



# Online Series

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## Future of North Korea-U.S. Relations and South Korea's Strategic Response (1): Strategic Evaluation of Determining Factors in DPRK-U.S. Relations and Their Implications

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The peace process on the Korean Peninsula is at a major crossroads. The main cause behind this is an impasse in North Korea-U.S. relations and its ripple effects. The next year will be a golden time that could determine whether North Korea does decide to denuclearize. The condition for negotiations on North Korea's denuclearization is not favorable, and the strategies of North Korea and the U.S. remain unclear. This situation necessitates a consideration on what kind of impact the Republic of Korea (ROK) could have on the structure and future path of North Korea-U.S. relations. Against this backdrop, this paper seeks to identify major variables determining North Korea-U.S. relations and analyze the nature of strategies. The paper aims and argues for such efforts being reflected thoroughly in crafting a strategy and designing a policy.<sup>1)</sup>

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- 1) This is the first part of the two online series, the second of which will soon be published under the same theme. The first series seeks to identify and evaluate major factors that determine North Korea-U.S. relations to make a projection on the direction and contents of future DPRK-U.S. relations. The upcoming second series will present North Korea's strategic preference as a result of combination of determining factors of N.K.-U.S. relations and lay out ROK's strategic response plan.

## Introduction

In September 2020, where is the clock of peace on the Korean Peninsula pointing at? In 2018, the ROK government actively initiated a peace process with an aim to create a virtuous cycle of inter-Korean relations and North Korea-U.S. relations. As a result, South Korea, North Korea, and the U.S. have emerged as major actors for the first time in the history of North Korea's nuclear crisis and three axes of the peace process have fixated: inter-Korean relations, South Korea-U.S. relations, and North Korea-U.S. relations.<sup>2)</sup> Summit meetings and working-level negotiations took place in the process with expectations running high for peace on the Korean Peninsula. However, both North Korea-U.S. relations and inter-Korean relations are at an impasse as of now (September 2020). DPRK-U.S. relations have been mired in a stalemate ever since working-level meetings held in Stockholm on October 2019 ended without a deal. Inter-Korean relations have entered a phase of complete freeze ever since North Korea blew off the Inter-Korean Liaison Office in Gaesong on June, 2020. The ROK-U.S. alliance has been on edge over how to resolve North Korea's denuclearization issues as well as conflicting opinions on defense-cost sharing.

North Korea-U.S. relations have had a direct impact on inter-Korean relations as made evident by the last three years of history. DPRK-U.S. relations and inter-Korean relations have posed a variety of obstacles to the ROK-U.S. alliance. And the consequences of the allies' interactions, in turn, impact North Korea-U.S. relations and inter-Korean relations. As this cycle suggests, North Korea-U.S. relations are an independent variable of inter-Korean relations as well as a necessary and sufficient condition for pulling off the peace process on the Korean Peninsula. How, then, will North Korea-U.S. relations unfold in the future,

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2) The structural mechanism of parties in resolving North Korea's nuclear issues has gone through three-phased changes throughout the 30 years of history in North Korea's nuclear crisis: the bilateral structure of North Korea-U.S. during the first North Korea's nuclear crisis, the multilateral structure based on six-party talks during the second North Korea nuclear crisis in the 2000s, and the current trilateral structure of South Korea-North Korea-the U.S.

which is deemed a compass determining the situation on the Korean Peninsula? What kind of factors will determine the bilateral relations? How will major factors interact with each other and create a ripple effect? To answer those questions, this paper seeks to identify major variables determining North Korea-U.S. relations and analyze the nature of strategies. Building on such an analysis, it will briefly present implications of building peace on the Korean Peninsula.

### Determining Factors of Stalemated North Korea-U.S. Relations

By what and how are North Korea-U.S. relations determined? To answer this question, one needs to start with identifying and evaluating major factors that have caused the impasse in the DPRK-U.S. relations. If factors that are impacting the current circumstances were to remain into the second half of 2020, the stalemate is highly likely to continue for a considerable amount of time. By contrast, if factors triggering the impasse were to change, it will create a momentum to change the status quo. The emergence of new variables and how they could influence the future situation are as equally important as whether stalemate-causing factors (inhibiting factors) continue to play out. In other words, how future variables and the current inhibiting factors are combined into forming the influence will impact the situation surrounding the Korean Peninsula. North Korea, too, will formulate a future strategy on South Korea and the U.S. with a consideration for the relations between the inhibiting factors and the future variables. Determining factors of the DPRK-U.S. relations identified in this research are summed as four inhibiting factors and three factors that could impact the future circumstances as revealed in <Table 1>.

