



Submission No 11

Inquiry into Australia's Relations with the Republic of Korea; and Developments on the Korean Peninsula

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Asian Studies**

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John Carter
The Secretary
Foreign Affairs Sub-Committee
Joint Standing Committee on Foreign Affairs, Defence and Trade
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Dear Secretary,

I am offering this submission on behalf of the group of researchers at the Research School of Pacific and Asian Studies (RSPAS) at the Australian National University who are actively involved in research on Korea and on developments on the Korean peninsula.

For some time now, this Research School had endeavoured to develop a range of research strengths on Korea as part of a broad program for the study of Northeast Asia. These researchers focus on Korean history, politics, economics and issues of strategic and defence policy. They include:

- Professor Ken Wells (who holds a joint appointment in the Research School of Pacific and Asian Studies and in the Faculty of Asian Studies)
- Professor Gavan McCormack, Department of Pacific and Asian History
- Professor Tessa Morris-Suzuki, Department of Pacific and Asian History
- Professor Jong-Wha Lee (who is a member of the Economics Department at Korea University but also holds an Adjunct Professor in the Economics Division of the Research School)
- Dr Hyung-a Kim, Research Fellow in the Department of Political and Social Change
- Dr Robert Ayson, Director of Studies in the Centre for Strategic and Defence Studies
- Dr Ron Huisken, Senior Fellow in the Centre for Strategic and Defence Studies

To this group can be added:

- Dr Andrei Lan'kov, in the Faculty of Asian Studies, who specializes in the study of North Korea

- Professor Peter Drysdale, Emeritus Professor in the Asia Pacific School of Economics and Government

This group of researchers constitutes a substantial concentration of expertise on Korea – perhaps the largest concentration of such expertise at an Australian University.

Rather than attempt to summarize all the diverse research of these different scholars, allow me to point to the particular work of Professor Tessa Morris-Suzuki.

Professor Tessa Morris-Suzuki is engaged in a major research project on the movement of people between the Korean Peninsula and Japan. As part of this project, she has uncovered major and previously unused collections of documents in the Australian Archives (relating to migration from Korea to Japan in the occupation period) and in the archives of the International Committee of the Red Cross (relating to the mass repatriation of Koreans from Japan to North Korea between 1959 and 1984). Her findings have been widely reported in the Korean media (including Seoul Broadcasting System TV news and the JeongAng Ilbo).

The future of migration from and to the Korean Peninsula is a central focus of the work of the newly created RSPAS-based Asia Pacific Regional Migration Forum, convened by Professor Morris-Suzuki. (<http://www.regionalmigration.org/>). Issues to be addressed by this forum will include the migration of ethnic Koreans from China and Russia, and in particular the potential of regional cooperation to address issues related to the exodus of refugees from North Korea.

As part of this submission, I attach papers written in the past year by Professor Ken Wells and Dr Ron Huisken. The first of these by Professor Wells is entitled “Pathways to Reunification: Implications for the Region”; the second is entitled “North Korea: Power Play or Buying Butter With Guns?”

I am also attaching a brief statement on Fostering Closer Relations with Korea prepared by Dr Hyung-a Kim who has only recently been appointed to this Research School.

I myself have returned from a visit to Korea earlier this month and I am confident from my discussions with colleagues in Seoul that there exists considerable potential for greater cooperation among university researchers. The ANU is committed to developing its research and teaching on Korea.

Yours sincerely,

James J. Fox
Professor and Director
27 May 2005

Fostering Closer Relations with Korea

Dr Hyung-a Kim,
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Australia has an enormous opportunity to build upon a number of very strong strategic advantages it enjoys in respect of Korea:

1. exceptionally high levels of trade in both directions;
2. exceptionally healthy links at institutional levels, such as in education and research; and
3. exceptionally high levels of growth in the number of Korean students graduating from Australian universities.

These advantages and others cry out for a far greater degree of knowledge by Australians of Korean life and culture, and a much wider scope of linkages and interaction with Korea, than is currently the case.

The Australian Government and its agencies need to seek to engage their counterparts in policy debate, exchange arrangements, collaborative projects and other activities of mutual national interest and benefit. This type of engagement will require the appointment of officials who genuinely understand Korea, its culture, its language and its people (including its officials), and who have a commitment to achieving strategic objectives through bilateral networks.

In particular, Australia needs to address and overcome Korea's traditional pre-occupation with Japan, the US and China. This will require a long-term commitment to building trust within Korean society and bureaucracy, despite obstacles such as rapid change in ministers, ministries and officials. The steady rise in the number of Korean graduates emerging from Australian universities should form a solid foundation for this process. And a strong Australian alumni network in Korea could do much to change Korea's focus and traditional attitude to strategic engagement with Australia.

In Australia, bodies such as the Australia-Korea Foundation, need to be guided by members and advisors who have a first hand understanding of Korean realities, including cultural, political, government, institutional, commercial, educational and other areas. Too often its members are prominently high profile Australians with highly specialized expertise in each chosen field but with a limited understanding in Korean culture and affairs. Above all, the Australian Government needs to review the level of support it provides to building the Australia-Korea relationship. Perhaps the paucity of Australians' understanding of the Korean people and Korean culture and affairs is a direct outcome of the

paucity of support for this outcome, and reflects the historical reliance on the forces of commerce. Australia needs to do a lot more in terms of support for Korean studies at all levels, and for our Australian engagement with Korea. An important mode for such engagement is public forums, such as the International Korean Studies Conference conducted at the University of Wollongong in 2004, and the Korea-Australia Forum proposed by the Korean Embassy to be conducted by the East Asia Institute (headed by Professor Byung-Kook Kim) in Seoul in 2006. Such forums warrant not only financial support but also widespread promotion to ensure far-reaching impact and success.

A key opportunity lies in Australia's current commercial links, which hold extensive capacity for building collaboration at much wider levels (education, research, cultural exchange, forums, etc), in order to draw out the full potential of these links for mutual national interests. Such broadening of engagement should be supported and encouraged by the Australian Government by way of active promotion, and should aim to enhance Australia's links with Korea through cultural understanding, educational exchange, and bilateral collaboration.

There is very little tradition of educational exchange with Northeast Asia (particularly Korea), although some has commenced over the past ten years through programs such as the University Mobility in Asia and the Pacific (UMAP) Program. However, numbers (as a proportion of our total number of university students) remain very low. As a result Australians are culturally quite limited when it comes to understanding their neighbours. We generally expect our neighbours to comply to our standards and to our language and culture. There is a significant opportunity emerging in the current "Korean Wave", a popular culture phenomenon sweeping countries in Asia, including Japan, China, Vietnam and Hong Kong, to extend and present elements of this wave of Korean culture to Australia. A concerted effort is needed by the Australian government to facilitate, encourage and promote the potential that this Korean Wave phenomenon offers for building interest, understanding and linkages.

Pathways to Reunification: Implications for the Region

Professor Ken Wells
Pacific and Asian History
Research School of Pacific and Asian Studies

I would like to preface my talk with a few remarks. First, I will not go very much into the position of China, since Dr Peter van Ness has already enlightened you on this score at a depth I couldn't emulate. Secondly, I will, on the contrary, consider the positions of the two Koreas in more depth. In this connection I will lay a card on the table immediately: it is advisable and critical, in terms of security, economic and all related matters, to recognise not only that the two Koreas are the states most legitimately and closely and fundamentally concerned in the process of reunification, but that the perspectives, principles and proposals of the ROK in particular must be given prime consideration in the formulation of policies regarding the peninsula by countries in the region. Thirdly, and here I lay another card on the table, I would like to point out that one of the principal destabilising events in the region over the past decade was the achievement of a functional democracy in South Korea in the early 1990s. Of course the fall of the USSR was very important, but developments on the peninsula itself have been more important.

Now let me begin.

I. CENTRALITY OF SOUTH KOREA TO REUNIFICATION

At present, the ROK is considering renewing the energy assistance proposal to North Korea that it failed to have passed during the previous round of nuclear talks in February. In that previous round, the ROK offered to

provide energy aid to the DPRK if it agrees to abandon its atomic ambitions. The PRC and Russia supported the initiative and agreed to chip in. The US and Japan expressed "understanding" although they stopped short of committing themselves to the plan. The proposal was ultimately scrapped as the DPRK did not agree to give up its nuclear program in a manner demanded by the US and other countries. Now, the ROK government wants to try to persuade the DPRK with a new energy assistance offer at the forthcoming nuclear talks. "We're considering presenting North Korea with an extraordinary energy assistance program in which some countries will also take part, so that the North can accept the 'complete, verifiable and irreversible dismantlement principle,' an official said. "At first, we will voice the need (for the energy assistance offer) to the US and Japan," he said. The three countries are holding a strategy session right now to fine-tune their positions ahead of the third round of six-party talks tentatively set for 23-25 June.

Energy aid to an enemy state? By the state that would be most immediately and dramatically affected by any outbreak of hostilities? Here we have it: the peculiar situation of S Korea, the ROK, the state that wishes to follow precisely this strategy, which it calls the "sunshine policy." And SK is central to the solution of the reunification issue because whereas the north has very little to offer the south, the south, on the contrary, has a great deal to offer the north. Offering without demanding in return, is the path to reunification of their own nation that the voters have given the government their approval to tread. It is high time other powers took notice of this path and endeavoured to understand the position of the state most directly concerned with all the security, economic and cultural consequences of

taking this path.

II. SECURITY AND ECONOMY

The implications for the region of Korean reunification that I will touch on are the security and economic implications. The central issue is whether moves towards Korea's reunification entail or invite instability, in the military and economic fields. The status quo on the peninsula is Korea's national division into two states, still technically at war. Thus the question, "Is maintenance of the status quo the same thing as maintenance of security in the region?" is a very interesting and complex one. Again, we might ask, "Is rocking the status quo the same thing as destabilising the region?" For in what does the status quo consist, if not a deeply insecure system of division? But this question has a broader context. For Northeast Asia generally, the question is: after the end of the Cold War, is it a place of stability or of rivalry? Has the legitimacy of the political, economic and military status quo been called into question? If it has, is security under threat, and has pressure to resolve matters by resort to military force been increased? The Korean reunification issue is related to this issue, and so I will spend a little time on it now.

A. The realists' arguments

There are of course different schools of thought on whether post-Cold War NE Asia has been destabilised. Those who are often called "realists" argue that there are now increased risks, because in their view changes in capabilities of major players, such as the rise of Chinese power after the fall of the USSR, are inherently risky matters. China's military build-up is therefore related to its ambition to reach such pre-eminence in E Asia that no

other power would contemplate any major policy or action in the region without first checking it out with China. Alongside this worry over changes in power-holding is the belief that the transition from bipolar to multipolar power alignments or balances is unstable and might lead to dangerous miscalculations by all players about the relative strengths and intentions of each other. This is a transition from US-USSR polarity to a US-PRC-Russia polarity. If, further, US commitment to the region weakens, Japan would act on needs to defend itself militarily, and so on. On cases such as the Korean peninsula, it is a standard position of the realists that “the conflicts among the major powers and the existence of a network of bilateral treaty arrangements in Northeast Asia weaken the opportunities for multilateral approaches.” The earlier 4-power negotiations have failed and so what hope is there for the present 6-power approach? Finally, the realists fear that if it rises further in power, China will elaborate a “revisionist” view of its place in the region, which will entail a much more confrontational approach to Taiwan and other regional tensions, such as the Korean peninsula.

B. Problems with the realists’ argument

How does this relate to the tensions on the Korean peninsula? One specialist, Stephen Haggard, has pointed out that the realists’ ideas do not fit in very well. For it is a minor power, or at most an aspirant to being a middle power, the DPRK, that threatens security in the region, not the PRC. Moreover, China has not taken a revisionist line on Taiwan, and if anything, the NK issue gave China “further opportunities...to demonstrate its utility to the United States.” It is, again, NK that might be called revisionist, challenging the alliances, agreements, balances of power of heretofore. In 6 months, from late 2000 to early 2001, NK reneged on the four major

commitments: 1) Nuclear Non-Proliferation Treaty; 2) 1992 N-S Declaration on denuclearisation of the peninsula; 3) 1994 Agreed Framework; and 4) statements in the 2002 N-S Summit and subsequent summits with China and Japan.

This has nothing to do with multipolarity, either. All the surrounding and interested powers share a common stand on NK's revisionism. China, Russia and SK only restrain the USA in terms of the optimal way to react, not in terms of support for NK military ambitions and diplomatic antics. Thus the Korean tensions have been increased by the decline of a minor-to middle power in the region, and the crux of the problem is this: NK fears that it will inevitably have to fight later on terms that would be much more adverse than now, unless it can hold the threat of nuclear attack over the USA.

III. SOUTH KOREAN DEMOCRACY – THE CRUCIAL CHANGE

It is in this context, and with full knowledge of this context, that South Korea is anxious to pursue reunification in a smooth and if necessary gradual manner. And in my view, this is the most important change that has occurred since 1948. It is the only change in the path to reunification. The status quo on approaches to the reunification issue has been changed by domestic changes of enormous consequence in the ROK. SK is not now the military dictatorship that the US could rely on as a key player in its anti-communist strategies. It is a democracy where the government is not only aware of but has to take notice of the mood and preferences of the populace. The populace is enjoying now the fruits of the extraordinary intensive labour of the past two generations. It is a state in which subscription to the idea that

the national self-interest of the US is the same as its own national self-interest can no longer be taken for granted. Thus it is now a key issue not just how the US responds to the aggravations of a NE Asian power such as the DPRK, but how other states in the region might respond to the increased use by the US of its military and economic power, and of its penchant to address the issues of the region with hardline ultimatums (or ultimata).

It is very clear that the majority of voters in SK are not happy with the current American approach. This raises the issue of the difficulties American foreign policy is currently experiencing with democracies. “New” democracies like Taiwan and SK, it has been pointed out, are likely to “redefine their foreign policies in ways that could upset the status quo.” Strange argument: one would hope that there might be some consequential difference between being a military dictatorship and a democracy! The theory is that democracies are much less likely to fight each other. But it is SK democracy that has destabilised the alliance with US. Domestic politics with democratic input is in much less cooperative mode with US than before.

This, however, is not the SKs’ view of the tensions. The change in views over NK and the breakdown between SK and US perspectives on paths to reunification are seen as a discontinuity created by the Bush administration, not by anything done by SK. Bush broke the Kim Dae-jung-Clinton understanding, not Roh Muhyon. And following the recent elections in SK, in which Roh’s party was given a majority in both houses, he feels bound and justified to continue the sunshine path.

IV. THE SUNSHINE POLICY

A. Background

Kim Dae-jung had a 3-stage reunification plan in 1972: peaceful coexistence [simultaneous entry to UN, recognition by USA, USSR, China and Japan], peaceful exchange, peaceful reunification. This plan was basically adopted by Roh T'ae-woo and Kim Yong-Sam, from late 80s. Following his unsuccessful presidential campaign in the 1992 election, Kim Dae-jung introduced the “sunshine policy.” Sunshine would make NK remove its coat, not strong cold winds, which would make it wrap its coat even tighter. In this version, he argued that before the 3 stages could even begin, it was necessary to replace the Cold War structures with those of cooperation and reconciliation. NK had to undertake economic reforms in accord with the market system in the world. An inter-Korean federation would be possible only after NK had allowed multiple political parties to operate, democratic elections, and market economy principles.

B. The Premises

In a 1999 work, Chung-in Moon and David Steinberg remarked on the elements of continuity and change in the north-south relationship by stating that although the Sunshine Policy “can be seen as an extension of earlier engagement policies such as the July 4th 1972 communiqué..., it is qualitatively different from previous efforts since it is predicated on not only the dissolution of the Cold War structure, but also peaceful co-existence between the North and the South through mutual recognition.”ⁱ This summation covers a number of intricate points, which I will now attempt to unfold.

The “end of the Cold War” on the peninsula is a complex, as yet unresolved matter. In a sense, one could say that the ROK is involved in a dual system of international relations, in which it can operate reasonably freely within a post-Cold War framework in relation to most states around the globe, but in relation to the DPRK perforce continues to operate mostly within a Cold War framework, albeit with an eye fixed firmly on its conclusion. A key premise of the Sunshine Policy was that the end of the Cold War had removed some critical external obstacles to good relations with North Korea. In particular, maintenance of the status quo on the peninsula, which had been an interest of just about every interested power, was now not a vital tenet of any power’s foreign policy towards northeast Asia. This external impediment to improved relations, Kim believed, had all but vanished. South Korea had begun the process of extricating its foreign policies from the Cold War framework late in the 1980s, and within 5 years the framework had become irrelevant. For its part, however, the DPRK continues to relate to almost all nations according to the patterns developed during the Cold War era, and the ROK has to accommodate this fact.

But even in the south, the end of the Cold War is not simply a matter of superpower conflict being removed from the peninsula; it has entailed the removal of formidable internal obstacles to positive relations with the north. The achievements of the South Korean people have been quite remarkable. South Korea in 1992 emerged from a period of almost unbroken autocratic, authoritarian rule since 1948, and a period of military rule since 1961. The elections for Kim Young Sam were above board and clean. But it was a peculiar situation. Kim Young Sam attained the presidency by joining the government, run by the party and backed by the military leadership against

which he had fought, at cost to his liberty at times, and they courted him and put him up as their presidential candidate. This was the only way Kim could climb into the president's seat, and the only way the government party could retain its power. There was thus no change of government, but there was a change to a civilian presidency. Furthermore, Kim was committed to change of the political culture. He wanted to ensure that a genuine democratic infrastructure was implanted and that genuine democratic processes would be consolidated.

But he faced formidable obstacles.ⁱⁱ We could say that domestically, too, there was a dual system: a dual structure in which significant elements of the old order co-existed with and interfered with the new order. Not just government-big business-intelligence service collusion, but the seemingly intractable problem of regionalism—which had prevented the installation of a really civilian regime even earlier, in 1988, and impelled Kim Young Sam to join the ruling party in 1991.

The end of military rule in South Korea also ended a bitter debate among pro-unification activists over whether democracy could be installed in the absence of reunification.ⁱⁱⁱ Events of 1987 to 1992 showed it could be, although debate still simmers over the question whether democracy can be consolidated satisfactorily before reunification occurs.^{iv} A more pertinent question, however, is what relation the south's democratisation may bear towards reunification. It may be that one of the premises of Kim Dae Jung's Sunshine Policy was his belief that the grand achievement of democracy in the south is a huge stepping-stone towards reunification. He certainly believes in the globalisation of democracy in the 21st century: "The 20th

century was an age of struggle for the realization of democracy... but still democracy has not been realised as it should be. However, democracy will become universal in the 21st century...it will be realised in every corner of the world...in the 21st century.”^v Kim Dae Jung had, since the early 1990s, been a founding and active member of the Forum for Democracy in Asia and the Pacific. Yet even if he assumed that North Korea would before too much longer be drawn into the global democratic movement, it does not follow that the extension of democracy into North Korea means reunification.

Both Korea's regimes have consistently sought to give substance to their claims of legitimacy as rulers of the whole peninsula through fierce competition for economic, diplomatic and military supremacy. Economy, diplomacy, and military power – these were the three pillars of legitimacy. By the early 1990s, it seemed that South Korea had completely outclassed the north economically and had also launched a successful diplomatic campaign for recognition by North Korea's traditional allies. The south was able to maintain a more up-to-date and well-supplied armed force than the north and at a much lower percentage of its GNP. There were two other major changes that affected the reunification question. One was the collapse of the USSR and Soviet Europe, which removed the Cold War framework from the reunification question, and the other was the overthrow of the military and the implementation of democracy in the ROK. As the north lost its material and ideological support from Russia and East and Central Europe and its economy sank into peril, hopes for reunification among South Koreans rose so high that in the middle 1990s there was talk of it taking only five years. The reason for this optimism was precisely the view that the

north was heading quickly towards collapse, while the south had unquestionably demonstrated its superior qualifications for national leadership.

