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# Gunfire Exchange on the West Sea and Prospect for Washington-Pyongyang and Seoul-Pyongyang Relations

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## Background and Meaning of Gunfire Exchange on the West Sea

### *Perry's visit to Pyongyang and Comprehensive Approach*

U.S. North Korea policy coordinator William Perry's visit to Pyongyang was an important opportunity to examine possibility of applying a new paradigm for the dissolution of Cold War system on the Korean Peninsula. Perry was reported to have proposed "package deal," that is, while U.S. lifts economic sanctions, establishes diplomatic ties, and provides economic aid and assurance for the survival of the North Korean system, North Korea gives up on the nuclear program and development and export of missiles in return. The West Sea skirmishes can be traced to this background in that it occurred just when positive response to the "comprehensive deal" was expected.

Perry's visit to Pyongyang has some meaning at least because Pyongyang directly discussed with the special envoy of the U.S. president all the sensitive issues in political, economic, military matters including nuclear program and missile development. Given the fact that Pyongyang has continued talks with

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Washington knowing that Washington does not like the production and sale of missiles. its reception of special envoy suggests possible new development in the Washington-Pyongyang relations.

On the part of North Korea, however, Perry's visit imposed an important choice to make, especially on how to deal with Washington and Seoul. It was a matter of choosing a frame which would guide Pyongyang's relationship with Washington and Seoul.

#### *Policy Frames of Washington, Seoul, and Pyongyang*

Washington's policy frame is focused on soft landing of Pyongyang giving priority to preventing spread of the Weapons of Mass Destruction (WMD). Pyongyang's frame is to improve relations with Washington to maintain its political system.<sup>1</sup> Both countries reserve various policy leverages to affect the other. Main policy leverages of North Korea have been development and export of WMD and exclusion policy toward Seoul.

**<Table 1> Policy Frame of Washington and Pyongyang**

|           | Washington Policy toward Pyongyang   | Pyongyang Policy toward Washington                            |
|-----------|--|---|
| Purpose   | - Preventing spread of WMD<br>- maintaining existing order in Northeast Asia | - Maintaining North Korean system                             |
| Goal      | - Softlanding of North Korea   | - Improved relations with the U.S.                            |
| Leverages | - Food aids<br>- Easing or lifting economic sanctions<br>- Diplomatic ties   | - Development and export of missile<br>- Seoul-Pyongyang talk |

<sup>1</sup> Kim Jong-il regime is becoming more dependent on the military which is the final prop of the North Korean system in the midst of continuing economic crisis. Guy Arrigoni(March 4~5, 1999). "Political and Economic Change in North and South Korea: Implications for Inter-Korean Conflict Resolution," CSIS-RIPS Conference on Korean Peninsula Developments: Implications for Regime Stability, Washington, D.C.; Duk-min Yun(1998, 12). "Political Dynamism of North Korea," *IFANS Review*, Seoul: Institute of Foreign Affairs & National Security, vol.6, pp. 1~15. But one recent observation says that Pyongyang's economic situation is getting better because road transportation is increasing, spot market keeps alive, food production has increased 11% compared to the last year, and the number of food searching people is decreasing. (*The Asian Wall Street Journal*, May 28, 1999, p. 5).

Survival of the North Korean system, the final goal of Pyongyang's foreign policy, applies also to its policy toward Seoul. Pyongyang's strategy is to separate Seoul from Washington. Pyongyang may not have given up the idea of Red Unification, but its possibility is getting slimmer. Seoul's final goal is to achieve peaceful reunification, and as a preliminary step, it pursues dissolution of Cold War structure on the Korean Peninsula.

**<Table 2> Policy Frame of Seoul and Pyongyang toward Each Other**

|           | Pyongyang's Policy toward Seoul                                      | Seoul's Policy toward Pyongyang  |
|-----------|--|--|
| Purpose   | - Survival of the North Korean system                                | - Reunification  |
| Goal      | - Separation of Seoul from Washington                                | - Dissolution of Cold War structure on the Korean Peninsula.                                 |
| Leverages | - Military threat<br>- WMD<br>- Developing relations with Washington | - U.S.-Korea Allied Force<br>- Economic strength<br>- Will to improve inter-Korean relations |

Seen this way, trilateral relations among Seoul-Washington-Pyongyang is a matter of correlation between Washington-Pyongyang and Seoul-Pyongyang relations. What is at stake, then, is whether three pairs of bilateral relationship among these three countries would or would not hamper each other. In other words, normalization of relationships between these three countries implies that policy leverage each country has toward other countries, such as military threat of North Korea, military or economic sanctions by U.S. against North Korea, pressure coming from the possible reunification through absorption, would not be effective any more.