<Table 1> Determining Factors of DPRK-U.S. Relations

Variables	Determining Factors of DPRK-U.S. Relations after the Second Half of 2020
Factors that cause the stalemate in	① Strategy: Conflicts of mutual coercive strategy of North Korea and the U.S.

DPRK-U.S. relations (inhibiting factors)	② Capability: Conflicts between the U.S.'s coercive capability and North Korea's nuclear capability ③ Method: Non-equivalence of negotiation means ④ Structure: Uncompromising environment between the powerful and the weak being in hostile relations
Factors that could impact DPRK-U.S. relations in the second half of 2020	① The U.S. presidential election ② Change of North Korea's strategy: Whether military provocations would resume ③ The impact of COVID-19

The first inhibiting factor is a ‘conflict of strategies.’ North Korea and the U.S. both mutually project a coercion strategy as opposed to a compromising strategy. The two parties are basically unwilling to lower their own demands while both strongly demand that the other party withdraw and change its will, action, and policy in advance. In addition, a game of exchanging hostile messages took place such as setting a deadline for submission and concession of the other party in the negotiation process. Furthermore, both North Korea and the U.S. hinted at a resumption of military measures or blackmailed each other to execute such measures as part of a counter-coercion strategy, putting the negotiation stage in jeopardy. Various political, economic, and diplomatic costs caused by the stalemate have been incurred in the process of conflicts in the mutual coercion strategy. However, the two sides refused a short-term negotiation while bearing such costs with the expectation for victory. The impasse in DPRK-U.S. negotiations is a reflection of such a strategic game.

The second inhibiting factor is a ‘conflict of capabilities.’ If North Korea improved its capabilities to attack the U.S. mainland, the conditions could be created for the U.S. to actively engage North Korea in negotiations. Likewise, if the U.S. raised the level of sanctions, it could create room for North Korea to transition to a compromising strategy. The combination of such capabilities, aggravated in 2017, induced a resumption of the DPRK-U.S. negotiations in early 2018. However, the two sides never gave up on their coercive capabilities toward each other even after the denuclearization negotiations began in 2018. North Korea's nuclear capabilities

remain intact. The chances are that North Korea must have further advanced its technology and the amount of nuclear materials must have gone up for the last three years. The U.S. uses sanctions imposed on North Korea as a strategic means either to force North Korea into cooperation or preclude North Korea's betrayal.<sup>3)</sup> The two sides' obsession on coercive capabilities is indicative of the lingering doubts they have for each other on the possibility of unilateral cheating. This emphatically shows that North Korea's nuclear game is still deemed either a prisoner's dilemma or a deadlock game. Such capabilities are put to use as a foundation for a coercive strategy that the two sides hold on to.<sup>4)</sup>

The third inhibiting factor is a 'conflict of method.' The essence of North Korea-U.S. relations is denuclearization negotiations. The process and the results of such negotiations are directly reflected in bilateral relations. An asymmetry of exchange between the two countries is what lies behind the denuclearization negotiations going nowhere. In other words, the core of denuclearization negotiations is an issue of equivalence of North Korea's denuclearization measures vs. the U.S. corresponding rewards as well as an issue of reversibility—whether the measures and agreements will be sustainably implemented. The issue of equivalence is a matter of strategic value. Naturally the law of supply and demand is not applied to this matter and a sophisticated measurement and verification is impossible. Therefore, an exchange in negotiations heavily hinges on how 'desperately' each side wants the values held by the other side. On the other hand, the nature of mistrust and deception is inherently embedded in an issue of reversibility. This is an area subject to politics and interests as opposed to international law and justice. To that end,

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3) The U.S.'s sanctions-oriented strategy toward North Korea was differentiated from early 2018. The U.S., until the late 2017, actively used sanctions as a means of punishing North Korea for provocations or coercively inducing North Korea into a dialogue. However, ever since a resumption of North Korea-U.S. negotiations in 2018, the U.S. has used sanctions as a means of either compelling North Korea's cooperation or preventing North Korea from a deception.

