Pyongyang has a longstanding strategy of engaging with Seoul only when Washington is moving to reconcile. It has acted that way for two decades. Time and again, pressure has proved counterproductive; it has only led North Korea to dig in its heels. To Pyongyang, pressure was evidence of Washington’s “hostile policy,” and that “hostile policy” was its stated rationale for lack of progress in North-South reconciliation. That past is prologue as Six-Party Talks move to a new phase. The DPRK will not take irreversible steps to eliminate its nuclear facilities, let alone give up its fissile material, without abundant evidence of an end to brinkmanship, which will take time. Whether it will do so even then is not certain, which is why significant bargaining leverage needs to be retained for that critical point in the denuclearization process. That does not mean holding up deeper economic engagement or steps toward peace on the Korean peninsula. Nor does it mean doing nothing to address regional security. The key to eliminating North Korea’s nuclear arsenal is to move ahead on three other fronts at the same time: a Korean peace process, a regional security dialogue, and economic engagement.

Key words: U.S. foreign policy in East Asia, U.S.-Korea relations, North Korea, Northeast Asia, nuclear weapons
Introduction

When honesty and cruelty play for a kingdom, the gentlest manner is soonest winner.
—William Shakespeare, Henry V

North Korea is fond of telling South Korea that unification can be resolved by Koreans on their own—or in the words of the October 2007 summit declaration, “according to the spirit by the Korean people themselves.” Perhaps so, but that is not the way Pyongyang has dealt with Seoul over the past two decades. It has always subordinated inter-Korean relations to reconciliation with the United States. When Washington took steps to end enmity, Pyongyang moved ahead with Seoul. When Washington backtracked, Pyongyang pursued engagement with Seoul and blamed Washington’s “hostile policy” for the lack of progress.

That history is germane to the issue at hand: linkage between a peace process on the Korean peninsula and nuclear disarming by North Korea. All six parties agree that peace can come to Korea only as the Democratic People’s Republic of Korea (DPRK or North Korea) abandons its nuclear arms and the means to make them. The problem is, “How can North Korea disarm if it is far weaker than any of its neighbors and fears for its survival?” Its answer has been that it can only feel secure enough to disarm if and when it is convinced that the United States, as well as the Republic of Korea (ROK or South Korea) and Japan, are no longer its foes. Initiating a peace process in Korea is one way to demonstrate an end to enmity.

Concerted action is needed on two other fronts as well: beginning to address regional security concerns and deepening economic engagement, especially by meeting the North’s food, energy and infrastructure needs.

The Past Is Prologue

The 1994 Nuclear Crisis and Its Aftermath

By the 1980s North Korea was militarily weaker than South Korea, and it could no longer count on its sometime allies, the Soviet Union and China. Economically, the collapse of communism in the Soviet Union and Eastern Europe and the economic transformation of China compelled North Korea to look elsewhere for aid, trade, and investment as well. In 1988, faced with ever deepening military and economic insecurity, Kim Il Sung decided to reach out to his three lifelong foes, the United States, South Korea, and Japan, to hedge against his dependence on China.

U.S. withdrawal of nuclear arms from Korea and willingness to hold its first-ever high-level meeting with the DPRK helped open the way to two historic inter-Korean accords in 1991: the Agreement on Reconciliation, Nonaggression, and Exchanges and Cooperation and the Joint Declaration on the Denuclearization of the Korean Peninsula.

But the George H. W. Bush administration in the United States, determined to put a stop to Pyongyang’s nuclear arming before ending its isolation, impeded closer South Korean and Japanese relations with North Korea. Concluding that Washington held the key to open doors in Seoul and Tokyo, Pyongyang engaged seriously with them throughout the 1990s only when Washington was taking steps to reconcile.

After the Bill Clinton administration, at the urging of South Korea’s president, Kim Young-sam, did not sustain high-level talks and instead threatened sanctions, North Korea retaliated, abruptly unloading the spent fuel from its nuclear reactor in May 1994 and nearly provoking a war that neither side wanted. Timely intervention by former President Jimmy Carter brought the two sides back from the brink to the negotiating table.

