decision backfired and the beef issue exploded into a grassroots political movement against the Lee administration.

According to Park Jung-eun of the South Korean NGO, People's Solidarity for Participatory Democracy, over 18,000 CSOs rallied together around the dangers of U.S. beef because they saw this as a cause that the people wanted to fight for. As a result, an estimated 100,000 protestors took to the streets, eventually crippling President Lee's nascent government. As a result, Lee was forced to drastically reshuffle his cabinet. He also conceded to public demands and banned U.S. beef from cattle older than thirty months, thus playing into the belief that cattle younger than thirty months carry less risk of BSE.

However, the fear of BSE was not the only issue driving the protests. The 2008 candlelight vigils were also motivated by a number of broader underlying issues. First and foremost, many protestors saw in President Lee's policies a desire to cater to U.S. policies to the detriment of South Korea, signifying an uneven balance in U.S.-Korea relations. Underpinning this dissatisfaction was a sense that the United States was getting the upper hand in U.S.-ROK relations. Protestors demanded equal treatment from the United States. One protestor, thirty-four year old Hwang Jung-sun, explained, "It's not that I don't like America. It's the way Bush throws around his weight. He's not treating South Korea as an ally but as a vassal state. I don't want to accept everything just because the Americans are making demands, like asking to dispatch South Korean soldiers to wars that he created and eat the beef when safety is in question."

Although the issue of inequality in U.S.-ROK relations was a key motivation for the protests, the candlelight vigils also reflected dissatisfaction with the Lee administration's domestic policies in general. From the start of his administration, the Lee government appointed officials based on past affiliations, such as colleagues from Korea University, Somang Presbyterian Church, and Yongnam Province. In an interview with the *Christian Science Monitor*, Korean school teacher Kim Haeng-su, stated, "Thousands of students are here to protest his educational policy. The students say they have no voice in the system, and he only cares about education for the rich people." Many protestors also scoffed at Lee's "cronyism" and his inability to incorporate others, and many young people felt that Lee's cronyism only perpetuated the pressure-cooker conditions they endured at school.

Other major groups represented were the progressive leftist labor groups and minority party leaders. During the 2007 election period, many of the internet

media groups that swept progressive leaders like Roh Moo-hyun into power were staunchly suppressed. Lee Han-ki, editor-in-chief of the internet news source, OhMyNews, stated, "In 2007, we didn't have the right to give our opinion on public forums or websites, only private blogs. It was officially forbidden to voice support for one candidate. People who wrote such articles were arrested by the police and this stopped people from voicing their opinions on the Internet." It is quite probable that the intensity of the protests was magnified because many of the stronger progressive voices had been stifled by the government.

The tumultuous aftermath of the 2008 vigils calls for increased communication between the South Korean government and civil society. For example, by properly informing its citizens of its decision to import U.S. beef and remaining transparent, the government could have better gauged the response of its citizens. Giving CSOs the power to voice their concerns through commissions and government posts would have also provided information about citizens' opinions, which was the case, however small of scale, during the Roh administration.

VI. NORTH KOREAN HUMAN RIGHTS BALLOON CAMPAIGN

Another significant civil society movement in 2008 was the resurgence of the North Korean human rights balloon campaign, also referred to as the "gospel gas balloons." Started in 2005 by Christian missionary groups and North Korean defectors against the Kim Jong-il regime, the program sent balloons filled with Bible scriptures and nylon stockings - using the stockings as a lure to entice North Koreans to pick the balloons up - across the border into North Korea. Unlike the more progressive groups leading the beef protests, the balloon campaigns were mainly engineered by conservative groups such as Fighters for Free North Korea and Family Assembly Abducted to North Korea.

The tactics utilized by these conservative groups were religious in nature. A California-based Korean American missionary, Douglas Shin, stated in a *China Post* interview on August 16, 2005, "Christians have become the alpha and omega of the North Korean issue. We have picked up this banner to help the North Korean people. Some people don't like using the word crusade, but that's exactly

what this is - a crusade to liberate North Korea." Conservative NGOs tended to advocate the hardline policies of the Bush administration in dealings with North Korea. With estimated figures of 150,000 to 200,000 North Koreans held in detention camps and with the death penalty for those possessing Bibles, many of these Christian organizations focused on human rights violations within North Korea.

In early September 2008, balloons were released, this time not carrying Bible verses, but carrying messages proclaiming the failing health of their leader, Kim Jong-il. BBC news quoted a leaflet that read, "My fellow North Koreans! Do not just sit and die of hunger but fight against Kim Jong-il!" Another stated, "Your 'great' leader's last days are approaching. The dictator has collapsed from illness." Because they question the stability of Kim Jong-il's rule, the dissemination of these pamphlets has been particularly sensitive.

At a crucial time in inter-Korean relations, the campaign had negative repercussions on the rapidly deteriorating North-South relationship. However, for many activists, the chief motivation was not to nurture North-South relations, but rather to relay the message of freedom to their North Korean brethren. Park Sang-hak, a human rights activist and former defector, felt compelled to reach out to those he left behind. In an interview with the *Korea Times* on November 25, 2008, Park stated, "North Korea is a feudal dictatorship hidden behind an iron curtain. We're sending these flyers across the border to let the people in the North know about the concept of freedom, and to provide factual information about their leader."

On October 2, 2008, North and South Korean military leaders met in Panmunjom to discuss methods of improving military communication between the two countries. The meetings were historic in that they were only the second official round of talks between North and South Korean officials since Lee took office in February. At the outset, the purpose of the meeting was to ask the South Korean government to improve communication systems by replacing copper cables with fiber-optic cables. However, the officials used equal time to condemn the leaflet distribution by the South. Unlike the summit meeting held between Roh Moo-hyun and Kim Jong-il exactly a year before on October 2-4, 2007 in which they agreed to continue towards peace and prosperity on the Korean peninsula through the "Declaration for the Development of North-South Relations and Peace and

Prosperity,” this 2008 military meeting carried a drastically antagonistic tone.

North Korean military officials pointed to an agreement made during the June 2004 talks in which both sides agreed to cease propaganda distribution in the form of broadcasts, bulletins, and leaflets. For the breach of conduct, the North demanded apologies, punishment of those responsible, and a promise to prevent future occurrences. North Korea threatened that if these conditions were not met, it would expel South Koreans working at the joint industrial zone, the Kaesong Industrial Complex. The North Koreans also stated that tours through the border city of Kaesong, cross-border railway services between Munsan and Kaesong would be suspended, and the number of permanent South Korean employees at the Kaesong Industrial Complex would be cut in half. The office for inter-Korean economic cooperation would also be closed, and the South Korean officials working there would be asked to leave. South Korean organizations, such as the Kaesong Industrial Complex management committee, an association of South Korean companies within the industrial park, Hyundai Asan, Kaesong tour operators, and the South Korean chief delegate to military level talks were officially notified of North Korea’s intentions.

The significance of North Korea’s threat was that it signaled the deterioration of the Kaesong Industrial Complex, a symbol of the exchange and cooperation built through Kim Dae-jung’s Sunshine Policy. North Korea’s response endangered the viability of the industrial park in total, and the ramifications of North Korea’s actions would negatively affect not only cross-border relations but future Six-Party Talks as well as North Korea - U.S. ties.

At this juncture, North Korea seemed to be waiting for a reaction from their South Korean counterparts - something between confrontation and engagement. An article in the *Chosun Ilbo* reported as follows. North Korean officials said, “The responsibility rests with South Korean authorities who have denied the June 15 Joint Declaration and the October 4 Declaration and pursued confrontation between North and South.” The June 15 and October 4 declarations refer to the two summit agreements reached by Lee’s predecessors, Kim Dae-jung and Roh Moo-hyun.

Mounting pressure from the North has prompted a crackdown on these activists

by South Korea's Unification Ministry, National Intelligence Service, National Police Agency, and Foreign Affairs and Trade Ministry. Unification Ministry spokesman Kim Ho-youn stated in an interview with the *Chosun Ilbo* on November 20, 2008, the government "reconfirmed" the position that the leaflets were "undesirable" and that civic organizations "must restrain themselves because the practice has a negative effect on inter-Korean relations."

However, without any harsh consequences from the government, after only one month of voluntary suspension, South Korean CSOs resumed the leaflet campaign. "Our leaflets tell North Koreans about some basic and private aspects of the life of Kim Jong-il," Park Sang-hak explained. "You can see it's effective because of the way North Korea is responding. ... If we stop, we'd be giving in to their blackmail." Fighters for Free North Korea, the organization responsible for the leaflets, said it had no plans to halt its operations and planned to send another 100,000 leaflets across the border, with more to follow at a later date.

On January 2, 2009, 24 conservative CSOs gathered in Imjingak Plaza in Gyeonggi Province and sent more than 3,000 leaflets in four separate balloons to North Korea. Civil society organizer Choi Woo-won noted in a telephone interview with the *Chosun Ilbo* the failure of the Sunshine Policy and demanded for the North Koreans to resolve the Kaesong issue, the death of the South Korean tourist at Mount Kumgang resort, and the fate of South Koreans abducted during the Cold War. (Official estimates are that 540 South Korean prisoners of war are still alive in the North.)

This inherent misunderstanding of each other's intentions led to the inevitable deterioration of North-South relations. In a country infused with *juche* ideology, it was particularly difficult for North Korean officials to understand the domestic policy processes of South Korea. North Korean officials assumed that an executive order would terminate protests. The fact that the balloon launch had not been stopped added to frustrations as North Korean officials assumed a lack of action on the part of the South Korean government. North Korean officials were adamant that the balloon campaign be ended. On October 28, 2008, Al Jazeera news reported the following North Korean statement, "We clarify our stand that should the South Korean puppet authorities continue scattering leaflets and conducting a smear campaign with sheer fabrications, our army will take a resolute practical

action as we have already warned.”

North Korean defector Lee Min-bok’s organization, Christian North Korean Coalition, had been actively sending leaflets to North Korea. In an interview with the American Foreign Press, Lee stated, “The reason North Korean authorities are so sensitive about the leaflets ... is that they directly criticize Kim Jong-il and target the area of Hwanghae province where North Korea’s elite military units are concentrated.” He identified three main components crucial to the continuance of the regime: isolation, idolization of its leader as a deity, and nuclear weapons. These leaflets, therefore, threatened these values. Kang Cheol-hwan, former North Korean defector and founder of the organization Democratization of North Korea, told Radio Free Asia that the North Korean government had protested more than twenty-two times to the South Korea government, attesting to their genuine worry that the leaflets were a threat to their regime stability.

The way the Lee administration chose to deal with the balloon campaign was reflective of Lee’s inclinations towards dealing with inter-Korea relations. Clearly deviating from the years of engagement promoted under the Kim Dae-jung and Roh Moo-hyun administrations, Lee Myung-bak took on a “get-tough” policy with North Korea when coming into office. Representing a conservative standpoint, he thereby refused to enact stricter regulations to deter the leaflet campaign. Despite the obvious threat to stability on the Korean peninsula, President Lee chose to disengage from the North.

In an interview with *Hangyoreh*, Jeong Wook-sik, head of the Korean CSO, PeaceNetwork, suggested that the South Korean government would need to fulfill the following criteria in order to restore a harmonious balance in inter-Korea relations: South Korea resumes and completes energy aid to North Korea under the October 3 agreement regardless of the North’s acceptance of the nuclear verification agreement; President Lee expresses his willingness to respect the June 15 and October 4 declarations in his New Year’s message; and South Korea resumes humanitarian aid to the North to prevent food shortages in the DPRK.

However, the Lee administration opted to seek change in the North Korean regime instead of promoting the mutual coexistence that the June 15 and October 4 declarations supported. Accordingly, for the first time ever, President Lee adopted

a North Korean Human Rights Act similar to the U.S. North Korean Human Rights Act of 2004. The North Korean Human Rights Act called for the promotion of human rights, transparency in the delivery of humanitarian assistance and protection of North Korean refugees.

As President Bush began to steer away from his hardline policies and U.S.-DPRK relations were slowly improving, it was important for inter-Korea relations to improve in tandem. The dissemination of these leaflets continued to hinder the peaceful interaction between the two sides, breeding mistrust and hostility between them. For a government that dealt harshly with the protests of the candlelight vigils, the restraint shown towards these conservative groups despite the consequences of their actions revealed an administration allied with these conservative organizations.

Besides the variance in government response to these two civil society campaigns, the conservative-led human rights balloon campaign and the progressive-led candlelight vigils reflected the ideological chasms that continue to afflict modern CSOs as well. But was political ideology the only factor at play? Participation levels in the protest seem to offer greater insight into which issue areas hold greater resonance with Korean society as a whole.

In an Asia-Pacific Center for Security Studies publication on democratic consolidation in South Korea, Stephen Linton, founder and chairman of the Eugene Bell Foundation, characterizes South Korean society as a “disconnected society.” He points out that “people are increasingly disconnected from their past. ... Progress has brought with it a fast-paced urban lifestyle that has little tangible connection to history.” Linton describes a transformation in South Korean attitudes towards North Korea, gradually moving from fear to curiosity and finally to condescension throughout the years. Instead of feeling a sense of kinship, the younger South Korean generation now sees North Koreans as the “country cousins” badly in need of a loan. Unification has thus shifted from an issue of necessity to a liability. The gradual alienation of North Korea may help explain why the balloon campaign did not rally as many South Koreans to the issue.

At the same time, the beef issue was a time to air grievances against the policies of

the Lee government. While the potential for eating contaminated beef was an issue that affected society as a whole, the issue of human rights in North Korea seemed more removed and the sense of urgency was not as apparent.

VII. CONCLUSION: PROSPECTS FOR CIVIL SOCIETY IN THE COMING YEARS

In comparison to 2007, stark differences between civil society's interaction with the different administrations of Roh Moo-hyun and Lee Myung-bak emerged in 2008. Under the Roh administration, civil society was able to engage quite closely with the government. There were major government hearings in which CSOs were given the opportunity to voice their opinions on policy issues within committees. Many of their suggestions were then taken into account in government decisions. However, the Lee administration lacked channels of communication between the government and the civil society. Additionally, the Lee government subsequently instigated several policies in order to suppress radical progressive organizations, including the persecution of private corporations that fund NGOs as well as the blocking of internet forums and shutting down of critical websites so that citizens were unable to access or be influenced by these forums.

Despite these measures, Park Soon-sung, director of the Institute of Peace and Disarmament, notes that although the current administration has proven itself to be extremely conservative, it does not indicate a reversion to the type of conditions that sparked protests in the 1980s. Instead, he points to the growth and establishment of various CSOs. He also believes that within the Grand National Party (from which President Lee hails) there are those who believe strongly in liberal democracy. Finally, Park expressed his belief that South Koreans will not tolerate deprivation of their democratic rights. Just as U.S. citizens in the aftermath of the September 11 attacks were willing to give up some freedoms in exchange for greater security, South Korea's current financial crisis and deteriorating cross-border relations with a nuclear North Korea have created a temporary lull in citizens' desire for progressive democracy. However, in his opinion, South Korean citizens will only allow for such incursions of their rights until the state of the nation improves.

At the close of 2008, it is evident that many CSOs have mastered some challenges yet are faced with new ones yet to be conquered. The internet has emerged as a new public space in which members of a rapidly disconnected society may regain their status as watchdogs and counter aspects of state power over citizens. It has also become a tool for CSOs to rally participants and to gauge and meet public demands. The challenge then becomes the administration's ability to allow civil society's self-expression while still maintaining control over its citizens and order within the nation. As the Lee administration continues on its five year course, the need to efficiently harness the power of the new "public sphere" becomes increasingly apparent.

CHRONOLOGY 2008

Candlelight Vigils

- April 18* The Lee Myung-bak administration agrees to reopen market for U.S. beef.
- May 2-6* Small candlelight vigils are organized in protest of U.S. beef. People's Conference against Mad Cow Disease is formed.
- May 26* Beef protests begin in earnest.
- May 31* 100,000 Koreans participate in candlelight vigils in protest against beef imports.
- June 3* Age limit is set on U.S. beef eligible for import.
- June 13* Lee Myung-bak's cabinet offers to resign due to candlelight vigils.
- June 25* The United States and South Korea strike a deal on beef sales.

North Korean Leaflet Campaign

- September* Leaflets are sent in several batches.
- October 2* First North-South military meeting since Lee came to office takes place. North Korea protests the leaflet campaign.
- October 27* During military-level meetings, North Korean officials demand a stop to the leaflets.
- November 25* North Korea provides an ultimatum for the South to stop leaflet distributions and agree to the June 15 and October 4 declarations made with Kim Dae-jung and Roh Moo-hyun.
- December 5* A news conference was held after conservative groups meet with GNP representative Park Hui-tae. Park asked the groups to refrain from sending leaflets.
- December 26* Activists decide to resume sending leaflets in January.

The Korea Brand: The Cultural Dimension of South Korea's Branding Project in 2008



By Li-Chih Cheng

I. INTRODUCTION

Since President Lee Myung-Bak raised concerns about Korea's overseas image after taking office in 2008, nation branding has been a hot topic. In a speech to commemorate the 60th anniversary of the Republic of Korea, President Lee mentioned that "if the nation wants to be labeled an advanced country, it will be necessary to significantly improve its image and reputation." He added, "The value of brand Korea only accounts for approximately 30 percent of the nation's economic power, and the proportion is no more than a small fraction of that of the United States and Japan." President Lee's recognition of the importance of better delivering Korea's brand resulted in his making the rebranding of Korea one of the cornerstones of his administration.

In order to jump-start nation branding efforts, the Korean government invited world-class nation branding experts to Korea to offer advice and host conferences. Furthermore, the government made plans to create various government-funded bodies to focus specifically on nation branding efforts and concerns. In response to this series of actions, the *Korea Times* ran a series of articles on Korea's national brand, interviewing a number of specialists in cultural exchange, business branding, tourism and advertising to comment on Korea's perception overseas

and give further recommendations to the Korean government. The rise of nation branding efforts in Korea suggested that diplomatic representation has evolved and that cultural exchange and export should be considered an integral part of South Korea's political change.

So what exactly is "nation branding" and what prompted Korea's sudden interest in its image abroad? This paper defines nation branding as a concept and its relationship with cultural exchange and "soft power." Second, it examines past nation branding efforts by the Korean government and evaluates the effectiveness of these past policies. Third, it highlights the cultural aspects of current nation branding efforts, focusing on three major cultural export policies formulated by the Lee administration. Finally, this analysis concludes that Korea is still in the infant stage of promoting its culture, and will need clear direction from the government in order to formulate effective country or region specific strategies for improving its global image.

II. SOFT POWER, CULTURAL EXCHANGE AND NATION BRANDING

In February 2008, the Korea Foundation and the East Asia Institute invited Harvard Professor Joseph Nye, developer of the "soft power" theory, to lecture and participate in seminars and meetings on increasing Korea's soft power. According to the *Korea Times*, Yim Sung-Joon, president of the Korea Foundation, explained, "The 21st century is an era of soft power, which emphasizes culture, knowledge, technology, value sharing and international exchanges." This invitation, in a sense, served as a first step for the Korean government to seek ways of improving Korea's image through soft power.

In his book, *Soft Power: The Means to Success in World Politics*, Joseph Nye defined soft power as a more indirect power to influence the behavior of other nations through cultural or ideological means. While "hard power" can rest on direct ways to get what a country wants, such as using military force or economic sanctions to coerce and command, soft power relies on values or culture to attract and elicit cooperation from others. According to Nye, much of the existing literature on soft power maintains that a nation can increase its influence over

others by disseminating its culture. In addition, exposure of that culture enhances the nation's ability to attract others and therefore aids its government's ability to achieve specific or general goals. Along with hard power, such as economic and military capabilities, Nye suggests that soft power, such as cultural influences, is an important tool for promoting national interests. Nation branding is actually a process of combining all of a nation's resources that can contribute to national interests. Here, public diplomacy and cultural diplomacy both serve as a part of nation branding. A successful nation branding campaign helps create a more favorable image among international audiences by spreading its values, thus further strengthening a country's soft power, as both concepts are concerned with a nation's influence on the world stage.

