

The North Korean Nuclear Test and the Future of Northeast Asia

Kun Young Park - Kongdan Oh and Ralph C. Hassig

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the Future of Northeast Asia*

The Korea Institute for National Unification (KINU) is a government-funded national research organization commissioned to study issues regarding peace settlement on the Korean Peninsula and the unification of the two Koreas. It contributes to the reconciliation and cooperation of the two Koreas as well as their unification through basic research on related affairs, the development of a policy on national unification, and the formation of a national consensus.

ISBN No. 978-89-8479-389-793340 ₩7000

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Published 2006 by KINU

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To order KINU documents or to obtain additional information, contact
Distribution Services (82-2) 901 2523,
or the Government Publication Sales Center (82-2) 734 6818.

Printed by *Neulpum* (Tel)(82-2) 313 5326 (Fax)(82-2) 322 5326

(The)North Korean nuclear test and the future of northeast Asia/ Kun Young Park, Kongdan Oh, Ralph C. Hassig, Bong Geun Jun, David Straub, Hyeong Jung Park, Alan D. Romberg. --Seoul : Korea Institute for National Unification, 2006

p. ; cm. -- (KINU International colloquium collection ; 06-05)

ISBN 978-89-8479-389-7 93340 : ₩7000

340.91-KDC4
320.95-DDC21

CIP2006002923

KINU International Colloquium Collection 06-05

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Foreword

The present publication consists of six papers contributed by the presenters at a seminar on “The North Korean Nuclear Test and the Future of Northeast Asia” held in Washington DC, on December 4, 2006. The international conference was organized jointly by the Korea Institute for National Unification and the Asia Foundation.

The papers were commissioned for the seminar, addressing three different aspects of the issue. Two of them dealt with Directions on North Korea Policy in the wake of the Nuclear Test, two with the Impact of the North Korean Nuclear Test upon the ROK-U.S. Relations and two with the Roles of the ROK and U.S. for the Future of Northeast Asia. Each of the papers was reviewed by designated commentators and discussed by the participants at the seminar.

It is particularly grateful to Dr. Edward P. Reed, Korea Representative, and all the members of the Asia Foundation, who have worked so hard together with us in planning and preparing for the conference. Our gratitude should also be

extended to the session chairpersons, discussants, participants, and many other distinguished guests, who took part in the conference.

The Korea Institute for National Unification hopes that the fruitful discussions and the ideas which are borne of such exchanges at the seminar will greatly contribute to the peaceful settlement of the North Korean nuclear issue, the betterment of the future of Northeast, and more generally, the international community.

Young Kyu Park
President
Korea Institute for National Unification

Opening Remarks

I would like to extend a warm greeting to President of the Asia Foundation, Douglas Bereuter, and to all other distinguished experts from Korea and all parts of the United States who have come here to Washington DC today to give presentations and to lead discussions!

We would like to thank all of you for joining us today and for taking valuable time out from your busy schedules to participate in this Korea-U.S. academic conference. This conference is hosted jointly by KINU and the Asia Foundation.

KINU is a government-funded national research institution focusing on unification issues, North Korea, and by implication, the establishment of a lasting peace on the Korean peninsula. It contributes to the ROK government's efforts in forming policies on unification and North Korea.

To achieve these goals, KINU is in the ongoing process of strengthening its international network dealing with issues of relevance to the Korean peninsula and continuing its academic

exchange and cooperation initiatives.

This seminar has been prepared by KINU and the Asia Foundation as a part of these wider efforts.

Distinguished guests!

As you are all aware, on October 9th, North Korea conducted a nuclear weapons test despite the concerns and opposition of the international community. The test has had a huge impact not only on the Republic of Korea and our Northeast Asian neighbors, but also the international community as a whole.

Fortunately, however, the welcome news that North Korea will return to the six-party talks came right before the U.S. mid-term elections in early November. Moreover, in mid November at the APEC meeting in Vietnam, an equally encouraging announcement was made that there was a discussion at the Korea-U.S. summit meeting concerning a proposed ‘Declaration of the End of the Korean War.’

Distinguished guests!

The Korean government will not tolerate North Korea's possession of nuclear weapons, and it is the government's firm position that the North's weapons program must be abolished.

Therefore, the government views North Korea's nuclear weapons test as a provocation that runs counter to the hopes of seventy million Koreans who are striving to eliminate the possibility of war on the Korean peninsula and to establish a permanent peace for a prosperous future.

There is, of course, a diversity of opinion and a degree of controversy within Korea concerning who is responsible for creating the context and circumstances under which the nuclear test came about and what the most appropriate response should be.

However, despite any differences of opinion, one must remember that the Korean people have been through colonialism, division, and war, and because of these experiences they have no choice but to advance the virtues of a peaceful resolution first and foremost in dealing with the crisis caused by the North

Korean nuclear test.

Distinguished guests!

In September of the previous year, the United States, Japan, China, and Russia jointly proposed a resolution to the North Korean nuclear crisis through the ‘9.19 Joint Statement’ which included statements on economic assistance, security guarantees for North Korea, and the establishment of a peace regime.

We believe that efforts to realize these proposals are urgently needed more than ever in this period of crisis.

We believe that it is now time for all the nations involved to show their commitment to action, and not merely rely upon rhetoric.

The Korean government will continue to do everything in its power to cooperate closely with the nations involved for the purpose of abolishing North Korea’s nuclear weapons through dialogue.

In this regard, we believe that this event is very significant

in that Korean and U.S. experts on issues concerning the Korean peninsula have gathered here today to share their knowledge and insight for a solution to the North Korean nuclear problem.

We hope that this conference will produce a body of ideas which can contribute to the peaceful settlement of the North Korean nuclear problem, the betterment of the future of Northeast Asia, and more generally, the international community.

Finally, I would like to conclude this speech by expressing my sincere gratitude to all the members of the Asia Foundation, who have worked so hard together with us in planning and preparing for this conference today.

Thank you.

Young Kyu Park
President
Korea Institute for National Unification

Part I

Directions on North Korea Policy
in the wake of the Nuclear Test



How to Deal with North Korea in the wake of its Nuclear Test : A Strategic-Pragmatic Approach

Kun Young Park *

Interposing a Problem

On September 19th, 2006, the six powers in East Asia agreed on a series of principles that seemed to lead to a peaceful resolution of the North Korean nuclear row. However, the agreement left unclear the issue of the sequence of procedures to be followed, and disputes arose immediately over whether disarmament or the award of benefits would come first. Moreover, North Korea said it would not return to the multilateral talks unless the U.S. lifted a crackdown on financial institutions dealing with North Korean companies suspected of counterfeiting American dollars and engaged in money laundering. The U.S. was determined to protect its currency, and as a result, was unlikely to be willing to concede ground or otherwise make compromises on this issue. To make matters worse, North Korea proceeded to conduct missile and nuclear tests in defiance

* Kun Young Park is a Professor at the Catholic University of Korea. The author has utilized part of this manuscript in presentations at seminars and in book chapters.

of the warnings of the international community. This in turn led directly to the referral of North Korea to the United Nations Security Council and the imposition of sanctions. Although North Korea agreed to return to the long-stalled six-party talks at the strong urging of China, it seems that, given that the U.S. and its allies are aggressively implementing sanctions against the North, the stalemate and instability are likely to persist with potentially dangerous consequences. It is time for the participants in the six-party talks to consider the situation anew and discuss a new approach to solving this problem.

How to Defang North Korea: Policy Options

There is no question that North Korea created a serious threat not only to South Korea, the United States, and Japan, but also to the global non-proliferation regimes. It should also be noted that it violated the agreements it had reached with the international community, i.e. the North-South Joint Declaration on the Denuclearization of the Korean Peninsula of 1992. Therefore, the North deserves condemnation and sanctions by the United Nations in general and by the nations directly affected in particular. Having said that, it would be prudent for the international community to find an effective way to defang North Korea safely. This could potentially reduce the risks involved (and the accompanying costs in blood and treasure) to the lowest level possible, while simultaneously pursuing sanctions that would deny the North the sources of money and

materials for its nuclear programs. This paper will review and discuss policy options currently available to the U.S. and assess the merits and demerits of each option, assuming that the U.S. would pursue the policy that brings it the best payoffs.

Policy Options¹

One of the policies that the U.S. can pursue is “inaction” to preserve the status quo. The result would be a nuclear North Korea with a number of unpleasant and dangerous consequences that are well known even to ordinary people.²

Another option for the U.S. is to bring more pressure and increase the level of economic sanctions on North Korea. This would cause the North some degree of difficulty. However, it is not likely to have a serious effect given that the U.S. and Japan have already been systematically subjecting the North to sanctions and that China and South Korea will not actively cooperate with them.³ Park Myung-gook, a diplomat at the North Korean Embassy in Australia said on an ABC radio

¹ A more detailed but similar analysis is found in Kun Young Park, “Explaining the United States’ Approach to the North Korean Nuclear Disputes,” *Korea Journal* (Winter 2005).

² A more detailed description is found in Kun Young Park, “A Strategic-Pragmatic Approach to North Korea: Policy Recommendations for Resolution of the North Korean Nuclear Disputes,” manuscript (2005).

³ China appears to fear that a coercive approach, i.e. inspections of cargo at sea, may provoke military confrontations on the Korean peninsula that is likely to wreak havoc on its economic development process. It is also wary about squeezing its food and energy lifeline to Pyongyang, fearing this could lead to an exodus of refugees and even the implosion of North Korea that would have a similar devastating effect.

interview that the North is now somewhat impervious to sanctions.⁴ Another problem with this approach is that it will increase the suffering felt by ordinary North Koreans and strengthen the pretexts Kim Jong Il can use to solidify his principle of “the *Songun* (Military-First) Politics.” We know that Castro has succeeded in remaining in power for so long in no small part due to American sanctions against Cuba.

The third alternative is surgical strikes against suspected nuclear installations in North Korea. However, the location of the uranium enrichment program, one of the key objects of the strikes, is not known. Moreover, the collateral damage such strikes may cause, including that of radioactive fallout, will be enormous.

There is a high probability that the North will retaliate against such strikes to cause a war on the peninsula which the nations in the region, particularly China and South Korea, would abhor. Their opposition may result in them trying to obstruct the U.S.’s war effort for strategic, economic, and political reasons. China may dislike Kim Jong Il, but it may be forced to help him in order to avoid a flood of refugees that would have a disastrous effect on Chinese social and economic order. China may also recognize the expected harm to its reputation, at home and abroad, if it failed to protect its sole military ally given the Chinese leadership’s favorite claim of “lips-to-teeth” relations when describing the bilateral relationship with the North. China is also worried about “the infiltration of U.S. influence in

⁴ http://www.ohmynews.com/articleview/article_view.asp?at_code=369394.

Northeast Asia.” The Chinese government has always maintained that the outbreak of another Korean war would seriously jeopardize the national security of China. It seems to believe that a more serious consequence would be that “if the U.S. eventually occupies North Korea, it will in effect complete the U.S. encirclement of China.”⁵ South Koreans are not likely to cooperate with the U.S. or may even resist it because they would not allow the U.S. to risk the destructive effects upon their country that such an adventure would cause. The alliance will sharply deteriorate. The Chinese influence in Northeast Asia, as a result, will be greatly expanded at the expense of the U.S.

Any war will put the large number of Americans living and working in Korea in harm’s way. North Korea is believed to possess nuclear weapons. It might use them, perhaps killing millions of people in South Korea. Japan would also be at great risk.

Conquering North Korea will not be easy even assuming that the U.S. is successful in extricating itself from the Iraq quagmire. The military might of the North far surpasses that of Iraq’s in terms of both quantity and quality. The conquest of North Korea may take years and huge casualties to accomplish. Moreover, North Korea’s mountainous geography poses additional, formidable obstacles to the invader in two major ways. Unlike the case in Iraq, the majority of territory of which is flat, the effectiveness of cruise missile attacks on North Korea

⁵ Hairen Zong, “Hu Jintao Writes to Kim Jong Il to Open Door to Six-Party Talks,” *Hong Kong Economic Journal*, August 28, 2003.

would be quite limited. Moreover, North Korea has invested heavily in special forces and its conventional military is very well supported by a large ready reserve versed in guerrilla tactics and such a force, entrenched in mountains will become an insurgent force that would be hard to eradicate and cause tremendous casualties and expenses to occupying forces.

Fourth, there is the option of regime change which has received the lion's share of attention especially from U.S. hardliners. However, one must understand that any external pressure, short of a military attack, is not likely to cause regime change in North Korea. There is no significantly potent group able to foment or lead a rebellion against Kim Jong Il. However, let us suppose, for the sake of argument, that external pressure can cause regime change. The regime change is most likely to bring about a civil war, and the loss of central control would leave North Korean WMD in the hands of unscrupulous domestic factions with potentially terrible consequences including selling them to "rogues" elements, whether state or non-state actors. North Korean desperation and the dysfunction that any regime collapse would engender would increase this possibility.⁶

⁶ Ashton B. Carter, "Implementing Denuclearization Agreement with North Korea," testimony before the Committee on Foreign Relations, U.S. Senate, July 15, 2004; Bruce Bennett and Nina Hachigian, "Don't Try Regime Change in North Korea," *International Herald Tribune*, January 31, 2004.

A Strategic-Pragmatic Approach

It seems clear that the approaches mentioned above are likely to have only a limited effect or result in grave consequences that the U.S. and its collaborators may not be ready to face. Understanding the poverty of these non strategic-pragmatic alternatives prompts us to consider the strategic-pragmatic approach.

A typical example of pragmatism in international politics is put forth by Hans Morgenthau, one of the best known conservative “realists,” when he stresses that successful diplomacy should be divested of the “crusading spirit”; one must stay in touch with reality and keep the objective of foreign policy defined in terms of the “substance of real advantage.”⁷

However, the pragmatic approach suggested above is more than a “value-free” calculus of immediate costs and benefits. It considers democratic principles and humanistic values as the fundamental bases on which every foreign policy should be designed and pursued. However, at the same time, it appreciates the importance of the prioritization of issues, and distinguishes between what can be accomplished now and what can be achieved in the future. It highlights the wisdom that problems that are intractable now may become far easier to solve thanks to the accumulation of prior accomplishments. From this perspective both short-term and a longer-term policy alternatives

⁷ Hans Morgenthau, *Politics among Nations*, 5th ed. (New York: Alfred A. Knopf, 1973), pp. 542-543.

are proposed. It will be argued that such a dual approach may well help the 9.19 agreement get off the ground and move forward.

A Short-term Policy Alternative

Speed up the law enforcement process concerning North Korea's alleged illicit activities and reduce the burden of confession by the North.

As mentioned earlier, North Korea has been staying away from the six-party talks, calling for a bilateral meeting with the U.S., which has been cracking down on Pyongyang's alleged counterfeiting and money laundering. Meanwhile, the U.S. has vowed not to make any concessions, calling its financial measures an act of law enforcement. However, most recently, the U.S. has made a series of conciliatory remarks that are seen as a move by Washington to bring Pyongyang back to the stalled six-party negotiations. Hill said that "the U.S. is ready for face-to-face talks with Pyongyang if North Korea promises to return to the six-party talks." His remark is a retreat from the earlier U.S. position that face-to-face talks are impossible unless Pyongyang comes back to the talks first. Hill also made it clear that "the bilateral talks, if realized, will deal with all pending affairs, including the possible withdrawal of U.S. economic sanctions"⁸ as requested by the North. It is apparent that one of the reasons why the North decided to return to the six-party talks was related to Hill's remark.

It seems that one of the preconditions for the 9.19

⁸ "Time to Resume Six-Party Talks," *The Korea Times*, editorial, September 24, 2006.

agreement to get off the ground is that the U.S. Department of Treasury wrap up the investigation as soon as it can and that it present to the North and the international community the evidence of the North's illicit financial activities. Assuming that the evidence is convincing, the U.S. and the other participants in the talks should then request that the North provide a reasonable explanation for these illicit activities and that it punish the criminals and promise non-recurrence. At this point, the U.S. should be flexible enough to *reduce the burden of confession by the North*, for example, by giving a go-ahead signal if it is implied that the illicit activities were done without the knowledge of Kim Jong Il. The 2002 "Pyongyang Declaration" was possible only because Koizumi was flexible enough to accept Kim's explanation about the kidnapping of Japanese nationals. In case the North concedes its wrongdoings and promises a non-recurrence, the U.S. should lift its financial sanctions against the North. Additionally, the U.S. and the other participants in the talks should work together to help the North find a legitimate means for carrying out financial transactions. The North has proposed establishing a U.S.-North Korean consultative body to dissipate any suspicions regarding its external financial activities. It also proposed that the U.S. allow North Korea to open a settlement account at a U.S. bank in order to put it under U.S. supervision. The U.S. should seriously explore this possibility as one of the ways to prevent North Korea's illicit financial activities. The importance of these measures should be emphasized; they would not only increase the possibility of success of the nuclear

negotiations but also significantly boost the mutual confidence the two nations have so far lacked.

A Longer-term Policy Alternative

Declare that the U.S. will normalize its relations with North Korea in exchange for the North's verifiable nuclear dismantlement.

The end of the U.S. financial crackdowns on North Korea will help the negotiation process restart. However, the participants will face a number of problems when they are poised to make further progress in the nuclear negotiations. The North would probably request that the six-party talks are expanded to include the issue of nuclear disarmament. It may continue to repeat what it has said regarding the LWRs and uranium enrichment programs. It seems wise for the U.S. to suggest at the outset that it will normalize its relations with Pyongyang and provide permanent substantive benefits, including the LWRs, to North Korea in exchange for the North's dismantlement of all its nuclear facilities and removal of all its nuclear material, subject to international verification. Given that normalization is what the North Koreans desire the most, this kind of a "top-down" approach would be more effective than a "bottom-up" approach that has been pursued so far by the U.S. and its allies without a great success.