It took just four months to conclude the October 1994 Agreed Framework, whereby the DPRK agreed to freeze and eventually dismantle its nuclear arms program in return for two new light-water reactors (LWRs) for generating power, an interim supply of heavy fuel oil (HFO), and above all, a commitment by Washington to “move to full political and economic normalization.” But Pyongyang kept its nuclear option open as leverage on Washington to live up to its end of the bargain. That option still is open.

When Republicans took control of Congress in elections just weeks later, however, they denounced the deal as appeasement. Shying away from taking them on, the Clinton administration
backpedaled on implementation. In 1997, after Washington was slow to fulfill the terms of the accord, Pyongyang threatened to break it. Its acquisition from Pakistan of gas centrifuges to enrich uranium began soon thereafter.

Pyongyang's bargaining tactics led many to conclude that North Korea was engaged in blackmail in an attempt to extort economic aid without giving up anything in return. It was not. North Korea's strategy was tit for tat, cooperating when the United States cooperated, retaliating when the United States reneged, in an effort to end enmity.

"Sunshine" from Seoul and Enmity from Washington

Seoul played a pivotal part in putting Washington back on the road to reconciliation with Pyongyang. South Korea's stated aim had long been reunification, a synonym for collapse of the North. When he was sworn in as president in February 1998, Kim Dae-jung proclaimed a different aim—reconciliation—or, as he put it in his inaugural address, "to put an end to the cold war confrontation and settle peace rather than attempting to accomplish reunification." Engagement and aid, he believed, would reassure the North that the South did not seek its collapse and would promote an end to adversarial relations. President Kim also persuaded Washington of the soundness of his approach.

In May 1999 former U.S. Secretary of Defense William Perry went to Pyongyang and affirmed that the Clinton administration was at last ready to negotiate in earnest and make good on its promises. The Perry process paid off in September when the DPKR agreed to suspend test launching of missiles while dialogue proceeded. It also helped make the 2000 North-South summit possible. Later that year, in anticipation of high-level talks in Washington proposed by Perry, the United States handed the DPKR a draft communique declaring an end to enmity and committed to easing sanctions under the Trading with the Enemy Act after the summit.

As soon as the summit was over, Washington carried out its pledge to relax sanctions. It also considered a presidential waiver to remove North Korea from the list of state sponsors of terrorism, but instead began talks in March 2000 that yielded a joint statement issued on October 6 in which the North renounced terrorism and the two sides "underscored their commitment to support the international legal regime combating international terrorism and to cooperate with each other in taking effective measures to fight terrorism"—in particular, "to exchange information regarding international terrorism."

These steps prompted Kim Jong Il to send his second in command, Vice Marshal Jo Myong-rok, to Washington on October 9, 2000. The joint communique issued on October 12 read: "neither government would have hostile intent toward the other." The declared end to enmity opened the way to an offer by Kim Jong Il that October to end exports of all missile technology, including existing contracts, and to freeze testing, production, and deployment of all missiles with a range of 500 kilometers.

President Clinton's temporizing and President George W. Bush's abrupt U-turn dashed South Korean hopes for a second summit meeting. In the mistaken belief that his successor would pick up where he left off, Clinton did not take up an invitation to go to Pyongyang to seal the deal. Instead of continuing negotiations, however, the new Bush administration refused even to talk to Pyongyang and began toutng regime change and preemptive attack.

Convinced it was getting nowhere with Washington, the North changed course in September 2001—four months before President Bush's "axis of evil" speech and two months after its adoption of economic reforms—and resumed ministerial-level talks with the South to implement agreements reached in the June 2000 summit. In bilateral talks in Beijing around the same time, the North began tiptoeing toward resumption of normalization talks with Japan as well. This marked an important shift in strategy for Pyongyang, which for the past decade had engaged seriously with Seoul and Tokyo only when it was convinced that Washington was cooperating. It finally concluded that the path

to reconciliation with Washington ran through Seoul and Tokyo. At the same time it was reducing the risk of renewed confrontation with Washington.

Diplomacy Returns

Pyongyang was willing to hold a summit meeting with Tokyo but not Seoul in the belief that Prime Minister Koizumi Junichiro would have more sway with President Bush. For its part, Tokyo had tired of waiting for Washington to negotiate. At his September 17, 2002 summit meeting with Kim Jong Il, Koizumi pledged normal relations. "In step with the normalization of their relations," Japan and the DPRK agreed to discuss not only "issues relating security" but also to "underscore the importance of building a structure of cooperative relations" in Northeast Asia, and, in a joint signal to Washington on Korea, to "promote dialogue among the countries concerned as regards all security matters including nuclear and missile issues." Pyongyang extended its moratorium on missile test launches "beyond 2003."