C. Separation of Economics from Politics

Kim Dae-jung's adopted the sunshine policy for three basic reasons: that NK was not about to collapse, its economic and other reform was inevitable, and yet its militarism and belligerence would continue. And indeed, NK had abandoned its One Korea policy, joining UN; had established special economic zones for market-based production and trade, and constitutional revisions allowed more than 300 open markets to spring up. He interpreted continued militarism as survival tactics and need for domestic politics, and insecurity.

Kim Dae-jung therefore argued for separation of economic exchange from politics, and for international collaboration on engagement with NK. Such was necessary condition for the more difficult and more important political challenges. Security was to be managed by diplomatic normalisation between NK and USA and NK and Japan, plus access for NK to global financing networks. This required giving Kim lots of power to control debate, suppress dissent, which was anti-democratic!

It must be acknowledged that there was a weighty domestic reason behind the economic side of the policy. Kim Dae-jung realised that the south was unwilling to pay for reunification in any sudden way, and that nudging the north into the global economic order would ensure that the burden was shared and that the north would introduce reforms that would set itself on the

path of recovery. In this respect, the 1997-98 economic crisis and aftermath have a very definite relation to the issue of national reunification. It has reduced popular interest in reunification in South Korea to a level lower than ever before; and even encouraged mounting support for a hitherto unthinkable idea of extended peaceful co-existence without reunification. Not only would this enable South Koreans to invest in North Korea as they now do in China, but the very last thing that South Korea businesses wanted then, or wants now, is to weaken their international credit-rating by taking on direct responsibility for North Korea's economic development.

It is in any case in South Korea's interests that North Korea be incorporated into the international order in a post-Cold War fashion. This would enable North Korea to be linked with aid agencies, positive investment sources, and access to knowledge on agriculture and other industry. Thus Kim Dae Jung was prepared to support North Korea's recent "Southern Policy" of establishing diplomatic and economic relations with South Korea's allies, including Australia and New Zealand. Whether what Kim hoped would come of this is also in the interests of the North Korean leadership is another question and obviously not of paltry concern. For the survival of the North Korean leadership is obviously related to how detailed a political and informational control over the populace can be maintained during the implementation of economic novelties. In the past, the North Korean leaders have resorted to a policy of disguise and utilise. But compared to the present challenges, that related to rather minor issues: the rise of an informal economy in the mid-1980s, for instance. Now is a very different situation, for what is called for is a type of reform that will be difficult to present to the people as a further advance of the immortal ideology. In short, North Korea

has to come closer to the South Korean model, not the reverse. It is a severe teleological let-down. North Korea, however, has retained the framework, since the Cold War framework sustains its claims to legitimacy.

V. THE PROSPECTS

A. **Emergence from the Cold War mode**

Kim Dae Jung's hopes were that after the June 2000 Summit, North Korea would be encouraged to emerge from the Cold War mode. But there is still the unfinished war, the armistice without a peace; and the question whether the south has been effectively sidelined in both the quest for north-south reconciliation and the search for resolution of the north's nuclear activities poses a formidable challenge to the new ROK President, Roh Mu-hyun. His election might be considered an endorsement of the Sunshine Policy, for which he campaigned resolutely, and although it is too early to tell how far this is the case, I will assume perseverance with the policy is the order of the day and turn to the question of the policy's workability in the face of recent DPRK and international developments.

Short of a collapse of the North Korean political structure, which would be an ill wind blowing no-one any good, north-south reconciliation had been considered in 2000 to rest on agreement between the two Koreas that the Cold War was now also domestically anachronistic. In the south, there are voices that say it is far from anachronistic and that the post-summit developments such as the selection process for family reunions and the return of North Korean spies to the North without any reciprocation,

continued diversion of donated food to the army, and now the declaration of nuclear activity, underlines a gaping chasm over human rights and almost everything else that is important. They accuse the Sunshine Policy of imbalance. Kim Dae Jung and Roh Mu-Hyun disagree. They admit that there is an imbalance, but a different kind of imbalance, one between stronger and weaker parties, and they believe that in two-way negotiations the stronger party can absorb lack of reciprocity and other irritations to a considerable extent.

But this is the nub of the problem. To North Korea's leaders the Sunshine Policy implies that the south has won, that the north must converge with the south in order for meaningful exchange to take place. The SK sunshine position on economy first, politics second, rests on the belief that integration of the 2 economies would give the south a source of leverage to get the north to change comprehensively. But NK understands this as a one-way street to change, an unequal interdependence, a matter of "absorption", and so real progress here has been stymied to date. Reunification under this rubric simply means absorption by the south, and at a pace that is convenient to the south, a pace slow enough that the south's economy does not have to pay too much too soon for the revitalisation of the north's economy. And indeed, the notion that in the international arena at least the south has won the contest over legitimacy in economic, diplomatic and even military realms, is the major unstated premise of the Sunshine Policy.

B. Absorption or partnership?

The Sunshine Policy therefore throws North Korea onto the horns of a dilemma: whereas the DPRK has long insisted that reunification is a project

for the Koreans in line with the principle of self-reliance, it now finds itself called to negotiate from a position of severe weakness with a partner that can negotiate from a position of considerable strength, indeed self-reliance. In his New Year's address of 1991, Kim Il-Sung used for the first time the term absorption, when he rejected the idea that absorption of the north by the south was a proper path to reunification. In the south, there was active debate on this possibility, and Kim Il-Sung's statement was somewhat defensive. He proposed instead a very gradual transition process, leaving any institutional embodiment for the next generation.

Then on 7 September 1991, the 2 Koreas were admitted to UN.

C. Economic interdependence

The "liberals" take a different line than the realists. For them, economic interdependence is vital because it moderates foreign policy behaviour and encourages greater observance of international rules. Worries that NE Asia could develop a regionally interdependent economy and institutions that exclude the USA and Australia are misplaced, the liberals say, because none of them is able to do without their ties to Europe, USA, etc. If we look at the Korean peninsula, the problem actually is that NK is not integrated into the NE Asian economy. The reason for this continuing is the political costs are too high, not for the NK people, but for its rulers: reunification might result on terms beyond their control and contrary to their political interests.

What are the implications of economic integration for security? We need to put the phantoms of Asian blocs to rest. The Japan-led bloc did not have

great power and was certainly subdued by the 1990s stagnation and 1997 crisis, and the rise of China.

But economic integration follows diplomatic initiatives, eg Korea-Japan normalisation in mid-60s, Nixon's China policy in 70s, Korea-Russia and Korea-PRC recognition in 90s. The lesson of this is that Roh's idea that independent economic initiatives will overcome problems caused by the present diplomatic impasse is tenuous at best. There need to take place in both Koreas "domestic policy measures that provide the basis for investment and trade relations." Can NK adopt SK's post-Korean War policy of comparative advantage in labour-intensive production? But SK had truly massive aid and private investment, transfer of technology and access to markets. Is this forthcoming for NK? Survey of 600 large Korean firms: 2.6% were investing in NK; 78% had no interest in the Kaesong complex even if the investment climate improved.

Seoul's perspective is: build a long-term NE Asian community of China, the Korean peninsula, and Japan. In the immediate term, trilateral relations between China and the 2 Koreas, especially in NE China. Stability on the peninsula is essential to China's continued rapid growth: multitudes of refugees and collapse of NK regime is not wanted, so supplies 70% of NK energy needs. Seoul needs to be very cautious about China's sensitivities to possible refugee problem. Seoul's and China's interests are very close: economic change in NK. Seoul to encourage high investment by SK companies in NE China, and must convince US that this trilateral system will have no negative effect on ROK-US economic, security cooperation or place Seoul under too much PRC influence.

NK needs a security guarantee, so economic development with SK and US, China, EU becomes possible, and the fear that because this will take time NK will nuclearise will be allayed. As in other grave security issues around the globe, on the Korean peninsula, sustainable development, more symmetry in international relations, socio-economic equality, are more important than arms control and unilateral or bilateral military action.

ROK-US alliance should be expanded into a regional structure. This will hinder Japan-China competition and provide a balance of power that is not dominated by one or two.

The present is a devastating let-down for North Korean teleology. Despite its incorporation of voluntarist elements into its historical schema, it has consistently proclaimed a historical development, with a clear revolutionary terminal point. Its periods of history move through rise of control by proletariat to complete victory for the communist revolution, in which the entire world would conform to the thought of Kim Il-Sung. In the last historical phase, the 1960s were a time of consolidating the base of socialism, the 1970s a time of struggle to bring the whole of society under chuch'e (self-reliance) thought, and the 1980s the time of final victory of socialism on the peninsula and beyond. The idea of periods gained official status in the mid-1950s as part of the campaign to promote the notion that Kim Il-Sung's chuch'e thought was the scientific principles leading people, in Korea and throughout the world, to communism.

In the official DPRK newspaper, the Rodong Shinmun of 9 September 1988, it was proclaimed :

Today, self-reliance, peace, amity are the vital demands and uniform tendency of the world's people. The imperialists are trying to block this process of self-reliance of the whole world, but their attempts are totally futile and will bring about their own ruin. These imperialists are gripped by the delusion that somehow they can turn the wheel of history backwards, but the current crisis in imperialism is deteriorating daily.

In his December 1988 speech before the Supreme Assembly, Kim Il Sung announced that socialism elsewhere had failed; but in NK its final victory was before their eyes, and this because Chuch'e emphasised the role of the human conscious more than Marx-Leninism. On 30 June 1990, the Rodong Shinmun stated, in relation to ROK President Roh Tae-Woo's proposed meeting with Russia's Gorbachev in California (which took place 5 days later), that any meeting with the USSR leader was preposterous, an absurdity, since the whole world knew what kind of person Roh was.

But then the wheel of history turned backwards in the most disturbing possible manner. The USSR recognised South Korea. Worse, on 24 August 1991, South Korea and China established diplomatic ties. The extraordinary success of the North Korean authorities in maintaining a uniform ideological voice for so long has now become a serious liability. The question is how its truth or simply its applicability or usefulness could ever be challenged in one part without destroying its credibility in every part. Therefore, if an adaptation of it is made, such must be kept strictly secret or disguised, lest it lead to the collapse of the doctrine itself.

In the north, economic reform is considered destabilising. North Korea lacks a commercial legal tradition, its overall, macro-economy is itself unstable and has lost control, and a good half its population are already in non-agricultural industries that have effectively ground down: not a situation in which there is a pool of labour to draw on. If the economy is opened to South Korean management, it is questionable whether the fact that in relation to South Korea, North Korea's economy is in a shockingly backward state can be kept from the populace for long. Hence the likely consequence of a recent suggestion that South Korea be given a caretaker role over the North Korean economy (and foreign policy)^{vi} is the serious undermining of the present leadership's security.

D. Legitimacy once more

Cannot the North Korean leadership instead simply construe the present to the people as a temporary aberration, one caused by hostile nations and their interests, and count on securing enough time and outside assistance to effect a turn-around in the economy? It is difficult to see how the ideological rhetoric allows for that. Genuine adherence to the principles of the Sunshine Policy, such as in the area of economic cooperation outlined in the Fourth Item of the June 2000 Basic Agreement, which includes putting inter-Korean trade on a domestic footing, is therefore very risky for the North Korean leaders: their domestic legitimacy is at stake.

Vietnam became reunified through North Vietnam's victory in a war. Germany became reunified as a result of the loss of legitimacy and power of the East German government and ideology. Can Korea become reunified

through a power-sharing agreement? With two systems of politics and economy so different, this is hardly likely. Even if steps towards reunification begin with power-sharing or separate administrations, full reunification will occur only when one, united system is in place, which in a situation where one system is weaker than the other, must mean absorption of the weaker by the stronger. North Korea is well aware of this, and is afraid of this, because it ultimately means it loses legitimacy. This is not a Cold-War issue, but one of self-interest of the power-holders.

On the external plane, however, there are surer grounds for optimism over the Sunshine Policy's future. There have been a number of theories about external obstacles to resolution of the north-south problem, and despite the changes attending the "end of the Cold War," in some quarters these theories are still considered valid. I am not sure that the theories were ever very sound, and will digress here a little to consider their validity under the post-Cold War framework.

EXTERNAL OBSTACLES

The most common theory is that the large powers – USA, Japan, PRC and Russia – still favour the status quo on the peninsula. The argument is that division is in their interests, since a united Korea would pose greater economic competition, would have a dangerously large and strong military force, would gain diplomatic weight in regional and global affairs, and would destabilise the present balance of power and alliance system in Northeast Asia.

There is an element of truth in this argument. Naturally a united Korea would mean changes in regional conditions. But let us consider the argument from a historical perspective. The peninsula has been a united political, military and economic entity since the 10th century, and has been divided only since 1948. Reunification would therefore simply be a reversion to the normal historical situation. It is absurd to say that reunification would be a new, let alone unprecedented development. Further, the supposed economic challenge to Japan of a united Korea is somewhat fanciful. South Korea would be seriously weakened economically by reunification at present, and it would take a long time to rebuild the whole peninsula's economy. For its part, China has never been opposed to Korean unification, only to its unification under an unfriendly southern regime. Now, however, that consideration has been weakened to the point of relevance only insofar as the division might on occasion lend the PRC some leverage in relations with the USA. The USA likewise opposed unification under a hostile northern regime, but has no objection to unification under the present southern system.

Even if there are possible losses for some of the powers if Korea reunifies, let us consider what maintenance of the status quo means. What it means is the continuation of tension in the region, a tension that has already involved a very costly war and could lead to another even more destructive war. The division is itself a threat to regional stability, the stagnation of the northern economy is of no benefit to any power, and it drains immense diplomatic energy and resources out of the USA, PRC, Russian Federation, and now Japan. The only reason the armed forces on the peninsula are so large is the

division itself. Hence, maintaining the status quo is actually more trouble and more risky than reunification would now be.

Another argument is that the division has essentially been a product of external Cold-War forces. Again, there is a clear element of truth here. Certainly, the division was a consequence of the Cold War and was imposed on Korea by the superpowers. But the ideological division that fuelled the Cold War had already formed among Koreans during the 1930s-1940s. Koreans in both northern and southern provinces were deeply divided along ideological lines in 1945 and themselves participated actively in the process that led to the division of the nation into two states. The Korean War was not simply the battleground of superpower Cold-War conflicts; the Korean leaders were themselves Cold-War enemies and contributed through their own politics to the shape the Cold War took. But more importantly, it was a nationalist, civil war over which side was legitimate. Now that the Cold War is over, why is Korea still divided? Partly because the Cold War is not over in Korea: there are strong forces on both sides that retain very strong ideological positions. But the problem is not now at bottom really ideological, it is a problem of legitimacy: which regime has the support of the people, and which regime must lose power?

13. Japan on DPRK Ship Ban

Agence France-Presse ("JAPANESE PARLIAMENT SET TO PASS BILL BANNING DPRK SHIPS," 06/01/04) reported that Japan's lower house of parliament is set to pass a bill later this week enabling Japan to ban DPRK ships from calling at Japanese ports after the ruling coalition and main opposition agreed on the new tool to pressure Pyongyang. The Liberal Democratic Party and its coalition partner New Komei party agreed with the Democratic Party at a

lower-house panel meeting Tuesday to submit the bill jointly to the House of Representatives, officials said. Lawmakers are to vote on the bill on Thursday. The bill is virtually assured of clearing the all-important lower house given the cross-party support. Japanese media said the bill was set to become law with upper house final approval before the end of the current parliament session on June 16. The bill would allow the cabinet to "decide to ban designated ships from entering Japanese ports for a certain period when it is deemed necessary to maintain Japan's peace and safety." Although the bill makes no explicit reference to the DPRK, politicians have openly said it was targeted at DPRK ships such as the cargo-passenger ferry Man Gyong Bong-92, which regularly calls at the port of Niigata. The ship is often used for visits to North Korea by ethnic Koreans in Japan and to carry food, electronic products and other daily necessities between the two countries. But Japan recently tightened inspections of the boat after it was accused of being used for smuggling and spy activities.

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VI. CONCLUDING REMARKS

Kim Dae Jung's sunshine policy is perhaps the only creative policy change in north-south relations on the Korean peninsula for five decades. If we ask what the June 2000 Summit achieved, the principal achievement was the Summit itself, which succeeded in breaking the ice of over a half-century of mutual non-recognition. But there was another side to it that was pushed aside by the understandable euphoria of the occasion, and that is that the very fact that this was the first north-south summit ever, together with the fact that North Korea agreed to it only from a position of severe economic failure, as a desperation measure to gain pennies and salvage or perhaps gain a little political legitimacy in the world, should certainly have reminded us of how bitter and deep the division has been and of the

formidable difficulties that lay ahead.^{vii} It is true that things can happen quickly: the Superpower standoff ended – or radically altered – quite rapidly after the Reagan-Gorbachev Summit. But one can never presume anything for north-south relations.

Article 2 of the Joint Agreement from Summit talked of the commonality of the north's "federation at the low stage" and the south's proposal of confederation. It was riddled with ambiguities and conflicting interpretations abounded, but it was the first time north and south leaders acknowledged their formulas were based on common factors. The important point is that it firmly introduced the idea of N-S convergence over unification proposals. This is essential to allay fears of absorption by north.

The "Sunshine Policy" requires perseverance and a great deal of patience. The post-summit emphasis has been on strengthening the groundwork of peaceful co-existence, continuing to pursue rapprochement between the two Koreas. It is a gradualist approach, but it also relies on good progress in North Korea's negotiations with the USA and Japan. For South Korea, one chief anxiety is North Korea's penchant for gaining leverage through wedge-driving tactics. At the time of last year's NK-SK Summit, Kim Dae Jung seemed to consider the US-South Korea relationship was wedge-proof. This is no longer certain at all.

The 6-party approach suggests coercive diplomacy is taking back seat. But SK and the US have different interests, perspectives and objectives concerning NK's ambitions. The US believes NK threat is being increased by sunshine policy, whereas SK sees NK as "partner for peace." SKs don't

see NKs as members of a rogue state, but as fellow-Koreans. Growth in anti-US sentiment goes hand-in-hand with growth in SK democracy, resistance to being told what to think and do. The US is accused of leaving protest as the only way Koreans can make their opinions known. A June 2003 poll showed that the SK public views US purposes in the world in similar fashion to those in Saudi Arabia, Syria and Yemen. If reunification takes place against a background of mistrust between ROK and US, not so good.

ROK anti-Americanism is not ideological but issue-oriented and nationalistic. Reunification should not be seen as a great threat to the relationship, therefore.

Since 2003, military tensions on the Korean peninsula have risen even further and the future appears very unpromising indeed for the Sunshine Policy. The reasons for this development are two. First, the designation of North Korea by US President George W. Bush as a member of the “axis of evil,” which categorised the DPRK with Iraq as an enemy state, led the North Korean leaders to conclude that the threat of nuclear weapons development was their best survival strategy. They insist that this was solely the responsibility of the USA, and until very recently refused to enter into any further meaningful negotiations with the ROK on reconciliation or reunification matters. Secondly, North Korea’s rulers feel their own security at home is threatened by active adherence to the sunshine path. They sought a distraction for the public and a means of buying time for a recovery of economic health, so that they could negotiate unification with the south on

an equal or superior basis. Consequently, they have subordinated progress on north-south relations to relations with external powers.

On 15 August 2001, Kim Dae Jung had already stated that “South-North talks are inextricably related to North Korea-US relations.”^{viii} The present situation appears to prove him right. However, if his statement is interpreted too literally, it flies in the face of the very first item of the June 2000 Basic Agreement: the reunification of the peninsula is to be resolved independently of other powers. I suspect that what is happening is more a case of repetition, *mutatis mutandis*, of an old pattern. North Korea’s insistence that its problems are matters only to be worked out through negotiations with the USA is a means of turning the focus of the north-south division and its solution away from both North Korean domestic dilemmas and the difficulties presented to North Korea by the Sunshine Policy. It is important to distract the North Korean people from domestic causes of starvation and breakdown of national infrastructure. It is much easier for the North Korean rulers to present the division problem as one in which the USA is the principal or only obstacle than to negotiate reunification matters with South Korea. In relation to the USA, North Korea’s leaders believe they can appeal to nationalist sentiment—in both Koreas—whereas in north-south negotiations, the south can negotiate from a position of strength, which makes the North Korean leaders’ legitimacy fragile. It is too apparent that the north has nothing to offer the south, and to continue to receive funding, food, expertise and technology from the south is dangerous. From the US, however, they believe they can demand it as a right.