The U.S. seems to view the normalization of its relations with North Korea as some sort of compensation to North Korea. In part, this perception was created by the North, which has considered normalization as critical evidence that the U.S.

would no longer assume a hostile posture toward it and at the same time, has viewed it as an existential procedure that is absolutely necessary for survival. The U.S. could use this perception to its advantage when negotiating with the North. However, if it looks at this issue from the other side's perspective, Washington will find that the normalization will bring it great advantages across a number of dimensions. For example, due to greatly alleviated threat perception, normalization could encourage North Korea to make a move toward more thorough reforms and give it confidence in opening-up. After the Sino-U.S. normalization of relations, China became far more pragmatic and open, which suggests the possibility for a similar future for a post-normalization North Korea.

Additionally, normalization will bring about expanded commercial and cultural exchanges that will inevitably lead to tremendous intellectual exchanges between North Korea and the West. As long as the North harbors intentions to build nuclear weapons, it is not possible to guarantee that the North will continue to be non-nuclear, given that it has the technology and the scientists necessary to build nuclear weapons. Therefore, it is essential to the U.S. that North Korea voluntarily abandons the intention to develop such weapons. In a post-Cold War period, it is not difficult to predict where the exchange of ideas between Socialism/*Juche*/*Songun* Politics and market democracy will lead North Korea. A pragmatic, open, secure North Korea, integrated with the international society, will find that its efforts to possess nuclear weapons will in fact harm its fundamental

interests.

On nuclear verification, normalization of relations will lead to another advantage for the U.S. As is well known, outside verification of WMD, especially uranium-related, is difficult to accomplish mainly because such programs are clandestine. The more foreigners travel and stay in North Korea, the more opportunities arise for thorough inspections and verification on secret programs of dangerous and illicit weapons. It is difficult to imagine that internationally integrated and open societies such as those of South Korea or Japan could possess “secret” programs of WMD. In a similar manner, but one more broadly understood, normalization will help the U.S. set up a sound North Korea policy which is not based on circumstantial evidence and hunches but on what is actually happening within the North. A U.S. North Korea policy that reflects reality will serve its other strategic interests in Northeast Asia including the stable management of Sino-U.S. relations.

Skeptics express concerns that “propping up” North Korea’s economy will result in a negative boomerang effect. They believe that an economically and militarily stronger North Korea will become more emboldened to attack South Korea and U.S. interests overseas. However, this may only be true if North Korea has nuclear weapons. Kim Jong Il understands that a war initiated by a denuclearized North would be an act of suicide. He knows that this military adventurism would be opposed by both China and Russia⁹ and he would be instantly defeated by the

⁹ Xu Caihou, member of the secretariat of the CCP Central Committee and

mighty firepower of the U.S. and South Korea. Kim has no reason to become militarily adventurous, having been stripped of nuclear weapons; it would seriously jeopardize his status as the most powerful and revered figure in North Korea.

It should be noted that the U.S. declaration concerning any such exchange must be simple and concrete. Washington once formally requested that the North take “other steps to achieve a wholly transformed relationship with the U.S.,” including changing its behavior on human rights and adopting a less provocative conventional force disposition.¹⁰ However, if the U.S. is interested in resolving the nuclear problem, it should not try to solve all the problems at once. The U.S. should be reminded, for example, that its efforts to promote human rights in South Korea and China were much more successful when a civil society evolved in the former and an American embassy was established in the latter.

Concluding Remarks

A number of North Korea observers in the United States and elsewhere suggest that the U.S. policy toward the North has

director of the General Political Department (of the People’s Liberation Army), was quoted as debriefing to Hu Jintao that Kim Jong Il pointed out that “the situation now is different from the 1950s” when China supported the North’s war effort during “the War to Resist U.S. Aggression and Aid Korea.” Hairen Zong, “Hu Jintao Writes to Kim Jong Il to Open Door to Six-Party Talks,” *Hong Kong Economic Journal*, August 28, 2003.

¹⁰ James A. Kelly, Assistant Secretary of State for East Asian and Pacific Affairs, “Dealing with North Korea’s Nuclear Programs,” prepared statement, Senate Foreign Relations Committee, July 15, 2004.

failed. To some, this may be an exaggeration or distortion. However, what is clear is that the recent missile and nuclear tests by North Korea means that the North Korea policy of the U.S. has not been as successful as it hoped it would. It seems plausible to argue that one reason behind this less than successful North Korea policy is its intransigence that tends to derive from the Christian-right moralistic worldview held by the hardliners in the Bush administration's security team.

It is now time to change this course. This paper argues that the U.S. and its allies should adopt a strategic-pragmatic approach to defang North Korea safely. More specifically, it is proposed that, while making sure that North Korea does not get any more external resources and means to strengthen its nuclear programs, the U.S. should speed up the law enforcement process concerning North Korea's alleged illicit financial activities to help the six-party talks get off the ground. Furthermore, it should declare that it will normalize relations with the North in exchange for its verifiable nuclear dismantlement to get the 9.19 agreement to make progress.

There is no guarantee that this approach will work. However, given the barrenness of non-strategic-pragmatic approaches, and given that the two policy alternatives suggested here are things the U.S. can do without risking a great deal, it is argued that it is definitely worth trying when the concerned parties meet this December.

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The Failure of Engagement and Limitations of Sanctions

Kongdan Oh and Ralph C. Hassig *

Engagement, which can be broadly defined as non-hostile interaction between two parties, is usually considered a positive action—a moving toward and a cooperating with. Engagement can take many forms and the success or failure of engagement can be measured in any number of ways. Sanctions are generally looked upon as negative actions that are imposed to deter, punish, or compel. Both positive and negative courses of action have been used with North Korea, and the results are there for all to see—although people may disagree about how to interpret these results.

If engagement is viewed as an end in itself, then the process of engagement becomes the focus of interest. For example, South Koreans who favor engagement with North Korea point to the dramatic increase in inter-Korean visits and meetings.

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Compared to the Cold War era, when practically the only regular meetings between the two Koreas occurred when North Korean spies met their contacts in the South, 87,000 South Koreans visited the North in 2005, mostly on business or tourism, with an additional 298,000 visiting the Mt. Kumgang tourist resort.¹ According to the ROK's unification ministry, between 1989 and 2005, a total of 168,000 South Koreans visited the North, not counting those going to Mt. Kumgang. During the same period, 5,243 North Koreans visited the South.

If engagement is viewed as a means to achieve a goal, then the success of engagement must be judged accordingly. For example, if the goal is to change the totalitarian policies of the Kim Jong Il regime, immediate results can hardly be expected. On the other hand, if the purpose of engagement is to achieve a freeze or an end to North Korea's nuclear weapons program, then the results—or lack of results—are easier to see in the short term.

South Korea Engages the North

A central theme underlying engagement with North Korea is that the North demands immediate material benefit for attending meetings, signing agreements, and granting visits. In fact, most engagement is simply a vehicle for ROK government aid to the North, which totaled \$1.2 billion by the end of 2006.²

¹ *Yonhap News Agency*, January 28, 2006.

² "S. Korean Aid to N. Korea Tops \$200 Million This Year," *Chosun Ilbo*, December 4, 2006. This figure does not include private assistance or commercial payments.

Ironically, even though North Korea fired off 7 missiles and tested a nuclear weapon in 2006, it received more ROK government aid than in any other year. South Korean business ventures in the North are, for the most part, money losers. In the Kaesong Industrial Complex, 12 of 15 companies doing business as of October 2006 were in debt. Total Kaesong investment to date is estimated at \$1.3 billion, and total cash business payments made to the North from all projects are about \$1 billion.³

Most Americans, and for that matter most South Koreans, expect engagement to produce results in the form of a change in North Korea's political, economic, and social policies, but this is not necessarily the expectation of the South Korean government, either under the administration of President Roh Moo-hyun or under his predecessor. Former President Kim Dae-jung, speaking at the Free University of Berlin just a few months before the June 2000 Korean summit, publicly promised the North Korean government to "guarantee their national security, assist in their economic recovery efforts, and actively support them in the international arena." In return, President Kim asked for three things: "First, the North must abandon any armed provocation against the South once and for all; second, it must comply with previous promises not to develop nuclear weapons; and third it

³ Joon-sool Kim, "Most Firms at Kaesong Are Operating in the Red," *JoongAng Daily*, October 11, 2006, Internet version. Also, "Ministry: North Got \$1 Billion since 1998," *JoongAng Daily*, Internet version, October 17, 2006.

must give up ambitions to develop long-range missiles.”⁴ Since that time, the ROK government has adhered to this policy of support for the Kim Jong Il regime, but in return the regime has hardly met the expectations of President Kim. This lack of reciprocity leads one to believe either that President Kim’s Sunshine Policy is viewed as an end in itself, or that the policy’s goals are not expected to be achieved until some time in the distant future.

Who is being engaged? Is it the North Korean people or the Kim regime? It is easy to make the argument that the regime, under father and son, has virtually destroyed the nation, and that what is good for the regime is bad for most of the people. By this logic, engagement with the regime is quite different from engagement with the people. In fact, few ordinary North Koreans ever get the chance to personally engage foreigners, nor is it likely that they reap many of the material rewards of engagement, whether those rewards be cash delivered to the regime for meetings and business deals, or wages paid to workers at Kaesong.⁵ As for humanitarian aid, there have been persistent

⁴ Address by President Kim Dae-jung of the Republic of Korea at the Free University of Berlin: ‘Lesson of German Reunification and Korean Peninsula’; Announcing a Four-Point Declaration Aimed at Terminating the Cold War Structure on the Korean Peninsula, Berlin, March 9, 2000, published in *Korea and World Affairs*, Vol. XXIV, No. 1 (Spring 2000), pp. 131-137, quoted from p. 135.

⁵ The ROK government must estimate how much of the wages paid to the North Korean government for their workers in Kaesong by relying on the testimony of a Korean-Australian businessman who claims that the DPRK government pays him money to supply the workers with daily necessities. Lee Joo-hee, “Kaesong Workers Paid with Staples,” *The Korea Herald*, Internet version, November 8, 2006.

questions about how much of that aid actually reaches the people.

President Kim Dae-jung's Berlin Declaration offered generous political support for the Kim Jong Il regime. In the intervening years, the ROK government under two administrations has made it official policy not to criticize or antagonize Kim Jong Il. The government has stopped radio broadcasts critical of the northern regime, stopped loudspeaker announcements across the DMZ, refused (until 2006) to vote for UN resolutions criticizing North Korean human rights policies, and discouraged North Koreans from defecting to the South.⁶ These policies are part of the "cost of peace."⁷ Or as President Roh later explained while on a visit to Australia, "Nuclear disarmament and preventing nuclear proliferation are both important, but they are actions to prevent dangers in the future. South Korea cannot do something that would lead to present problems to prevent future dangers."⁸ At the same time, he made the strong claim that "we dare to take pride in that South Korea knows best about North

⁶ In 2004, then Foreign Minister Ban Ki-mun warned that the ROK "would have little opportunity to deal with" North Korean refugees who fled to China, and said "it would be also difficult for us to bear infinite responsibility for the North Korean defectors." Unification Minister Chung Dong Young asked South Korean NGOs not to promote North Korean defections because the defections had a negative effect on inter-Korean relations, *Yonhap*, August 16, 2004.

⁷ Kyung-min Jung and Ha-won Jung, "Seoul Said Ready to Pay 'Cost of Peace'," *Joong-Ang Daily*, Internet version, July 19, 2005. The phrase was used by ROK Energy Minister Lee Hee-beom in connection with the South Korean offer (rejected by the North) to supply of 200 million kilowatts of electricity in exchange for an end to the North's nuclear weapons program.

⁸ Sung-hee Park and Su-jin Chun, "Roh Says Seoul Knows the North Koreans Best," *Joong-Ang Daily*, Internet version, December 6, 2006.

Korea,” although after North Korea’s July 2006 missile launch he admitted that “I just cannot understand North Korea no matter how hard I try,”⁹ and off the record he has told reporters that because the ROK has insufficient information about North Korea, sometimes South Korean policy “goes off the mark.”¹⁰

If the ROK engagement is a means to an end, then the end goals should be laid out clearly along with a timetable for their achievement. Otherwise, there is no way to evaluate the success of the program except to point to the engagement process itself.

It is the responsibility of the ROK government to adopt whatever policies it believes are in the country’s best interest, although adopting policies supportive of the Kim regime complicates matters so long as the United States, which is opposed to the regime, is providing a military guarantee to the ROK in case its policies do not work out. Repeated statements by the ROK government, as well as other governments including that of the United States, that a North Korean nuclear weapon will “not be tolerated,” are empty because the weapon has been tolerated for many years. Likewise, insisting on both denuclearization and the achievement of denuclearization through a negotiated settlement is unrealistically optimistic, to judge by past events. The world is not full of win-win solutions. There are plenty of win-lose and lose-lose situations, and the North Korean nuclear case may well be one of those.

⁹ Jin-kook Kim, “Paying Tribute,” *Joong-Ang Daily*, Internet version, July 13, 2006.

¹⁰ “Roh’s Worries Grow as Term Nears End,” *Dong-A Ilbo*, Internet version, August 18, 2006.

North Korea is a nuclear power, albeit a very weak one. It has been working toward this goal since the 1980s, building on a civilian nuclear program started in the 1960s. The nuclear weapons program could only be pursued at Kim Jong Il's direction. Statements made by the late President Kim to the effect that North Korea had no intention of developing nuclear weapons were no more credible than the Kim Jong Il regime's claim that it is working for the complete denuclearization of the Korean peninsula. Given the support that Kim has given to the nuclear weapons program, expecting to end the program without ending the Kim regime is putting the cart before the horse. The two are tightly hitched together by Kim Il Sung's Four Military Lines and Kim Jong Il's Military First policy, backed by deep suspicion and hostility toward the United States—and for that matter, toward all other countries.

It is possible that Kim Jong Il might decide to abandon his nuclear weapons under the right conditions, but we can't know what those conditions are or when the abandonment would take place. The most frequent demands that North Korea makes are consistent with the line of "unification by our own efforts"—that is, without involvement of other governments, particularly the United States. "By our own efforts" was the first principle of the June 15, 2000 North-South Joint Declaration, and repeated the formula of the North-South Joint Communiqué of July 4, 1972. By this logic, the ROK should abrogate its security treaty with the United States, reject the U.S. Nuclear umbrella, and end joint U.S.-ROK military exercises.

Engagement Failure

What is the result of 8 years of ROK engagement? First, there is little evidence that the ordinary North Korean people are better off because of engagement. They are still woefully short of food and other necessities. They have no more political freedom than they used to. They can visit markets, but the regime has made it clear that it considers markets to be a temporary and necessary evil until the socialist command economy gets back on track. North Korea now has more nuclear weapons than it had 8 years ago, and so far as is known, no fewer conventional, chemical or biological weapons. If North Korea's conventional force is weaker, it is because of low morale and the deterioration of equipment, not because of engagement. Kim Jong Il seems to be more firmly in power than he ever was, and more committed to the military first policy. North Korean officials have become more corrupt. The more aid the ROK offers, the more North Korea wants.

The Kim regime controls the pace of engagement. The North Koreans sometimes attend inter-Korean meetings (expecting the South to pay for them) and at other times cancel or refuse to attend at the last minute. Kim has shown no interest in personal engagement. He only visits like-minded countries such as China and Russia and he has never paid a promised visit to South Korea. Now that the financial circumstances surrounding the 2000 summit are known, the summit looks less like engagement and more like a money-making scheme.

North Korea's unification policy has been set for years. It

calls for a confederation of two separate systems, with no interference in each other's domestic affairs, and with each system contributing its assets to the nation, or as the Basic Agreement of 1992 and the Joint Declaration of 2000 phrase it, promote the "balanced development of the national economy." Since the North has no money and few developed resources, its contribution must necessarily be ideology and weapons. Indeed, the North Korean press claims that its nuclear weapons protect all Koreans, and that "the more the North strengthens the military-first politics, the safer the Korean Peninsula will become, and the sooner peace will put down roots."¹¹ The regime even claims that by deterring a U.S. attack on the DPRK, nuclear weapons prevent war and preserve peace, and in that sense "do not run counter to the denuclearization of the Korean peninsula."¹²

The South is expected to contribute money and goods to the nation. As the Kim regime sees it, that would make a perfect arrangement. Instead of being supported by the communist bloc, as it was in the past, North Korea would henceforth be supported by South Korea. If this form of unification is not satisfactory to South Koreans, they need to rethink their engagement policy. In fact, the passion for unification has cooled considerably since the Korean summit, and most South

¹¹ Kwang-son Ryu, "Target of Military-First—Might of Military-First Which Restrains the Outside Forces' Provocation of a War of Aggression," *Rodong Simmun* (via Uriminjokkkiri Internet site), August 29, 2006.

¹² Yong-su Ryu, "Denuclearization of Korean Peninsula Is Our Consistent Strategic Goal," *Minju Choson*, June 5, 2005, p. 4.

Koreans now simply want North Korea not to start a war. Beyond that, they are not particularly interested in having anything to do with the North. If there were greater interest, one would surely see thousands of South Koreans moving to the North, or at least spending considerable time there. But no one wants to emigrate to the North, whereas hundreds of thousands of North Koreans want to get out. These facts tell us all we need to know about the nature of the Kim regime and the prospects for peaceful unification with that regime.

Individual North Koreans who meet their counterparts in the South at meetings often take an upper-handed attitude, but it is easy to see that they recognize how much their country needs the South, and how much they personally want to profit from engagement. But these officials have little leeway to express their opinions under the watchful eye of the Kim regime, which has put the entire North Korean society in a straightjacket.

There are those South Koreans who blame the Kim regime's hostility, economic problems, and even nuclear weapons on the United States, forgetting that there is a whole world of other countries that could engage North Korea if they chose to do so. In any case, the ROK's North Korean policy must take U.S. policy into account, just as it must take into account the policies of other major powers, such as China. The success of the ROK's engagement policy should not be predicated on a change in U.S. policy. If engagement cannot achieve its objectives in the present political environment, it should be modified to conform to political realities.