*The Meaning of Gunfire Exchange on the West Sea*

Seen from Pyongyang's point of view, Perry's comprehensive proposal is an attractive one in that Pyongyang could gain many of what it has demanded. But, at the same time. Perry's proposal also

demands that North Korea should give up the WMD which is the very leverage that assures the survival of the North Korean system. In this regard, Perry's proposal puts Pyongyang on the defensive posture. U.S. is the country that development and export of WMD directly touches upon strategic frame. Accordingly, it is the best for Pyongyang to have Washington as a main negotiation partner, and gain most while concede least, instead of dealing with all three countries surrounding it.

The naval skirmishes on the West Sea have three different meanings in this context. First, the invasion of NLL (Northern Limit Line) is a tactical provocation to recover Pyongyang's offensive posture in negotiation with Washington which was diminished by Perry's comprehensive proposal. Maybe naval provocation was aimed at reminding Washington of the fact that the essence of the tension on the Korean Peninsula does not lie in nuclear or missile issue but in the very instability or irrationality of the armistice system. It also could be aimed at strengthening its stand in future negotiation with Seoul by adding another demand to current pending issues.

Second, despite this strategic consideration, gunfire exchange on the West Sea revealed weakness of Pyongyang's traditional military capability and as a result revealed its limit of one of policy leverage, that is, military threat, that Pyongyang holds toward Seoul. Pyongyang does not seem to have expected such a strong response from Seoul that has pursued "Sunshine Policy" toward Pyongyang. The physical and spiritual damages incurred to North Korea's navy by South Korean navy broke apart the myth of military strength of Pyongyang. If the role of traditional military force is being reduced as a policy leverage, Pyongyang's choice could not but be development and expansion of WMD. This implies that negotiation with Pyongyang for the comprehensive proposal would not be a smooth one.

Finally, as a result of these implications, development of Seoul-Pyongyang relationship will not proceed smoothly as Seoul expects. On the contrary, Seoul-Pyongyang relations are more likely to be dependent on Washington-Pyongyang relations. Since Pyongyang's policy leverage toward Seoul was weakened by the

naval skirmishes, Pyongyang would prefer to negotiate with Washington on the issue of WMD. Pyongyang would maintain contact with Seoul just occasionally to ensure needed economic aid, but give emphasis on negotiation with Washington. This way of strategic thinking was clearly revealed in aborting Vice-Minister level talk scheduled in June 21 and in detaining South Korean tourist in Mt. Kumkang, while being enthusiastic in the talk with Washington. For Pyongyang to avoid the burden of dealing with Seoul, Tokyo, and Washington at the same time, it will have to keep some distance from Seoul and Tokyo. This implies that inter-Korean relations will be dependent upon the progress made in Pyongyang-Washington relations.

## Prospect for Washington-Pyongyang Relations

### *Delay of Perry Report and Time Constraints*

Perry report, which would affect Washington policy on Pyongyang in that it is a result of overall reexamination of U.S. toward North Korea, was expected to be released right after his visit to Pyongyang. But various circumstances prevent its disclosure.<sup>2</sup> He said in a recent speech that his report will not be written for the sake of a report, and will be based on the support and cooperation of Pyongyang. Given this, it seems that his report will be completed after securing positive response from Pyongyang, and will reflect the result of Seoul-Washington consultation, criticism from U.S. Congress, and scope of choice by Pyongyang. His report will give primary emphasis on deterring development, deployment, and spread of North Korea's nuclear and missile program.<sup>3</sup> It will also propose economic aid, ease or lift of economic sanctions, and

<sup>2</sup> Perry seems to think that several situational factors are not preferable to the immediate release of his report. Washington was paying more attention to Kosovo situation, bombing of Chinese Embassy in Serbia by mistake, and worsening relationship with China due the release of Cox report. Unexpected occurrence of gunfire exchange on the West Sea was also another variable. He also seemed to be inclined to give more time to persuade hawkish U.S. Congress.

<sup>3</sup> Washington's primary interest in missile issue is to deter export and firing-test of mid- and long-distance missile. Final goal is to make Pyongyang join MTCR. (Richard Armitage(1999. 3). "A Comprehensive Approach to North Korea," *Strategic Forum*, National Defense University, no.159, p. 5).

establishing diplomatic ties in return only in the case of Pyongyang's sincere response to the Washington's demand. Concrete contents of "Red Line" can be dealt with indirectly or left secret.<sup>4</sup>

For the long term survival of the North Korean system, it needs to come out to the international society through the ties with Washington. But it will take long time for North Korean leadership before it finds no other alternative but to follow this direction while managing its internal order. The question is how free Washington and Seoul are from the time constraints. South Korea faces general election in April, 2000, U.S. also will have congressional and presidential elections in November, 2000. North Korean question should not be a burden to the leaders of the present government in both countries. At least some tangible result is required during the current administration in order for the next administration in U.S. to follow the current engagement policy and proceed with talks with Pyongyang within existing frame, even when Republican president takes office. Given this, Pyongyang needs to reveal its position about the proposed comprehensive approach as soon as possible.