Whereas it is only reasonable for the DPRK, having been put in the same category by the USA as Iraq, to regard an attack by the USA, or even a covert operation to replace the present regime, as a real possibility, the relation posited between North Korea-USA relations and north-south relations nevertheless serves the North Korean regime's own political purposes perfectly, and it might only be inextricable as long as the two Koreas make it so. There is no external force willing to prevent the two Koreas from working together to solve the division, and no country in the world will oppose a peaceful reunification. The Bush regime in the USA is a disappointment, and it has given North Korea the most perfect grounds for its assertions imaginable, but it is false to claim that the two Koreas cannot negotiate with each other because of George W. Bush. If he aims to create a division between the ROK and the USA—if he wishes to portray the USA as a state working against the interests of the people in both Koreas—Kim Chong-Il could do little better than travel to Seoul for the second summit provided for in the fifth item of the Basic Agreement and work matters out with the south according to their own interests.

This, in effect, is what Kim Dae Jung implied in his 15 August 2001 comments, when he went on to say that the South would make every effort to resume talks, but added that North Korea should also show “a sense of responsibility.” Some argue that the DPRK has nothing to offer the south but threats. But there is a prior question: what objective is the North Korean leadership pursuing? If the objective is preservation of their own power, it is true that threats are all they have to offer. But if the objective is reunification, the reunification of millions of families that have been cut off from each other for over half a century, and the improvement of the living

conditions of all the Korean people, they have a great deal else to offer. Unfortunately, the North Korean leadership appears to care about the now desperate plight of the common people only from the point of view of its possible dangerous political effects.

Causes of insecurity in NE Asia because of NK:

- 1) NK believes US predicates US security and interests in the region on regime change in NK. Whatever actual actions the US undertakes, NK will not believe otherwise and so conflict inevitable.
- 2) Lack of transparency in NK decision-making process leads to lack of credibility of anything it does or says → better safe than sorry approach.
- 3) Backlash strategy: NK can draw on deeply-laid, long-held view of US imperialist ambitions, to avoid the consequences of not opening up (or of opening up, depending on the angle one looks at it from).

Recent NK statements reflect gathering sense of urgent danger from US, of direct attack, regime change, etc. Bush categorised NK with Iraq, which he invaded and is changing its regime. US's open flouting of its military preponderance in cases of disagreements with other powers gives NK no grounds for trusting its assurances of benign intentions.

SK's sunshine policy is what changed things and brought about end to stability, defined as "nothing changes." But the status quo was also very dangerous.

The north is frightened of the prospect of genuine progress towards reunification, and will continue to use the US as an excuse not to hold productive talks with South Korea, whatever policy the US professes. The south also doesn't want to push for reunification now, it wants to see North Korea opened to the world so that changes will occur without the south demanding them or having to take responsibility for them. Nor does the south want to see the North Korean leadership lose control, however, and so is likely to continue the Sunshine Policy even in the absence of signs of "responsibility" from the north.

Reunification appears no nearer now than before. It is not clear that this is an argument against the Sunshine Policy, since peaceful coexistence in the present is itself a very important objective. But reunification now depends principally on the two Koreas' own policies. Although it has undoubtedly turned less favourable since the close of 2002, it is not now in the interests of the people in either Korea, certainly not in the north, to insist that the USA is the key.

It has been suggested that SK government should stop blaming US for unpopular policy decisions, and that "SK friends of the ROK-US alliance must make common cause with moderates in order to push the anti-American ideologues back out to the fringes of the debate." Fine, but those outside Korea who are interested in the alliance and a peaceful, secure resolution of the division should make common cause with SK's

perspectives on reunification path in order to push the neocons in the US back out to the fringes of the debate.

The extraordinary inability of US to consider that possibility that SKs indeed might feel somewhat closer to Koreans in the north than to US national self-interest!!

From 1960s, Kim Il-Sung injected anti-Americanism into confederation proposals and negotiating stances. Now, the US has fostered anti-Americanism among the SK Korean people without the north's help!

What will aid a secure pursuit of reunification? Need to reconsider idea that declining US power is a source of insecurity, and recognise how its continuing preponderance and interference is a threat.

ⁱ Chung-in Moon & David I. Steinberg, Kim Dae-jung Government and Sunshine Policy: Promises and Challenges, Seoul, Yonsei University Press, 1999, p.12

ⁱⁱ An interesting analysis of Kim Young Sam's democratic agenda and method of trying to fulfil it can be found in Geir Helgesen, Democracy and Authority in Korea: The Cultural Dimension in Korean Politics, Richmond, Curzon Press, 1998

ⁱⁱⁱ This debate was especially heated among the students and divided the radical elements into two, sometimes three, camps, but was, *mutatis mutandis*, present in the intellectual and journalistic circles also. See my discussion of this debate in Kenneth M. Wells, "The Nation, the World, and the Dissolution of the Shin'ganhoe: Nationalist Historiography in South Korea," Korean Studies, 25: 2, 2001, pp. 192-6. See also Namhee Lee, "The South Korean Student Movement, 1980-1987," in Bruce Cumings (ed.), Chicago Occasional Papers on Korea, Select Papers Vol. 6, The Centre for East Asian Studies, Chicago University, 1991, and Paik Nak-chung, "The Reunification Movement and Literature," in Kenneth M. Wells (ed.), South Korea's Minjung Movement: The Culture and Politics of Dissidence, Honolulu, University of Hawaii Press, 1995.

^{iv} See discussion of this in Doh C. Shin, Mass Politics and Culture in Democratizing Korea, Cambridge, Cambridge University Press, 1999

^v Kim Dae Jung, "A Modern Interpretation of the Idea of Loyalty and Filial Piety," speech at the Chongwadae, 18 March 1999, reported in The Korea Herald, 14 April 1999

^{vi} NAPSNet

^{vii} We have now been made aware of the fact that Kim Dae Jung authorised the transfer of a huge sum of money, of at least US\$180 million, to the DPRK as inducement to hold the June 2000 Summit. This has lowered both his popularity and the sense of achievement about the summit among the South Korean people. It also reinforces the view that the North Korean leadership has no genuine intention of pursuing reconciliation with the south in line with the June 2000 Basic Agreement, and that its policies are driven by one thing: fear that economic woes in the north will spell the end of the regime.

^{viii} New York Times, 16 August 2001

North Korea: Power Play or Buying Butter With Guns?

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Introduction

North Korea, or the Democratic Peoples Republic of Korea (DPRK), is different. The country has had just two leaders (father and son) since it was created in 1945, both revered so absolutely as to evoke incomprehension and disbelief. The country has totally repelled the successive waves of economic dynamism that swept East Asia from the mid-1950's onwards while supporting a mammoth military establishment and projecting an image to the outside world of unrelenting and almost undifferentiated belligerence. The net effect has been to see North Korea shrink to the verge of destitution, clinging to an economic system that showed no signs of life and dealing almost continuously with the fact or the real risk of actual famine. This systemic decline accelerated with the end of the Cold War as one major lifeline, the Soviet Union, disappeared from the scene and the other, China, took a markedly more distant stance, politically as well as economically.

Throughout the post-Cold War era, North Korea has been battling international dismissal as a "Stalinist theme park", a militarised relic unable to reliably feed its people and expected soon to add to the ash heap of history.

As its options shrank, the regime turned increasingly to illegal or 'gray-area' activities. These include trading in drugs and counterfeit currencies, but the signature activity has been the export of ballistic missiles to recipients on or beyond the fringe of acceptability to other possible suppliers— Libya, Iraq, Iran, Pakistan, Yemen and Syria. Republic of Korea estimates suggest North Korea exported 540 ballistic missiles between 1985-2001 plus components to selected customers (notably Pakistan and Iran) seeking to develop their own capacity to manufacture these weapons. This trade is estimated to have earned North Korea some US\$580 annually — its largest single source of hard currency.

In addition, the regime set out in the early 1980's to give itself the option of a nuclear weapon capability. North Korea is no stranger to weapons of mass destruction (WMD). It has long had a significant offensive chemical weapon capability, deliverable by missiles, rockets and artillery shells. It *may* also have a biological

weapon capability. For more than a decade, however, the defining issue has been the regime's quest for nuclear weapons.

The Intelligence Picture

For the present purpose, the most sensible starting point is the shut-down of North Korea's reactor in 1989/90. How much plutonium could North Korea theoretically have got its hands on? This is driven by hard scientific principles but gaps in the basic data and unknowns like the efficiency of North Korea's reprocessing plant result in range of possible answers. (Even in Japan for example, where reprocessing has taken place for 25 years with maximum transparency, the projected and actual yield in 2003 was 7096 kilograms and 6890 kilograms of plutonium respectively, a discrepancy of 206 kilograms.).

Everyone got in on the act on North Korea: the State Department — 6-8kg; CIA — 12kg; a major US think tank — 14kg; ROK — 7-22kg; Japan — 16-24kg. Fuelling the debate was the fact that North Korea had built a reprocessing facility, with the first production line becoming operational in 1993, although smaller, experimental operations may have existed earlier.

In addition to the uncertainty about whether North Korea has separated plutonium, and how much, there are a range of views about how much it would need for a single bomb. The standard employed by the IAEA for an amateur nuclear weapon state is 8kg. Others say this ignores the dissemination of know-how and that figures like 3kg or even 1.5kg for a 1 kiloton yield cannot be excluded. These multiple uncertainties allowed Donald Rumsfeld to say in 2001 that North Korea had enough for "2-3, maybe even 4-5", weapons (even though the CIA position was 1-2).

Between 1993-2000, the CIA restricted its unclassified assessments to the proposition that North Korea probably had enough plutonium "for at least one, and possibly two, nuclear weapons". It did not venture a judgement on whether Pyongyang actually had the bomb until its assessments in 2001 and 2002, both of which said North Korea had one or possibly two nuclear weapons. Intriguingly, the assessment for 2003 reverted to the old language, that is, no judgement on whether Pyongyang has

weaponised the plutonium it probably had. In August 2003, however, in a written response to questions from the Senate Select Committee on Intelligence, the CIA assessed that “North Korea has produced one or two simple fission type nuclear weapons and has validated the designs without conducting yield-producing nuclear tests.” The CIA has also reportedly told allies that the DPRK has progressed to design work on warheads light and compact enough to fit onto a missile.¹ The basis of this new confidence in North Korea’s capabilities is not clear. Still, the prevailing judgement is that North Korea can and has weaponised its fissile material.

Further Reprocessing

When the DPRK expelled IAEA inspectors and dismantled their monitoring equipment in December 2002, it regained control of some 8000 irradiated fuel rods that had been stored under IAEA seal. These rods were estimated to contain sufficient plutonium for 5-6 weapons, ie of the order of 35-40 kg. In April 2003, Pyongyang signalled that it had begun to reprocess these rods to extract the plutonium. During the second half of 2003, it claimed on several occasions to have completed the reprocessing of all 8000 rods by June, that is, in about 4 months.²

This claim has not been reliably verified. Some estimates of the capacity of the known reprocessing facility, at Yongbyon, suggested the process would take some 10-12 months, even in the absence of technical hitches with a facility that had been shut-down for a decade. Remote detection of re-processing is difficult. There were reports in April/May 2003 that US sensors had detected whiffs of Krypton 85, a gas associated exclusively with reprocessing, but not a stream linked to the plant at Yongbyon (and other possible sources of the gas exist in the region).³ Whatever it may or may not know, US intelligence has been content to signal that the picture on reprocessing is very ambiguous. It has been prepared to say that North Korea has probably reprocessed some of the rods, perhaps up to one-third, and may, therefore, have the material for an additional 1-2 weapons. In addition, press reports in July 2004

1. David E. Sanger, “New CIA Concerns on North Korean Weapons”, *New York Times*, 9 November 2003.

² See, for example, David E. Sanger, “North Korea Says It Has Made Fuel For Atom Bombs”, *New York Times*, 14 October 2003.

³ Sonni Efron, “US Officials in a Quandary Over N. Korea”, *Los Angeles Times*, 8 May 2003.

indicated that the US was considering preparing a new formal intelligence estimate crediting North Korea with a nuclear weapon stockpile of up to 7-8 weapons.

Highly Enriched Uranium

There are two materials that can form the explosive core of a nuclear weapon: plutonium, and uranium that has been enriched to very high degrees of purity (96 percent or higher from the natural state of around 0.7 percent). Some types of nuclear reactors use enriched uranium as a fuel but the degree of enrichment generally falls in the range 4-20 percent. Highly enriched uranium (HEU) is therefore exclusively associated with nuclear weapons.

The public record indicates that US intelligence was speculating on the possibility that North Korea was seeking a HEU capacity as early as 1996 or 1997. One of the triggers for this earlier speculation was strong evidence that the DPRK had agreed to a significant transfer of ballistic missile technology to Pakistan. As both countries were known to be in extreme financial difficulty, a barter arrangement seemed likely and people wondered what Pakistan would provide in return. The confessions of Pakistan's Dr A.Q. Khan in 2003/04 indicate that the know-how and at least some components for an enrichment facility were transferred to North Korea around 1999, but that it was left to Pyongyang to acquire the volume of components needed for a facility with a viable production capacity.

We also know that, by 2000, opinions in the US intelligence community had hardened in support of the likelihood that North Korea was seeking an enrichment capability. This progression culminated in the firm assessment in mid-2002 that such a facility was under construction. A plausible inference is that North Korea's 'shopping' for the necessary components in the period 1999-2002 triggered the intelligence material to support an assessment firm enough for the US to confront Pyongyang with it in October 2002.

Some of the key data points on this issue are as follows:

- In 1996, a very high-level North Korean defector referred to a secret enrichment program;

- In 1997, intelligence picked up a major transfer of ballistic missiles and related technology from North Korea to Pakistan. As both countries were broke, US intelligence suspected a barter deal and wondered about the quid pro quo;
- Leaks to the press late in 2002 indicate that US intelligence came to the preliminary conclusion in 2000 that North Korea had a secret enrichment program and that the program had probably started in 1997/8;
- In March 2000, President Clinton informed Congress that he could **not** certify that North Korea did not have an enrichment program;
- US intelligence went firm on the existence of an enrichment program in mid 2002, and informed Japan and the Republic of Korea;
- In May 2002, a senior State Department official (John Bolton) stated publicly that North Korea had a secret nuclear weapons program (not further specified);
- In June 2002, a Japanese newspaper cited an alleged Chinese intelligence report on a secret enrichment program in North Korea;
- Japan's Prime Minister Koizumi was briefed on the program prior to his historic visit to Pyongyang on 17 September 2002. He is reported to have raised the issue, but only in passing as his primary objective concerned Japanese nationals kidnapped by North Korea in the 1970's.

The status of this capability is unclear. In October 2002, the US delegation reported that, to their surprise, Pyongyang had defiantly acknowledged that they had an enrichment program. After a delay of nearly two weeks, Pyongyang insisted it had only asserted that, given US hostility, it had the right to take such a step. It has since consistently denied that it has an enrichment program and will therefore not countenance its inclusion in any list of capabilities that North Korea would verifiably dismantle and remove in the context of a denuclearisation agreement.

There are no indications on the public record that the enrichment facility is operational. Estimates of how distant this milestone might be extend out to three years. This is unsurprising as an important variable may still be Pyongyang's ability to import components, something that has been made more difficult by Dr

Khan's confessions and heightened vigilance and/or perception of risk since September 11 on the part of all of the countries that could play a role in this regard. Similarly, very little seems to be known about where this facility might be located. Some reports, linked to intelligence sources, suggest that, by late 2003, the US had become doubtful that the DPRK had progressed very far with HEU, and that some analysts doubted that a HEU plant (as distinct from components) even existed.⁴

Assessment

This synopsis of the intelligence picture is inconclusive on the question of Pyongyang's motives for seeking a nuclear option and whether it can be persuaded to abandon this quest. On the one hand, the time and energy Pyongyang has invested in this enterprise would support the judgement that it seeks a deterrent capability for the long-term. Pyongyang has openly claimed that it has nuclear weapons, and threatened to test and/or export them, but these claims have only been made in official circles. Publicly, Pyongyang has been more oblique, pointing to its 'nuclear deterrent' and the option it has to develop it further. When it displayed this 'deterrent' to a group of senior American visitors in January 2004, it consisted of two glass jars with the lids secured by masking tape containing what may have been plutonium. In addition, while US intelligence assessments have inched forward on crediting North Korea with workable nuclear weapons, there are abundant indications that the US still harbours strong suspicions that Pyongyang's claims with respect to both fissile material and weapons might be as much bluff as substance.

At the same time, the intelligence picture does not preclude the possibility that Pyongyang is using the threat to become a nuclear weapon state to extract the political/economic package that it considers will ensure its survival as a sovereign state. Several considerations can be marshalled in support of this judgement. It has, both in the current negotiations and in the 1994 Framework Agreement, accepted that the objective is the complete elimination of its nuclear weapon

⁴ Barbara Slavin, "N.Korean nuclear effort looking less threatening", *USA Today*, 5 November 2003.

program. Further, it can be said with some confidence that there is a significant or substantial element of bluff and posturing in Pyongyang's position, a feature consistent with the thesis that it aspires to inflate the sense of crisis and elicit from the US in particular the package that it seeks. Thirdly, a plausible inference from the information summarised above is that Pyongyang would have suspected from 2000 that its HEU program was no longer a secret, and that it would have been essentially certain of this fact from early in 2002.

In short, it seems extremely unlikely that Pyongyang was taken by surprise in October 2002 when the US essentially charged it with breaching the Framework Agreement through clandestine pursuit of an HEU capability. North Korea had ample time to consider whether and how, and to what purpose, to leverage the exposure of its enrichment program into a crisis to be resolved through a new bargain. From this perspective, Pyongyang set the stage and then provoked the present crisis, pointing to a real preparedness to ultimately trade its nuclear weapon program away.

Yet a third possibility would be to combine these two assessments and argue that Pyongyang is confident both that it can achieve the goal of a functioning nuclear weapon capability, and that such a status would deliver enduring net benefits, but that it remains open to doing a deal.

Each of these alternative assessments – and other variants may be possible – have their adherents, and each tends to support a distinctive attitude and approach toward negotiations. The discussion below will endeavour to throw additional light on the basic question of whether Pyongyang is prepared to abandon its nuclear weapon program.

The final point worth making in the context of the intelligence picture is that, despite the strong probability that Pyongyang is inflating its capabilities, the now rather prolonged phase of posturing to shape the framework of a possible deal, and to put the ball in the opposite court, may have put North Korea in the position where its credibility will depend on being able to reveal a bomb or two

The First Nuclear Crisis

North Korea signed the NPT in 1985, just a year before its first significant reactor (a 5 megawatt plant using natural uranium fuel) went online in 1986. In a key development, this reactor was shut down for 70-100 days in 1989/90. What, if anything, North Korea did with the irradiated fuel rods during this shutdown lies at the heart of the saga that has unfolded since.

In 1991, the first Bush administration applied strong pressure on North Korea to complete its NPT obligations and conclude a safeguards agreement with the IAEA. It offered a major incentive in the form of its joint declaration with the Soviet Union to bring all sub-strategic nuclear weapons “home” from deployment abroad or at sea. This included 160-odd US nuclear weapons deployed in the Republic of Korea. In this context, North and South Korea concluded a bilateral agreement in December 1991 not to possess or host nuclear weapons, not to construct enrichment or reprocessing capacities, and to conduct reciprocal inspections to verify compliance.