President Roh's approval rating has fallen precipitously; by the end of 2006 it hovered around 10 percent. He has complained that "people do not listen to me" and admitted that he is "not a successful president."¹³ Yet he plans to stay the course in his North Korea policy, firmly convinced that even though about half of the South Korean public disagrees with his North Korea policy, it is the best policy available. A month after North Korea's nuclear test, he insisted that "we will have to maintain friendly relations with North Korea in order to secure our freedom and stability."¹⁴ Unification Minister Lee Jae-joung, speaking at the time he took office in December 2006, said, "Above all, widening and developing inter-Korean exchanges with consistency is an important task the Unification Ministry has to do."¹⁵ Given this conviction, which is not unlike the conviction that President George W. Bush holds about staying in Iraq, there is little prospect that the Sunshine Policy will be dimmed during the final year of Roh's presidency. It is clear that President Roh is committed not to provoke the Kim regime, but given the extreme cautiousness he has shown in regard to initiatives to change that regime, it is likely that he admires some aspects of the regime. Any sanctions imposed on the North by

¹³ The first remark quoted in "Roh's Worries Grow as Term Nears End," *Dong-A Ilbo*, Internet version, August 18, 2006; Second remark from "I Am Not a Successful President: Roh," *Hankyoreh*, Internet version, December 8, 2006.

¹⁴ "President Roh Vows to Continue Engagement Policy towards North Korea," *Yonhap*, November 2, 2006.

¹⁵ Brian Lee, "Inter-Korean Policy to Stay the Course: Lee," *Joong-Ang Daily*, Internet version, December 11, 2006.

the ROK government are considered to be temporary, probably to be lifted as soon as the six-party talks resume.

President Roh seems reasonably satisfied with the status quo on the Korean peninsula. As long as he could, he voiced skepticism that North Korea had developed nuclear weapons or conducted a nuclear test. He is convinced that the North would never use nuclear weapons to attack the South. It is a great irony that Kim Jong Il refuses to pay a visit to the best friend that he has ever had in the South Korean government. The fact that he has not done so, even though conditions seem ideal, suggests that he holds the Sunshine Policy in contempt and that he favors limited and shallow rather than sincere and deep engagement; engagement as a tactic rather than a strategy. In Kim Dae-jung's time this contempt was quite open. For example, in February 2000, the North Korean press charged that "for the South Korean authorities to 'induce' someone into anywhere through the 'engagement policy' is a foolish attempt... Any 'change' wanted by them will never happen in the North Korea... [T]he 'engagement policy' is a policy of confrontation and war to militarily stifle the North in conspiracy with outsiders.¹⁶ There is no reason to believe that Kim has changed his opinion on this matter.

¹⁶ *KCNA*, February 27, 2000.

Differences between the German and Korean Engagement Cases

The process of German unification has sometimes been looked to as a guide to what South Korea could be doing, although the consensus among German scholars is that the two cases are quite dissimilar. In the German case, unification came as a surprise, triggered by events outside of the two separate German states.¹⁷

In the years preceding unification (one can hardly say “leading up to” unification), West Germany focused on improving the lives of the East German people, not on regime change, which was not considered possible. The East German government was willing to make deals to gain money and recognition, and did not try to keep its population totally ignorant of events and living conditions in the West. Some 80 percent of East Germans watched West German television, or as one German observer puts it, “Every evening unification in front of the TV set.”¹⁸ In contrast, the Kim regime has tried to keep its people unaware of how much better things are outside their country, and failing that, has tried to convince them that appearances are deceptive. In order not to anger the Kim regime, the ROK government has assisted in this endeavor of keeping the North Korean people

¹⁷ See Werner Pfennig, “From Division through Normalization: A Comparative View on Developments in Germany and Korea,” *Korea Observer*, Vol. 32, No. 1 (Spring 2001), pp. 13-58. Also, Hans J. Giessmann, “Korea and the Myth of ‘Cloning’ the German ‘Unification Model’,” *Korea and World Affairs*, Vol. 23, No. 2 (Summer 1999), pp. 225-240.

¹⁸ Werner Pfennig, p. 17.

ignorant by curtailing broadcasts to North Korea and interfering with groups that try to spread information to the North.

The East German government, especially before the erection of the Berlin wall, was liberal in permitting its citizens, especially senior citizens, to visit the West. By the date of unification, 4 million East Germans had visited or moved to West Germany. In contrast, few North Koreans are permitted to visit the South. Inter-Korean family reunions have allowed about 10,000 selected South Koreans to meet for a few hours with their northern relatives, who are carefully selected and monitored to be sure they say nothing damaging to their regime. After the brief meetings, the relatives never meet again. The South Korean government pays for the meetings.

The West German government sent money to the East specifically to effect the release of East Germans and to alleviate the suffering of the East German people. ROK aid is sent to the North with few strings attached and little monitoring. As noted above, the government is not sure how much of the wages paid at Kaesong actually go to the employees. In short, the ROK's engagement is with the regime, not with the North Korean people.

Supporters of engagement are driven by the hope that the Kim regime will eventually improve its treatment of the people and no longer feel the need to arm itself with nuclear weapons. If instead the regime chooses to aid to strengthen its hold over the people and build up its nuclear and conventional forces, the South will end up with even less leverage over the North.

U.S. Engagement with North Korea

The Clinton administration adopted a policy of limited engagement toward North Korea and negotiated the Agreed Framework. This engagement policy did not signal approval or acceptance of the Kim regime, despite the smiles that visiting Secretary of State Albright bestowed on Kim Jong Il, but rather was a tactical maneuver to slow the DPRK's nuclear weapons development. Evidence suggests that North Korea began cheating on the Agreed Framework while President Clinton was still in office, and Kim's military first policy was announced in 1998, so it is inaccurate to claim that North Korea's hard-line stance is the fault of the Bush administration, no matter how clumsily that administration has handled foreign policy.

Americans are practical, goal-oriented, and impatient. The 1994 Agreed Framework was designed as a step-by-step path in which the two sides continued their engagement only so long as the intermediate goals set forth in the agreement were reached. Not surprisingly, in the absence of any positive relationship between the two sides, the agreement fell apart. In fact, the Agreed Framework could hardly be called a framework for engagement, because it was negotiated in an atmosphere of intense distrust—and this was long before George W. Bush became president and openly announced his hostility toward Chairman Kim Jong Il.

U.S. policy toward North Korea seeks multiple goals, only one of which is the DPRK's denuclearization. A few people in

Washington believe that if the United States offers sufficient incentives, Kim Jong Il will abandon his nuclear weapons, but nobody knows specifically what those incentives might, and more importantly, nobody knows how to verify the denuclearization of the highly secretive North Korean state. To judge by its past statements, it is likely that North Korea would take the position that if the United States abandons its hostile attitude, the North Koreans would do the same, and between friends there should be no need for verification. This is the line that the North takes with the South: whenever the South does or says something the North dislikes, the southerners are accused of being anti-national and violating one or another of the inter-Korean agreements.

The Kim regime has consistently demanded that the United States switch its hostility to friendship and treat the DPRK as a respectable member of the international community. But this “switchover” demand is simply an introduction to any number of more specific demands. In August 2003, KCNA claimed that “the only thing the DPRK wants is the conclusion of a non-aggression treaty.”¹⁹ However, according to other North Korean pronouncements, there is much, much more. As a nuclear quid pro quo, the North Koreans have demanded economic compensation for energy lost by freezing their nuclear facilities. They want the U.S. “nuclear threat” removed, by which they seem to mean the removal of all U.S. nuclear weapons from the region and an end to the protection provided to South Korea

¹⁹ *KCNA* headlined article, “KCNA on Main Way for Settlement of Nuclear Issue,” August 19, 2003.

by the U.S. nuclear umbrella. They also claim that the United States still has tactical nuclear weapons in the ROK, setting the stage for all sorts of inspection demands. They want a peace treaty and full diplomatic relations with Washington, a guarantee of non-aggression, the withdrawal of all U.S. troops from South Korea, and an end to the U.S.-ROK security alliance. Also, the elimination of U.S. restrictions on international trade and investment with the DPRK and a pledge not to interfere in the DPRK's domestic affairs, including its human rights practices. It is highly likely that more demands would be forthcoming.

Advocates of engagement often argue that we can't know if the Kim regime would give up its nuclear weapons or agree to other U.S. demands until we meet its price, but they themselves don't know what that price might be, and thus their position amounts to a religious belief—something that cannot be disproved so long as the regime holds on to its weapons.

Today, the majority view in Washington is that Kim Jong Il will not verifiably give up his nuclear weapons under any circumstances. At best, another freeze might be negotiated, certainly at a higher cost than the first one. The six-party talks continue so that neither side appears to be abandoning diplomacy, but if the United States decides to make a deal, the motivation will reside in domestic politics, not the expectation that North Korea's nuclear weapons can actually be eliminated.

For the United States, the example of inter-Korean engagement is hardly encouraging. One often hears the argument that North Korea has changed tremendously in the

last ten years and that the Kim regime has softened and reformed. More skeptical observers characterize the changes as the responses of the North Korean masses to an extremely difficult economic situation brought on by the Kim regime's policies, and only in that sense can the regime take credit for the changes. The market economy has expanded (because the socialist economy has collapsed), more foreign businesses are accepted in the country, workers have more decision-making powers and are sometimes offered individual incentives for production, and government, party, and military organizations are encouraged to engage in foreign trade. These are promising changes, but they are only baby steps. At this rate of change, it will take 50 years for the North to become a functioning market economy, and even then there is no guarantee that the people will enjoy a significant measure of freedom. The Chinese reforms that began in the late 1970s remind some people of what North Korea is going through today, but it should be noted that a quarter century after these reforms were introduced, the Chinese Communist Party is still firmly in control, the rule of law is subservient to the rule of the Party, and the Chinese people still have few political freedoms. In North Korea's case, political and economic changes would probably come even slower.

Sanctions as an Alternative to Engagement

Sanctions have, at best, a mixed track record in international relations. Among the conclusions from a study that examines 115 cases of economic sanctions:²⁰

- Sanctions work only when the goal is modest (not so in the North Korea case);
- Sanctions work best when the source and target of sanctions were initially on good terms (not so in the North Korea case);
- Sanctions work best when they are imposed suddenly (not so in the North Korea case);
- Sanctions work best when the target is economically weak (North Korea) and politically unstable (not North Korea); and
- Sanctions work best when they do not impose high costs on the source (true for the United States, but not true for its ally, the ROK, if the Kim regime collapses or fights back).

U.S. economic sanctions were first imposed against the DPRK during the Korean War, and since then many layers of sanctions have been added.²¹ Because most of the sanctions are long-standing, they give the United States little leverage against

²⁰ Cited in Kimberly Ann Elliott, “The Role of Economic Leverage in Negotiations with North Korea,” *Nautilus Special Report*, April 1, 2003, at http://www.nautilus.org/fora/security/0326A_Elliott.html. The complete study will be published as *Economic Sanctions Reconsidered, 3rd edition*, by Kimberly Ann Elliott, Jeffrey J. Schott, Gary Clyde Hufbauer, and Barbara Oegg, Institute for International Economics, forthcoming in 2006.

²¹ See Diane E. Rennack, *North Korea: Economic Sanctions*, CRS Report for Congress, updated October 17, 2006. Also, Julia Choi and Karin Lee, *North Korea: Economic Sanctions and U.S. Department of Treasury Actions, 1955-September 2006*, the National Committee on North Korea, October 9, 2006.

the DPRK, which has grown used to them. Sanctions under UN Resolution 1718, passed after North Korea's nuclear test, add little to sanctions already in place, unless individual countries choose to interpret the resolution harshly, which no country other than Japan is likely to do. The ROK government said it would honor Resolution 1718, but considered that it was already in compliance and saw no need for new sanctions. The latest tactic in the sanctions regime, included in Resolution 1718, is to cut off exports of luxury goods to the DPRK on the theory that this embargo will hurt Kim and the elite class but not ordinary people. On November 14, 2006, the Japanese government published a list of 24 luxury goods subject to an export ban,²² and on November 29, the U.S. secretary of commerce announced that a U.S. luxury ban list had been drawn up by his department, although the list was not made public. According to the Associated Press, which claimed to have seen the list, it included watches, cigarettes, jet skis, Harley Davidson motorcycles, plasma television sets, Segway electric scooters, and iPods.²³ Such targeted sanctions may be a good idea in principle, but the fact that Kim's associates have to wear their old Rolex watches and drive their old Mercedes cars for another year or two is hardly likely to cause them to turn against their leader, who holds them with far stronger bonds than material rewards.

The "financial sanctions" that the United States is accused

²² *Kyodo World Service*, November 14, 2006.

²³ The Associated Press article by Ted Bridis was run in most major media outlets on November 29, 2006.

of imposing on North Korea beginning in September 2005 are in the form of U.S. Treasury Department decisions that put international pressure on other countries—pressure they could choose to ignore. These “sanctions” are meant to combat the North Korean government’s international crimes such as counterfeiting, and most governments recognize that in fact the North Koreans are guilty of at least some of these crimes. The ROK government has publicly expressed some skepticism about the counterfeiting charges, and the DPRK government claims it is the victim, not the culprit, of counterfeiting.

It is not hard to imagine what sanctions would have a strong impact on the Kim regime: a cutoff in oil deliveries from China, for a start. Viewed in light of Elliott’s 5-point list, on all but the first point an oil cutoff by China would be promising. Even the cost of a Kim regime collapse might not be as bad for China as many people believe, especially if the Chinese have in place a plan to control or profit from a North Korean collapse. However, neither China nor the ROK (which could end financial transfers) is so dissatisfied with the status quo on the Korean peninsula that it is willing to risk chaos or war.

One sanction scenario that should receive some thought in Seoul is if China were to impose strict sanctions on North Korea, supporting American, Japanese, and UN sanctions, even though the ROK government continued to support the Kim regime.

Considered in terms of their effects, there are three kinds of sanctions: ineffective, economic, and political. Sanctions that are imposed gradually are likely to be ineffective, as the North

Koreans learn to work around them or do without. Economic sanctions such as broad embargoes hurt millions of North Koreans, as do embargoes on humanitarian goods. Even though the masses no longer support Kim Jong Il, they are quite ready to blame foreign governments for making their life harder.

Sanctions that have a political effect, even though they may be economic in nature, are what Kim fears. These sanctions will cause Kim's supporters to doubt that he can outwit his foreign adversaries. It seems highly likely that an oil embargo by China and financial sanctions by South Korea would hurt the DPRK's court and military economies within a few months. Perhaps more important than the economic impact would be the political impact on the North Korean elites, including the top generals, as they realized what their leader had gotten them into. An embargo of luxury goods is not likely to be more than a nuisance to Kim and his cadres, although it may lower cadre morale. It may be true, as the nursery rhyme says, that "for want of a nail the kingdom was lost," but only an optimist would expect that a shortage of iPods or jet skis will bring down Kim Jong Il's kingdom. Rather, the luxury goods sanction suggests how little leverage the United States has over the Kim regime.

For years, North Korean officials have threatened to treat sanctions as an act of war, yet they have not responded militarily to any of the sanctions imposed.²⁴ Whether they would do so in

²⁴ For example, as far back as 2001 North Korea's ambassador to Moscow said that any sanctions against Pyongyang would be considered a declaration of war, and added that this statement should be understood literally, *ITAR-TASS*, January 13, 2003.

the future is unknown, but the United States and North Korea's neighbors should prepare a military response and hope that if it comes to that, the spiral of conflict can be contained.

Concluding Comments

The Bush administration is acutely aware of the constraints that the Iraq war has imposed on its options in Korea. Despite the administration's harsh rhetoric and its claims that it will not tolerate a nuclear North Korea, the administration has given no indication that it is considering military action. Similarly, by their actions and statements, North Korea's immediate neighbors have shown that they would rather live with a nuclear North Korea than take the chance of triggering a collapse of the Kim regime or another Korean War.

The ordinary North Korean people have nothing to say about the issue, and they must continue to suffer, with or without sanctions, as they have for decades. Stronger sanctions will hurt them before they hurt the higher-level cadres or the ruling elites.

Engagement has demonstrably failed to stop North Korea's nuclear weapons program and significantly alter the nature of the Kim regime. Changes in North Korean society are caused by its economic difficulties, not the will of Kim. The most that can be said for engagement is that it is unlikely to trigger a war. In the decades to come, engagement may gradually change North Korean society to the point where its dictatorial government is pushed aside. But after a quarter century, China's

dictatorship remains, so the prospects for the North Korean people are not good.

Proponents of engagement hope that Kim Jong Il is at heart a reformer just waiting for a propitious time to show his true nature, or they hope that there exists a reform wing among the North Korean leadership. It would be a tragedy if the chances for reform were missed because they were overlooked. However, another tragedy would be to support the regime when it has no intention of reforming. An enduring regime that grows stronger may pose more threats in the future, and will be more difficult to reunify with. In short, both errors of judgment are accompanied by costs.²⁵

Sanctions have a poor record of success. The countries that are most interested in sanctioning North Korea, namely, the United States and Japan, have little leverage over the North. The countries that do have leverage, namely China and South Korea, have been unwilling to use that leverage. Every country's decision about what to do with the Kim regime rests on value judgments, and it is difficult to argue about values. How dangerous a nuclear North Korea is and how important it is to relieve the suffering of ordinary North Korean people must be set against the value of today's peace and regional status quo. What complicates the decision-making process is that the choices made today will have consequences for the future that

²⁵ See Kongdan Oh and Ralph C. Hassig, "Guessing Right and Guessing Wrong about Engagement," *The Journal of East Asian Affairs*, Spring-Summer 2001, pp. 15-41.

are difficult to calculate but every bit as real as the consequences faced today.