Concern that the hardliners' intransigence was jeopardizing American alliances in Asia at last led the Bush administration to hold its first substantive high-level talks with North Korea, but it was in no mood to negotiate. In Pyongyang on October 3-5, 2002, U.S. Assistant Secretary of State James Kelly confronted the North over its uranium program. Failing to anticipate Pyongyang's offer to negotiate the program, Washington rejected further talks and instead halted shipment of heavy fuel oil, shredding the remnants of the Agreed Framework. Pyongyang retaliated by re-igniting its plutonium program, increasing its stock of plutonium from about a bomb's worth to six to eight bombs' worth.

Yet, if Washington's aim was to derail Tokyo's engagement with Pyongyang, it failed. Returning to Pyongyang on May 22, 2004, Koizumi secured the release of the next of kin of Japanese citizens abducted by North Korean agents some two to three decades ago. Full resolution of the abduction and other issues, Kim Jong II told him, would have to await steps by Washington to reconcile: "Progress in improving the bilateral relationship would largely depend on what attitude and stand the ally of Japan would take."

Seoul and Tokyo did succeed in blocking any concerted effort by Washington at isolating Pyongyang, never mind regime change or military strikes, but they could not get the Bush administration to negotiate. It took three years of on-and-off six-party talks before Washington, under pressure from Seoul and Tokyo, would meet directly with the North in August and September 2005 and grudgingly accepted a joint statement that incorporated the main goal it was seeking, a pledge by Pyongyang to abandon "all nuclear weapons and existing nuclear programs."

At the same time, however, Washington capitalized on a Treasury Department investigation of money laundering at the Banco Delta Asia (BDA) in Macao to try to pressure North Korea by getting banks around the globe to freeze North Korean hard currency accounts—some with ill-gotten gains from illicit activities, but many with proceeds from legitimate foreign trade. How much that curtailed its trade is unclear, but to Pyongyang it looked very much as though the United States was seeking regime change in the North.

Far from giving Washington leverage, the financial measures provoked Pyongyang to retaliate. For over a year it refused to return to the Six-Party Talks while seeking to resolve the BDA issue directly with Washington. When Washington blocked bilateral contacts, Pyongyang began preparations for missile tests. After Beijing sent a high-level mission to press Pyongyang to call them off or else face sanctions, the North went ahead with the test anyhow, knowing it would afront its ally. Its July 4 tests of seven missiles, including the Taepo-dong 2, did just that, prompting China to vote for a U.S.-backed resolution in the United Nations Security Council condemning the tests and threatening sanctions. North Korea, undaunted, immediately began preparations for a nuclear test, which it carried out on October 9, 2006. It had demonstrated in no uncertain terms that it would never bow to pressure—from the United States or China. Only U.S. willingness to end enmity could get it to change course.

In the summer of 2006, with the nuclear test impending, President Bush decided to negotiate in earnest for a change. The treasury department finally relented in 2007 and allowed the BDA accounts to be returned to the North, a test of good faith in

Pyongyang. The North reciprocated by suspending operation of its plutonium program at Yongbyon. It also started disabling its reactor, reprocessing plant, and fuel fabrication facility, making it more time-consuming and costly to restart them. And it began providing a declaration listing the facilities, equipment, and components it has for making plutonium, including how much plutonium it had produced. It also engaged in detailed bilateral discussions with the United States about its potential program to enrich uranium, beginning to list the equipment and components it acquired and the purpose for which it has acquired them.

President Bush’s turnaround bore fruit in Korea as well. Convinced that Bush was back on the road to reconciliation, Kim Jong Il agreed to a summit meeting with South Korean president Roh Moo-hyun. As he explained to China’s foreign minister on August 14, 2007, “Recently there have been signs that the situation on the Korean peninsula is easing.”