Then what is nation branding? In 1996, British consultant Simon Anholt coined the term "nation brand" or "nation branding" to refer to how countries are perceived by others. The process of nation branding is a multi-phase project that involves both internally- and externally-focused efforts. The first phase of nation branding involves gaining a better understanding of a country's strengths and weakness in order to identify the country's core essence and to be able to better utilize national assets. This discovery phase then serves to inform what the new image and identity of the country should be, bringing to light the country's attributes that can help it stand out from others. The second phase involves communicating this new identity and image to the world to help reshape external perceptions of the country in a controlled and systematic way. Nation branding as a whole is a nation's efforts to actively shape or control international opinions of the country's "brand" so that they are reflective of the country's core assets and attributes politically, economically, and culturally.

Past Exploration on Branding

The first government-level attempt to create Korea's national brand began only six years ago. In preparation for the Korea-Japan World Cup 2002, the Kim Dae-jung administration created the slogan "Dynamic Korea" as a large-scale image promotion campaign. At that time, the term "dynamic" renewed Korea's image as a nation full of passion for sports and activism, and was effective among other Asian countries. Thus, after the World Cup, a national image promotion committee was set up under the prime minister's office, and in 2003, President

Roh Moo-hyun established the Government Information Agency, within which, an ad-hoc committee supervised the development of Korea's national brand. The Roh administration believed that "the best things about Korea can also be the best things for the world." As a part of the campaign, images such as the Bulguk Temple, the Sukgulam Grotto, the Jongmyo Shrine, and a smiling couple wearing the traditional Korean *hanbok* were put forth.

In addition to the branding campaign, Korea's image in Asia was helped along by "*hallyu*" or "the Korean wave." *Hallyu* consisted of an almost viral popularity of Korean popular culture throughout Asia. Korean pop music (K-pop) and Korean television dramas and movies dazzled audiences from Tokyo to Taipei, and quickly spread throughout Southeast Asia. Statistics show that the Korean Wave first began in the early 1990s, and grew stronger after 2003 despite expert predictions that it would lose popularity after 2000. The success of exporting Korean dramas, such as "The Jewel in the Palace" and "Winter Sonata," was soon matched by Korean food, language and other cultural industries. *Hallyu* may have been partially attributed to the deep and sensitive portrayal of attractive Korean men and women, but more importantly, the themes of Korean dramas dealt with family and love issues that were culturally-transcendent and universally accepted. Moreover, unlike Japan which garnered strong anti-Japanese sentiments throughout Asia due to its colonial past, South Korea did not carry the same political baggage and was seen in a much more positive light among Asian countries.

Despite the success of *hallyu*, Korea's cultural industry began to slow down in 2006, especially in the export of dramas, films and music. According to the Ministry of Culture, Sports, and Tourism, exports in the music industry reached \$22.2 million in 2005 but soon fell to \$16.6 million in 2006. Similarly, Korea sold films worth \$75.9 million in 2005, but dropped to \$24.5 million in 2006. The overall waning of the Korean Wave in Asia can be partially attributed to all-too-familiar storylines and a growing cultural hostility toward *hallyu* among Asian countries due to the massive exposure of Korean popular culture, especially in China. It is said that Korea saw a decline in drama exports to China from \$9.7 million in 2006 to \$6.5 million in 2007.

Although Korea's nation branding efforts worked well among many Asian

countries, it did not arouse the same level of interest from big western countries. This differing reaction is often attributed to the mismanagement and misuse of various strategies and slogans. For example, while "Dynamic Korea" resonated positively among Asians, it was perceived differently by European and Third World nations. Kim You-kyung, president of the Korea Advertising Society and a communications professor at the Hankuk University of Foreign Studies, explains, "The term 'dynamic' implies activism but it also projects the feeling that Korea is still trapped in industrialization and has a long way to go before placing its name on the list of advanced countries. I met some Europeans who even imagined North Korea when they read the slogan." As reported in the *Korea Times*, Korea is only perceived positively by international opinion leaders such as diplomats, investors and scholars; when it comes to public opinions worldwide, Korea's cultural wealth has simply not been noticed. Ordinary people do not see Korea as a very attractive or admirable country, nor do they regard it to be very relevant to their daily lives.

According to the Anholt-Gfk Roper Nation Brand Index Ranking, Korea ranked 32 out of 38 contenders for 2007, down from 27 in 2006 and 25 in 2005. The Anholt-Gfk Nation Brand Index (NBI) is an opinion poll that measures the power and quality of each country's brand across six dimensions of national competence: exports, governance, culture, people, tourism, immigration and investment. In 2008, out of 50 countries, South Korea's rankings were 18 in exports, 30 in immigration and investment, 31 in governance, 33 in culture, 39 in people, and 43 in tourism. Based on these rankings, it appears that Korea's economic strength has registered highly with people around the world, while its cultural heritage and people have little resonance with foreigners. Worse yet, there seemed to have been some confusion between North and South Korea in the minds of some respondents, especially in Europe and the Americas.

Despite efforts made during the Roh administration, Korea's ranking has fallen year by year. Korea's poor NBI rankings surprised President Lee Myung-Bak, the country's first president with a business background. Once known as "the Bulldozer," Lee built his fame as the hard leader of Hyundai Construction & Engineering, South Korea's best-known builder and icon of its breakneck economic growth. Lee was counseled by many foreign advisors on how to foster Korea's national brand and image. Nation branding was posed as an especially

urgent matter, with experts pointing to the coming five-year period as Korea's last chance to join the ranks of advanced countries due to its rapidly aging society and the aggressive rise of the BRIC (Brazil, Russia, India and China) economies. As a result, the Lee administration became obsessed with Korea's international image, and thus the grand nation branding project officially began in 2008.

III. BRANDING KOREA: A CULTURAL EXCHANGE PERSPECTIVE

Lee Myung-bak's Initiative

In his Liberation Day speech on August 15, 2008, President Lee Myung-Bak attributed Korea's low NBI ranking to the idea that militant unions and violent protests were the "very first images that come to foreigners' minds" when they think of Korea. In an effort to change that perception, Lee announced that Korea would establish a national brand committee in early 2009 to raise the nation's brand status to the same level of other advanced countries during his term in office. According to Blue House officials, the new committee will consist of experts in marketing, media, design, culture and the arts; and that world-class public relations companies would be hired to focus on image promotion. Lee vowed to pay particular attention to promoting Korean culture, which is not well-known relative to its economic development. He also emphasized the importance of cultural diplomacy, saying, "Our traditional culture, when coupled together with our technological prowess, will no doubt transmit to the world an image of a more attractive Korea."

In a presentation at the inaugural meeting of the Future Planning Commission, commission advisor, French intellectual Guy Sorman, was called on to create a globally viable "public brand" based on traditional Korean culture with a goal of attaining stronger economic growth. He suggested that Korea foster its tourism industry, mark Korean historic sites on international maps and globalize Korean college faculty and curriculum. More importantly, he emphasized that the president should pay more attention to the export of Korean culture and its cultural products. President Lee presided over the first meeting of the Future Planning Commission, which was later divided into five subpanels to focus on

specific areas of nation branding, such as smart power.

Under the Lee administration, the Ministry of Culture, Sports, and Tourism announced on September 3, 2008, that upgrading Korea's national brand would be the key focus of its culture policy so as to make the country a more open, inclusive one in the future. Under the proposed plan, the ministry would specifically support art and culture sectors in order to win greater international recognition. Culture Minister Yu In-chon was a prominent actor before moving into politics, and starred in various movies, dramas and musicals during his 30-year career. His friendship with President Lee began when he portrayed Lee in the TV drama, "Years of Ambition" in 1990. "Letting our culture be known to other countries is the top priority for the government. It is time that not only the economy but also our culture be known to other countries," Yu said.

Another ministry that is involved with nation branding efforts is the Ministry of Foreign Affairs and Trade (MOFAT). MOFAT has three affiliates. The Korea International Cooperation Agency (KOICA) is the largest, specializing in Official Development Assistance (ODA). The second is the Korea Foundation. The Korea Foundation promotes cultural exchange and is heavily involved in Korea's nation branding project. For instance, on November 28, 2008, the Korea Foundation held the first annual large-scale conference in Seoul on national branding, during which, strategies of branding Korea to western countries were explored. The third is the Overseas Korean Foundation which provides Korean cultural activities for overseas Koreans. The Korea Foundation and the Overseas Korean Foundation play similar functions, however target different audiences.

Formulating Long-Term Programs

As reported by the *Korea Times* in 2008, Culture Minister Yu mentioned that he would start formulating a long-term overseas promotional strategy to create a global boom of Korean culture. "We will campaign for overseas cultural promotion as a long-term project. In the past, we've held just one-year or one-time events abroad. But now we are preparing for at least a three-year or longer project like other countries," Yu said. In order to better communicate Korean culture, designing bigger and longer projects and preparing everything in advance will be the trend. Yu gave the annual Korea Festival in Brussels, Belgium as an example of

the type of major, long-term events that will be planned. The 2008 Korea Festival, themed, "Made in Korea," is a big-budget four-month exhibition of Korea's arts. Featured at Belgium's Centre of Fine Arts (*Palais des Beaux-Arts*), the largest art center in the country, the festival uniquely combines some of Korea's ancient treasures with more contemporary visual and performing arts. The event runs from October to the end of February, and offers participants the opportunity to see the exhibit multiple times, unlike previous festivals which were only one-time cultural exchanges.

Despite the current economic crisis, a bigger budget has been allocated for long-term planning and promotion of Korean culture. According to Minister Yu, the plan, which is now on the drawing board, is expected to be ready in early 2009. Yu's mandate is for the Ministry to come up with more long-term projects to effectively transmit Korean culture and arts and to develop approaches differentiated by region and country. For the Americas and Europe in which Korea is relatively unknown, the government will need more aggressive promotion strategies. For Asian countries, Seoul will seek more frequent and regular cultural exchanges with Japan and Taiwan, and sports games with China. It aims to boost cultural relations and foster closer ties with its neighboring countries by finalizing a regional policy by the end of 2009. The comprehensive Korean cultural promotion policies are to be completed by 2012.

Culture as an Industry

Nation branding and cultural exchange have the potential for more than just improving Korea's external perceptions. There is an economic side to the culture industry as well. Increased promotion of cultural products, such as cartoon characters, dramas, movies and K-pop, increases revenues in those industries as well, helping to foster sustainable economic growth while enhancing artistic and cultural experiences for foreign audiences. The culture ministry also plans to introduce measures to protect copyright for overseas exports of the country's cultural contents, helping them to generate positive returns both culturally and economically. In this aspect, the culture industry is one of the core industries for the government's "low carbon, green growth" policy focus. The concept of using culture to bring handsome economic rewards is not new. The United States dominates global popular culture through Hollywood; France has wines and

cheese; the United Kingdom is renowned for Shakespeare; Italy for fashion and design.

The Korea Culture & Contents Agency (KOCCA) was set up in 2001 to foster the growth of Korea's culture content business domestically and abroad under the Ministry of Culture, Sports and Tourism. Through the KOCCA, Seoul is now mounting a systematic exploration of how to develop Korea's culture industry which includes animation, music, comics, mobile and Internet contents and edutainment. The KOCCA considers the relationship between power and culture to be a powerful force. In its brochure, it states, "In the information era, IT was considered as the leading world technology. However, Korea and the global community have seen shifts from IT to CT (culture technology). As such, the KOCCA believes that CT is the final stop in value-added technology that will continue to influence global markets in the years to come." KOCCA executive, Kim Joon-han, explains, "When we were a developing country, we made our living through manufacture. Now we have to move on and live by the culture industry."

The development of the Korean culture industry overseas is just catching on. The KOCCA, for instance, now has four overseas offices: Beijing, Tokyo, London and Los Angeles. KOCCA in Los Angeles is located in the Korea Center, along with two other organizations - the Korean Cultural Center and the Korea Tourism Organization. Operated by the Ministry of Culture, Sports, and Tourism, the Korea Center has been working to promote Korean cultural content companies and host cultural exchange programs. Its location near Hollywood offers an additional opportunity for helping develop movie and game industries. In New York City, the Korean government recently became aware of the lack of business development for Korea's culture industry. Under the Korean Consulate General in New York City, New York's Korean Cultural Service has been solely focused on cultural and academic activities in recent years. In 2008, however, after the new government placed greater emphasis on the culture industry, the Korean Cultural Service began the process of collecting information about market trends and exchanging ideas with the private sector, with hopes for greater cooperation and collaboration in the future.

A Second Wave of *Hallyu*

As *hallyu* has been in decline since 2006, the Ministry of Culture, Sports, and Tourism expressed its intent to help extend *hallyu* beyond its traditional form of K-pop and dramas, to include Korean food, fashion and publications. To achieve this goal, the ministry is mobilizing Korean embassies to serve as marketing outposts for cultural exchange, and to turn every Korean person, institution and company into an ambassador for the Korean brand. Efforts to produce a “second wave” of *hallyu* actually started during the Roh administration. During the Roh years, the culture ministry started the “Han Style” project, a campaign designed to transform traditional Korean culture into a global lifestyle brand through the commercialization of various aspects of traditional Korean culture. “Han Style” refers to six major aspects of Korean traditional culture: *Hangul* (Korean writing), *Hansik* (Korean food), *Hanbok* (Korean clothing), *Hanok* (Korean houses), *Hanji* (Korean mulberry paper) and *Hanguk Eumak* (Korean music). Highlighting these cultural contents encourages people around the world to integrate them into their everyday lives. The Roh administration invested over \$216 million in the “Han Style” project through 2011 in an effort to raise the national brand value of Korea. Meanwhile, well-known Korean actors Choi Su-Jong and Yang Mi-Kyung were selected as the spokespersons for this project. Jeollabuk-do, a province rich in historical value, also vowed to transform this southwestern province into a *mecca* of “Han Style,” and the local government invested over \$52 million over the next 10 years.

Hallyu enables people across the world to familiarize themselves with Korea and Korean culture in nontraditional ways. To convey the essence of Korea, Choi Jung-wha, president of the Core Image Communication Institute (CICI) and professor of interpretation and translation at the Hankuk University of Foreign Studies, explained, “[W]e should not rely on appealing to reason but rather get people to ‘feel’ Korea.” For example, in commemoration of Lee Myung-bak’s trip to the APEC meeting in November 2008 and later trip to South America, CICI hosted a food festival. The festival was designed to engage all five senses. The festival began with the five-minute video, “Korea is It,” and was followed by traditional Korean performances and Korean food. Choi explained, “People’s eyes and ears would be pleased by the video material and the performance and then their palate will be satisfied by Korean food.”

The Korean government's ultimate hope is the emergence of a Korean Wave in the Western Hemisphere, especially in the United States where the government has recently invested great efforts on developing cultural relations. Jung Jong-chul, Consul of Korean Cultural Service in New York, said that in North America, Korea still conjures up images of the Korean War and Korea's militant labor unions, and thus the service is struggling to change these perceptions. In fact, the cultural contents included in Roh's "Han Style," such as Korean food, traditional Korean music, and classic Korean movies, have been the focus of major Korea-related organizations in the United States since no more than five years ago. The traditionally public relations and public policy oriented Cultural Service in New York City, is now more of an art and cultural exchange center. Moreover, its previous focus on one-way propaganda has recently shifted away towards two-way mutual exchanges. Similarly, in Washington, D.C., the function of KORUS House has changed dramatically since 2005. KORUS House used to be the main Korean embassy, but then became the Korean embassy's public affairs office. However, about three years ago, this entity was transformed into KORUS House and started doing regular cultural events, along with some policy discussions with think tank groups and public luncheons. The emergence of a Korean Wave in the United States still has a long way to go but the general promotion strategies of these organizations have changed from public diplomacy to cultural diplomacy in order to foster the main aims of the "Han Style."

IV. CONCLUSION

Nation branding is the molding and management of a country's image. It should be recognized that Korea's inability to build a positive national brand and identity in the past has been attributed to policies lacking in unity and consistency. Kim You-kyung explains, "Korea's national image is summed up in three phrases overseas: not unique, not familiar and not strong. It means that our national identity lacks the three core elements for building a good national brand and identity." To be unique and attractive, Korea must distinguish itself from its neighboring countries. For instance, common perceptions of Japan include refined handicrafts and other small and exquisite cultural heritages; travelers to China are fascinated by the Great Wall and other historic spots. To many foreigners, Korea's cultural attractions look similar to those better known in China and Japan, and

thus, do not register as unique. Therefore, the task before the Korean government to differentiate itself from its regional and culturally-similar neighbors in order to improve its national brand is a daunting one, and one that will require proactive and concerted efforts.

The first step in rebuilding Korea's national brand is to discover the fundamental characteristics of Korean society, culture and industry. Although the Korean government has spent billions of dollars on various promotions, advertising campaigns, Korean language institutes, and a network of embassies around the world, these actions have not thrust Korea into the ranks of other global leaders, nor have they helped Korea to become particularly popular among other countries. Instead, Korea's brand value has gone down year by year. While similar-functioned government ministries and agencies produced stationery, brochures, books, movies, websites and more to promote positive images of Korea's national brand, unfortunately, the concepts and messages were more often than not, confusing and ineffective. Going forward, better-coordinated efforts must be implemented if Korea is to succeed in changing its global appeal.

As for the second step of nation branding - communicating this new vision of Korea to the outside world - Korea is now taking an unprecedented move in the area of overseas public relations. For instance, the Blue House now holds director-level monthly meetings to review, specifically, overseas public relations efforts. And every two months, the same meeting, according to the same agenda, is conducted at the managerial level. Participants in the meetings represent 14 different government bodies. Although similar meetings occurred under the Roh administration, the passion, attention and effort are much higher under the Lee administration.

In order to effectively communicate Korea's national brand campaign, the Lee administration must also realize that efforts must be region or country specific. No one strategy will be effective in capturing the public imagination everywhere. For instance, Korea's image in Asia, where Korea is well-known, is completely different from its image in Europe and Latin America, where people hardly know about Korea. More importantly, if Korea wants to influence world politics, a practical and feasible method should be used to target the United States. From a long-term perspective, Korea should also develop separate strategies for opinion

leaders and for the general public in each region as well.

In the end, increased emphasis on better managing Korea's brand will only be effective if backed by first-class cultural contents and well-coordinated government policies. After all, nation branding is an enormous communications task that can only succeed when viewed as a policy task as well.

CHRONOLOGY

- Early 1990s* *Hallyu*, "the Korean Wave," sweeps through East and Southeast Asia.
- 2002 President Kim Dae-jung initiates the first government-level nation branding effort. The "Dynamic Korea" campaign is constructed around World Cup 2002.
- 2006 Popularity of the Korean Wave begins to wane.
- 2008 Lee Myung-bak initiates new nation branding efforts.
- January 2009* A National Brand Committee is established.

China, Russia, and the Koreas¹

By Eduard Eykelberg



I. INTRODUCTION

Korea's two land neighbors have had a turbulent 2008. China was host to the world's biggest sports event, the Summer Olympics, and Russia invaded the former Soviet satellite state of Georgia. These two events symbolize the rise - or at least a rise in assertiveness - of both China and Russia. For Korea this implies a sensitive change in its strategic environment, a change that is being accentuated by an overstretched and financial-crisis-weakened United States, a key player on the Korean peninsula.

