

# Normalizing Peace

By Brian Bridges

More than five decades ago, then British Prime Minister Winston Churchill famously said that "jaw-jaw is always better than war-war." Although Churchill later claimed not to know much about Korea, his words can apply very aptly to the situation on the Korean Peninsula today.



Brian Bridges

Thus, South Korean President Roh Moo-hyun's recent summit meeting in Pyongyang with North Korean leader Kim Jong-il is an important step forward in the process of dialogue and ensuring peace and stability on the Korean Peninsula.

What a difference a year makes. Last October, the North Korean nuclear test threatened to ratchet up tensions to an unprecedented scale, yet now the two leaders have met and are planning to move the reconciliation process forward to establish permanent peace. It may yet be a rocky road going forward, but there is reason for cautious optimism that the movement is indeed in the right direction.

Talk of a "peace treaty" or a "peace framework" has been part of the rhetoric of both Koreas for years, but little progress has been made in realizing this ideal.

The 1991 Basic Agreement between the two Koreas talked about converting the existing armistice agreement into a "solid state of peace."

The 2000 Pyongyang summit declaration referred to "peaceful reunification." Neither was followed up by effective measures. But the world has moved on since then and thanks to Roh's visit there is now a better atmosphere for discussions. Nonetheless, the dialogue needs to proceed on three parallel fronts.

The first is the diplomatic and political. An ending of the armistice agreement and a new peace framework will

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involve talks between not just the two Koreas but also with the United States, which has of course forces stationed in the South, and China, a participant in the Korean War through its "volunteers" and allied to the North.

Roh has already achieved one significant breakthrough in that Kim acknowledged that the South should be an equal partner in these discussions, thereby formally abandoning the policy of trying to settle everything with the United States alone.

Four-power talks in the late 1990s went nowhere, but now there is greater political will amongst all the participants. The Chinese have already told the Koreans of their willingness to be involved and U.S. President George Bush, despite some translation miscommunication, also supports a new security arrangement, provided that the nuclear issue is solved successfully.

Therefore, the nuclear issue is the second front. Roh and Kim did not talk in much detail on nuclear matters, which is the subject of ongoing six-party talks.

The timely announcement, while the summit was taking place, that North Korea would be disabling its main nuclear reactor and declaring all its nuclear programs by the end of this year, nonetheless reinforced the two leaders' approach.

If this slow and hard-fought process is continued — and past experience suggests that there will be more hold-ups and obstacles along the way — then the smooth implementation of the denuclearization commitments can underpin and reassure both South Korea and the United States about the North's intentions.

Finally, there is the military dimension. There is a real need for confidence-building measures and greater transparency on the military situation.

Seemingly, Kim was not willing to accept Roh's suggestion of moving back troops from the Demilitarized Zone, but the agreement on establishing a special peace zone around Haeju can be useful in defusing maritime tensions close to the Han River.

Greater contacts and dialogue between defense ministers and armed forces of the two Koreas will be valuable, but the thorny issue of the U.S. military presence in South Korea will have to be addressed at some stage.

These three dimensions are separate but inter-connected; progress in any one will be limited if the others do not also move forward. Koreans on both sides of the DMZ wish for reassurances of peace and stability on the peninsula. North Korean diplomats frequently talk about the need to build up trust in their relationship with the United States; the same applies to their relationship with the South.

In moving to "normalize" the North-South Korean relationship, more frequent contacts are essential. Ministerial-level meetings have been taking place intermittently since the first summit. Prime ministerial-level contacts will be resumed in the near future. But given a political system in which so much depends on the decision of one man, Kim, the highest-level summit meetings are going to continue to be crucial.

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# Preparing for Unified Korea

By Mauro F. Guillen

Africa, and South Korea is not nearly as rich and resourceful as Germany.

It is important to remember that, when the opportunity for unification presented itself, Chancellor Helmut Kohl seized it no matter the cost. He even agreed to give East Germans one West German mark for each relatively worthless East German mark.

The enormous subsidy implicit in this quintessentially political decision dragged the West German economy into a period of inferior performance relative to other major economies. Germany is only now emerging from the economic difficulties created by unification.

The main lesson from German unification is that the smaller the economic gap separating the two halves, the smoother the transition to a single state. Hence, it makes sense to collaborate with North Korea in as many economic projects as possible, especially those that will make North Korea more productive and competitive.