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Part II

South Korea-U.S. Relations in the wake of
the NK Nuclear Test



The Impact of the North Korean Nuclear Test : Seoul's Viewpoint

Bong Geun Jun *

The North Korean Nuclear Situation: 2002-2006

The collapse of the 1994 United States-Democratic People's Republic of Korea (hereafter DPRK or North Korea) Agreed Framework in 2002 was doomed from the beginning since North Korea had never been prepared to give up her nuclear weapons capability. The U.S. was also not well prepared to provide North Korea with the promised light-water reactors (LWR), as was shown by the fact that the main work for the construction of the LWR started only in 2000. The situation was further aggravated by the Bush administration's distaste for North Korea's totalitarian regime and its leader Kim Jong Il as shown in explicit expressions such as "axis of evil" and "the outpost of tyranny."¹ In fact, the Republican Congress, during

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¹ President Bush names North Korea an "axis evil" along with Iran and Iraq, in his January 2002 State of Union speech. Secretary of State-designate Condoleezza Rice in her Senate confirmation hearing in January 2005 stated North Korea an "outpost of tyranny." Hearing these, North Korea threatened to stop attending the six-party talks. South Korean government also expressed concerns that these might hurt the progress of the six-party talks and inter-Korean relations.



the Clinton period and the Bush administration never liked the Agreed Framework which they considered to be a disgraceful document of surrender in the face of North Korean nuclear threats.

Finally, the Bush administration declared the end of the already moribund Agreed Framework regime when it found evidence that North Korea was pursuing a highly enriched uranium weapons program secretly in October 2002. North Korea reciprocated with the expulsion of IAEA inspectors from the Yongbyon nuclear complex in December 2002, withdrawing from the NPT completely in January 2003, restarting the 5MW reactor in February 2003 and finishing the reprocessing of spent fuel in October 2003. Amid this intensifying crisis, the United States started the six-party talks in August 2003. However, the six-party talks were never fully operative since the United States was seen to be using the talks as a multilateral pressure mechanism. In addition, the DPRK was not interested in multilateral negotiations other than bilateral talks with the U.S. The six-party talks became a serious negotiation forum only when North Korea announced the production of nuclear weapons in February 2005 and after the second Bush administration decided to pursue a policy of diplomacy in August that same year.

Table 1. Cyclical Patterns of North Korean Nuclear Negotiations: 1987-2006

Provocation	Crisis	Package Deal	Collapse
NK builds the Yongbyon nuclear complex (mid-80s)	NK delays IAEA safeguards agreement; inter-Korean dialogues stopped	NK accepts the Denuclearization Declaration (Dec. 1991), signs safeguards agreement; U.S. suspends T/S joint military exercise, holds the first high-level meeting with NK	South-North mutual inspection aborted
NK refuses inspection; T/S exercise resumes	NK withdraws from the NPT (Mar. 1993), declares a war-readiness status	U.S.-NK Joint Statement (Jun. 1993); NK to accept inspections; U.S. provides security assurance	IAEA inspection interrupted
NK refuses inspections; IAEA to refer NK to UNSC	NK unloads spent fuel (May 1994), withdraws from IAEA; U.S. reviews bombing	Agreed Framework (Oct. 1994); U.S. to remove sanctions, normalize relations, to provide 2 LWRs; NK to receive inspections, to dismantle nuclear facilities	LWR work, normalization delayed; inspections refused
NK's HEU program (Oct. 2002); U.S. calls NK an axis of evil, stops oil supply	Restarts 5MW, finishes reprocessing, withdraws from NPT; LWR suspended; preemptive strike	Six-party talks start (Aug. 2003; Feb. 2004; Jun. 2004; Jul. 2005-) Sep. 19 Joint Statement	NK wants LWR first; U.S. financial sanctions
NK missile test (Jul. 5, 2006), nuclear test plan (Oct. 3, 2006); UNSC Res. 1695	NK nuclear test (Oct. 9, 2006); UNSC Resolution 1718 (Oct. 15)	Six-party talks and package deal(?)	(?)

The six-party talks succeeded in producing a joint statement on September 19, 2005 only to be dropped within a day. North Korea denounced the joint statement when the U.S. levied

financial sanctions on the Macao-based Banko Delta Asia for its money-laundering activities on behalf of their North Korean accounts. Since then, the six-party talks process almost completely stopped until the North Korea reignited the crisis again with the July 5 missile tests and the October 9 nuclear test this year. North Korea's nuclear test and the UN Security Council sanctions facilitated the restarting of the six-party talks process again when both the U.S. and North Korea found themselves in very uncomfortable situations. The above table shows the cyclical patterns of the North Korean nuclear negotiations during the last 20 years, repeating cycles of North Korean provocations, ensuing crisis, package deal and collapse of said deals.²

Why, then, do these negotiation patterns repeat themselves? What are lessons from these experiences? The most salient lesson is that, above all, deep distrust and animosity between the United States and the DPRK have made dialogue, negotiations, agreements and their implementations extremely difficult, if not impossible. In addition, both sides demand too much from each other and far above what their present trust level permits. For example, the United States demanded an immediate CVID (complete, verifiable, irreversible dismantlement) of the North Korean nuclear programs; on the other hand, North Korea asked for the provision of LWR and diplomatic normalization in advance of any concrete implementation of conditions agreed

² For a detailed history of the North Korea nuclear crisis and negotiations, see Joel S. Wit, et al., *The First North Korean Nuclear Crisis: Going Critical* (Washington DC: Brookings Institution Press, 2004) and Don Oberdorfer, *The Two Koreas*, 2002.

upon.³

The U.S. side tends to react to and negotiate with North Korea only near or during a crisis. At such a time, both sides tend to improvise agreements in order to avoid an imminent crisis. An unbridgeable gap between the two on most issues makes compromised middle-ground solutions difficult. Incomplete and ambiguous agreements are made, which are then left unfulfilled until a new crisis erupts.

Due to these past experiences, the United States often wants to have an airtight and complete agreement with North Korea. This negotiation strategy was not successful either. The chances of reaching an airtight and detailed agreement with North Korea are very slim; the cost of achieving this goal could be too high.

If a perfect agreement is reached with ease, the DPRK probably had no intention of honoring it in the first place. The 1991 Joint Denuclearization Declaration and the 1991 Basic Agreement between the two Koreas are good examples of this assessment. These two agreements were too good to be true at first. This is further illustrated by the fact that, despite the 1994 Agreed Framework, North Korea was not ready to give up its nuclear programs and the United States was not fully prepared to provide light-water reactors to the North either.

Therefore, one can see that the failures of the past nuclear deals were not the result of imperfect agreements, but the failure of follow-on dialogue on and management of the agreements.

³ Scott Snyder, *Negotiating on the Edge: North Korean Negotiating Behavior*, 1999.

What is important is not to make a perfect and idealistic agreement on paper then to allow it to decay and die a slow death from neglect, but to make a realistic agreement that can in fact be implemented. Moreover, follow-on negotiations to deal with ensuing problems become necessary.

Therefore, at the beginning, it is desirable to conclude agreements only to the level that both parties can honor and implement. Building on such incremental promises and implementations, we may move to the next level. The U.S. government tended to pursue a ‘perfectionist’ and ‘all-or-nothing’ approach in the past that in most cases ended only in ‘nothing’ at best or worse than nothing.

Yet another critical year since the September 2005 Six-Party Joint Statement has clearly been wasted. During this time, there were the July 5 missile tests and October 9 nuclear test that might have been prevented if active and intensive diplomacy had been exercised. Often some South Koreans blame the U.S. for its failure of preventive diplomacy. Of course, North Korea should be blamed and punished for its reckless behavior threatening peace and stability in the region and damaging the global non-proliferation regime. We may also note, however, that we could have prevented North Korea’s provocations if the U.S. had more focused diplomatic efforts as it does now after the nuclear test. It would have been even better if we had the 1994 Agreed Framework in place which had frozen North Korea’s nuclear activities and kept the projected numbers of nuclear weapons in the North below two instead of six to eight as at

present.

Options

How, then, do we deal with a nuclear-armed North Korea from this point on? While we usually speak in terms of dichotomous approaches such as hawkish and dovish, or tough and conciliatory, real-life policy options are more segmented and complex. For the sake of analysis and discussion, four categories of policy options - preemption, containment, negotiations and acceptance - are presented below. In the end, the negotiation option combined with pressure tactics is presented as the preferred option at this moment.⁴

Option 1. Preemption

Seeing North Korea as an “axis of evil,” proponents of the preemptive option argue that the North will never give up its weapons program voluntarily and that the only way is to remove the nuclear programs by military means. This option has been widely discussed in U.S. policy circles since the early 1990s. In accordance with the U.S. National Security Strategy, authorities in Washington have made public the notion that they reserve the option to launch preemptive military measures against North

⁴ For a more detailed discussion of options in the U.S., please see Emma Chanlett-Avery and Sharon Squassoni, “North Korea’s Nuclear Test: Motivations, Implications and U.S. Options,” *Congressional Research Service Report*, October 24, 2005.

Korea. This is often expressed diplomatically as “all options are on the table.”

The South Korean government opposes such a U.S. initiative, however, because it does not want to risk even a slight chance of war on its soil. Recently, the U.S. government seems to have found the preemption option impractical also. Already committing most of its military resources to trouble spots around the world, the U.S. cannot afford another military adventure. In addition, the U.S. stakes in North Korea are much lower than those in the Middle East, while costs and expected casualties of preemption are much higher due to geographical, topographical and demographical conditions on the Korean peninsula. North Korea’s retaliatory capability with long-range artillery, multiple rocket launchers, missiles and WMDs against both civilian and military targets in the South is probably the single most critical factor in preventing Seoul and Washington from pursuing military options. Lack of information on the whereabouts of plutonium, manufactured nuclear bombs and enrichment facilities further complicates military measures. In short, the preemption option remains the least preferred among the four discussed here.

Option 2. Acceptance

On the other extreme of the policy spectrum lies the “acceptance” option. This option would be the preferred outcome for North Korea, as in the Indian and Pakistani cases. It is unlikely, however, for South Korea and the United States to

accept this. Seoul has made clear its “intolerance” of North Korea’s nuclear armament in its three-point principle for the peaceful resolution of the nuclear issue. Washington also confirmed that it would never recognize North Korea as a nuclear weapon state.

Acceptance of a nuclear North Korea can never be an option for Seoul, because it would tilt inter-Korean military and political balances in the North’s favor drastically. Another danger would be a rising popular demand for nuclear armament in South Korea, Japan and Taiwan which neither the United States nor China would tolerate either. For these reasons, the “acceptance” option is far from a preferred choice for all.

Option 3. Containment

The “containment” option encompasses a wide range of measures from strengthened military posture, referral to the UN Security Council, interdictions under the Proliferation Security Initiative, and economic and financial sanctions to simple ‘neglect.’ It can be a do-nothing approach or it can also be a well-calculated strategy aimed at regime transformation while steering away from providing North Korea excuses for military provocations.

However, the South Korean government opposes this option for various reasons: the containment/neglect measures tend both to generate and prolong crisis on the peninsula, while the chances of resolving the nuclear issue remain low. The containment policy by the first-term Bush administration

(2001-2004) was a failure; during the period, the nuclear program was unfrozen, the estimated number of nuclear bombs in the North jumped from “1 to 2” to “6 to 8” and, most of all, there was a nuclear test. We must admit, however, that this failure resulted not from the well-calculated containment strategy, but the Bush administration’s lack of a strategy, or their ‘contain-and-neglect’ approach.

In order to prevent North Korea from indulging in “morally hazardous behavior,” we need to press the North to reciprocate in a mutually beneficial way. Moreover, in order to make any progress at the next round of six-party talks, we should ensure that North Korea has cause to reflect upon the great harm their actions on October 9 caused. We should remember, however, that containment is not an end itself, but a means to the end of denuclearization of North Korea.

Option 4. Negotiations

The South Korean government has declared repeatedly that it is going to pursue negotiations and diplomacy in order to resolve the nuclear issue peacefully. The Bush administration has also confirmed numerous times recently that it would not attack North Korea and resort to diplomacy. It should be noted, however, that negotiations with the North during the last fifteen years failed to produce the desired result. Nuclear agreements with the North such as the 1991 Joint Denuclearization Declaration, the 1994 Agreed Framework, and the 2005 Six-Party Joint Statement proved to be nothing more than empty

promises.⁵

In order to prevent North Korea from using negotiations as a tactic to buy time for making more nuclear bombs, we have to find ways to enforce the agreements effectively. Here we need to look into reasons for the failure of previous nuclear negotiations and agreements. Though past failures were often quoted as evidence of the uselessness and ineffectiveness of the negotiation option, a careful analysis shows the opposite: past failures were not caused by sincere and serious negotiations themselves, but by the absence of these conditions. A one-time negotiation was never enough to dissolve deep-rooted mistrust and the disparate positions between the United States and North Korea. What both countries need most is a series of serious and sincere negotiations with patience and consistency in order to make those incomplete initial agreements more complete.

A Complex Strategy of Dialogue and Pressure

As discussed above the “preemption” and “acceptance” options are the least acceptable ones. The “containment” only option is also unattractive since it tends to generate crisis on the peninsula and to inflict serious damage to South Korea’s national security and economy. Therefore, the preferred choice is the

⁵ On debates between engagement and containment policies, see Victor D. Cha and David C. Kang, *Nuclear North Korea: A Debate On Engagement Strategies* (New York: Columbia University Press, 2005) and Michael O’Hanlon and Mike M. Mochizuki, *Crisis on the Korean Peninsula: How to Deal With a Nuclear North Korea*, 2003.

remaining dialogue option which combines pressure and sanctions. Here are a few suggestions to make this option more effective.

First, in order to influence the North to act in the desired manner, we need to use the “pressure” strategy skillfully. South Korea may use its humanitarian assistance as leverage to influence the North. The amount of pressure, however, should be carefully calibrated in consideration of the still fragile relationship between the two Koreas: with too little pressure, North Korea would fall into a state of “moral hazard,” while too much pressure risks causing the North to revert back to its old system, to rely all the more on WMD, and to close its doors again as in the 1990s.

Second, we have to maintain a coordinated policy between Seoul and Washington in order to make our message to the North more persuasive and forceful. Lack of coordination between Seoul and Washington often leads to policy paralysis, inaction, and thus lost opportunities. In order to make progress in the policy coordination process, we may first have to admit that, despite sharing the same goal, there are differences of strategies and methods between the two due to different policy priorities and strategic locations. Seoul and Washington should make a greater effort to better understand the other’s concerns and limitations.

Third, the United States and North Korea should have a bilateral dialogue whether inside or outside of the six-party talks. In addition, there should be high-level political dialogue since

working-level talks cannot manage highly politicized issues between the two. If there had been continued high-level dialogue between Washington and Pyongyang and high-level attention from the U.S. side, past nuclear agreements with the North could have arguably been saved.

Lastly, we need both patience and strategic thinking when we deal with the North. Since North Korea may not give up its weapons program for some time being due to its own sense of regime insecurity in this post-Cold War era, we have to pursue a two-track approach in parallel: diplomacy and pressure to resolve the nuclear issue peacefully and a contact and cooperation program to open and reform the North and induce behavioral change.

Prospects of the Six-Party Talks

Most North Korea watchers are pessimistic about the prospects of the six-party talks due to the confrontational relationship between the U.S. and North Korea and the complete disregard by North Korea for norms of the international non-proliferation regime and the rules of negotiations and agreement. Failures of the past negotiations with the North are supporting evidence for this assessment. After the October 9th nuclear test, North Korea may become more audacious and demanding, asking for the status of a nuclear power and may demand direct nuclear disarmament talks with the U.S. While the nuclear situation has been greatly aggravated since the nuclear test, there still are hopes

for the future of negotiations. There are a few notable new phenomena and trends that will hopefully help to increase the chances of a partial, if not complete, resolution of the nuclear issue in the near future. The following few factors command our attention.⁶

First of all, the current state of the North Korean nuclear problem is characterized by two special events; these are North Korea's nuclear test and the UN Security Council sanctions against the North. Unlike in the past, these two special events made the state of stalemate deeply uncomfortable and unbearable for both the U.S. and North Korea. The U.S. has to prevent the second nuclear test and to redress damage done to international non-proliferation policies caused by the North Korean nuclear test. The Bush administration cannot afford another foreign policy failure after losing a mid-term election to the Democrats due to failure in the Iraqi war. North Korea also has to take some positive steps in order to avoid the mounting pressure from the UN Security Council sanctions and other countries. It has to come to the six-party talks and show a positive negotiation attitude in order to receive foreign aid from China and South Korea.

Borrowing one example of negotiation theory jargon, the BATNAs (best alternative to a negotiated agreement) of both the U.S. and North Korea in the post-nuclear test and post-UN sanctions era have clearly worsened. Before the test and

⁶ Bong Geun Jun, "North Korean Nuclear Crises: An End In Sight?" *Arms Control Today*, January/February 2006.

sanctions, both countries felt comfortable in taking no action and in maintaining the stalemate in negotiations while clinging to their almost dogmatic positions. That was possible since both sides had relatively good BATNAs.⁷ North Korea was never punished and could continue to receive aid both from South Korea and China despite its boycott of the six-party talks. Simply speaking, there was not much incentive to participate in the six-party talks. The position of the U.S. was not very different to this. Though the U.S. strongly demanding North Korea to come to the table, it was neither ready to pay a price for this demand nor add any greater pressure to achieve it. If both North Korea and the U.S. continue their current courses of action, both will end up meeting with greater dangers and challenges. This new situation is pushing both parties to look for negotiated settlements before it becomes too late and too dangerous for all involved.

Second, the six-party talks have become an effective tool to keep all the participants in the process. The six-party process will also provide an effective implementation guarantee mechanism once the implementation stage begins. All participants to the talks will be witnesses to and guarantors of the agreements. If one party tries to renege on its obligations, it has to confront criticism from the other five. In the 1990s, when North Korea failed to implement either the Inter-Korean Denuclearization Declaration or the U.S.-DPRK Agreed Framework, Washington

⁷ On the concept of the BATNA, see Roger Fisher and William L. Ury, *Getting to Yes: Negotiating Agreement Without Giving In*, 1991.

and Seoul alone could not mobilize any effective punitive measures against Pyongyang other than verbal reprimands. In the six-party process, while punitive measures might still be limited, numbers do count. Especially China and Russia, traditionally on the side of Pyongyang, would be obliged to join the United States and South Korea in taking joint action against any wrongdoing by Pyongyang.

