

NORTH KOREA'S OPENING DOOR

By
Dr. C. Kenneth Quinones

Paper Presented at the Conference
US-PRC Security Cooperation
In Northeast Asia

May 26-27, 1998

NORTH KOREA'S OPENING DOOR

Introduction

The Democratic People's Republic of Korea (DPRK) is gradually doing what many once thought impossible -- opening itself to the world. In the process, it is exposing its long cloistered interior to external stimuli for change. Consequently, the society once dismissed in most Western nations as a "secretive, stagnate Stalinist" state is gradually engaging the international community and undergoing glacial yet significant change.

Never before has the DPRK been so accessible to foreigners. Since the Korean War of 1950-53, Pyongyang has shrouded its interior and population of 22 million in a cloak of secrecy. Visits by foreigners were carefully managed political events, crafted to accent North Korea's positive aspects and to veil its shortcomings. The DPRK government, determined to project the nation as a socialist paradise united in a "single mind, single heart" behind the "Great Leader" Kim Il Sung, cautiously selected and guided all visitors. Even as recently as February 1996, a foreigner staying at the Koryo Hotel in central Pyongyang could find no more than two or three fellow foreigners to converse with at supper.

Now, only two years later, foreigners from around the world, not just a few socialist or Non-aligned nations, fill Pyongyang's hotels all year long. Representatives of the once despised United Nations, North Korea's primary enemy during the Korean War, now live and work in six of North Korea's eight provinces. Businessmen, engineers and technicians from Europe, North and South America, Australia and elsewhere in Asia fill each of the two flights from Beijing on Tuesday or Saturday. They arrive to seek joint ventures in North Korea's free trade zone of Najin-Sonbong and elsewhere in the DPRK.

The critical and growing barter trade with China, Japan and South Korea attracts thousands of citizens from these countries. Then too ethnic Koreans from China, Japan and the United States further fill the hotels of Pyongyang, Wonsan and Najin-Sonbong. The Sino-Korean border is relatively open. Since 1996, tens of thousands of Koreans resident in China have visited their relatives in North Korea's northeastern provinces. A smaller but not insignificant number of North Koreans have ventured into China to visit relatives in the hope of obtaining food.

Possibly the most amazing visitors are the Americans - still considered by

most North Koreans to be their most despised enemy because of the Korean War. But even these “imperialists” have been allowed to live and to work since June 1995 at North Korea's once highly secret Yongbyon Nuclear Research Center. Other Americans represent the US Army, and have been visiting North Korea since June 1996.

Both groups are now out numbered by the growing presence of American famine relief workers. One can occasionally encounter groups of American diplomats, Congressional delegations, journalists and specialists working with the Korea Energy Development Organization (KEDO), among others.

The DPRK's increasing accessibility is a consequence of a decade old process of change that brought about a fundamental realignment of North Korea's relations with all the superpowers, Washington and Beijing, Moscow and Tokyo have undergone fundamental change since 1990. This is also true of North-South relations These changes followed what appears to have been a carefully crafted effort by Kim Il Sung to reconfigure his nation's international relations. His success in this regard was not a direct consequence of his efforts alone. On the contrary, the DPRK's ability to realign its diplomatic relations depended more on the willingness of other nation's to respond to its overtures than on the skill of Kim Il Sung and his diplomatic corps. In other words, Pyongyang's diplomatic program was not an effort at reform. Rather, it involved government initiated change.

Change or Reform?

Our purpose here is not to debate the academic issue of whether there is “change” or “reform” in North Korea. Doing so would only detract from the more crucial concern of whether North Korea is moving away from its traditional isolated, cloistered self toward becoming a different society. The question, in other words, is not what to call the change evident in North Korea, but to assess whether there is change, its scope, significance and direction. Our basis of comparison is the DPRK itself, not any other society or some imaginary universal standard.

We do need to distinguish between change as a consequence of natural phenomena and other stimuli uncontrolled entirely by a government, and reform which can be defined as a carefully formulated program designed by a government to alter traditional or existing institutions and practices. In North Korea, the accent is clearly on change, not reform.

Our basis of comparison is the DPRK itself, not any other society, system or artificially defined universal standard. Too often, the basis of comparison for analyzing the DPRK has been either or both the Stalinist and Chinese models. Behind such analysis has been the assumption that North Korea previously sought to emulate the Stalinist system of the former Soviet Union, but now that the Communist Bloc has evaporated and its system has been discredited, Pyongyang might be more prone to refashion itself after Deng Hsiao Ping's Chinese model, given its impressive economic gains in recent years. But Kim Jong Il has made it clear - he intends to perpetuate his father's model, the *juche* system. Change in the DPRK thus simply means alteration of the system established by Kim Il Sung.

“Revolving Door” Analysis

A word of caution is in order before proceeding with our discussion of change in North Korea. We need to avoid the “revolving door” approach to analyzing North Korea. Most North Korea “watchers” are new to the business. Many are former “Communist Bloc” watchers who once could merely glance at Pyongyang and dismiss it as an unchanging “Stalinist state”. Today, when confronted with evidence of a changing North Korea, these observers prefer to keep North Korea in an analytical revolving door. No sooner has one question or contentious issue concerning North Korea been dealt with than their attention shifts abruptly to another issue or conventional stereotype of North Korea.

For example, early in the 1990's, the issue of concern was whether North Korea would open to the outside world. Once Americans began visiting North Korea's nuclear facilities in 1994, attention shifted to whether North Korea's call for international food aid was a ploy to hide preparations for war and to restore its war reserves of grain. No sooner was the reality of famine established than the “revolving door” analysts began contending that North Korea might commit national suicide by launching a desperate attack on South Korea or else collapse into chaos.

For the multitude of “new” North Korea watchers, the objective was less one of understanding the fundamental trends in North Korea and more a preoccupation with competing with one another to “stay ahead of the game”. This “revolving door” approach has given us a blurred, sporadic image of a nation that retains the ability to destabilize northeast Asia, and possibly other critical regions half way around the world. The time has come to exit the revolving door and to begin taking North Korea seriously. Only then can substantive issues like the direction, pace and

magnitude of North Korea's opening and change can be more accurately gauged. Hopefully, this more disciplined approach to long term assessment will be of greater value to those seeking to formulate policies to move North Korea away from its traditional coercive and confrontational approach to the outside world and promote its integration into the international community.

Impediments to Change

The DPRK leadership's preference for continuity reflects a blend of complex psychological, political and cultural factors that make change, not to mention reform, one of the least desirable developments in their domain. While this statement would seem obvious, the need to reiterate it here is indicative of our perception of North Korea. Cold War rhetoric, and the superficiality of journalistic descriptions of the DPRK, have long conditioned outsiders to perceive North Koreans as a species separate from the human race, one lacking some common human attributes. But increasing access has begun to dispel such myths, at least for some observers, and we have gradually discovered that the Koreans living in the north share much in common with their kinsmen in the south, not to mention human beings elsewhere.

Human Nature

Few societies aspire to change. For most, it is a reluctantly pursued necessity. For Germany and Japan, recognition of the need to change came only after incredibly destructive war and total defeat. Despite decades of proclaiming themselves democratic, the democratization of the Philippines, the Republic of Korea and Taiwan came only after virtually half a century of internal struggle and external pressure. For the Soviet Union and its political and economic cousins in Eastern Europe, recognition of the need for change came belatedly and brought collapse of the entire system Euro-communist system. China's entry into modernity required traumatic social and political upheaval that consumed a century, caused the death of millions and required humiliation at the hands of imperialists like Great Britain and Japan. Even then, the Chinese had to endure the Great Proletarian Cultural Revolution and the agony of Tiananmun Square.

The United States is a rarity among nations. Its multi-cultural and multi-ethnic heritage requires virtually constant assimilation and adaptation to sustain political and social stability, making the ability to change, to reform and to evolve a revered quality in the United States. But even in the United States, civil war followed by more than a century of struggle in the courts and on the main streets

of America have yet to social changes essential to racial equality.

The typical human inclination is to preserve the familiar while avoiding to the maximum extent possible the unknown, whether new, foreign or both. Change, even carefully managed reform, can bruise one's ego, not to mention the possibility of undermining the ultimate goal of all political leaders - the perpetuation of their power in a stable society. Even the determination of whether to foster or to strive to minimize change can be highly problematic since the admission of the need to alter an established process can in many political systems suggest that the established leadership has erred. Rulers throughout history and around the globe are notorious for avoiding the admission of error.

This is particularly true in a situation akin to the DPRK which is ruled by a centralized bureaucratic state in which political power is concentrated in the hands of a small elite. Any change, planned or otherwise, and even the suggestion of its need can be perceived as a potential threat to the entrenched elite's ability to perpetuate its status. As the ruler considers how best to deal with change, political tension within the elite becomes inevitable. An "old guard" will form to protect the status quo, and a "new guard" will advocate change to further its interests. This dialectic is prompted primarily by basic human political concerns, although economic considerations can be a reinforcing motivation for membership in either the "old" or "new" guard.

Korean Considerations

Unfortunately, desired sought and some fundamental aspects of human nature and of Korea's cultural tradition, not simply political impulses rooted in Kim Il Sung's interpretation of Marxism-Leninism.

The shared culture, language and ancestry of the inhabitants of the entire Korean peninsula, south and north strongly suggest they also hold in common some similar attitudes toward change. Again, such an obvious observation has long been blurred by the rhetoric of the Cold War. Now, given our increasing access to the North, we are rediscovering the "Koreanness" of its inhabitants. For all Koreans, the establishment and preservation of their unique culture took almost two millennia of concerted effort. Accomplishing this while living on the perimeter of mighty imperial China as a tributary state in the traditional Chinese world nurtured in Koreans a strong sense of cultural conservatism.

Confucius and Time

Confucianism remains for most Koreans living on the Korean peninsula the primary source of social values and norms, and their perception of time. The Judeo-Christian perception of time is virtually the opposite of that perpetuated in societies still under the influence of Confucianism. The Old and New Testaments of the Bible each taught that the past was evil – Adam and Eve had committed the “original sin” by eating the forbidden apple but God would send his son to redeem mankind. In the New Testament, God’s son suffered at the hands of the evil Romans, but the spread of Christianity promised eternal life in heaven. Man could achieve this eternal life by confessing his shortcomings, repenting and reforming himself. In other words, the “Golden Age” of mankind was to be found in the future.

But Confucius and his followers taught that the “Golden Age” of human benevolence and social harmony existed in the past as preserved in the five classics that depicted life in China before Christ. Harmony on earth and happiness beyond were achieved by emulating the past, not by seeking to invent a new future. On the contrary, striving to do so would be a terrible offense against society’s pursuit of stability and social harmony. In the European and American cultural traditions, the concept of change is most often equated with progress, a better future, but for the people of East Asia, particularly Koreans, change more than likely still means movement away from the golden era of the distant past toward the unknown, possibly an unstable and unsafe future.

The conservatism of Korean culture is therefore quite rational, and history has afforded Koreans ample empiric evidence that their golden age was in the past. For Koreans, that was the period of the unified state of Silla, more than a millennium ago, when many of the characteristics now perceived as uniquely Korean were defined. There after came repeated invasions by the nomadic Mongols and Manchus, then Japanese pirates and samurai who contributed nothing to Korea other than death and devastation. All of this reinforced Koreans’ conservatism, and their preference for the past. Koreans’ suspicion of foreigners, their ideas and their intentions, were greatly intensified by the imperialist, represented first by Catholic missionaries bearing the bazaar promise of “Life in an eternal paradise” yet followed by the harsh reality of French, American and Japanese gunboats. Presented with a choice between the ways of the unwashed, hairy and uneducated hoards of “barbarians” that roamed the world on horseback and ship in search of plunder, or a preservation of the past, Koreans late in the 19th century opted against changing their ways.