This article looks at developments of Chinese and Russian foreign policy towards the Korean peninsula, focusing specifically on economic cooperation and the Six-Party Talks. These two topics were chosen because they illustrate two diverse types of power exertion and are probably the two most important areas of interaction between China, Russia and the Koreas today. The first section provides a historical background of Korea's relationship with China and Russia. Each subsequent section updates those relations by highlighting important developments of 2008, which are then interpreted in a broader context.

1. The author wishes to thank Professor Lee Nam-joo from Sung Kong Hoe University; Professor Chung Jae-ho from Seoul National University; and Professor Andrei Lankov from Kookmin University for their insights provided during interviews conducted in Seoul, December 2008.

II. CHINESE AND RUSSIAN POLICIES TOWARDS THE KOREAN PENINSULA

China's policy towards the Korean peninsula has changed remarkably over the last half century. During the Korean War (1950-1953) the People's Republic of China (PRC) sided with the Democratic People's Republic of Korea (DPRK or North Korea) against the Republic of Korea (ROK or South Korea) and the United States. After the war, the PRC concluded the Treaty of Friendship, Cooperation, and Mutual Assistance with the DPRK in 1961. This treaty is still in force today and can, according to article 7 of the treaty, be amended or terminated only if there is agreement between the two parties to do so.

Over time the treaty has enormously decreased in importance, and since the mid-1990s Beijing has made it clear to Pyongyang on multiple occasions that China will not intervene if North Korea gets itself in hot water. Since this time, China has adopted an ever more behind-the-scenes position with regards to its relationship with North Korea, as was clearly displayed throughout the first and at the commencement of the second North Korean nuclear crisis. In 2003, however, China changed its position and started to take a proactive stance in dealing with the second nuclear crisis, leading to the formation of the Leadership Small Group on the North Korean Problems, headed by Hu Jintao. For China, North Korea had clearly reemerged as an issue on its foreign policy agenda, albeit under a very different spotlight.

Equally, the PRC's relations with the ROK have changed enormously since the Korean War. After years of *de facto* recognition, China finally recognized the ROK *de jure* in 1992. Since then, China's relations with South Korea have grown stronger. This is reflected most clearly in the deepening of economic integration, but cooperation in other fields is increasing too. Coming from nonrecognition in 1992, Beijing has gradually expanded its relationship with Seoul towards a comprehensive cooperative partnership, and in May 2008, it was finally decided to promote the relationship to a strategic partnership. Strategic partnerships are the highest level of bilateral relations that China maintains with other countries.

Russia's relations with the Korean peninsula during the last half century followed a similar track. An early sign of the close relationship between the former Union of

Soviet Socialist Republics (USSR) and the DPRK was when Stalin handpicked Kim Il-sung as the possible future leader of North Korea. During the Korean War, the USSR supported the DPRK and later became its main trading partner and sponsor up to 1992. In 1961, the USSR signed the DPRK-Soviet Union Treaty of Friendship, Cooperation, and Mutual Assistance. However, with Boris Yeltsin in power and after the collapse of the Soviet regime, Russia's relations with the Korean peninsula imploded and North-Korea became a *persona non grata*.

During the first half of the 1990s, Russia's relations with North Korea were at an absolute low. Russia moved away from the DPRK in order to improve its relations with the ROK and other Western allies. This resulted in Russia's formal recognition of the South Korean government in September 1990 and in 1996, Russia decided not to extend the DPRK-Soviet Union Treaty of Friendship, Cooperation, and Mutual Assistance. Ironically, Russia's shift in policy was considered by some South Koreans to be a reason to decrease their cooperation with Russia: Russia's lack of leverage over North Korea was considered a weakening of Russia's overall position in Northeast Asia.

Russia soon realized that to have an impact on the Korean peninsula, it was crucial to pursue a balanced position. In February 2000, Russia signed a Treaty on Friendship, Good-Neighborly Relations, and Cooperation with the DPRK, which finally brought about the normalization of bilateral relations. In 2008, Moscow and Seoul decided to elevate relations to the level of strategic cooperative partnership from that of a constructive partnership.

The resemblance between China's and Russia's foreign policies towards the Korean peninsula is striking. Both countries shifted from a one-Korea *de jure* policy towards a two-Koreas *de jure* policy, experiencing absolute lows in their relations with the DPRK, their traditional ally, shortly thereafter. Yet, today we are witnessing a China and a Russia that are pursuing active involvement with the two Koreas. It seems that both countries have realized the benefits of having a balanced approach towards the peninsula. The next two sections analyze Russia's and China's contemporary policies towards the Koreans.

III. ECONOMICS

Democratic People's Republic of Korea

Under the *juche* state ideology, North Koreans are taught to be self-reliant. Interestingly enough, however, the North Korean society today is heavily dependent on development aid and is expanding its trade relations each year. In 2008, this trend away from self-reliance and towards greater world economic integration has continued. Several steps North Korea has taken seem to demonstrate a tacit understanding of the need to open up, at least in terms of its economy. In the Joint New Year Editorial for 2008, for instance, the North Korean leadership stated for the first time that the "building of an economic power" was a priority, further explaining that "the objective of our advance is a great, prosperous and powerful socialist country." There was also mention of the "people's-living-first policy," giving rare attention to the state's consumer sector.

Playing a key role in the opening of North Korea's economy is China. China is North Korea's largest trading partner and largest provider of foreign direct investment (FDI). According to the CIA *World Factbook*, China in 2006 accounted for 31.4 percent of North Korea's exports and 43.6 percent of North Korea's imports. In 2008, China's trade volume with North Korea continued to increase. Recent data published by the Chinese Customs Bureau states that trade between North Korea and China in the first half of 2008 was 25 percent higher than in the same period last year.

In terms of FDI, the Nautilus Institute estimates that in 2005, FDI from China accounted for 70 percent of total FDI in North Korea. In March 2005, an investment-protection agreement was signed between North Korea and China, and today, there are approximately 200 Chinese investment projects operating in North Korea. The fact that the North Korean market is largely unexplored and that the country is potentially rich in unexploited natural resources, helps explain China's growing investment in North Korea, as well as China's wish for the survival of North Korea and the stability of Northeast Asia.

In addition to being North Korea's main trading and investment partner, China is also North Korea's main provider of aid. Estimates vary regarding the exact level

of Chinese aid. According to the United States Institute of Peace, most sources claim that Beijing provides 90 percent of North Korea's oil imports and 70 percent of its food imports. However, since the beginning of 2008, significant changes have taken place. Global economic downturn and soaring domestic food prices in China have led Beijing to tighten aid provision to North Korea, implementing stricter measures in early 2008, such as the abolishment of tax incentives for grain exports and quotas for exports of powdered goods, such as flour. However, with the United Nations warning that North Korea might be facing the worst food crisis since the 1990s, the Chinese government has temporarily stepped up its aid provision.

Among North Korea's trading partners, Russia is still an important player. Russia - and the Soviet Union before 1991 - was North Korea's largest trading partner until its trade volume was surpassed by that of China in 1992. In 2007, Russia was the DPRK's fourth largest trading partner after China, South Korea and Thailand. Still, Russia's share is small compared to that of China or South Korea. Table 1 gives an overview of North Korea's principal trading partners for 2001-2007, based on data of the Korea Trade-Investment Promotion Agency (KOTRA).

Russia's vigor towards North Korea lies - as is often the case with Russia - in state-guided investments. An important development here is the linking of the Trans-Korean railway with the Trans-Siberian Railway. In August 2008, North Korea agreed to lease a 52-kilometer section of track for forty-nine years to Russian Railways. It was also agreed that Russian Railways would refurbish the line and build a container terminal at the North Korean port of Rajin. The Rajin project is an important step towards the connection of South Korea to Europe via the Trans-Siberian Railway. Moreover, a railroader delegation from North Korea is currently receiving extensive training at the Vladivostok department of Far East Railway as part of a training schedule that stops at several locations in Russia.

Another major project is the construction of a gas pipeline that would run through North Korea to provide gas to South Korea. In September 2008, a deal was signed between the South Korean state-run Korea Gas (KOGAS) and the Russian energy company Gazprom. The route for the delivery of gas is, however, still to be determined. The construction of the pipeline via North Korea would be beneficial for all parties involved, since it enables Russia and South Korea to trade gas more

cheaply than by cargoes over sea and it yields North Korea transit charges. The South Korean Ministry of Knowledge Economy estimated that revenues for North Korea from transit charges can reach \$100 million yearly. Russia, which suggested that the pipeline should run via North Korea, is currently in talks with the country in order to get its consent.

Table 1: DPRK Principal Trading Partners 2001-2007*

	2001	2002	2003	2004	2005	2006	2007
China	28%	25%	33%	42%	43%	39%	42%
Russia	3%	3%	4%	7%	6%	5%	3%
South Korea	15%	22%	23%	22%	28%	31%	38%
Thailand	5%	7%	8%	10%	9%	9%	5%
Japan	18%	13%	9%	8%	5%	3%	2%
Others	31%	30%	23%	11%	9%	13%	10%

*Compilation based on data from KOTRA.

What do these assessments tell us about North Korea? Both China and Russia are actively involved and are major players in the North Korean economy. China is without a doubt paramount to Russia, surpassing it in terms of trade, investment, and aid supplied. A major difference between China and Russia is that Russian companies are almost nonexistent, while Chinese companies are increasingly looking for investment opportunities in the unexplored and low-wage market of North Korea. The projects that the Russian state is pursuing are, however, large state-financed initiatives and can entail major benefits for the Russian society in the future.

Looking beyond China and Russia, it seems that the closed North Korean society is gradually opening up. In addition to the 2008 Joint New Year Editorial statements, Pyongyang has in 2008 organized its 11th Spring International Trade Fair - hosting over 180 foreign businesses, 50 more than the previous record set in 2007 - and its 4th Autumn International Trade Fair. These trade fairs attract companies from countries all over the world and provide, according to the Korea Central News Agency, "the opportunity for developing many-sided economic exchange, cooperation and trade relations among different nations." The booming inter-Korean trade, the establishment of special economic zones such as the Kaesong Industrial Complex or the Rajin-Sonbong Special Economic Zone, and the four visits of the DPRK's supreme leader, Kim Jong-il, to China since 2000 - mainly

to inspect the Chinese economy - are further signs of a North Korea seeking to open up its economy.

If the North Korean economy is effectively on a track of opening up, China and Russia are - considering their history and relatively close relations with the DPRK a step ahead of other countries. A further opening of the North Korean economy is, however, not a path without difficulties. There are conflicts of interest between Russia and China, clearly visible in the case of the Rajin-Sonbong Special Economic Zone. While Russia is repairing the railroad track, China is constructing a new automobile highway, both leading from their respective borders to the port of Rajin. There are even rumors that Russia started working on the railroad project only because of recent Chinese activity in the region. This conflict of interest can be smartly played out by Pyongyang, which "wants Russia to balance China's growing influence," according to the International Crisis Group.

A different problem is that economic investment in North Korea gives the regime leverage through threatening to close down the investments. The construction of the Russia-South Korea gas line via North Korean soil is a case in point. Nevertheless, the recent indications are that economic considerations have started prevailing over fears of the regime's actions. The United States' decision in October 2008 to remove the DPRK from the list of state sponsors of terrorism entails further aspirations for the development of the North Korean economy.

Republic of Korea

South Koreans are worried these days. They feel they are being squeezed out by a booming China and a resurging Japan. The ROK is stuck in a delicate position having to compete against high-quality products and services from Japan, while Chinese manufacturing products are rapidly edging Korea's. In addition to this crunch, South Korea faces another balancing act: between China and the United States. South Korea's traditional place in the U.S.-led security framework is being challenged by the rise of China as the regional hegemon. The 2008-elected South Korean President Lee Myung-bak called for a strengthening of U.S.-South Korea relations but is, at the same time, very careful not to antagonize China. Nevertheless, hours before a meeting between President Lee and Chinese President Hu Jintao in May 2008, the Chinese Foreign Ministry referred to the

South Korean government's push to strengthen its alliance with the United States as a "military alliance reminiscent of the Cold War."

A definite highlight in 2008 in China-South Korea relations was the decision to promote the relationship to a "strategic cooperative partnership" from one officially described as a "full cooperative partnership." Relations between the two countries are, however, not outright perfect. The technological gap between South Korea and China in the manufacturing sector is shrinking. A study published by the Korea Institute for Industrial Economics and Trade in 2008 announced that the manufacturing technology gap between Korea and China has fallen to 3.8 years from 4.7 years in 2002 and 4 years in 2004. The survey measures 608 companies in roughly ten manufacturing sectors. Another indicator of this trend is that by new orders received in 2007, China has surpassed the ROK as the world's largest shipbuilder. The pressure of China eating away Korea's competitive advantage is being felt all over the Korean society.

Still, the rise of China entails many benefits for the ROK and vice versa. Trade flows between China and South Korea have been increasing steadily. In April 2007, Premier Wen Jiabao said that China's bilateral trade with South Korea rose 26-fold from 1992 to last year. According to data available on the Korean website of the Ministry of Knowledge Economy and on the Chinese website of the Ministry of Commerce, China is both South Korea's biggest export market and since 2007, also its largest source of imports. In 2008, increased shipments to China have helped South Korean exporters to withstand faltering sales to the United States, where the economy is facing a severe financial crisis. China is equally South Korea's largest destination of FDI.

China is thus increasingly becoming vital for the South Korean economy, a development Chinese leaders encourage. During the trilateral meeting of leaders of China, Japan and South Korea in December 2008, the Chinese premier, Wen Jiabao, announced that "the two sides should promote further growth of trade and investment, and push forward the establishment of a free trade zone between China and South Korea." The Chinese premier further urged the implementation of an agreement on a currency swap involving 180 billion yuan (\$26.3 billion) signed by the central banks of the two nations. This is the first such deal signed by the Chinese central bank with a foreign central bank.

As in China-South Korea relations, the highlight in Russia-South Korea relations in 2008 was the decision by Moscow and Seoul to upgrade relations from a “constructive partnership” to the level of “strategic cooperative partnership.” Recent developments seem to underpin this commitment for closer cooperation. South Korea has substantially increased its trade with Russia over the last couple of years. KOTRA estimated that trade between Korea and Russia had grown by 54 percent to \$15.06 billion in 2007. During his September 2008 meeting with President Lee, Russian President Dmitry Medvedev stated that “the volume of trade between Russia and South Korea may reach \$20 billion this year, up from \$15 billion in 2007,” and “this isn’t the limit.” Russia is expected to become South Korea’s fourth largest trading partner soon.

In addition to the increased trade, there have been other important developments. One of them is the aforementioned gas deal - with the pipeline that possibly would run via North Korea. The deal consists of the importation of 7.5 million tons of natural gas, starting in 2015, for a period of thirty years. That would be 20 percent of the ROK’s current yearly demand. The agreement has to be further finalized, and the delivery route determined. If no agreement with North Korea can be reached, gas would be delivered as cargo by sea. Another issue on which Russia negotiates with both North and South Korea is the connection of the Trans-Korean Railway with the Trans-Siberian Railway. On several occasions in 2008 both countries promised to push ahead with efforts to link the two systems.

Two other important projects were announced in 2008. First, was the construction of a Korea-exclusive port at Vladivostok. The site offers South Korea the logistical network to transport goods not only to Russia, but also to Europe via railways from there on. The second development was the signing of a memorandum of understanding between the Korean Ministry of Knowledge Economy and the Moscow Provincial Government to build an industrial complex only for Korean companies in Moscow Province. If realized, it will be the first time for Russia to open an industrial complex for a specific country’s businesses. Benefits for South Korean companies investing there would include tax benefits and less red tape.

Thus, what is the overall assessment for South Korea? The greatest contradiction lies in its relations with China. China is South Korea’s most important economic

partner, but at the same time, it seems to cause the most trouble. First, it is important to note that South Korea is becoming hugely dependent on China. A striking figure indicating this dependence is that a calculated three to four million jobs in South Korea are related to trade with China. Second, China undercuts South Korea's competitive advantage in an increasing number of industries. Competition from China is fierce, and South Korea finds itself with a comparative disadvantage when competing against China in the manufacturing industry.

It is here that Russia - or other regions such as the Middle East - come in. South Korea is taking steps to reduce its dependency on China and working to create a more balanced positioning. The primary example of this policy is Russia, which is equally eager to augment its influence in the region. Once again, large state-financed projects - or at least promises for them - appear as important bilateral developments. However, in contrast to the North Korean situation, private companies have an important stake in Russia-ROK relations as well. The booming trade and especially exports from the ROK are highly significant. Since Korean products are losing their competitive edge in China, the Russian market offers new potential for South Korean consumer goods. Russia's abundant natural resources make the country even more attractive for the extremely energy-dependent ROK.

A third concern South Korea faces regarding China is how to value the latter's increasing influence while not harming its relations with the United States and vice versa. The ROK finds itself in a dilemma as to whether to ally itself with China, the rising regional power, or the United States, its traditional ally and security guarantor, and must maneuver with care in order to avoid being squeezed out by both when conflict arises. Trade offers a good way to strengthen relations with both China and the United States without antagonizing the other. The talks about establishing a China-South Korea Free Trade Agreement (FTA) and the pending ratification of the Korea-U.S. (KORUS) FTA are positive developments, if successful. Shifting relations with the United States from a security alliance to an alliance of value may be helpful should South Korea wish to avoid comments similar to the one made by the Chinese Foreign Ministry in May 2008.

A Greater East Asian Economic Community?

As discussed above, Russia and China have competing economic interests on the Korean peninsula. Thus in 2003, Putin stated, "Russia must build the Trans-Korean Railroad for the simple reason that if it does not, then our dear friend China will do it." Competition between China and Russia is especially heavy over two possible routes for connecting the Korean peninsula. Russia is in favor of the Seoul-Wonsan-Hansan-Vladivostok line, while China prefers the Seoul-Pyongyang-Sinuiju-Beijing line. Chinese and Russian efforts to penetrate the Korean peninsula could potentially, however, extend beyond the Korean peninsula itself. The Trans-Korean Railway will sooner or later reconnect Rajin-Sonbong along the northeastern border with Pusan on the southeastern tip of the peninsula. From there on, South Korea could be connected with Japan by the creation of a 128 kilometer-long underground railroad tunnel. The tunnel is considered technically possible but comes with a heavy price tag. Nevertheless, it would mean that Japan could be connected to Europe via the Korean peninsula.

The Korean peninsula proves its status as a key location in East Asia, and understandably the stakes at play are high. The presence of North Korea complicates the situation, but both China and Russia understand that the involvement of North Korea is crucial for the success of future economic projects. During the September 2008 Lee-Medvedev meeting, President Lee was said to have been impressed with the Russian leaders' pragmatism about the gas pipeline program, particularly the strategy to include North Korea according to strictly economic principles, setting politics aside. Greater economic involvement of North Korea is considered by all parties as being beneficial for the easing of tensions between the two Koreas and the creation of a greater East Asian economic community.

IV. SIX-PARTY TALKS

Another issue that all parties - except for North Korea - agree upon is the importance of the denuclearization of the Korean peninsula. In order to find a resolution for the North Korean nuclear program and prevent nuclear proliferation in the region, China offered in 2003 to preside over the Six-Party

Talks that further include Russia, the United States, Japan and the two Koreas. In February 2006, a deal was reached among the six parties: North Korea must decommission all of its nuclear facilities in Yongbyon and submit a complete list of its nuclear programs by the end of 2007, in exchange for economic and diplomatic incentives. However, the December 31, 2007, deadline was missed when North Korea failed to declare the full scope of its nuclear program. 2008 did not take off as planned.