#### *Step-by-Step Development of Washington-Pyongyang Relations*

Washington-Pyongyang relations will evolve along the step-by-step course, while being affected by the positions of Washington, Seoul and Pyongyang. South Korean government is aiming at dissolution of cold war structure on the Korean Peninsula by pursuing reconciliation and cooperation. The question is how resilient Seoul's policy will be against the Pyongyang's strategy of creating dissension between Seoul and Washington.

The U.S. Administration is mostly for the engagement policy toward Pyongyang, but is facing criticism from the Congress. Criticism from the U.S. Congress is likely to have a direct impact on Washington's North Korea policy. Congress's criticisms can be

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<sup>4</sup> There seems to be no clear-cut agreement among Seoul, Washington and Tokyo on whether Pyongyang's move to fire-test Daepodong 2 missile which was detected by U.S. secret agency constitutes a "red line". But if Pyongyang is detected to have been going on with nuclear program in violation of Geneva Agreement, comprehensive approach will be de-facto terminated.

summarized as three: first, overall reexamination of the North Korea policy, second, utmost priority to the deterrence of spread of WMD, third, no compensation for Pyongyang's provocation.<sup>5</sup> Comprehensive approach of Seoul, Tokyo, Washington actually reflects this Congressional criticism to a substantial degree. Perry has been reexamining North Korea policy for six months. Utmost priority to the deterrence of spread of WMD can be also confirmed in the proposal that core element of comprehensive approach is to provide economic aid and assurance for the North Korean system with proviso that Pyongyang stop the development and spread of nuclear and missile program. The economic compensation for the stopping development and spread of missile is not exactly a compensation for the provocation because North Korea is not under the control of the international regime such as MTCR.

As was mentioned earlier, Pyongyang considers concentration to the negotiation with Washington as more beneficial rather than dealing with Seoul, Tokyo, and Washington at the same time. Pyongyang's problem is that abandonment of revolutionary ideology and adoption of peaceful coexistence with Seoul could trigger crisis in system management with the loss of core element of internal cohesion. Given this, it would be better for Pyongyang not to reveal any clear-cut attitude to the comprehensive approach and to deal with the low-grade agenda such as self-restraint in firing-test of missile, instead of abandoning missile development program. Pyongyang is thus more likely to adopt "muddling through" strategy and practice "maximin" strategy, that is, dealing with the negotiation partner by cutting maximum thin slice of the part it has to concede. This implies that Pyongyang-Washington relations will proceed only step-by-step pace winding through all kinds of up-and-downs

#### *Constraints from the U.S. Congress*

One important condition for the progress of Washington-Pyongyang relations is how cooperative the U.S. Congress is that is

<sup>5</sup> Benjamin Gilman(September 21~27, 1998). "Put North Korea on Notice," *Defense News*.

in charge of amendment of related laws. The core elements of sanctions against Pyongyang are the ban on trade with, investment in, and aid to North Korea, which are regulated through TWEA (Trade With The Enemy Act), regulations on terrorist and communist countries. Without sincere measures from Pyongyang large scale relaxation of sanction is hard to expect.

The possibility of easing sanctions through revision of laws will be dependent on attitudes of Pyongyang and the leadership in Washington that can narrow the differences between the Administration and Congress. Accordingly, the most probable in short terms is the easing through the executive orders such as the freeing of frozen assets and partial allowance of financial transaction<sup>6</sup>. Given the structural character of the sanction against North Korea, Washington is most likely to take step-by-step approach considering progress in missile talk, four-party talk, and Seoul-Pyongyang relations.