Japan challenged Koreans’ preference to the point of imposing change on the

Korean peninsula, and in the process gave birth to Korean nationalism and a further impediment to Koreans subscribing to foreign ways of doing things. Unfortunately for Korea, the last monarch's of the Yi Dynasty, which ruled the entire Korean peninsula from 1392 to 1910, had ample reason to equate change with betrayal of the kingdom, its philosophy and of Korean culture. The early Korean advocates of Christianity challenged the validity of Confucianism with the claim of spiritual superiority. Yet paradoxically they threatened the so-called "Hermit" kingdom's survival by attracting the technologically superior but culturally abrasive and destructive forces of France and the United States.

When Japan sought to emulate the Western imperialists in 1876, the Korean monarchy endeavored to work with them in the hope of acquiring Western technology, i.e. fire power, to better protect themselves from the threat of Western imperialism. This gave rise to a small school of officially sanctioned and funded reformers who came to be known as the "Enlightenment Party" (*kaehwatang*). The concept of "enlightenment" suggested the group was seeking to awaken Korea from its fixation with the Confucian past and move toward a Buddhist like awareness of Western technology and culture, but without Christianity and imperialism. At the same time, the Enlightenment Party sought to end the Korean monarch's policy of "serving the great", (*sadaejui*), i.e. sending tribute to China as token recognition of the Chinese emperor's superior moral authority and handling of Korea's foreign relations within the traditional Chinese world order. (Later we shall see the concept of *sadaejui* emerge as a major element in deceased North Korean leader Kim Il-sung's interpretation of Marxism-Leninism.)

Indicative of the early Korean reformist group's naivete is its exploitation by those in Japan who advocated Korea's colonization by Japan as the surest and quickest way to modernize Korea and to prevent it from being the colony of a Western imperialist. In 1884, the Japanese-backed "Enlightenment Party" attacked what it believed to be the conservative, pro-Chinese element at the court in Seoul. The effort prove a disaster, not only for the reformist group but for the future of reform in Korea.

Korea's late nineteenth century would-be modernizers committed the worst of all political sins in Koreans eyes - they aligned themselves with Japan against the Korean monarchy and in the process defined a central, continuing theme of modern Korean nationalism - intense distrust of the Japanese. In the process, the concept of reform in late Yi Korea, whether labeled Westernization or modernization, came to be associated in most Koreans' minds with treason and the promotion of Japanese imperialism on the Korean peninsula. Tragically, the imperial Japanese army took it

upon itself to confirm this to the Korean people in 1895 when a unit of the Japanese army entered the Korean palace grounds in Seoul, hacked the queen to death with swords and attempted to burn her remains.

The events of the 19th century understandably did little to endear Koreans to the western concept of reform and progress. For them, the past with its tranquil Confucian society and sovereign, benevolent monarch, lingered through the first half of the 20th century as the preferred ideal. Japan's promises of modernity and economic progress brought first humiliation in the form of colonial subjugation, then exploitation to promote the expansion of the Japanese empire and ultimately division at the hands of the victors over Japan, the United States and the Soviet Union.

Americans, Europeans and Japanese need to recognize that history has defined for all Koreans a concept of change and reform that differs radically from the Judea-Christian promise that change means progress, and progress means a better, more prosperous future. For most of Korean history, change has brought agony, humiliation, conquest, poverty and division. While Koreans are very hesitant to pursue change, they remain by and large pragmatic. Before deciding whether to accept or reject change, Koreans can be expected to insist on knowing fully who stands to profit or lose by it. Equally important to Koreans in this process is who is advocating the change, the manner in which it is being advocated and the being assured that they will be in control of the pace and direction of any change. Change advocated by foreigners has far less chance of being accepted than that sought by other Koreans.

Change in Korea

Change, however, has repeatedly swept the Korean peninsula. Probably the most extensive changes occurred in Korea in the fourteenth century. This was the century of the establishment of the Yi Dynasty, the longest reigning dynasty in history which ruled from 1392 to 1910. During the dynasty's first century, it adopted the Chinese centralized bureaucracy, civil examination system and Neo-Confucian ideology to assert its authority over the entire peninsula. Such extensive reform and change in Korean history is rare. The process was speedy and created little resistance. All of this might best be explained by the fact that Koreans controlled the entire process and that the change was in the interest of the ruling elite. Some were displaced by the reforms, but most found that the changes served their interests. As for the majority of Koreans at the time, they were preoccupied with growing enough rice to survive and had little time or energy for politics in the capital.

Externally, the model appeared to be Chinese, but its internal dynamics remained very Korean. A surprisingly durable compromise was forged between the Chinese ideal of meritocracy and benevolent despot, on the one hand, and Koreans preference for kinship and a malleable monarch. Eventually, the longest surviving dynasty in human history, 1392 to 1910, fell victim to the external pressures of imperialism.

Japan's repeated efforts in the late nineteenth century to release Korea from its Chinese tributary status and to bring it into the modern world produced resistance from Koreans.

Chinese model, *sadae juui*, self-reliance

The Genesis of Change - The Issue of Opening

Two years stand out as possible watersheds in this process; 1990 and 1995. The Communist Bloc and the Soviet Union ended in 1990. For the small yet potentially volatile Democratic People's Republic of Korea (DPRK), this meant the end of the world as it had known it since the DPRK's birth in 1948. This external stimulus for change set in motion a complete alteration of Pyongyang's foreign relations. No longer could it turn to Moscow or Beijing for military assistance and markets for its goods. Internally, the swirl of diplomatic realignments that followed the Soviet Union's demise appear to have been of little political consequence in North Korea, other than to make its leadership reaffirm their commitment to Kim Il Sung's interpretation of Marxism-Leninism, or *juche*, often somewhat misleadingly translated as "self reliance" but having more to do with ideological self determination based upon conditions in one's homeland rather than adherence to universally mandated principles.

Significant internal change became visible to outside observers late in 1995, one year after North Korean leader Kim Il Sung's death in July, 1994. His death, however, was not a stimulus for change. On the contrary, North Korea's leadership rushed to reaffirm their allegiance to the deceased "Great Leader" and his legacy. Across the land, North Koreans wailed at the feet of his statue and committed themselves to preserving his legacy. Kim Il Sung's son and heir Kim Jong Il was but one in this multitude who avowed continuity and labeled those who might urge "reform" to be the heirs of the bankrupt Soviet system. Even worse in terms of prospects for reform, the Korean Workers Party (KWP) daily newspaper, *Nodong Shinmun*, judged advocates of reform to be traitors to *Juche*, the true path to

communism as defined by Kim Il Sung. But still change came beginning in 1995 from a totally unforeseen source - nature. The torrential rains of August 1995 washed away North Korea's corn and vegetable crops, exposing the structural weakness of the DPRK's economy, its agricultural system. The natural consequences of flood and famine, not ideology, have since stimulated change despite the resolute opposition of the KWP and the Korean People's Army (KPA).

Changes in North Korea's diplomatic posture appears to have had consequences unforeseen by its leadership. Gradually, the diplomatic realignment of the early 1990's enmeshed the DPRK in a network of commitments and obligations which restrained its prerogatives. Quickly Pyongyang learned there is a price to be paid for the benefits of affiliation with the international community, and that price is paid in terms of national sovereignty. With membership the United Nations came a price tag. Before UN agencies were willing to establish programs in North Korea, they insisted on information, something Pyongyang had always avoided. As a signatory to the Nuclear Non-proliferation Treaty (NPT), the DPRK was called upon to allow the International Atomic Energy Agency (IAEA) access to its most secret facility, the Nyongbyon Nuclear Research Center.

Despite their continuing, very substantive differences in many areas, Seoul and Pyongyang have recently reaffirmed their respect for and determination to implement the Basic Agreements of 1992. President Kim Dae Jung has also assured his North Korean counterpart that the Republic of Korea will fulfill its obligations under the Agreed Framework of 1994. For its part, Pyongyang has redefined its priorities. Instead of pursuing reunification first, possibly using force, it is now preoccupied with the survival of its government and ideology. The DPRK's once very active nuclear program has been frozen, and its decision to withdraw from the Nuclear Non-Proliferation Treaty suspended.

Within the country, Kim Jong Il has succeeded his father, regardless of what titles or how many of them he has accepted. Economically, North Korea is undergoing a gradual transformation. The productivity of its once vigorous industrial and mining sectors have plummeted, and along with them the production of food. The public distribution system or PBS, a crucial social control mechanism once used by the government to distribute food to those who served the state in urban schools, offices and factories, no longer functions. Instead, people, at least those with money or something to trade, obtain their food from "farmers markets". Social controls like restrictions on domestic travel have been loosened to allow people to search for food. In places, corruption has become a way of life among internal security personnel responsible for regulating travel in and out of cities and

into China. Surely these adverse economic changes have diminished the combat readiness of the million man Korean People's Army.

Continuity Within Change

To be certain, North Korea has never been noted for its dynamism and continuity has traditionally been preferred over change. The DPRK continues to be ruled by an authoritarian, centralized bureaucratic state headed by a single person, Kim Jong Il. Supporting him is a huge army with awesome destructive capability. All indications point to continued public support for Kim Jong Il, despite the deteriorating condition of the economy and widespread malnutrition. *Juche* is unrivaled as the state ideology and its principles uncontested. The system does not accommodate individual rights, only responsibilities to the state. There is no room for dissent or criticism. The flow of people and information into and out of the society, while somewhat loosened relative to five years ago, remains under the control of the Ministry of Internal Security. Underlying this focus of loyalties on ruler, state and ideology is an intense nationalism fed by a distrust of the outside world and a hatred of "the imperialists", namely the United States and Japan. The list could be lengthened indefinitely, but the reality of North Korea remains one of a highly centralized and regulated society ruled by a single individual and his father's ideology.

Yet how was it possible that North Korea could achieve so much change so quickly since 1992? What is driving this change if the government opposes change? How could the politically feeble Foreign Ministry in Pyongyang seemingly effortlessly break the nation's lengthy legacy of secrecy and almost xenophobic dislike and distrust of the United States and its ally South Korea to gain their admission into North Korea to work at the Nyongbyon nuclear facility, the KEDO light water reactor site at Sinpo and to search for Korean War missing in action in North Pyongan Province? Surely the mighty Ministries of Internal Security and People's Armed Forces had profound reservations about allowing this? What are North Korea's long term goals? Does it seek to transform itself into a new society? Does its present leadership seek to emulate the so-called Chinese economic model as suggested by the Najin-Sonbong Free Trade Zone? Or is the change of the past few years a charade designed to draw into the country the resources it needs to restore Kim Il Sung's system to its prior vitality and to preserve the *juche* system unaltered?

Sino-American Interests on the Korean Peninsula

The change we are witnessing in the DPRK is occurring most likely because it is officially condoned for the purpose of revitalizing the *juche* system, not to fundamentally alter or replace it. Assuming this to be an accurate assessment, we would do well to ask ourselves whether preservation of the *juche* system in its present form conforms with our mutual interests.

Beijing and Washington have several shared goals on the Korean peninsula. Both want peace and stability there. In other words, war is to be deterred. Both want the peninsula to remain nuclear free, both of weapons and of the capability to acquire them through purchase or development. There is Sino-American agreement that the problems between North and South Korea are best resolved through dialogue and reconciliation, not confrontation and competition.

On the other hand, however, there appears to be some uncertainty as to the positions of China and the U.S. concerning the issue of Korea's reunification. The U.S. and China seem to agree that perpetuation of the DPRK is desirable at present to maintain stability on the peninsula, but how can enduring stability through reunification be achieved? Will preservation of the *juche* system hinder or further our goals regarding North/South reconciliation and reunification? Is there any common meeting ground between Washington and Beijing on whether, when and how Korea's reunification is to be achieved? Or do we oppose reunification as many argue, pointing to our respective two Korea policies?.