The DPRK's explanation for halting the process was that the other parties had not met the promised levels of energy aid. Shipments from China, South Korea and the United States had been delivered in 2007, but Russia and Japan had failed to do their part. Only by late January 2008 did Russia fulfill its November 2007 obligation to provide fuel oil to North Korea. Still, the Six-Party Talks entered a deadlock that lasted until May 2008, when North Korea handed over to the United States an over 18,000-page report on its nuclear operation records. Although the United States remains the key player in the Six-Party Talks, the role of China should not be underestimated. The active involvement of China is remarkable. In the process of sharing the documents on North Korea's nuclear program with the International Atomic Energy Agency (IAEA), China demonstrated its importance by assuming the position of middleman. It was also China that issued a draft agreement on ways to inspect North Korea's nuclear facilities while it was chairing a new round of Six-Party Talks negotiations last December.

In the verification process - as part of the current phase of the Six-Party Talks - Russia can play an important role too. Russia's experience dismantling large quantities of nuclear weapons in countries such as Ukraine, Kazakhstan, and Belarus in the 1990s makes its contribution to verification protocol documentation and real verification processes highly valuable. In February 2007, a Working Group on a Northeast Asian Peace and Security Mechanism was established under the leadership of Russia. At the Six-Party Talks in December 2008, Russia brought up a "Draft for Basic Principles of a Northeast Asia Peace and Security Mechanism," which summarized the results of discussions to date. If the Six-Party Talks are transformed into a broader Northeast Asia security and peace mechanism, Russia's influence is likely to increase.

However, the December 2008 Six-Party Talks were unsuccessful in outlining an

acceptable form of the Chinese-drafted verification protocol. After the failed meeting, U.S. State Department spokesman Sean McCormack said that Japan, Russia, China, the United States and South Korea had agreed that “future fuel shipments aren’t going to move forward absent a verification regime.” Interestingly enough, both Russia and China denied that this was agreed upon during the talks and stated that they would continue their fuel supplies to North Korea.

Events in 2008 confirm China’s active involvement and important position in the Six-Party Talks. At a press conference in May, Chinese Foreign Ministry spokesman Qin Gang stated that “China will continue to play a constructive role and maintain consultation and cooperation with other concerning parties.” Russia seems to have turned a corner in 2008. Being late with its oil commitments in 2007, Russia in 2008, after the failed December talks, was proponent - together with China - of continuing to send aid, despite opposing messages from the United States. In May 2008, Russia and China issued a joint declaration calling for a peaceful solution to the North Korean nuclear problem. Moscow and Beijing also promised to continue to play an active role in finding a settlement to the issue.

Developments in 2008 raise a few questions. For instance, has Russia changed and decided to become more actively involved in the Six-Party Talks? Traditionally, Russia has been considered to be the least active player in the talks. However, its growing economic interest in the peninsula - and the pending railway and gas pipeline projects - might have made Russia more invested in finding resolution to the nuclear issue. Along the same lines, one also has to wonder if Russia and China have come to a mutual understanding in regards to the security of the Korean peninsula. The decisions of both countries to continue to send in fuel oil, the joint declaration in May, and the chairing of the Six-Party Talks and the Working Group on a Northeast Asian Peace and Security Mechanism by China and Russia, respectively, seem to indicate that the two countries have found common ground on how to best secure the Korean peninsula. This forms an interesting contrast to their competing economic interests in the region.

Finally, the dynamics of the Six-Party Talks in general come into question. In addition to a more active Russia, 2008 was characterized by the complete fall-out of Japan. Japan refused to supply any of its promised aid over the outstanding

issue of Japanese citizens who had been abducted by North Korea over the past twenty years. In December 2008 a spokesman for the DPRK Foreign Ministry said that “the October 3 agreement can be implemented without Japan now that other countries beside the parties to the Six-Party Talks are expressing their will to participate in the economic compensation in place of Japan. We will neither treat Japan as a party to the talks nor deal with it even if it impudently appears in the conference room, lost to shame.” Moreover, Japan condemned the U.S. decision in October 2008 to take the DPRK off the list of state sponsors of terrorism. The Six-Party Talks ended in 2008 with no solution and with great confusion about who was willing to withhold their aid. Japan was on the U.S. side but for different reasons; China and Russia decided against the United States; and South Korea was indecisive. U.S. Secretary of State, Condoleezza Rice’s statement that all parties were absolutely on the same page as to how to pressure North Korea to make commitments on inspections of its nuclear program seemed a far cry from reality. China’s and Russia’s increasing importance raises the question whether the United States will be able to continue its leadership role in the future.

V. CONCLUSION

Year by year China and Russia have become more important in Korean affairs. In 2008, Chinese foreign policy and Russian foreign policy, by and large, continued this trend. Comparatively, China’s importance to both North and South Korea is clearly stronger than Russia’s. However, while China’s influence has increased steadily over the years, Russia’s presence on the peninsula expanded vastly in 2008. This acceleration was not only due to Russia’s wish to increase its influence, but also both Koreas looked to Russia to balance the paramount influence of China on the peninsula.

Russian and Chinese interests in the two Koreas are strikingly similar. Both want a secure Northeast Asia and to enhance security, both countries are cooperating with the Six-Party Talks and the Working Group on a Northeast Asian Peace and Security Mechanism. However, while China and Russia may have common regional security concerns, this cooperation is starkly contrasted by their growing economic competition in the two Koreas. Although this contradiction may form a restraint on future China-Russia relations, close economic cooperation and

collective security enhancement bode well for North and South Korea now and in the future.

CHRONOLOGY

- January 1, 2008* Joint New Year Editorial. The North Korean leadership emphasizes, for the first time, the economic development of the country.
- January 23* Russia fulfils its November 2007 obligation to provide fuel oil to North Korea. The late delivery of fuel oil (by Russia and Japan) had been used by North Korea as an excuse to stall the denuclearization process.
- March 1* North Korean leader Kim Jong-il visits the Chinese embassy in Pyongyang at the request of Chinese Ambassador to the DPRK, Liu Xiaoming, in an effort to restart the stalled Six-Party Talks.
- March 3* Kim Yong-nam, president of the Presidium of the DPRK Supreme People's Assembly, congratulates Dmitry Medvedev upon his election as president of the Russian Federation.
- April 21* Pak Ui-chun, DPRK foreign minister, meets Chinese Foreign Minister, Yang Jiechi, in Beijing. Both parties mention the boosting of their relationship.
- May 9* Kim Yong-il, premier of the DPRK Cabinet, sends a congratulatory message to Vladimir Putin on his appointment to prime minister of the Russian Federation.
- May 11* North Korea hands over to the United States an over 18,000-page report on its nuclear operation records.
- May 12-15* Pyongyang 11th Spring International Trade Fair is held, the largest ever.

- May 17* The DPRK government sends messages of deep sympathy and offers \$100,000 to the Chinese government to help earthquake victims in Wenchuan County, Sichuan Province.
- May 23* Russia and China issue a joint declaration calling for a peaceful solution to the North Korean nuclear problem.
- May 24* The United States agrees to share the documents on the North Korean nuclear program with the IAEA and enlists China as a middleman.
- May 27-30* President Lee Myung-bak meets President Hu Jintao. The decision is made to promote the China-ROK relationship to a “strategic cooperative partnership.”
- June 3* The governments of the DPRK and the PRC sign an agreement on the cooperation in the field of customs.
- June 17* An agreement on economic and technical cooperation, an agreement on airway transport, and an agreement on road transport between the DPRK and the PRC are signed.
- June 17-19* Xi Jinping, vice president of the PRC, visits the DPRK to pay an official goodwill visit. On June 18 he meets Kim Jong-il.
- August 7* The Russia-Georgia war starts.
- August 8-24* The Summer Olympics are held in Beijing.
- August 11* North Korea agrees to lease a 52-kilometer section of track for 49 years to Russian Railways. Russian Railways will refurbish the line and build a container terminal at the North Korean port of Rajin.
- September 22-24* The Pyongyang 4th Autumn International Trade Fair is held.

- September 28-30* President Lee visits Russia. The decision is made to promote the Russia-ROK relationship to a “strategic cooperative partnership.” The South Korean state-run Korea Gas (KOGAS) and the Russian energy company Gazprom sign an important gas deal. President Lee announces an agreement reached with Russia to build a Korea-exclusive port near Vladivostok.
- September 30* The Korean Ministry of Knowledge Economy and the Moscow Provincial Government sign a memorandum of understanding to build an industrial complex only for Korean companies in Moscow Province.
- October 11* The United States removes the DPRK from the list of state sponsors of terrorism. Japan condemns this action.
- October 14* DPRK Foreign Minister Pak Ui-chun visits Russia and meets Russian Foreign Minister Sergey Lavrov in talks for boosting bilateral relations.
- December 6* A spokesman for the DPRK Foreign Ministry says that North Korea will no longer treat Japan as a party to the Six-Party Talks.
- December 8-11* China chairs the Six-Party Talks in Beijing. Russia brings up a “Draft for Basic Principles of a Northeast Asia Peace and Security Mechanism,” which summarizes the results of discussions to date. The six-party process has since stalled as North Korea refused to sign a verification protocol.
- December 13* Chinese Premier Wen Jiabao meets with President Lee in Japan during a trilateral meeting of leaders of China, Japan, and South Korea. He announces that both countries should push forward the establishment of a free trade zone between China and South Korea.



PART II

NORTH KOREA'S FOREIGN RELATIONS

The Torturous Dilemma: The 2008 Six-Party Talks and U.S.-DPRK Relations

By Shin Yon Kim



I. INTRODUCTION

In 2007, President Bush started reversing his hitherto hardline stance in an attempt to see if engagement with North Korea, even after it tested a nuclear device, would possibly break the logjam. If 2006 was a year of confrontation culminating in North Korea's missile and nuclear tests and tightened multilateral and bilateral sanctions, 2007 can be characterized by a return to negotiations between North Korea and the United States. After President Bush's hardline policy produced the opposite of what the hardliners had originally hoped to accomplish, the Bush administration's North Korea policy became more pragmatic in 2007. This first year of negotiations ultimately yielded two important agreements in February and October.

The February agreement to freeze the North's nuclear facilities was implemented by October 2007 and was followed by the "October 3 Agreement" on Second-Phase Actions to implement the September 2005 Joint Statement which sought to disable the facilities at Yongbyon - a five-megawatt reactor, a reprocessing plant (radiochemical laboratory), and a nuclear fuel fabrication plant - in return for 900,000 tons of heavy fuel oil. The DPRK also reaffirmed its commitment to not engage in nuclear proliferation activities. In return, and far more vaguely, the United States agreed to "begin the process of" excluding North Korea from the list of states sponsoring terrorism and to lift sanctions imposed on it under the

Trading with the Enemy Act (TWEA) “in parallel with” the DPRK’s actions. Also, the two sides committed themselves to improving their bilateral relations and moving toward full diplomatic relations.

The year 2008 was consumed in efforts to implement the October agreement as the six countries continued to engage each other in tough negotiations over the exact meaning of the agreement and the appropriate process of its implementation. The process had a high moment when Pyongyang blew up its cooling tower and made an official declaration of its past nuclear activities and when Washington, in return, removed the North from its list of state sponsors of terrorism. But such high moments were soon followed by crises as Pyongyang reversed some of its disablement measures and Tokyo refused to provide for its share of heavy fuel oil. The progress and reversals were made all the more complicated by internal disagreements between hardliners and engagers in Washington and divisions among six-party members. This paper provides an account of the progress made and difficulties faced by the six-party members in the process of denuclearizing North Korea.

II. BACKGROUND

Although North Korea began implementing the October 3 Agreement by shutting down the five-megawatt nuclear reactor at Yongbyon and taking the first steps towards disablement, it missed the year-end deadline for both disablement and declaration. While the shutdown halted the production of additional bomb fuel (plutonium), disablement was a process designed to make the facilities inoperative for at least one year. By the end of 2007, North Korea had completed eight of the eleven disablement steps as directed in the October 3 Agreement, and U.S. administration officials were guardedly optimistic about the progress made on this front. At the end of 2007, the remaining three disablement steps included completing the discharge of the spent fuel rods remaining in the reactor; the removal and storage of the control rod drive mechanisms; and the bending of the fresh fuel rods from the fuel fabrication plant to prevent future use of these rods in the reactor.

While delays in North Korea’s disablement were, in part, of a technical nature,

political motivations were also in play. North Korea's willingness to execute disablement steps was largely based on an "action for action" principle, with expectations that actions would be reciprocated by the other six-party member states. Consequently, throughout the process, North Korea would often "adjust the tempo" of its disablement activities to coincide with the pace at which it received its energy aid commitments set forth in the October 3 Agreement. Despite missing the year-end disablement deadline, Pyongyang complained in January 2008 that it was unilaterally adhering to its commitments even with the other parties' protracted delivery of energy assistance. North Korea had reportedly received only 20 percent of the 1 million tons of heavy fuel oil (HFO): 200,000 tons of HFO from six-party members (excluding Japan) as well as 5,100 tons of steel plates from South Korea.

Beyond delays in the disablement process, the United States also expressed serious concerns about Pyongyang's missed deadline for declaration. Pyongyang's stance, which was reflected in its Foreign Ministry statement issued on January 4, 2008, was that it had already provided the United States with a declaration in November 2007. From Washington's perspective, however, North Korea's accounting of its plutonium production was not even remotely close to a "complete and correct" declaration. For example, in the November declaration, North Korea declared having some 30 kilograms of plutonium while U.S. intelligence estimates ranged from 40-50 kilograms. Furthermore, Pyongyang did not even mention such issues as its uranium enrichment program (UEP) and its proliferation activities to other nations, especially Syria; these two being the chief areas of U.S. interest in the declaration.

The North's uranium program had been a contentious issue since 2002, when disputes over an alleged highly enriched uranium program led to the collapse of the U.S.-North Korean 1994 Agreed Framework, and triggered the so-called second nuclear crisis on the Korean Peninsula. In December 2007, U.S. technicians detected traces of enriched uranium on aluminum tubes North Korea provided to U.S. officials in November. While the incident served to reinforce suspicions of Pyongyang's UEP, Washington later decided to give North Korea the benefit of the doubt, accepting its claim that the tubes in question had been imported years ago for use in conventional weapons systems. The issue of proliferation activities became more acute in the wake of an Israeli air strike in September 2007 against a

Syrian nuclear facility which was suspected to have been constructed with North Korean assistance.

III. NORTH KOREA NUCLEAR DECLARATION: TENSIONS AND COMPROMISE

Amid the ongoing impasse over declaration, U.S. Assistant Secretary of State for East Asian and Pacific Affairs, Christopher Hill, met with his North Korean counterpart Kim Kye-gwan, North Korea's vice-foreign minister, at the North Korean embassy in Beijing on February 19, 2008, and again in Geneva from March 13-14, to try to resolve differences over Pyongyang's obligations concerning declaration. Meetings, however, were unsuccessful in finding agreement on how to handle the two key issues of contention: UEP and proliferation activities.

Hill and Kim met again in Singapore on April 8 and finally reached a compromise on how to list the North's nuclear programs. The new format consisted of a formal declaration of the plutonium-based program and a separate confidential document in which the North would "acknowledge" U.S. concerns about the North's UEP and proliferation activities. This alternative was suggested by Hill, who saw it as the only viable option to break the deadlock and press forward with the six-party process.

On April 24, U.S. administration and intelligence officials briefed Congress and the public on their assessment that the Syrian nuclear reactor destroyed in an Israeli attack in September 2007 had, in fact, been under construction with North Korean assistance. The timing of this briefing seemed somewhat awkward, as the declaration that Hill was negotiating was to cover North Korea's nuclear cooperation with Syria. Therefore, in response to such concerns, the administration indicated that this information could help boost Washington's leverage in talks with Pyongyang and that Pyongyang had already been aware that this issue would be publicized by the United States.

In the wake of the CIA briefing, criticism of the administration's approach to North Korea from congressional Republicans in particular, became more pronounced. Following a provisional deal in Singapore, U.S. Special Envoy for the

Six-Party Talks, Sung Kim, and other U.S. officials went on a three-day trip to Pyongyang on May 8 to finalize the declaration. On May 10, their last day in North Korea, Kim walked across the heavily fortified border into South Korea hand-carrying seven boxes containing over 18,000 pages of documents. The submitted documents reportedly contained three major campaigns to reprocess plutonium for nuclear weapons - 1990, 2003 and 2005 - as well as operations records, production logs and receipts from two key nuclear facilities at Yongbyon since the beginning of their operations in 1986. The submission of these sensitive records came weeks before Pyongyang's official declaration to China, the host of the Six-Party Talks, and was hailed by many as a sign that the hostile relations between Washington and Pyongyang had relaxed somewhat. It was seen as a great leap forward in the stalled denuclearization process.

Apparently reinforcing the overall positive mood created by the North's long-awaited document transfer, the U.S. federal aid agency announced on May 13 that it would resume provision of food aid to North Korea over two years: 50,000 metric tons of food would be shipped to the North over a 12-month period beginning in June 2008. Moreover, the White House stated that food delivery would be conducted irrespective of future developments in nuclear negotiations.

Hold-ups over Japanese Abductees

While Washington and Pyongyang were making progress, Tokyo and Pyongyang remained frozen over disputes on the issue of Japanese abductees. The abduction issue had been an insurmountable focal point in the disarmament negotiations for Japan, and North Korea simply refused to address the topic, claiming that the cases had all been closed. Eight of the 17 abductees on Japan's official list had already been reported dead by North Korean authorities, five survivors were repatriated in 2002, and four others had reportedly never entered the country, a claim which Japan viewed with great skepticism. In response to Japan's persistence on the abduction issue, North Korea pushed back with demands for Japan to make reparations for its past colonization of the Korean peninsula.

The ultimate goal sought by Pyongyang through the six-party process has been the normalization of relations with the United States. Pyongyang's removal from the terrorism black list would lay the ground work for that to happen. Japan,

however, has been adamant that resolution of the abduction issue should precede this delisting. Citing North Korea's failure to address the abduction issue, Japan has consistently opposed rewarding Pyongyang with any form of aid, economic or political, including its commitments under six-party agreements. Japan's reluctance to normalize relations with North Korea over the abductee issue has made the U.S. also hesitant to act, not wanting to betray a key ally, and thus, causing a chain reaction of delays in the six-party process.

In an effort to break this stalemate, a trilateral meeting among top delegates from Japan (Akitaka Saiki, director general of Japan's foreign ministry), South Korea (Kim Sook, special representative for Korean peninsula peace and security affairs of the ROK Ministry of Foreign Affairs and Trade), and the United States (Christopher Hill) was held from May 18-19 in Washington, D.C., to discuss a range of issues such as North Korea's nuclear declaration and verification, and the upcoming round of Six-Party Talks. This meeting was also intended to elicit Japan's cooperation in fulfilling its obligations under the six-party agreements. However, this meeting concluded having made little progress on the issue.

Breakthrough on the Declaration

On June 26, the DPRK Ambassador to China, Choe Jin-su, handed a list of its nuclear programs over to Chinese Vice-Foreign Minister Wu Dawei, chair of the Six-Party Talks. On that same day, President Bush responded to the submission of this long-overdue declaration by proceeding to lift restrictions applied to North Korea associated with the Trading with the Enemy Act and to give formal notice (as required by U.S. law) to Congress of his intention to remove Pyongyang from the list of state sponsors of terrorism after 45 days. Washington had placed North Korea on its terrorism list in 1988 following the North Korean bombing of a South Korean passenger jetliner. This delisting would have great implications for North Korea's economic future and was eagerly coveted by Pyongyang. Under the designation as a state sponsor of terrorism, North Korea was subject to economic sanctions and trade embargoes, which made it ineligible for aid and loans from international financial institutions, such as the World Bank. Delisting then, would open new sources of aid and engagement to North Korea.