## Prospect for Seoul-Pyongyang Relations

### *Limited Progress in Inter-Korean Relations*

Provided that Pyongyang is cooperative, the process of dissolution of Cold War system on the Korean Peninsula will be proceeded following the courses given in <Table 3>. But, it must be emphasized that this is a scenario that can be fulfilled only when Pyongyang is sincerely cooperative. As is shown in <Table 3> in

<sup>6</sup> The measures that Administration can handle include allowing entrance of freight ships and airplanes, expansion of export items, investment of the U.S. firms, and remittance through U.S. banks. Other measures also include freeing of frozen assets, easing limitations on movable distance for North Korean diplomats stationed in UN, easing on ban on export articles and investment (for example, easing limits on tradable articles such as fertilizers and agricultural machines, investment and transfer of technology in agriculture, joint investment, lift of permission for the use of the U.S. registered ships), revision of Trade With the Enemy Act, revision of Foreign Assistance Act (lift of ban on the aid to the terrorist supporting countries), removal from the list of countries that support international terrorism (which virtually needs consent of the Congress), revision of Arms Export Control Act (lift of ban on the export of defense articles to the terrorist supporting countries, which is linked to the missile issue), revision of Export Administration Act (lift of ban on the export of dual use articles and lift of permission requirement in case of export of technology to the terrorist-supporting countries). Kim, Sung-han, "Easing Sanctions against North Korea and Prospect for the Washington-Pyongyang Relations," *Analysis of Major International Issues*, IFANS, September 21, 1998

order to accomplish an ambitious plan of dissolving Cold War structure in Korea, Seoul-Pyongyang relations should be matched with the progress in Washington-Pyongyang relations. However, since the gunfire exchange on the West Sea and detention of the South Korean tourist in Mt. Kumkang, Seoul's Pyongyang policy will be likely to follow "rigorous reciprocity", rather than "resilient reciprocity". This means that inter-Korean negotiation has become more difficult and that Pyongyang would concentrate on talks with Washington.

Here lies the dilemma of Seoul. Progress in Washington-Pyongyang relations could be beneficial for easing tension on the Peninsula, but at the same time, the inter-Korean relations cannot be simply put aside.

Given the time frame in which the U.S. is entering presidential election season, Pyongyang would propose small concessions such as restraint in firing-test of Daepodong 2 and export of missile, while expecting to gain eased sanction and food aid from Washington. At the same time, toward Seoul, Pyongyang would seek a limited improvement just enough to show Washington its sincere intension. This will entail partial progress in the reunion of separated families and reoperation of monitoring structure of the Armistice Agreement, but Pyongyang is likely to avoid entering a second phase, that is, as shown in <Table 3>, implementation of the Basic Agreement between Seoul and Pyongyang. Pyongyang is likely to think that decision to get into the second phase is better to be determined after observing a North Korea policy of the next Administration of the U.S. Because this is the only way Pyongyang can get out of the pressure of accepting comprehensive approach.

Seen this way, Seoul-Pyongyang relations in the future will be within the scope of Pyongyang's strategy to concentrate on relations with Washington, rendering inter-Korean relations only a secondary importance. Pyongyang might try to improve relations with Seoul just to make a breakthrough in case talks with the U.S. come to a deadlock. Pyongyang would show some interests in reunion of separated families because it would not hurt North Korean system while being able to claim credit for the humanitarian cause. We might say that Pyongyang is also adopting its own

**<Table 3> Process of Dissolving Cold War Structure on the Korean Peninsula**

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First Phase (Maintenance of Armistice System): Normalization of Military Armistice Commission

- Observance of Armistice Agreement and Reoperation of related Monitoring Organization
  - Resolving suspect underground nuclear facilities: comprehensive approach of Seoul, Washington, and Tokyo
  - sustaining Seoul-Pyongyang talk, four party talk, and high level talk between Washington and Pyongyang
- 

Second Phase (Implementation of Basic Agreement between Seoul and Pyongyang): Building Basis of Peace System Based on Basic Agreement

- Operation of Joint Committee and Subcommittee agreed in the Basic Agreement
  - Preparation and implementation of detailed measures to build political and military confidence
  - Resolving missile issue
  - Full-scale aid to Pyongyang by Seoul, Washington, and Tokyo (including Pyongyang's affiliation to international economic and financial organizations)
  - Easing or lifting sanctions, installation of liaison office, starting negotiation for diplomatic ties with the U.S. and Japan
- 

Third Phase (Building of Peace System): Transformation of Armistice System to Peace System

- Exchange and cooperation based on mutual trust (general condition for peaceful coexistence) between Seoul and Pyongyang
  - Special inspection for Yongbyun, Pyongyang's affiliation to Biological Weapons Convention and Chemical Weapons Convention
  - Pyongyang's diplomatic ties with Washington and Tokyo
  - Launching North East Asia Security Dialogue (NEASED)
  - Peace Treaty and international guarantee
  - Resolving issue of status of the U.S. Armed Forces stationed in South Korea
-

version of policy of separating politics and economy in that it negotiates political and security issue with Washington while not closing channels of economic cooperation with Seoul. Pyongyang will not completely disregard Seoul to gain some benefits allowed within the frame of Seoul's "Sunshine policy."