Engaging with Seoul only when Washington is moving to reconcile is well-established policy in Pyongyang. It has acted on that policy for two decades. Time and again, pressure had proved counterproductive. It only led North Korea to dig in its heels. To Pyongyang, pressure was evidence of Washington’s “hostile policy,” and that “hostile policy” was its stated rationale for lack of progress in North-South reconciliation.

What Now for Korea?

What is next for inter-Korean relations? South Korea already has ample strength to forestall an attack by North Korea. If South Korea is to become more secure, deterrence alone will not suffice. It takes reassurance to persuade North Korea to give up its nuclear arms. A peace process on the peninsula is a critical reassurance move.

Pyongyang’s basic stance is that if Washington, Seoul and Tokyo remain its foe, it feels threatened and will seek nuclear arms and missiles to counter that threat; but if they end enmity, it says it will not seek either.

The DPRK will not take irreversible steps to eliminate its nuclear facilities, let alone give up its fissile material, without abundant evidence of an end to enmity. Whether it will do so even then is not certain, which is why significant bargaining leverage needs to be retained for that critical point in the denuclearization process.

That does not mean holding up deeper economic engagement or steps toward peace on the Korean peninsula. Nor does it mean doing nothing to address regional security. The key to eliminating the North’s nuclear arsenal is to move ahead on three other fronts at the same time: a Korean peace process, a regional security dialogue, and economic engagement. It is imperative, however, not to advance all the way on any of these fronts before North Korea gets rid of all its plutonium and the means to make more.

A Peace Process on the Korean Peninsula

In the September 2005 Joint Statement, the six parties agreed to “negotiate a permanent peace regime on the Korean Peninsula at an appropriate separate forum.” That was elaborated somewhat at the October 2007 inter-Korean summit meeting, where the Koreas shared a commitment to “terminate the existing armistice regime and to build a permanent peace regime.” A four-party working group chaired by China can commence work soon, perhaps kicked off by a meeting of the six-party foreign ministers. U.S. Assistant Secretary of State Christopher Hill put it just right when he told reporters in Seoul on November 2, 2007: “Our position, which we’ve had for a long time and continue to have, is that upon substantial disablement . . . we would hope we could begin a peace negotiation process that would conclude, and that we could reach a final peace arrangement when the DPRK finally abandons its nuclear weapons and nuclear programs pursuant to the September 2005 agreement.”

The object of those talks is a peace treaty formally ending the Korean War. Yet a treaty has to come at the end of the peace process for two reasons. First, the DPKR has long expressed a desire for a peace treaty with the United States. That makes it a major bargaining chip to withhold in exchange for its nuclear arms and fissile material. That is why Presidents Clinton and Bush have held out the possibility of signing a peace treaty—but only as the North eliminates its nuclear programs and arms.

That is also why a basic point of agreement in six-party talks is that resolving the nuclear issue is the path to peace in Korea. The second reason is that a peace treaty, if it is to be more than mere formality, would have to resolve a number of tough issues like permanent borders between North and South Korea and the disposition of armed forces on both sides of the Demilitarized Zone (DMZ).

More fundamentally, a peace treaty can only reduce the risk of inadvertent war on the peninsula by getting rid of the North’s forward-deployed artillery and short-range missiles or redeploy them out of range of Seoul. That is unlikely if the North were to give up its nuclear arms because nuclear elimination would leave its forward-deployed artillery and short-range missiles as its ultimate deterrent.

As steps to a peace treaty, a series of peace agreements, though militarily less meaningful, may be a politically useful way to proceed. Interim peace agreements that include the United States as a signatory can be stepping stones to a peace treaty formally ending the Korean War.

What might Pyongyang see in such peace agreements? For it to move further toward nuclear elimination it wants a substantial improvement in its relations with the United States. The DPKR seeks nothing short of full diplomatic recognition, but U.S. policy dating back to the Clinton administration conditions recognition on resolution of other issues, among them the North’s missile programs and human rights.

There are other ways to provide recognition of sorts to the DPRK in the meantime. Any formal agreement that Pyongyang signs with Washington constitutes token recognition of its sovereignty. The North has always taken such tokens seriously.

A series of such signed peace agreements will not end the toe-to-toe military standoff along the DMZ, but they are steps to

U.S.-DPKR political normalization. Seoul and Beijing can also be signatories to these accords, but Washington’s participation is essential because that is what Pyongyang wants. It is one way to satisfy the commitment in the September 19, 2005 joint statement to negotiate a “permanent peace regime on the Korean Peninsula at an appropriate separate forum.”