As for the United States and China, their shared goals concerning the Korean peninsula are most admirable, but they are lacking in the area of agreement on how best to promote them. We can begin by determining whether there is a need for a continuing official US-China dialogue about Korea. At present, the process appears to be sporadic and centered in the Four Party Talks process. Those talks, however, focus on security issues and the past, not the future. The intent is to end the Korean War, not how to deal with North Korea in the future. Rather than further burden the already unsteady Four Party Talks process with additional issues of discussion, Washington and Beijing would do well to develop a low profile, bilateral dialogue focused on how to deal with the Korean peninsula in the future.

We can begin the process informally here in Honolulu by sorting out areas of agreement and disagreement concerning our goals relative to the Korean peninsula. A consensus appears to already exist concerning some of the areas listed above. We need to confirm which of our fundamental goals on the Korean peninsula are shared and compatible. One crucial area of mutual concern has yet to be addressed bilaterally, and that is whether the change underway in North Korea today is

desirable relative to our common goals and interests on the Korean peninsula. Should we decide that these changes are desirable, we would do well to determine whether it is in our mutual interest to work together, or separately, to nurture further change in the DPRK and how to do this. If however, we disagree on this issue, it is important that we say so and understand the basis of our disagreement and why one side, say the United States, intends to encourage more change in North Korea.

Underlying all our discussion should be the firm conviction that the United States and China must respect the dignity and sovereignty of the Republic of Korea and the Democratic People's Republic of Korea as members of the United Nations. Our intent here is not to formulate a program of reform or reconciliation to be imposed on the Korean peninsula for the sake of furthering our goals. Attempting to do so would be folly, to say the least. Rather, our focus here is to clarify our mutual understanding about and goals concerning the Korean peninsula. As we do so, we should keep in mind the need to discuss not just what we hope for the people of the two Koreas, but also how we can help them move in that direction.

-5-

The Genesis of Change

North Korean leader Kim Jong Il appears to have set out in 1994 to preserve unaltered his father's legacy but, paradoxically, the younger Kim's brief period of rule has brought considerable change. Kim Jong Il, it would appear, confronted a profound dilemma following his father's death: could he preserve the Democratic People's Republic (DPRK) unchanged while contending with a worsening diplomatic and economic crisis? External stimuli and domestic realities confronted him with a choice between barring change and risking possible collapse of his regime or managing "adjustments" to his father's legacy to address the immediate - survival of the nation and the fundamental principles of his father's ideology? The torrential rains in the summer of 1995 and subsequent food crisis appear to have pushed Kim Jong Il toward permitting change for the sake of national survival and economic revitalization. But the impetus for this decision dates from 1990.

The decade of the 1990's has been a traumatic period for North Korea. First came the demise of one of North Korea's foremost sponsors, the Soviet Union, and the dysfunctional Communist Bloc. At the same time, China began to emerge as a new economic force in the world market. Possibly motivated by uncertainty about the DPRK's future, Kim Il Sung first sought rapprochement with South Korea, the UN, and even the U.S. Abruptly in March 1993, he reversed himself and

proclaimed North Korea's intention to withdraw from the Treaty on the Non-proliferation of Nuclear Weapons (NPT), igniting a global crisis. Kim's death at the crisis' climax unnerved his former subjects, but apparently not his son and heir Kim Jong Il. The younger Kim pledged to preserve his father's legacy, politically and ideologically, while pursuing a negotiated settlement with the US over the nuclear issue. By October 1994, North Korea was surrounded by a dramatically altered international environment and its relations with friends and foes had undergone extensive adjustment since 1990. Could Kim Jong Il insulate his father's ideological and political legacy from such profound changes?

Russia: Distant Friends

The Soviet Union's collapse shocked North Korea's economy, and led to a radical revision of the DPRK's relationship with Moscow. Pyongyang soon found itself stripped of access to low cost crude oil, food grain and other natural resources. Some seventy percent of its traditional export market evaporated. When Russia took over from the USSR, Moscow's new leadership said it wished to continue cordial relations with the DPRK, but then established full diplomatic and commercial relations with the Republic of Korea. Any hope Pyongyang had of reclaiming its former markets in Russia were dashed by Seoul's ability to out compete Pyongyang both in terms of price and quality. Soon, Moscow notified Pyongyang that it would revise their long standing defense treaty; no longer would Russia rush to North Korea's defense except in the event that it was the victim of external aggression. Also, any future arms deals would be on a cash and carry basis; there would be no more long term, concessional credit. By 1992, Moscow-Pyongyang relations were frigid.

China: No More Benevolent Big Brother

Pyongyang soon learned that Beijing's impressive lunge toward prosperity caused it to put national interests before communist collective collegiality. Deng Xiaoping told Kim Il Sung during the latter's October 1991 visit to Beijing that the days of cheap oil and grain, and interest free loans had ended. On January 26, 1992, China advised North Korea that their substantial barter trade would be put on a cash basis. Already critically short of hard currency, Pyongyang's faltering economy sustained another heavy blow. Unable to make hard currency payments to China, China's oil pipeline across the western end of the Sino-Korea border was shut down later in the year. Then in September 1992, Beijing announced the normalization of

diplomatic and commercial relations with Seoul. Pyongyang found itself left out in the cold by not just Moscow, but also Beijing..

When Senator Bob Smith of New Hampshire and his small delegation arrived in Pyongyang on December 19, 1992, the city was dark, streets empty of vehicles and neither heat nor hot water in their guest house. Chinese-DPRK relations were so strained that the Chinese baggage handlers in Beijing stopped loading luggage into the North Korean TU-154 airliner when the Air Koryo representative proved unable to pay cash for the refueling. The Senator and his CODEL arrived in Pyongyang only with the clothes they were wearing, and little else.

Japan: Frustrated Expectations

Decades of trade and relatively substantial Japanese investment in North Korea have yet to be converted into normal diplomatic relations between Tokyo and Pyongyang. Expectations of diplomatic normalization peaked in 1990 when Kanemaru Shin, chief Japanese delegate and then (since deceased) ruling Liberal Democratic Party (LDP) member in the lower house of the Japanese Diet, Japan Socialist Party (JSP) Vice Chairman of the Central Executive Committee Tanabe Makoto, and Korean Workers' Party (KWP) General Secretary of the Central Committee Kim Young Sun signed the "Joint Declaration" of September 28, 1990 in Pyongyang.

The eight point declaration called on the Japanese government to "fully and officially apology and compensate to the DPRK" for Japan's thirty six year colonization of Korea. is now deceased, met Kim Il Sung on September 29 in Pyongyang. The three parties also urged the quick normalization of relations, and the development of bilateral political, economic and cultural exchanges. Also, the rights of Koreans in Japan should be guaranteed, Korea's peaceful unification should be achieved through North-South dialogue, the nuclear threat should be eliminated from "all regions on the globe", government-to-government talks should begin by November 1990, and the three political parties (LDP, JSP and KWP) should strengthen their mutual cooperation "in the interest of peace in Asia and the world."

Five weeks later, official discussions on establishing diplomatic relations between the DPRK and Japan got under way in Beijing on November 11, 1990. After eight inconclusive rounds of discussion, however, the talks were suspended in November 1992 when Japan expressed concern about North Korea's nuclear

intentions. The talks finally resumed in September 1997 in Beijing, but once again proved inconclusive when the DPRK objected to Japan's inquiry about missing Japanese citizens reported by the Japanese press to have been abducted by North Korean agents in the late 1970's.

Success in these government-to-government talks, Pyongyang had hoped, would have enabled Tokyo to fill the commercial void left after the Soviet Union's collapse. As with Vietnam, Japan's private business sector was prepared to expand its engagement with North Koreaing economic cooperation with greater access to Japan's market, technology and capital. Pyongyang hosted in October 1991 a United Nations Development Program (UNDP) conference to consider economic development of the Tumen River region. In addition to the DPRK delegation, representatives also attended from Japan, the ROK, China, the USSR and Mongolia. Subsequently, Pyongyang announced that it would establish a free trade zone in the northeastern most corner of the country at the twin ports of Najin-Sonbong.

The following summer, a sixty member private trade mission from Japan arrived in Pyongyang on July 14, 1992 to seek out possible joint venture opportunities in North Korea's light industries and mining sector. In anticipation of normalization of relations with Japan, the DPRK followed up the issuance of several laws designed to facilitate investment in joint ventures in North Korea. But eight rounds of diplomatic talks ultimately fell short of expectations, and the laws still out number new Japan-DPRK joint ventures established since 1992. All of this proved premature, at least regarding Japan.

Relations between Pyongyang and Tokyo as of May 1998 remain frigid, and prospects for normalization in the near future remain dim. In Pyongyang's view, several politically sensitive and highly emotional issues have yet to be resolved before normalization becomes a possibility, including: the amount that Japan should compensate the DPRK for imperial Japan's colonization of Korea, an apology for and compensate of the so-called Korean comfort women who were forced to serve as "sex slaves" for the Japanese Imperial Army, and the highly complex issue of Japan's future defense role in Northeast Asia.

For Tokyo, Pyongyang has yet to account for several Japanese citizens its believes North Korea may have abducted from Japanese shores some twenty years ago, and the return to Japan of several members of the notorious terrorist group "the Japanese Red Army" that hi-jacked a Japanese airline in the early 1970's and fled to Pyongyang after some of its members had slaughtered unarmed civilians at an Israeli airport. Despite Tokyo's generous supply of 500,000 metric tons of food aid to the

DPRK in the fall of 1995, Pyongyang responded only by allowing a small number of Japanese spouses of North Korean citizens to visit their homeland in November 1997 for the first time in almost four decades.

But probably more problematic for Japan-DPRK normalization is both government's present preoccupation with domestic political developments. In Pyongyang, Kim Jong Il has been focused on dealing with flood, famine and his consolidation of his succession. For Japan, the politics of coalition government and concerns about a sagging economy prevent the incumbent prime minister from taking any decisive steps toward normalization of relations with Pyongyang. A bold diplomatic move could invite criticism from the potent political right, and undermine the delicate political balance. On the other hand, a half hearted effort would tempt the political left to berate the effort. For the time being, both Tokyo and Pyongyang appear willing to perpetuate the status quo while posturing publicly to project the appearance of remaining engaged, at least rhetorically.

South Korea: Toward Reconciliation

Paradoxically, as North Korea's former allies distanced themselves from Pyongyang and reached out to Seoul, Kim Il Sung did the very same thing. All through 1991 and until September 1992, North Korea engaged its arch rival the ROK and foremost enemy the United States. The first high level South-North talks were held in Seoul on September 4, 1990. While these continued, the two Koreas entered the United Nations together with little commotion on September 18, 1991. North-South dialogue subsequently yielded astonishing results beginning in December 1991 and continuing well into 1992.

South and North Korea at the end of 1991 formulated what has now become known as the Basic Agreements. The first was the Agreement on Reconciliation, Non-aggression, and Exchanges and Cooperation. It was followed on December 31, 1991 by the Declaration of Denuclearization of the Korean Peninsula which, if fully implemented, would ensure that both countries are free of nuclear weapons. These Basic Agreements went into effect on February 19, 1992. Four joint North-South Commissions were established to formulate guidelines for implementation of the agreements. These were in the areas of: military issues, nuclear inspections, economic cooperation and social and cultural exchanges. In separate, parallel talks, the two nations' Red Cross officials agreed on June 12 to begin arranging exchange visits between separated families beginning on August 25, 1992. But then came the discovery of suspicious activity at North Korea's nuclear research center, and a

spiral of mistrust soon halted North/South dialogue. Efforts at reconciliation gave way to a revival of Cold War rhetoric and confrontation by October, 1992. For the next four years, the United States assumed the lead in dealing with Pyongyang while the two Koreas postured with one another.

