

Examining the U.S. and North Korea's Policy Decision-making Processes

by

Ey Soo Kim

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Richard W. Chadwick, Chairperson

Jungmin Seo

Kate Zhou

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University of Hawaii at Manoa

Abstract

This study examines the U.S. and North Korea's policy decision-making processes during the first North Korea nuclear crisis in 1994 when the U.S. and North Korea came to the brink of war, putting the dread of enormous economic and political burden on the shoulders of the former and cornering the latter due to fear that the regime would collapse. One of the main purposes of this study is to examine how North Korea and the U.S. narrowly escaped from imminent military confrontation during this crisis, to contribute to diplomacy rather than military confrontation. To do this, prospect theory will be exploited to construct a cognitive model to (1) describe the situational context, (2) to explore and analyze the decision-making process shaping U.S. policy regarding North Korea, and (3) to interpret North Korea's nuclear policy, which repeated confrontation and engagement against the United States. For this, two theses using prospect theory will be compared in great depth. One was written by an American, Furches, who applied prospect theory to examine U.S. President Clinton's decisions in 1994 to use or not to use preventive force against North Korea. The other was written by a Korean, Hwang, who used prospect theory to analyze North Korea's nuclear policy during the first North Korean nuclear crisis in 1994. Both value prospect theory as an useful framework for examining U.S. and North Korea policy decision-making processes with a American or

Korean perspective while trying to modify the theory either with the relevance of “rational choice” explanation or the way to emphasize domestic factors with two-level³ game theory.¹ My study concludes that prospect theory is useful for explaining the complex decision-making processes of both the U.S. and North Korea around the nuclear crisis issue. However, this study also found that prospect theory needed to be more developed if it was to explain how the decision maker’s selection of policies is made; the updated version of cumulative prospect theory is considered as a possible alternative. And as a way to analyze the decision-making processes this study examines the U.S. and North Korea face-saving processes during the first North Korea nuclear crisis, defining the meaning of “face” as the decision maker’s reputation in both domestic and international relations situations. In addition, the face-saving process is understood as the process for the protection of face against expected face-losing. This study concludes that (1) decision makers’ face perception is one of the most important factors for arriving at a final decision regardless of the domain area and then (2) situational face-saving process analysis is a value consideration that goes well beyond the specific situation, anticipating future situation.

¹ . Robert D. Putnam, “Diplomacy and Domestic Politics: The Logic of Two-level Games,” *International Organization* 42, no. 3(Summer 1988): 427–60.

I. Introduction

Since the Barack Obama administration was inaugurated in the U.S. in January 2009, North Korea's brinkmanship policy of firing rockets and conducting nuclear tests and the U.S. responses to these actions have been a key concern for all South Koreans because this policy and the U.S.'s responses could seriously affect the lives of people on the Korean peninsula. The U.S. and North Korea have seemed to try a diplomatic solution, although it has been challenged in face of few serious crises and both countries do not rule out military options. This study commences with the assumption that both countries' decision-making processes have an understandable pattern that might be useful for keeping the worst-case scenario from being realized in the form of a second Korean War on the peninsula.

During the process that divided Korea into North and South Korea after the Korean War, the Korean peninsula became a symbolic site of the Cold War. During that era, for both Koreas, national security matters had the highest priority for the states' survival. As analyzed by the constructive realists,² North Korea depended on a strong relationship with the Soviet Union and China against the allied U.S. and South Korea during the Cold War period. While the political topography of North East Asia rapidly changed following the end of the Cold War, North Korea's institutional system, set up during the Cold War era, was unchanged, and the North Korean leadership continued to

² . Kenneth Waltz, *Theory of International Politics* (Reading, PA: Addison-Wesley, 1979).

depend on the survival style of that era. Accordingly, North Korea not only did not give up the power balance strategy but also simply replaced the strategy that relied upon its strong allies with a nuclear weapons development program. As the result, even though North Korea has somewhat successfully achieved military deterrence for national security purposes, simultaneously the country has been a victim of a disastrous economic collapse. In sum, North Korea has survived through the posture of nuclear deterrence and a failed economy since the 1990s. And this special condition of North Korea must influence its policymakers to act differently from the general rational actors. Another important factor that would determine the character of North Korea's decision-making processes is whether North Korea is a failed state or not. If North Korea is a real failed state, then its policy analysis might not be difficult, and there might not be any other alternatives except crisis policy decisions. However, if not, then North Korea's crisis policy is not an imperative. Dr. Rotberg introduced the failed-state theory by suggesting several indicators expressing states' weaknesses and failures,³ especially emphasizing that most failed states suffer due to leadership mistakes, as the following quotation discusses:

State failure is largely manmade, not accidental. Institutional fragilities and structural flaws contribute to failure, but those deficiencies usually hark back to decisions or actions of men (rarely women). So it is that leadership errors across

³ . Robert I. Rotberg, "Failed States, Collapsed States, Weak States: Causes and Consequences," in Robert I. Rotberg, ed., *State Failure and State Weakness in a Time of Terror* (Cambridge, MA: World Peace Foundation and the Brookings Institution Press, 2003), 1–29.

history have destroyed states for personal gain; in the contemporary era, leadership mistakes continue to erode fragile polities in Africa, Asia, and Oceania that already operate on the cusp of failure....⁴

However, in the case of North Korea, even though it is often described as a failed state, North Korea is the longest-surviving one-family dictatorship country. Due to the role of leadership in a dictatorship state, North Korea leadership is a more important factor for the regime than in the case of any other state, which is why it is not easy to judge North Korea either as a failed state or its dictatorship as mistaken leadership. Despite fragile economy and successive crises, the North Korean leadership has demonstrated a good ability to control the country and survive, and on security issues it demonstrated extremely good performance as exemplified by its successful high-tech rocket launch. This peculiar characteristic is one of the important factors to be considered while analyzing North Korean policymakers' decision-making; it also makes North Korean matters more ambiguous. This study deals with U.S. and North Korea policy decision-making processes during the first Korean peninsula nuclear crisis in 1994. At the time, President Clinton seriously considered using preventive force such as surgical air strikes on Yongbyon, and North Korea might not have ruled out using military force to ensure the regime's survival. Prospect theory is a situational analysis of decision making and risk taking, focusing more on decision making under risk, predicting that

⁴ . Ibid.

individuals are risk-averse when they are in a domain of gains and risk-acceptant when they function from a domain of loss. It will be applied to the North Korea and U.S. policy decision-making processes during the first North Korea nuclear crisis in 1994 for the following reasons. Firstly, North Korea is not a general rational actor making utility-maximizing decisions based on cost-benefit calculations in terms of the country's historical and political backgrounds. Secondly, North Korea and the U.S.'s policy decision-making processes regarding the first nuclear crisis were not decided under a normal situation but a serious risk situation. Thirdly, is it possible for rational actors to have reliable data for the exact cost-benefit calculation under the interrelated dynamics situation between U.S. and North Korea based on the predictions of the counterpart's expected behaviors?