The binding and restraining power of the six-party process, however, goes both ways. Though the United States started the six-party talks to mobilize multilateral pressure against North Korea, it turns out that the United States itself is also subject to the group mechanism. For example, the United States refrained from using the term “CVID” at the third round of six-party talks in June 2004, when all other participants advised it to do so in order not to give the DPRK an excuse to boycott the negotiations. In addition, at the fourth round of the six-party talks, Washington also made a significant concession to Pyongyang’s demands for peaceful use of nuclear energy and LWRs, after learning that the other participants were sympathetic to South Korea’s position that such a right could be recognized as a matter of principle.

This new trend of multilateralism in the six-party talks has also made possible multilateral security cooperation in the Northeast Asia region. Through the 1990s, the idea of regional security cooperation had never been taken seriously due to reasons of immaturity or lack of a common culture and ideologies in the region. For the first time at the government level in the region, all six states agreed to “explore ways and means for

promoting security cooperation.” Once multilateralism begins to function, it is not easy to break away from it unless one is ready to take all the blame. In summary, unlike in the 90s, the new political phenomena of the six-party talks and multilateralism have become effective mechanisms to constrain and bind the behavior of the participants. The multilateral nuclear arrangements, though slow and difficult to launch at the beginning, will become a stable and durable mechanism to enforce the goal of denuclearization in the future.

Thirdly, China is playing an effective role as the mediator as well as the host of the six-party talks. Recently, after the nuclear test, China was instrumental in pressing North Korea back to the negotiating table. Since the United States and the DPRK do not trust each other and maintain a hostile attitude toward each other, it becomes crucial to have a mediator who has confidence from both sides, maintains a dialogue channel to both parties and links these two through indirect dialogue. In the Libyan nuclear case, the United Kingdom played a critical mediating role between Libya and the United States in making the nuclear negotiations a success. At the beginning of the first round of the six-party talks in August 2003, China was nothing more than a host of the talks, but increasingly and successfully it developed a mediating capacity. China’s active role in the six-party talks also coincides with China’s interests that tell the region and the international community that it is not a regional hegemon, but a peace-loving and responsible leader-state in Northeast Asia. Unlike in the 1990s, China, usually having stood behind North

Korea, has now become an active mediator and sponsor to the six-party talks and is pushing for denuclearization.

Fourthly, North Korea has become more dependent upon assistance from and trade with the international community, including South Korea and China, for its survival. North Korea has also been undergoing significant socio-economic reforms and opening since the 2000 inter-Korean summit. These economic changes and increasing dependence make North Korea more vulnerable to outside pressure from the international community than in the 1990s.

North Korea underwent a serious economic crisis in the 1990s when the Communist trade bloc collapsed. Worsening food shortages finally caused mass starvation from 1995 to 1998 when drought and flood alternately swept through North Korea. Pressed to undertake economic reforms, North Korea, one of the most closed societies in the world, introduced elements of the market-economy into its revised socialist constitution in 1998 and the “July 1st Economic Management Improvement Measures” in 2002.⁸ The DPRK economy and industry, which reportedly runs below 30 percent of its capacity, cannot be sustained unless supported by foreign aid and cooperation. If the DPRK keeps expanding its nuclear arsenal, however, both the international community and Seoul cannot continue economic cooperation and assistance. Memories of its severe economic

⁸ On changes in North Korea, please see Bong Geun Jun, “Changes in North Korea and their Prospects,” (monograph in Korean), Institute of Foreign Affairs and National Security, December 1, 2005.

difficulties and food crisis and their dependence upon the outside will be an added restraint to North Korea's nuclear ambitions.

Lastly, but most importantly, U.S. policy toward North Korea becomes more practical with elements of diplomacy and negotiations being pursued instead of containment and pressure only. In fact, the Bush administration has already lost six years, which were a critical time to maintain the nuclear freeze and to begin inspections of North Korean nuclear programs if the Agreed Framework had remained. Instead, the “policy” of moving back and forth between the policies of ‘containment and neglect’ and failing to coordinate its North Korea policy with Seoul are extracting a high price now. In the meantime, North Korean nuclear activities restarted and weapons capability multiplied, and finally there was a nuclear test on October 9, 2006.

Secretary of State Condoleezza Rice and Assistant Secretary Christopher Hill rekindled the ‘negotiation’ strategy after the October 9 nuclear test. The defeat of the mid-term election to the Democrats and the dismissal of Defense Secretary Rumsfeld and UN Ambassador Bolton have contributed to the revival of the dialogue strategy. In fact, the United States would have a greater chance of diplomatic success on the Korean peninsula than in any other trouble spots around the world. If the United States succeeds, it might also be relieved of some of the past criticism of its unilateralism, lack of diplomacy and neglect of regional cooperation.

In conclusion, the complete resolution of the DPRK nuclear issue is not totally impossible if the United States exercises further diplomatic efforts and strategic flexibility. Strong regional support for both the six-party talks and the goal of denuclearization is in place; Seoul and Tokyo are ready to finance most economic projects with the DPRK; and multilateralism and the spirit of regional security cooperation continue to gain strength.

The Stage-by-Stage Approach and Mini-Package Deal

What should we achieve at a next round of the six-party talks? Can we achieve the complete denuclearization of North Korea at the next meeting? If not, is there a stop-gap measure that could curb the runaway North Korean nuclear weapons program as soon as possible and lay a stepping stone for the further denuclearization of North Korea? For this purpose, a comprehensive, stage-by-stage, reciprocal, and multi-dimensional approach is proposed. Taking into account the hard reality of repeated failures in the past, we need patience and focused attention directed at this issue.

More specifically, we need to think of the denuclearization process, in the longer term, as made up of multi-stages to foster trust that both Pyongyang and Washington will follow through on their commitments. Measures to be taken by North Korea and the U.S. shall be taken on a strictly reciprocal basis. These agreements would include countries other than North Korea and the United States so as to aid implementation, ease Pyongyang's

security concerns and serve as witnesses and guarantors. Moreover, permanent denuclearization will require progress and close coordination in five separate areas: dismantlement, security assurances and diplomatic normalization, economic aid, peace-regime building on the Korean peninsula, and Northeast Asia security cooperation. What follows is a roadmap for the denuclearization of North Korea and the creation of a peace regime on the Korean peninsula.⁹

For example, in the first stage, Pyongyang should begin with freezing all nuclear activities at Yongbyon, allow monitoring, and pledge to refrain from additional long-range missile and nuclear tests. The United States could offer tentative security guarantees and ease sanctions partially. The United States and other countries would resume shipments of heavy fuel oil, suspended in 2002, while South Korea could begin discussions with North Korea on conducting surveys and drawing up plans to provide electricity. There will be the U.S.-DPRK dialogue within or outside of the six-party talks to make progress in bilateral relations between the two once again.

In the second stage, North Korea could begin to dismantle nuclear weapons and nuclear fuel cycle programs and facilities. The United States may then begin to take real action to normalize relations with the North and ease sanctions. Other countries would aid North Korea's economic and agricultural development and help Pyongyang prepare to join the World Bank and the

⁹ Bong Geun Jun, "North Korean Nuclear Crises: An End In Sight?" *Arms Control Today*, January/February 2006.

Asian Development Bank.

In the final stage, North Korea would complete dismantlement and resolve any outstanding issues about its nuclear program, its long-range missile efforts, or accusations that it has an arsenal of biological and chemical weapons. The United States and Japan would normalize relations and remove sanctions, and South Korea would begin providing North Korea with electricity. At this point, the United States and other countries might also again consider providing North Korea with light-water reactors when its non-proliferation policy has been proven to be true by not words, but by deeds.

Given North Korea's desire to acquire nuclear weapons capabilities at all costs and its disregard for international non-proliferation norms, the prospects for this scenario look grim. However, new diplomatic initiatives by the U.S. and a strengthened mediating role by China are creating new chances for the future of the six-party talks. In order to make these renewed diplomatic efforts bear fruit, the U.S. needs to make further diplomatic efforts and exercise strategic flexibility. Such actions by the U.S. would be strongly supported by other participants to the talks and this support will also work as added pressure on North Korea to denuclearize.

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The Consequences of the North Korean Nuclear Test for U.S.-ROK Relations : An American Perspective

David Straub *

No issue has bedeviled U.S.-South Korean relations during the past decade and a half as much as the North Korean nuclear program. For much of the period, U.S. and South Korean leaders have advocated conflicting approaches to the problem, no more so than during the past four years since the crisis sparked by the revelation of North Korea's covert uranium enrichment program. The Bush administration regarded the uranium enrichment program as proof of the DPRK's perfidy, while the South Korean administrations of Kim Dae-jung and Roh Moo-hyun felt that the U.S. did not appreciate the complexity of the situation on the Korean peninsula and they remained convinced that a more forthcoming U.S. approach would be reciprocated by the DPRK.

In spite of these basic differences in outlook, many

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observers in both countries, but especially in the U.S., had long assumed that a North Korean nuclear test would radically alter the DPRK policy of the Republic of Korea. But perhaps the most remarkable thing about the North Korean nuclear test of October 9, 2006—the single most significant strategic development on the Korean peninsula since North Korea launched the Korean War a half century earlier—was just how *anti-climactic* it was.

This was, of course, not entirely by accident. North Korean leaders had meticulously laid the public relations groundwork at home and abroad by arguing that the DPRK was forced to have a nuclear deterrent due to an unrelenting threat from the U.S. On February 10, 2005, after years of public hinting, they announced that the DPRK possessed nuclear weapons,¹ and on October 3, 2006, in a very carefully crafted document, the DPRK foreign ministry stated the country's intention to test a nuclear device in the safest possible manner and pledged that the DPRK would always act as a responsible nuclear arms state.²

Due in no small part to the DPRK's calculated timing as well as to its well-implemented public relations campaign, the situation post-nuclear test quickly returned more or less to the *status quo ante* after the initial flurry of international concern. In Resolution 1718, the United Nations Security Council decided

¹ *KCNA*, February 10, 2005, "DPRK FM on Its Stand to Suspend Its Participation in the Six-Party Talks for Indefinite Period," <http://www.kcna.co.jp/index-e.htm>.

² *KCNA*, October 3, 2006, "DPRK Foreign Ministry Clarifies Stand on New Measure to Bolster War Deterrent," <http://www.kcna.co.jp/index-e.htm>.

on limited sanctions against the DPRK³ but UN members' implementation looked likely to be spotty at best. The U.S. and the DPRK agreed to resume the the six-party talks in Beijing in mid-December 2006 while taking even tougher positions against each other than before the test. The U.S. and Japan continued to rely increasingly on sanctions without having a coherent overall policy that such pressure would serve. China was angered by North Korea's "brazenness" but soon returned to its pre-test role of mediator between the recalcitrant "main" parties, the U.S. and the DPRK. Russia took a similar position. The ROK response to the test was essentially cosmetic, designed more to mollify the U.S. than to pressure the DPRK.

In short, the North Korean nuclear test proved to be the ultimate confirmation that virtually nothing would change the positions of the current U.S. and ROK administrations about the nature of the North Korean challenge in general and of the appropriate policy toward its nuclear program in particular. (Some observers argue that a second DPRK nuclear arms test might prompt the ROK to change fundamentally its North Korea policy, but that appears to be little more than wishful thinking.) President Bush undoubtedly felt that the nuclear test vindicated his apparent belief that North Korea had long possessed nuclear devices and was neither a sincere nor credible negotiating partner. Many progressives in the ROK just as firmly

³ United Nations Security Council, October 14, 2006, "Council Condemns Nuclear Test by Democratic People's Republic of Korea, Unanimously Adopting Resolution 1718 (2006)," <http://www.un.org/News/Press/docs/2006/sc8853.doc.htm>.

believed that the situation resulting in the nuclear test had been as much the fault of the U.S. as of the DPRK.

What, then, is the likely impact on U.S.-South Korean relations of this dramatic confirmation of the apparently unbridgeable gap between the leaders of the two countries on the most important issue facing the alliance? Will relations now inexorably worsen? Is perhaps even a “divorce” in prospect? Can the two countries muddle through the remaining year of the Roh administration and the two years of the Bush administration without a further worsening of relations? Will Democratic control of the U.S. Congress and other internal and external pressures on President Bush force him to make major adjustments in his North Korea policy? Will South Koreans elect a new president in December 2007 whose views will be closer to those of President Bush? Will Americans in November 2008 elect a president whose views will be more in harmony with the new ROK president? What should the U.S. and the ROK do to overcome their differences about the DPRK?

Misconceptions about Bush Administration Policy

Before trying to answer these questions, it is useful to identify a number of widespread, major misunderstandings about the Bush administration’s North Korea policy as it existed both before and after the nuclear test.

First, despite widespread concerns in the ROK, some voiced publicly in past years by the South Korean leadership,

President Bush apparently never seriously considered the use of a military option against North Korea's nuclear program. Moreover, as the debacle in Iraq grows, any U.S. military option on the Korean peninsula clearly becomes even more problematic. The most authoritative statement on the issue was President Bush's own remarks at a press conference with President Kim Dae-jung in Seoul in February 2002, long before the current situation in Iraq: "we have no intention of invading North Korea. South Korea has no intention of attacking North Korea, nor does America."⁴

Sometimes forgotten is the fact that it was the Clinton administration that, in its first term, came far closer to contemplating military options than President Bush ever did. Moreover, President Clinton's Secretary of Defense, Bill Perry, publicly reiterated his support for the concept of the use of a military option against North Korea earlier this year.⁵ Some cite President Bush's repeated statements that "all options are on the table" as evidence of his willingness to use military force, but he appears to have used that formulation primarily in response to domestic U.S. criticism, including by some Democrats, that he was too soft on North Korea.

Second, "regime change" or "regime collapse" was not, and

⁴ Remarks by President Bush and President Kim Dae-jung in Press Availability at the Blue House, Seoul, Korea, February 20, 2002, <http://www.whitehouse.gov/news/releases/2002/02/20020220-1.html>.

⁵ Ashton B. Carter and William J. Perry, "If Necessary, Strike and Destroy: North Korea Cannot Be Allowed to Test This Missile," *The Washington Post*, June 22, 2006, http://www.washingtonpost.com/wp-dyn/content/article/2006/06/21/AR2006062101518_pf.html.

is not, the policy of the Bush administration. Some Bush administration officials contributed to the confusion by publicly talking about the desirability of “regime transformation,” by which, however, they meant not a change of regime but improved behavior on the part of the existing regime.

Presumably, there are some in the Bush administration who would not be unhappy if there were a change of regime in North Korea. President Bush himself has publicly talked of his loathing of the DPRK leadership and system. But fantasizing—while subject to legitimate criticism that it has led to misperceptions that have hurt U.S.-South Korean relations and complicated negotiations with the DPRK—cannot fairly or correctly be called a policy or a plan.

Some observers regard U.S. sanctions against North Korea as intended to bring about regime change, but the main U.S. aim is, in fact, to force North Korea to give up its nuclear ambitions. Reported assertions by some U.S. officials that they want sanctions to “turn out the lights in Pyongyang” presumably are an accurate reflection of their personal feelings, but most U.S. officials also understand that the U.S. probably could not effect regime change in North Korea even if it adopted such a policy.

Third, many commentators believe that much of the apparent incoherence in Bush administration policy toward North Korea is due to bureaucratic disagreements that have gone unresolved even after the replacement of Colin Powell by Condoleezza Rice as Secretary of State. In fact, while interagency and individual disagreements naturally exist, Bush administration

policy toward North Korea was set within very narrow parameters from the outset by President Bush *personally*, influenced by Vice President Cheney. Bureaucratic disagreements are thus of relatively insignificant consequence.

Moreover, in setting policy, President Bush regards some leaders and regimes as evil and believes that it is not only beneath the U.S. to negotiate with them but even *immoral*. Witness his continuing rejection of unconditional talks with Iran and Syria, despite the need to resolve very serious problems and the great internal and external pressures for such talks. President Bush thus appears to have agreed to the six-party talks not primarily to engage in give-and-take negotiations with the DPRK, but to demonstrate to domestic critics and skeptics that the administration's approach is steadfast and viable and, above all, to mobilize North Korea's neighbors to force it to give up its nuclear program.

Fourth, contrary to the suspicions of some, the Bush administration did not invent information regarding North Korea's serious pursuit of a uranium enrichment program. While there can be debate about North Korean motivations and the scope of the program, the fact that North Korea was pursuing such a program even as it was engaged in negotiations with the Clinton administration about a visit to Pyongyang by the president of the United States cannot but be regarded as a most serious matter by any U.S. administration.

Finally, in repeated public opinion polls in recent years, large pluralities of South Koreans have expressed the view that the U.S. is the state that poses the greatest obstacle to reconciliation

on, and unification of, the Korean peninsula. The feeling is apparently based in large part on a rejection of the Bush administration's concerns about the logic and consequences of the ROK's engagement policy toward the DPRK as pursued by Presidents Kim Dae-jung and Roh Moo-hyun. Yet, in fact, it is virtually impossible to find an American, whether private citizen or official, who is opposed to Korean unification. The reason is simple: almost all Americans assume that one day Korea will be unified and that it will occur largely on the terms of their South Korean ally.

The Impact of the Nuclear Test on the Bush Administration's DPRK Policy

The nuclear test did not result in a major change in the Bush administration's DPRK policy, based, as it was, from the outset on the belief that the DPRK probably already had nuclear weapons. While the test allowed domestic U.S. critics to argue that a failed Bush administration approach had contributed to a DPRK nuclear "breakout" that Clinton administration policy had prevented, Bush administration supporters argued that the test only proved the naiveté of the Clinton administration regarding North Korea's intentions.

Given President Bush's personal leadership of North Korea policy and Secretary of State Rice's apparent disinclination or inability to advocate a more flexible approach, the North Korean nuclear test naturally led to a further toughening of the U.S.

stance toward the DPRK's nuclear program. The U.S. reportedly demanded that North Korea take immediate steps to freeze major elements of its nuclear program and to allow international monitoring in connection with the resumption of six-party talks. Meanwhile, North Korea, far from being "forced" to return to the talks by international pressure as some have suggested, has intensified its demand that the U.S. first prove that it is abandoning its "hostility" toward the North by offering it concrete benefits before it will address the dismantlement of its nuclear program.