The US: From Containment to Engagement

The thawing of US-DPRK relations dates from October 31, 1988, but did not gain momentum until 1992. The cautious beginning in 1988 came to be known in the State Department as the "modest initiative". In support of South Korean efforts to move North Korea away from confrontation and toward reconciliation, the US announced its willingness to encourage unofficial, non governmental exchanges, to allow limited commercial exports of humanitarian goods from the US to the DPRK, and to permit US diplomats to again hold substantive discussions with DPRK officials in neutral settings. Occasional meetings between US and DPRK diplomats were held in Beijing, but little else happened until 1991. The US evangelist Billy Graham visited Kim Il Sung in April 1991. Kim Il Sung during an April 12 interview with a Washington Times correspondent proclaimed his desire to normalize relations with the US. A month later, on May 13, the North Korean People's Army returned to the UN Command the remains of fifteen military personnel believed to be Americans who had been missing since the Korean War.

The thaw continued in 1992. US Undersecretary of State for Political Affairs Arnold Kanter held the first-ever high level US-DPRK political discussions with North Korea's Workers Party International Affairs Division Director Kim Yong-sun. Both sides took turns stating their governments' respective positions on divisive issues. There were no negotiations, but the precedent had been set for future dialogue between the two, long time enemies. The US government permitted the export of large amounts of wheat and corn to North Korea. The year ended with the first visit of a US Senator to North Korea, Bob Smith of New Hampshire.

Raising suspicions of North Korea's nuclear intentions stalled North-South dialogue and any further improvement in US-DPRK relations in the fall of 1992, but the so-called "nuclear crisis" of 1992-94 proved to be a temporary impediment. The first ever US-DPRK diplomatic negotiations commenced in New York in June 1993, and after considerable effort produced the Agreed Framework. Signed in Geneva on October 24, 1994, this accord reopened North Korea's secret nuclear facility at Nyongbyon to the inspectors of the International Atomic Energy Agency and gained admission for Americans to work there. The first team of Americans visited the facility in November 1994, and a small team spent two weeks there in January 1995, only days after the Korean People's Army killed an US Army pilot when shooting

down his helicopter north of the DMZ.

In four short years, after four decades of relative continuity, North Korea had radically altered its international relations. The DPRK's relations with its primary allies, Russia and China, had become frigid while relations with its arch enemies, the U.S. and South Korea had warmed. By 1995, Americans were beginning to live and to work in North Korea and North-South trade expanded rapidly. These very significant changes suggest that North Korea is capable of making rapid adjustments, if in the process it can enhance prospects for its survival and make maximum gains for minimum concessions in negotiations. Likewise, these changes could be justified politically within North Korea by emphasizing that none of them had required or brought about any change within North Korea. On the contrary, the revamping of the DPRK's international relations promoted its primary national objective - national survival and perpetuation of the Juche ideology. But a new force for change would soon require domestic change.

North Korea's Continuing Reversal of Fortunes

The winds of change swirling around North Korea altered its external relations, but apparently had little impact domestically. Nevertheless, the stage for profound change was being set. Stripped of its former markets, and out classed by South Korea's ability to produce quality goods at internationally competitive prices, Pyongyang struggled to maintain its former economic dynamism. When prospects for rapid normalization of relations with Japan dimmed, so too did its hopes of greater trade and investment. Similarly, the amazing extent of North-South reconciliation augured well for economic cooperation, but these hopes were also dashed by the mistrust created by the nuclear crisis. Although resolved by the US-DPRK Agreed Framework, the December 1994 helicopter incident blunted efforts to by the two countries to open liaison offices, and the lack of progress on other bilateral issues like terrorism and ballistic missile exports stalled the lifting of further U.S. sanctions.

All the while, the DPRK government's ability to feed its people was declining. The production of rice and corn had peaked in the 1970's, but then began to steadily decline during the 1980's. Apparently excessive use of inappropriate fertilizers depleted the soils fertility. Resources needed to maintain the irrigation system, to produce tractors and other farm machinery were invested instead in the defense sector. By the middle 1980's, North Korea was supplementing its domestic grain production with lost cost imported grain from the Soviet Union and China. But then the Communist Bloc evaporated and with it Pyongyang's ability to obtain lost cost

grain from abroad.

Significant purchases of grain from the United States began in 1991. The U.S. government's so-called "Modest Initiative" of October 1988 allowed for the first time American firms to export basic human needs like food to North Korea. The first license to do this went to a retired U.S. Navy admiral and his Korean-American partner, joint owners of Nikko of New Jersey. Between 1991 and 1994 they exported almost \$75 million of corn and wheat to the DPRK. But when Pyongyang proved unable to keep up with payments, the shipments were stopped in 1994.

The Food Crisis - Domestic Engine for Change

North Korea's food crisis dates from at least 1992, if not earlier. Already by this time, the country's inability to earn hard currency, lose of its former sponsor the Soviet Union and declining agricultural production required that the government initiate a two meals per day campaign. Major cities like Pyongyang and Wonsan were not affected, immediately, but according to North Koreans, malnutrition was a reality in some northern regions of the country by the fall of 1992. At that time, domestic grain production was adversely affected by a wet September and earlier than usual cold weather. Coincidentally, China declared that it would put its trade with the DPRK on a cash basis, ending their traditional barter trade.

Then the rains came in the summer of 1995. By the time they had ended in early September, the corn and vegetable crops of the DPRK's two northwestern provinces had been devastated. Excessive rain in the rice growing areas of North and South Hwanghae and south Pyongan provinces destroyed upwards of twenty percent of the rice crop. Houses, storage facilities, roads and bridges were washed away, and along with them the ability to distribute food. Coal and other mines were flooded, temporarily putting people out of work and washing away the country's ability to earn hard currency from one of its primary exports - minerals. Then too, without coal, there would be little fuel for heating and cooking.

This convergence of human shortcomings and natural disaster created an engine for change within North Korea, despite government policies to the contrary. Kim Jong Il could have kept his nation closed, and as a consequence possibly risk its demise, or plead for assistance and open his domain to the outside world in the hope of preserving it. The unthinkable began to unfold in September 1995 when the proud, once virtually xenophobic regime in Pyongyang asked the international community for food aid. It did so by going to the United Nations, the organization

that had waged war against it. With the trickle of food aid that arrived beginning in October 1995 came demands from UN organizations that it be allowed to venture into the countryside to assess the extent of the flood damage and food shortage. The process gained momentum all that winter, and by the spring of 1996, representatives of the World Food Program (WFP) had taken up residence in Pyongyang and were traveling daily into areas of the country previously closed to all foreigners.

For example, while touring flood-damaged areas in North Pyongan Province in late August and early September, my guides barred me from taking any photographs explaining that doing so would reveal to the outside world just how weak North Korea had become. I explained that no one in Washington would believe what I was seeing and consequently would reject the idea of sending food aid to North Korea. One month later in October 1995, the same guides urged me to take as many photographs as I wished to better equip me for convincing Washington of the need for food aid. Today we take for granted the ability to photograph much of North Korea, including its starving children..

Leverage for the Advocates of Opening

The food crisis gave North Korea's advocates of engagement with the outside world the leverage they had long sought to assert their program. The once politically feeble Ministry of Foreign Affairs and the Committee for the Promotion of External Trade contended successfully with the more conservative and powerful Ministries of Internal Security and the People's Armed Forces to quicken the pace of opening. Only the Foreign Ministry and the External Trade Committee could bring the nation what it needed to survive - food aid and the possibility of increasing North Korea's ability to import foreign capital and to earn hard currency to buy food by exporting more goods.

A third element of the government, the Atomic Energy Bureau, also flexed the political clout. But with the aid came the need to reveal the nation's weakness, something North Korea had never before allowed.

An even more profound change is the alteration of perceptions between North Koreans and the outside world. The Americans were slow in arriving. For the most part, American humanitarian relief organizations were preoccupied

China as an Economic Power
Death of Kim Il Sung

US Engagement Policy
Famine

Korea's Tradition - Before Change

For most of its history, Korea has been a closed society ruled by a centralized bureaucracy headed by a hereditary ruler who subscribed to a single ideology. Koreans appear to have been quite comfortable with such an arrangement. Rarely did they rebel against their leadership and when they did it was out of a concern for excessive corruption, not in an effort to change government or society. Korea's ruling elite, a loose confederation of several tens of families, early on had discovered that continuity perpetuated their power, change threatened it. To sustain their dominant socio-political position, they rewarded those who excelled in knowledge and the practice of tradition while rejecting the occasional advocates of change.

Shielded by its tributary relationship with China, Korea worried little about the outside world and concentrated on maintaining a centralized bureaucratic monarchy. Confucianism permeated the system, and remained dominant during the more than five centuries of rule by the Yi Dynasty (1392-1910) because comprehension of Confucianism as expressed in written Chinese and demonstrated in the civil service examination system was the primary path to power and prosperity via admission to the bureaucracy. In turn, the monarchy and ranking civil officials worked hand in hand to preserve and to perpetuate tradition by rewarding those who respected the highly centralized Confucian system of governance and social values and norms.

On the other hand, advocates of change, usually a small group of foreign influenced Koreans, were easily eliminated. For example, Catholic missionaries entered Korea late in the sixteenth century and again early in the 19th century. Both times, the foreigners were expelled and their small bands of followers executed or assigned the status of slaves and sent into exile. Only a very small number of foreigners were admitted into Korea and allowed to live as free men. One such group consisted of Dutch sailors who were shipwrecked on Korea's southern shore. They gained their survival by teaching Koreans about the technical aspects of sailing and about the activities of other western nations in the oceans of East Asia. Otherwise, Korea remained a closed, centralized Confucian monarchy with little external communication, diplomatic or commercial, except with China and occasionally with Japan, until the late 19th century.

External Forces for Change - Imperialism and Colonialism

But profound external forces of change began washing the Korean shores in the later half of the 19th century. China was collapsing inward, and the Chinese world was being dismantled by the technically superior and powerful Western imperialism and colonialism; the British and Russians initially and, eventually, the Japanese and Americans. These forces away Korea's traditional diplomatic and commercial isolation, and for the first time in its history, the Korean people were exposed to a period of extensive and prolonged change. Korea was abruptly transformed from a dependency of China to a colony of Japan. Japan's strategy for change aimed at dismantling Korea's traditional orthodoxy and imposing on Koreans a new one defined by Japan. To begin with, Korea would remain a closed society, open only to what the Japanese allowed to enter. The government would remain a centralized bureaucracy, but instead of being staffed by Korean civil servants, it would be dominated by Japanese military officials and their civilian counterparts, also Japanese. Economically, Korea became the logistical stepping stone for the expansion of the Japanese empire into northern China. The extent to which Korea benefitted from its colonial experience remains a subject of debate. For our purposes, it would appear Japan's initial claim of seeking to liberate Korea from its past and bring it into the modern world was quickly altered into a program of preserving the political structure of government but reorienting it away from allegiance to China and instead to Japan. Actually, Japan's coercive efforts reinforced Koreans' traditional suspicion of foreigners' intentions and gave birth to Korean nationalism. Korea's monarchy and its ruling oligarchy were discredited by their inept response to imperialism and discarded.

Under Japanese colonial rule, Koreans were introduced to Western knowledge, but only to a restricted scope and, for most Koreans, to a shallow depth. A very small, but eventually significant number of Koreans graduated from institutions of higher learning in Japan, including the Japanese military academies. An equally small yet also ultimately very important number of Koreans learned English, Western political and economic thought from the American missionary community which established itself in Korea at the end of the 19th Century. Some of their students aspired to become rulers of post-colonial Korea for the purpose of propagating democracy and capitalism. At the same time, on Korea's northeastern border, Russian inspired Korean communist groups were positioning themselves to return to Korea and to assume political power with the aim of leading Korean into modernity.

Imperial Japan gave both schools legitimacy in the eyes of the Korean people

by constantly harassing and trying to suppress their activities. Consequently, both American missionaries and advocates of communism became identified in Korean eyes with their anti-Japanese nationalistic movements. In the process of trying to change Koreans into loyal subjects of Japan, the coercive efforts of Japan's military nurtured resistance to change in the form of anti-Japanese focused Korean nationalism. Paradoxically, at the same time, the first domestic groups advocating change from within Korea were formed during Korea's colonial period.