As a result of the recent Inter-Korean Summit, there are new initiatives on the table, including agricultural projects, healthcare programs, environmental pro-



jects, and transportation links. However costly, infrastructure projects will help close the economic gap between the two Koreas.

Technology parks, such as Kaesong Industrial Complex, may also be beneficial. In each of these cases, it is important not simply to spend public money but to look for ways to engage the private sector and to maximize the so-called multiplier effects, whereby an injection of foreign investment into the economy spurs a wider increase in economic activity thanks to spillover effects.

South Korea also needs to imaginatively engage the North in other ways. Germany's Willy Brandt launched an Ostpolitik back in the 1970s, a daring opening towards the Communist states on the other side of the Iron Curtain. Presidents Kim Dae-jung and Roh Moo-hyun have also tried very hard to capture the imagination of the world and raise awareness of the "Korean problem" with their Sunshine and Peace & Prosperity policies, respectively.

These efforts need to be sustained over time and vastly expanded in scale and scope.

Every available global forum from the United Nations to the International Monetary Fund and Unesconeeds to be utilized to convey to the world the important message that the Korean people should all live in just one state.

There is much discussion in South Korea and around the world as to whether the country should spend sizable financial resources to help North Korea improve its economy.

The government has allocated a sum equivalent to 1.3 percent of GDP to Inter-Korean collaboration projects, with an additional 0.6 percent on hand should new opportunities or needs arise. It would be shortsighted for South Korea not to engage the North economically.

Closing the gap in standards of living may not bring about unification by itself; the divisions are political, ideological, military, and diplomatic as well. But reducing the difference in wealth and well-being will make it easier for the two Koreas to implement unification once the political opportunity presents itself. It is important for the South to be prepared for that moment, given that unification will inescapably be disruptive and costly. The alternative is simply unacceptable.

Mauro F. Guillen is director of Lauder Institute at Wharton School. — ED.

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## Second US Nuke Team to Go to NK

WASHINGTON (Yonhap) — A second U.S. nuclear team will head out to North Korea later this week to continue negotiations on disabling Pyongyang's atomic facilities, the U.S. State Department said Wednesday.

The follow-on team of about a dozen people will take over from the first team that will leave the North on Thursday, department spokesman Tom Casey said. The new members are expected to arrive in Pyongyang on Saturday.

Sung Kim, director of the Korean affairs office, has been in North Korea from last week to negotiate specific steps in implementing a six-nation agreement sealed early this month. In the deal, Pyongyang committed to disclose and disable its nuclear programs by the end of the year and in return receive 950,000 tons of heavy fuel oil or its equivalent.

South and North Korea, the U.S., China, Russia and Japan make up the six-party talks.

The steps are part of larger agreements reached previously that eventually would dismantle the country's nuclear weapons and programs in exchange for full diplomatic normalizations with Japan and the U.S.

The U.S. is to lead the talks and pay the cost of initial disablement activities.

Kim's team visited Yongbyon, the site where the North's key atomic facilities are located, including the reactor until recently.



The U.S. State Department's top Korea expert Sung Kim and his delegation members leave for Beijing at an airport in Pyongyang, North Korea, Thursday. The group, led by Kim, spent a week in Pyongyang trying to finalize details on the scope and process of disablement. AP-Yonhap

## 'US-Asia Nuclear Power Cooperation Hinges on Resolving N. Korean Issue'

WASHINGTON (Yonhap) — U.S. efforts to promote safe civilian atomic power in Asia hinge on resolving North Korea's nuclear issue, Secretary of Energy Samuel Bodman said Wednesday.

On his government's policy on climate change, he reaffirmed opposition to mandatory restrictions on gas emissions.

Speaking at a luncheon hosted by the Asia Society, the secretary said one area of energy cooperation with Asia was expansion of clean, safe nuclear power throughout the region.

"This, of course, means we

need to address the issue of North Korea's nuclear program, which we are currently doing through the six-party talks," said Bodman. "And I believe we are making progress."

Bodman was referring to a denuclearization forum involving six governments — South and North Korea, the U.S., China, Russia and Japan. They have an agreement under which Pyongyang would declare and disable its nuclear programs within this year, a step toward an ultimate goal of dismantling all of the country's atomic weapons and facilities.