II. Prospect Theory

According to Kahneman and Tversky, prospect theory analyzes decision makings under conditions of risk. They observed that behaviors of most individuals' actual choices under risk have exhibited several effects that are inconsistent with the basic tenets of the expected-utility theory.⁵ Considering such inconsistency between theory and reality, Daniel Kahneman and Amos Tversky formulated prospect theory as an alternative theory of decision under risk. According to them, the overall asset position

⁵ Daniel Kahneman and Amos Tversky, "Prospect Theory: An Analysis of Decision Under Risk," *Econometrica* 47 (March 1979)

matters in principle, but “the preference order of prospects is not greatly altered by small or even moderate variations in asset position.” They found that people make their decisions in terms of changes in assets rather than levels of wealth and welfare. The reference point is taken to be the status quo or one’s current assets in most cases, but in some cases, “there are situations in which gains and losses are coded relative to an expectation or aspiration level that differs from the status quo”⁶ And they found that when people make decisions based on this reference point, they do not respond to gains and losses in the same way and tend to be risk-averse with respect to gains and risk-acceptant with respect to losses. Kahneman and Tversky also found that people overvalue losses relative to comparable gains, so that the pain of losses exceeds the pleasure from gains, which means that people over-evaluate current possessions and show a tendency to be loss-averse and remain at the status quo.⁷ In addition to it, people frame outcomes in terms of a reference point and differentiate losses from gains, so the identification of the reference point is critical in exploring problems of choice.⁸ Adjusted to international politics, prospect theory suggests that the state that has losses or expects to lose something has a higher probability of risk-taking in foreign policy to recover or prevent the loss because the state has a loss-averse characteristic to maintain the status quo. In

⁶ Daniel Kahneman and Amos Tversky, “Prospect Theory: An Analysis of Decision Under Risk,” *Econometrica* 47 (March 1979), 277, 286

⁷ Tversky, Amos and Daniel Kahneman, 1986. “Rathional Choice and the Framing of Decisions,” *Journal of Business*. 59(4)

⁸ Tversky, Amos and Daniel Kahneman, 1991. “Loss Aversion in Riskless Choice: A Reference Dependent Model,” *Quarterly Journal of Economics* 106 (4).

contrast, a state is likely to refrain from risk-taking policies to avoid losing the gains. In sum, the argument of prospect theory for international politics maintains that policymakers' foreign policy decisions have a certain pattern, depending on the leader's situation recognition, as follows: in a situation of gain, risk-aversion occurs; in the opposite situation, risk-taking occurs. This study will also consider the availability of cumulative prospect theory⁹ as a revised version of the original prospect theory for decision-making processes.

III. North Korea and U.S. Decision-making Analysis Based on Prospect Theory

This study explores two theses to examine North Korea and U.S. decision-making analysis during the first North Korea nuclear crisis using prospect theory and critically examines the applicability of prospect theory in terms of situational analysis. One of the theses is "Presidential Decision Making: When Do U.S. Presidents Use Preventive Force to Counter Nuclear Proliferation?," written by Amy King Furches (2007), which applies prospect theory to examine U.S. presidential decisions in 1994 regarding the use of preventive force against North Korea. The other is "Weaker States, Risk-taking and Foreign Policy: Rethinking North Korea's Nuclear Policy," by Hwang (2005), which analyzes North Korea's nuclear policy during the first and second nuclear crises based on prospect theory.

⁹ . D. Kahneman and A. Tversky developed the advanced prospect theory, cumulative prospect theory, in 1992. Prospect theory is being increasingly elaborated, researched, and applied, creating a new area for various studies and analysis as well as for longer-term strategic thinking.

Analysis of Furches's Thesis Based on Prospect Theory

Furches examines U.S. presidential decisions and their circumstances to use or not to use preventive force to counter nuclear proliferation to hostile states, applying the prospect theory which emphasizes the context of the decision-the circumstances in which the individual operating determines the choice selection. According to Furches, there are four cases in which U.S. presidents considered using preventive force to combat nuclear proliferation to a hostile state. One of them is President Clinton's consideration of preventive air strikes against North Korea's nuclear reactor at Yongbyon in 1994. She also mentions that her study found that Clinton was operating from a domain of gains when he rejected preventive force as a method of counter proliferation although a rational choice explanation cannot be ruled out.

To understand the circumstances that influenced President Clinton's decision making on the use of preventive force, she focuses on Clinton's decision-making process to return to the negotiation table from the consideration of surgical air strikes to Yongbyon. Through a case study of the first North Korea crisis, she summarizes the event and historical context that triggered the president to consider using preventive military force and then discusses the range of options considered and the decision-maker's perception of the likely consequences and level of risk associated with each option. She also examines the president's operating domain, determining if the president was in a position of gains or losses when the decision was made on preventive force.

Then she analyzes the president's decision to reveal the application of prospect theory with a comparison to rational choice theory.

President Clinton took office in January 1993. During the first two months of Clinton's first term in office, North Korea instigated a nuclear crisis when the country announced its intention to withdraw from the Nuclear Non-Proliferation treaty (NPT). During the presidential campaigning period, Clinton suggested the importance of non-proliferation. Later, in his January 1994 State of the Union address, he emphasized the goal of a non-nuclear Korean peninsula as a key foreign policy objective.¹⁰ The North Korea nuclear crisis was a big test for President Clinton, who, during the campaign, had been criticized for his inexperience in foreign issues. Furches guesses that Clinton was in a domain of losses when the North Korea crisis began in May 1994. Though Clinton had enjoyed a "higher success rate with Congress than any President in his first year since President Eisenhower in 1953," his presidential approval ratings did not reflect these successes. Domestically, the Whitewater investment investigation, a lawsuit from Paula Jones, and intense Republican opposition to healthcare reform were the major issues Clinton faced in the months leading up to his June 1994 decision on North Korea's nuclear program. In terms of foreign affairs, Furches estimates that Clinton was in a domain of loss at the time of his decision on the North Korean nuclear issue because

¹⁰ . Michael R. Gordon, "Pentagon Begins Effort to Combat More Lethal Arms in Third World," *New York Times*, December 7, 1993, A15; *State of the Union Message from the President of the United States* (Washington, DC: U.S. Government Printing Office, 1994).

Clinton had highly publicized failures in Haiti and Somalia eight months earlier in October 1993. A September 1993 *New York Times*/CBS poll found that 52 percent of Americans approved of Clinton's handling of foreign affairs, but after the disastrous mission in Somalia, 61 percent were uneasy about Clinton's approach in dealing with foreign crises.¹¹ Although Furches points out that Clinton was in a domain of loss when North Korea began to defuel its 5-megawatt reactor at Yongbyon, she thinks that Clinton's evaluation and understanding of the consequences of the available military option changed. Both his view of the situation and the domain from which he framed were transformed in the time between Pyongyang's commencement of defueling and the president's decision on how to respond to the defueling.¹² Furches believes that the turning point when Clinton changed his view was related to the discussions among his defense staff. On May 18, as a sanctions package was being pulled together and military preparations continued, Perry and Shalikhshvili called together every active four-star general and admiral in the U.S. military to discuss support for General Luck's war plan for Korea. Topics up for discussion covered troops, materiel, and logistics, in particular "details of preparatory deployments of troops and transport from other commands, the shifting of U.S. aircraft carriers and land-based warplanes closer to the Korean coast, and

¹¹ 10. Thomas L. Friedman, "U.S. Vision of Foreign Policy Reversed," *New York Times*, September 22, 1993, A13; Werren Strobel, "Foreign Policy Mars Clinton's First Year. Clinton Fails to Define Foreign Policy in First Year," *Washington Times*, November 9, 1993, A1.