Such accords could start with a peace declaration committing the four parties to sign a peace treaty to culminate the peace process. That declaration could be issued at a foreign ministers’ meeting. Alternatively, it could be done at a four- or six-party summit meeting. Obviously, having the president of the United States meet with Chairman Kim Jong Il is a greater inducement to nuclear elimination than a foreign ministers’ meeting and so would be held only as the North begins permanent dismantlement.

Another agreement long sought by Pyongyang would establish a “peace mechanism” to replace the Military Armistice Commission set up to monitor the cease-fire at the end of the Korean War. This peace mechanism could serve as a forum for resolving disputes like the 1996 shooting down of a U.S. reconnaissance helicopter that strayed across the DMZ or incursions by North Korean spy submarines. To avoid a recurrence of such inadvertent clashes, the parties could use the new forum to negotiate confidence-building measures, such as hot lines to link military or naval commands, advance notification of military exercises, and an “open-skies” arrangement to allow reconnaissance flights across the DMZ. These CBMs could be the subject of subsequent peace agreements.

The 2007 North-South summit creatively linked one such confidence-building measure to the North’s economic prosperity by agreeing on establishment of a joint fishing area. Grabbing boats from both North and South have strayed across the Northern Limit Line (NLL), occasionally provoking an exchange of fire between naval patrols. Those incidents may be averted by new arrangements that could include naval “rules of the road” and a navy-to-navy hot line that could usefully involve the U.S. Navy as well.

The peace mechanism would have to include the United States, South Korea, and North Korea—the three parties with forces on the ground in Korea, China, which would be a signatory to any peace treaty, opted to chair the working group and may want to participate as well.
A Regional Security Dialogue

Pyongyang has made agreements with Seoul before without always fulfilling them, but the prospects are now much better for turning words into deeds. What happens elsewhere in Northeast Asia is critical to that task.

Adverse circumstances in the region are now changing for the better. Critical to the improved climate is President Bush’s turnabout. When he took power, he came under pressure from hardliners in his administration and Congress who were spoiling for a fight with both China and North Korea. Starting with the 2001 Hainan incident, he withstood those pressures and sustained cooperation with Beijing, which is the key to security for Korea and all of Northeast Asia.

Hardliners did get their way on North Korea. Far from bringing Kim Jong Il to his knees, however, their strategy provoked him to accelerate arming. Even worse, it prompted some in South Korea and Japan to wonder whether they could rely on the United States for their security. With the North Korean nuclear test impending, hardliners in Washington were determined to intensify pressure on Beijing to force Pyongyang to yield, but Secretary of State Condoleezza Rice instead persuaded President Bush to try negotiating directly with North Korea and moving to reconcile in return for its disarming, step by reciprocal step. That induced the North to shut down and seal its plutonium program in 2007. It has also opened the way to peace in Korea and enhanced security for all of Northeast Asia.

The president’s about-face has also had a positive effect in Japan. It came as a shock to Prime Minister Abe Shinzo, a nationalist who was exploiting the North Korea threat to revise Japan’s postwar constitution and act more assertively abroad. But Abe was rebuffed in July elections by an opposition party led by Ozawa Ichiro and replaced by Fukuda Yasuo. Both Fukuda and Ozawa want to avoid a dangerous rivalry with China and ease frictions with Korea, which will do much to damp down tensions in Asia and make it easier for North Korea to implement the October 2007 summit agreement and sincerely improve relations with South Korea.

The six parties can advance these prospects by carrying out the commitment in the September 2005 joint statement “to explore ways and means for promoting security cooperation in the region.” By placing Pyongyang at the “top table” as an equal dialogue partner, a six-party dialogue on regional security acknowledges the DPRK’s sovereignty and status, encouraging it to disarm. By addressing North Korea’s broader security concerns and by holding out security assurances and a peace treaty signed by the United States, China, and the two Koreas—with Japan and Russia perhaps as guarantors—the six-party process can provide vital inducements for denuclearization.