As it turned out, the declaration lacked clarity not least in terms of suspected UEP

and the extent to which the North had shared its nuclear technology with other countries. The North simply acknowledged U.S. concerns about those two issues in a confidential document and specified its plutonium-based program in a formal declaration, as previously agreed upon with the United States. More specifically, North Korea declared to have extracted about 38 kilograms of plutonium, of which it reported having used 26 kilograms in making nuclear weapons and another two kilograms in testing a nuclear device in October 2006.

A day after the DPRK's submission of its declaration, it blasted a cooling tower at the Yongbyon facility in what seemed to be a carefully choreographed public relations stunt. Sung Kim and a high-ranking North Korean foreign ministry official were present at the scene, along with journalists from the other six-party member countries who had been invited to cover the explosion. Attached to the five-megawatt nuclear reactor, the tower was a key facility used to cool the heat of the nuclear reactor when nuclear fission took place. Steam coming off the tower into the air had, in the past, been captured in satellite images and had been the most observable sign of plant's operations. The apparatus, however, had become in effect, superfluous, as its operations had ceased in July 2007 as part of the ongoing disablement process. In fact, the blowing-up of the cooling tower, for which Pyongyang billed the United States \$2.5 million, had not even been included in the second-phase actions under the October 3 Agreement. This gesture, however, held symbolic value nonetheless. By volunteering to explode this facility, North Korea appeared to be making a public statement that if the United States stuck to its commitments under the October 3 Agreement, it would also commit to its obligations under the denuclearization deal and respond with even more drastic actions on an "action for action" basis. North Korea may also have intended to present Washington a gift of "diplomatic achievement," silencing U.S. hardliners who denounced what they called the administration's excessive concessions to the North. In hindsight, this event actually marked the highest point ever reached in the six-party process.

IV. DISPUTES OVER VERIFICATION PROTOCOL

The Six-Party Talks reconvened in Beijing on July 10 for three days after a nine-month hiatus. Dynamics among six-party members since the previous round of

talks had changed dramatically: the two Koreas having become more hostile toward each other and the United States and the DPRK more open for active dialogue. Inter-Korean relations had begun to sour when conservative President Lee Myung-bak took office in February 2008, implementing hardline policies against the North. In late March, South Korea also endorsed the UN Human Rights Council's resolution against North Korea's human rights violations and approved the extension of the mandate for a special rapporteur. Under the past decade of liberal administrations, South Korea had either abstained or stayed away from voting on such issues in order not to provoke its communist neighbor. Tensions between the two Koreas were raised further after the shooting death of a South Korean tourist at Mount Geumgang in North Korea by a North Korean soldier on July 11.

During the July round of talks, the six parties each agreed to fulfill "in parallel" their respective commitments to fulfill HFO shipments and complete disablement by the end of October, as well as to work out a binding provision for non-HFO delivery by the same date. The parties also reached consensus on basic principles for verifying North Korea's declaration and issued a joint communiqué, which contained a vague outline for a verification protocol. The specific verification measures were then delegated to working group negotiations. The agreed verification mechanism involved visits to facilities, document reviews, and interviews with technical personnel. The July 12 statement also indicated that the inspection mechanism would involve experts from the six parties, limiting the role of IAEA inspectors to the area of "consultancy and assistance."

While in Beijing, the United States conveyed a four-page draft protocol to the DPRK, a document showing what a final version of the verification protocol would look like. The draft protocol reportedly provided highly rigorous inspection measures entailing full access to all materials and all sites, regardless of whether a site was included in the North's declaration or not. This meant that inspectors would be given unimpeded access to undeclared facilities as well as military sites. Moreover, the proposal demanded "international standards" be applied in the process, meaning IAEA inspectors would lead the implementation of the protocol.

Not surprisingly, however, North Korea rebuffed the proposal saying that the

draft inspection procedures were “too intrusive” and that the access provisions were “coercive.” It adamantly opposed the involvement of IAEA inspectors in the verification process on the grounds that it had withdrawn from the Non-Proliferation Treaty (NPT) and the IAEA itself, and that it had conducted a nuclear test outside the NPT.

The draft proposal had been based on advice from arms control experts from the U.S. Department of State, and presented to North Korea despite strong reservations from China and Russia about its intrusive nature, especially considering North Korea’s reclusive, xenophobic tendencies. Japan, on the other hand, echoed the sentiments therein for a rigorous verification protocol.

Such a stringent verification draft actually reflected the growing voice of hardliners in the Bush administration. Republican neoconservatives, especially former Vice President Dick Cheney and John Bolton, former ambassador to the United Nations, had represented the mainstream of President Bush’s first-term North Korea policy. Their claim was that North Korea had no intention of abandoning its nuclear weapons and that it was only blackmailing Washington and other negotiating partners to subsidize its failing economy while trying to drag out the talks until the Bush administration left office. Deeply troubled by the administration’s willingness to hold direct negotiations with North Korea, hawkish politicians dismissed Pyongyang’s declaration and complained that the government was repeatedly lowering the bar by not insisting on a “complete and correct” declaration, simply to maintain momentum for the negotiation process. From the critics’ view, a major flaw of the initial accord with North Korea was that it lacked rigorous provisions for verification of not only its plutonium-based program but also its suspected UEP and nuclear proliferation activities. They also claimed that although Pyongyang may abide by their commitments to disable and dismantle its Yongbyon nuclear facilities, the Soviet-era nuclear reactor was already too dilapidated for sustainable operation.

With Washington awaiting Pyongyang’s official response to the draft protocol, foreign ministers from the six parties gathered in Singapore on July 23, on the sidelines of the Southeast Asian security forum. U.S. Secretary of State Rice held one-on-one talks with North Korean Foreign Minister Pak Ui-chun, in the highest-level encounter between the two sides in four years.

In the meantime, some progress seemed to be in the making over the long-stalled issue of North Korea's abduction of Japanese nationals as well, as North Korea agreed at the end of the bilateral meeting held from August 11-13 to reopen investigations into the issue in June and subsequently start a probe. In return, Japan committed itself to easing part of its economic sanctions and lifting certain travel restrictions against North Koreans once the investigation began. This switch of Pyongyang's heretofore "nonchalant" policy toward the abduction issue appeared to have stemmed from its desire to increase the likelihood of being delisted, but later fizzled out upon the resignation of Prime Minister Yasuo Fukuda.

Failure to Delist and Reversal of the Disablement Process

Even though the United States could have rescinded North Korea's designation as a state sponsor of terrorism on August 11 under U.S. law, the administration declined to do so, citing the North's failure to agree on a verification protocol. Washington felt that the apparent incompleteness of Pyongyang's declaration warranted a rigorous inspection mechanism to verify the contents of the declaration. Washington considered verification an important step to ensure that Pyongyang was not hiding any undeclared, clandestine nuclear weapons program, and asserted that it should be a second-phase requirement and thus, a pre-requisite for delisting as well.

The DPRK's claim, on the other hand, was that the U.S.-generated verification protocol was something that amounted to an infringement on its sovereignty. Furthermore, it was not obligated to address verification at all; at least not until after phase two was complete since verification was not a second-phase requirement under the October 3 Agreement in the first place. From Pyongyang's perspective, Washington's refusal to delist it even after submitting its declaration seemed like a slap in the face after it had gone out of its way to topple the cooling tower. In its eyes, the United States violated the principle of "action for action" by renegeing on its pledge to rescind it from the terrorism list despite its fulfillment of obligations regarding declaration and even after U.S. Congress had given its tacit approval by not blocking the motion during the 45-day notification period.

Condemning Washington for delisting delays, the infuriated DPRK almost

immediately proceeded to stop the disablement process at Yongbyon, and on September 24 removed IAEA seals and surveillance cameras from its reprocessing facility before restricting international inspectors from its reactor site. North Korea then reportedly took steps toward reversing the disabling activities at Yongbyon, triggering international fear of another North Korean nuclear crisis.

Such alarming actions coincided with reports that North Korean leader Kim Jong-il had suffered an apparent stroke. This piece of news raised fears of a possible take-over by North Korea's hawkish military and an ensuing policy change to a harder stance in relation to the disarmament deal.

As the issue of verification emerged to block the actual delisting, the showdown became even more visible between engagers and hardliners within the Bush administration. Ambassador Hill and his aides argued strongly against what they viewed as excessively far-reaching provisions of the protocol, only to be overridden by his seniors. Some high ranking officials, in fact, were deeply convinced that a rigorous verification regime could be a litmus test of Pyongyang's genuine intentions. Undeterred by such objections, however, Hill increasingly pushed the envelope over months of negotiations, persuading President Bush and Secretary of State Rice to compromise in a way that pared back U.S. demands on Pyongyang and reflected Pyongyang's wishes, to some degree, in regards to inspection provisions.

With the denuclearization deal being in danger of collapsing, Hill traveled to Pyongyang on October 1 hoping to dissuade the North from restarting its nuclear facilities and resolve disputes over the verification arrangement. Around the time of his visit, two unconfirmed reports were released by the South Korean media on North Korea's ongoing restoration of the underground nuclear site in Punggye and the ballistic test site in Musudan, elevating international concerns about potential missile launches and another nuclear test. Such provocative actions on the part of North Korea were apparently designed to up the ante in the verification negotiations with Washington.

Following Hill's visit to Pyongyang, the United States announced on October 11 a verification agreement with North Korea and its decision to take Pyongyang off the terrorism black list, breaking a two-month-long stalemate. President Bush,

seemingly desperate to avoid a crisis situation in the waning days of his presidency, decided to take a gamble and pressed forward with the rescission after the North had agreed to a verification plan and to the resumption of the disablement process. Such moves came despite concerns over strong backlash from Japan and administrative hawks for the compromised deal with Pyongyang. Upon the announcement, Japanese officials expressed deep frustration at what they called America's "peculiarly abrupt" decision and warned of its potentially adverse impact on the Japan-U.S. alliance. Calling the matter a "formality," Secretary of State Rice noted that various other sanctions against North Korea would remain in effect. The following day, North Korea announced its resumption of disablement work.

Preliminary Verification Agreement

According to the tentative verification agreement, inspectors would have access to all declared sites and, "based on mutual consent," to undeclared facilities, and would employ scientific methods, such as sampling and forensic activities. The agreed protocol also stipulated a broad application of verification measures to the North's plutonium-based program as well as "any uranium enrichment and proliferation activities," although administration officials admitted that inspectors initially would focus more on the plutonium program. North Korea reportedly remained most jittery on two key points: inspectors' access to undeclared facilities and the collection of environmental samples. It also took exception to the non-nuclear states, namely Japan and South Korea, participating in the inspection activities, but finally agreed to the protocol involving experts from all six-party members. Despite Washington's assurance that the agreement satisfied all U.S. requirements for inspections in North Korea, parts of the provisions seemed somewhat inconsistent with the initial draft protocol. For example, the draft document stipulated full access "upon request" to any site, facility or location, whether or not a site was declared, but that inspectors would have access to undeclared sites "based on mutual consent," indicating a virtual restriction to such facilities.

In fact, not only hardliners, but other observers were also concerned about the possibility of Pyongyang pulling bait and switch tactics with sanctions already lifted. Analysts indicated what seemed like several loopholes in the agreement.

For instance, parts of the agreed protocol concerning access to undeclared sites and the sampling seemed ambiguous, or potentially highly contentious. The sampling provision, for instance, avoided specifics as to whether international inspectors would be allowed to take samples out of the country for analysis in overseas laboratories. The verification agreement also consisted of written and verbal components and it was unclear at the time, which parts of the agreement had been made only verbally, and which parts in the form of a joint written agreement. Administration officials later admitted that the purported protocol had been mostly an oral agreement between Hill and North Korean officials.

Nevertheless, the concessions made by the United States to yield to the verification agreement with the DPRK seemed somewhat necessary to salvage the fragile denuclearization deal and keep the process going, but the overall deal appeared to almost guarantee another deadlock in the six-party process.

V. NORTH KOREA'S DENIAL AND THE YEAR'S LAST ROUND OF SIX-PARTY TALKS

On November 12, a month after it was formally delisted, North Korea denied that any such agreement on verification had been made with Washington, particularly on the issue of sampling. In its foreign ministry statement, North Korea claimed that the agreed protocol limited verification procedures to "field visits, confirmation of documents, and interviews with technicians," a claim flying in the face of the State Department's October announcement that Pyongyang approved the use of "scientific procedures, including sampling and forensic activities." Washington, however, had no written documentation to prove otherwise. Pyongyang's denial drew vociferous criticism from domestic hardliners that the administration had erred in rescinding the North from the terrorism black list without securing a stringent verification protocol.

With any breakthrough in the six-party process seemingly elusive at best, Christopher Hill and Kim Kye-gwan held bilateral sessions in Singapore on December 4 to narrow gaps on verification. On December 7, in a Bush administration's "last-ditch" effort to salvage the crumbling deal, the last round of the Six-Party Talks in 2008 was held in Beijing. Even after four days of grueling

negotiations, the six parties failed to reach consensus on verification protocol. North Korea remained most unyielding over the issue of sampling, vehemently refusing to allow outside inspectors to take nuclear samples from its nuclear complex. Analysts suspected that North Korea was simply waiting out the Bush administration, preferring to deal with the incoming Obama administration instead. With the time left in President Bush's term in office being only one month or so, Washington aimed to wrap up the protracted second phase of the accord by adopting a comprehensive verification mechanism, so that the next administration could start from the beginning of phase three: the full dismantlement of North Korea's nuclear program. Pyongyang, however, seemingly wanted to defer the issue of verification to the next phase of the disarmament deal so that it could be renegotiated in line with progress made on the subsequent implementation and that it could wield significant leverage in future talks.

VI. DISABLEMENT STATUS AT THE END OF 2008

By the year's end, the disablement of the three key nuclear facilities at Yongbyon was reportedly about 90 percent complete. Of the total 8,000 spent fuel rods, about 5,000 rods had been removed from the reactor when North Korea announced another slowdown of fuel rod removal in November. The pace of unloading spent fuel rods from Yongbyon's five-megawatt reactor was slowed from the rate of 80 rods per day at the beginning of the year, to 30 rods per day in February, and to 15 rods per day in November. In February, about 2,000 rods had been discharged, meaning that a total of about 3,000 spent fuel rods were unloaded in 2008.

While Pyongyang's slowdown decisions from August through October were mainly attributed to Washington's delay in the list removal, such decisions in February, June and November ostensibly resulted from the postponed provision of energy aid commitments by the five other party members. North Korea ceaselessly complained of continued procrastination in shipments of energy aid, which it said had fallen way behind the progress made on its disablement actions.

By the end of 2008, the DPRK had reportedly received a total of 450,000 tons of HFO and 147,000 tons of HFO equivalent. Of this, the United States had shipped its entire share of 200,000 tons. Russia contributed a total of 150,000 tons and

reported its last batch of 50,000 tons to be following shortly. China had delivered 50,000 tons of HFO as well as part of its share of non-HFO assistance, and announced a plan to deliver its remaining share of oil equivalent aid worth 99,000 tons of HFO by the end of January 2009. South Korea, for its part, shipped the initial batch of 50,000 tons as part of its phase-one commitment under the February 2007 agreement and another 124,000 tons of HFO equivalent assistance in the form of steel plates.

When the last round of Six-Party Talks in 2008 was broken off, the U.S. Department of State announced that the other four parties had agreed to suspend the delivery of energy assistance to North Korea without a verification agreement. However, it turned out that this statement was not wholly representative, as China and Russia almost immediately issued counterstatements refuting this claim. Instead, these two countries announced their planned energy delivery schedule so that they could finalize their remaining share of energy shipments by roughly the end of January 2009. South Korea, on the other hand, was reportedly reconsidering its remaining shipment of 3,000 tons of steel plates. While China and Russia associated their delivery of energy assistance with the progress on disablement, South Korea appeared to link the energy provision to progress on verification. Meanwhile, during the December talks in Beijing, North Korea, which had vowed to ignore Japan shortly before the talks, snarled at the country and condemned Japan for not joining the other parties in providing energy aid. Prior to the December round, the United States and South Korea had reportedly discussed ways to make up for Japan's share of fuel oil with other countries including Australia and New Zealand, but the disputes over verification made things uncertain.

VII. CONCLUSION

Washington's diplomacy-oriented North Korea policy during the last two years of the Bush administration resulted in North Korea's ongoing disablement of its nuclear facilities and its submission of a nuclear declaration. In response, in line with the "action for action" principle, the United States rescinded North Korea from the state sponsor of terrorism list. However, despite what seemed to be great progress in the denuclearization of North Korea, things stalled abruptly over

verification disputes. By the end of 2008, several steps outlined in the February and October agreements were complete, but the issues that remain have the potential to unravel everything that was accomplished throughout the year.

Under these circumstances, preserving the progress that has been made would be the first challenge facing the incoming Obama administration. The latest failure at the Six-Party Talks to adopt a written verification protocol seems to portend an even more precarious path ahead in bilateral or multilateral negotiations with North Korea.

America's new President, Barack Obama, spoke on his campaign trail about the need for "sustained, direct, and aggressive diplomacy" to deal with North Korea. His choice of Secretary of State, Hillary Rodham Clinton, suggests that they will follow a principle of "smart power," that is, diplomacy as a first priority and military force as a last resort. This leads to a cautious forecast for the new administration's North Korea policy: a determined pursuit of verifiable denuclearization through tough and direct diplomacy under a multilateral framework, while being ready to punish noncompliance or any other wayward behaviors. Since the Six-Party Talks launched in 2003, it has gone through a number of vicissitudes. Given the complexity of denuclearizing North Korea, the road ahead might be equally or even more perilous and uncertain than it has been thus far.

CHRONOLOGY

- Dec 31, 2007* North Korea misses a year-end deadline to provide a declaration of its nuclear programs and to disable its nuclear facilities at Yongbyon.
- January 4, 2008* North Korea issues a foreign ministry statement claiming that it already submitted the nuclear declaration in November 2007.
- February 19* Assistant Secretary of State Christopher Hill has bilateral talks with North Korean Vice-Minister Kim Kye-gwan in Beijing to discuss the issue of declaration.

- March 13-14* Hill and Kim meet in Geneva. A compromise is made on the format of the declaration.
- April 8* Hill and Kim meet in Singapore to further discuss North Korea's upcoming declaration. Agreement is made on a compromised format.
- April 24* U.S. intelligence officials brief Congress on the result of their investigations into the Syrian nuclear facility attacked by an Israeli air strike in September 2007.
- May 8-10* North Korea conveys to a U.S. delegation over 18,000 pages documenting the operations of its nuclear facilities at Yongbyon.
- June 26* North Korea submits its official declaration to China. In return, President Bush lifts the application of the Trading with the Enemy Act with regard to the DPRK and notifies Congress of his intent to delist North Korea as a state sponsor of terrorism.
- June 27* North Korea topples a cooling tower at Yongbyon
- July 10-12* Six-Party Talks are held in Beijing. Consensus is reached on the principle of a verification protocol.
- July 23* Foreign ministers from the six-party members convene in Singapore in informal sessions alongside the Southeast Asian Security Forum. Secretary of State Condoleezza Rice meets face-to-face with North Korean Foreign Minister Pak Ui-chun.
- August 11* On the first day that North Korea's removal from the terrorism black list could come into effect, the United States refuses to conduct the delisting.
- August 26* North Korea announces suspension of the disablement process in Yongbyon.

- September 19* North Korea announces restoration activities underway at its nuclear complex in Yongbyon.
- September 22* North Korea removes IAEA seals and cameras from its reactor site
- September 24* North Korea bars international inspectors from its nuclear reprocessing plant in Yongbyon.
- October 1-3* Hill travels to Pyongyang in a last attempt to save the disarmament process.
- October 11* The United States removes the DPRK from the list of state sponsors of terrorism.
- October 12* North Korea announces its resumption of disablement efforts in Yongbyon.
- November 12* North Korean Foreign Ministry issues a statement that denies having agreed to verification measures the United States.
- December 8-11* China chairs the Six-Party Talks in Beijing. Russia brings up a "Draft for Basic Principles of a Northeast Asia Peace and Security Mechanism," which summarizes the results of discussions to date. The six-party process has since stalled as North Korea refused to sign a verification protocol.