The test did allow the Bush administration to rally international support for the passage of UNSC sanctions against the DPRK in UN Security Resolution 1718. Such *disincentives* represented not a departure for the U.S. but a continuation of its increasing reliance on *de facto* sanctions against the DPRK since the fall of 2005. These include the measures taken against Banco Delta Asia as well as official U.S. warnings given other banks worldwide about handling DPRK accounts. Meanwhile, U.S. official statements in advance of the mid-December 2006 six-party talks session remained vague about the *incentives* that the U.S. would be willing to provide the DPRK in exchange for verifiably abandoning its nuclear program. In the wake of the nuclear test, the U.S. also made a renewed but largely unsuccessful effort to persuade the ROK and other countries to support the United States' Proliferation Security Initiative, directed in significant part against the DPRK.

The recent U.S. mid-term election raised the hopes of some

critics that U.S. policy toward North Korea would become more “pragmatic.”⁶ They noted that Condoleezza Rice, as Secretary of State, has a much closer relationship with President Bush than her predecessor; that the departure of Secretary Rumsfeld and of many of his closest aides at the Pentagon removed one obstacle to a “reality-based” policy; and that the Democrats, having recaptured Congress, would publicly scrutinize the Bush administration’s approach and call for more intensive bilateral talks with the North Koreans. Moreover, some believed that the Bush administration’s failure to achieve its stated goals in Iraq would also work to induce it to adopt a more pragmatic policy toward North Korea.

Such hopes will probably not be realized. The basic U.S. approach toward North Korea, as noted above, is defined by President Bush and Vice President Cheney personally. Since they remain in office and hold very strong, principled views about North Korea, any concessions they offer toward a more pragmatic approach will likely be too small and too late to make a substantial difference in the final two years of their administration. They will likely continue to reject significant changes of course toward North Korea, whether called for by Democrats in Congress or the politically appointed leadership at the Department

⁶ Professor Moo-jin Yang, Director for External Affairs at the Institute for Far Eastern Studies of Kyungnam University, analyzes this and other possible post-U.S. mid-term election scenarios from a South Korean perspective in the Nautilus Institute’s *Policy Forum Online* 06-101A, December 5, 2006, “The Democratic Party’s Victory in the U.S. Midterm Elections and the North Korean Nuclear Issue,” <http://www.nautilus.org/fora/security/06101Yang.html>/<http://www.nautilus.org/fora/security/06101Yang.html>.

of State.

Certainly, some Democrats will severely criticize the Bush administration's North Korea policy, including in formal hearings, but few will offer detailed, concrete plans to resolve the North Korean problem. Most Democrats continue to fear being criticized as being "soft" on North Korea, and many feel that North Korea will not give up its nuclear ambitions without receiving major benefits from the U.S.—if then—benefits that would not be popular with the American public. The Democrats are further inhibited from taking politically risky initiatives because they still do not have a majority sufficient to override a presidential veto.

The impact of the growing debacle in Iraq on U.S. policy toward North Korea is more difficult to predict. On the one hand, Iraq is clearly the overwhelming foreign policy preoccupation of the Bush White House; the Baker-Hamilton Iraq Study Group report required that President Bush focus his personal attention predominantly on Iraq throughout December 2006. In theory, the U.S. leadership's focus elsewhere might allow U.S. negotiators at the six-party talks a freer hand to explore whether an acceptable deal is possible. In practice, however, the President's strongly held views set the parameters for DPRK policy from the beginning of his administration, and it is not apparent that any degree of preoccupation with Iraq would change those. In fact, the Iraq situation could well make it more difficult for the President's top advisors to find the opportunity to engage intensively with him regarding a possible change in

North Korea policy, even if they personally were so inclined.

The Initial Impact on U.S.-ROK Relations

The initial impact of the North Korean nuclear test on U.S.-South Korean relations has been minimal despite official U.S. and ROK differences of approach. While U.S. officials were undoubtedly disappointed by the ROK decision to continue to pursue its engagement policy essentially unchanged after the North Korean nuclear test, they were probably not terribly surprised about the response after six years of diplomatic exchanges that made the basic ROK stance clear. Within South Korea, the North Korean nuclear test was one of a number of events that has made overall public opinion in recent years less critical of the U.S. and more critical of the DPRK. While the Roh administration does not share this interpretation of events, it must take public opinion into account as it sets its North Korea and U.S. policies. Since the DPRK nuclear test, the ROK has thus muted its public criticism of the Bush administration's North Korea policy and taken steps to mollify both the Bush administration and domestic critics, including by suspending the shipment of humanitarian aid to North Korea.

Risks to U.S.-ROK Relations

Nevertheless, the risks to the U.S.-ROK relationship could increase in coming months. With both the U.S. and North Korea

taking even tougher public positions since the nuclear test, the prospects for significant progress in the six-party talks appear poor. Indeed, the talks might even break down completely in the near future, a development that would deeply distress the Roh administration. Bush administration officials, preoccupied with the situation in Iraq, worrisome developments in Afghanistan, and the pressure to embrace a comprehensive approach to the Middle East situation, may prefer simply to “stay the course” regarding North Korea. Afforded this opportunity, the DPRK could take additional steps, such as conducting further nuclear and missile tests or engaging in conventional military provocations. Moreover, the possibility of unintended incidents cannot be excluded. In any event, North Korea will almost certainly continue to produce additional fissile material. It is unlikely that the U.S. and South Korea will agree on how to respond to such developments. Finally, the campaign for the December 2007 South Korean presidential election is already underway. ROK relations with the U.S., and U.S. policy toward the DPRK, are likely to be major issues. The result, no matter who is elected as the next ROK president, is that there could be a further polarization of South Korean views on these issues, with lasting consequences.

Countervailing Pressures: The Fundamental Strength of U.S.-ROK Relations

Remarkably, however, the record of the past four years is

that President Bush and Roh, each in part for different reasons, have worked diligently to maintain the alliance in spite of their principled disagreement regarding North Korea. These reasons are mostly long term and have not changed with the DPRK nuclear test; they thus argue for the maintenance of the bilateral relationship despite continuing tensions over North Korea.

The U.S., for its part, values its relationship with the ROK due to many factors. The U.S. has invested a great deal of prestige in the ROK, a government that it helped to establish and has supported the entire six decades of its existence, including with the sacrifice of over 33,000 U.S. military personnel on the battlefield during the Korean War. The ROK remains important strategically in Northeast Asia and will continue to serve as a base for substantial U.S. military forces and capabilities even after the ongoing USFK drawdown is completed. The ROK is the United States' seventh-largest trading partner, and people-to-people ties between the U.S. and South Korea are massive. The ROK's astounding political and economic development makes it one of the most positive models in the world of the benefits of alliance with the U.S.

The U.S. also continues to be important for the ROK as well. Within the ROK, long-term concern about the future courses of Japan, China, and Russia remains great. Even South Korean progressives generally recognize, despite ambivalent feelings about the history of U.S. involvement in Korean affairs, that the ROK is still “a shrimp among whales” in its own neighborhood and that an alliance with a geographically remote

superpower such as the U.S. is its best strategic insurance policy. Moreover, South Koreans understand that cooperation with the U.S. over the past five decades was the framework within which they, albeit of course mostly by dint of their own efforts, were able to build the freest and most prosperous society in the history of the Korean nation.

In the short run, too, there are other factors at work supporting U.S.-ROK relations. Continued U.S.-ROK cooperation in Iraq and Afghanistan and in other global security matters, the reduction and realignment of U.S. Forces Korea, the negotiation of a bilateral U.S.-ROK Free Trade Agreement, and efforts to include the ROK in the U.S. Visa Waiver Program will be helpful in moderating fallout from continuing U.S.-ROK disagreement over North Korea. But it needs to be recognized that the course of the North Korea problem will have far more important consequences for U.S.-ROK relations than would be the successful management of all of these other programs combined.

Recommendations

Perhaps the greatest impact of the North Korean nuclear test on U.S.-South Korean relations is that it underlined for experts in both countries that no North Korea policy their countries pursue has much chance of success unless they sincerely support each other. Perforce, each will have to make some compromises. Americans should take to heart South Koreans' argument that more compromises should be made by

the U.S., since the issues most directly affect Koreans. But South Koreans also need to acknowledge that the U.S. has global interests and concerns involving North Korea that must be taken into account, and that the DPRK's continued pursuit of its nuclear and missile programs will result in its acquisition of a capability to threaten the U.S. homeland directly.

It should not be beyond the realm of the possible for the ROK and the U.S. to achieve consensus about dealing with the challenges posed by North Korea. U.S. and ROK interests on the Korean peninsula are largely similar. Neither wants war or major instability on the Korean peninsula; neither wants North Korea to have nuclear weapons; both want the continued prosperity and freedom of the ROK; neither wants any East Asian country to exercise hegemony over the region; and both want eventual unification of the Korean peninsula largely on South Korean terms.

For their part, U.S. policymakers need to recognize that the North Korean nuclear problem has been decades in the making, and cannot be resolved in a few months or even a few years. Managing, limiting, and eventually fully resolving the problem will require a long-term diplomatic strategy, a strategy that must begin with closer U.S.-ROK cooperation. The U.S. must also genuinely seek the support of other governments, and be prepared to compromise on tactics to do so. U.S. policymakers must understand that diplomacy does not mean talks for the sake of talks, and, at the same time, that a willingness to talk even to objectionable governments does not represent weakness.

Diplomacy, correctly understood and practiced, is based on a strategy that carefully incorporates all relevant aspects of national power, including military deterrence and pressure and economic and trade sanctions. To be effective, however, it must usually involve incentives as well as disincentives.

Meanwhile, South Korean policymakers need to have a clearer understanding not only of U.S. interests in regard to the Korean peninsula but also of North Korean interests and aspirations. Some South Koreans tend to hold the most cynical views of the interests of the major states surrounding them—not only of China, Russia, and Japan but also of the U.S.—while simultaneously expressing breathtakingly naïve views about North Korea. As they argue, there probably is indeed considerable logic in the North Korean decision to build a nuclear arsenal, but one aspect of that logic almost certainly involves the DPRK's rivalry as a state with the ROK for long-term hegemony on the Korean peninsula. It would be contrary to human nature and the history of the behavior of states to imagine, simply because the DPRK has fallen exceedingly far behind the ROK in all areas of endeavor except nuclear weaponry and missiles, that its leadership would abandon all hope of eventual superiority.

What both Americans and South Koreans need to avoid is engaging in wishful thinking about changes of government in the two countries as the result of upcoming presidential elections. Both the U.S. and, especially, South Korea are internally polarized about policy toward North Korea. Whoever wins the next presidential elections in the ROK and the U.S.—and the outcomes

currently are unpredictable—substantial portions of the citizenry within each will retain opposing views about how to deal with North Korea. The new ROK and U.S. presidents will find limits set to their North Korea policies by such opposition within their own countries. For their policies to have a greater chance of success, both internally and externally, they should build on the views of the middle portion of the electorate rather than of either extreme. That will also make it much easier for the two presidents to coordinate North Korea policy between themselves.

South Koreans (and perhaps North Koreans as well) also need to realize, for good or bad, that North Korea is unlikely to be a major factor in the upcoming U.S. presidential campaign. Typically, the state of the U.S. economy and other domestic issues weigh much more in the minds of the American voter than do foreign policy issues. This time, however, Iraq will probably be the single most important campaign issue, so important, in fact, that it will almost certainly overshadow all other foreign policy issues. For reasons explained above, Democrats will criticize the Bush administration's policy as having been a failure and of a piece with disastrous policies in Iraq and elsewhere, but they may well emphasize that they would be even "tougher" on North Korea while also being "smarter." The Republicans will counter with criticism of Democratic naiveté. Most voters, focused on issues of greater immediacy to them, will not be able to decide which party or candidate is correct about the complex North Korea issue, and the result, in terms of the election outcome, will likely be insignificant.

South Koreans should also abandon notions of the ROK “mediating” between the U.S. and the DPRK, or of the U.S. and the ROK taking on a “good cop, bad cop” division of labor in dealing with North Korea. Neither the DPRK nor the U.S. will accept the ROK as a mediator, the DPRK because it continues to insist on treating the U.S. as its main interlocutor on fundamental issues regarding the Korean peninsula, and the U.S. because most Americans are offended by the notion that their South Korean ally would find itself somehow in the “middle” between the DPRK and the U.S. Regarding “good cop, bad cop” tactics, any such effort would be immediately apparent to, and discounted by, the DPRK. Moreover, most Americans regard the notion as intended to persuade the U.S. not to object to ROK tactics and positions that the U.S. would otherwise find objectionable.

Conclusion

In spite of the DPRK nuclear test, the ROK and the U.S. administrations are both likely to stay the course on their DPRK policies until the end of their terms in February 2008 and January 2009, respectively. If, meanwhile, North Korea does not take further steps complicating the situation, it is possible that the U.S. and the ROK will “muddle through” the next two years, until new administrations in the ROK and the U.S. allow the two allies to take a fresh look at the DPRK problem and at U.S.-ROK relations overall.

It is of course far from a foregone conclusion that North

Korea will not take steps complicating the situation during the next two years. In fact, with bleak prospects for the six-party talks, North Korea is likely to conduct further nuclear and missile tests during the period. That makes it all the more urgent for the U.S. and ROK governments to conduct a fundamental review, separately and jointly, of their North Korea policies.

Whether the current U.S. and ROK administrations conduct such a review, experts and concerned citizens in both countries should intensify their own studies and collaboration now to help lay the groundwork for more effective U.S. and ROK policies and cooperation regarding North Korea, and, by doing so, for strengthening the U.S.-ROK alliance and ensuring that its benefits to both peoples will continue.

Despite the great challenges and frustrations engendered by North Korea's nuclear program, a "divorce" between the U.S. and the ROK is very unlikely. Indeed, over the long term, there is a reason to be optimistic about the future of U.S.-ROK relations. By any objective standard, the relationship over the past five decades has been very beneficial to both countries. The United States' global and regional interests will continue to ensure that the ROK is important to it, while the ROK's geostrategic situation means that the U.S. will remain useful to guarantee ROK security in a difficult region.

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Part III

The Future of Northeast Asia following the
NK Nuclear Test



The ROK's Role in Northeast Asia in the wake of North Korea's Nuclear Test

Hyeong Jung Park *

Introduction

After September 11, the central foreign policy concerns of the U.S. have been anti-terrorism and the Iraqi war. Even if North Korea's development of highly enriched uranium weapons development had been exposed and North Korea had a more progressed nuclear program than Iraq, the U.S. did not regard North Korea's nuclear weapons development as her first priority concern. The U.S. simply did not want to be distracted by North Korea's nuclear weapons development; this is largely because of a perceived need to concentrate attention on the Middle East.

In the wake of the anti-terrorist actions in Afghanistan and the Iraq war, the U.S. has been paying significantly less attention to East Asia, and assumed an indifferent attitude to the increase of Chinese influence in the region.¹ Furthermore, the U.S. has

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¹ Kurt M. Campbell, "Asia's Challenges: Past and Future," Statement before the House Committee on International Relations, September 14, 2006, pp. 1-2.

even invited China to play an important role in matters of urgent concern, such as North Korea's nuclear weapons development. The Bush administration also regarded North Korea's nuclear weapons development not as a problem, for which the U.S. has the major responsibility to resolve, but a Northeast Asian regional problem.² Upon American encouragement, China has been playing the central role in the efforts to resolve North Korea's nuclear weapons program. Japan has also increased its involvement.

This is somewhat different from the situation in the mid 1990s, when the first North Korean nuclear challenge had to be dealt with. At the time, the bilateral negotiations between the U.S. and North Korea had been the central tool to stop North Korea's nuclear weapons development. The ROK has largely cooperated, sometimes obstructively, but intensively, with the U.S., while insisting that the agenda of improvement of inter-Korean relations be dealt with in the bilateral negotiations between the U.S. and North Korea. During the second nuclear crisis in the 2000s, however, it is expected that China will play a central leadership role in order to realize a breakthrough in negotiations between the U.S. and North Korea. The ROK shared more points of common interest with China than with the U.S., and cooperated accordingly. The main partners of the U.S. in discussing related problems about resolving North Korea's nuclear weapons program have been neither North nor South Korea, but primarily China and in a secondary position, Japan.

² Condoleezza Rice, "U.S. Policy in Northeast Asia," Heritage Lecture #B.C. Lee 11, October 30, 2006, pp. 4-5.

This essay seeks to answer questions which flow from such a new constellation in Northeast Asia. It will review the past, the present, and the future of the issues related to North Korea's nuclear weapons development within the new framework of Northeast Asian international relations. The pivotal questions to ask are: How could North Korea arrive at the situation, where it dared to demonstrate its nuclear weapons capacity, while the U.S., China, and South Korea, all have avowed no toleration of North Korea's possession of nuclear weapons? How will a nuclear North Korea influence, in the broadest terms, Northeast Asian international relations, and, in narrower terms, the ROK's international position and interests?

The Past: The Failure to Prevent North Korean Nuclear Weapons Development

In a nutshell, in the current constellation, there is no country, which regards the prevention and dismantlement of North Korea's nuclear weapons program as a primary political goal, and concentrates itself sincerely on it. The ROK, the U.S., and China apparently share consensus on not tolerating North Korea's nuclear weapons program. Nevertheless, each country, for differing reasons, has pursued goals other than the denuclearization of North Korea as its primary policy objective.

The U.S.

In this regard, the Bush administration and the U.S. have three problems. Foremost, the core of attention has been anti-terrorism and the political restructuring of the Middle East. Not only the Bush administration but also the majority of the American public do not wish to be distracted by the issue of North Korean nuclear weapons development in order to concentrate on the Middle East, especially on Iraq. Accordingly, neither the Bush administration nor the U.S. at large has taken serious countermeasures to North Korea's nuclear weapons development, even if the North Korean determination to possess and demonstrate nuclear weapons has become gradually ever clearer. At the highest levels, American policymakers have repeated the pattern of a policy of malign neglect toward North Korea, which has conspicuously and consistently both alluded to possessing and demonstrating a nuclear weapons capability, and has paid only intermittent attention to North Korean occasional and desperate brinkmanship.