*Possibility of Synergy Effect through Combination of Seoul-Pyongyang, Washington-Pyongyang and Four Party Talks*

The process of dissolving Cold War structure will be a long term task, which implies that three-track approach, that is, Seoul-Pyongyang, Washington-Pyongyang, and four party talks need to be adopted and arranged to have a synergy effect. Seoul-Pyongyang talk will be able to deal with such issues as economic aid to North Korea, reunion of separated families, operation of Joint Committees based on Basic Agreement (Exchange and Cooperation Subcommittee, Military Subcommittee, Reconciliation Subcommittee) and implementation of Denuclearization. In order for the comprehensive approach to be put into action, there should a progress in resolving differences in such issues as normalization of relations, easing sanctions, food aid, resolving nuclear and missile disputes in Washington-Pyongyang high level talk. This is why inter-Korea dialogue need to be proceeded together with Washington-Pyongyang high-level talk. Four party talk is also needed to build the foundation of peace system on the Korean Peninsula.

But in terms of strategy, Seoul need not give an impression that it is making a great deal of effort to promote Seoul-Pyongyang one step ahead of Washington-Pyongyang relations. Overemphasis on inter-Korean relations can be taken advantage of by Pyongyang to drive a wedge between Seoul and Washington. These three-track talks need not be proceeded at the same pace. Different pace could be useful in making a synergy effect in reaching a final destination of normalization of ties among Seoul, Washington, and Pyongyang. It is important to remind Pyongyang of the fact that the one that can help Pyongyang in real term is Seoul while Washington-Pyongyang talk is making a progress.

## Conclusion

Comprehensive approach is designed to lead North Korea to escape from ideological deadlock and to create situation which benefits all related countries. If the U.S. promotes comprehensive approach toward North Korea as an official policy, Pyongyang is likely to sustain development of WMD as a leverage to ensure its survival and promote improved relationship with Washington by minimal concession in a bit-by-bit manner. Accordingly, Seoul-Pyongyang relations would be affected by the progress made in Washington-Pyongyang relations, which make us believe that only a limited improvement is possible between the South and North Korea.

Given this prospect, following policy considerations will be of importance. First, an active effort is needed to persuade the U.S. Congress that is suspicious of the effectiveness of engagement policy toward Pyongyang. One of the major characteristics of the November election of 1994 is election of young candidates who were born after the Korean War. This trend continued until 1998 election<sup>7</sup>. This trend is not simply a matter of natural shift in generation, but implies change in policy orientations of these new generation members. That is, members of Congress who have not experienced military service and do not understand the situation of Korea are likely to see Korea issue mainly through economic and commercial perspectives, and as a result, less likely to support Seoul's policy toward Pyongyang. This suggests the need for strengthened effort to persuade senior members of the Congress, and develop new ways of persuading members of post-war generation.

Second, active role of China and Russia might be important. Recent approach to Pyongyang by Beijing and Moscow must have

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<sup>7</sup> The proportion of members of Congress elected in 1994 has increased from 3% of 1992 to 6% in the case of the Senate, from 18.9% to 28.9% in the House. Among the members of Congress, those who served in the military make up 0% in the Senate and 9% in the House. In contrast, out of members that belong to pre-war generation (born before 1950), those who finished military service make up 55.8% in the Senate and 48% in the House. This trend continued in the 105th Congress and is expected to continue. Kim, Sung-han. "Measures to promote Congressional diplomacy: focusing on post-war generation." IFANS, April, 1995

something to do with a sour mood in the U.S.-Russia and the U.S.-China relations, but Beijing and Moscow can affect Pyongyang in promoting reform and opening of North Korea and in deterring hostile activities. Strategic alliance between China and Russia need to be induced to ensure change in North Korean system and cooperative policy toward Seoul. This effort would be important to remove obstacles to the adoption of comprehensive approach.

Finally, a new role has to be given to the U.S. Armed Forces in South Korea. Considering the fact that NATO's role has expanded despite the end of Cold War, the end of Pyongyang's threat would not mean the end of Korea-U.S. military alliance. Since the issues involving the status and the role of U.S. Armed Forces will be raised with the improvement of Seoul-Pyongyang relations, Seoul and Washington need to discuss in advance how to adjust military alliance between Korea and the U.S. in a way to contribute to the stability and peace in Northeast Asia.<sup>8</sup>

<sup>8</sup> Sung-Han Kim(May 26~27, 1999). "US Military Presence in a Unified Korea," presented at the Conference on "Stability and Security on the Korean Peninsula: Developing a Research Agenda," University of California at San Diego.