U.S. Alternative Diplomacy towards North Korea: Food Aid, Musical Diplomacy, and Track II Exchanges



By Erin Kruth

I. THE FOOD SHORTAGE IN THE DPRK

According to the United Nations Food and Agricultural Organization (FAO), the DPRK is experiencing its highest food deficit since 2001, accompanied by rising food prices and its lowest agricultural output in seven years. In April 2008, FAO predicted that the DPRK would face a shortfall of 1.66 million metric tons of food in 2008, nearly double the deficit they faced in 2007. Furthermore, the prices of staple foods such as rice and corn have continued to rise, and the rising prices of food such as pork, potatoes and eggs have made them unaffordable for most of the population.

In an April 18, 2008, World Food Programme (WFP) publication, Jean-Pierre de Margerie, WFP country director for North Korea, described the situation as follows: “Now it takes a third of a month’s salary just to buy a few days worth of rice. Families and especially vulnerable persons will suffer from lack of access to food, eat fewer meals, and have a poorer diet, increasing their vulnerability to diseases and illness.”

Furthermore, WFP and FAO conducted a joint assessment of the situation in June 2008 and concluded that at least one in three households had reduced their food

intake and more than half were eating only two meals per day. They also noted that more and more people are scavenging for wild foods and the consumption of such foods is responsible for diarrhea and subsequent malnutrition in children under the age of five.

In assessing the causes of the current food shortages, there is a need to look beyond the economic decline and unfavorable agricultural conditions such as limited arable land, lack of agricultural machinery and energy shortages that have contributed to the DPRK's chronic food shortage. Experts agree that the massive flooding in the DPRK's "cereal bowl" region - North and South Pyongan Provinces and North and South Hwanghae Provinces - has exacerbated the situation. It is estimated that the floods washed away at least 11 percent of rice and corn fields, and as a result, the DPRK saw a 25 and 33 percent decrease in its rice and maize harvest output, respectively, in 2007 compared to 2006. Furthermore, until Lee Myung-bak was inaugurated president in February 2008, South Korea was one of the largest bilateral donors of food and fertilizer aid to the North. But in 2008, the South provided no assistance. On July 1, 2008, the Washington Post reported that "[t]he lack of fertilizer is projected to increase the food shortfall in the coming year by about 900,000 tons."

II. U.S. HUMANITARIAN ASSISTANCE TO THE DPRK

The Road to Bilateral Food Aid

The first 2008 delivery of U.S. food assistance to the DPRK arrived in June. However, according to Kurt Tong, director of Korean affairs at the U.S. Department of State, efforts to send much-needed aid began soon after the August 2007 floods. At that time, recognizing the dire condition of food supply shortages in the DPRK, the Department of State, USAID and the White House discussed the situation and decided to negotiate with the DPRK the possibility of providing humanitarian assistance. According to Tong, before offering assistance, the government considers how much it can give based on competing global needs and how it can set up access and monitoring rules to ensure that those who need the aid the most are getting it. Tong emphasized that the United States' decision to pursue humanitarian assistance has no relation whatsoever to the DPRK's

denuclearization process and that President Bush maintains a policy that “we will never use food as a weapon.”

When the United States and the DPRK sat down to negotiate the terms of the food aid, the U.S. took a strong position on the issue of monitoring. After successfully establishing improved requisites for monitoring food delivery, as well as guaranteeing access to confirm that the intended recipients were receiving the food aid, USAID announced on May 16, 2008 that they would resume food assistance to the DPRK. In a May 16, 2008 Voice of America feature, State Department Spokesman Sean McCormack explained, “Because the needs in terms of the monitoring regime have been met, and that there was perhaps the most rigorous monitoring regime for distribution of food aid that we’ve seen in North Korea, we’re able to provide 500,000 tons over the period of a year starting in June [2008].”

USAID stated that the food would be delivered between June 2008 and June 2009. Four hundred thousand metric tons are being distributed through the World Food Programme, while a partnership of five U.S. NGOs is delivering the remaining 100,000 metric tons. Mercy Corps is serving as the lead and World Vision as the co-lead. They are working with Samaritan’s Purse, Global Resource Services, and Christian Friends of Korea to deliver the food aid to more than 900,000 in the northwestern provinces of Changang and North Pyongan.

Following this announcement, a team of nine experts from the U.S. NGOs traveled to the DPRK for three weeks in June to assess the food shortage and needs of the people. This assessment played a key role in determining whether the food aid would go forward, because had it been determined that there was no need, the agreement would not have been necessary. A June 30, 2008 World Vision press release quoted Heidi Linton, executive director of Christian Friends of Korea, as saying, “I have visited North Korea many times through the years, and I have observed an extreme deterioration of the food situation in the past year. The need has never been greater.”

Monitoring Food Delivery

On June 30, 2008, the DPRK government agreed to expand the counties accessible

to international aid workers from 50 to 131, and allowed an additional 50 international relief experts to monitor food delivery. The exact number of aid workers conducting monitoring activities in the DPRK is unclear; however, it is reported that the WFP has 59 staff members in country, including native Korean speakers who had previously been banned from participating in monitoring activities. According to Victor Hsu, national director of the DPRK program at World Vision International, the NGO consortium has 16 people permanently residing in the DPRK until May 31, 2009, to monitor food distribution. Of the 16 monitors, four reside in Pyongyang, seven in the city of Sinuiju in North Pyongan Province, and five in Huichon city in Changan Province.

According to Hsu, the food aid is distributed to four main categories of people: children under the age of eight, pregnant and nursing mothers, orphans and those over the age of 60. Children generally receive their food aid at school and orphans receive at orphanages, while the elderly and pregnant and nursing mothers go to the county distribution center to receive their rations. When food is received, ration cards are stamped, and during random visits to homes, orphanages, and distribution centers, monitors check the cards. These cards play an important role in verifying that rations are being provided to people in need and not to military or government officials.

Hsu expressed with confidence that the North Koreans who receive food aid are aware of the fact that it is from the United States, as there are signs posted at the distribution centers explaining that the food is a gift of the American people, and a similar message is also printed on each ration card.

Food shipments Arrive in the DPRK

On June 30, 2008, the first shipment of bilateral food aid from the United States arrived at the port of Nampo in western North Korea. The shipment included 37,270 metric tons of wheat, half of which was discharged at Nampo, with the other half destined for Hungnam and Chongjin on the eastern coast. The second shipment containing 24,000 metric tons of corn arrived on August 4 and on August 20, another shipment of 32,500 metric tons of corn was delivered. On September 30, a further 24,500 metric tons of corn arrived to be delivered by the WFP.

The fifth cumulative shipment and the first to be distributed by the NGO consortium arrived in the DPRK on November 23 at the port of Nampo; the shipment's contents - corn and beans - were scheduled to be distributed to recipients in Changang and North Pyongan Provinces through public distribution centers, orphanages, schools, hospitals and nurseries.

While most of these deliveries arrive at the port of Nampo and are later distributed at distribution centers, schools, orphanages and the like, the road from Nampo to the warehouses and the subsequent distribution sites is not always an easy one. The transportation of commodities from port to warehouse is often hampered by shortages of covered train wagons to transport the food, electricity interruptions that result in stopped trains and inadequate numbers of trucks to transport the goods from the warehouses to the distribution centers. Furthermore, the geographic conditions in the provinces where the NGO team is operating are very mountainous and the roads are unpaved, making transportation in rainy and snowy conditions dangerous and difficult.

Table 1: 2008-2009 U.S. Food Deliveries to the DPRK, as of January 12, 2009

Delivery Date	Amount (metric tons)	Product	Consigned to	Distributed By
June 29, 2008	37,270	White Wheat	WFP*	WFP/USNGOs
August 4, 2008	24,000	Corn	WFP*	WFP/USNGOs
August 20, 2008	21,100	Corn	WFP	WFP
	11,400	Corn	USNGOs	USNGOs
September 30, 2008	24,500	Corn	WFP	WFP
November 23, 2008	20,000	Corn	USNGOs	USNGOs
	5,060	Beans		
January 8, 2009	21,000	Corn	USNGOs	USNGOs
January 19, 2009**	4,860	Vegetable oil and corn-soya blend	USNGOs	
Total NGO Delivery to 1/2009 (metric tons)			66,260	
Total WFP Delivery to 1/2009 (metric tons)			97,785	
Total Food Delivered to 1/2009 (metric tons)			164,045	

* The World Food Programme loaned U.S. NGOs 4,000 MT of wheat and 8,200 MT of corn from these two deliveries.

** Anticipated arrival date.

As for the contents of the food aid shipments, they primarily consist of corn. The Bill Emerson Humanitarian Trust, which is managed by the U.S. Agriculture

Department and maintains up to 4 million metric tons of U.S. wheat, corn and rice in its reserve for humanitarian needs, is providing the food being shipped to the DPRK. According to Jon Brause, a DPRK expert at USAID, 400,000 of the 500,000 metric tons of food that the United States intends to deliver will be predominantly corn with some wheat, and 100,000 metric tons will be vegetable oils, pulses and corn-soy blends for children. USAID chose to supply the DPRK mainly with corn for several reasons; the North Korean people are familiar with it, it is a major staple food and it is less likely than other food products to be stolen.

Food Shipments Stall

On December 8, 2008, one day after the WFP and FAO issued a joint report stating that the number of hungry people in the DPRK had increased from 6.2 million to 8.7 million, and that more than one third of North Koreans will need food aid in 2009, the Washington Post's Blain Harden and Glenn Kessler reported that according to U.S. officials, food aid delivered through the NGOs was in progress, but "the main effort - through the World Food Programme - has stalled."

Officials attributed stalled efforts to transparency issues and disagreements over the number of U.S. personnel allowed in Pyongyang and limited access throughout the country for the UN's Korean-speaking monitors. However, the Asia Director for the WFP, Tony Banbury, pointed to food shortages as the key issue at stake, saying, "The North Koreans are fulfilling their obligations under agreements with the WFP and U.S. government ... we just no longer have food to deliver, and that is risking the cooperation we have been receiving from the North." He elaborated on the situation, saying that the WFP policy is that if they don't have access, they can't deliver food, whereas the DPRK's policy is if you don't give us the food, you can't have access.

While State Department spokesman Sean McCormack maintains that the U.S. government does not have "an interest in using people who are hungry as bargaining chips," Harden and Kessler point out that some experts say that this aid is "a reward for progress in the long effort to persuade North Korean leader Kim Jong-il to give up nuclear weapons." They also draw a parallel between the timing of the arrival of the last shipment in August, with the timing of Kim Jong-il's reported stroke and the DPRK's decision to veer off the path towards

dismantlement of their nuclear weapons program.

Vis-à-vis these complications, Banbury warned that the whole operation could freeze in January “because we don’t have enough food.” He also stated that in October, only 2.4 million people benefited from the program and even they were getting only 40 percent of the rations that they should have been getting.

In a January 6, 2009 press briefing, the State Department maintained that the United States had not stopped food aid to North Korea and acknowledged that despite a government delegation’s visit to the DPRK in December to resolve issues with WFP food deliveries, the issuance of visas for Korean-speaking monitors for the WFP and other technical problems still remained. Nonetheless, the State Department stated that it was committed to resolving the issues and continuing bilateral food aid.

III. SOUTH KOREAN PERSPECTIVE

Until this point, this paper has largely considered the points of view of the U.S. government, NGOs and the United Nations regarding the situation in the DPRK. However, Seoul has not consistently concurred with the evaluation of the situation in the DPRK, and its approach to dealing with the food shortage has differed from that of the United States and international aid organizations. This section explores both the South Korean government’s and South Korean NGOs’ mindsets regarding the situation in the North.

While organizations such as the WFP, describe the DPRK as facing “a potential humanitarian crisis,” or in a situation of “humanitarian emergency,” the general tone of the South Korean government appears to steer clear of using such rhetoric. In an interview with Ministry of Unification representative J. R. Kim on November 24, 2008, he stated that while there is hunger in the DPRK, there is not starvation or malnutrition on the same scale that there was in the 1990s and pointed to structural problems in rural areas as a major factor contributing to the situation. Furthermore, consistent with the Lee administration’s policy, Kim asserted, “We are always willing to provide food aid,” but if the North wants massive food aid they have to come forward and say so and also allow appropriate monitoring of

the food aid to ensure that it gets to the right people.

Grand National Party (GNP) National Assemblyman Park Jin's comments in a November 25, 2008 interview largely echoed J.R. Kim's. He agreed that there are food shortages in the DPRK but pointed out that "the assessment between our government and the World Food Programme are different," and said that "there is a food shortage but it is not at crisis level." In his elaboration on the differences, he pointed out that this year is better than last - this year there was no flood and the DPRK reaped 4 million tons of rice, which is not bad compared to the average harvest; he did say, however, that the people are still suffering from the harvest shortage and that there is an "insecure food supply." Park pointed out that the WFP and the South Korean government agree that the northeastern parts of the country, Yanggang and North and South Hamgyong Provinces are suffering most severely. He explained that when greater monitoring and assurance that grain will not go to the military are granted, the South can then provide aid to those areas first.

Some NGOs leaders in South Korea disagreed with the South Korean government's evaluation as was evident in an interview with representatives from three South Korean NGOs in December 2008. One representative commented that it is regrettable that the government's reference point is the mid-1990s, when there was mass starvation and death. He said that they seemed to be of the opinion that "As long as they don't drop dead, there is no crisis." According to the representative, North Koreans who receive WFP rations get about 180 grams of grain per day, but the minimum requirement for sustenance is 400 grams per day; which means that if they survive on rations alone, less than half of their daily dietary intake needs are being met. Another representative criticized their government for saying that there was no flood this year but omitting the fact that the South did not provide the North any fertilizer aid in 2008, something they have done for several years prior. Having visited South Pyongan Province and having seen the bad conditions of the crops, she said comments of "desk-bound" government officials reflect the fact that few of them have seen the conditions in the DPRK firsthand. One explanation that was offered was that if you fly over the DPRK you may see green fields of corn stalks, but once you are on the ground you may realize that there is only one piece of corn growing on each stalk. To that point, another representative pointed out that the real problem is the DPRK - they

don't allow the South to do the surveys necessary to see how bad the problems are and this enables desk-bound people to say what they say.

According to a May 2008 Voice of America (VOA) report, prior to the inauguration of President Lee Myung-bak, South Korea provided the North with "massive, no-strings-attached transfers of food and fertilizer." But after taking office, President Lee set out to end this unconditional humanitarian aid, insisting that the South's aid be tied to the North's cooperation in abandoning its nuclear weapons and other issues. The same VOA report cited Ministry of Unification (MOU) spokesman Kim Ho-nyoun as saying, "The government sees Pyongyang's current situation as not yet urgent enough to receive the South Korean government's aid. However, if the DPRK makes a formal request, we will begin offering food." As for fertilizer aid, according to a February 4, 2008 *Washington Times* report, the DPRK usually makes its requests for fertilizer aid between mid-January and mid-February for the spring planting season. While South Korea usually provides 20-30 percent of the DPRK's fertilizer - between 200,000 and 500,000 tons - this year, the DPRK didn't ask for the fertilizer and so the South didn't send any. Experts speculate that the reason that the North did not appeal for fertilizer aid was because of its apprehension about the incoming Lee administration's policies towards the North.

In late May 2008, South Korean Foreign Minister Yu Myung-hwan indicated that the South wanted to talk directly with the North about the food issue. He hinted that the South's position requiring the North to formally request aid could "eventually soften," saying, "If North Korea's food condition gets very serious or there is a natural disaster, South Korea can provide food. The North will not have to ask." A few days later on June 4, South Korea announced that it wanted to provide 50,000 tons of corn to the DPRK. The corn aid offered by the South had been previously promised by the Roh administration but the promise was not fulfilled due to soaring corn prices around the world. Kim Ho-nyoun stated that they were ready to offer the corn as soon as the North informed them where they wanted the aid taken, when to deliver it and how. However, as reported by the Kyodo News Agency in June 2008, according to Kim, "North Korea's working-level official said 'no' when [the South] asked about the North's position on a corn aid offer through the Red Cross channel at Panmunjom." While the South did not recognize this as the North's official position on the corn aid, at the time of this

writing the North had yet to otherwise accept or refuse the aid.

Following the shooting of a South Korean tourist at the Mount Kumgang tourist resort in the DPRK, talks of South Korean food aid stalled until October, when, according to the Economist Intelligence Unit (EIU), the MOU announced that the 2009 South Korean budget would include funding to send 400,000 tons of rice and 300,000 tons of fertilizer to the DPRK in 2009. Furthermore, according to the Korean Broadcasting System, on December 9, 2008, South Korea's National Assembly allocated 352 billion won (approximately \$243 million) to the budget for humanitarian food aid for the DPRK as part of a government grant.

Despite these reports, however, Seoul also announced on December 9, 2008, that it had no immediate plan to send food aid to the DPRK, notwithstanding the WFP/FAO report that revealed that the DPRK faced a food deficit of 836,000 tons in 2009. Kim Ho-nyoun said that while the WFP/FAO report estimated total food production for the DPRK in 2008-2009 to be 3.3 million tons milled, or 4.21 million tons unmilled, South Korean experts and relief group activists foresaw a bigger harvest. On December 18, Reuters reported that South Korea's Rural Development Administration estimated that the DPRK would produce about 4.31 million tons of grains and cereals, falling 15 percent short of the minimum the country needs to feed its people. Kim also noted that this report and other factors, such as public opinion, would be considered in the government's decision to provide humanitarian aid in 2009. This does not bode well for the DPRK, as South Koreans are currently less sympathetic to the North amidst its recent inflammatory comments and tough policies towards the Lee administration.

IV. U.S.-DPRK CULTURAL EXCHANGES

Musical Diplomacy

On February 25, 2008, sounds of "The Star Spangled Banner," George Gershwin, and "Arirang" filled the East Pyongyang Grand Theater, as well as homes throughout the DPRK and the world via radio and television. The New York Philharmonic became the first American cultural organization to ever visit the DPRK. After receiving an official invitation from the DPRK's Ministry of Culture

in August 2007, a delegation including officials from the New York Philharmonic, the New York based Korea Society's Executive Director, Frederick Carriere, and a representative from the State Department's Office of Korean Affairs visited Pyongyang in October 2007 to explore logistical matters such as where the concert would be held, how equipment would be transported, how and where the performance would be broadcast, the extent to which American musicians could interact with local musicians and how many international reporters could travel with the group.

Finally, on December 7, 2007, the Philharmonic's President and Executive Director, Zarin Mehta, and its Chairman, Paul Guenther, alongside the DPRK's Ambassador to the United Nations, Pak Gil-yon, announced their acceptance of the DPRK's invitation to play in Pyongyang. According to the *New York Sun*, Guenther expressed faith in "the power of music [to] cross boundaries and cultural differences."

The same enthusiasm was echoed by Song Sok-hwan, the DPRK's culture minister, who was later quoted in the *Hankyoreh* on February 27, 2008 as saying, "As winter gives way to spring, we are very pleased to welcome these musicians as the first guests of the new year. ... We hope this will be a big step toward increased bilateral cultural exchange between our two countries."

But not everyone agreed with the positive outlook for the trip. While the State Department supported the trip, which it characterized as a "private effort," U.S. Secretary of State Condoleezza Rice, offered more sobering comments in an NPR interview on February 24, 2008, stating, "I don't think we should get carried away with what listening to Dvorak is going to do in North Korea," but conceded the benefit of the event in giving North Koreans a window to the outside world.