¹² . Amy King Furches, "Presidential Decision Making: When Do U.S. Presidents Use Preventive Force to Counter Nuclear Proliferation?" (PhD diss., The George Washington University, 2007).

plans for massive reinforcements-deployment of roughly half of all U.S. major combat forces-if hostilities actually got under way.”¹³ On May 19, Perry, Shalikashvili, and Luck informed the president of the costs and consequences if the nuclear crisis escalated to military conflict and then potentially to general war with North Korea.¹⁴ At this meeting, Luck told Clinton that the U.S.-ROK chances against North Korea in a conventional war were good but success would be costly. In the first ninety days, the general estimated that “there might be 52,000 U.S. military casualties, killed or wounded, and 490,000 South Korean military casualties . . . at a financial outlay exceeding \$61 billion, very little of which could be recouped from U.S. allies.”¹⁵ Overall, U.S. officials estimated that the damage caused by a second Korean war would be in the range of a million lives and a trillion dollars.¹⁶ The following day, May 20, now armed with information regarding the human and economic costs likely to result from a war with North Korea, Clinton held a meeting with his senior advisers to discuss the crisis.¹⁷ As a result of the meeting, Clinton changed his strategic direction, asking Pyongyang to join the negotiations and attempting to set up a direct meeting between Kim Il Sung and Senators Sam Nunn and Richard Lugar. Furches observes that the timing of the abrupt change—just after learning of the enormous consequences of a war with North Korea—suggests Clinton altered his

¹³ . Oberdofer, *The Two Koreas*, 313.

¹⁴ . Ibid., 315.

¹⁵ . Ibid., 315.

¹⁶ . Furches’s interview with a former U.S. military official.

¹⁷ . Oberdofer, *The Two Koreas*, 315.

direction because he hoped to avoid the risks associated with an option that could escalate to war. Additionally, she maintains that whereas the president initially framed the situation in terms of the threat of North Korea's nuclear weapons: the awareness of the enormous war cost guided him to frame the situation in terms of the casualties and economic damage. The frame change resulted in a change of domain, which means that Clinton began to see himself in a domain of gains from the perspectives that the current status quo, in which no war was waged and no lives had been lost, was satisfactory compared to the near certainty of some level of military retaliation that choosing sanctions or preventive strikes would entail. Furches's explanation about this very important turning point indicates that she is claiming that prospect theory or rational choice theory is not sufficient in itself and that prospect theory has limitations in explaining the change in the situation itself and needs to be developed.

While prospect theory illuminates the significance of Clinton's frame change and subsequent policy shift, this theory does not preclude a rational choice explanation of his decision making during the crisis. For example, if Clinton's concerns of the human and economic toll of a war—devastation resulting from the loss of a million lives and a trillion dollars—were the reasons he decided to return to negotiations instead of pursuing sanctions that could lead to war, the rational actor model and prospect theory offer plausible yet contradictory explanations. While a prospect theory explanation posits that Clinton returned to negotiations because his frame changed and his domain shifted to

gains, causing him to choose the most cautious option, the rational actor model would hold that Clinton, upon learning the details of the probable consequences of war, did a cost-benefit calculation, which then caused him to step back from sanctions and preventive strikes.¹⁸ Like this, when Furches tries to explain Clinton's decision-making for the important turning point situation with the combined both theories, his analysis seems to be more based on the result of the cases than the prospect he tried.

Analysis of Hwang's Thesis Based on Prospect Theory

Hwang's thesis, "Weaker States, Risk-Taking, and Foreign Policy: Rethinking North Korea's Nuclear Policy," deals with North Korea's decision-making process for the country's nuclear policy based on prospect theory. In the early 1990s, the security environment on the Korean peninsula lost its power balance, passing through the end of the Cold War era, creating a security environment for North Korea that threatened its regime survival. During the Cold War era, North Korea had seriously depended on the Soviet Union for security and economic aid. Accordingly, the collapse of the Soviet Union was considered a critical juncture and turning point for foreign policy change against North Korea, which would have enormous and continuing influence on North Korea since then. In this new environment in the lack of the military and economic safety net provided by strong allies, North Korea tried to maintain its existing survivor method by asking for generous support from China only to be rebuffed. At that time, North

¹⁸ . Furches, "Presidential Decision Making"

Korea's foreign relations circumstances were rapidly changing while the international status of the country's rival, South Korea, was improving. South Korea opened new diplomatic relationships with Russia, China, and other key allies of North Korea. As a result, support from North Korea's allies was reduced. Especially, the domestic energy situation was critical; it made the North Korean leader uneasy and insecure. North Korea's GDP had also dropped around 10 percent every year since 1991. During this critical situation, North Korea's policymakers had few options. One was to create a new relationship with the U.S. and South Korea, preparing for changes of the society based on the Cold War concept, in which the country had depended on the Soviet Union and China. Another was to develop nuclear weapons and try to set a different level of power balance by itself in the peninsula, driving crisis diplomacy for survival. Although North Korea's power balance strategy seems to be meaningless in the general view, the North Korean leadership's tough decision against the only world superpower, the United States, was made from the perspective of a constructive realist-style balance strategy. At that critical juncture, if North Korea had tried to create a new policy based on a new recognition of the international situation instead of adopting a self-reliant nuclear development policy, the current North Korea situation might have been totally different. However, when North Korea lost many things such as aid from the Soviet Union and China and their military deterrence, which had created a power balance during the Cold War era for the Korean peninsula, the North Korean policymakers might have thought they had lost the

status quo in the prospect theory perspective. Hwang maintains that North Korea's reference point at that time was that it would live with stable foreign aid under the protection of the Northeast power balance in the Cold War era. Accordingly, when the North Koreans thought of losing this power balance and aid and the survival of the regime was not guaranteed, the North Korean policymakers decided, Hwang analyzes, to select a risk-taking policy. And the policy determination was connected with the first North Korea nuclear crisis. In June 1994, the IAEA (International Atomic Energy Agency) imposed sanctions on North Korea. As a result, North Korea withdrew from the IAEA. The U.N. Security Council discussed the North Korean issue and the tensions in the Korean peninsula were creating fears of a second Korean War. The most sensitive matter in North Korea at that time was the rumor that the U.S. was considering surgical strikes on suspicious nuclear sites. Furthermore, U.S. citizens in Seoul at that time participated in an evacuation drill as a contingency plan. A military collision with the U.S. could put North Korea in a strategic dilemma. If North Korea tried to counter-attack as revenge for U.S. surgical strikes, an all-out war could break out and would result in the collapse of the regime. If North Korea did not counter-attack, North Korea would have to give up its crisis policy, and the regime would face a new dilemma, worrying about a regime change. Furches supplemented rational actor theory to explain President Clinton's dilemma and his policy change at that time, arguing that Clinton's awareness of the enormous loss if status quo changed his domain and decisions to go to the negotiation

policy. In opposition, Hwang's analysis of North Korea policy determination at that important time arranges a hypothesis, "the preference reversal under catastrophic situation," in which if North Korea perceived military confrontation to be imminent, the leadership would be more likely to be risk-averse in the domain of extreme losses and thus pursue a less risky nuclear policy to avoid the catastrophic outcome of war, that is, the collapse of the regime.¹⁹ Hwang tried to add one more condition to prospect theory to explain the North Korea policy change from the confrontation to the negotiation unlike Furches's assertion that it included the rational actor model explanation of Clinton's sudden policy change in the situation of expected enormous loss. Hwang summarizes the North Korean situation and its domain as follows in terms of prospect theory:

In short, in 1994 North Korean leaders began to perceive the situation as becoming extremely worse to the extent that direct military confrontation with the U.S. might occur. As explained, there was a high probability that military confrontation with the U.S. would lead to a major war on the Korean peninsula and result in the end of the North Korean regime, the outcome that North Korean leaders wished to avoid. As Kim Il-Sung and Kim Jong-il acknowledged, North Korean leaders were situated in the domain of extreme losses in June 1994. Prospect theory predicts that if national leaders see themselves in a catastrophic situation (i.e., in the domain of extreme losses), they become risk-averse to avoid a worst-case scenario

¹⁹ . Jiwan Hwang, "North Korea Nuclear Policy Change Analysis by Prospect Theory," *Kukjejongchinonchong* 46 (2006): 79–101.

and are not likely to accept the risk associated with the catastrophe. Just so, as the domain of action moved toward catastrophic loss, Pyongyang's risk-taking attitude also moved from risk-acceptant to risk-averse. North Korean leaders suddenly became risk-averse in June 1994 and tried to avoid a worst-case scenario.²⁰

