



Executive Memorandum

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WITH NORTH KOREA, SEEK QUID PRO QUO ENGAGEMENT

EDWARD NEILAN

North Korea's recent agreement to meet with South Korea in Pyongyang in June—almost exactly 50 years after the start of the Korean War—is a long-awaited step toward securing peace on the Peninsula. But Pyongyang has made promises in the past that it has failed to keep. Just last January, it promised to come to Washington in March or April for talks, but later refused to do so. Meanwhile, it is accelerating a buildup of its forces along the demilitarized zone. North Korea has deployed more than 10,000 artillery systems and 2,300 multiple rocket-launchers, which could support ground forces invading the South. This buildup reinforces the concerns of the U.S. House Speaker's North Korea Advisory Group in a November 1999 report that criticized the Clinton Administration for failing to address the buildup even while it continues providing more aid to Pyongyang.

The Administration's penchant for granting concessions only has encouraged North Korea's aggressive posturing. Now that Pyongyang has agreed to meet face to face with Seoul, the Administration must hold the North to that commitment and pursue a policy of disciplined reciprocity, a quid pro quo engagement that rewards North Korea only when it takes concrete steps to improve relations with the South.

Ineffective Concessions. The United States has replaced the former Soviet Union as North Korea's primary benefactor, providing \$645 million of assistance since signing the Agreed Framework

Accord with Pyongyang in 1994. Yet North Korea continues to build ballistic missile bases in violation of that Framework. In August 1998, the U.S. intelligence community suspected the existence of an underground nuclear facility in the city of Kumchang-ri. Pyongyang denied the allegation, and after two months of bargaining succeeded in obtaining food aid from the United States in exchange for an inspection of the facility. The period of bargaining, however, effectively guaranteed that no incriminating evidence would be found.

North Korea's missile capabilities and proliferation activities have increased dramatically over the past five years. Evidence includes the rapid development of the Taepo Dong, a three-stage rocket capable of reaching the northwest United States, which was test-fired over Japan in August 1998. Pyongyang is likely planning to stockpile these missiles and export the technology to such countries as Pakistan and Iran, as it has done with other missile systems.

Congress is rightly concerned that U.S. aid is sustaining the repressive regime rather than feeding

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found at: [www.heritage.org/library/
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the starving population. Indeed, refugees fleeing into China have reported that Pyongyang diverts much of the food aid to the communist cadre and the military. But despite the North's repeatedly denying access to international monitors, food aid continues.

Quid Pro Quo Engagement. One-sided concessions to North Korea have sustained Kim Jong-il's repressive regime at no political cost to him. For this reason, Pyongyang's recent military activities and its pattern of intransigence prompted some on Capitol Hill to suggest the possibility of air strikes. Such a dramatic policy shift, however, would be dangerous. Air strikes or even the threat of one would likely elicit a military response. Complete isolation could precipitate economic collapse and increase the likelihood that the North would invade the South.

A moderation of the carrot-and-stick approach is necessary. The Administration's policy coordinator for North Korea, former Secretary of Defense William Perry, is correct to advise that the United States continue to work with the regime's secretive rulers, rather than undermine them or insist on internal reforms. This strategy is in sharp contrast to the way Washington typically has handled rogue states such as Iraq, Cuba, or Serbia. The use of force or isolation against the North may prove too perilous, particularly for Japan and South Korea.

The United States must practice a disciplined policy of reciprocity where rewards follow moves that improve prospects for peace. Perry proposes a step-by-step approach of mutual concessions, of which missile test suspension for the lifting of sanctions should be the first step. On Perry's recommendation, President Bill Clinton eased the half-century-old sanctions against North Korea in September 1998, after Pyongyang promised to suspend its next test of the Taepo Dong. The American Chamber of Commerce in South Korea then sought permission for a business mission to assess the feasibility of investing in the North. The North's disciplined work force, including potentially demobilized soldiers, whets the appetite of investors in

the South. North Korea's elite are equally anxious to jumpstart the tattered economy.

But recent intelligence reports show that North Korea has not shown good faith. The Administration should condition further steps toward investment liberalization on a verifiable curtailment of North Korea's missile, chemical, and biological weapons programs and proliferation. Only if this reciprocity is successful should the United States ease other sanctions and move to formalize diplomatic relations. This easing would neatly complement South Korean President Kim Dae Jung's Sunshine Policy of positive engagement.

Resumption of bilateral negotiations between the Koreas in June 2000 will be one step toward this goal and should not be cause for laxity. Further steps, with the aim of permanently ending concerns about the North's weapons of mass destruction, must ensue. The United States should reimpose sanctions if Pyongyang fails to honor its commitments. The same discipline must be shown in granting food aid. Current U.S. policy is to provide food aid if it can be monitored. This directive has been relaxed in light of the high incidence of starvation in the North. Left unsupervised, Pyongyang could continue to divert food aid to the military.

Conclusion. North Korea is playing a deadly game. To sustain the regime, Pyongyang frequently has resorted to military threats for economic gain. At the same time, it realizes that if its strategy proves too successful, economic growth and international exchanges could bring about domestic changes that are real threats to its power. Any perception that the balance is shifting against the regime likely will lead to a hasty withdrawal from negotiations and agreements. Washington, faced with this reality, must exercise discipline to engage the North; quid pro quo engagement is the only path on which a violent response is not inevitable.

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