New Impetus for Change - The Cold War

A new wave of external forces swept the Korean peninsula beginning in 1945 when the world's new superpowers, the Soviet Union and the United States, divided Korea in the process of expelling the Japanese. The superpowers turned to using the Korean peninsula as a stage upon which to demonstrate to the rest of the world the superiority of their political and economic systems, in the process greatly complicating Korea's continuing transformation into a modern nation. Each side declared proclaimed the establishment of democratic governments, the Democratic People's Republic of Korea (DPRK) in the north, and the Republic of Korea in the south. Despite the claims, each was authoritarian and highly centralized. Each superpower attempted to impose its preferred economic philosophy on its dependency, communism in the north and capitalism in the south. Underlying each veneer was economic stagnation and poverty. Eventually, superpower rivalry led to conflict that institutionalized Korea's division, thoroughly impoverished the nation and left approximately one in ten Koreans dead and hundreds of thousands of families separated between the north and south.

Once again, potent external forces from outside the Korean peninsula set in motion tremendous changes. For the Korean people, however, the price of change was horrendous. Rather than furthering Korea's movement toward political sophistication and stability, and economic prosperity, the Korean peninsula between 1945 and 1953 was ravished by war, famine and disease. Once again, the process of externally imposed change intensified Korean nationalism and confirmed their distrust of foreign powers.

Nevertheless, both South and North Korea, having no alternative, grudgingly began to accept massive amounts of aid and technical advise, both economic and military, from their superpower sponsors. As the superpowers sought to use the two Korea's as pawns in the intensifying rivalry between Moscow and Washington, Pyongyang and Seoul decided to play a similar game. In the process, the aspirations

of all Koreans to achieve national reunification and to modernize their nation were subordinated to the priorities of global geo-politics and the efforts of two political groups to establish themselves as the legitimate rulers of the entire Korean community. “Change” and “progress” were defined in terms compatible with each Korea’s respective sponsor and the priorities of each sides political leaders, not the social and economic needs of the Korean people. Any benefits for the general population were welcome but of secondary consideration.

North Korea - Reconstruction and Continuity

The impending possibility that conflict might resume at any moment dictated similar priorities in both North and South Korea. Hasty industrialization required political efficiency. The north reinforced traditional authoritarian political patterns and rebuilt a new highly centralized bureaucratic state in which Communism replaced Confucianism as the ruling elite’s orthodoxy. Communism was redefined, however, consistent with Koreans nationalistic sensitivities. Korean communism accented “self reliance” (*juche*) which proclaimed that local conditions in Korea as determined by its “Great Leader” took precedent over the universal maxims enunciated by Marx and Lenin. The role of monarch was assumed by Kim Il Sung and redefined as “Great Leader”.

Having received the “Mandate of Moscow” to rule, a reference to the traditional practice of each Yi Korean ruler’s legitimacy being ceremonially affirmed by the Chinese court, Kim Il Sung stood above all others in his society. In exchange for absolute loyalty to him, he would define and provided for the common good. National defense came before all else, followed by industrialization which provided for the needs of the military. Paradoxically, traditional values supportive of took precedent over all other consideration. All the while, traditional values supportive of authoritarian government were perpetuated. For example, the assertion of self was despised as selfishness, rights were subordinated to obligations, hierarchy in government and society was preserved, despite communism claims of striving for egalitarianism. Economically, the lack of property was revered as a sign of total commitment to practice frugality for the sake of releasing all available resources for the common good, i.e. national defense.

In North Korea, traditional values were used to create a new social, political and economic system that subscribed to the modern foreign ideology of communism but resembled structurally the traditional close, centralized bureaucratic state which subscribed to a single ideology and was ruled by a hereditary monarch. In short, beyond the obvious outward appearances, North Korea politically is astonishingly

similar to its predecessor the Yi Dynasty. Economically also, contemporary it remains an agrarian economy with only pockets of industrialization and urbanization, and little foreign trade. At the same time, however, the military has achieved an impressive grasp of modern technology and incorporated this into a largely still secret military-industrial complex.

South Korea - Reconstruction and Change

South Korea pursued reconstruction and industrialization for reasons and along lines similar to North Korea but ultimately achieved very different results. Initial efforts to achieve democratic government only yielded corruption and impatience in the military, establishing a new pattern in Korean politics. Internal strife came to be viewed as weakening the nation from within and inviting invasion from the north. To secure the nation's defense, law and order took precedence over political and human rights. This pattern was established in 1963 when a graduate of a Japanese military academy, General Park Chung Hee, took over the South Korean government.

Despite initial protest from Washington, the U.S. government quickly lined up behind south Korea's new authoritarian ruler. His change of clothing from an army uniform into a western suit appeased his American sponsors' concerns that his rise to power greatly narrowed the differences between the "authoritarian communist" north and "the democratic capitalist" south. In some regards, President Park did what his competitor in the north had done earlier; he drew selectively on traditional political culture to define a new political order and then set out to pursue industrialization for the sake of confirming the nation's defense. A centralized bureaucratic state staffed by disciplined and loyal officials asserted the all powerful president's authority throughout the nation. National defense became the nation's top priority. This and a strong sense of nationalism, combined with fear of a recurrence of war motivated most South Koreans to subordinate their aspirations for representative government. Those who questioned this arrangement soon found themselves in prison.

At the same time, however, President Park's program differed fundamentally from Kim Il Sung's in the north. South Koreans, assisted by their American tutors, insisted upon maintaining a society open to foreigners and their ideas. There was no single state ideology. Instead, you had administrative regulations issued by an authoritarian president whose aim was to restrain but not to eliminate differing view points. The sense of a strong sense of affiliation with one of four regions - the southeast centered

on the cities of Taegu and Pusan, the southwest represented by Kwangju, the central region surrounding Seoul, and the north as represented by the large numbers of Koreans who had previously resided in North Korea – gave impetus to maintaining a representative legislative body, the National Assembly. President Park dislike and repeatedly tried to manage this body of elected politicians but he could not eliminate the institution without risking a broad based political outcry. Also unlike North Korea, his economic development program had to be transparent and provide for relatively balanced civilian and military development.

President Park also proved much more flexible in his dealings with foreign government's than was the case in the north. In part, this was because South Korea enjoyed far broader international recognition as the sole legitimate government of Korea than did Pyongyang. Park quickly realized the benefits of engaging as many nations as possible, setting the stage for South Korea eventually developing access to the global market. Normalization of relations with Japan gave South Korea access to what was then a large capital development fund, and cutting edge technology. Involvement in the Vietnam War furthered President Park's economic development plan by enabling Koreans, both military and civilian, to earn large amounts of hard currency which quickly found its way back into the Korean economy. In a few short years, Koreans had established themselves internationally because of visibility in Vietnam as hard working, adroit and engaging people.

An American educated group of bureaucrats, technocrats, military men, and other professionals enabled the South Korean government to quickly capitalize on the fiscal benefits of engagement with Japan and Vietnam. The American missionary movement and other non-governmental groups worked hand in hand with the U.S. government to quickly train an entirely new social, political and education elite in South Korea. Most had studied in the United States after learning English in American missionary schools, living and working with U.S. Army units or being employed as staff in the offices of American private and government organizations. These several thousands of individuals and their spouses came to share a vision of Korea that encompassed one nation, independent and indivisible, secure from outside invasion, economically prosperous and ultimately, enjoying representative government. Their vision was the same as their counterparts in North Korea, except for the political aspect.

KOREA TODAY

North and South Korea today share a similar need for peace as they strive to

restore their prior economic prosperity. The severity of their economic problems differs greatly, yet both seem agreed that they cannot revitalize their economies unless they open pursue greater openness of their economies. At the same time they seem to both recognize the need to reduce tension on the Korean peninsula to convince the international business community that investing less risky than in the pass and will pay handsomely in the future. Consequently, both North and South Korea seem intent, at least for the time being, to engage in a common effort to restore the momentum toward reconciliation achieved in 1991 and the first half of 1992.

SOUTH KOREA: PRESERVING POLITICAL STABILITY AT A TIME OF ECONOMIC CHANGE

The people of South Korea elected Kim Dae Jung to the presidency with the expectation that he would put their nation back on the fast track to prosperity and representative government. Kim's ability to do this hinges on three crucial factors:

- whether there is peace and stability on the Korean peninsula;
- Kim's ability to rally and to sustain the domestic political will essential to the pursuit of politically contentious structural economic reforms needed to restore durable economic dynamism;
- and, the extent to which he can convince the international commercial community's advocates of economic reform to allow him to pursue economic restructuring in a manner and at pace acceptable to his constituents, the Korean people.

President Kim since his election on December 18, 1997, has initiated an ambitious program to promote reconciliation with North Korea and to deal decisively with the economic crisis by implementing many of the International Monetary Fund's (IMF) proposals for reform. Elected by a whisker thin margin, Kim faces a most daunting task. His political opposition and critics, a loose coalition of former ruling party politicians, influential businessmen and retired military officers, still dominate the 1999 National Assembly elections next year.

Political Tight Rope in South Korea

President Kim is on a political tight rope. To ensure access to badly needed loans and investment capital from abroad, he must reassure foreign economic advisers in the IMF and foreign investors that he is moving decisively to restructure the South Korean economy. At the same time, however, he must avoid any appearance of "selling out" to foreign economic interests or else risk further

exciting Koreans' traditional suspicions of foreigners. If this were to occur, Kim's critics could label him pro-foreign, undercutting Korea's political will to endure economic hardship for the promise of a return to prosperity and the reform efforts.

South Koreans, having experienced prosperity, are understandably impatient to see it restored. The amount of time available to President Kim to launch a second "Miracle on the Han River" is consequently very limited. His supporters cherish democracy and want him to succeed both as president and in restoring prosperity, but they are the minority and like other Koreans, displeased with the rising unemployment and prices. The majority of South Korea's other voters, having either cast their vote against Kim's candidacy or were uninspired by the other presidential candidates, have to allegiance to President Kim.

The most potent element of this now passive majority is the loose coalition of former ruling party politicians, wealthy and influential businessmen and retired government and military officials. Their priorities during previous administration were national security, law and order and economic prosperity. To many of them, democracy is an invitation to anarchy which in turn invites invasion from the North. Should President Kim's reforms fail to appease the majority Korean's impatience and lead to social unrest, South Korea's conservative political coalition is certain to clamor for less democracy and a restoration of an authoritarian president who puts law and order before representative government. South Koreans half century effort to build democracy could be put be put in jeopardy.

President Kim's most immediate threat to the public's trust in his presidency are South Koreans militant and frequently violent labor unions. Political observers caution that the harsh realities of the economic recession and reform -- rising unemployment and inflation -- could put large numbers of labor activists in the streets by June. President Kim's administration would be confronted with the possibility of having to unleash the despised combat police to restore order. Should he find it necessary to do this, his credentials as a champion of democracy will be gravely tarnished, his ability to sustain support for his presidency will be undercut and his now divided critics crystallized into a powerful opposition. Ultimately, depending on the severity of the situation, the majority of Korean people might conclude that democratic government is a luxury they can ill afford.

President Kim's Formula for Economic Recovery

President Kim's program, however, can still achieve its goals if he can calm South Koreans' fear of possible instability, both from outside and within the nation.

Already his two track program of reconciliation and reform is bearing concrete results. No sooner was he elected than he reassured his South Korean constituents and the international business community that he would pursue reconciliation and not confrontation with North Korea. At the same time he reversed himself and publicly pledged to work with the IMF. Much needed loans poured in from the IMF, and the international banking community then agreed to convert most of South Korea's debt from short to longer term. These developments and the olive branches extended to North Korea, reassured present and potential foreign investors that their capital would be safe in Korea. Subsequently, South Korea's currency stabilized, the flow of investment capital out of Korea was reversed and the fears of impending chaos have been calmed, at least temporarily..