IAEA inspections (six of them) took place between June 1992 and February 1993. The inspectors found some anomalies in regard to plutonium and, as provided for in the safeguards agreement, requested additional “special” inspections to clear them up. The following month, in March 1993, North Korea announced its intention to withdraw from the NPT and the first nuclear crisis was underway.

A Party to the NPT must give three months notice of its intention to withdraw from the treaty. In June 1993, following talks with the US in New York, North Korea withdrew its withdrawal notification before it went into effect and agreed to resume consultations with the IAEA on inspections. The US, in return, gave Pyongyang assurances against the threat or use of force and promised not to interfere in North Korea’s internal affairs.

After protracted negotiations, IAEA inspectors arrived in North Korea in March 1994 to inspect its seven declared nuclear facilities only to have Pyongyang refuse access to its reprocessing plant at Yongbyon. The crisis escalated again, with North Korea this time withdrawing from the IAEA and the US making serious plans for a surgical

strike on North Korea's nuclear facilities (using conventional weapons and seeking to avoid any dispersal of nuclear material).

A dramatic intervention by former US President Jimmy Carter in June 1994 resulted in agreement on the basic parameters of a stop-gap deal. Several months of negotiations – which had to cope with the death of North Korea's founder, Kim Jung Il in July 1994, - yielded the Agreed Framework on 21 October 1994.

The Agreed Framework, so-called to avoid the status of a treaty and the consequent Congressional scrutiny, was an awkward construct. North Korea had repeatedly resisted its inspection obligations under the NPT, announced its intention to withdraw from the treaty, and, through the building of a reprocessing facility, violated its January 1992 joint declaration with the Republic of Korea on the denuclearisation of the Korean peninsula. But, in return for a verifiable freeze on its known nuclear facilities, it got:

- (a) two light-water reactors for power-generation to be funded and built by an international consortium;
- (b) 500,000 tons of fuel oil per annum until the reactors were completed;
- (c) no further comprehensive IAEA inspections until some 3 years before the nuclear components for the new reactor were delivered; and
- (d) undertakings from the US on non-aggression, and the pursuit of full normalization of US-DPRK political and economic relations.

The Agreed Framework had many critics. Republicans, in particular, seized on it as an outstanding illustration of an administration that had lost the plot, lacked the will to take tough decisions and had effectively been blackmailed. Much of this criticism was well-founded. The agreement only froze North Korea's known nuclear facilities, and in a manner that did not compel Pyongyang to provide greater transparency of its activities. Possible alternative paths to nuclear weapons, specifically HEU, were addressed only indirectly through a reference in the Agreed Framework to

“consistently take steps” to implement the DPRK-ROK joint declaration on the denuclearisation of the peninsula. On the other hand, the Agreed Framework represented what was within reach at the time. It did shut down facilities that were demonstrably capable of yielding fissile material and therefore postponed North Korea’s likely acquisition of the basis for an arsenal of nuclear weapons.

Implementation of the agreement was often a vexatious process. Funding the fuel oil supplies was a constant struggle, and construction of the reactor fell several years behind schedule. Broadly speaking, however, and notwithstanding the nagging but inconclusive indications of a covert HEU program, the agreement was being implemented. Even under the Bush administration, senior officials acknowledged in 2001 that North Korea had upheld its obligations.⁵

In addition, between 1996-2000, the Clinton administration held seven rounds of official-level talks with North Korea focussed on the development and export of ballistic missiles. These talks were interspersed with the imposition of sanctions on several North Korean entities for missile proliferation activities (even though the sanctions were largely symbolic given the essentially complete absence of an economic relationship with North Korea).

Further, in December 1998, the US raised concerns about possible clandestine nuclear activities at a large underground facility at Kumchang-Ni, and sought to inspect this facility. An inspection took place six months later, in May 1999, and found no trace of any activity, nuclear or otherwise. A second inspection of the same site in May 2000 produced the same result. Given that North Korea had ample time to cleanse the site, the exercise was not reassuring. It did, however, constitute a useful precedent in the context of a state so obsessively secretive as North Korea.

The missile talks did result, in September 1999, in North Korea undertaking not to conduct further tests of long-range missiles (like the famous Taepo-Dong test in August 1998 that passed over Japan) while the talks continued. When US Secretary

⁵ For an informative account of how and why the Agreed Framework broke down see, Jonathon D. Pollack, “The United States, North Korea, and the end of the Agreed Framework”, *Naval War College Review*, Summer 2003, Vol.LVI, No.3.

of State Madeleine Albright visited Pyongyang in October 2000 – the most senior US official ever to have done so – North Korea agreed to a moratorium on tests of the Taepo-Dong. Reportedly, a broader agreement was believed to be within reach under which North Korea would stop the export of medium and long-range ballistic missiles and be compensated by the US for the loss of income.

The Second Crisis: Does Pyongyang See An Imminent threat from Washington?

North Korea's contends that it faces a severe and imminent military threat from the United States. This threat drove it down the road of an illegal and clandestine nuclear weapon program. Its rhetoric in support of this contention has become steadily more extravagant since October 2002. On the face of it, this contention seems entirely without foundation. The US military posture in Northeast Asia generally, and the ROK in particular, has been static. The only things on the radar screen in Washington since 11 September 2001, have been al Qaeda and Iraq.

In crisis management, however, it is critical to determine as clearly as possible the other party's state of mind. What is really driving them? Are they working to a script that has been thought through beforehand or acting spontaneously and thinking on the run? Are they nervous, perhaps scared? In earlier times, Pyongyang had a reputation for unpredictability. A significant potential for 'irrational' behaviour was factored in when dealing with them. This can be a very powerful weapon, particularly, of course, if one is not in fact irrational. North Korea substantially lost this negotiating asset during the nuclear crisis in 1992-94. It was certainly a negotiating partner with maddeningly distinctive characteristics – terms like mercurial, petulant, inconsistent come to mind. But it knew what it was doing.

So even if there are no proximate events that clearly and adequately explain their actions, it is not smart to simply conclude that they are bluffing their way toward some easy pickings. It is important to put oneself in North Korean shoes and see if the perception of threat could be real.

Through the early and middle 1990s, there was a widespread view that North Korea's days were numbered. It was being written off as a state without a future and no

longer with a single powerful friend who really wanted to give it one. This is likely to have influenced, whether consciously or unconsciously, the postures and policy positions that other states adopted toward North Korea. And Pyongyang would have become pre-disposed to look darkly at proposals and overtures from other states as based on the implicit assumption that it would not be around for long. William Perry, Secretary of Defense in the first Clinton administration and commissioned by the administration in 1998 to review US policies toward North Korea, picked up on this phenomenon and stressed the importance of correcting any tendency to approach North Korea from such a viewpoint. Similarly, an important rationale for South Korea's 'sunshine policy' was to overcome the legacy of the years it spent looking closely at the economics of reunification (and deciding firmly that anything resembling the German example was a very bad idea).

In other words, the contention that North Korea was very conscious throughout the 1990s of a widespread view that it should not be regarded as part of the political landscape in North Asia beyond the medium term is a plausible one. In such a context, with its legitimacy being questioned openly, North Korea may well have approached the General Framework Agreement predisposed to doubt US intentions to implement it fully. Any such concerns would have been reinforced by trenchant Republican criticism of the agreement as an outstanding illustration of an administration that had lost the plot, lacked the will to take tough decisions and had effectively been held to ransom. They would also have been reinforced as delays accumulated in the construction of the light water reactors.

A number of other events would also have fuelled Pyongyang's concerns. In August 1998, North Korea surprised the world (and especially the US intelligence community) with the launch over Japan of a three-stage missile that narrowly failed to put a small payload into orbit. This was a consequential development. It appears to be having an enduring effect on Japanese attitudes toward their security requirements. The launch also tipped the political balance in Washington decisively in favour of a commitment to deploy ballistic missile defences (a consequence that would not have endeared North Korea to Russia and China). For Pyongyang itself, the symbiotic relationship between long-range ballistic missiles and weapons of mass destruction meant that it became the defining example of the 'rogue' state and asymmetric threats

that weighed heavily in the security posture adopted by the Bush administration.

The Bush administration, in stark and certainly deliberate contrast to the intensified engagement attempted by the outgoing Clinton team in 2000, essentially ostracised Pyongyang. All bilateral contacts ceased pending a policy review. A statement by Colin Powell on 6 March that the Bush administration intended to pick up where its predecessor had left off elicited an angry response from the White House and a backward step by Powell. This, and other signals, provoked a shrill response. On 15 March 2001, Pyongyang blasted the administration's new stance as 'hostile' and went straight to the extreme of declaring that the DPRK was fully prepared for both 'dialogue and war'⁶.

In June 2001, following the policy review, the administration announced that the US would continue to implement the 1994 agreement but signalled that the parameters of engagement on steps beyond this agreement would be broadened to include missile proliferation, the size and disposition of North Korean military forces, and human rights. In the event, there was no official contact between the Bush administration and North Korea until the meeting in Pyongyang in October 2002 that kicked off the present crisis.

Two developments in January 2002 should also be regarded as potentially important in shaping Pyongyang's frame of mind. The first was the US nuclear posture review that identified 7 countries, including North Korea, capable of generating the kind of extreme scenarios that might cause the US to consider the use of nuclear weapons. The second and probably more influential, was Pyongyang's elevation from 'rogue' state to a member of the 'axis of evil'. This was the proverbial blunt instrument of international diplomacy, a foolish piece of extravagance in the sense that the US had an immediate interest in dealing with only one member of this axis — Iraq. Still, Bush's remarks did convey the sense that these states would be addressed sequentially, and that the doctrine of pre-emption was taking shape with them very much in mind.

⁶ Arms Control Association, "Chronology of US-North Korean Nuclear and Missile Diplomacy", Washington DC, June 2003.

In sum, even if North Korea's efforts to suggest that it is currently acting under extreme duress are hard to take seriously, the broader contention that it was driven toward drastic and high-stakes measures cannot be so readily dismissed.

All of this, however, is greatly diminished by the clear evidence that North Korea decided back around 1996 or 1997 to violate its obligations under two treaties and give itself some additional ammunition with which to engage in nuclear brinkmanship. The only real surprise at the meeting in Pyongyang with the US on 16 October 2002, was North Korea's admission that it was developing an enrichment capacity (or, as Pyongyang claimed subsequently, it actually neither confirmed nor denied the US allegation but insisted that it had a right to seek such a capability). As we have seen, pieces of this jigsaw had been circulating in intelligence circles since the mid-1990s.

North Korea's economic circumstances and outlook are utterly desperate. Even for a regime with such highly developed delusional capacities, one suspects an awareness at the top that time is not on their side. Moreover, the regime in all probability considered that a number of critical factors were stacked in its favour in late 2002. Above all, of course, there was the all but total US preoccupation with Iraq. In addition, the Bush administration was seeking to roll back the impression that the US had become a rampant superpower and to rebuild both domestic and international support for its view on strategies and priorities in the war against terrorism. These considerations would have supported a judgement that Washington would be relatively more inclined to reach a quick political settlement with North Korea.

In addition, North Korea may have reasoned that it had good prospects of ensuring that the Republic of Korea and Japan would resist any inclination in Washington to take a hard, uncompromising line. The possibility cannot be excluded that surprising gestures like the apology to the South over the fatal naval incident in June 2002, and the admission to Koizumi in September 2002 that Japanese nationals had indeed been kidnapped in the 1970s, were part of the stage-setting process. This line of reasoning would have been reinforced by the prolonged difficulties with the US-ROK bilateral relationship and the significant erosion in public support for the presence of US troops. The North has fuelled these sentiments by appearing to be much more

positive in bilateral forums with the South about eventual reunification.

The North also has some harder negotiating coin. Its armed forces operate antiquated equipment and severe financial constraints must be hollowing out their effectiveness as a fighting force. But they remain huge, and mostly deployed in the south of the country. Most particularly, some 600 long-range rocket and artillery systems are deployed in hardened sites within reach of Seoul. It also has a potent force of short and medium-range rockets and missiles with chemical warheads. And it may have a nuclear bomb or two. There are still grounds for being doubtful about this, but it is not a remote possibility.

This characterisation of the political calculations in Pyongyang supports the further conjecture that it knew it had to move quickly and secure an outcome while Washington was most inclined to avoid distractions from its campaign against Saddam Hussein.

Accordingly, the North has focused on the fuel rods and its reprocessing facility in ratcheting the issue to the point of crisis. It expelled IAEA inspectors and dismantled their monitors at the key facilities. It then, on 10 January 2003, announced its intention to withdraw from the NPT and signalled that it may abandon its moratorium on long-range missile tests. At the beginning of February 2003, the North undertook activities — visible to satellites — that looked like the transportation of fuel rods. Whether it was new rods to refuel the reactor, or spent rods destined for the reprocessing facility was not clear. It may have been a complete ruse intended to sow doubt in US minds about where all the rods were and complicate any plans for a surgical strike. On 6 February, Pyongyang boasted about the power and range of its weaponry, and warned that pre-emption was an option not only for the US. Two weeks later, on 18 February, it threatened to withdraw from the armistice that ended the war in 1953.

The second part of the North's strategy was tougher. To support the sense of crisis, it had to demonstrate that it faced a stark and imminent military threat from the US. At a minimum, it had to be convincing that it believed this to be the case, and was therefore acting in circumstances of great duress and might do something irreversible.

The Other Parties and Their Interests

The five parties to the negotiations other than the DPRK all have their own interests and priorities. There is considerable commonality, but the various national perspectives still result in significant differences on negotiating tactics, the timing of proposals, the tone in which statements are couched and so on. Indeed, quite apart from their interactions with the DPRK, the negotiations have become a quite revealing window on the relationships among themselves. That, however, is another story.

United States

For Washington, history is an important factor. The US is still technically at war with the DPRK and Washington will bear in mind that any dealings and agreements with Pyongyang in the interim should not prejudice an eventual peace treaty that is honourable and fully consistent with America's status and the costs it has incurred on the peninsula. A nuclear armed North Korea cuts across a number of critical US interests. For one thing, it sharply raises the potential risks for the US that flow from its security obligations to the ROK and Japan. Further, to the extent that a nuclear North Korea weakens non-proliferation instincts in these two countries, and perhaps, elsewhere, it would probably complicate profoundly the protection and advancement of US interests in the future.

International terrorism has made these concerns much more acute and immediate. Each new nuclear-capable state heightens the risk that nuclear weapons or materials will find their way into terrorist hands. The Bush administration has stressed that the US will not allow the world's most dangerous regimes to possess the world's most dangerous weapons, and, of course, included North Korea in the three countries of most concern in this regard.

A state in America's position must also pay close attention to style, to the perceptions it generates about how it addresses challenges to its authority and the resulting confidence and/or concern that it can and will respond robustly to such challenges.

Getting this right can deliver invaluable future benefits in terms of bad things that do not happen. The Bush administration has asserted America's pre-eminence with uncharacteristic force and clarity and seems to attach correspondingly great weight to consolidating America's image as the authoritative and irresistible force on the international stage. This priority was starkly apparent in Washington's approach to every phase of the campaign to depose Saddam: the preparatory political campaign, the military strategy for the invasion, and the management of post-invasion Iraq.

The heightened importance attached to style and image can also be readily detected in the administration's approach to the DPRK. The Clinton administration was deemed to have diminished the US by dealing with the DPRK as an equal, one on one, not only in negotiating the Agreed Framework (where it was outmanoeuvred) but again in 1999-2000 following the missile launch over Japan in August 1998. The Bush administration comprehensively terminated official engagement with the DPRK, even though it concluded, in June 2001, that the US had no viable alternative to implementing the Agreed Framework. The first official contact came in October 2002 when US officials travelled to Pyongyang with the assessment that the DPRK had a covert HEU program. In the interim, of course, Pyongyang was included in the 'axis of evil' in January 2002.

As the present crisis unfolded, Washington adopted a somewhat disdainful attitude, contributing nothing to Pyongyang's strenuous efforts to characterise the situation as explosive, urgent, profoundly consequential and, of course, due entirely to America's hostile attitude. Washington preferred to deadpan that it would not engage bilaterally with the DPRK, and would not engage at all until Pyongyang brought itself back into full compliance with the Agreed Framework. It is well known that the administration was, and remains, divided on the approach to the DPRK, a situation that has contributed to periods of stalemate in policy development and to confusion and frustration among the other players. The State Department and elements of the National Security Council see no sensible alternative to a negotiated bargain, a much harder and more definitive bargain than the Agreed Framework and one likely to compel change in the nature of the regime but still a negotiated solution. The Pentagon and the Vice-President's office, on the other hand, support an approach more likely to precipitate the collapse of the regime.

Behind both approaches, but especially the regime change approach, there is the implicit but indispensable 'or else', that is, the option of the use of force. The military option is far more problematic in respect of the DPRK than was the case in Iraq. The world, and especially the American public have become accustomed to high-confidence Pentagon assessments that a particular campaign can be conducted with clinical efficiency as far as US and allied casualties are concerned. Against recent precedents like the Gulf War (1991), Kosovo (1999), Afghanistan (2002) and Iraq (2003), a ground war on the Korean peninsula looks very ugly indeed. US fatalities in the several thousands look to be inescapable, while the figures for South Korea, combining civilians and the military, are likely to be in the tens of thousands. This constitutes a sobering responsibility for Washington, as Seoul will certainly be pointing out on a regular basis. Beyond this, the unexpectedly long diversion of a large part of America's ground forces to Iraq and Afghanistan means that the US cannot in the foreseeable future sensibly contemplate intensifying the pressure on the DPRK through making the threat of regime change by force more credible.

What this means is that, even setting aside the infighting in Washington, US options are seriously constrained. Washington has to be doubly cautious. It needs a higher level of confidence in the prospect of an acceptable outcome than would otherwise be the case before it commits to driving the negotiations to a conclusion. The reason is clear. If an acceptable outcome remains out of reach there will be a strong expectation that the US must then resort to highly coercive measures and accept a much higher probability of war. There is an abundance of statements and commitments from the Bush administration, and from the President down, supporting such an expectation. But this is also something that the administration is loathe to contemplate and, for the moment, lacks the means to execute with confidence.

China

China has an array of vital interests in how the North Korean issue plays out. It is opposed to a nuclear North Korea but this position has more to do with minimising any risk of Japan, in particular, but also South Korea and possibly Taiwan following suit than with any sense of threat from North Korea. More generally, China has

voiced its concern that Japan is dramatising the threat from North Korea and exploiting it to accelerate the drive toward an unrestricted military posture. China's interests all point to a compelling preference for the DPRK to remain in place, discontinue its nuclear program and undertake a gradual process of political normalisation and economic transformation assisted by its wealthy neighbours. Such an outcome would provide maximum scope for China's proximity and rapidly increasing economic and political clout to bring the entire peninsula, whether divided or re-unified, more securely into its sphere of influence.

As it does not feel directly threatened by the DPRK, Beijing sees only costs and risks in the option of using force to stop Kim Il Jong. War would probably see a huge and costly inflow of refugees from the DPRK. It would at least interrupt a burgeoning economic and political relationship with the ROK, an interruption that could become prolonged if the South had to abruptly assume the burden of re-unification. War might also see US influence intensified and prolonged, including a military presence throughout the peninsula. And intensified US involvement on the peninsula, even if temporary, would give Japan more openings to strengthen its influence in Korean affairs.

If Beijing believed the US contention that Pyongyang had admitted to a covert HEU program in October, it would probably have been both surprised and embarrassed. Some reports have China reassuring the US earlier that the DPRK was complying with its obligations. Beijing initially kept a low profile, however, and quietly supported Pyongyang's demand for bilateral negotiations with the US.