4) According to a classical game theory, actors have a higher preference for Defection/Cooperation (DC) rather than Cooperation/Cooperation (CC) in a situation of prisoner's dilemma and deadlock game.

the two sides would always prepare a contingency plan in case of betrayal by the other party, would reflect that calculation in the negotiation process, and would always be vigilant about the possibility of deceit even after a deal was reached.<sup>5)</sup>

The last variable is a ‘structural factor.’ The structure of the powerful-weak in hostile relations also affects North Korea-U.S. relations. The weak country, in defiance against the hegemonic power, has a high level of sensibility and vulnerability for the guarantee of regime. By contrast, the main purpose of the hegemonic power is to exert a dominant influence over a country that challenges the existing systematic order and authority. Reinforcing the surviving power vis-a-vis the U.S. has long been a major purpose for North Korea. Likewise, securing a controlling power over North Korea has long been a main purpose for the U.S. In fact, nuclear weapons to North Korea are an effective means of maximizing their surviving power and debilitating the U.S.’s controlling power over circumstances. In that sense, their bilateral relations are a zero-sum game in nature. In particular, what significantly impacts the strategic judgment of a leader in a deadlock game is the formation and accumulation of trust through the reiteration of acts. However, the two countries significantly lack such an experience. The two sides are also reluctant to exchange trust-building measures that could overcome factors of strategy, capabilities, and methods, which are behind the current impasse.

### **Major Impact Factors for North Korea-U.S. Relations in the Future**

It is necessary to identify and evaluate factors that could pose challenges in the future so that one can make a projection on future North Korea-U.S. relations. This paper sheds a light on three main variables: the ripple effect of the U.S. presidential election, whether North Korea transformed its strategy, and the impact

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5) A perfect resolution of reversibility issues is almost impossible in international negotiations in the area of foreign affairs and security. However, issues of reversibility could be addressed to some extent by maintaining an engagement with the other party at a higher level than expected and making the other party aware of the high level of punishment and pain in case of preemptive deception.

of COVID-19. Such challenging factors will determine the direction and contents of DPRK-U.S. relations after having various interactions with the abovementioned inhibiting factors. North Korea-U.S. relations could be effected both by the process and results of the U.S. presidential election for two reasons. First, North Korea always went ahead with various actions to raise their strategic value before and after three U.S. presidential election since 2008 when Kim Jong Un rose to power. North Korea's goal would have been to induce the concession of the then U.S. administration and solicit the attention of the future administration. Another axis of projecting the bilateral relations is the fact that whether Trump will be re-elected remains unclear. Trump could utilize North Korea's issues in an attempt to improve his approval ratings. North Korea could also make a judgment that making a deal with Trump is better than with the Biden administration.<sup>6)</sup> This line of thinking is what lies behind the projection of the so-called 'October Surprise.'

Second, one needs to pay attention to whether North Korea did transform its strategy. North Korea is estimated to have recently re-shifted its strategy from a synchronous compromise strategy toward South Korea and the U.S. since 2018 to a coercive strategy. First, North Korea would have paid heed to the fact through the reflection of past developments that the U.S.'s strategy and action are not entirely determined by the president himself. Faced with an uncertainty of the policy decision of the powerful country, the weak country is usually confronted with a choice between 'acceptance' and 'resistance.' National interests of the weak are seriously threatened if the strong nation decides to betray the weak country in response to the weak nation's pre-acceptance. Therefore, a weak country like North Korea is always very cautious about reaching an agreement with a powerful country. Recent attitudes of North Korea toward South Korea hints at its transition of strategy. North Korea blew up the Inter-Korean Liaison Office as retribution, taking issue with the

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6) During the presidential race in 1968, U.S. negotiators actively induced North Korea into making an agreement in a negotiation over the USS Pueblo being captured by North Korea by making North Korean negotiators aware that engaging in negotiations with the then U.S. administration would be more advantageous to North Korea than the then Republican presidential candidate Nixon.

attitude and the willingness of South Korea and even mentioned launching military measures.<sup>7)</sup> In addition, while pointing out the ROK-U.S. working group, the North strongly demanded that the alliance policy be fundamentally changed.