South Korean cooperation with President Kim surged earlier this year, quieting his right wing critics. Koreans traded their gold for the national currency, tightened their belts by canceling travel abroad, not buying foreign goods and curbing their cars. Their motive for doing this were many. Most may not politically support their president, but all are highly nationalistic and a majority share the conviction, oft argued in Seoul's rather anti-foreign press, that opening Korea's domestic market to foreign goods under the banner of "globalization" benefits foreign commercial interests more than Korea. Consequently, for many Koreans the solution is to exclude foreign goods. For the time being, this attitude has helped President Kim stabilize the currency and reduce the outflow of hard currency. Eventually, however, such attitudes are very likely to collide with the IMF-advocated reforms.

Nevertheless, advocacy of "globalization" in South Korea until unemployment and prices begin to decline is best avoided. Doing so would only push President Kim into a no win situation in which he would have to chose between "globalization", which would please the IMF but not Kim's constituents, or object to "globalization", thus possibly alienating the IMF and the US Congress. Should this happen, Kim's administration would find it more difficult to garner the resources from the international community he needs to restore economic vitality. This in turn would undercut the Korean public's faith in his economic program and excite even more social unrest.

Besides, in Korea the arena of globalization is already crowded with advocates and critics, most of whom are American educated. TAF would do well to identify with either side. Instead, it would do well to provide both sides fora from which to present their respective argues. In this way, TAF could educate the public, but without favoring one side or the other. Demonstrating such neutrality and

sensitivity about a controversial issues like “globalization”, which the Korean public perceives as a top policy priority of the US government, would enhance TAF’s credibility in the eyes of the Korean public believes ons like TAF. It would project to the Korean public that TAF is not in Korea to advocate how Koreans such handle their affairs not to interference in their selection of policy options. Rather, TAF is working to demonstrate to Koreans options for dealing with pressing issues like the economic crisis and ways to handle controversial subjects like “globalization”.

Broadening Participation in Representative Government

The institutionalization of a presidential election process and related democratic process at the central government level have given impetus to strengthening representative government at the local provincial and municipal levels. The legislative process

North-South Reconciliation

President Kim, recognizing these dangers, has made North/South reconciliation a top priority. His approach to North Korea accentuates dialogue and economic engagement, not his predecessor’s preference for confrontation and efforts to isolation Pyongyang. Already the atmospherics in North/South relations have improved significantly relative to the recent past. Official North Korean statements accent a willingness to engage in dialogue instead of a rejection of it. After three years of exchanging hostile rhetoric, the channels for rational communication have reopened. There have been numerous meetings between North and South Koreans involving government and Red Cross officials of various rank levels, and representatives of private humanitarian organizations. A South Korean children’s choir just concluded a visit to Pyongyang. Efforts to negotiate the reunion of separated families, and agricultural and food related aid, among other things, have yet to yield concrete results in these specific areas. More important is the fact that these efforts are continuing.

Toward these ends, President Kim immediately after his election initiated a program to promote reconciliation with North Korea. His program is anything but new. First he reaffirmed South Korea’s alliance with the United States, a recognition that the U.S. military presence on the Korean peninsula has deterred war for nearly half a century. This put Pyongyang on notice that he was not about to alter South Korea’s defense posture and relationship with the U.S. Next President Kim reaffirmed South Korea’s commitment to the implementation of the three fundamental agreements. The first two, commonly known as the Basic Agreements, were signed by the two Koreas in 1992. The Agreement on Reconciliation,

Non-aggression and Economic Cooperation define the basic ground rules of engagement and the building of mutual trust between North and South Korea. The second agreement provides that neither Korea will acquire, produce or store nuclear weapons on the Korean peninsula. Finally, President Kim reassured both the United States and North Korea that his government would fulfill its commitment to ensure implementation of the 1994 Agreed Framework, the agreement between the US and North Korea in which Pyongyang promised to end its nuclear research and to allow international inspection of its nuclear facilities in exchange for the US, South Korea and Japan constructing two light water nuclear reactors in North Korea.

Progress is evident in other areas of North/South cooperation. In spite of its economic problems, President Kim has reiterated his government's determination to follow through on its commitment to fund a major portion of the light water reactor construction in North Korea as provided for in the US-North Korea Agreed Framework. This agreement required that Pyongyang close down all its nuclear reactors and to cooperate with the International Atomic Energy Agency's inspection requirements as specified in the Treaty on the Non-proliferation of Nuclear Weapons. In exchange, the US with the concurrence of Seoul and Tokyo promised to provide North Korea two light water nuclear reactors and annually 500,000 tons of heavy fuel oil to generate the electricity that would have otherwise been produced by the nuclear power plants North Korea had under construction in 1994 when the agreement was reached. Unfortunately the US Congress is refusing to authorize the Administration's purchase of \$30 million of heavy fuel oil, threatening the entire Agreed Framework. If North Korea restarts its nuclear program, tension on the Korean peninsula will once again escalate rapidly.

In other areas, however, there is reason for optimism. Trade between the two Koreas is rising rapidly beyond last year's unprecedented level of \$350 million. The amount may be tiny relative to South Korea's total international trade that exceeds \$100 billion annually, but as a crucial barometer of relations between North and South Korea, the amount of North/South trade is priceless in terms of fostering international investor confidence in doing business with Seoul. These developments buttress the international business community's confidence in South Korea's economy and enhance its willingness to invest in Korea. They also enable President Kim focus his administration's energies on dealing with the economic crisis.

TAF IN KOREA: OPPORTUNITIES AND RISKS

For the Asia Foundation, the situation on the Korean peninsula suggests both

opportunities and risks. TAF can take great pride in its successful, long term contribution to the promotion of representative government, respect for law, women's and labor rights, and academic excellence. The work is far from finished, however. Lingering mistrust between North and South remains a threat to all that the Korean people have accomplished since the Korean War. Democracy has yet to be fully institutionalized, particularly at the local level. The persistent threat of war combined with the consequences of the economic crisis and efforts to deal with it could erode the political will to further enhance democratization, possibly even revert to authoritarian patterns should the government encounter sustained domestic strife. Local autonomy has been mandated legally, yet the central government's Ministry of Internal Affairs in Seoul still decides the most important local matters like fiscal affairs, education, public works and police oversight. Women are ardent and visible participants in the electoral process, yet traditional cultural attitudes still deny, regardless of ability and education, this half of the Korean population the opportunity to reach the policy making echelons of political parties, the bureaucracy, businesses and educational institutions.

Budget and Personnel Realities

The potential tasks for TAF to pursue in Korea far exceed the funding and personnel resources available to the Korea program in FY99. Relative to FY98, the level of TAF GG funding for Korea is up significantly, but the Asian economic crisis has undercut the ability of Korean organizations to complement TAF funds. Also, the Korea office's ability to implement programs will be restricted during the first quarter of FY99. The new country representative's first priority must be to establish himself in Seoul. Then too, at least one and possibly two new persons must be hired to replace staff now in the Seoul office.

These realities require careful prioritization of FY99 projects, and emphasize the need to seek supplementary funding from sources outside of Korea, at least until Korea's economic woes have subsided. The Korea FY99 program should focus on a few key projects that:

- 1. Promote TAF's primary, long term objects in selected areas;
- 2. Are compatible with the aspirations of the Korean people;
- 3. Take into account the sensitivities of the concerned governments, and
- 4. Conform with the available fiscal and personnel resources..

BASIC FRAMEWORK FOR THE FY99 KOREA PROGRAM

TAF's program in Korea should focus on three crucial areas to maximize the impact of available funding. Light of the priorities identified above, FY99 projects should focus on three areas: South/North reconciliation (which encompasses TAF's Asia and Pacific Initiatives theme and regional problems like the environment, promotion of international trade, among other things). The second area of concern would be local governance, which could easily incorporate aspects of promoting women's participation in politics and counter-corruption. Thirdly, a series of work shops in Seoul and key regional cities could examine the pros and cons of "globalization" and options for dealing with the Asian economic crisis. At the same time, traditional programs like the Nieman and Luce scholars programs should continue, if not be expanded.

public education programs onment continue beto nurture respect for representative government by broadening popular participation in local government to make it more responsive to community needs. Women's participation in this process should be encouraged by empowering them to set the agenda for local governments and to play an increasing role in the formulation and implementation of policies designed to address local issues.and broaden in South Korea, and present options for achieving economic revitalization while also contributing to the fostering of an atmosphere of reconciliation and cooperation between the two Koreas. These three elements are interdependent. Prolonged economic hardship can cause social unrest which in turn can discredit representative government. Mounting North/South tensions can erode investor confidence in the South Korean economy, adversely affecting the democratically elected South Korean government's ability to restore prosperity. Ultimately, the credibility and effectiveness of representative government in the eyes of the Korean people could suffer.

I. South/North Reconciliation

A carefully crafted program could contribute to the Korean people's efforts to achieve national reconciliation. Such a program would be consistent with TAF's efforts to promote conflict resolution, and work in the Asia/Pacific initiatives area. Also, South/North reconciliation the shared goal of the Korean people, north and south, as well as the United States. Representatives from the three concerned governments have already expressed their comfort with TAF expanding its activities in this regard, so long as some general guidelines are respected. TAF's program in this regard should be completely transparent to both Seoul and Pyongyang.

So-called “Track II diplomacy” involving diplomatic mediation and policy revision need not be a part of TAF’s program. Already other non-profit organizations are involved in such activities. Additionally, officials in all three concerned governments have expressed uneasiness about US private, non-governmental involvement in an area both Koreas have long considered their sole responsibility.

Nevertheless, there is much that TAF can do. The emphasis should be on educational activities with as little involvement as possible with diplomatic and political issues. TAF’s Korea program could educate the South Korean public about the benefits, both political and economic, of cooperative South/North ventures like the light water reactor construction program in North Korea. Koreans from the north and south could be brought together with their Japanese counterparts to assess ways to

Korea’s Tradition - Before Change

For most of its history, Korea has been a closed society ruled by a centralized bureaucracy headed by a hereditary ruler who subscribed to a single ideology. Koreans appear to have been quite comfortable with such an arrangement. Rarely did they rebel against their leadership and when they did it was to out of a concern for excessive corruption, not in an effort to change government or society. Korea’s ruling elite, a loose confederation of several tens of families, early on had discovered that continuity perpetuated their power, change threatened it. To sustain their dominant socio-political position, they rewarded those who excelled in knowledge and the practice of tradition while rejecting the occasional advocates of change.

Shielded by its tributary relationship with China, Korea worried little about the outside world and concentrated on maintaining a centralized bureaucratic monarchy. Confucianism permeated the system, and remained dominant during the more than five centuries of rule by the Yi Dynasty (1392-1910) because comprehension of Confucianism as expressed in written Chinese and demonstrated in the civil service examination system was the primary path to power and prosperity via admission to the bureaucracy. In turn, the monarchy and ranking civil officials worked hand in hand to preserve and to perpetuate tradition by rewarding those who respected the highly centralized Confucian system of governance and social values and norms.

On the other hand, advocates of change, usually a small group of foreign influenced Koreans, were easily eliminated. For example, Catholic missionaries

entered Korea late in the sixteenth century and again early in the 19th century. Both times, the foreigners were expelled and their small bands of followers executed or assigned the status of slaves and sent into exile. Only a very small number of foreigners were admitted into Korea and allowed to live as free men. One such group consisted of Dutch sailors who were shipwrecked on Korea's southern shore. They gained their survival by teaching Koreans about the technical aspects of sailing and about the activities of other western nations in the oceans of East Asia. Otherwise, Korea remained a closed, centralized Confucian monarchy with little external communication, diplomatic or commercial, except with China and occasionally with Japan, until the late 19th century.