The conditional statement in Hwang's thesis, "the preference reversal under catastrophic situation" may be understood to be similar to Furches's explanation with the rational actor model. If there is any difference, while Furches interpreted Clinton's domain change from the loss to the gain when he was informed about the possible huge casualties of lives and enormous cost, Hwang interprets North Korea's domain change from loss to extreme loss when Kim Il-Sung realized a regime collapse was possible due to imminent war with the U.S. In addition, Hwang tries a situational explanation to analyze the turning point situation rather than use the rational actor model to explain the situation (as Furches does), when he emphasizes that "the preference reversal under catastrophic situation" depends on the domestic situation. That is, if North Korea recognized its domestic situation was at the point of deciding the regime's survival, then the country may have become externally risk-acceptant and chosen a risky nuclear policy to maintain the domestic status quo. This implies that if the regime's domestic control becomes unsustainable, then the country's domestic situation is more likely to determine North Korea's policy decision. However, if the domestic

²⁰ . Jihwan Hwang, "Weaker States, Risk-Taking, and Foreign Policy: Rethinking North Korea's Nuclear Policy, 1989-2005" (PhD diss., The George Washington University, 2005).

control was still strong enough to manage domestic challenges, then the international situation was more likely to determine North Korea's policy (Hwang 2005). Emphasizing the role of domestic politics in the decision-making process based on two-level games, Hwang seems to supplement the explanatory power of prospect theory²¹.

Reconsideration_of Prospect Theory

As Furches writes that the 1994 North Korean nuclear crisis presented President Clinton with one of the gravest foreign policy problems of his eight-year tenure in the Oval Office, she analyzes the situational contexts of Clinton's decision making against North Korea issue based on prospect theory. While her situational analysis of the historical context of North Korea and U.S. options formulation is properly organized with prospect theory, she explains the important turning point that Clinton returned to the negotiation table not by prospect theory but by rational choice theory. Hwang also seems to have some difficulty explaining North Korea's domain change with the prospect theory view although he mentions "the preference reversal under catastrophic situation depending on the domestic situation." That's why Hwang tries the additional explanation to the turning point situation of domain change by asserting that if the regime's domestic control becomes unsustainable, then the country's domestic situation is more likely to determine North Korea's policy decision; however, if the domestic control is still strong enough to manage domestic challenges, then the international situation is more likely to

²¹ "When the outcome of risky choice is too catastrophic, the standard hypotheses of prospect theory may not be applied without additional considerations" (Hwang, 2005, p79)

determine North Korea's policy. This study observes that the prospect theory Furches or Hwang applies needs to modify with the ways such as elaborating the factors of determination for the domain of actors especially when it deals with international studies and analysis composed of various variables and dynamics. Furches or Hwang's considerations for each country's domestic and foreign situations had difficulties in explaining the entire situation the decision makers recognize. This study observes that a new version of prospect theory, cumulative prospect theory (CPT),²² might be meaningful as an analysis tool for Clinton's policy-making processes with its distinctive fourfold pattern of risk attitudes.²³ One of the differences in Tversky and Kahneman's new version of prospect theory is that the fourfold pattern of risk attitudes depends on the level of probability: (1) risk aversion for gains of high probability, (2) risk seeking for losses of high probability, (3) risk seeking for gains of low probability, and (4) risk aversion for losses of low probability. The most interesting thing to apply this to Clinton is that people have a risk-seeking tendency for losses of high probability.²⁴ In the 1994 crisis with North Korea, Clinton was positioned under risks expecting losses with the situation of either imminent military confrontation or nuclear war with North Korea in

²² . Daniel Kahneman and Tversky, Amos, "Advances in Prospect Theory: Cumulative Representation of Uncertainty," *Journal of Risk and Uncertainty* 5 (1992): 297–323.

²³ . Note: The major differences between CPT and prospect theory are as follows. CPT (1) is applied to uncertainty and (2) confirms a distinctive fourfold pattern of risk depending on the low or high probability.

²⁴ . Note: For example, to avoid more confirmed \$1 million loss, people have the tendency to select the combination of \$3 million loss with 50% probability and no loss with 0% probability regardless of the expected cost.

the near future. When this theory is applied to Clinton's situation, the probability of the loss by immediate military confrontation or the risk by North Korea with nuclear weapons in the near future was high. Clinton finally chose the diplomatic solution, which follows the CPT pattern of risk attitudes because he selected more dangerous risk (considering the expected cost of possible nuclear war) to avoid a less costly but more certain risk (considering the expected cost by immediate military confrontation), which categorizes his selection as the pattern (2) risk seeking for losses of high probability. However, while CPT might be meaningful for the decision-making processes, calculating the level of probability determination is not an easy task. Furthermore, it might be more difficult in the case of the North Korean decision-making process. That is why this study leaves the application of CPT for a future study.

This study assumes that the domains in which actors behave and recognize also can be mainly influenced and formed by their self-image reflection, depending on the gain or loss of the faces they recognize. The decision maker's face is not as the same as the national face and is different from a national consensus. However, the decision maker's face is politically important and is directly connected with the decision maker's recognition of the domain. Prospect theory is a situational analysis and asserts that actors can behave in a way that makes sense to them. In addition, the domestic situation or international situation that policy decision makers consider to decide the domains influences the face that decision makers recognize. This study assumes that although a

particular situation does not change domestically or internationally, if the decision makers don't recognize that they lost face by the interactions reflected by the decision makers' counterparts and think they are successful in face-saving, then the decision maker's policy selections might have a risk-averse propensity regardless of the domain of loss or gain. Under this assumption, this study will examine the situation of the turning point whether North Korea and U.S. decision makers changed their domain so that they went to the negotiation table. In addition, this study will try to find if there any face-saving process occurred during the North Korea nuclear case in 1994. This study assumes that the face-saving process is an important factor for domain decisions, and it is possible for states to select risk-acceptance policies even in a catastrophic situation, unless the face-saving process is properly working.

IV. Reading the Situation through the Face-saving Process

To analyze the decision-making processes, this study suggests that the face Clinton recognized mainly influenced his decision selection. In the situational analysis, prospect theory, the decision of the domain is the most important work, but sometimes deciding the domain is not clear, as shown in Clinton's domain around the period of the 1994 North Korea issue. This study assumed that the face analysis is available to understand the decision making, especially in the case of mixed domains. Situational face-saving process analysis is useful for understanding the situation that existing

prospect theory does not explain. Clinton was perplexed with decision making in 1994 as he described the North Korean nuclear crisis as “by far the biggest foreign policy issue” in June that year.²⁵ He considered how to preserve the security of the U.S. by preventing the North Koreans from becoming a nuclear power without provoking a second Korean War. However, refraining from preventive strikes also risked providing the North Koreans with the time to develop a nuclear arsenal. On the other hand, launching preventive strikes at Yongbyon would possibly have achieved the policy goal of preventing North Korea from building a nuclear weapon within a short time. Accordingly, although Clinton had no intention of giving up a diplomatic solution, he needed to manage through his policy selection in the face-saving process, bluffing that he did not rule out the military action. Ting-Toomey defines face as “the interaction between the degree of threats or considerations one party offers to another party, and the degree of claim for a sense of self-respect (or demand for respect toward one’s national image or cultural group) put forth by the other party in a given situation.”²⁶ Brown understands face as “the image one projects of oneself or one’s national image in a public forum.”²⁷ In Ting-Toomey’s face-negotiation model, face has three types, the personal individual level, the national honor the diplomat represents, and the national face in relation to

²⁵ . William Jefferson Clinton, *My Life* (2005), 591.