In a December 27, 2007 interview with the *New York Sun*, former U.S. Ambassador to the United Nations John Bolton criticized the Philharmonic's visit, saying that it "legitimizes the regime, which is still on the list of state sponsors of terrorism, has kidnapped people from South Korea and Japan and never given an adequate explanation, and not done a single thing on the nuclear front. ... [The visit] reduces the Philharmonic to the level of doing ping-pong diplomacy with a bunch of terrorists." He further stated that the invitation was merely part of the DPRK's

propaganda, saying, "It makes them appear less despotic than they are."

But based on press reports, Director Lorin Maazel wholeheartedly disagreed with statements such as those of Secretary Rice and Ambassador Bolton, relating the Philharmonic's performance in the Soviet Union to its performance in Pyongyang. "It showed Soviet citizens that they could have relations with foreign organizations and these organizations could come in the country freely," he was reported saying in the *New York Times* on February 27. "But what the Soviets didn't realize was this was a two-edged sword, because by doing so they allowed people from outside the country to interact with their own people, and to have an influence. It was so long lasting that eventually the people in power found themselves out of power" in a country that was a "global threat."

The performers described in an NPR interview in February, a connection between themselves and those in the audience, especially after their encore performance of the Korean folk song "Arirang." Principal bassist John Deak described North Koreans as waving and clapping for about five minutes as musicians left the stage. "Half of the orchestra burst into tears, including myself and we started waving back at them and suddenly there was this kind of artistic bond that is just a miracle. I'm not going to make any statements about what's going to change or anything. Things happen slowly. But I do know that the most profound connection was made with the Korean people tonight."

Karin Lee, director of the National Committee of North Korea (NCNK), reported in the March 2008 *Japan Focus*, that regardless of the debate over whether the Philharmonic's visit was a "good thing," "[i]n the United States, the concert gave Americans a new context for thinking about North Korea that did not involve weapons, terror, crime, or human security. ... Now each country has an additional image of the other country, a new cultural point of reference to add to the customary images of nuclear weapons and ballistic missiles. Ultimately, exchanges such as these prepare the people in both countries to sustain the peace that we hope will be brokered by our respective governments."

Lee further references the Asia Foundation's Ed Reed, who emphasizes the importance of cultural exchanges, saying that they "create a window of opportunity whereby political leaders can take policy risks. Cultural exchange

cannot change policy; policy will change only when political leaders act. ... If they choose to do so, political leaders in Pyongyang and Washington can interpret to their citizens an event such as this visit to Pyongyang as a gesture of goodwill, justifying concessions necessary to move the political process forward.”

In an interview in November 2008, the Cultural Affairs Officer for the U.S. embassy in South Korea, John Dyson, emphasized that while these cultural exchanges are not always front-page news, they are “very, very important in order to keep talks flowing at chilly times. They help build trust at lower levels, which paves the way for higher levels of trust.” He noted that after the 1989 Tiananmen Square incident in China, U.S.-China talks stalled for years, but at the same time there were science and technology talks and exchanges as well as an exchange involving the U.S. Department of the Interior. It is because of these types of low-level exchange programs, that the United States had avenues for discussions that led to the first cabinet-level talks since the Tiananmen Square massacre.

While the long-term effects of the Philharmonic’s visit to the DPRK remain unknown, the short-term benefits are murky at best, as the DPRK has since taken steps backward in the denuclearization process. But future musical exchanges between the United States and the DPRK remain a possibility. On December 13, 2008, the *Washington Post* reported that North Korean music leaders have expressed interest in bringing a North Korean orchestra to play for American audiences. According to the report, “The New York-based Korea Society is brokering discussions among the DPRK’s UN mission, the State Department and the Philharmonic with a goal of bringing 160 performers from Pyongyang’s State Symphony Orchestra to New York’s Lincoln Center next year [2009].”

Track II Exchanges

Track II exchanges, according to Karin Lee, are “talks and meetings regarding policy issues at which there is no official government presence, although they might include government officials participating in a non-official capacity.” The father of track II exchanges, former State Department official Joseph Monville, defines track II diplomacy as “an unofficial, informal interaction between members of adversary groups or nations that aims to develop strategies, influence public opinion and organize human and material resources in ways that might

help resolve their conflict.” These differ from track I exchanges, which are official diplomatic meetings that official representatives from two or more governments attend. While track II exchanges are completely divorced from track I exchanges, it is not uncommon for track II meetings to dovetail with track I events. As Lee explains, “The track II events that are hosted and sponsored by the NGOs enable track I exchanges to take place.”

As Lee mentioned, track II events are often organized and hosted by NGOs such as The Korea Society and the National Committee for American Foreign Policy (NCAFP), both of whom sponsored track II meetings with DPRK officials on November 6-7, 2008. These meetings gave officials, such as the DPRK’s American Affairs Bureau Director Ri Gun and State Department Ambassadors Sung Kim and Christopher Hill, the opportunity to discuss important issues in an unofficial capacity. The meeting also served as a forum for Frank Jannuzi, a top North Korea policy advisor for President-elect Obama, to meet with Ri Gun. In order to preserve the unique environment in which participants can “share honest and free opinions,” according to an NCAFP official, details of the meeting are not discussed publicly. However in a November 8, 2008 *Korea Times* article, organizer and participant Donald Zagora commented that the North Koreans were interested in continuity in talks with the Obama government.

Lee points out, “When there is considerable overlap in participants from one event to the next, track II events also allow for relationship-building, an important aspect of informal diplomacy.” Leon Sigal, a participant in many of these exchanges, offers a unique point of view on the value of those track II exchanges that precede track I exchanges: “They provide DPRK participants a first cut at understanding the U.S. policy environment at that moment. At the same time, U.S. officials who participate in the meetings receive an early indication of potential areas of disagreement and agreement.”

As for the overall impact that these exchanges have, a NCAFP report on the track II method cited their summer 2005 conference in New York as having played a decisive role in the resumption of the Six-Party Talks later that year, as well as the agreement of the Joint Principles that came out of those Six-Party Talks. NCAFP also points to a March 2006 conference that they hosted as evidence that track II exchanges work, as that meeting “pav[ed] the way for a compromise on the

financial sanctions previously imposed on the North Koreans by the U.S.”

In addition to NCAFP track II exchanges, other organizations coordinate similar track II exchanges. For example, the Northeast Asia Cooperation Dialogue (NEACD) holds a yearly track II forum where, according to its website, foreign and defense ministry officials, military officials, and academics from China, Russia, North and South Korea, Japan, and the United States meet to discuss regional security issues. According to Susan Shirk, who founded the NEACD track II meetings, “the greatest value of track-two diplomacy, however, is the intangible human one. Getting to know one another - over meals and coffee breaks as well as at the conference - helps dispel mistrust among former enemies.” She also notes that diplomats have referred to NEACD as the “Shadow Six-Party Talks,” and in an April 2006 article for the *San Diego Union-Tribune*, she provided an example that characterizes the importance of track II exchanges for solving DPRK security issues:

North Korea’s Vice Foreign Minister Kim Gye Gwan and U.S. Assistant Secretary of State Christopher Hill didn’t get any further than a brief hello when they came to Tokyo last week. The Bush administration forbade Hill to meet with Kim unless North Korea first agreed to return to the Six-Party Talks, and Pyongyang refused to return to the talks unless the U.S. lifted the sanctions it has imposed on North Korea for suspected counterfeiting of U.S. dollars. Behind the scenes, however, the Northeast Asia Cooperation Dialogue, or NEACD, having brought top officials from China, South Korea, Russia and Japan as well as North Korea and the U.S. to Tokyo, started to lay the groundwork for future solutions to the dangerous nuclear confrontation on the Korean peninsula.

According to Lee, it is probable that these track II exchanges will continue to be valuable to improving U.S.-DPRK relations. She notes that these “may prove [to be] fruitful venues” for future political appointees in the Obama administration to renew or maintain DPRK contacts as the Obama administration transitions to power on January 20, 2009.

V. CONCLUSION

However significant the improvement of U.S.-DPRK relations through resumed bilateral food aid, the New York Philharmonic's historic performance in Pyongyang, and track II meetings in 2008 has been, any optimism about improved relations is restrained by the challenges that lie ahead in 2009. U.S. food aid to the DPRK remains stalled and the DPRK's recent lack of progress towards disabling its nuclear facilities only confirms that "musical diplomacy" may not have played as strong a role as some would have liked. As the Obama administration prepares to take its place in Washington, it is imperative that they play an active role in getting food aid deliveries back on track and further explore cultural exchanges, perhaps even extending an offer to Pyongyang to have an orchestra play in Washington. While such an invitation would have been far-fetched under the Bush administration, Obama has expressed a willingness to have dialogue with Kim Jong-il and perhaps such an invitation would thaw relations just enough to facilitate a summit. As we saw in this report, track II meetings provide a unique forum in which government officials can unofficially test the waters to see how the DPRK would react to such a proposal. It is in the best interest of the Obama administration to use these unofficial meetings, humanitarian aid and cultural diplomacy to pave the road for official meetings, bilateral trade and formal diplomatic relations, no matter how long the road may be.

CHRONOLOGY

Food Aid

- August 15-31, 2007* The DPRK experiences massive flooding, destroying 11 percent of their corn and rice fields.
- The U.S. government discusses the possibility of providing food aid to the DPRK.
- March 2008* The normal time period for the delivery of South Korean fertilizer to the DPRK passes without the DPRK asking for the fertilizer and without South Korea delivering it.

- May 16* USAID and the DPRK government sign a protocol for U.S. food aid to the DPRK; USAID announces that the United States will ship 500,000 metric tons of food to the DPRK between June 2008 and June 2009.
- June* The United Nations World Food Programme (WFP) and the Food and Agricultural Organization (FAO) report that one in three North Korean households had reduced food intake.
- June 27* The Private Voluntary Organization Consortium (PVOC) and the DPRK's Korea America Private Exchange Society (KAPES) sign a letter of understanding for food delivery through NGOs.
- June 30* 37,270 metric tons of white wheat arrive in the DPRK to be distributed by WFP.
- August 4* 24,000 metric tons of corn arrive in the DPRK to be distributed by the WFP.
- August 18* 32,500 metric tons of corn arrive in the DPRK to be distributed by the WFP.
- November 23* 20,000 metric tons of corn and 5,000 metric tons of beans arrive in the DPRK to be distributed by PVOC.
- December 8* The Washington Post reports that U.S. food aid deliveries through the WFP have stalled.
- December 9* The South Korean National Assembly allocates money in its budget to send 400,000 tons of rice and 300,000 tons of fertilizer to the DPRK in 2009.
- Mid-December* 21,000 metric tons of corn arrive in the DPRK to be delivered by PVOC.

Early January 2009 25,000 metric tons of corn and beans arrive in the DPRK to be delivered by WFP.

Alternative Diplomacy

August 13, 2007 The New York Philharmonic makes the announcement that it has received an invitation to perform in the DPRK.

October 4-11 A delegation from the Philharmonic and other organizations travels to the DPRK to assess the feasibility of a performance.

December 11 The New York Philharmonic formally accepts the invitation to play in the DPRK.

February 25, 2008 The New York Philharmonic arrives in Pyongyang.

February 26 The New York Philharmonic performs in Pyongyang.

November 6-7 Track II meetings are held in New York City.

North Korean Human Rights and Refugee Resettlement in the United States: A Slow and Quiet Progress



By Jane Kim

I. INTRODUCTION

Shocking images of emaciated children, gruesome stories of dead bodies floating down rivers, and disturbing facts about secret gulags or prison camps have captured the world's attention as increasing numbers of people begin to decry the atrocious situation inside the Democratic People's Republic of Korea (DPRK or North Korea). Humanitarian workers and human rights activists are leading concerted efforts to raise awareness about North Korea within a non-security framework while acknowledging the implications of a potentially nuclear country.

The campaign to shed light on the human rights atrocities both within North Korea as well as against North Koreans abroad, has won small victories over the past few years. Governments are now not only conscious of and include human rights in their dialogue with North Korea but also debate concrete solutions for the safety and security of North Korean refugees who risk great punishment if caught leaving their country. Thus, a large portion of today's debate regarding North Korean refugees centers on their resettlement in other countries. Although the Republic of Korea (ROK or South Korea) is the country of choice for most defectors, the North Korean Human Rights Act passed by the U.S. Congress in 2004 opened new opportunities for North Korean defectors to resettle in the

United States.

This paper looks into the North Korean refugee resettlement issue, particularly in the United States. More specifically, it examines the North Korean Human Rights Act of 2004; its significance and shortcomings. It also examines events that occurred in 2008 that have impacted North Korean refugee resettlement.

II. BACKGROUND

The egregious human rights conditions in North Korea have prompted various individuals and entities including grassroots organizations, nongovernmental organizations (NGOs) and governments to take action. Individuals such as Reverend Tim Peters and German doctor Norbert Vollertsen have dedicated their lives to North Korean human rights; grassroots efforts created Liberty in North Korea (LiNK), an organization with more than forty chapters on college campuses across the United States promoting freedom and justice for North Koreans; NGOs working in China and other transit countries have created a modern-day “underground railroad” to assist the passage of North Koreans to destinations where they are able to apply for asylum; governments such as the European Union are proactively educating themselves through witness testimonies; the United Nations High Commissioner for Refugees (UNHCR) and the UN Human Rights Council passed a resolution on April 15, 2004, to appoint a special rapporteur on the situation of human rights in North Korea, who later that year emphasized the “necessity for approving a refugee status, protecting the [North Korean] defectors and prohibiting deportation” during a UN General Assembly.

Efforts to shed light on the human rights violations committed against North Koreans by the North Korean government, have also revealed the violations against the possibly hundreds of thousands of North Korean defectors who currently reside outside the DPRK. In 2007, Vitit Muntarbhorn, UN Special Rapporteur on the Situation of Human Rights in the Democratic People’s Republic of Korea, found that many are in horrific circumstances; many are subjected to such atrocities as extortion, human trafficking, forced marriage, prostitution and forced labor. Although defectors are also in transit in countries such as Russia, Mongolia and Thailand, China remains the main country of focus since the vast

majority of defectors who escape from North Korea enter China first.

Despite having accepted the 1951 UN Convention on the Status of Refugees and the 1967 Protocol, China views North Korean defectors as illegal economic migrants, forcibly repatriating them when caught, denying the UNHCR access to such persons, and thus preventing them the opportunity to apply for or be legally granted refugee status. The Refugee Convention and Protocol designate as a refugee “any person who, owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion is outside the country of his nationality and is unable or, owing to such fear, unwilling to avail himself of the protection of that country.” The Chinese currently turn a blind eye to the fact that repatriated defectors qualify as *refugees sur place* because they face harsh punishment upon repatriation. Despite credible findings by organizations such as the UNHCR, International Crisis Group, and the U.S.-based Congressional Research Service, China continues to categorize North Korean defectors as economic migrants.

However, despite harsh criticism of China’s treatment of North Koreans, the UN also denies North Korean defectors official refugee status for two main reasons. First, some North Koreans have fled from the DPRK “to seek food and other basic necessities of life they have found increasingly difficult to obtain at home” as a result of the period of famine during the 1990s. To some, this means that these North Koreans are not people “leaving or remaining outside their country on account of a well-founded fear of being persecuted for the five reasons specified in international refugee law,” but rather, are economic migrants. Despite this technicality, the UNHCR recognizes the fact that the very act of leaving the country subjects defectors to possible refoulement (the forced repatriation of persons who have the right to be recognized as refugees), or persecution upon return, and makes the defectors eligible for status as *refugees sur place*. Therefore, as was reemphasized by UNHCR South Korea Representative Janice L. Marshall in 2007, the UNHCR believes each application for refugee status should be examined on a case-by-case basis. This approach is further supported by research from UN Special Rapporteur Vitit Muntarbhorn, who found that there may be differences in the degree of punishment received by the returned defector depending on the perceived reasons for defection. Intent for defection was often determined by the affiliations or relationships refugees had formed once outside the DPRK. Those

who had engaged with political and religious groups upon defection, regardless of original motives for defecting, were treated more harshly than those whose intent of defection was concluded as hunger. The punishment varied as greatly as questioning by authorities, incarceration or execution.

Second, the UN withholds refugee status from North Korean defectors based on Article 1 A(2) of the 1951 Convention, which excludes those with dual nationality who have the ability to seek protection from the other nationality. According to South Korea's Constitution, any person born of Korean parents or born on the territory of the Republic of Korea (which, according to the Constitution, includes the entire Korean peninsula and its adjacent islands) is a South Korean citizen at birth, technically including North Koreans. The UNHCR is aware that in reality, it is incredibly difficult for most North Koreans to receive tangible protection from South Korea while in China because of political and diplomatic reasons. Therefore, the UNHCR generally strives to help North Koreans better access South Korean support and protection, albeit "behind the scenes," according to Representative Marshall.

Although there is no internationally-accepted legal status for North Korean defectors outside the DPRK, some countries have taken strong stances on providing permanent opportunities for refugee protection and safety via resettlement. One such country, and the main country in which North Korean defectors seek resettlement, is South Korea, a logical destination for legal, cultural and linguistic reasons. According to the Ministry of Unification (MOU), as of September 2008, South Korea had reached a total defector population of 14,428. As such, it is reported that South Korea has relatively easy screening and resettlement processes tailored specifically to North Koreans. The resettlement support offered by MOU includes two months of training at a government-run education camp known as Hanawon, a financial package that includes a maximum cash stipend of 1.9 million won per year for basic resettlement funds, housing and living expenses, further education, and possible employment opportunities. Despite easy entry and generous financial assistance, many North Korean defectors resettled in South Korea face hardship and discrimination. Cognizant of this situation, MOU stated that they are preparing South Korea for a "Community for Happiness" by examining the lessons of the German reunification, expanding facilities, avoiding a mass influx of North Koreans to South Korea, and sponsoring public campaigns to

help South Koreans adjust and open up to the presence of North Koreans.

III. THE NORTH KOREAN HUMAN RIGHTS ACT OF 2004

After the terrorist attacks of September 11, 2001, the United States actively began an ideological war against all that endangered American freedoms. Such a policy shift was reflected in President George W. Bush's State of the Union Address on January 29, 2002, in which he reiterated U.S. commitment to freedom at home and abroad. This commitment to freedom was partly manifested in efforts to elevate the priority of human rights and refugee protection in U.S. foreign policy. In this regard, policy toward North Korea was not exempt. One piece of legislation that symbolizes this prioritization is the North Korean Human Rights Act (NKHRA) of 2004 (H.R. 4011, P.L. 108-333, and 22 U.S.C. 7801).

Passed on October 18, 2004, the NKHRA had three main objectives: to promote the human rights of North Koreans, to assist North Koreans in need and to protect North Korean refugees. Title I authorized an annual budget of \$2 million to promote human rights and democracy in North Korea and another \$2 million to promote freedom of information inside North Korea. It also required the president to appoint a Special Envoy on Human Rights in North Korea. Title II clarified that assistance would be given on a needs basis, "not as a political reward or tool of coercion," and it authorized up to \$20 million for each fiscal year from 2005-2008 for assistance to North Koreans outside North Korea. Title III declared North Koreans eligible for refugee status in the United States and instructed the State Department to facilitate the application process.

Significance

The NKHRA was significant, first, because the overall tone and purpose of the bill signaled a clear divergence from the previously proposed North Korea Freedom Act of 2003. The NKHRA did not promote human rights as a vehicle for regime change as the previous act (however tacitly) had been alleged to do, and it removed *quid pro quo* stipulations for humanitarian aid. The NKHRA in effect, articulated a subtle change in U.S. intentions toward North Korea, countering the

appearance of what was previously seen as a willingness to “sell out” the displaced in deference to broader geopolitical security concerns. The State Department reiterated this position in a statement regarding the refugee aspects of the NKHRA released by the Bureau of Population, Refugees, and Migration on January 2007, stating that the U.S government was “committed to resettling North Korean refugees regardless of the status of the [Six-Party] Talks.”