The second problem is that the Bush administration has lost policy leadership and legitimacy with regard to the ROK, China, and Japan. There are three reasons for this: First, there has been serious contention between hawks and doves in the Bush administration.³ The former insisted that only regime change would resolve the problem, while the latter would like to be

³ Gordon Flake, "Sunshine or Moonshine?: Inter-Korean Relations and their Impact upon the U.S.-DPRK Conundrum," in *Implementing the Six-Party Joint Statement and the Korean Peninsula*, Korea Institute for National Unification (ed.) (Seoul: KINU, 2005), pp. 82-96.

satisfied with more limited goals, i.e. changing regime behavior. These conflicts have impeded consistency and coherence of U.S. North Korea policy and have constantly puzzled other concerned parties. Second, generally outside stakeholders have found the North Korean policy of the Bush administration to be overly rigid and tough, tantamount to demanding North Korea's complete surrender or regime change. Therefore, the usual pattern has been that they demanded the 'flexibility' and 'creativity' of the Bush administration's policy, before they started talking with North Korea. Third, there has been a widely held suspicion that the U.S. might have manipulated information regarding weapons development by North Korea according to the current political needs of the Bush administration especially after the failure to find weapons of mass destruction in Iraq. These three points can partially explain why the Bush administration has failed to forge a common front with the ROK, China, and Japan against North Korea.

China

The third problem of the U.S. is related to China. It is possible to deal with the question of China and simultaneously to explain China's position. In order to concentrate on Iraq, the U.S. has invited China to play a major role in dealing with North Korea's nuclear weapons development. This implies the U.S. tacit acknowledgement that North Korea is largely a Chinese issue, and that China has both responsibility for and enjoys certain rights when it comes to dealing with North Korea. The

U.S. invitation to play a bigger role in North Korea's denuclearization supplied China with opportunities for simultaneously expanding influence in Northeast Asia, but with the accompanying risks of management failure.⁴ In any case, China began to see her contribution in the context of enhancing her leverage in relations with the U.S., possibly to the detriment of Taiwan, and expanding influence especially in relation to South Korea.

Considering the Bush administration's directions in North Korean policy, it seems contradictory that the U.S. has outsourced policy to China. In other words, if the U.S. maintains high expectations for China's role in the denuclearization of North Korea, it might imply that it doesn't have the determination to end and dismantle North Korea's nuclear weapons development itself. The question here is: How can you ask someone with significantly different interests to resolve your problems from your perspective and to your satisfaction? This appears to be rather contrary to the policies up till now of the Bush administration, which prefers regime change to a nuclear North Korea, and China is expected to favor a nuclear North Korea to a destabilized one.⁵ It is true that some people in the U.S. demand that pressure be exerted on China to force it to cooperate with

⁴ Andrew Scobell, *China and North Korea: From Comrades-In-Arms to Allies at Arm's Length* (Washington DC: Strategic Studies Institute of the U.S. Army War College, 2004).

⁵ Samuel S. Kim, "China and North Korea in a Changing World," *Uneasy Allies: Fifty Years of China-North Korea Relations*, Asia Program Special Report, Woodrow Wilson International Center for Scholars, September 2003; Liu Ming, "China's Role in the Course of North Korea's Transition," *A New International Engagement Framework for North Korea?: Contending Perspectives* (Seoul: Korea Economic Institute of America, 2004).

the denuclearization of North Korea on American terms. In any case, the U.S. policymakers are well informed of the Chinese position and occasionally announce their ‘respect’ for Chinese interests.

The real role of China has been that of a shock absorber, preventing North Korea’s brinkmanship for nuclear arms possession and demonstration from escalating into a dangerous crisis in the region. China has persuaded and coerced North Korea not to break away from the six-party negotiation framework. For all of that, China, like the U.S. and the ROK, has not taken decisive measures to prevent North Korea from developing nuclear weapons. China became angry over North Korean defiance over the nuclear issue, and reacted accordingly to inflict some inconveniences upon North Korea, but did no more. China still holds the view that the core issues of North Korea’s nuclear weapons development should be resolved between the U.S. and North Korea, identifies its role simply as a mediator between the two parties, and limits its contributions accordingly.

The ROK

The ROK has been most embarrassed by the second North Korean nuclear crisis. The official position has been zero tolerance of North Korean nuclear weapons. It has, however, two other principles, regarded at least equally important: The continuation of inter-Korean reconciliation and cooperation despite North Korea’s nuclear development; and the peaceful

resolution of North Korea's nuclear weapons development through dialogue and negotiation. The result of pursuing both simultaneously has been that the first principle of zero tolerance has maintained importance only for declarative purposes and lost real effect and teeth.

With these three principles, the ROK, in fact, has wanted to maintain good relations with and to restrain both the U.S. and North Korea. It appeased the U.S. with the first principle of zero tolerance and tried to restrain the U.S. with the remaining two. It tried to appease North Korea by continuing economic assistance and to contain it with the other two principles. The purpose has been to prevent tension escalation and to achieve a peaceful resolution of the crisis.

This position, however, has been object of complaints from both the U.S. and North Korea and has failed to satisfy either of them. With regard to the U.S., on the one hand, the Roh government has taken a critical position to the U.S. Korea policy and has tried to change the ROK-U.S. relations into a more 'equal' relationship. The Roh government also tried to maintain an independent North Korea policy and to enter into a separate deal with North Korea. On the other hand, it has tried to satisfy the needs of the U.S. and solidify the relations of the two countries through measures, such as the dispatch of ROK troops to Iraq, the relocation of U.S. forces in South Korea, and the unexpected initiation of negotiating the KORUS FTA.

The gaps in North Korea policy between the ROK and the U.S. have widened during the gradual escalation of the North

Korean nuclear challenge. South Korea's decision to deepen accommodation with North Korea despite the progression of nuclear weapons development contributed to the widening of this gap.⁶

At first, the Roh administration maintained the principle that the inter-Korean relations should be continued, but could be deepened only after the resolution of the nuclear crisis. It has even agreed with the U.S. that 'in the case of a deterioration of the situation, further measures should be considered, and the progress in resolving the nuclear problem should be linked with that of inter-Korean economic cooperation' in the summit of May 2003.

This principle of parallel practice of resolving the nuclear crisis and maintaining inter-Korean relations has been revised in early 2005 into the principle of contributing to the resolution of the nuclear crisis through intensifying inter-Korean relations. The catalyst for the revision was the almost one-year discontinuation of inter-governmental relations in the period from July 2004 to June 2005. In spite of North Korea's declaration of possessing nuclear weapons in February 2005, the Roh government tried to entice North Korea into resuming inter-governmental relations through advanced accommodation. The deal seemed to break down when the then minister of unification, Chung Dong Young visited Kim Jong Il in June 2005, as

⁶ Hyeong Jung Park, *American and Chinese Competition for Korean Peninsula and South Korea's Policy Options* (Seoul: Korea Institute for National Unification, 2005) (in Korean), pp. 57-63.

presidential special envoy to Pyongyang. The major carrots were the increase in economic assistance and cooperation and South Korea's concession in the agreements on elementary confidence building measures in the West Sea and along the demilitarized zone. The Roh government believed the followings: Expansion of inter-Korean exchange would increase North Korea's economic dependence on the South; South Korea could then increase its influence on the North, and thereby could have also some leverage on U.S. policymaking; and in the end South Korea could play a major role in resolving the North Korean nuclear weapons crisis.

With the new principle, the contrasting pictures of the U.S. and South Korea's North Korea policy reached their logical conclusions. The Roh government advocated a resolution through dialogue and concentrated its effort on the maintenance of the inter-governmental meetings. The Bush administration put more emphasis on pressure than dialogue. The American side thought that the Roh government had tried its utmost not to offend North Korea. The Korean side tried to avoid executing any demand for pressure against North Korea, because it thought the ultimate American objective to be regime change. The American side wanted to reduce or stop economic trade with North Korea as a form of pressure. The South Korean side thought it was able to positively influence North Korean behavior through the continuation and increase of economic assistance to North Korea. The U.S. thought that South Korea's leftist government viewed relations with the North as being

more important than those with it, and that anti-American sentiment represented the betrayal of American benevolence in the past. In South Korea, the opinion that the U.S. has no determination to resolve the nuclear crisis, but to take advantage of it in order to maintain American influence in Northeast Asia has increased in influence. For their parts, both South Korean and American high-ranking officials have contributed to the deterioration of relations by remarks, which the other side would have preferred not to hear.

With South Korea's accommodative policy and assistance, North Korea could play the nuclear game without being cornered and without having to facing serious deterioration in levels of economic assistance. The South Korea's policy has contributed to a reduction in tensions and to bring North Korea to the negotiation table for the time being, but has failed to stop North Korea's nuclear weapons development. Even after North Korea's declaration of possessing nuclear weapons, the South thought it was able to resolve the problem with deeper accommodation. The joint declaration of September 19 seemed to verify South Korea's position. North Korea, however, has not positively responded to South Korea's compassionate appeasement and has betrayed these expectations. As results, the South has failed to prevent North Korea from launching missiles in July and testing a nuclear weapon in October 2006.

Preliminary Conclusion

In conclusion, South Korea and the U.S. have worked at

cross-purposes in North Korean policy and thereby indirectly provided North Korea with opportunities to further nuclear weapons development. South Korea's policy of reconciliation and cooperation with the North could have not succeeded without support from the U.S. The American policy of pressure and negotiation could not have born positive results, if there was no collaboration from South Korea. North Korea could see the divide between the two and become quite sure of not being seriously punished even after the nuclear test. Therefore it went ahead with the test and is trying now to be acknowledged as a nuclear power.

The Present: The Impact of North Korea's Possession of Nuclear Weapons on Northeast Asia

North Korea's nuclear weapon test has not yet fundamentally changed the international relations in Northeast Asia.⁷ The test, however, could work as a factor, which can cause gradual but tectonic changes in Northeast Asia. It has sent a strong, though uncertain, shockwave through the contemporary constellation in Northeast Asia, and will gradually amplify certain inherent problems of the current structure and produce a dynamic of augmented interactions among them.

In the following section, the impact of North Korea's

⁷ Alan Romberg, et al., "Next steps on North Korea: Options beyond sanctions," The Carnegie Endowment for International Peace and Henry L. Stimson Center, October 12, 2006.

nuclear test will be reviewed with regard to the four characteristics of the current status of Northeast Asian international relations⁸: First, the lack on the part of the U.S. of a larger regional strategy that could entail the ample commitment of the time and attention of senior policymakers; second, the explicit outsourcing of the North Korean nuclear issue to China; third, the degrading of the U.S.-Korea alliance; and fourth, the singular attention to enhancing the alliance with Japan.

ROK-U.S. Relations

To begin with, both the Bush and the Roh administrations share interests in degrading the alliance. The Roh administration wanted to make the alliance with the U.S. more ‘equal.’ It would like to gain independence in foreign policy by reducing security dependence on the U.S. The decisionmakers in the Roh administration have tended to be confident that, even if South Korea dared to have frictions with the U.S. in the defense and foreign policy fields, the latter would not abandon it, because the U.S. needs it more than it wants the U.S.⁹ The strive for a reduction of security dependence can be symbolized by buzz words like ‘cooperative self-reliant defense’ and the ‘drawback of

⁸ Jonathan D. Pollack, “Northeast Asian Nationalism and Future,” U.S. Regional Strategy Subcommittee on Asia and the Pacific, House International Relations Committee, September 21, 2006, p. 8.

⁹ Gordon Flake, “U.S.-Republic of Korea Relations: An Alliance at Risk?” Testimony before the House Committee on International Relations, September 27, 2006.

wartime operation control.’ The pursuance of more autonomy in foreign policy was epitomized in the phrase of “strategic balancer in Northeast Asia,” and partly realized in the readiness of frictions with the U.S. in the policies toward North Korea, China, and Japan. The Roh government in particular, regarded the U.S. North Korea policy as excessively confrontational and thereby as detrimental to stabilization on the Korean peninsula. South Korea has reduced cooperation with the U.S. and increased cooperation with China with regard to North Korea policy. South Korea also has been willing to suffer from a deterioration of relations with Japan caused by dissensions in perceptions regarding contested history and the territorial issue. The management of relations with Japan was driven partly by populist nationalism for domestic consumption. All in all, thereby, as a result, South Korea walked in the same steps with China.

With regard to the Bush administration, several factors have contributed its displeasure with regard to the alliance with the South: The anti-American sentiment, discontent with South Korea’s North Korea policy, distrust of the Roh government, the uncooperative attitude of the ROK government to provide the USFK with appropriate stationing conditions, the reduced strategic value of South Korea, and the need for strategic flexibility in the context of global U.S. strategy. The Bush administration reduced its involvement in the management of the North Korean nuclear challenge by delegating more responsibility to China and also decreased military engagement

in South Korea as well as intensifying cooperation with Japan, a maritime power. The Bush administration agreed with the Roh government to transfer the wartime operation control at the earliest to South Korea despite the strong opposition from the South Korean public.

The irony is that, on the one hand, while the needs of American security involvement have decreased, on the other hand, the demands for South Korea's contribution to the ROK-U.S. military alliance have increased. From the American military standpoint, the strategic value of South Korea has been reduced, even without considering the strengthened alliance between the U.S. and Japan, because of changes in threat structure in Northeast Asia and the development of military technology in the post-Cold War era.¹⁰ In addition to this, the conventional threat from North Korea has also decreased with its economic hardship. On the other hand, the U.S. expects a more equal contribution from South Korea, a democratic country, ranked 11th place worldwide in terms of her economic power. The U.S. expects that South Korea should assist American security as much as the U.S. helps South Korean security. This implies additional demands in the post-9/11 world for South Korea to dispatch military forces in support of the American-led war in Iraq, and to play a role in the non-proliferation of weapons of mass destruction. The cooperation in non-proliferation became more urgent with the North Korean nuclear threat, but

¹⁰ Robert S. Ross, "A Realist Policy for Managing U.S.-China Competition," *Policy Analysis Brief* (November 2005), pp. 4-5.

is complicated by different perceptions of risks between the two countries. The U.S. demands South Korea to actively cooperate with the U.S. in regard to the Proliferation Security Initiative. It is possible that, disappointed with South Korean reluctance and lack of preparedness, some parts of the U.S. administration may harbor the intention to accordingly reduce the U.S. commitment to South Korean security.

North Korea's detonation of a nuclear weapon has supplied multiple opportunities to reconfirm old dissensions between South Korea and the U.S. Both countries have 'stayed the course.' South Korea has been more concerned with Japanese 'opportunistic' military expansion and the American overreaction than North Korea's nuclear weapons development. The U.S. has been frustrated with South Korea's even meeker cooperation than the Chinese. To the delight of North Korea, the disagreement will allow it to earn enough time to establish itself as an undeniable nuclear power.

China

Besides North Korea, it is China, which can gain much benefit from the dissension between South Korea and the U.S. China has been delegated the responsibility of managing North Korea's nuclear challenge by the U.S. and increased consensus with South Korea, a traditional ally of the U.S., in regard of North Korea policy and in their attitudes to Japan. It seemed that the U.S. and South Korea are caught in a vicious circle to the

benefit of China. The more the U.S. concentrates itself on Iraq and the more it fails to get support from South Korea, the more it delegates responsibility to China. On the other hand, the more South Korea recognizes the American dependence on China in North Korean policy, the more it feels disappointed with the American leadership and tries to obtain help from China. In other words, the important reason for South Korea's increased cooperation with China is the lack of American policy leadership in North Korean policy. Under these circumstances, China has increased her influence with both South and North Korea. North Korea has no alternative but to depend upon China, while simultaneously at odds with it, as far as the U.S. and Japan do not provide North Korea with opportunities. What is especially important to note is that the very nature of North Korean dependence has changed; into that of commercial investment and trade from the previous political and aid based dependency. This means that the character of dependence has become more organic, and cannot be reversed by the whim of individual politicians.

As results of all the above-mentioned processes, China will ascend as the major power over the Korean peninsula during the process of resolving North Korea's nuclear weapons development. The longer the period in which the U.S. entrusts the major role to China to manage North Korea's nuclear weapons development, the stronger the psychological impact upon Korean elites and people. The ultimate resolution of North Korea's nuclear challenge, which will be based upon deep Chinese involvement, will deeply

reflect Chinese interests. It will imply several things, and, most of all, signals a reduced South Korean involvement in the future of North Korea: The continued existence of North Korea as independent and ‘naturally’ pro-Chinese state; North Korea’s reform and opening following the Chinese model; and North Korea’s China dependent economic growth assisted by South Korea and Japan. This prospect conflicts seriously with South Korea’s interest of unification, and even may coerce the South to compromise with China to the deep dismay of Japan.

Japan

Japan has strengthened the alliance with the U.S. since mid the 1990s. The main catalyst has been the North Korean missile and nuclear weapons program. Now Japan finds itself in a situation, where the U.S., the presumed protector of Japan, is preoccupied with Iraq, and cannot effectively check North Korea’s challenge. Japan also sees gaps in the threat perception of the U.S. While the U.S. can, for the time being, be satisfied with the non-proliferation of North Korea’s nuclear program, Japan sees a more direct threat of a possible nuclear missile.¹¹ On the one hand, Japan tries to strengthen the alliance with the U.S., and on the other hand, it harbors increased doubts about the U.S. security commitment. Some Japanese politicians even advocate preparation for the preemptive capability to attack North

¹¹ Masao Okonogi, “What has allowed North Korea to detonate a nuclear weapon?” *Ronza* (December 2006) (in Japanese), pp. 30-31.

Korean missiles and nuclear weapons.