²⁶ . Stella Ting-Toomey, *A Face Negotiation Perspective Communicating for Peace* (Sage, 1990).

²⁷ . B. Brown, “Face Saving and Face Restoration in Negotiation,” in *Book Title*, edited by D. Druckman (Beverly Hills, CA: Sage, 1977).

international politics. Ting-Toomey argues that face-saving measures have to do with anticipating the potential loss of face and are future-oriented.²⁸ In this study, the meaning of face means the decision maker's reputation in international and domestic situations and represents the national face at the level of international relations. In addition, the face-saving process means the process for the protection of face when preparing for the expected worst-case scenario. President Clinton had tried to save face with the image of a strong international leader in the nonproliferation issue during his campaign period. He had emphasized the importance of nonproliferation, then introduced a new policy of counter-proliferation in late 1993, and emphasized the goal of a non-nuclear Korean peninsula as a key foreign policy objective in the January 1994 State of the Union address.²⁹ Clinton also made several bold public statements suggesting that the U.S. might use military force to halt North Korea's nuclear progress.³⁰ In March 1994, when North Korea refused to allow IAEA inspectors access to the reprocessing plant, Clinton wrote that within a week of North Korea's refusal to let the IAEA inspectors complete their work and their threat to turn Seoul into a "sea of fire," he "decided to send patriot missiles to South Korea and to ask the UN to impose economic sanctions against North Korea."³¹ In addition to Patriot missiles, approximately one thousand additional troops were deployed to South Korea with a battalion of Apache attack helicopters, heavy tanks,

²⁸ . Ting-Toomey, *A Face Negotiation*.

²⁹ . Grodon, "Pentagon Begins"; *State of the Union Message*.

³⁰ . Wit, et al., *Going Critical* (Washington: Brookings Institution, 2004), 100.

³¹ . Clinton, *My Life*, 591.

Bradley fighting vehicles, and radar tracking systems to identify North Korean artillery, among other equipment.³² Even though Clinton did not have any concrete intention to use preemptive strike or any riskier policy, he maintained a tough stance against North Korea to save face, pretending to be a strong leader of the United States in world political topography. However, Clinton was driving North Korea into a corner during that period. As negotiation expert William Ury noted, “Superior power is useless, if it drives your opponent into a corner and makes him resist you with all his might. Leaving him a way out is a time-honored precept.”³³ If Clinton decided to select the preemptive strikes against North Korea and it escalated into war, he could have certainly lost face as a super-power’s president because U.S. forces casualties in Korea would have turned public opinions against him. He could then have become the most failed president in U.S. history who could not deal with a small nation’s issue and acted in a manner which endangered the lives of U.S. personnel stationed in Korea. Before losing face, Clinton needed to start the face-saving process in the context. When we think of his domain area in terms of prospect theory with face analysis, he was still in a domain of gain when North Korea began defueling because he had not lost face yet even though the possibility of losing face was heightened. One of the important factors in the face-saving process is to keep a counter-partner from losing its face, as a negotiation expert, Ury, advised:

³² . Oberdofer, *The Two Koreas*, 313.

³³ . Roger Fisher, William Ury, and Bruce Patton, *Seven Strategies for Treating Perception-or Framing-Problems* (Random house business book, 1991).

“[D]on’t drive [your] opponent in[to] the corner.” Accordingly, Clinton might have considered that North Korea needed a way out of the situation without losing face, just as Clinton wanted to save face. Under the circumstances, the way of saving face for North Korea without military confrontation was necessary for Clinton to save face. After recognizing the danger of losing face, Clinton offered to join Pyongyang in a third round of high-level negotiations and attempted to set up a direct meeting between Kim Il Sung and Senators Sam Nunn and Richard Lugar in hopes of communicating directly with North Korea leadership to ease the rising tension. However, the Nunn and Lugar meeting fell through, and the IAEA’s June 3rd declaration that North Korea had deliberately destroyed information that would reveal the operating history of the reactor prevented the meeting from taking place. Then, something interesting happened. Clinton declared, “They have triggered this, not the United States or anyone else. I just don’t think we can walk away from this.”³⁴ This means that Clinton was focusing on not losing face. It seems that he might have selected a riskier option such as going to war, regardless of his domain area, if the face-saving process did not work well.

The face-saving process needs a third party to help the process to be successful because both parties are not active to make the behavior of the face-saving due to the fear of losing face and both parties are reluctant to go first to exchange concessions not to lose face. In the case of the 1994 nuclear crisis, there was former president Carter. Although

³⁴ . Oberdorfer, *The Two Koreas*, 316.

Clinton knew that he might take a public-relations hit for even indirectly negotiating with North Korea, he blessed Carter's trip to North Korea. According to Poneman, Clinton felt the crisis had a better chance of being resolved diplomatically if the North Korean leadership was provided with a face-saving way out of the conundrum they had created by beginning to defuel the reactor.³⁵ This emphasizes the importance of a third party as a necessary factor for the face-saving process. In this context, unless a visit by the third party, former president Carter, to North Korea was realized, the crisis had a rare chance of being resolved peacefully. This case implies that the face-saving process is an important factor in deciding a decision maker's selection. Accordingly, at the turning point of the North Korea nuclear crisis, the face-saving process influenced Clinton's selection. Prospect theory explains that individuals over-value current possessions, so that they generally have a tendency to maintain the status quo. Prospect theory holds that individuals are risk-averse when they are in a domain of gains and risk-acceptant when playing from a domain of loss. Furches maintains that Clinton changed his domain of loss to the domain of gain after comprehending the enormous cost of war against North Korea and gave up a risk-acceptant selection. However, deciding the domain of the U.S. president for the analysis is not easy when considering the U.S. status as the only super-power country in the world and the country's multi-related international situation and complicated domestic situation. When the domain is not clear in any circumstance, the

³⁵ . Furches, interview with Daniel Poneman, 2005.

analysis by prospect theory seems to have the tendency that it depends on the result analysis as Furches could not rule out rational actor theory to explain Clinton's dilemma, indicating the limitations of prospect theory. However, it is easier to decide Clinton's domain with face analysis, by considering the face that Clinton recognizes himself. Clinton enjoyed a "higher success rate with Congress than any president in his first year since President Eisenhower in 1953 and a successful U.S. economy which had already produced more private-sector jobs than had been produced in the previous four years." Accordingly, his face as U.S. president was certain to be high in the domain of gain. However, when some of his foreign policy performances were not seen to be handled well, the North Korea case emerged a big challenge, and he must have worried about losing face. In the face-saving process, Clinton kept making strong remarks against North Korea and stayed in a bold position externally, even though he understood the huge cost that might result from the worst-case scenario with North Korea. However, unlike his intention, North Korea continuously maintained a confrontational policy against the U.S. and Clinton's concern about losing face was increased, as he worried about casualties in case of a military confrontation with North Korea. However, there were few options for Clinton to select not to lose face except a strong stance because changing to a soft policy might have been interpreted as weak volition and lacking power, and he might have lost face externally, to be seen as stepping back due to North Korean threats. That was Clinton's dilemma: if he gave a concession first without any punishment for North

Korea's provocation, then he would have lost face either in international society or in domestic publicity. However, the possible huge cost in case of a military confrontation also must be certain to put his face in severe danger whether North Korea collapses or not. Clinton needed a way to control the situation without losing face or losing U.S. lives in Korea. However, his active step for negotiation prior to the opponent's concession also was considered to be the behavior of losing face in the face-saving process. That is why Clinton blessed Carter's visit to North Korea. Face-saving process analysis provides understanding of the situation that is confused between the domain of gain and the domain of loss as in Clinton's case. Concerning the face-analysis for Clinton in 1994, press polls at the time showed interesting results.³⁶ First of all, Clinton's State of the Union address in 1994 was successful in terms of public favor when he emphasized the goal of a non-nuclear Korean peninsula as a key foreign policy objective. Accordingly, it was more difficult for Clinton to give up a tough stance against North Korea on the nuclear issue while trying to save face. According to the polls conducted by Princeton Survey Research Associates at that time, 69 percent of the respondents gave positive marks to his speech (see Chart 1).