Third, a ‘long-term’ ripple effect of COVID-19 could also affect North Korea-U.S. relations. A prolonged phase of the COVID-19 crisis would devastate North Korea’s economy and stir up public sentiment. In particular, the North Korean leadership would not have any proper means of addressing the accumulated pain and grievances in the long-term. The “rally around the flag effect,” frequently employed by North Korea for the purpose of passing the buck and rallying the masses, is unlikely to take effect if the crisis prolongs. If the upcoming U.S. administration sets the goal of sanctions against North Korea as the ‘weakening of state ability’ and chooses to drive a wedge between the leadership and North Korean residents as a major mechanism, the U.S. may go with strengthening its bargaining power via a ‘malignant wait-and-see approach’ as opposed to an active engagement strategy or compromising strategy. If Joe Biden wins the election, this projection will become a highly likely scenario.

## Implications and Conclusion

The following three dimensions are summed up as implications of strategic evaluations on the factors that would determine and affect the U.S.-North Korea relations. They should be reflected in designing North Korea policy and crafting the relevant strategy.

First, progress in North Korea-U.S. relations is not likely for the short-term if factors that create the impasse remain unchanged. Then, what kind of factors deserve attention? What would be realistic is to seek to change strategic factors

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7) This is a typical response measure for a country that employs a coercive strategy. North Korea has recently deployed a combination of coercive mechanisms toward South Korea, such as denial, punishment, and blackmail. North Korea has adopted a measure to destroy and invalidate the ROK government’s political achievements regarding its cooperation with North Korea.



through a shift in a ‘capability factor’ among the aforementioned four inhibiting factors. An environment conducive to a transition to a compromising strategy could be created for North Korea and the U.S. if who outpowers whom becomes clear or if one side voluntarily restrains from projecting its capability. A response to other factors either takes the form of long-term prescription or takes up enormous amount of resources. Therefore, the implementation process is expected to face obstacles. The structural factor cannot be resolved in the short-term and relies on the rest of the factors. The method factor could be addressed by political resolution but should accompany the trust-building measure and will be fundamentally pegged to a shift in strategy.

Second, an alternative plan should be formulated with a reflection on whether North Korea underwent a strategic transition. If North Korea did discard a compromising strategy and transition to a coercive strategy, North Korea’s goal would have been to radically raise the value of its nuclear capacity as a means of exchange or the transition to a coercive strategy would have been a strategic movement with a consideration for giving up on denuclearization. In either case, the North Korean leadership would gradually raise the level of coercion until the U.S. and South Korea would accept their demands. To demonstrate the strategic value of nuclear weapons, North Korea needs to show the physical improvement of their capacity and provoke the vulnerability of the other party. The North needs to remind the other party of their determination. Therefore, a possibility cannot be ruled out that North Korea may declare a nullification of the inter-Korean agreements made since 2018 or resume reinforcing their nuclear force in the form of launching ICBM and SLBM tests that target the U.S. mainland and displaying the upgraded Sinpo class submarine. That is why attention should be paid to Kim Jong Un’s New Year’s Day address slated for January next year and the 8<sup>th</sup> Congress of the Workers’ Party of Korea.

Third, a preemptive measure should be prepared both for the case of a dramatic development of progress and a possible prolonged impasse. If the U.S. presidential election emerges as a dominant factor, the Trump administration could choose a bold policy on North Korea. If this becomes a reality, it will take the shape

of a North Korea–U.S. provisional compromise with an exchange of ‘North Korea’s nuclear threat–reducing measure vs. partial sanctions’ lifting.’ By contrast, North Korea’s nuclear issues could once again plunge negotiations into an endless tunnel if variables of capability, strategy, and the effect of COVID–19 are combined. The two sides are overconfident about their respective capacity, resist an active cooperation with the other party, and are reluctant to preemptively betray the other party. A direct threat of North Korea’s nuclear arsenal to the ROK’s security will remain in place for a considerable amount of time, regardless of whether there will be an imperfect agreement or a long journey toward a complete denuclearization. Overtime, there will arise the need for a security response to that risk. ©KINU 2020

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