Beijing's calculus changed significantly as the crisis escalated. It seems likely that Beijing saw in the ascendancy of the neocons in Washington and the mounting evidence of a high-risk, no-turning-back attitude in Pyongyang a combination that could result in outcomes very costly to China's interests. In addition, Washington's insistence that the neighbouring states had as much, if not more, at stake as the US and should therefore take some formal responsibility for resolving the problem struck a new nerve in Beijing. It had declared its intent to be an engaged and responsible player in the region with aspirations to a leadership role. This posture imposed new

costs on Beijing if it were seen to duck all responsibility for the DPRK. In broad terms, most countries in Asia probably see the DPRK as a creature of China's making.

The challenge for China should not be understated. It certainly has the most influence in Pyongyang but, equally, it should be believed when it says that its influence is limited and that, even to them, the North Koreans 'have their own logic'. China consciously distanced itself from Pyongyang soon after the Cold War ended, particularly through what the DPRK would have seen as the ultimate betrayal, establishing diplomatic relations with South Korea in 1992. For Pyongyang, the essential disappearance of its socialist brotherhood security blanket around this time would have elevated the importance of the nuclear option to regime survival.

China has some interests in common with the other players, but probably ranks them in a different priority order (especially from the US and Japan) and some that others do not share. China's principal value as a player in the negotiations is to be seen by Pyongyang as a friend and confidante while still using its influence and access to nudge them toward an agreement. It is certain that the US and others appreciate this and make allowances for Chinese statements and positions supportive of the DPRK. It is equally certain that the others are aware that Beijing has its own distinctive agenda and is not acting selflessly as their agent.

South Korea and Japan

South Korea's perspective is driven by the reality that, whoever might miscalculate, it will be the frontline state and the consequences could be horrific. Having the most compelling interest in the avoidance of war, but conscious that this outcome depends more on decisions in Pyongyang and Washington than in Seoul constitutes an awful dilemma, and explains much of the instability in South Korea's policy settings on the issue.

The dilemma is exacerbated by generational change which has resulted in receding perceptions of threat from the North and growing discontent with the US military presence. Managing the domestic politics of the US alliance has become steadily more difficult. Washington, in turn, has displayed clear irritation and impatience with

what it sees as policy incoherence in Seoul regarding reshaping the US military presence, policy toward North Korea, contributing as an ally to coalition efforts in Iraq and so on.

Japan

Of all the major players, Japan is perhaps the only one that views North Korea as an acute and imminent threat. A senior Pentagon official observed in May 2003, that North Korea had “almost single-handedly overturned a deep-seated third generation pacifism” in Japan.⁷ Japan views itself as the target of choice for Pyongyang’s existing ballistic missiles and chemical warheads. This concern may not be misplaced. Japan’s patient efforts over decades to get past the legacy of its colonial occupation of the peninsula between 1910-45 have enjoyed modest success in South Korea but seemingly none at all in the North. Moreover, being very close to the US and hosting US forces, Japan is the likely surrogate for the US if Pyongyang got to the point of thinking in this way. Accordingly, Japan has become steadily more firm in the view that North Korea must be prevented at all costs from acquiring a functioning nuclear arsenal.

The Negotiations

By February 2003, North Korea had regained full control of its nuclear facilities, annulled the Agreed Framework, and lodged its notification of withdrawal from the NPT. In short, it was positioned to resume production of plutonium and to add, perhaps, to its presumed stock of 1-2 nuclear weapons.

The Bush administration, however, was consumed with Iraq, both diplomatically at the UN and militarily as it assembled its forces for a possible invasion. North Korea was on the backburner. While the administration quietly acknowledged the likelihood that Pyongyang would begin reprocessing, Powell cited on-going diplomatic efforts to get a multilateral dialogue started.⁸ Other senior administration figures anticipated

⁷ Quoted in David E. Sanger, “US Aides Split as Changes Seen in Korean Threat”, *New York Times*, 11 May 2003.

⁸ Sonni Efron, “US Said to be Resigned to a Nuclear Korea”, *Los Angeles Times*, 5 March 2003.

that the demonstration of resolve in Iraq would give the US more diplomatic leverage in dealing with North Korea, and that Pyongyang's provocative escalation of the crisis would build support in the Security Council for punitive action.⁹

To discourage further escalation by Pyongyang to coincide with any invasion of Iraq, a development considered likely in Washington, the Pentagon in February announced the deployment of 24 B-1 and B-52 bombers to Guam, and the resumption of reconnaissance flights.¹⁰ Similar concerns may have led China to briefly interrupt its oil shipments to North Korea in late February, ostensibly because of technical difficulties.

The action on oil supplies reflected a wider decision in Beijing, perhaps out of concern about Washington's intentions after it had ousted Saddam, to involve itself more systematically in managing the crisis and getting negotiations underway. In mid-March, Pyongyang conceded the principle of multilateral talks and began to focus on who it would exclude, notably Japan and Russia. It also intensified its opposition to having its actions taken up in the Security Council, declaring that any sanctions would be a 'prelude to war'. The US had been lobbying for action to coincide with the date of North Korea's withdrawal from the NPT, 10 April 2003. China, supported by Russia, consistently opposed such a move and its anticipated veto precluded any resolution.¹¹

News of the agreement to begin talks in a trilateral forum broke a week later, on 15 April. Washington signalled that China had agreed to be full participant, not simply a host, and that it anticipated that participation would be expanded in due course to include Japan, ROK and Russia.¹² At the same time, the US had stepped away from its demand that any talks be preceded by an undertaking from Pyongyang that the objective would be the complete elimination of its nuclear program. Pyongyang, on

⁹ Murray Hiebert, "A Costly Delay", *Far Eastern Economic Review*, 20 March 2003.

¹⁰ The Pentagon later linked these announced deployments (which actually took place in early March) to evidence that Kim Jong Il went into hiding from 12 February to 3 April 2003. See Thom Shanker, "Lessons From Iraq Include How to Scare North Korean Leader", *New York Times*, 12 May 2003.

¹¹ Felicity Barringer, "Security Council Averts Standoff on North Korea Nuclear Issue", *New York Times*, 10 April 2003.

¹² David E. Sanger, "North Koreans and US Plan Talks in Beijing Next Week", *New York Times*, 16 April 2003.

the other hand, characterised China as the host and the talks with the US as near enough to bilateral.

The first round of negotiations in the current crisis took place in Beijing on 23-24 April 2003. It was by all accounts a stormy affair and lasted two rather than three days. It was preceded by a provocative official DPRK statement on 18 April indicating that reprocessing of the 8000 fuel rods was underway, a statement that was amended two days before the talks to say that *preparations for* reprocessing were proceeding successfully.¹³ The statement also volunteered the view that, in order to avoid Iraq's fate, "it is necessary to have a powerful physical deterrent".

The US delegation had a limited brief. It was under strict instructions not to negotiate, but to reiterate that no substantive negotiations were possible until North Korea had brought itself back into full compliance with its earlier obligations, and committed itself to the complete, verifiable elimination of its nuclear program. Press reports suggest that even participating in the talks went beyond the limited consensus in Washington, and that the State Department had secured the President's approval when the Pentagon wasn't looking.¹⁴

North Korea, on the other, despite sending a relatively low-level delegation, had quite a lot to say. Most importantly, they declared for the first time that they already had nuclear weapons and were acquiring the material to make more. It appears that they also alluded to the possibility of a 'physical demonstration' of this capability (taken to a reference to a nuclear test) and, most provocatively of all, to the option of 'transfers' to third parties.¹⁵

In addition, however, North Korea said it was prepared to end its nuclear and ballistic missile development/export programs in exchange for¹⁶:

¹³ It transpired subsequently that North Korea had informed US State Department officials at the UN of this step on 31 March but that this information had not been widely disseminated within the US government. The intelligence agencies feared another black eye for not picking up this crucial development. See Glenn Kessler, "US Officials Spar Over N.Korea", *Washington Post*, 27 April 2003.

¹⁴ David E. Sanger, "Administration Divided Over Korea", *New York Times*, 21 April 2003.

¹⁵ Glenn Kessler, "N. Korea Says it Has Nuclear Arms", *Washington Post*, 25 April 2003; Reuters, "North Korea Admits It Has Nuclear Weapons-Sources", *Washington Post*, 24 April 2003.

¹⁶ John Pomfret, "China Says N. Korea Offered to Scrap Nuclear Program", *Washington Post*, 28 April 2003; Steven R. Weisman, "North Korea Said to Offer Small Nuclear Steps, at a Price", *New York*

- Commitments on non-aggression;
- The normalisation of political and economic relations with the US and Japan;
- Food and energy assistance, including the completion of the two reactors provided for under the Agreed Framework.

As one might expect, North Korea's proposal envisaged it declaring its intent on its nuclear and missile programs, with implementation to come after the US (and others) had fulfilled their side of the bargain. This sketch of Pyongyang's proposal was broadly confirmed in an unusual way. Before the talks in Beijing, a member of the staff of the Senate Foreign Relations Committee somehow obtained a copy of what was purported to be North Korea's talking points for the first day. This document, which the administration had declined to share with Congress, is suggestive of a more active back-channel between the US and the DPRK than most commentary would lead one to believe. It may also suggest that there are some differences in Pyongyang on tactics for the negotiations. In any event, the North Korean notes indicated a preparedness to be flexible on four issues:¹⁷

- Inspection of the nuclear facilities;
- The reactor project from the Agreed Framework;
- The future of US forces on the Korean peninsula;
- The development and export of ballistic missiles.

The April 2003 talks in Beijing ended without any attempt to provide a joint, let alone coordinated, assessment of what had transpired. The US delegation leader, James Kelly, after briefing officials in Seoul and Tokyo, spoke of a 'bold proposal' from Pyongyang. China's Foreign Ministry, reportedly somewhat embarrassed by North Korea's belligerent stance, gave a rare briefing to the press and characterised the proposal Pyongyang had tabled. Off the record, Chinese officials admitted to being mystified by the DPRK's tactics and fell back on the observation that "the North has

Times, 29 April 2003; Murray Heibert, "Powell Says 'No'", *Far Eastern Economic Review*, 8 May 2003.

¹⁷ Doug Struck & Glenn Kessler, "Clashing Agenda's Threaten Start of North Korean Talks", *Washington Post*, 20 April 2003.

its own logic”.¹⁸ President Bush described North Korea’s position as ‘blackmail’ but Colin Powell said the meeting had been ‘quite useful’ in that North Korea had acknowledged a number of things and said, in effect, that they were up for further discussion.¹⁹

These disparate characterisations of the first round reflected divergent national and intra-national views on the core issues raised by North Korea’s apparent drive to nuclear weapon status, and on the viability of achieving a solution through negotiation. Washington was under pressure from South Korea, Japan and, of course, China, to keep the negotiating track open. The hardliners within the administration, or some of them at least, were prepared to play along, reasoning that Pyongyang would continue to confirm the futility of negotiations and thus prepare the ground for a more coercive posture.²⁰

President Bush remained above the fray. He had said repeatedly since the ‘axis of evil’ speech in January 2003, that the US was prepared to approach the DPRK differently from Iraq, through negotiations. Equally, however, he had made no secret of his personal distaste for and distrust of Kim Il Jong. His characterisation of the North Korean position as ‘blackmail’ naturally signalled that he was content to see the policy battle in Washington carry on. On the eve of the first round, Chinese officials are reported to have said, off the record, that China believed the administration’s long-term goal to be the overthrow of Kim’s regime. They also said that Pyongyang had a very clear understanding of the administration’s position and therefore would not regard a deal with Bush as a reliable guarantee of regime survival.²¹ This was a harbinger of the view that became widespread a year later that Pyongyang would prolong the stage-setting phase beyond November 2004 and hope for regime change in Washington.

¹⁸ John Pomfret & Doug Struck, “North Korea Puts Beijing in a Bind”, *Washington Post*, 25 April 2003.

¹⁹ Steven R. Weisman, “North Korea Said to Offer Small Steps, at a Price”, *New York Times*, 29 April 2003.

²⁰ Steven R. Weisman, “North Korea Said to Offer Small Steps, at a Price”, *New York Times*, 29 April 2003

²¹ John Pomfret, “US, North Korean Envoys Meet in Beijing”, *Washington Post*, 23 April 2003.

For many analysts, the net assessment of the April 2003 talks was not heartening. The fact that nuclear weapons constituted Pyongyang's sole asset, that it was inclined to wield this asset aggressively and seemingly without regard to the future of the negotiations or to its wider political interests, especially in keeping Beijing onside but also in not playing into the hands of the hardliners in Washington, made it harder to believe that it was genuinely prepared to scrap the program. A more realistic assessment seemed to be to take more literally the lesson Pyongyang said it drew from Iraq, namely, that nothing could substitute for a strong deterrent. Further, one then had to concede that Pyongyang may have set out to get security assurances and international recognition in return, at most, for scaling back its nuclear program but not giving it up. If this looked like a monumental misjudgement, one had to bear in mind the North Korean view, shared with the Chinese, that nuclear weapons had been the key to China's successful development.²²

Pyongyang stayed relatively silent as the others digested the April meeting. There was one indication, however, that it sensed having overplayed its hand. At the end of April, a senior North Korean diplomat told the British Foreign Office in unqualified terms that the DPRK would abandon its nuclear program and admit international inspectors in exchange for security guarantees. The Foreign Office considered this discussion to be sufficiently credible to announce it to the press.²³

In the end, the Bush administration decided to reject Pyongyang's proposal. Secretary of State Colin Powell told the Senate Foreign Relations Committee on 29 April that the proposal "was not going to take us in the right direction". By that time, Japan and the ROK, while stressing the importance of further negotiations, had signalled support for a tougher line. Similarly, as noted earlier, Beijing had been surprised and concerned by Pyongyang's belligerent attitude, a posture that probably defied the counsel it had offered.

North Korea's claim that it had begun, or was about to begin, reprocessing, plus its reference to the option of transferring this material was more than sufficient in the

²² John Pomfret, "US, N.Korean Envoys Meet in Beijing", *Washington Post*, 23 April 2003.

²³ Howard W. French, "North Korea Warns of War if US Uses Sanctions", *New York Times*, 30 April 2003.

climate of April 2003 to empower those in Washington inclined to pressure North Korea economically and precipitate an implosion that would sweep the regime away. While President Bush met with his South Korean counterpart on 15 May 2003 and re-affirmed his determination to seek a peaceful solution, the administration was signalling a stronger focus on a blockade of North Korea to prevent the export of plutonium.²⁴ As a number of US experts pointed out, this was something of a pipedream given that even a full bomb's worth of plutonium was no bigger than a baseball and emitted very little radiation. The initiative broadened out to include more doable things like interdict trafficking in drugs and counterfeit currency, and the export of ballistic missiles. It was formally launched, ostensibly with a global remit, as the Proliferation Security Initiative (PSI). The simple and obvious intent behind talking about plutonium was to emphasise to Pyongyang that transfer was an absolute 'red-line' for Washington, the mere hint of which would result in war. The subsequent record suggests that Pyongyang got this message at least: It has not spoken of this option since.

The day after Powell's rejection of its proposal on 29 April, Pyongyang responded to the push for sanctions, reiterating that it would regard such steps as 'the green light for war'. The statement also reiterated its willingness to negotiate.²⁵

Beyond the PSI, the administration encouraged others to squeeze North Korea economically. Speaking at a regional security conference in Singapore, Deputy Secretary of Defence Paul Wolfowitz described North Korea's perilous economic situation as a 'major point of leverage' and urged the countries sustaining it – specifically, Russia, China, South Korea and Japan – to make full use of it.²⁶

At the G-8 meeting in France in June, which China attended for the first time as a guest, President Hu agreed with Bush that any future talks with North Korea include

²⁴ David E. Sanger, "Bush Shifts Focus to Nuclear Sales by North Korea", *New York Times*, 5 May 2003; Glenn Kessler, "Plan for N.Korea Will Mix Diplomacy and Pressure", *Washington Post*, 7 May 2003.

²⁵ Howard W. French, "North Korea Warns of War if US Uses Sanctions", *New York Times*, 30 April 2003.

²⁶ D'arcy Doran, "US Seeks Asian Allies to Pressure N.Korea", *Washington Times*, 1 June 2003.

Japan and the ROK, and no longer pressed for Pyongyang's position to have bilateral discussions with the US programmed into the format.²⁷

A North Korean statement on 9 June declared that “the DPRK would have no option but to build up its nuclear deterrent force” if Washington persisted with its hostile policy. Although put in the future tense, this was the most specific public reference the regime had made to the capability to make nuclear weapons. Intriguingly, the statement went on to assert that “the intention to build up a nuclear deterrent force is not aimed to threaten or blackmail others, but to reduce conventional weapons” and allow resources to be diverted to economic development.²⁸

Separately North and South Korea agreed at this time to re-link the railway lines across the DMZ, a link that had been broken in 1950. Despite resisting ROK efforts to also discuss security and the nuclear issue, and formally nullifying the 1992 denuclearisation in mid-May, Pyongyang had pursued these renewed bilateral discussions very positively. One purpose, clearly, was to ensure that Seoul remained securely in the ‘softline’ camp in the wider manoeuvring over the balance between carrots and sticks in approaching the DPRK.

Yet another development unsettling both North and South was intensifying US pressure on Seoul to formally agree to its plan to withdraw its forces and headquarters from the DMZ and Seoul and to consolidate them in a fewer number of locations well south of the capital. The US contended that the new arrangements would allow US forces to be more effective more quickly in responding to aggression from the North as well as for contingencies further a field. Seoul was reluctant, in part because the move required it to assume costly new responsibilities (eg: countering DPRK artillery units located within range of Seoul), but also because it disturbed the status quo at a time of great tension on the peninsula. Seoul may also have sensed, correctly as it turned out, that the move was a prelude to a significant reduction in US forces stationed in South Korea.

²⁷ Maura Reynolds & David Holley, “US Nuclear Stance Gets Support from Russia, China”, *Los Angeles Times*, 2 June 2003.

²⁸ Soo-Jeong Lee, “North Says it Needs ‘Nuclear deterrent’”, *Washington Post*, 9 June 2003.

Statements from Pyongyang suggest that it was alert to the possibility that the new configuration would leave the US better placed to conduct pre-emptive or surgical strikes against the North.²⁹ A revival of discussions in the US media about deficiencies in the US ability to destroy hardened underground targets with conventional weapons – and on the alternative of a nuclear ‘bunker buster’ – would have sharpened Pyongyang’s concerns, and was doubtless intended to do so.³⁰

China intensified its shuttle diplomacy in July 2003, and allowed its efforts to become more visible, to secure agreement to renewed talks. Perhaps at the Pyongyang’s urging, Beijing indicated that it would advocate a return to the 1994 Agreed Framework (which only froze North Korea’s nuclear facilities) as a step toward a comprehensive solution.³¹ Washington still insisted on a wider forum but reportedly agreed to a formula whereby an initial 3-party session would transition into a wider group including Japan, ROK and possibly Russia. Administration officials also signalled that the US would table a proposal at such a meeting.³²

The momentum faltered amid continuing uncertainty among US and regional intelligence agencies on North Korea’s claim, which it repeated to US officials at the UN, to have completed reprocessing of the 8000 fuel rods. North Korean officials added that production of weapons was now underway but made no reference to testing or transfers.³³

At the end of the month, US Under Secretary of State, Ron Bolton, an official who seemed to specialise in delivering statements totally at odds with the tone set by Secretary Powell, delivered a speech in Seoul that attacked the regime in Pyongyang and Kim personally in strong and explicit terms. It was a speech that raised reasonable doubts about whether doing business with Pyongyang was really on Washington’s agenda. If the speech was an attempt by the hardliners in Washington to frustrate new talks and US proposals, it came too late. On the same day, 31 July,

²⁹ James Brooke, “DMZ Twist: US Retreat Unsettles North”, *New York Times*, 16 June 2003.

³⁰ Doug Struck, “US Focuses on N.Korea’s Hidden Arms”, *Washington Post*, 23 June 2003.