³⁶ . Retrieved from <http://people-press.org/questions> (The Pew Research Center for the People & the Press Poll Database (Charts))

Second of all, the research results of the Clinton approval surveys collected in the first half of 1994 indicated that Clinton needed a face-saving process in the fear of losing face when the approval rates were falling gradually, while the public favored surgical air strikes for North Korea nuclear site were high and interest in the North Korea nuclear issue was deep. (See the table below.)

The research results of the Clinton approval and U.S. concerns of N.K surveys in 1994

| Month | Do you approve or disapprove of the way Bill Clinton is handling his job as president? * Approval rate (disapprove rate) | (1) Would you favor or oppose using air power in North Korea? (2) How closely did you follow North Korea nuclear issue? |
|---------|---|--|
| January | 51% (35%) | |
| March | 45% (42%) | |
| May | 46% (42%) | (1) Favor 59% (Oppose 31%) |
| Jun | 42% (44%) | (2) Close to 60% (not 40%) |

* See the Charts 2-7, a survey conducted by the * See Charts 2-7, a survey conducted by the *Times Mirror*. Methodology: Interviews conducted by Princeton Survey Research Associates, Supplied by the Pew Research Center for the People & the Press Poll Database.

This study also examines North Korea's situation in 1994 with face-analysis and face-saving analysis. During the Cold War, North Korean leader Kim Il-Sung did not perceive himself to be in the domain of loss due to the strong security guarantees of North Korea's two powerful allies, Soviet Union and China, although North Korea was in a continuous decline, compared to the South Korea. However, North Korea's external situation shifted dramatically at the end of the Cold War. Especially, compared to South Korea, which hosted the 1988 Olympic Games with the Soviet Union and China attended and succeeded in becoming a member of the United Nations, its face that North Korean leaders recognized was seriously damaged. Moreover, South Korea finally established diplomatic relations with the Soviet Union on September 30, 1990, and with China on August 24, 1992. These developments implied that North Korea had begun to lose the security guarantee of its two Cold War allies, while South Korea continued to enjoy its strong U.S. security alliance. Accordingly, North Korea lost face and the allies' economic assistance cutbacks forced North Korea to be in the process of losing face in the country's domestic situation, too. North Korea was in a domain of loss, and North Korea

tried to save face. A series of tough policies by North Korea around the period of the first North Korea nuclear crisis since then can be understood and interpreted in terms of face-saving process. Although North Korea sought to engage the United States, the country did not stop confronting the U.S. with the nuclear weapons program. North Korea needed a new relationship with the U.S. after the end of Cold War but had to develop one without losing face. Once the face-saving process started, it would be very difficult for Pyongyang to stop the process without any tangible success because stopping it meant losing face. Kim Il-sung once said that “pressure and threat do not work for us, and such methods cannot solve the problem but may drive the situation into a catastrophe. The U.S. should look straight at all the facts and behave with prudence.”³⁷ However, such brinkmanship as part of the face-saving process inevitably increased the risk of confrontation with the U.S., and worsened the crisis. In the case of a military confrontation with the U.S., Pyongyang might have faced a serious dilemma. If North Korea were to strike back against a U.S. attack, it was highly possible that the military conflict would escalate into a full-scale war on the Korean peninsula.³⁸ On the other hand, if North Korea did not respond to a U.S. military strike, the North Korean leader was certain to lose face, and it was very probable that the North Korean regime would suffer from serious trouble both internally and externally due to the perception of weak will and

³⁷ . “New Year’s Address,” *Rodong Sinmun*, January 1, 1994.

³⁸ . David C. Kang, “Threatening, but Deterrence Works,” in *Nuclear North Korea: Debate on Engagement Strategies*, edited by Victor Cha and David C. Kang (New York: Columbia University Press, 2003).

capability. In the position of the North Korean leader, losing face is a lethal problem because the regime depended on a dictatorship. Accordingly in the face-saving process after the Cold War, although the North Korea nuclear policy was a bad option escalating the possibility of a second Korean War, there was no other easy way out without losing face. Of course, there were several signals in the low profile that North Korea sent to the international community of the country's intention of escaping its worst-case scenario in its confrontation policies. Pyongyang emphasized Chinese leader Jiang Zemin's statement: "Patience is needed to solve such a complicated problem as the nuclear issue on the Korean peninsula . . . the door of talks is not closed but there is some room and possibility for dialogue."³⁹ Pyongyang especially stressed that "maintaining dialogue and negotiation is an efficient way of solving problems" rather than UN sanctions and military confrontations. Since the end of the Cold War, North Korea had been in the domain of loss and had tried a face-saving process. However, the face-saving process by North Korea was conducted in such a way that Pyongyang had confronted the U.S. with the nuclear issue through the early 1990s, because the North Korean leader's way of thinking remained in the Cold War era. However, Pyongyang was in a dilemma of either accepting catastrophe by continuous confrontation against U.S. or losing face, meaning a regime change by giving up North Korea's nuclear development. As Oberdorfer has explained, in the spring of 1994, the growing power of the forces arrayed against North

³⁹ . *Rodong sinmun*, June 11, 1994.

Korea strongly suggested that further escalation of tension would be dangerous and not necessarily to North Korea's advantage.⁴⁰ By the time Carter arrived, Kim Il-sung was seeking a way to end the crisis without losing face or surrendering his bargaining card, and the former president provided the means." The face-saving process is the policy performance in which unnecessary military confrontation could be avoided regardless of the situation under either a domain of loss or a domain of gain. In the case of Clinton, he was in a domain of gain, but when he recognized that he had lost face, he started the face-saving process. Without the face-saving process, Clinton might have decided to make a surgical strike in Youngbyun. Unlike Clinton, North Korea had been in the situation of a domain of loss since the end of the Cold War and started its face-saving process with nuclear development out of fear of losing face. But North Korea welcomed Carter's visit in hope of saving face to avoid a collapse of the regime. In North Korea, its food rationing standard is a key factor to check the face of the great leader. Since 1955, the standard had been gradually declining, and the food situation of North Korea was the worst since 1994 when the rationing standard lost its real meaning as shown in the below chart. As the deterioration of the food rationing system of North Korea symbolically displayed the plummet of the Great leader's face at that time, North Korea leader in 1994 was in desperate need of a face-saving process to reduce the fear of the regime change and to prevent it. And as the first North Korea nuclear crisis happened in 1994, the North

⁴⁰ . Oberdorfer, *The Two Koreas*, 336.

Korea leader recognized the gravity of the situation knowing that his face was severely damaged with food supply problem. Accordingly, his tougher stance against the strong enemy U.S. was the only choice for regime survival in terms of North Korea's situational context.

Change of North Korea food rationing standard.⁴¹

| Period | Standard for North Korea Food Rationing Amount | National Adults |
|---------|--|------------------------------|
| 1955-72 | Normal rationing: | 700 g a day |
| | Maximum 900 g for hard labor to 1,000 g for infants | 256 kg a year |
| 1973 | Deduction (4-day amounts) from monthly rationing standard in the name of wartime reserved food (approximately 13% decrease from the previous period) | 608 g a day 222 kg a year |
| 1987 | Approximately 10% decrease from the previous period | 547 g a day 200 kg a year |
| 1992 | Approximately 10% decrease from the previous | 492 g a day |

V. Conclusion

⁴¹ . Naewoe Tongshin Sa (NaeWoe News Agency, Seoul), *BukhansilsangJaryoJip* (Seoul Naewoe Tongshin Sa, 1995), 241.