External Forces for Change - Imperialism and Colonialism

But profound external forces of change began washing the Korean shores in the later half of the 19th century. China was collapsing inward, and the Chinese world was being dismantled by the technically superior and powerful Western imperialism and colonialism; the British and Russians initially and, eventually, the Japanese and Americans. These forces away Korea's traditional diplomatic and commercial isolation, and for the first time in its history, the Korean people were exposed to a period of extensive and prolonged change. Korea was abruptly transformed from a dependency of China to a colony of Japan. Japan's strategy for change aimed at dismantling Korea's traditional orthodoxy and imposing on Koreans a new one defined by Japan. To begin with, Korea would remain a closed society, open only to what the Japanese allowed to enter. The government would remain a centralized bureaucracy, but instead of being staffed by Korean civil servants, it would be dominated by Japanese military officials and their civilian counterparts, also Japanese. Economically, Korea became the logistical stepping stone for the expansion of the Japanese empire into northern China. The extent to which Korea benefitted from its colonial experience remains a subject of debate. For our purposes, it would appear Japan's initial claim of seeking to liberate Korea from its past and bring it into the modern world was quickly altered into a program of preserving the political structure of government but reorienting it away from allegiance to China and instead to Japan. Actually, Japan's coercive efforts reinforced Koreans' traditional suspicion of foreigners' intentions and gave birth to Korean nationalism. Korea's monarchy and its ruling oligarchy were discredited by their inept response to imperialism and discarded.

Under Japanese colonial rule, Koreans were introduced to Western knowledge, but only to a restricted scope and, for most Koreans, to a shallow depth.

A very small, but eventually significant number of Koreans graduated from institutions of higher learning in Japan, including the Japanese military academies. An equally small yet also ultimately very important number of Koreans learned English, Western political and economic thought from the American missionary community which established itself in Korea at the end of the 19th Century. Some of their students aspired to become rulers of post-colonial Korea for the purpose of propagating democracy and capitalism. At the same time, on Korea's northeastern border, Russian inspired Korean communist groups were positioning themselves to return to Korea and to assume political power with the aim of leading Korea into modernity.

Imperial Japan gave both schools legitimacy in the eyes of the Korean people by constantly harassing and trying to suppress their activities. Consequently, both American missionaries and advocates of communism became identified in Korean eyes with their anti-Japanese nationalistic movements. In the process of trying to change Koreans into loyal subjects of Japan, the coercive efforts of Japan's military nurtured resistance to change in the form of anti-Japanese focused Korean nationalism. Paradoxically, at the same time, the first domestic groups advocating change from within Korea were formed during Korea's colonial period.

New Impetus for Change - The Cold War

A new wave of external forces swept the Korean peninsula beginning in 1945 when the world's new superpowers, the Soviet Union and the United States, divided Korea in the process of expelling the Japanese. The superpowers turned to using the Korean peninsula as a stage upon which to demonstrate to the rest of the world the superiority of their political and economic systems, in the process greatly complicating Korea's continuing transformation into a modern nation. Each side declared proclaimed the establishment of democratic governments, the Democratic People's Republic of Korea (DPRK) in the north, and the Republic of Korea in the south. Despite the claims, each was authoritarian and highly centralized. Each superpower attempted to impose its preferred economic philosophy on its dependency, communism in the north and capitalism in the south. Underlying each veneer was economic stagnation and poverty. Eventually, superpower rivalry led to conflict that institutionalized Korea's division, thoroughly impoverished the nation and left approximately one in ten Koreans dead and hundreds of thousands of families separated between the north and south.

Once again, potent external forces from outside the Korean peninsula set in

motion tremendous changes. For the Korean people, however, the price of change was horrendous. Rather than furthering Korea's movement toward political sophistication and stability, and economic prosperity, the Korean peninsula between 1945 and 1953 was ravished by war, famine and disease. Once again, the process of externally imposed change intensified Korean nationalism and confirmed their distrust of foreign powers.

Nevertheless, both South and North Korea, having no alternative, grudgingly began to accept massive amounts of aid and technical advise, both economic and military, from their superpower sponsors. As the superpowers sought to use the two Korea's as pawns in the intensifying rivalry between Moscow and Washington, Pyongyang and Seoul decided to play a similar game. In the process, the aspirations of all Koreans to achieve national reunification and to modernize their nation were subordinated to the priorities of global geo-politics and the efforts of two political groups to establish themselves as the legitimate rulers of the entire Korean community. "Change" and "progress" were defined in terms compatible with each Korea's respective sponsor and the priorities of each sides political leaders, not the social and economic needs of the Korean people. Any benefits for the general population were welcome but of secondary consideration.

North Korea - Reconstruction and Continuity

The impending possibility that conflict might resume at any moment dictated similar priorities in both North and South Korea. Hasty industrialization required political efficiency. The north reinforced traditional authoritarian political patterns and rebuilt a new highly centralized bureaucratic state in which Communism replaced Confucianism as the ruling elite's orthodoxy. Communism was redefined, however, consistent with Koreans nationalistic sensitivities. Korean communism accented "self reliance" (*juche*) which proclaimed that local conditions in Korea as determined by its "Great Leader" took precedent over the universal maxims enunciated by Marx and Lenin. The role of monarch was assumed by Kim Il Sung and redefined as "Great Leader".

Having received the "Mandate of Moscow" to rule, a reference to the traditional practice of each Yi Korean ruler's legitimacy being ceremonially affirmed by the Chinese court, Kim Il Sung stood above all others in his society. In exchange for absolute loyalty to him, he would define and provided for the common good. National defense came before all else, followed by industrialization which provided for the needs of the military. Paradoxically, traditional values supportive of took precedent over all other consideration. All the while, traditional values

supportive of authoritarian government were perpetuated. For example, the assertion of self was despised as selfishness, rights were subordinated to obligations, hierarchy in government and society was preserved, despite communism claims of striving for egalitarianism. Economically, the lack of property was revered as a sign of total commitment to practice frugality for the sake of releasing all available resources for the common good, i.e. national defense.

In North Korea, traditional values were used to create a new social, political and economic system that subscribed to the modern foreign ideology of communism but resembled structurally the traditional close, centralized bureaucratic state which subscribed to a single ideology and was ruled by a hereditary monarch. In short, beyond the obvious outward appearances, North Korea politically is astonishingly similar to its predecessor the Yi Dynasty. Economically also, contemporary it remains an agrarian economy with only pockets of industrialization and urbanization, and little foreign trade. At the same time, however, the military has achieved an impressive grasp of modern technology and incorporated this into a largely still secret military-industrial complex.

South Korea - Reconstruction and Change

South Korea pursued reconstruction and industrialization for reasons and along lines similar to North Korea but ultimately achieved very different results. Initial efforts to achieve democratic government only yielded corruption and impatience in the military, establishing a new pattern in Korean politics. Internal strife came to be viewed as weakening the nation from within and inviting invasion from the north. To secure the nation's defense, law and order took precedence over political and human rights. This pattern was established in 1963 when a graduate of a Japanese military academy, General Park Chung Hee, took over the South Korean government.

Despite initial protest from Washington, the U.S. government quickly lined up behind south Korea's new authoritarian ruler. His change of clothing from an army uniform into a western suit appeased his American sponsors' concerns that his rise to power greatly narrowed the differences between the "authoritarian communist" north and "the democratic capitalist" south. In some regards, President Park did what his competitor in the north had done earlier; he drew selectively on traditional political culture to define a new political order and then set out to pursue industrialization for the sake of confirming the nation's defense. A centralized bureaucratic state staffed by disciplined and loyal officials asserted the all powerful president's authority throughout the nation. National defense became the nations

top priority. This and a strong sense of nationalism, combined with fear of a recurrence of war motivated most South Koreans to subordinate their aspirations for representative government. Those who questioned this arrangement soon found themselves in prison.

At the same time, however, President Park's program differed fundamentally from Kim Il Sung's in the north. South Koreans, assisted by their American tutors, insisted upon maintaining a society open to foreigners and their ideas. There was no single state ideology. Instead, you had administrative regulations issued by an authoritarian president whose aim was to restrain but not to eliminate differing view points. The sense of a strong sense of affiliation with one of four regions - the southeast centered on the cities of Taegu and Pusan, the southwest represented by Kwangju, the central region surrounding Seoul, and the north as represented by the large numbers of Koreans who had previously resided in North Korea – gave impetus to maintaining a representative legislative body, the National Assembly. President Park dislike and repeatedly tried to manage this body of elected politicians but he could not eliminate the institution without risking a broad based political outcry. Also unlike North Korea, his economic development program had to be transparent and provide for relatively balanced civilian and military development.

President Park also proved much more flexible in his dealings with foreign government's than was the case in the north. In part, this was because South Korea enjoyed far broader international recognition as the sole legitimate government of Korea than did Pyongyang. Park quickly realized the benefits of engaging as many nations as possible, setting the stage for South Korea eventually developing access to the global market. Normalization of relations with Japan gave South Korea access to what was then a large capital development fund, and cutting edge technology. Involvement in the Vietnam War furthered President Park's economic development plan by enabling Koreans, both military and civilian, to earn large amounts of hard currency which quickly found its way back into the Korean economy. In a few short years, Koreans had established themselves internationally because of visibility in Vietnam as hard working, adroit and engaging people.

An American educated group of bureaucrats, technocrats, military men, and other professionals enabled the South Korean government to quickly capitalize on the fiscal benefits of engagement with Japan and Vietnam. The American missionary movement and other non-governmental groups worked hand in hand with the U.S. government to quickly train an entirely new social, political and education elite in

South Korea. Most had studied in the United States after learning English in American missionary schools, living and working with U.S. Army units or being employed as staff in the offices of American private and government organizations. These several thousands of individuals and their spouses came to share a vision of Korea that encompassed one nation, independent and indivisible, secure from outside invasion, economically prosperous and ultimately, enjoying representative government. Their vision was the same as their counterparts in North Korea, except for the political aspect.

KOREA TODAY

North and South Korea today share a similar need for peace as they strive to restore their prior economic prosperity. The severity of their economic problems differs greatly, yet both seem agreed that they cannot revitalize their economies unless they open pursue greater openness of their economies. At the same time they seem to both recognize the need to reduce tension on the Korean peninsula to convince the international business community that investing less risky than in the pass and will pay handsomely in the future. Consequently, both North and South Korea seem intent, at least for the time being, to engage in a common effort to restore the momentum toward reconciliation achieved in 1991 and the first half of 1992.

SOUTH KOREA: PRESERVING POLITICAL STABILITY AT A TIME OF ECONOMIC CHANGE

The people of South Korea elected Kim Dae Jung to the presidency with the expectation that he would put their nation back on the fast track to prosperity and representative government. Kim's ability to do this hinges on three crucial factors:

- whether there is peace and stability on the Korean peninsula;
- Kim's ability to rally and to sustain the domestic political will essential to the pursuit of politically contentious structural economic reforms needed to restore durable economic dynamism;
- and, the extent to which he can convince the international commercial community's advocates of economic reform to allow him to pursue economic restructuring in a manner and at pace acceptable to his constituents, the Korean people.

President Kim since his election on December 18, 1997, has initiated an ambitious program to promote reconciliation with North Korea and to deal decisively with the economic crisis by implementing many of the International

Monetary Fund's (IMF) proposals for reform. Elected by a whisker thin margin, Kim faces a most daunting task. His political opposition and critics, a loose coalition of former ruling party politicians, influential businessmen and retired military officers, still dominate the 1999 National Assembly elections next year.

Political Tight Rope in South Korea

President Kim is on a political tight rope. To ensure access to badly needed loans and investment capital from abroad, he must reassure foreign economic advisers in the IMF and foreign investors that he is moving decisively to restructure the South Korean economy. At the same time, however, he must avoid any appearance of "selling out" to foreign economic interests or else risk further exciting Koreans' traditional suspicions of foreigners. If this were to occur, Kim's critics could label him pro-foreign, undercutting Korea's political will to endure economic hardship for the promise of a return to prosperity and the reform efforts.