In addition to signaling a new approach to tackling the North Korean human rights issue, the NKHRA also gave the State Department an official mandate to resettle North Korean refugees in the U.S. without changing existing laws. Although it did not provide an end-all solution, as the screening process for getting North Korean refugees into the U.S. still requires more legislative changes, it did provide official and specific guidelines for the State Department in its overall approach to this issue.

Another important facet of the NKHRA was that it gave clear direction as to how the issue of dual nationality of North Korean defectors was to be addressed. The NKHRA specified that “for purposes of eligibility for refugee status under section 207 of the Immigration and Nationality Act, or for asylum under section 208 of such Act, a national of the Democratic People’s Republic of Korea shall not be considered a national of the Republic of Korea.” In addition, North Koreans were not to be barred from consideration of refugee or asylum eligibility simply “on accounts of any legal right to citizenship they may enjoy under the Constitution of the Republic of Korea.”

Problems with the Act

Given these important implications, many activists and defectors themselves thought there would be immediate implementation of the various components of the NKHRA, especially regarding funding and resettlement. However, it soon became apparent that there were substantial impediments to implementation, limiting the overall effectiveness of the Act. As early as 2005, the U.S. government acknowledged some evidence that “North Koreans and some of their advocates may have unrealistic expectations of our ability to assist them directly.” That same year, the *Wall Street Journal* identified one of the shortcomings of the NKHRA’s ability to help North Koreans, reporting that around 100 North Koreans had

clandestinely arrived in the United States after the passage of the NKHRA, but were bound to be denied asylum if they were caught or even if they officially applied for asylum. This was because the NKHRA offers U.S. asylum only to those who had not yet gone to and been processed in South Korea, of which, these 100 North Koreans had done. Frustration over the U.S. government's inaction mounted, and incidents such as the "Shenyang 6" as reported by the *Wall Street Journal* - where six North Korean escapees attempted to storm a U.S. Consulate in Shenyang and were turned back by officials, ultimately leading to their capture - occurred in 2006. Harsh as it may be, it is U.S. policy that any illegal intrusions are "presumptively regarded as hostile ... For the safety of all persons involved, the Department of State strongly discourages attempts by unauthorized persons to enter U.S. facilities illegally." Although the Shenyang 6 were eventually freed and avoided repatriation, they were resettled in South Korea despite their desire to go to the United States.

Around this time, more and more criticism began to surface regarding the NKHRA, specifically about the required reporting which was belated and incomplete, the appropriation of funds, the details of the resettlement process, and the special envoy.

As aforementioned, NKHRA authorized \$24 million annually for the improvement of North Korean human rights and refugee resettlement programs beginning immediately in 2005. However, as of fiscal year 2007, no funds had been requested by the administration. It was only after a bipartisan letter drafted by members of Congress brought this to the attention of the Secretary of State that the first \$2 million of authorized funds were requested. However, the lack of authorized funding requests did not necessarily mean that the administration had turned a deaf ear to or were negligent concerning the cause of North Korean human rights. In fact, North Korean human rights - related funding was issued during that period, but was appropriated from different accounts, as had been the situation prior to the NKHRA's passage. It was not until 2007 that government officials canceled such funding practices that usurped the need for requesting NKHRA funding. This administrative oversight, however, caused critics such as Shizue Morita, Japanese Ministry of Defense official and Visiting Fellow at the Henry L. Stimson Center, to claim that the failure to release authorized funds reflected a lack of the administration's commitment to the act itself.

Much of the dissatisfaction with NKHRA implementation was focused on the resettlement process, largely because the Act provided concrete solutions to ease the plight of overseas North Korean defectors. The specificity of these provisions made resettlement highly susceptible to criticism, especially when tangible results could not be seen. A year after its passage, the U.S. House of Representatives Committee on International Relations convened to evaluate the issues and implementation of the NKHRA. At that hearing, the screening of applicants for refugee status was identified as a major challenge in resettling North Korean defectors. It was explained that in the absence of official diplomatic relations with North Korea, verifying the identities of the North Korean applicants was a difficult task, one that had serious security implications as these applicants were technically nationals of a terror-sponsoring state. Without verification, there was no way to guarantee the entry or infiltration of North Korean criminals and spies to the United States as had been reported to have happened in South Korea. United States Assistant Secretary of the Bureau of Population, Refugees, and Migration, Arthur Dewey, stated that the key to a “successful resettlement program in the U.S. would be a reliable mechanism to enable U.S. agencies to complete required security background checks.”

According to the Bureau of Population, Migration, and Refugees at the State Department, the current refugee processing procedure for North Koreans is the same as those undergone by all other refugees seeking asylum in the United States, the country that accepts the most number of refugees and asylees in the world each year. Overseas applicants are interviewed by a worker from a U.S. overseas processing entity (OPE) to document the individual’s biographical data and persecution claim. Each applicant is given a priority status of one to three. North Korean refugees are currently eligible for both a Priority One (P1) referral by the UNHCR, an NGO or a U.S. embassy, and a Priority Three (P3) referral, which is for family reunification cases. The information obtained at the OPE is sent to a refugee processing center (RPC) in Washington, D.C., which then undergoes a security check; once that is complete, the applicant is allowed to interview with the Department of Homeland Security/Citizenship Immigration Services (DHS/CIS). If DHS/CIS deems the applicant a legitimate refugee, the applicant must go through a medical screening, after which the OPE will submit a request to the RPC for one of ten resettlement agencies in the U.S. participating in the reception and placement (R&P) program to sponsor the case. At this point, the

refugee may receive cultural orientation about the basics of life in America. Once all steps are complete, the OPE arranges a travel packet allowing the refugee to enter the country.

Once the refugee has entered the United States, the refugee’s sponsoring resettlement agency is responsible for the placement of the individual and for providing initial services, including housing, essential furnishings, food, clothing, community orientation, and referrals to other social and employment services for the refugee’s first 30-90 days. During this time, each refugee receives at least \$400 in cash or material goods, while being encouraged to become economically self-sufficient and to not depend on other longer-term assistance available through state welfare programs. These programs are thought to be temporary until refugees secure employment.

Table 1 shows the number of North Korean refugees accepted into the U.S. from 2003 through September 2008. Even after the passage of NKHRA in 2004, no North Korean refugees were accepted into the United States until 2006, and even then it was a meager nine people, a negligible number compared to the 41,053 total refugees that were accepted that year. In 2007, the number of North Korean refugees accepted more than doubled to 22, and by September 2008, had increased again to 33, bringing the total of North Korean refugees accepted into the United States to 64.

Table 1: Number of North Korean Refugees Accepted into the United States (2003-2008)

	2003	2004	2005	2006	2007	2008*
North Korean refugees accepted	0	0	0	9	22	33
Total number of North Korean refugees in the U.S.	0	0	0	9	31	64
Total number of refugees accepted into the U.S.	39201	73851	53738	41053	48281	-
Yearly percentage of North Korean refugees	0%	0%	0%	0.0219%	0.0456%	-

*as of Sept. 08

Source: Refugee Arrival Data, November 2008. Office of Refugee Resettlement.

<http://www.acf.hhs.gov/programs/orr/data/refugee_arrival_data.htm>

Another significant provision in the NKHRA was the presidential appointment of

a special envoy. The special envoy's function was to "coordinate and promote efforts to improve respect for the fundamental human rights of the people of North Korea." It was assumed that this would be an immediate appointment since the special envoy was required to submit the first report within six months of the NKHRA's passage. However, the administration did not appoint Jay Lefkowitz into this position until ten months after the Act's passing, causing some to question whether or not the administration viewed this appointment as a priority at all. In addition, during a congressional hearing reevaluating the progress of North Korean human rights in 2007, Lefkowitz was questioned by Congressman Royce as to whether he could satisfactorily fulfill his duties given his part-time status. In 2008, well into his term as envoy, Lefkowitz's authority and effectiveness were further called into question. After Lefkowitz made a call for a "new approach" toward North Korea, Secretary of State Condoleezza Rice publicly clashed with him and dismissed his opinions of American policy. Downplaying his importance within the State Department was a clear sign of institutional tension.

It seems that the political nature of the NKHRA itself posed a number of practical challenges to the implementation thereof. First, the implications of the Act created high expectations of the federal government amongst potential beneficiaries without the proper procedures and system in place to realize the Act's mandates. Without concerted effort from the government to accurately inform people about the realities of the Act, it was only a matter of time before inflated expectations rooted from misinterpretation and misinformation led to disappointment. Anticipating the passage of the law by the president, in October 2004, Karin J. Lee, former senior associate at the East Asia Policy Education Project at the Friends Committee on National Legislation Education Fund warned against this very situation and urged the government to transmit accurate information to refugees through varied channels. Despite State Department efforts to get the truth about the Act through fact sheets and other materials, it was found that some defectors indeed had false expectations, such as large cash stipends upon their arrival to the United States. Though there wasn't a significant change, an expert claimed that the dissemination of accurate information seemed to negatively affect the initial interest for refugee status in the United States based on the changes in the number of applications.

Second, a number of funding issues arose. As mentioned previously, funding for such purposes as human rights and democracy programming was previously issued from multiple sources. As these sources were allowed to continue appropriating funds for existing projects, there was little incentive to switch funders and apply for NKHRA appropriations. Another problem that arose was that many organizations seeking funding did not actually have the capacity to absorb the large amounts available, thus requiring the government to recruit new organizations to enter the funding pool. There were additional problems among organizations interested in NKHRA appropriations as some groups sought funds for ineligible programs such as the illegal migration of refugees across national borders.

The third reason practical implementation was and remains difficult, is the sensitivity and cooperation necessary when dealing with other countries hosting North Korean refugees. Many countries, especially those that host North Korean refugees within its borders, are hesitant about openly cooperating with the United States and South Korea regarding refugees because they understand the potential tension this could cause with North Korea. Hesitation remains regardless of UN clarification of this specific problem as being of a purely “social and humanitarian nature,” as stated in the Geneva Conventions. In January 2008, the U.S. Secretary of State was quoted in the report, *North Korean Refugees in China and Human Rights Issues: International Response and U.S. Policy Options*, stressing the importance of cooperation from such governments in U.S. efforts to resettle North Korean refugees found in those regions. Not only could this potentially cause problems with North Korea, but as reported in the *Christian Science Monitor* on September 2006, government officials in countries like Thailand were concerned that their tolerance and leniency would create a dumping ground for refugees.

Lastly, the implementation of NKHRA was hindered by the political nature of the process itself. Congressional members often had their own political motivations for supporting the legislation, including garnering the administration’s compliance to their own U.S.-North Korea priorities. After all, it is uncommon for the government to earmark funds for a specific refugee population, especially such a large sum which realistically, would not be fully appropriated. Thus, there were hints that the NKHRA was being advocated by some politicians - such as Senator Sam Brownback (R-KS), the original sponsor of the bill - in order to sway the

United States approach to dialogue with North Korea away from heavy emphasis on nuclear disarmament and toward human rights. In addition, Katherine Moon, associate fellow at the Asia Society and political science professor at Wellesley College points out in her *Washington Post* article on July 10, 2007 that other politicians intended to use the Act as a means to attack other countries, such as China, on their human rights records.

The overall effect of these problems for the federal government, specifically the Bush administration, was a loss of credibility and accusations of hypocrisy, leading many to question the government's resolve to defend human rights. Slow implementation led people like Shizue Morita to believe that ultimately, the administration did not "attach high priority to the issues of democracy and human rights in North Korea." Though the NKHRA was an important impetus for movement on the issue within the federal government, its desultory implementation did somewhat tarnish the credibility and integrity of the Bush administration.

IV. 2008 HAPPENINGS

In 2008, there were no significant changes in the resettlement processes of North Korean refugees in the United States. This was partly because the refugee process in the United States is universal for all applicants, and has been in existence long enough that it is a well established program. Despite the lack of major refugee resettlement milestones this past year, there were some notable happenings regarding North Korean human rights and refugees.

On May 13, 2008, the U.S. House of Representatives amended the NKHRA via the North Korean Human Rights Reauthorization Act (110th Congress, H.R. 5834); Congress ratified it into Public Law 110-346 on September 26 and it was then signed by the President on October 7. The new bill renews funding and adjusts the original 2004 provisions for the Special Envoy and the U.S. resettlement of North Korean refugees while criticizing the slow implementation of the original bill. Although the Reauthorization Act fails to address some of the major criticisms of the 2004 Act, the reality is that many of the problems involved multiple agencies and actors beyond the scope of what one piece of legislation can truly account for.

Despite these limitations, there are some noteworthy changes in the new bill. First, the Special Envoy on North Korean Human Rights was made into a full-time ambassadorial position, requiring Senate confirmation. This change allows the Special Envoy the ability to focus on investigating North Korean human rights conditions and elevating the issues in the international community without the distraction of other career responsibilities, as had been the case in previous years. A second amendment eliminated the conditioning of U.S. non-humanitarian aid to North Korea on “substantial progress” of specific human rights issues and the conditioning of U.S. humanitarian assistance on “substantial improvements” in transparency, monitoring and access. This modification further distanced the bill from some lawmakers’ preference to associate it with regime change.

In September, the first instance of a North Korean refugee resettled in the United States receiving permanent residency without interview occurred. Moreover, other North Korean defectors in the United States have also applied for permanent residency. Though the granting of permanent residency without interview was reported in the *Korea Times* as a condition of the NKHRA, and thus seemed to have had great significance, its actual importance was inflated. U.S. refugee policy permits all refugees, regardless of original nationality, to apply for permanent residency one year after entry into the country. Therefore, this North Korean case was not unique among refugees in America. However, this case was still important because it showed that North Koreans in the United States were following through with the refugee resettlement program and actively pursuing opportunities provided by the government.

On October 12, President Bush delisted North Korea from the list of state sponsors of terrorism. While this had no direct effect on the resettlement program, it did have implications for refugee processing. The argument that North Korean refugees required cautious screening due to their origins from a terror-sponsoring state was then moot, a measure that should ultimately expedite the application process.

The election of Democratic candidate Barack Obama as the forty-fourth President of the United States on November 4, 2008, marked a shift in the nation, one centered on the idea of “change.” Whether or not this will materialize, North Korea appears receptive to President Obama, in particular because of his

willingness to consider bilateral talks with leaders of terrorist nations. With high potential for improved relations between the two countries, it will be interesting to see if Democratic executive and legislative branches will lead to a stronger emphasis on human rights as Democrats tend to emphasize human rights more so than their Republican counterparts. Although it seems unlikely that human rights will take priority over the nuclear issue, President Obama's appointees for positions related to this topic will be of great interest for those following North Korean human rights.

South Korea also had its share of colorful events in 2008 in regards to North Korean defectors. The inauguration of new conservative President Lee Myung-bak in February 2008 marked the end of a ten-year period of South Korea's Sunshine Policy towards the DPRK. President Lee's promise to take a tougher stance on North Korea spurred immediate action: the ROK did not abstain, but instead voted for a UN resolution calling for human rights improvements in the DPRK and for aid to the DPRK to be conditioned on verifiable procedures of transparency. Upon President Lee's investiture to power, the government structure was reorganized, almost resulting in the dissolution of the Ministry of Unification (MOU). Though the MOU was not disbanded, it was severely downsized and experienced major budget cuts.

In late August, South Korean society was thrown into a red scare when Yonhap News reported that a woman who had resettled in South Korea as a North Korean defector was actually a spy for North Korea's National Security Agency. Won Jeong-hwa was arrested for extracting classified military information to transfer to the North by engaging in sexual relations with multiple South Korean military officials. The British Broadcasting Company found that this case of espionage was the first since the Inter-Korea Summit meeting in 2000, and raised fears among South Koreans and resettled North Koreans alike; South Koreans feared the potential for more spies, and North Koreans feared the potential backlash. However, despite the initial scare, there was no major counterattack on North Korean defectors in South Korea. In the United States, the discovery of this breach in refugee applicant security screening in South Korea did not stir any serious concerns, though it initially received interest from government officials.

V. CONCLUSION

Both the 2004 North Korean Human Rights Act and its subsequent North Korean Human Rights Reauthorization Act of 2008 were significant in advancing North Korean human rights and refugees, despite the fact that the latter did not much change the former. Though Congress intended to alleviate the plight of North Korean defectors in transit through the funding of democracy and human rights initiatives, the appointment of a special envoy and the acceptance of refugees, such mandates will remain just that unless further changes can eliminate some of the restrictions government agencies face.

For now, improvements can still be made even within the limitations of this complex situation. One such way is to continue to work tactfully behind the scenes with countries in which refugees are in transit so that they will not be placed in difficult diplomatic positions. American personnel at overseas OPEs should take more proactive measures, however discreetly, to engage North Korean refugees in transit. To aid this process, government personnel must formulate new methods of contacting North Korean escapees safely and securely. Although the number of North Koreans successfully reaching the United States is rising, it is a slow growth. New means of contact with potential applicants should accelerate this growth.

Second, greater agency coordination could help expedite the processing of North Korean refugees. The way it stands now and according to general refugee processing protocol, refugee applications, including North Koreans, are assigned to one of ten resettlement agencies through a lottery system. Although it may not be possible for the government to regulate which agencies resettle the North Koreans, the creation of a network of agencies with experience resettling North Korean refugees would help increase communication, awareness, and efficiency of how to resettle this relatively new and miniscule, yet growing population.

Third, a more concerted effort by the full-time Special Envoy to spread awareness about the current North Korean human rights situation is necessary. This can be achieved through further personal engagement and the planning and hosting of conferences, participation in fact-finding missions, and the timely submission of reports. Also, the envoy should work to further increase coordination among the

various departments and bureaus within the federal government that deal with this matter, to create a more uniform and structured interagency stance and approach to North Korean human rights and refugees. This would also help people within the government system better understand the role of the special envoy and know his work, which could be beneficial in building the envoy's credibility.

Such efforts, even within the current limitations, would lead to improvements in the overall refugee resettlement program and human rights advocacy, but not to an extent that would cause wide rifts in U.S.-DPRK relations. As verified by the House of Representatives, the current U.S. policy towards the resettlement of North Korean defectors has not elicited much reaction from the DPRK government, and this trend is likely to continue. The lack of response from the DPRK government can probably be attributed to the fact that it does not believe North Korean refugees will see U.S. resettlement as a durable solution to their problems. Instead, refugees will likely continue to enter into South Korea, where it is thought to be easier to adjust culturally and to receive aid.

The outlook for U.S. efforts to improve North Korean human rights and refugee resettlement programs looks to be positive, albeit slow. The same quiet work that has been done by the government is expected to continue and to improve through the application of hard-learned lessons from the past. Such work will result in increased North Korean refugee resettlement in the United States, though not in large numbers. Given a new incoming U.S. administration, the level of focus and commitment it will have towards this issue will determine its fruit. One can be hopeful that the new Obama administration will deliver on its slogan of change, even for North Koreans.

CHRONOLOGY

- February 25, 2008* Lee Myung-bak assumes office as the tenth President of South Korea.
- May 13* The U.S. House of Representatives amends the NKHRA via the North Korean Human Rights Reauthorization Act (H.R. 5834).
- August 27* A North Korean defector resettled in the ROK is arrested for espionage on behalf of North Korea's National Security Agency.
- September 16* The first North Korean defector receives permanent residency status in the United States.
- September 26* The U.S. Congress passes the North Korean Human Rights Reauthorization Act (H.R. 5834) into Public Law.
- October 7* President George W. Bush signs the Reauthorization Act.
- October 11* The United States removes the DPRK from the list of state sponsors of terrorism.
- November 4* Democratic candidate Barack Obama is elected as the forty-fourth president of the United States of America.

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