³¹ Joseph Kahn, “China Intensifies Efforts on US-North Korea Nuclear Talks”, *New York Times*, 17 July 2003.

³² Glenn Kessler, “Proposal to N.Korea Weighed”, *Washington Post*, 22 July 2003.

³³ David E. Sanger, “North Korea Says it Has Made Fuel for Atom Bombs”, *Washington Post*, 31 July 2003.

the news broke that Pyongyang had agreed to further talks in a 6-party format and, indeed, claimed credit for thinking of such an arrangement. Interestingly, Pyongyang allowed its agreement to be announced by Russia, a probable signal to Beijing that it was moving too close to US positions.³⁴

Bolton's speech reverberated for some days. Pyongyang speculated about what it said about the US commitment to talks and made clear that he would not be acceptable on the US delegation, a course that some were pushing for in Washington. Japan and South Korea also complained, but through diplomatic channels. This could have become a major stumbling block: Washington could not allow a foreign government to decide who will represent it. In the event, the State Department waited until 13 August to announce that Bolton had never been considered for the delegation to these talks, by that time scheduled to begin on 27 August.³⁵

With the US anticipated to deliver a proposal at the talks, the form of a possible security assurance attracted new interest. The Bush administration had already said, repeatedly, that it had no intention of attacking North Korea, and that it would consider providing written security guarantees. But it had ruled out a treaty that required Congressional approval. And this was precisely what North Korea was asking for since it doubted the reliability of an executive agreement concluded just with the Bush administration. A non-aggression pact in the context only of a de-nuclearisation deal, however, would be very difficult to reconcile with Washington's extant alliance arrangements with Japan and the ROK. By leaving Pyongyang with a lot of military muscle it could undermine confidence in US security assurances, undermine the basis for forward-deployed US forces, and possibly stimulate interest in Japan and the ROK in a deterrent of their own. Russia and China stepped in with the suggestion that could supplement any undertakings given by the US. Pyongyang's initial response was blunt: 'Only the US is threatening. The conception of guarantee of collective security is meaningless'.³⁶

³⁴ Sonni Efron, "US Says North Korea Seems Ready for Talks", *Los Angeles Times*, 31 July 2003.

³⁵ Peter Slevin, "Arms Control Hard-Liner Won't Attend Sessions on N.Korea", *Washington Post*, 13 August 2003.

³⁶ Associated Press, "Russia, China Try to Appease N. Korea", *Los Angeles Times*, 14 August 2003.

With the agreement to resume talks at the end of August, and in a format that promised to be stable, the US and the DPRK began to jockey in earnest on who would make the first move.

Off to one side, and without fanfare, the CIA signalled a significant upgrade in North Korea's nuclear competence. In written answers submitted to Congress on 18 August, it assessed that North Korea possessed 1-2 nuclear weapons and had validated the design to provide confidence in their reliability without the need to conduct a nuclear test. This new assessment provided no hint on the reasons for discounting earlier scepticism on this score.³⁷

Although it now had two 'friends' in the forum, China and Russia, Pyongyang would still have felt pretty lonely. All of the other participants had clearly signalled that the objective had to be the denuclearisation of the peninsula, and the signs of significant collaboration and coordination among them seemed to be unmistakable. Planning was underway for the first PSI exercise (in the Coral Sea), Russia planned an exercise near its border with the DPRK seemingly designed to cope with a major influx of refugees, Japan had conspicuously intensified scrutiny of its economic links with North Korea and had agreed for the first time to reciprocal naval visits with China.

Pyongyang's response was consistent with the first rule of negotiations: never convey the impression that you need an agreement more than the other side. In mid-August, Pyongyang put the core issue on the line: unless the US signalled clearly that it was prepared to live with North Korea, Pyongyang would be forced to declare at the talks that "it cannot dismantle its nuclear deterrent force".³⁸ As for the US, it went into the talks having blurred earlier signals that it would table a proposal but hinting that it had alternative positions to respond to the lead given by the DPRK. The extent to which this posture was the result of calculation rather than the divisions in Washington on dealing with Pyongyang is impossible to determine.

³⁷ Responses to Questions for the Record submitted at Senate Select Committee on Intelligence Worldwide Threat Hearings on 11 February 2003, 18 August 2003.

³⁸ James Brooke, "North Korea Lashes Out at Neighbours and US", *New York Times*, 19 August 2003.

The hard position required the DPRK to declare and implement the dismantlement of its nuclear capabilities after which there could be negotiations on security assurances, diplomatic ties, economic assistance and so on. This was the mirror image of the proposal Pyongyang advanced in April - namely, it would declare its intent to scrap its program but not do so until the other side had delivered its side of the bargain – and just as clearly a non-starter. The US press also carried hints that the State Department had developed a more nuanced position. This envisaged a multi-phase process starting with a full declaration by North Korea of the scope of its nuclear program. If this declaration was agreed, a freeze of the program and the introduction of inspectors would follow, plus a US promise to discuss aid and security assurances after the program had been completely and verifiably dismantled. The US also signalled that it might accept other parties offering economic incentives earlier in the process³⁹ This was a tough variant of the phased approach, but it signalled the possibility of horse-trading over the number of phases, the number of steps in each phase, and the sequencing of steps and phases provided the agreed end-state was the elimination North Korea's nuclear program.

It would seem that the first day of the talks went off as though the April round had never happened. The US and the DPRK opened with pure versions of their 'after you, I insist' positions, that is, respectively, dismantle first then talk about rewards and rewards in return for a statement of intent to dismantle followed by dismantling. Still, the US and North Korean delegations also held an informal 30-minute bilateral session in one corner of the negotiating room, something that China had promised the DPRK and the US had accepted provided it was incidental to the main talks and did not involve excluding the other parties.

Day two saw the talks take a sharp turn for the worse. North Korea's delegation, presumably on instruction from Pyongyang, said in plenary (that is, to all the delegations) that it could detect no change in the US' hostile attitude. It went on to say that North Korea had nuclear weapons (in some accounts, that it intended to formally declare that it had them), the means to deliver them, and intended to conduct

³⁹ Joseph Kahn, "North Korea Faces Pressure in Talks to Scrap Nuclear Plans", *New York Times*, 26 August 2003.

a test.⁴⁰ This was the position it had conveyed privately to the US during the April round, with the conspicuous omission of a threat to transfer to third parties. Although everyone present was aware that this position was not new it still would have been seen as an escalatory step in that it sought to imposed a degree of collective responsibility for any steps that North Korea deemed necessary.

In view of the cleavage in Washington on approaching North Korea, it can reasonably be inferred that the US delegation was under strict instructions not to deploy the more nuanced proposal mentioned above unless Pyongyang made critical concessions and passed a defined threshold. And those hardliners in Washington who wished to demonstrate the futility of negotiations would have tried to set the bar very high. Clearly, the talks never got close to the threshold. At the same time, China's representative, Wang Li, reported that the US had re-affirmed in the talks that the US had no intention to threaten or attack North Korea and, in an interesting further step, no intention to work for regime change in Pyongyang. Further, the US said that it was willing to address North Korea's security concerns in formal, written terms but in a multilateral format.⁴¹

The talks concluded on 29 August. China's hopes for a joint declaration – stating that all agreed on the objective of a nuclear free Korean peninsula, that the issue be resolved peacefully, that North Korea's security concerns be addressed, and that talks would continue - were dashed.⁴² North Korea had, in the talks and in statements from Pyongyang during the talks, also reiterated that it was willing to dismantle its nuclear program and that it was not North Korea's goal to have nuclear weapons, but on balance the talks were a success only in the limited sense that they did not break up early and left the way open for another round. There was agreement, or at least no opposition to, on meeting again within two months, and China's point man for the talks, Vice Minister Wang Yi, referred to an understanding by all parties to refrain

⁴⁰ Yuri Kageyama, "North Korea Makes Bold Nuclear Claim", *Washington Post*, 28 August 2003.

⁴¹ Glenn Kessler, "US Moderates Position on Incentives for North Korea", *Washington Post*, 5 September 2003.

⁴² Joseph Kahn & David E. Sanger, "North Korea Says It May Test an A-Bomb", *New York Times*, 29 August 2003.

from inflammatory deeds or words so long as the negotiating channel remained open.⁴³

The agreement to meet again was short-lived. On departing Beijing on 30 August, the North Korean delegation declared that it saw no purpose in continuing talks. Officials in Pyongyang confirmed this position, contending that the US position had hardened, demanding of North Korea that it 'drop its gun first' and trust the US to deliver on its vague promises.⁴⁴ Two days later, however, an official statement in Pyongyang reiterated that "its fixed will to peacefully settle the nuclear issue between the DPRK and the US through dialogue remains unchanged".⁴⁵

An important part of the explanation for Pyongyang's strident intransigence, including embarrassing Beijing a second time, was probably to be found in Iraq. Between April and August 2003 the US position in Iraq had gone from stunning military triumph to looming disaster. The post combat phase had diverged dramatically from that so confidently expected and planned for. The expectation that Iraq would set a potent precedent and boost US leverage against other rogue states, not least North Korea, looked increasingly misplaced as domestic support for the grand strategy of bold pre-emptive action began to crumble. Indeed, the scale and probable consequences of the administration's errors of judgement was already fuelling speculation in America that a second term might be difficult to secure. In more concrete terms, it seemed inevitable that Iraq would absorb substantial US ground forces for much longer than anticipated. Taking into account the forces preparing for and resting after a tour of duty, this would essentially preclude backing up its demands on Pyongyang with a credible threat to change the regime by force.

At the same time that North Korea reaffirmed its commitment to the negotiations, Chinese spokesmen began to put out the word that it was the US that was impeding progress, and that it was not clear that Washington genuinely supported the

⁴³ John Pomfret, "North Korea Talks on Nuclear Program Close in Beijing", *Washington Post*, 29 August 2003.

⁴⁴ John Pomfret, "N.Korea Retreats From Further Talks on Weapons", *Washington Post*, 31 August 2003.

⁴⁵ Joseph Kahn, "North Korea Says It Will Continue Nuclear Talks", *New York Times*, 2 September 2003.

negotiations.⁴⁶ While US officials discreetly acknowledged the role China was playing – that is, doing what they deemed necessary to retain Pyongyang’s confidence and its willingness to negotiate – they also indicated that the statement the US tabled at the talks contained important signals that North Korea appeared to have missed or, of course, elected to ignore. Specifically, they claimed that the statement allowed for the possibility that movement on the issues of importance to North Korea could occur in parallel with the US goal of “complete, verifiable and irreversible dismantlement” of its nuclear program. Reportedly, the head of the US delegation, James Kelly, presumably after North Korea had reverted to threats on the second day, pointedly said: “Read my statement carefully. Has Kim Il Jong read my statement.”⁴⁷ It would be reasonable to infer that, at the talks, the US delegation concluded that North Korea had elected to ignore these signals and hold out for something more definitive.

It was apparent in September 2003 that there was still no agreed framework for negotiations. The two rounds of talks – in April and August – had been fleeting encounters. Little or no actual negotiations had taken place and the talks had still not been endorsed as the centrepiece of a process that would test the scope to achieve a negotiated settlement.

North Korea’s statement to the UN General Assembly on 2 October 2003 continued to ignore the flexibility the US insisted it had signalled in the August talks, stressing that the US still demanded everything from Pyongyang up front when the only realistic way forward was simultaneous actions by both sides. On the same day, a statement in Pyongyang declared, for the third time, that reprocessing of the 8000 fuel rods had been completed in June, something that US intelligence could still not confirm.⁴⁸ The administration’s response was to play it down as an old and questionable claim.⁴⁹ Two weeks later, Pyongyang said it would end the doubts in

⁴⁶ Joseph Kahn, “North Korea Says It Will Continue Nuclear Talks”, *New York Times*, 2 September 2003; and John Pomfret & Anthony Faiola, “US Flexibility Sought on North Korea”, *Washington Post*, 4 September 2003.

⁴⁷ Glenn Kessler, “US Moderates Position on Incentives for North Korea”, *Washington Post*, 5 September 2003; and Sonni Efron, “US is Concerned Its North Korea Overture Got Lost”, *Los Angeles Times*, 5 September 2003.

⁴⁸ Anthony Faiola, “N.Korea Report Spurs Debate on Credibility”, *Washington Post*, 4 October 2003.

⁴⁹ Sonni Efron, “Nuclear Waiting Game Called Risky”, *Los Angeles Times*, 3 October 2003.

due course and make its deterrent public as a ‘physical force’, taken to be a reference to a nuclear test.⁵⁰

South Korea, meanwhile, continued to lobby the US strongly to be more flexible in responding to Pyongyang’s overtures. In a meeting at the UN with Colin Powell, Seoul’s Foreign Minister reportedly spoke very forcefully along these lines, even intimating that South Korea could re-think its commitment to send additional troops to Iraq. Powell is said to have taken a dim view of this linkage.⁵¹

A breakthrough of sorts came at the APEC summit meeting in Bangkok on 20 October 2003. In a private session with his Chinese counterpart, Hu Jintao, President Bush said that he would be prepared to sign a document giving North Korea the security assurances it demanded provide the other four participants in the Beijing talks were also party to the assurances.

The concept was not new, as we have seen, and Bush provided no specifics other than to rule out a treaty-level instrument. The significance of the move lay in the fact that the President had acknowledged that North Korea has security concerns, and had for the first time associated himself directly with the substance of the standoff with Pyongyang. To that extent, it was a blow to the hardliners in Washington who angled for a negotiating position so hard that it would require North Korea essentially to capitulate or to pull out of the talks and provide the rationale for more coercive measures.

In return for such assurances, North Korea would have to demonstrate that it was taking concrete steps to dismantle its nuclear facilities. The verification regime needed to provide confidence in North Korea’s compliance with any agreement had already become a divisive issue in Washington. North Korea’s obsessive secrecy and its record of cheating will certainly mandate a rigorous verification regime. Even so, there were complaints that some in Washington were promoting measures so intense and intrusive that were seen as intended to lead to deadlock and failure of the negotiations.

⁵⁰ Reuters, “North Korea Hints at Future Nuclear Test”, *Washington Post*, 16 October 2003.

⁵¹ David E. Sanger, “Intelligence Puzzle: North Korean Bombs”, *New York Times*, 14 October 2003.

A further consideration, of course, was that North Korea had already dismissed the concept of multilateral security assurances. China was naturally seen as the only party that could bring Pyongyang around. This meant, in turn, that China had to be convinced of the merits of the approach or it would simply run the idea past Pyongyang and report that it was a non-starter. The State Department had been looking at possible alternatives and precedents, and a senior official outlined three possibilities:

- A Presidential statement co-signed by the other parties:
- Something modelled on the security agreement between the US, Russia, UK and France and the Ukraine when it agreed to give up the nuclear weapons deployed on its territory during the days of the Soviet Union.;
- A more complex pact that would be negotiated with the DPRK and signed by all six parties.

Pyongyang initially – instinctively might be more apt – dismissed Bush’s overture as ‘laughable’ but then indicated informally that it wished to explore the idea with US officials at the UN.⁵² Coincidentally, Beijing announced that its second-ranked official, Wu Bangguo, would visit Pyongyang on 29-31 October. Visits at this level cut many ways. On the one hand, Pyongyang would see it as recognition of its new weight in regional affairs but, on the other, as an honour that it could not lightly put at risk of being cancelled. In respect of the latter view, Beijing would not risk so senior a figure being embarrassed by attitudes in Pyongyang that were dismissive of China’s ‘responsibility’ to engineer a continued process of 6-Party meetings. Equally, however, relations between Pyongyang and Beijing were not such that the former would be prepared to give the impression that it had done Beijing’s bidding.

The latter consideration may have prompted an official statement from Pyongyang ahead of the visit that “we are ready to consider Bush’s remarks on the written

⁵² Paul Eckart & Teruake Ueno, “N.Korea Signals Possible Movement on Nuclear Crisis”, *Washington Post*, 23 October 2003.

assurances of non-aggression if they are based on the intention to co-exist.”⁵³ A few days later, when Wu Bangguo was in Pyongyang, China announced North Korea’s agreement ‘in principle’ to a further round of talks, and China’s hope to organise the next round as soon as possible.⁵⁴

This brief positive trend was disrupted on 4 November by the announcement from KEDO (Korean Energy Development Organisation) that construction of the two light water reactors in North Korea would be suspended for a year. The US had lobbied openly for this step on the grounds that North Korea had violated the Agreed Framework. It also made clear that it would veto any attempt by the other partners – Japan, ROK and the EU – to resume construction after the period of suspension.⁵⁵ North Korea reacted angrily, but it did not further qualify its willingness to participate in another round of talks.

Shortly afterwards, two items of intelligence on North Korea’s nuclear program found their way into the press. The first, mentioned above, was the CIA judgement that North Korea had validated the design of its first 1-2 weapons to the point where it would not have to test to be confident they would work.⁵⁶ Why an unclassified assessment, conveyed to Congress in August 2003, took nearly three months to make it into the media is a mystery. The second concerned the HEU program that had triggered the crisis in October 2002. An intelligence report apparently concluded that a further year of intensive surveillance raised doubts about whether North Korea had actually been able to build a centrifuge plant for the enrichment of uranium, as distinct from assembling many of the components for such a plant.⁵⁷

Cautious optimism in mid November on the part of both US and Chinese officials about a third round of talks in December receded early in that month.⁵⁸ Officials from the states involved met frequently in different combinations to discuss how the

⁵³ James Brooke & David E. Sanger, “North Korea to ‘Consider’ Bush Offer on Security”, *New York Times*, 26 October 2003.

⁵⁴ Joseph Kahn, “North Korea Ready to Resume Nuclear Talks”, *New York Times*, 30 October 2003.

⁵⁵ Glenn Kessler, “N. Korean Reactor Project May End”, *New York Times*, 6 November 2003.

⁵⁶ David E. Sanger, “New CIA Concerns on North Korean Weapons”, *New York Times*, 9 November 2003.

⁵⁷ Barbara Slavin, “N.Korean Nuclear Effort Looks Less Threatening”, *USA Today*, 7 November 2003.

⁵⁸ Reuters, “Envoys See Good Prospects for N.Korea Talks”, *Washington Post*, 2 December 2003.

various elements of a deal might fit together. As in August, the objective was a joint statement that would institutionalise the 6 Party forum and set out an agreed basis for engaging in detailed negotiations. Differences between Washington and Pyongyang proved unbridgeable and the exercise lost momentum as Christmas approached. On Christmas day 2003, a continuing irony of the nuclear crisis resurfaced: the US State Department announced an additional 60,000 tons of food aid for North Korea.

The horse-trading became a little more visible during January 2004. Pyongyang insisted that the first step should consist of the “DPRK’s complete freeze of its nuclear activities” but was awaiting an adequate offer from the US (and others) on what it would get in return for this step.⁵⁹ A senior North Korean diplomat, addressing a think tank in Washington provided a fuller (and probably somewhat hopeful) account of how Pyongyang saw the process unfolding:

First, the United States must resume shipments of heavy oil and greatly expand food aid, and in exchange North Korea would renounce nuclear intentions. Once the United States provided security assurances in writing and provides energy compensation, North Korea would freeze its facilities and allow inspections of its nuclear material. North Korean missiles would be restrained after the United States and Japan establish diplomatic relations with North Korea. Finally, North Korea’s programs would be dismantled only after the United States and its allies finished building light-water reactors in North Korea – a program suspended by the Bush administration.⁶⁰

Colin Powell put a positive spin on Pyongyang’s offer of a ‘complete freeze’, and tested its meaning by suggesting that it implied no nuclear tests and a willingness to give up all nuclear ambitions, not just military ones. Pyongyang would contest the latter ‘implication’. On the possible joint statement, however, the US remained adamant that the very first step had to be Pyongyang’s agreement to the endpoint of the ‘complete, verifiable and irreversible dismantlement’(CVID) of its nuclear program.

⁵⁹ Associated Press, “North Korea Nuke Talks Remain in Limbo”, *New York Times*, 5 January 2004.