Skeptics who disparage the possibility and utility of a six-party dialogue on security are missing the significance of what has taken place. The six parties are already addressing the most urgent security issues in the region—North Korea’s nuclear programs. Success in eliminating them will demonstrate the possibility of cooperative security in Northeast Asia and make it likely that the Six-Party Talks will become a permanent institution.

The skeptics also underestimate the impetus for regional security discussions in six-party talks. In the past, China, like the United States, preferred to deal unilaterally or bilaterally with others in Asia; but for over a decade it has done more and more multilaterally, enhancing its influence. Six-party talks on regional security are a logical outgrowth of this trend.

The two Koreas have relied on their allies for security since World War II, but Korean history shows that alliances alone have not been enough to protect Korea from its neighbors. That is why recent South Korean governments have sought to reinforce their alliances by trying to foster cooperative security in the region. It is also why North Korea has been reaching out since 1988 to its three lifelong enemies—the United States, Japan, and South Korea.

Japan has been somewhat less inclined than the others to engage multilaterally in the region. Yet Japan provided the initial impetus for six-party talks. In the run-up to the first summit meeting between Prime Minister Koizumi and Chairman Kim Jong Il, Japan tried and failed to get the DPRK to accept multilateral nuclear talks. It did succeed, however, in getting it to confirm in the September 2002 Pyongyang Declaration “the importance of establishing cooperative relationships based upon mutual trust among countries concerned in this region” and “to have a framework in place for these regional countries to promote confi-
dence-building, as the relationships among these countries are normalized. That is one way for six-party talks not only to enhance the DPRK’s security and inter-Korea cooperation but also to promote security cooperation throughout Northeast Asia.

Economic Engagement

Some in Washington decried the October 2007 North-South summit meeting, contending that Seoul gave away too much to Pyongyang without getting enough in return. Quite the contrary, the summit clarified which economic projects matter most to Kim Jong II and which ones the South was prepared to support, leaving implementation and any aid and investment to be negotiated. No public funding can be committed without approval by the South Korean national assembly, and the pace of private investment is likely to pick up only after government funding is forthcoming, which will require progress in the Six-Party Talks. By revealing Kim Jong II’s priorities for economic engagement, the “Declaration on the Advancement of South-North Relations, Peace and Prosperity” provides an agreed menu of potential inducements for greater cooperation by Pyongyang in nuclear disarming.

Most, but not all, of the projects should be conditioned on reciprocal action by the DPRK. One good reason for proceeding with some projects is to reassure Pyongyang that inducements are not just like a carrot dangled out of reach of a mule without being eaten while it is being hit with a stick to get it to move. Economic engagement, in this sense, hooks North Korea into economic engagement on projects it cares about. Even more important, deepening cooperation, as suggested by a second phase of development of the Kaesong Industrial Complex and construction of ship-building complexes in Anbyun and Nampo, is also the only way to bring about much needed peaceful change in North Korea.

Washington will have to deepen its economic engagement as well. It has so far delivered 50,000 tons of heavy fuel oil. It will have to offer more energy and other assistance to persuade

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the North to move beyond disabling to dismantling. To facilitate that, one step worth taking soon is to open discussions between the DPRK and international financial institutions that would fund future large-scale infrastructure projects in energy and transportation. Another will be to allow imports to the United States from Kaesong and other joint industrial complexes under the recently negotiated Korea-U.S. Free Trade Agreement.

The real test will come at the end of the process. If Washington and Tokyo move down the road to reconciliation with the DPRK and Pyongyang then refuses to give up its nuclear arms, will Seoul and Beijing stop economic engagement?

Conclusion

If the past is prologue, an end to enmity is the only conceivable strategy to get North Korea to disarm. Pressure will not work. Given the mistrust on all sides, arranging convincing demonstrations of non-hostile intent is no easy task. Beginning a peace process in Korea is one way to proceed. Concerted efforts to satisfy the North’s economic needs with investment and aid, especially in food, energy, and infrastructure, would help. So would the start of a regional security dialogue.

Will Pyongyang live up to its pledge in the September 2005 round of Six-Party Talks to abandon “all nuclear weapons and existing nuclear programs”? Nobody knows, with the possible exception of Kim Jong II. The only way for Seoul and Washington to find out is to proceed—reciprocal step by reciprocal step—in sustained negotiations to reconcile with Pyongyang in return for its disarming.