The U.S. has tried to make sure that Japan does not overreact. An appropriate response to the North Korea's nuclear test will consolidate the U.S.-Japan alliance, as well as provide a reason for Japan to increase its military expenditure, thereby strengthening the U.S.'s checks on China through Japan. It is up to the U.S. to prevent Japanese overreaction and ease its anxieties. However, if Japan does not completely trust the U.S.'s promises and leans toward nuclear armament, then the alliance between the two countries will be endangered, while causing China and South Korea to heighten their concerns regarding Japan. This will inevitably lead to a weakening of the U.S. influence in Northeast Asia.

The Future: A Pessimistic Scenario Outlook and Accompanying Policy Issues

To put it briefly, if both South Korea and the U.S. 'stay the course' and this course remains the same as it has been in the past six years (2001-2006), the aftermath of North Korea's nuclear detonation and possession of nuclear arms will exacerbate dissension, and produce changes which will most likely severely hurt both countries.

Speculations about a Pessimistic Scenario Outlook

North Korea's nuclear detonation has strengthened the pessimism in Washington DC about whether North Korea will ultimately give up these weapons. Even in the case that negotiations continue, it is expected that they will be so arduous so as to be virtually impossible to produce any productive results. North Korea would demand a higher price for giving up nuclear weapons, which they already have, and the U.S. would like to see North Korea punished and isolated for their actions. As for other punitive options, such as a military strike, being too dangerous, the U.S. may use economic sanctions as their main policy instruments, so long as North Korea does not give up nuclear weapons development.

Against this backdrop, South Korea's dissensions with the U.S. would increase, and, even when realized, South Korea's progressed economic and political accommodation with North Korea's demands would not produce results.

South Korea may decide to continue or even expand economic cooperation with a nuclear North Korea. The problem is that, however, under this circumstance, even increased South Korean assistance to North Korea could not effectively contribute to its economic change and development. In the worst-case scenario, South Korea might be trapped into subsidizing the North Korean economy permanently apparently because of humanitarian concerns and thereby indirectly support North Korea's expenditure for unproductive sectors such as the military.

South Korea would regard economic accommodation as a

means to induce North Korea into expanding political and military reconciliation and exchange, and take appropriate measures. North Korea, however, may not be satisfied with less than South Korea's appeasement, because its security paranoia demands South Korea's isolation and its transformation into a North Korea friendly country. From the standpoint of North Korea, the existence of South Korea in itself poses a danger to its existence, and, other than in the case of accomplishing a one-sided and/or asymmetric advantage, they would not enter into a separate big deal with the South.

If South Korea approaches China to get help to achieve her objectives, the end product of this maneuver would be to assist China to realize her own objectives. Arguably Chinese interests are not identical with South Korea's and South Korea could not overcome its subordinate role under the Chinese dexterity of divide and rule and the accompanying asymmetry of power.

South Korea's approach to China would hurt trust in the ROK-U.S. alliance. The U.S. finds the security and political value of South Korea even more diminished, and would overcome the residue of hesitation to discuss peninsula matters with China with due regard to Chinese interests, but without due regard to South Korea's interests. Or maybe the U.S. could decide to divide and rule among the two Koreas and China according to the current circumstances.

If Japan finds South Korea to be tolerant of North Korea's nuclear weapons and to approach China, the Japanese nightmare would be amplified. Japan would think that North Korea's

nuclear weapons have no other use than being directed against Japan and may brace themselves for the emergence of a ROK-China coalition against Japan. Confronting a non-friendly force formation in Northeast Asia, Japan would strengthen the alliance with the U.S. and/or might try to make a deal with North Korea at the cost of South Korea. On the other hand, it may harbor deeper doubts about the American commitment and capability to protect Japan. Japan would expand armaments and prepare for independent attack capability against North Korea's weapons of mass destruction.

If this scenario comes to pass, South Korea and the U.S. would be the main victims. South Korea would be isolated, neglected, and degraded into a passive-reactive actor, far from being a 'balancer.' The position of the U.S. in Northeast Asia would also seriously be weakened. It may see the increase of Chinese influence in Northeast Asia and may be forced to watch Korean unification under Chinese guidance. If this were to occur, Japan would no longer trust the U.S.

Policy Issues

It is not impossible to prevent this line of drift into the future, if South Korea and the U.S. recover trust and mutually revise North Korea policy in a cooperative and synergetic direction. To do that, top leaders of both countries must pay due attention to the problem, spend enough time for construction of a joint vision and strategy, and show vigorous and determined

leadership.

The problem is that, for the time being, the possibility for positive development in both countries is very low. South Korea must go through more than a year of very weak leadership and the U.S. will continuously be too preoccupied with Iraq to pay due attention to the North Korean challenge in the coming years.

Even after the two countries have new administrations, the prospects seem to be far from excellent. It is true that a Democratic American administration will have a different North Korea policy, as far as 'different' means tactical, rather than in substance. It remains to be seen, if a Democratic administration will be able to give serious attention to Northeast Asian politics, and overcome the deep pessimism about negotiation with the 'evil' North Korea and the resistance to 'appeasement,' which hung over Washington DC after North Korea's nuclear detonation. It remains also to be seen, if the South Koreans will be able to develop a wise position, which overcomes the hostage mentality to North Korea, and harmonize its compassionate nationalism and its national interests to be a proactive and deliberate player in Northeast Asian geopolitics. Considering all the problems and obstacles which exist, even with a combination of an American Democratic and a South Korean moderate conservative administration, the gaps in North Korean policy will not be easily narrowed without intensive endeavors to recover lost trust and respect and without very strong strategic leadership on both sides.

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The Role of the United States in the Future of Northeast Asia in the wake of the North Korean Nuclear Test

Alan D. Romberg *

Introduction

In the most fundamental sense, the U.S. security role in Northeast Asia is no different in the wake of the North Korean nuclear test from what it was before. The United States will continue to be the most powerful nation present in the region and will continue to have vital political, economic and security interests that will drive it to continue to play the role of regional balancer or stabilizer for the foreseeable future.

The military balance on the Korean peninsula itself has not been changed by the DPRK test, nor would it be fundamentally changed even if the North were believed to have a truly deliverable weapon. The latter would, of course, raise the ante not only in terms of the threat to South Korea, but most especially to Japan and U.S. forces there given the substantial Rodong missile force in the North's inventory. A workable Taepodong II missile

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would expand the North's reach substantially, but even in that case, to put it in its crudest terms, the balance of forces ensures that if North Korea started a war, we would finish it.

Nonetheless, the test does alter the situation in some important ways, and one of the challenges for the United States—and for the other countries of the region—is to rise to the occasion to manage the new situation constructively. Handled well, the net effect could be to strengthen the American role and the prospects for peace and security of the region. Mishandled, the net effect could be to diminish U.S. influence over time, and to generate forces toward a much less certain future for all concerned.

The Military Balance

Now, and for any foreseeable future, North Korea cannot sustain a war. But what it has been able to do for a long time, and what it probably will be able to do for some time to come, is to credibly threaten to kill hundreds of thousands of people in South Korea—not just Koreans, but also the hundred thousand or so American civilians in the Seoul area every day as well as thousands of others there participating in the vibrancy of the modern-day ROK. It can threaten this with its long-range artillery and short-range missile force arrayed near the ROK-DPRK border within range of Seoul and protected in mountain storage areas. (Some have suggested new technologies may eventually be able to neutralize those weapons systems effectively

before they could wreak anywhere near that level of damage, but until that is a “known fact,” it is prudent to assume the North still has that capability.)

It does give one pause to recall that no nuclear weapons state has ever launched a war against another nuclear weapons state. The nuclear standoff in the Cold War was governed importantly by the appropriately acronymed MAD (mutually assured destruction) balance between two more or less comparably huge nuclear powers. But even with a nuclear-capable state that does not possess a huge nuclear arsenal, one would not lightly take the risk that the situation could be controlled. What confidence could one have that an attack on such a state would lead to careful measuring by that state of the dangers of escalation? How can one safely assume that even a *non*-nuclear attack with sophisticated conventional weapons would be responded to with only conventional weapons? If such a nation—North Korea, in this case—thought it was about to be defeated and perhaps destroyed, employment of nuclear weapons, if they were available, would certainly be an option.

In this sense, a proven, deliverable North Korean nuclear weapons capability would potentially increase the level of casualties from a DPRK attack, perhaps significantly, and even a reasonable belief that Pyongyang had such a capability would certainly raise the risk to a ground counteroffensive in the wake of an initial North Korean attack. On the other hand, since the United States has the capacity to retaliate in force beyond anyone’s wildest nightmares, and since the North is well aware of

this, there is little reason to think that Pyongyang would start a war, bringing nuclear weapons into play. Deterrence works—both ways.

So, except in the most extreme conditions—or unless attacked first, no leader in the ROK or the United States would give serious consideration to attacking the North and one has to believe that the same holds true for the leadership in Pyongyang.

At the same time, while the North’s nuclear test might suggest that, if not today then tomorrow, the North will have a deliverable nuclear weapons capability and that its deterrent is thus “even stronger” than before, I believe that, even if by accident or miscalculation, we were to get into a war with Pyongyang, the odds of launching a decisive attack on the North are even greater now in order to knock out its war-fighting capability and bring such a war to an end as quickly as possible.

So, one conclusion I would draw is that, in terms of such matters as the American extended nuclear deterrence, if anything the North’s nuclear test makes the U.S. role more relevant than ever. That is to say, it is crucial in this situation, whatever one’s current estimate of where the North is along the scale of delivery capability, to credibly reassure American allies in the region that an attack of any sort on them would be met with a firm and immediate U.S. response, and especially that a nuclear attack—under whatever circumstances—would be met with devastating and effective retaliation.

Alliances

This does, however, then lead us directly to a discussion of U.S. alliances with Korea and Japan, their current status, and their future prospects.

With *Japan*, a combination of factors, including most immediately the North Korean nuclear issue but also the uncertainties introduced by the rise of China, has led to a strengthening of the alliance relationship with the United States over the past decade. An important dimension of that strengthening has not just been a growing role for Japan within the alliance, but the growing importance that the U.S. security assurances remain as credible as before. If there is any doubt in Japan that the United States would retaliate forcefully to an attack on Japan—due to an unwillingness, for example, to put American cities at risk—this must be put to rest. It is not simply a matter of words; it is a matter of the most vital U.S. national security interest that an attack on Japan, whether conventional or unconventional—including nuclear, would be met, as I have said, with a devastating response from the United States. If we failed to do that, not only would the political, economic and security world we now depend on so greatly come to a sudden end, but the United States would lose all credibility regarding its future security role in the region, and with it perhaps most of its influence and ability to protect its interests and itself. This is not a position any President of the United States would, or could, adopt.

With *South Korea*, while the same principles apply, there is a much greater question today about where the alliance is heading.

Doubts have arisen about whether Washington and Seoul agree about what the alliance is for and how it should function. We are told that, after a four-year effort, a new bilateral “vision statement” has been agreed upon defining the purposes of the alliance in the post-Cold War world. But it is described as “plain vanilla”—meaning that it is couched in terms of overarching principles and vague generalities, and one has to wonder whether that will be compelling enough to hold the alliance together in the future. Particularly if the new “vision” is not widely publicized and made convincing to publics in both countries, the fraying of the alliance we have already seen could lead to its eventual unraveling.

Here the North Korean nuclear test may actually serve a useful purpose. Although Pentagon officials have basically said that the test changes nothing—more or less using the arguments I have made—and that, for example, plans for transferring wartime operational control (OPCON) of Korean forces to Korea between 2009 and 2012, it is possible that enough has changed in political and psychological terms to make both the U.S. and the ROK pause and review recent developments—and alter course. Some have suggested that the change in American Defense Secretaries might also facilitate such a review.

One has to hope so, not because anyone disagrees with the principle of transferring wartime OPCON to Korea, but because the way this has arisen and is being carried forward is contributing to a serious undermining of the alliance, all protestations by the two governments to the contrary. I do not think this situation is irreversible, but without some review and revision of current

plans, when taken together with other factors that have weakened the sense of common purpose and mutual commitment, I see the alliance in potential peril.

So, while the North Korean nuclear test may not have changed the fundamentals of the military balance, if it causes people to consider the larger value of the alliance, it could help provide a basis for some necessary course corrections.

China

Finally, since the state of Sino-American relations will be crucial to the future security picture in the region, let me say a word about the U.S. relationship with China in the wake of the test. North Korea seems to have calculated that, as angry as China might be at such a direct flouting of Beijing's warnings not to test, the PRC would not take—or permit—steps that threatened Pyongyang's viability. To date, at least at that broad level of generality, such an estimate would seem to have been proven correct.

But where the North may have erred is in not seeing the degree to which this pushed China close to the edge of a decision to take steps that could, in fact, risk instability in the DPRK. In my view, that became a real option in Beijing for the first time, and, although the PRC did not choose it this time, a second test might well push China over that edge.

Even now, however, one consequence has been that, while China still looks to the U.S. to “do enough” in six-party talks to

ensure the North is presented with a reasonable proposal, what is “reasonable” in Beijing’s eyes may have shifted slightly toward the U.S. view and, in the meantime, the level of cooperation with sanctions against the North probably goes further than Pyongyang anticipated. The unprecedented Chinese support for two UNSC resolutions condemning North Korea within four months (and it is possible that the first such instance—after the July missile tests—had some impact on the North’s decision to proceed with the nuclear test) signals an important new dynamic at play.

As a result, the test has intensified what was already a fairly high level of Sino-American cooperation, certainly with respect to North Korea but perhaps more broadly as well. While I do not support the idea of explicit U.S.-PRC discussions about sustained steps to weaken the DPRK regime, in his very interesting article in the latest *Freeman Report*,¹ Jon Wolfstahl makes a suggestion with which I strongly agree when he calls for more open dialogue with China about future scenarios that could include changes that take place in the North as a consequence of the North’s actions and the world’s response.

At the same time, the United States needs to rethink its approach to demanding an “early harvest” at the six-party table before taking reciprocal steps. While the willingness to negotiate this time is better than the “you broke it, you fix it, then give us a call” response to the HEU issue in October 2002, Washington’s

¹ Jon B. Wolfstahl, “China’s Newfound Flexibility toward North Korea,” *Freeman Report*, November 2006, <http://www.csis.org/media/isis/pubs/frv06v11.pdf>.

argument is still that the North needs to earn the trust of the international community by taking steps first. That's a reasonable enough position in the abstract, but the problem is that it is not likely to succeed. That isn't to say that we should not seek substantial steps by the North early on, and those reported in the press seem sensible. But if we want the North to comply, we need to be willing to take substantial steps of our own in parallel. That's what is called "negotiation."

The concern extends beyond this particular case. The North's nuclear test should be a reminder that it is not so hard to build a bomb, and while the North Korean issue may be geographically isolated, at least for now, the example we set in dealing with it and seeking to roll it back will resonate elsewhere.

That means not making undue concessions. But it does mean taking reasonable stands rather than being mesmerized by the illusion that we can simply use pressure to achieve our goals, holding out only the promise of good things if the other side first complies. By all means use pressure, but use it in conjunction with a plausible negotiating strategy.

Conclusion

In sum, the North Korean nuclear test has not had a harmful effect so far on U.S. interests or substantially changed the U.S. role in Northeast Asia. But the situation is not static. If we do not seize the moment to press the advantages that have been created for us, we will not only have squandered an

opportunity presented by the North Korean test to consolidate our relations with our allies and with China, but we might ironically find ourselves relatively isolated and cast in the role of spoiler. There is no reason for the United States to allow that to happen, and every reason to ensure it doesn't.

Bibliography

Wolfsthal, Jon B. 2006. "China's Newfound Flexibility toward North Korea." *Freeman Report*, November. [Http://www.csis.org/media/isis/pubs/frv06v11.pdf](http://www.csis.org/media/isis/pubs/frv06v11.pdf).

Program

Title: The North Korean Nuclear Test and the Future of
Northeast Asia

Date: Monday, December 4, 2006

Venue: Choate Room, Carnegie Endowment Building, Washington
DC

08:30 - 08:45 *Registration*

08:45 - 09:00 *Welcome and Opening Remarks— The Asia
Foundation and the Korea Institute for National
Unification*

09:00 - 10:20 ***Session I***

Directions on North Korea Policy in the wake of the Nuclear Test

Chairperson: **Michael Schiffer** (Stanley Foundation)

Presentation: **Kun Young Park** (Catholic University of Korea)
“How to Deal with North Korea in the wake of its
Nuclear Test : A Strategic-Pragmatic Approach”

Kongdan Oh (Institute for Defense Analyses)
“The Failure of Engagement and Limitations of
Sanctions”

Discussion: **Bruce Klingner** (The Eurasia Group)
 Jon Wolfsthal (Center for Strategic and
International Studies)

10:20 - 10:40 *Break*

10:40 - 12:00 *Session II*

South Korea-U.S. Relations in the wake of the NK Nuclear Test

Chairperson: **David Steinberg** (Georgetown University)

Presentation: **Bong Geun Jun** (Institute of Foreign Affairs
and National Security)
“The Impact of the North Korean Nuclear Test
: Seoul’s Viewpoint”

David Straub (SAIS)
“The Consequences of the North Korean Nuclear
Test for U.S.-ROK Relations : An American
Perspective”

Discussion: **Derek Mitchell** (Center for Strategic and
International Studies)
Nicholas Eberstadt (American Enterprise
Institute)

12:00 – 13:00 *Lunch & Break*

13:00 – 14:20 *Session III*

The Future of Northeast Asia following the NK Nuclear Test

Chairperson: **John Brandon** (The Asia Foundation)

Presentation: **Hyeong Jung Park** (The Brookings Institution & KINU)
“The ROK’s Role in Northeast Asia in the wake of North Korea’s Nuclear Test”

Alan Romberg (The Henry L. Stimson Center)
“The Role of the United States in the Future of Northeast Asia in the wake of the North Korean Nuclear Test”

Discussion: **Tom Hubbard** (Akin, Gump, Strauss, and Feld LLP)
Youen Kim (Hanyang University)

14:20 - 15:00 *Comprehensive Final Discussion*

Chairperson: **Scott Snyder** (The Asia Foundation)

Discussion: All Participants

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