⁶⁰ Glenn Kessler, “N.Korea Displays Nuclear Deterrent”, *Washington Post*, 11 January 2004. The title of this article referred to a semi-official US delegation that had been shown what North Korea described as recently reprocessed plutonium.

In addition, of course, the US and North Korea still disagreed on the scope of any freeze in that Pyongyang denied the existence of a HEU program. China tilted toward Pyongyang on this question early in January. At a meeting in Seoul on North Korea between Chinese, South Korean and Japanese officials, China reportedly indicated that it did not believe that North Korea had such a program.⁶¹

Even as prospects for a joint statement receded, diplomats indicated that both Washington and Pyongyang were prepared to meet again without one. Cheekily, Pyongyang stole the initiative, announcing on 3 February that talks would resume on 25 February, leaving Beijing to confirm it later the same day.⁶²

Almost coincidentally, Pakistan's Dr A.Q. Khan was disclosing the extent of his clandestine business dealings in nuclear technology, including with North Korea on uranium enrichment. The events that led to Khan's exposure originated with Libya's spectacular agreement to openly divest itself of all weapon of mass destruction programs, programs that Dr Khan had been deeply involved in supporting.⁶³ James Kelly used a speech in Washington on 13 February to reiterate US confidence in its intelligence on Pyongyang's HEU program and to make clear that it had to be included in any undertaking on what would be dismantled.⁶⁴

These developments strengthened the US negotiating position going into the talks but bolstered the hardline position in particular. Characterisations of the US position gleaned by the media suggested clarity on what the US would demand offset by limited agreement on what the US delegation could offer in return. What the President had described as a 'bold proposal' would be left quite vague.⁶⁵ It seems likely that the US now shared the assessment that Pyongyang probably preferred to wait for the Presidential elections. The fact of the negotiations protected the administration from Democrat charges that it was ignoring the threat from North

⁶¹ Glenn Kessler, "Chinese Not Convinced of North Korean Uranium Effort", *Washington Post*, 7 January 2004.

⁶² Anthony Faiola, "China Confirms North Korea Talks", *Washington Post*, 3 February 2004

⁶³ Anthony Faiola, "North Korea and US Have Plenty to Discuss", *Washington Post*, 4 February 2004.

⁶⁴ James A. Kelly, "Ensuring a Korean Peninsula Free of Nuclear Weapons", speech at the American Enterprise Institute, Washington DC, 13 February 2004.

⁶⁵ Glenn Kessler, "US Will Stand Firm on North Korea", *Washington Post*, 16 February 2004.

Korea while chasing a party that was reluctant to come to agreement would be a poor negotiating strategy.

The conduct of the talks seemed to reflect low expectations all round but, equally, a shared interest in keeping the process alive. The talks went the full distance (25-28 February), the atmosphere was professional, and the rhetoric on the reasons for the lack of progress subdued. There was agreement to meet again before the end of July and for meetings of 'working groups' to precede the meeting of principals.⁶⁶ The US pressed North Korea to acknowledge its HEU program. Although North Korea's denials seemed absolute, James Kelly indicated to a Senate panel shortly after the talks that it might be looking for a way to fold this issue into any future deal.⁶⁷

While the US and North Korea got nowhere on their respective visions on who and what would go first, South Korea outlined a three-stage plan that envisaged a North Korean pledge to dismantle its program, followed by a freeze and compensation (initially by parties other than the US), and concluding with a process of elimination along with security assurances.⁶⁸ This proposal, reportedly developed with input from China and Russia, was left hanging. One account, attributed to South Korean officials, suggests that the proposal was not discussed in detail because, in part, North Korea refused to acknowledge an HEU program to include in the freeze. The US, in turn, declined a North Korean request to outline the rewards it would receive if it agreed to a freeze (which may have been a hint that it might, in due course, acknowledge a HEU effort).⁶⁹ Still, the fact that the US acquiesced in the presentation of Seoul's proposal left the implication that it approximated the process the US had in mind. Kelly later described the concept of other parties providing rewards earlier in the process – something that Washington had long ruled out as blackmail – in positive terms.

⁶⁶ Mark Magnier, "Lack of Progress in N. Korea Talks Fodder for Accusations", *Los Angeles Times*, 29 February 2004; Mark Magnier & Ching-Ching Ni, "Modest Progress is Noted as North Korea Meeting Ends", *Los Angeles Times*, 28 February 2004.

⁶⁷ David E. Sanger, "Bush Envoy Briefs Panel After Talks on A-Bombs", *New York Times*, 3 March 2004.

⁶⁸ Ching-Ching Ni, "South Korea Outlines Plan for the North's Disarmament, Aid", *Los Angeles Times*, 26 February 2004.

⁶⁹ Anthony Faiola, "North Agrees to Six-Nation Talks on Nuclear Weapon Program", *Washington Post*, 15 June 2004.

In a couple of respects, however, the talks exposed new complications. For example, after giving the impression over several months that it was prepared to put its entire nuclear program on the table, North Korea now explicitly exempted its civilian nuclear program (even though its negotiators were hard put to describe such a program). A second development was potentially more serious. During the talks, China continued to play with a relatively detailed draft statement on the steps to a resolution of the crisis. The US had rejected earlier drafts in December 2003 because they did not call on North Korea to explicitly accept CVID. Going into the February 2004 talks the US delegation had no flexibility. It had to secure acceptance of CVID. Reading between the lines, it appears it got to the point where China's draft included a characterisation of CVID that the US delegation considered worthwhile, particularly as it would secure a key US objective – getting all five parties to formally urge North Korea to dismantle its program. China, however, reported that Pyongyang's agreement was dependent on a reference to the administration's 'hostile attitude'. The delegation sought instructions from Washington and the request found its way to the President and Vice-President. Their response went beyond a simple rejection, and was an implicit reprimand of the delegation, if not of the State Department. The delegation was instructed to say that continued US support for the negotiations rested on North Korea's commitment to the precise language of CVID.

This advice terminated discussion on China's draft. Beijing fell back on a less ambitious statement referring to the goal of a nuclear-free peninsula and the commitment to further talks, including in working groups. Pyongyang, however, determined to level the score, insisted in the dying minutes of the meeting on new language referring to the 'significant differences' with Washington. The meeting therefore ended with no statement of any kind.⁷⁰

Pyongyang's commentary on the February round, while relatively subdued, began to zero in on CVID. It suggested that the US position masked an intent to 'exterminate' North Korea's communist system, and that the quid pro quo would have to include the complete and verifiable withdrawal of US forces from the ROK.⁷¹ This came to a

⁷⁰ Glenn Kessler, "Bush Signals Patience on North Korea is Waning", *Washington Post*, 4 March 2004.

⁷¹ Reuters, "US Troops Should Go Under Atomic Deal – North Korea", *New York Times*, 8 March 2004.

head at the end of March 2004. Shortly after another senior Chinese visit to Pyongyang, this time by Foreign Minister Li Zhaoxing, a statement on North Korean radio on 27 March rejected CVID point by point:

“complete nuclear dismantling is a plot to overthrow the North’s socialist system after stripping it of its nuclear deterrent;
verifiable nuclear dismantling reflects a US intention to spy on our military capabilities before starting a war: and
irreversible nuclear dismantling is nothing other than a noose to stifle us after eradicating our peaceful nuclear-energy industry.”⁷²

The statement did not explicitly retract Pyongyang’s declared willingness, in principle, to abandon its nuclear weapon program, but it was certainly a step in that direction. The statement did make very clear that the words themselves, if not their intent, was now an issue.

Vice President Cheney visited Beijing (as well as Tokyo and Seoul) in mid April. Cheney’s messages on North Korea did not make China’s role as facilitator any easier. He stressed that the negotiations needed to produce tangible results soon as North Korea continued to develop nuclear weapons. But while he warned that prolonged negotiations might favour North Korea’s interests over those of the others, he stressed that the US would not countenance incentives to get Pyongyang to declare its intent to dismantle its programs, and to act on that intent.

As China had begun expressing reservations about the reliability of US intelligence on North Korea, Cheney also came armed with new evidence on the scope of Pyongyang’s nuclear program. This included, it seems, details on Dr Kahn’s confessions regarding the HEU program and his rather questionable claim to have been shown three plutonium weapons during a visit to North Korea in 1999.⁷³

⁷² See Joseph Kraft, “North Korea Rejects US Demand to Scrap its Nuclear Programs”, *New York Times*, 28 March 2004.

⁷³ Joseph Kahn, “Cheney Presses Beijing on North Korea”, *New York Times*, 14 April 2004; Glenn Kessler, “Cheney Reaching Out to Asia”, *Washington Post*, 9 April 2004; David E. Sanger, “Pakistani Tells of North Korean Nuclear Devices”, *New York Times*, 13 April 2004. Some have discounted this claim on the grounds that it served Dr Khan’s interests to say that North Korea already had nuclear weapons before he began doing business with them

Kim Jong Il visited Beijing on 19-21 April, only his third ever visit to the Chinese capital. Presumably at Kim's insistence, the visit was conducted in complete secrecy, with Chinese officials denying the fact absolutely (and with evident amusement) until he had left. China's official assessments of the visit offered little beyond a 'broad common understanding' and commitment to the negotiations, though not, it seemed, to the new wrinkle of working groups agreed to but not formally announced at the February 2004 round.⁷⁴

Meanwhile, the accumulating anecdotal evidence on North Korea's nuclear capacities was putting pressure on the official US intelligence position – a possible 1-2 weapons. Apart from Dr Khan, the unofficial US delegation that visited North Korea in January had confirmed that the fuel rods were no longer in their storage pond and had seen what was purported to be recently reprocessed plutonium. Ambiguities abounded – on whether North Korea could make nuclear weapons, on the extent of reprocessing, and on the state (indeed, existence) of a HEU plant. Moreover, the official intelligence estimate mattered. Senior administration had occasionally discounted the significance of, say, 10 weapons versus 1-2, not least to signal patience and resolve in the negotiations. But a state with 10 weapons can credibly threaten to test or transfer one, and, if it came to war, has more options on how and when to use them. If North Korea was formally credited with an arsenal of nuclear weapons it would change the psychology of the negotiations quite significantly.

Press reports in late April 2004, citing intelligence officials, referred to a new estimate being prepared that would credit North Korea with at least eight plutonium weapons and an HEU plant that could be operational by 2007 with a capacity to fuel up to six weapons per year.⁷⁵ This accumulating anecdotal evidence, some of which Cheney had shared with his Chinese hosts, did not convince everyone. China continued to niggle the US to provide convincing evidence on the HEU program, or drop it as an issue in the negotiations.⁷⁶ North Korea's delegation at the February talks had issued

⁷⁴ Edward Cody & Anthony Faiola, "Kim Reaches Understanding with Chinese Government", *Washington Post*, 21 April 2004.

⁷⁵ Glenn Kessler, "North Korea Nuclear Estimate to Rise", *Washington Post*, 28 April 2004

⁷⁶ Joseph Kahn & Susan Chira, "Chinese Official Challenges US Stance on North Korea", *New York Times*, 9 June 2004

a similar challenge to Kelly who was forced to respond that providing details would only improve North Korea's concealment techniques.

Another high-level meeting that was to have an effect on the negotiations with North Korea was a second summit between Kim Jong Il and Japan's Prime Minister Koizumi on 22 May 2004. Koizumi's first order of business was to secure the release of relatives of Japanese citizens abducted by North Korea in 1970's and 1980's, but he also tackled the impasse over the nuclear issue. Like the US, Japan took a hard line on North Korea's brinkmanship, but had been pressing Washington to be more flexible and allow Pyongyang's position to be explored and tested. Koizumi came away with the view that Kim had been impressed by the new economic and political opportunities that would be open to North Korea if it abandoned its nuclear program, and that he would look favourably on a more definitive proposal. Koizumi shared this assessment with President Bush at the G-8 Summit in Georgia in early June.

Agreement to hold a further round of 6 Party talks in Beijing on 23-26 June was announced on 15 June 2004. The Bush administration, having succeeded in February in getting all its partners aligned on the goal of CVID, now found pressure from all of them to actually negotiate and entice North Korea into agreement. Moreover, this common front was being diluted as Japan but even more so, the ROK, were proceeding to cut their own deals. The qualitative transformation of North-South relations – highlighted in June 2004 by the first meeting of military leaders in 50 years – had become unmistakable and was testing Seoul's capacity to stay in step with the US in resolving the nuclear issue.⁷⁷ In addition, the likely Democrat challenger for the Presidency, John Kerry, was criticising the lack of progress to good effect, and promising that he would tackle the issue through direct negotiations.

The administration made little secret of the fact that it was responding to allied pressure, almost, indeed, acting against its own better judgement. But it did go into

⁷⁷ Anthony Faiola, "As Tensions Subside Between Two Korea's, US Strives to Adjust", *Washington Post*, 25 July 1004

the talks with a proposal, derived from the plan South Korea had tabled in February and refined since. The key steps were as follows:⁷⁸

1. North Korea would give an undertaking to dismantle its programs “in a permanent, through and transparent manner subject to effective verification” (ie a polite variant of CVID).
2. Japan, ROK and Russia would immediately resume shipments of fuel oil and all five parties would give Pyongyang a ‘provisional’ assurance not to invade or to seek to topple the regime.
3. North Korea would have 3 months to fully disclose, halt and seal its nuclear activities, and to begin securing and destroying nuclear materials under international supervision, or to allow such materials to be taken out of the country.
4. During the three months, the US would also launch a study of North Korea’s energy needs and open bilateral discussions with Pyongyang on lifting economic sanctions and removing the DPRK from the US list of State Sponsors of terrorism.

Administration officials quoted in the press, anonymously, characterised the proposal either as a serious effort to secure a breakthrough or as a ‘test’ of Pyongyang’s sincerity, a test that most seemed to think Pyongyang would fail. Chinese and Russian diplomats associated with the talks doubted that the proposal would attract Pyongyang. The proposal was certainly skewed to the US view that North Korea had to signal that it now recognised that a nuclear capability was not in its interests: it would be rewarded for making this sensible determination rather than bribed to come to such a determination. Many in Washington cited Libya as the precedent that North Korea should emulate.

On the other hand, the proposal had several features that would have been seen in Pyongyang as responsive to its position: the re-phrasing of CVID; the early rewards in the form of fuel oil; and bilateral discussions with the US pointed towards eventual

⁷⁸ Derived from David E Sanger, “US to offer North Korea Incentives in Nuclear Talks”, *New York Times*, 23 June 2004; Joseph Kahn, “US Offers North Korea Aid if it Phases Out Nuclear Program”, *New York Times*, 23 June 2004; Philip P. Pan and Glenn Kessler, “US Offers Plan to End North Korea Nuclear Crisis”, *Washington Post*, 24 June 2004; David E. Sanger, “About-Face on North Korea; Allies Helped”, *New York Times*, 24 June 2004; Philip P. Pan and Glenn Kessler, “US Revises Proposal at North Korea Nuclear Talks”, *Washington Post*, 24 June 2004

diplomatic relations. In addition, against the still-recent precedent of Iraq, there was little sense of ultimatum or take-it-or-leave-it in this US position. It was a negotiating bid. North Korea could respond positively without accepting the proposal as it stood.

In the talks, North Korea described the US proposal as “constructive” and said it would have to take it back to Pyongyang for “careful consideration.”⁷⁹ It also put down some markers in terms of energy assistance significantly larger and more urgent than envisaged in the US proposal, and in fact linked to the capacity of the LWR provided for under the Agreed Framework. It also signalled broadly that it wanted to see the US contribute to economic assistance from the outset, that is, from the point at which it pledged to freeze and ultimately dismantle its program.

North Korea’s own proposal, labelled “reward for freeze” naturally sought to prolong the leverage of its nuclear program as far into the process as possible, so that its wish-list of demands could be locked in before it transitioned to dismantling. The duration of the freeze would hinge on how quickly and completely the US and others satisfied Pyongyang’s requirements.⁸⁰ In the usual bilateral US-DPRK session within talks, North Korea’s delegation leader reiterated to Kelly that Pyongyang would test a weapon unless the US moved to engage on Pyongyang’s terms

China’s concluding statement was limited to the familiar agreement in principle to hold another round by the end of September 2004’ but to be preceded by a working group meeting to look into the scope, duration and verification of steps toward denuclearisation.

Official commentary immediately after the talks highlighted the fact that neither side had accepted the others vision for a peaceful solution. On 28 June, a Foreign Ministry spokesman in Pyongyang characterised the US as still intent on disarming the DPRK first.⁸¹ Colin Powell, in Jakarta in early July for ASEAN meetings that included an informal session with his North Korean counterpart, Paek Nam Sun, was adamant that Washington would not deliver rewards until “it was absolutely clear that (North

⁷⁹ Ralph A. Cassa, “North Korea: Searching for A. Q. Kim, *PacNet* 28, 28 June 2004

⁸⁰ B.C. Koh, “Six Party Talks: Round 3”, *Institute for Far Eastern Studies*, 1 July 2004

⁸¹ B.C Koh, “Six-Party Talks:Round 3”

Korea) is taking irreversible steps” on dismantlement. He also debunked the notion of an extended freeze, saying that reaching a common understanding on the components of North Korea’s nuclear capability and allowing them to be verified would not take long.⁸² At the time, however, the State Department’s considered assessment, as conveyed to Congress by James Kelly, was that it could not be said in July 2004 that the DPRK had made the “strategic calculation” to give up its nuclear weapons in return for economic and other rewards.⁸³

As the June meeting recede into history without anything resembling an official response from Pyongyang to the US proposal, there were renewed signs of the policy battle in Washington. The State Department’s Ron Bolton gave another speech in Seoul dismissing the notion of a negotiated freeze as a first step and arguing that the US needed North Korea to follow Libya’s lead and independently declare its determination to dismantle its nuclear program before it received any rewards. This was followed by somewhat stronger language from Pyongyang on the US proposal – a “sham offer” because it would not reward a freeze but required North Korea to be disarmed and inspected first.⁸⁴ Again, however, these comments came from a Foreign Ministry spokesman and were not clearly the government’s definitive view. Indeed, in criticising the US position, the spokesman skilfully muddied the waters by referring to the “landmark proposal made by the United States”. It was noteworthy, however, that, by this time, the absence of positive support for the US proposal from Japan and South Korea added to the earlier expressions of disappointment by China and Russia. Pyongyang would not have sensed any collective pressure to provide a considered response to the US proposal.

From about this time, all signs of momentum ceased, confirming judgements that North Korea (and the US) preferred to await the outcome of the US elections and making unlikely a fourth round of talks in September 2004.

⁸² Glenn Kessler, “US Says North Korea Needs to Dismantle Nuclear Program”, *Washington Post*, 1 July 2003.

⁸³ Prepared Statement by James A. Kelly, Assistant Secretary of State for East Asian and Pacific Affairs, Senate Foreign Relation Committee, 15 July 2004

⁸⁴ David E. Sanger, “North Korea Seems to Reject Butter-for Guns-Proposal from US”, *New York Times*, 25 July 2004.

North Korea was angered by a bill, passed unanimously by the US House of Representatives in late July, but subject to Senate approval, that would allow North Koreans to seek asylum in the US. It was embarrassed a week later when Seoul repatriated 460 North Korean defectors from a camp in Vietnam. Unsurprisingly, it linked these developments into a conspiracy.⁸⁵

Australia's Foreign Minister, Alexander Downer, visited Pyongyang on 18 August in a fruitless attempt to inject new momentum into the 6-Party process. His hosts declined even to confirm an intention in principle to attend the next round, and elsewhere, North Korean officials deferred the meeting of the working group from late August to early September at the earliest.⁸⁶ The outlook for a September 2004 round of talks dimmed further when President Bush described Kim Jung Il as a 'tyrant' in a campaign speech in late August. Pyongyang returned the epithet with interest, describing the President as 'an imbecile, ignorant, a tyrant and a man-killer',⁸⁷

Taking Stock

What are the important lessons to be drawn from events over the two years since the present crisis erupted in October 2002? To start with, let's break the answer to this down to what this experience has revealed about the positions of the three major players – the US, the DPRK, and China.