Prospect theory explains the North Korea and U.S. decision-making processes around the first North Korea nuclear issue, when it describes the distortions of relative value and the distortions of actual risk taking (irrational risk aversion or risk accepting) about the situation. However, the theory is modified to explain the important situation when U.S. and North Korea came to the brink of war as shown in the work of Furches or Hwang. Furches returns to the original position of rational actor theory to interpret Clinton's domain change from a loss to a gain and Hwang adds the exceptional explanation to analyze the domain of North Korea from a loss to an extreme loss in the event of an important turning point when the situation of imminent military confrontation was changed to the diplomatic solution. This study observes that the situational analysis by prospect theory has limitations for analyzing domains and difficulties in telling the specific conditions for the domain decision especially in an extreme situation such as an imminent military confrontation. This study also reviewed a new version of prospect theory, cumulative prospect theory (CPT) for an analysis of the U.S. and North Korea decision-making processes. It observed that CPT might be a meaningful analysis tool because it has useful concepts such as its distinctive fourfold pattern of risk attitudes although CPT also needs to be modified for the analysis of decision-making processes in international relations field. However, prospect theory, as is shown in the CPT, will be increasingly elaborated, researched, and applied, creating a whole new area for international studies and analysis, as well as for longer-term strategic thinking. This study

found that a decision maker's perception of its own face is useful value for explaining the policy decision-making process on the middle of the way to look for an extension or addition to prospect theory. However, the face-saving is simply another value to consider as an application rather than as a supplement for the prospect theory. In negotiations where face saving is a factor there are in effect two games being played. One is the specific tactical one with decisions to be made about the development of nuclear capabilities. The other is the strategic issue of the cumulative impact on mutual respect of the parties in negotiation for each other the cumulative effects of respect (or disrespect) may shape the character of future negotiations. Face saving is a value consideration that goes well beyond the specific situation, anticipating future situations and starting positions when it is consistent with "path dependency."⁴² Face saving considerations, cumulative over time, alter what options will be available in future negotiations, hence face saving outcomes alter the path of future negotiations, perhaps even more than the specific settlements reached regarding the nuclear capabilities question, because those capabilities are largely prospective, not actual production, prospects which can be changed in future negotiations depending on the degree to which the parties to the negotiations respect one another. This study found that the face-saving process has a pattern. First of all, in the domain of the gain, the face-saving process starts from the

⁴² Paul Pierson and Theda Skocpol, "Historical Institutionalism, Contemporary Political Science," in *Political Science: State of the Discipline*, edited by Ira Katnelson and Helen V. Milner (New York: W.W. Norton, 2002), 693–721

perception of the fear of losing face such as seen in the U.S. case of the first nuclear crisis. However, the face-saving process starts from the perception about losing face in the domain of the loss in the case of North Korea. Second, the face-saving process style can be different depending on the domain area. The process is not active in the domain of gain, preferring the overreacting verbal remarks, speech, and media play as ways of the practical measures while another in the domain of loss is more active in the process of developing specific measures. Third, a successful face-saving process needs a win-win for all participants and exchanges of concessions; thus, a third party who will help the process is necessary because nobody wants to be the first to suggest concessions for the fear of losing face. Lastly, the face-saving process failure means that the worst result such as a war cannot be ruled out, regardless of the domain area or situation. However, these patterns also need to be developed with details about the condition for the face-saving process for a future study that includes CPT. This study has a meaningful revelation that the face-saving process played a valuable role in keeping war from occurring during the crisis. Thus, this study hopes that the development of a proper theory which can analyze decision-making processes of countries may contribute to avoiding future wars, thereby protecting many lives and preventing unnecessary sacrifices.

Chart 1

* Retrieved from <http://people-press.org/questions>

News Interest Index Poll, Jan, 1994

What grade would you give to President (Bill) Clinton for his (State of the Union) speech (January 25, 1994): A, B, C, D or fail? [Q.07C]

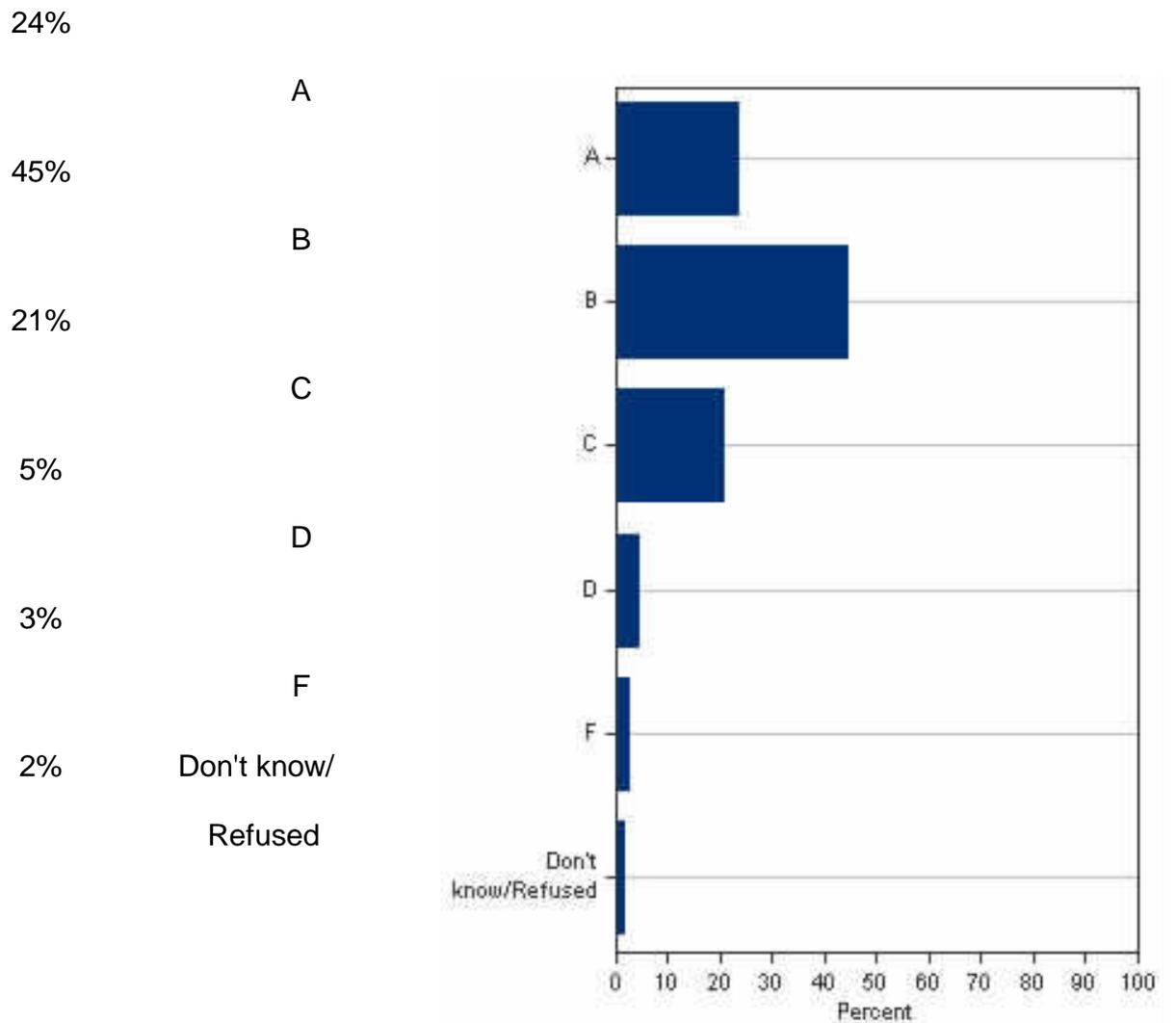


Chart 2

People & The Press--Mood of America Survey, JAN, 1994

Do you approve or disapprove of the way Bill Clinton is handling his job as president? [Q.01]

| | |
|----|--------------------|
| 51 | Approve |
| 35 | Disapprove |
| 14 | Don't know/Refused |