South Koreans, having experienced prosperity, are understandably impatient to see it restored. The amount of time available to President Kim to launch a second "Miracle on the Han River" is consequently very limited. His supporters cherish democracy and want him to succeed both as president and in restoring prosperity, but they are the minority and like other Koreans, displeased with the rising unemployment and prices. The majority of South Korea's other voters, having either cast their vote against Kim's candidacy or were uninspired by the other presidential candidates, have to allegiance to President Kim.

The most potent element of this now passive majority is the loose coalition of former ruling party politicians, wealthy and influential businessmen and retired government and military officials. Their priorities during previous administration were national security, law and order and economic prosperity. To many of them, democracy is an invitation to anarchy which in turn invites invasion from the North. Should President Kim's reforms fail to appease the majority Korean's impatience and lead to social unrest, South Korea's conservative political coalition is certain to clamor for less democracy and a restoration of an authoritarian president who puts law and order before representative government. South Koreans half century effort to build democracy could be put be put in jeopardy.

President Kim's most immediate threat to the public's trust in his presidency are South Koreans militant and frequently violent labor unions. Political observers caution that the harsh realities of the economic recession and reform -- rising unemployment and inflation -- could put large numbers of labor activists in the

streets by June. President Kim's administration would be confronted with the possibility of having to unleash the despised combat police to restore order. Should he find it necessary to do this, his credentials as a champion of democracy will be gravely tarnished, his ability to sustain support for his presidency will be undercut and his now divided critics crystallized into a powerful opposition. Ultimately, depending on the severity of the situation, the majority of Korean people might conclude that democratic government is a luxury they can ill afford.

President Kim's Formula for Economic Recovery

President Kim's program, however, can still achieve its goals if he can calm South Koreans' fear of possible instability, both from outside and within the nation. Already his two track program of reconciliation and reform is bearing concrete results. No sooner was he elected than he reassured his South Korean constituents and the international business community that he would pursue reconciliation and not confrontation with North Korea. At the same time he reversed himself and publicly pledged to work with the IMF. Much needed loans poured in from the IMF, and the international banking community then agreed to convert most of South Korea's debt from short to longer term. These developments and the olive branches extended to North Korea, reassured present and potential foreign investors that their capital would be safe in Korea. Subsequently, South Korea's currency stabilized, the flow of investment capital out of Korea was reversed and the fears of impending chaos have been calmed, at least temporarily..

South Korean cooperation with President Kim surged earlier this year, quieting his right wing critics. Koreans traded their gold for the national currency, tightened their belts by canceling travel abroad, not buying foreign goods and curbing their cars. Their motive for doing this were many. Most may not politically support their president, but all are highly nationalistic and a majority share the conviction, oft argued in Seoul's rather anti-foreign press, that opening Korea's domestic market to foreign goods under the banner of "globalization" benefits foreign commercial interests more than Korea. Consequently, for many Koreans the solution is to exclude foreign goods. For the time being, this attitude has helped President Kim stabilize the currency and reduce the outflow of hard currency. Eventually, however, such attitudes are very likely to collide with the IMF-advocated reforms.

North-South Reconciliation

President Kim, recognizing these dangers, has made North/South

reconciliation a top priority. His approach to North Korea accentuates dialogue and economic engagement, not his predecessor's preference for confrontation and efforts to isolate Pyongyang. Already the atmospherics in North/South relations have improved significantly relative to the recent past. Official North Korean statements accent a willingness to engage in dialogue instead of a rejection of it. After three years of exchanging hostile rhetoric, the channels for rational communication have reopened. There have been numerous meetings between North and South Koreans involving government and Red Cross officials of various rank levels, and representatives of private humanitarian organizations. A South Korean children's choir just concluded a visit to Pyongyang. Efforts to negotiate the reunion of separated families, and agricultural and food related aid, among other things, have yet to yield concrete results in these specific areas. More important is the fact that these efforts are continuing.

Toward these ends, President Kim immediately after his election initiated a program to promote reconciliation with North Korea. His program is anything but new. First he reaffirmed South Korea's alliance with the United States, a recognition that the U.S. military presence on the Korean peninsula has deterred war for nearly half a century. This put Pyongyang on notice that he was not about to alter South Korea's defense posture and relationship with the U.S. Next President Kim reaffirmed South Korea's commitment to the implementation of the three fundamental agreements. The first two, commonly known as the Basic Agreements, were signed by the two Koreas in 1992. The Agreement on Reconciliation, Non-aggression and Economic Cooperation define the basic ground rules of engagement and the building of mutual trust between North and South Korea. The second agreement provides that neither Korea will acquire, produce or store nuclear weapons on the Korean peninsula. Finally, President Kim reassured both the United States and North Korea that his government would fulfill its commitment to ensure implementation of the 1994 Agreed Framework, the agreement between the US and North Korea in which Pyongyang promised to end its nuclear research and to allow international inspection of its nuclear facilities in exchange for the US, South Korea and Japan constructing two light water nuclear reactors in North Korea.

Progress is evident in other areas of North/South cooperation. In spite of its economic problems, President Kim has reiterated his government's determination to follow through on its commitment to fund a major portion of the light water reactor construction in North Korea as provided for in the US-North Korea Agreed Framework. This agreement required that Pyongyang close down all its nuclear reactors and to cooperate with the International Atomic Energy Agency's inspection requirements as specified in the Treaty on the Non-proliferation of Nuclear Weapons. In exchange, the US with the concurrence of Seoul and Tokyo promised to provide North Korea two light water nuclear reactors and annually 500,000 tons

of heavy fuel oil to generate the electricity that would have otherwise been produced by the nuclear power plants North Korea had under construction in 1994 when the agreement was reached. Unfortunately the US Congress is refusing to authorize the Administration's purchase of \$30 million of heavy fuel oil, threatening the entire Agreed Framework. If North Korea restarts its nuclear program, tension on the Korean peninsula will once again escalate rapidly.

In other areas, however, there is reason for optimism. Trade between the two Koreas is rising rapidly beyond last year's unprecedented level of \$350 million. The amount may be tiny relative to South Korea's total international trade that exceeds \$100 billion annually, but as a crucial barometer of relations between North and South Korea, the amount of North/South trade is priceless in terms of fostering international investor confidence in doing business with Seoul. These developments buttress the international business community's confidence in South Korea's economy and enhance its willingness to invest in Korea. They also enable President Kim focus his administration's energies on dealing with the economic crisis.

US-DPRK RELATIONS

By 1995, Americans were beginning to live and to work in North Korea and North-South trade expanded rapidly. These very significant changes suggest that North Korea is capable of making rapid adjustments, if in the process it can enhance prospects for its survival and make maximum gains for minimum concessions in negotiations. Likewise, these changes could be justified politically within North Korea by emphasizing that none of them had required or brought about any change within North Korea. On the contrary, the revamping of the DPRK's international relations promoted its primary national objective - national survival and perpetuation of the Juche ideology. But a new force for change would soon require domestic change.

but the so-called "nuclear crisis" of 1992-94 proved to be a temporary impediment. The first ever US-DPRK diplomatic negotiations commenced in New York in June 1993, and after considerable effort produced the Agreed Framework. Signed in Geneva on October 24, 1994, this accord reopened North Korea's secret nuclear facility at Nyongbyon to the inspectors of the International Atomic Energy Agency and gained admission for Americans to work there. The first team of Americans visited the facility in November 1994, and a small team spent two weeks there in January 1995, only days after the Korean People's Army killed an US Army pilot when shooting down his helicopter north of the DMZ.

JAPAN - DPRK RELATIONS

Relations between Pyongyang and Tokyo as of May 1998 remain frigid, and prospects for normalization in the near future remain dim. In Pyongyang's view, several politically sensitive and highly emotional issues have yet to be resolved before normalization becomes a possibility, including: the amount that Japan should compensate the DPRK for imperial Japan's colonization of Korea, an apology for and compensate of the so-called Korean comfort women who were forced to serve as "sex slaves" for the Japanese Imperial Army, and the highly complex issue of Japan's future defense role in Northeast Asia.

For Tokyo, Pyongyang has yet to account for several Japanese citizens its believes North Korea may have abducted from Japanese shores some twenty years ago, and the return to Japan of several members of the notorious terrorist group "the Japanese Red Army" that hi-jacked a Japanese airline in the early 1970's and fled to Pyongyang after some of its members had slaughtered unarmed civilians at an Israeli airport. Despite Tokyo's generous supply of 500,000 metric tons of food aid to the DPRK in the fall of 1995, Pyongyang responded only by allowing a small number of Japanese spouses of North Korean citizens to visit their homeland in November 1997 for the first time in almost four decades.

But probably more problematic for Japan-DPRK normalization is both government's present preoccupation with domestic political developments. In Pyongyang, Kim Jong Il has been focused on dealing with flood, famine and his consolidation of his succession. For Japan, the politics of coalition government and concerns about a sagging economy prevent the incumbent prime minister from taking any decisive steps toward normalization of relations with Pyongyang. A bold diplomatic move could invite criticism from the potent political right, and undermine the delicate political balance. On the other hand, a half hearted effort would tempt the political left to berate the effort. For the time being, both Tokyo and Pyongyang appear willing to perpetuate the status quo while posturing publicly to project the appearance of remaining engaged, at least rhetorically.

CHINA-US INTERESTS

Beijing and Washington have several shared goals on the Korean peninsula. Both want peace and stability there. In other words, war is to be deterred. Both want the peninsula to remain nuclear free, both of weapons and of the capability to acquire them through purchase or development. There is Sino-American agreement that the problems between North and South Korea are best resolved through dialogue and reconciliation, not confrontation and competition.

On the other hand, however, there appears to be some uncertainty as to the positions of China and the U.S. concerning the issue of Korea's reunification. The U.S. and China seem to agree that perpetuation of the DPRK is desirable at present

to maintain stability on the peninsula, but how can enduring stability through reunification be achieved? Will preservation of the *juche* system hinder or further our goals regarding North/South reconciliation and reunification? Is there any common meeting ground between Washington and Beijing on whether, when and how Korea's reunification is to be achieved? Or do we oppose reunification as many argue, pointing to our respective two Korea policies?.

As for the United States and China, their shared goals concerning the Korean peninsula are most admirable, but they are lacking in the area of agreement on how best to promote them. We can begin by determining whether there is a need for a continuing official US-China dialogue about Korea. At present, the process appears to be sporadic and centered in the Four Party Talks process. Those talks, however, focus on security issues and the past, not the future. The intent is to end the Korean War, not how to deal with North Korea in the future. Rather than further burden the already unsteady Four Party Talks process with additional issues of discussion, Washington and Beijing would do well to develop a low profile, bilateral dialogue focused on how to deal with the Korean peninsula in the future.

We can begin the process informally here in Honolulu by sorting out areas of agreement and disagreement concerning our goals relative to the Korean peninsula. A consensus appears to already exist concerning some of the areas listed above. We need to confirm which of our fundamental goals on the Korean peninsula are shared and compatible. One crucial area of mutual concern has yet to be addressed bilaterally, and that is whether the change underway in North Korea today is desirable relative to our common goals and interests on the Korean peninsula. Should we decide that these changes are desirable, we would do well to determine whether it is in our mutual interest to work together, or separately, to nurture further change in the DPRK and how to do this. If however, we disagree on this issue, it is important that we say so and understand the basis of our disagreement and why one side, say the United States, intends to encourage more change in North Korea.

Underlying all our discussion should be the firm conviction that the United States and China must respect the dignity and sovereignty of the Republic of Korea and the Democratic People's Republic of Korea as members of the United Nations. Our intent here is not to formulate a program of reform or reconciliation to be imposed on the Korean peninsula for the sake of furthering our goals. Attempting to do so would be folly, to say the least. Rather, our focus here is to clarify our mutual understanding about and goals concerning the Korean peninsula. As we do so, we should keep in mind the need to discuss not just what we hope for the people of the two Koreas, but also how we can help them move in that direction.