United States

It made good sense for the US to respond relatively passively at first to North Korea's strident claims that it was reacting to a new hostility in Washington and, indeed, to an imminent threat of attack. The Bush administration did want to approach Pyongyang in a radically different way from its predecessor. Unfortunately, as one observer remarked, North Korea is a land of 'lousy options' and no viable alternatives emerged

⁸⁵ Song Jung-a, "North Korea Calls off Meeting with the South", *New York Times*, 2 August 2004

⁸⁶ Catherine Armitage, "Downer North Korea Mission Fails", *The Australian* 19 August 2004; Ryu Jin, "North Korea Did Not Deny HEU Program: Officials", *The Korea Times*, 16 August 2004.

⁸⁷ James Brooke, "North Korea, Eyeing Election, Issues Stream of Insults at Bush", *New York Times*, 24 August 2004.

from its policy review in the first half of 2001 other than to be more distant and disdainful, and to foreshadow that any future engagement would be conducted in a broader and more demanding context. After September 11, Pyongyang slid even further down the priority list. It was included in the 'axis of evil' in January 2002 as much to soften the impression of a campaign against Islam as to signal that it ranked alongside Iraq and Iran as a likely source of the intersection of technology (WMD) and international terrorism. Still, inclusion in this axis when Washington's official position was still that the Agreed Framework was in place and being broadly complied with and implemented would have shocked Pyongyang. It would also have told the North Korean leadership that exposure of its HEU program was probably not far off.

Washington's insistence on collective bargaining also made good sense. It preserved bilateral talks with the US as a privilege that North Korea would have to earn. It brought inside the tent all the states that (1) had a major stake in the outcome, (2) would have to be a major part of any solution, or (3) who could become part of the problem, particularly if they were freelancing on the outside. China was the main target. It 'knew' North Korea better than anyone else, and was the only state with real economic leverage on Pyongyang. China was reluctant. Playing an overt role and assuming a measure of direct responsibility for the outcome was not Beijing's style. As speculated earlier, Beijing jumped in because it was concerned that Pyongyang's high-risk strategy and the powerful neocon faction in Washington might combine to produce bad outcomes for China. In addition, China in 2003, an essentially declared aspirant for regional leadership and perceived in the region as responsible in important ways for what North Korea had become, had little choice politically. Japan and South Korea were more eager participants. Each had vital national interests at stake and, as the 1994 Agreed Framework demonstrated, each would be expected to finance a major part of the incentives to get North Korea to an agreement. Russia, finally, welcomed being relevant to a core issue in Northeast Asian affairs. Its inclusion was also positive in that it balanced the group, giving Pyongyang a further measure of reassurance, as well as giving Beijing a bit of competition in its role as broker.

A further consideration shaping Washington's approach was that if the negotiations failed, what then? This dimension of the issue is not often exposed in expert commentary. The US has studiously avoided any references, let alone threatening references, to the option of resolving the issue by force. Even without the strain of Afghanistan and Iraq, war on the Korean peninsula is a deeply unattractive option. Equally, however, if the negotiations proved fruitless, Washington could hardly say that was the end of the matter. This consideration, which falls singularly on Washington's shoulders, puts a further premium on trying to establish with high confidence that a negotiated solution is within reach rather than launching into negotiations to see what emerges.

These positive and/or understandable aspects of the US approach are offset by the strong evidence that the administration could not in fact agree that the United States should seek a negotiated settlement. To this point, the most intensive negotiations on North Korea have taken place within the Bush administration. The hardliners, led by Vice-President Cheney but licensed indirectly by the President's expressed distaste for Kim Jong Il, seek regime change in Pyongyang. They have been unable to outline a credible course of action that would bring this about but, equally, they have been determined to ensure that this objective was not sidelined by a commitment to negotiations and, implicitly, to the survival of the regime in Pyongyang. The outcome has been a draw or a stalemate. US delegations have participated in the talks but only to present positions tantamount to North Korea's capitulation. They have not been authorised to actually negotiate, that is, to tease out North Korea's position, or to explore the trade-offs that Pyongyang might find attractive. And the White House rather than the State Department has policed adherence to this position.

DPRK

Pyongyang has been characteristically maddening as a negotiating partner - presumptuous, petulant, cavalier, shameless are few terms that spring to mind. There is almost certainly a deeper undercurrent at work in the negotiations: a sense of resentment at having to deal with Pyongyang. The country has an appalling record of abuse and neglect of its own citizens, and of aggressive disdain for its neighbour, including acts of terrorism and kidnapping. It has done little or nothing economically

or politically to arrest its slide into destitution. Nothing, that is, except to bring itself to the edge of a nuclear weapon capability while still supporting massive conventional forces. It is probably fair to say that none of the five states engaging Pyongyang feel that the regime *deserves* a break. Four of these five states, however, seem to accept that giving Pyongyang a break is much the lesser evil. Only the US remains loath to fully concede that the option of direct regime change is not viable.

It must still be said that Pyongyang has displayed considerable skill and resourcefulness, particularly in playing on the multiple fronts (including two in Washington) that the 6-Party process has imposed on everyone. Thus far, while it has stressed all of these relationships, Pyongyang has managed to keep all the other players engaged.

Pyongyang's behaviour confirms that it sees the outcome of the crisis as a defining moment or turning point in the history of the DPRK. Whether it seeks nuclear weapons with the fundamental intent of keeping them, and whether it is confident that it can complete its transition to the status of a nuclear weapon state within a reasonable timeframe (say, 5 years) remains ultimately uncertain. At the same time, what the record of the past 15 years suggests to this observer is that, beyond possibility significant technological and financial limitations on its ability to do so, Pyongyang harbours profound doubts about the wisdom of crossing the line and becoming a declared nuclear weapon state. In other words, Pyongyang is possessive of the leverage its nuclear program has provided but ambivalent about exercising the option that this effort may have given it. What this suggests is that Pyongyang is amenable to persuasion that the alternative to becoming a nuclear weapon state is the more certainly advantageous course to take, and that it has not engaged in the talks simply to buy time to put its nuclear capability beyond reach.

China

China recognises that its central role is to be a sympathetic neighbour and try to keep Pyongyang reassured that talks and negotiations will not put its core interests at risk but could in fact advance them. Beijing has been diligent in fulfilling this role even though the circumstances have frequently been testing. Beijing, of course, is also a

player in the talks, with its own interests to protect and advance. This dual function means that determining China national stance is not straightforward because it requires making judgements on which function particular Chinese positions are intended to serve. That said, there is little doubt that China shares the view that dissuading Pyongyang from making an irrevocable commitment to nuclear weapons is an absolute imperative, or close to it. There is also little doubt that Beijing accepts that Pyongyang bears significant, perhaps even the greater, responsibility for the still finely-balanced state of the talks, and that some of its negotiating ploys have been in defiance of Beijing's counsel. The exasperated references to Pyongyang's singular (and inexplicable) logic plus commentary from academics close to the government that regime change in Pyongyang could also become a Chinese interest point rather clearly in this direction. At the same time, Beijing seems to be aware that one of the motives for the policy deadlock in Washington is to see the negotiating track exposed as a dead-end, opening the way for a more coercive posture. At this stage at least, Beijing is determined not be an agent of such stratagems and has fully prepared to make this clear to Washington.

Where to from here?

We have a small, fundamentally mysterious, impoverished, and over-armed state taking on the world's super state and several significant regional powers, each with their own mix of interests and concerns, over an issue that could have profound and far-reaching implications for the security of East Asia. The complexity of the issue is reflected in the range of assessments on the essential character of the crisis and on the central parameters of dealing with it.

Some observers are convinced that Kim is committed to a nuclear capability, and negotiating only to buy time or, perhaps, to explore the scope for being rewarded for limiting but not abandoning this capability.⁸⁸ Pyongyang's contention that it needs a nuclear deterrent in order to reduce the economic burden of its conventional forces might have been a pointer in this direction. This view leads to recommendations on

⁸⁸ For a view that Kim could well be seeking both economic reform (and significant aid to accelerated this process) and a nuclear deterrent see Victor D. Cha. "North Korea's Economic Reforms and Security Intentions", testimony before the Senate Foreign Relations Committee, Washington DC, 2 March 2004.

learning how to live with a nuclear-armed North Korea, but typically also to a coercive posture designed to encourage the early ‘implosion’ of the regime in Pyongyang. This view also puts a premium on containing Pyongyang economically, and being in a position to use force if it seeks to break out and cross specified red lines. The outcome of a war on the Korean peninsula may not be in doubt but it is a most unattractive option. It could not be made remotely ‘surgical’ by the standards to which we have become accustomed in Kosovo, Kuwait, Afghanistan and Iraq. Not for the US, and certainly not for South Korea. Further, of course, war characteristically engenders unintended and unexpected consequences. Additional disincentives come in the form of who might be dragged in (China?), or who might be tempted to capitalise on the confusion and distraction (Taiwan?), leading to a wider war. Still, it is a near certainty that nothing would stay America’s hand if it came to the view that Pyongyang might pass weapons or fissile material to other parties.⁸⁹

A variant on this line of thinking contends, as we have above, that Kim is not committed to nuclear weapons and that there is a significant element of bluff and posturing in his threat to cross the line. This view goes on to argue that, in contrast to Saddam Hussein, Kim is risk averse so that a credible demonstration of intent to resolve the issue by force will see him blink and take the deal that leaves him in power. Indeed, a credible US-led escalation of the dispute may be necessary to preclude the temptation to string things out to see if the pot is sweetened even further.⁹⁰

Among those inclined to the view that a negotiated solution is possible, or must at least be earnestly attempted, there are significant differences on what the decisive elements of a deal are, on how these elements might be integrated or sequenced. Some contend that stopping North Korea’s nuclear program is the first priority and that the negotiations should be tightly focussed on this objective, deferring other desirable objectives like reductions in conventional forces, and economic and political

⁸⁹ For a discussion on why the use of force against North Korea is far from unthinkable see, Robert Ayson and Brendan Taylor, “Attacking North Korea: Why War Might Be Preferred”, *Contemporary Strategy*, 23:263-279, 2004.

⁹⁰ Ian Bremmer, “The Art of Bluff: Why Kim is not Saddam”, *The National Interest*, Fall 2003

transformation.⁹¹ Others see the deadlock in the negotiations as sufficient reason to look further a field for an opening into an agreement. One proposal, for example, has posited rewards in return for reductions in North Korea's conventional forces as the linchpin of a deal, with complete dismantlement of the nuclear program deferred until this process is well advanced.⁹²

The author's own initial evaluation of the crisis early in 2003 saw a fundamental choice for Washington between two alternatives. One was to stoop down and arm-wrestle with Pyongyang, paying a lot of attention to who blinked first, and attaching high importance to the signals being sent on such matters as reward for 'blackmail' and the respect that flowed from a nuclear weapon capability. The other was to deal 'magnificently' with Pyongyang from the vantage point of the most powerful state the world has ever seen looking upon a very small actor on the verge of failure as a state. This approach would have the US lead promptly with a comprehensively generous proposal, but one that provides fully for confidence that North Korea's nuclear program had been and would remain terminated.⁹³ This latter approach still has merit but the additional history from the course of the crisis, including the episodic talks now needs to be taken into account.

There is little doubt that Pyongyang's pre-eminent objective is legitimacy and acceptance. Its former socialist family has disappeared, or transformed beyond recognition and moved on, disowning Pyongyang in the process. Legitimacy and acceptance was missing from the first deal, the Agreed Framework. Pyongyang got a good deal on paper but the spirit of implementation was that of a death watch. It was hoped and expected that the regime would not survive either to see the end results or to oversee the following stage of dismantling its nuclear weapon program. This attitude was not confined to the United States. The Perry review in 1999 concluded, seemingly without dispute, that this attitude extended to South Korea, Japan and very probably China. The Clinton administration made a belated effort to respond to this assessment, intensifying the missile talks, sending Secretary of State Albright to

⁹¹ See, for example, Ashton B. Carter, "Implementing a Denuclearisation Agreement with North Korea", testimony before the Senate Foreign Relations Committee, Washington DC, 15 July 2004.

⁹² Michael O'Hanlon and Mike Mochizuki, "Toward a Grand Bargain with North Korea", *Washington Quarterly*, Autumn 2003, pp.7-18.

⁹³ Ron Huysken, "Way out remains for N Korea", *Australian Financial Review*, 25 February 2003.

Pyongyang, and openly considering a Presidential visit. South Korea launched its 'sunshine policy', although motivated as much by the frightening economics of reunification as by remorse for expecting North Korea to implode.

Whatever the prospects of salvaging the situation may have been, North Korea's decision to prepare to re-visit the deal through adding a HEU program to its frozen but intact plutonium facilities, and the arrival in Washington of an administration with no inclination to disguise its preference for regime change, reduced those prospects to zero.

Pyongyang is again demanding admittance, as is, to the post-Cold War society of states. Looked at one way, this is a demand that sticks in the throat, and not just in US throats. North Korea has done essentially nothing positive to deserve this privilege. But it can be looked at in another way. Granting North Korea admittance to the society of states could be the surest way other than war of imposing change on the regime. Moreover, whatever the terms of the deal, it would be far less costly than war.

Legitimacy and acceptance are codified in ending the state of war that technically still exists between the US and the DPRK, the establishment of diplomatic relations, removing implicit or explicit threats to use force (provided Pyongyang itself abides by the relevant international laws and conventions), the lifting of sanctions, and removing North Korea from the list of states that sponsor terror. This is the core basket of issues. The other dimensions of the deal – the verified and permanent dismantlement of North Korea's nuclear facilities, and the provision of development assistance focussed on energy and agriculture – are technical by comparison. If North Korea can be persuaded that it is being given a genuine opportunity to carve out a future for itself within the community of states the other components of the deal will fall into place more readily.

This perspective on the crisis supports keeping the initial deal focussed as carefully as possible on the nuclear issue. It is tempting to fold a number of other issues into the initial deal: Chemical and biological weapons, the size and disposition of conventional forces, the development and export of ballistic missiles, and some form of association between North and South Korea. These issues all have merit, and all of

them have to be addressed sooner rather than later if the Korean peninsula is to be made truly stable and peaceful. Including them from the outset, on the other hand, would complicate and prolong the negotiations, and the timeframe for implementation, including for nuclear dismantlement would stretch out over several years at a minimum. Moreover, attempting to prescribe North Korea's future in detail from the outset would clash with the primary reward Pyongyang seeks, the opportunity to chart its own course as a state with normal relations with its neighbours. The wiser course, it would seem, is to first erase nuclear weapons from the equation and tackle the other questions as Pyongyang and the citizens of North Korea get a taste for being connected to the world.

Even if the approach recommended here is followed, that is, to respond fulsomely to Pyongyang's wish for legitimacy and acceptance, and to focus the initial deal on denuclearisation, the earlier account of the talks to date exposed another likely stumbling block. The US and, to varying degrees the other participants, seek an early and definitive end to Pyongyang's nuclear program. Pyongyang, however, lacking any other sources of leverage, is equally determined to retain some elements of this program until the deal is fully consummated. Front loading a proposal with measures that address the dimension of legitimacy and acceptance will ease this tension, but there is a further step that may prove very persuasive.

The United States has ruled out providing security assurances in treaty form, that is, in a form that would require the advice and consent of the US Senate and become US law. This is understandable, both as bridge too far given the history of US-DPRK relations, and because such an undertaking would be difficult to reconcile with the security obligations the US has to South Korea and Japan. What the US could think about, however, is to put its other undertakings to Pyongyang –development of the energy and, perhaps, agricultural sectors and, presumably, retraining of the nuclear workforce – into an act of Congress. This would send Pyongyang a powerful signal that Washington will deliver on its commitments and that it has no expectations or serious hopes that the regime will not be in place to receive them.

Combining this approach to the proposals already tabled in the talks would yield a sequence of steps along the following lines:

Stage 1

- North Korea declares its willingness to dismantle its nuclear program and provides a comprehensive account of the facilities and their location;
- Shipments of heavy fuel oil for power generation resume;
- North Korea is given interim multilateral security assurances by the other participants;
- North Korea and the US open 'interest sections' in respective capitals to facilitate detailed negotiations on the assistance the US will provide

Stage 2

- Over a period not to exceed 6 months, North Korea's declaration is verified, and the facilities frozen and placed under surveillance;

Stage 3

- North Korea receives formal multilateral security assurances;
- US obligations on assistance to North Korea, the lifting of sanctions, and removing North Korea from the list of state sponsors of terror are set out in an act of Congress;
- Dismantlement begins.

Stage 4

- The US and North Korea establish full diplomatic relations when dismantlement has been completed.

Conclusions

North Korea has been an ugly and angry dictatorship for as long as anyone can remember. Over the past 15 years or so, in total defiance of the forces of globalisation, it has also become perhaps the loneliest country on the planet. It now wants honourable admittance to the post-Cold War society of states and is using the threat to acquire nuclear weapons as its sole argument to secure the agreement of those that matter.

This is an unusual way of doing business and everyone's first instinct is to tell Pyongyang that it has everything back to front. What Pyongyang seeks is a privilege

that comes with a host of responsibilities attached, responsibilities that for all practical purposes it has never met. North Korea, on the other hand, is an unusual place. It is a creature of the Cold War, that is, in substantial measure a creature created by the former Soviet Union, China and the United States. This creature, moreover, a small but highly militarised fossil, was cut adrift when the Cold War ended. North Korea's political system is almost the antithesis of that likely to produce statesmanship and far-sighted reassessments of national goals and the means of achieving them. We should not be all that surprised that, faced with widespread expectations that it would simply go away, North Korea looked to its only comparative advantage – generating a military threat – to confound these expectations.

At the present time, the creativity and statesmanship needed to give North Korea an alternative future has to come from the outside. There are some good, hard reasons to look beyond what 'should' happen and consider what can be made to happen down the line. For one thing, we know from the Korean war that North Korea's armed forces and the peninsula's terrain make a military solution extremely unattractive. Modern technology will make a big difference and the outcome all but certain, but it is likely to be a very, very costly campaign. For another, for all the doubts about whether it has acquired a small nuclear arsenal, this is now a possibility that cannot be discounted. And it would be a brave strategist who argued that Pyongyang could reliably be prevented or deterred from using them.

It should also be borne in mind that the powers currently engaging North Korea all undermined the potential the Agreed Framework had to lead to the eventual dismantlement of its nuclear program through assuming the regime's imminent demise. Further, Pyongyang's contention that it faced a gathering threat of regime change by force cannot be entirely dismissed as paranoia or convenient fabrication.

Giving Pyongyang a face-saving exit may seem totally undeserved, but the alternatives are lousy. Fortunately, Pyongyang's options are no more attractive. Military aggression would be suicidal. The regime, in my view, is clearly profoundly ambivalent about the capacity of overt nuclear weapon status to give a more secure long term outlook. The country cannot become less modern or more stagnant and

even a totalitarian regime will be concerned that the people may find the hardships unendurable.

Looking at what is likely to happen in North Korea after a deal on nuclear weapons has a lot going for it. The effects of inspections and subsequent monitoring, the sustained delivery of development assistance, the re-training of the nuclear workforce, and of normal diplomatic and economic relations with the US, Japan and South Korea are likely to be quite dramatic. That is an outcome worth aspiring to, even at the cost of awarding Pyongyang a status it has yet to deserve.

Revamping the current embryonic proposal to make more clear at the outset that Pyongyang will get the trappings of legitimacy and acceptance entails no compromise on the thorough and enduring dismantlement of its nuclear weapon capacities. It does involve making some difficult political concessions on the basis of a reasonable expectation that these concessions will be rewarded through developments that flow from the agreement but are not part of it.