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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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