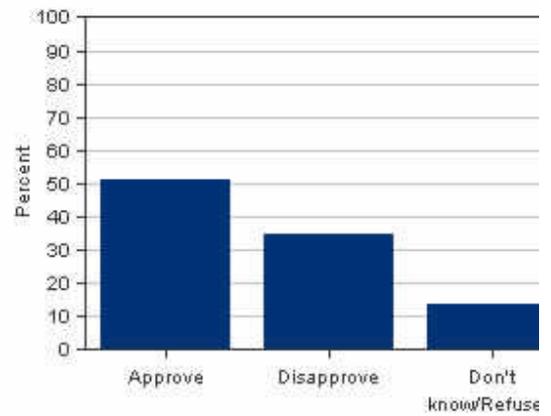


Chart 3

People & The Press--Mood of America Survey, Mar, 1994

Do you approve or disapprove of the way Bill Clinton is handling his job as president? [Q.01]

45% Approve
42% Disapprove
13% Don't know/Refused

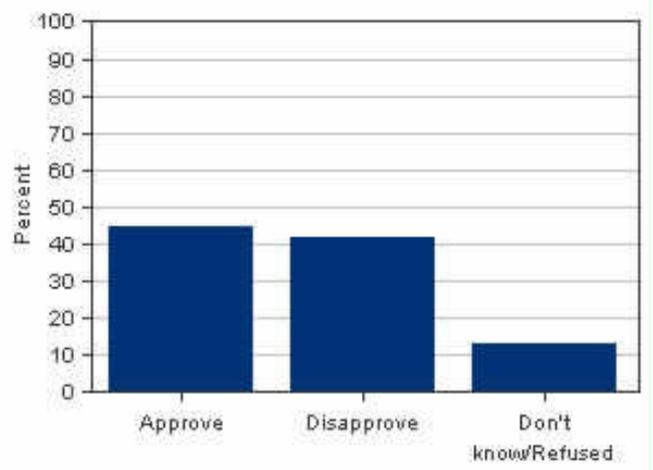


Chart 4

News Interest Index Poll, May, 1994

Do you approve or disapprove of the way Bill Clinton is handling his job as president? [Q.01]

46% Approve
42% Disapprove
12% Don't
know/Refused

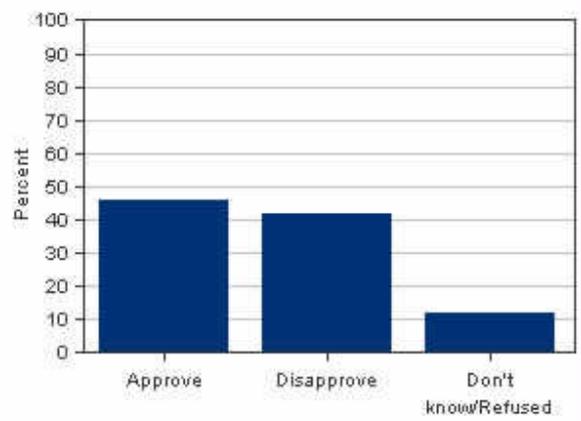


Chart 5

News Interest Index Poll, May, 1994

Do you approve or disapprove of the way Bill Clinton is handling his job as president?

42% Approve

44% Disapprove

14% Don't
know/Refused

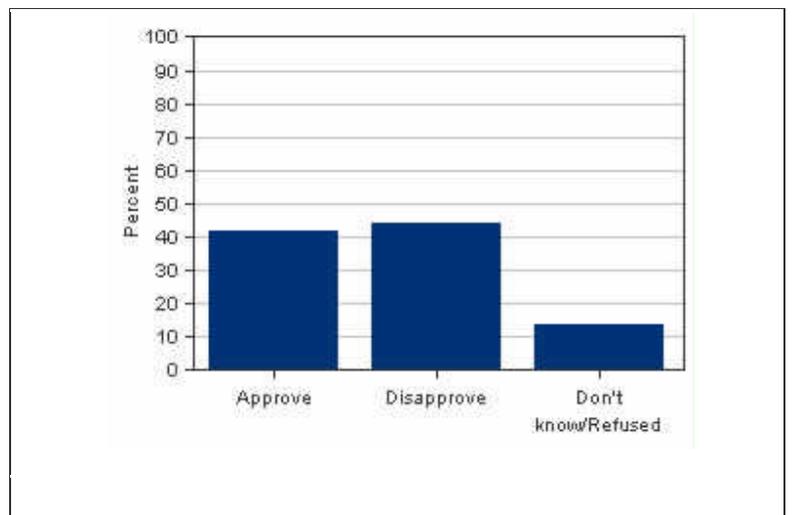


Chart 6

News Interest Index Poll, May, 1994

(There's lots of talk these days about whether U.S. (United States) forces should be used overseas.) Would you favor or oppose using American air power to eliminate an arsenal of nuclear weapons in an unfriendly country such as North Korea or Iran? [Q.6AF2]

| | |
|-----|------------|
| 59% | Favor |
| 31% | Oppose |
| 10% | Don't know |

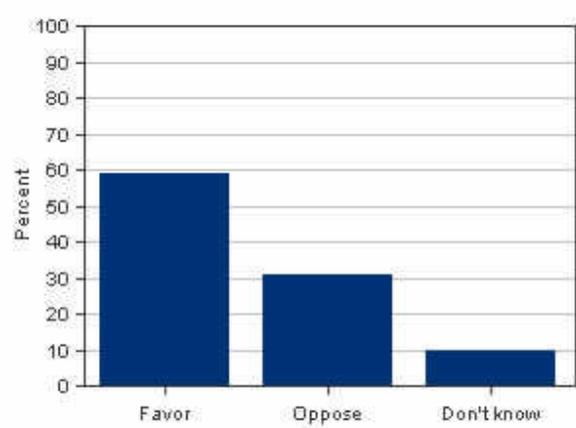


Chart 7

News Interest Index Poll, Jun, 1994

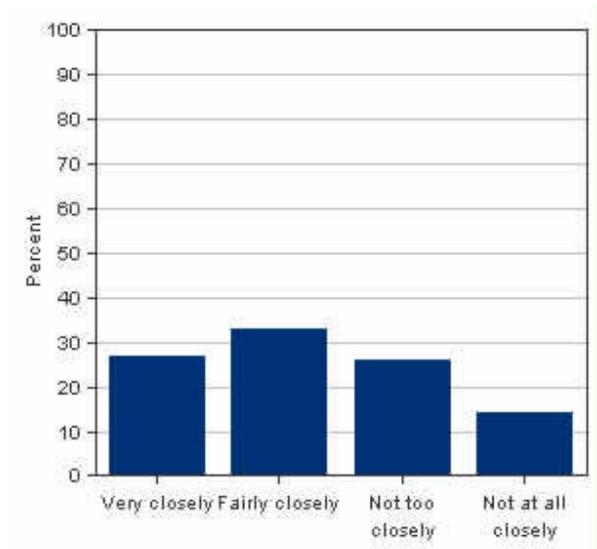
How closely did you follow North Korea nuclear issue?

27% Very closely

33% Fairly
closely

26% Not too
closely

14% Not at all
closely



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