

# DEALING WITH NORTH KOREA: FROM BILATERALISM TO MULTILATERALISM

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Conventional international relations wisdom suggests that bilateral and multilateral security institutions are mutually exclusive. In anarchic security environments, as smaller allies try to bind and balance more powerful allies in cooperation with other lesser ones, powerful nations resist multilateral institutions because they constrain their freedom of action. Thus, it is argued that the United States has preferred bilateral security alliances in East Asia rather than multilateral structures to address its security concerns in the region. Yet, in the last decade Washington has increasingly come to favor multilateral fora such as the Korean Peninsula Energy Development Organization (KEDO) and the Trilateral Coordination and Oversight Group (TCOG). To understand this rise of multilateralism and to evaluate its prospects on Korean peninsula, this article analyses the Bush administration's North Korea policy as well as bi- and multilateral arrangements dealing with two crucial security problems: the North Korean ballistic missile program and Pyongyang's Nuclear program. The article concludes by suggesting that bilateral alliances can be and indeed are reinforcing multilateral security arrangements and vice versa.

## I. Introduction

Conventional international relations wisdom suggests that bilateral and multilateral security institutions are mutually exclusive. In anarchic security environments, as smaller allies try to bind and balance more powerful allies in cooperation with other lesser ones, powerful nations resist multilateral institutions because they constrain their freedom of action. Thus, it is argued that the United States has preferred bilateral security alliances in East Asia rather than multilateral structures to address its security concerns in the region.<sup>1</sup> Yet, in the last decade Washington has increasingly come to favor multilateral fora such as the Korean Peninsula Energy Development Organization (KEDO) and the Trilateral Coordination and Oversight Group (TCOG) to manage both its policy vis-à-vis North Korea and its allies South Korea and Japan.

To understand this rise of multilateralism and to evaluate its prospects on the Korean peninsula, this article analyses the Bush administration's North Korea policy as well as bi- and multilateral arrangements dealing with two crucial security problems: the North Korean ballistic missile program and Pyongyang's Nuclear program. It is argued that bilateral alliances can be and indeed are reinforcing multilateral security arrangements and vice versa.

To gauge the mutually reinforcing effects of bi- and multilateral security cooperation on the Korean peninsula, I first outline briefly the historical functions of both bi- and multilateral security arrangements on the Korean peninsula. Secondly, I analyse the North Korea policy of the Bush administration to develop the case for reinforced bi- and multilateral security cooperation. The third section probes the role of bilat-

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1 Aaron L. Friedberg, Ripe for Rivalry. Prospects for a Multipolar Peace in East Asia, *International Security* 18 (1993/94) 3, pp. 5-33; Richard K. Betts, Wealth, Power, and Instability. East Asia and the United States after the Cold War, *International Security* 18 (Winter 1993/94) 3, pp. 34-77.

eralism and multilateralism in addressing the North Korean program to develop, test, deploy and export ballistic missiles through bilateral US-DPRK talks and the multilateral arrangements to freeze and eventually end the North Korean Nuclear program under the auspices of KEDO. The final section discusses the chances to jump-start both bi- and multilateral security cooperation on the Korean peninsula. Specifically, I reason that the Bush administration's "à la carte" approach towards multilateralism poses no insurmountable obstacle to increased bi- and multilateral security cooperation between the two Koreas and the parties involved.<sup>2</sup>

### ***Mutually Reinforcing Bilateral and Multilateral Security Arrangements: A Snapshot***

Since the end of the Korean War, both bilateral and multilateral security arrangements have preserved peace on the Korean Peninsula. While the alliance between the United States and the Republic of Korea has served as the central pillar of deterrence, the multilateral UN command structure to maintain the armistice agreement has functioned as an instrument for reducing instability and mistrust between the parties involved. Similarly, in the 1990s bilateral talks between the United States and North Korea have paved the way for multilateral security cooperation in freezing the North Korean nuclear program. The US-ROK alliance still serves its purpose in deterring military action by North Korea, but multilateral cooperation in KEDO has supplemented this function in several ways, thereby stabilizing and furthering several bilateral relationships.

Firstly, KEDO has functioned both as a buffer between North and

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2 Richard Haass, Multilateralism for a Global Era, Paper presented to the Conference "After September 11: American Foreign Policy and the Multilateral Agenda," November 14, 2001, Carnegie Endowment for International Peace, <http://www.state.gov/s/p/rem/index.cfm?docid=6134> [22.11.2001].

South Korea thereby providing a multilateral venue for bilateral confidence building. Secondly, KEDO has provided for the integration of Japan in the crucial nuclear realm even though Tokyo has so far not participated in other multilateral security fora such as the Four-Party talks. With regard to bilateralism, talks between Washington and Pyongyang concerning a bilateral inspection regime for the undeclared nuclear site in Kumchang-ri in 1999 have stabilized the multilateral cooperation in KEDO and set a precedent for a similar verification arrangement with regard to ballistic missile production, testing and deployment. In addition, multilateral talks within the TCOG arrangement have certainly reinvigorated bilateral security ties between Seoul and Tokyo although these have come under stress lately.

Hence, there is ample evidence in the 1990s to suggest that bi- and multilateral cooperation can be, and indeed, is mutually beneficial. Therefore, the remainder of this article explores the prospects for reinforced security cooperation on the Korean peninsula against the background of the North Korea policy of the Bush administration and the probable fall-out of the September 11th attacks on the security agenda in the region.

## **II. Bilateralism: US-DPRK Relations**

So far, the Bush administration's policy vis-à-vis Pyongyang has developed in three stages. Two crucial turning points can be identified in the course of events. The first was the failed summit meeting between US President Bush and his South Korean counterpart Kim Dae Jung in early March 2001. The summit highlighted the divisions within the Bush team and between Seoul and Washington with regard to the continuation of the engagement policy towards the DPRK. The second turning point came in June when the Bush administration issued its policy review thereby trying to smooth the internal and

external divisions. Hence, in the third phase the strained Washington-Seoul relationship with regard to North Korea somewhat improved. At the same time, divisions and ambiguities within the Bush administration remained.

In the first phase, the Bush team focussed on the confirmation process of its staff and on policy formation. In addition, the new administration highlighted, at least rhetorically, the difference from the approach of the Clinton administration while South Korean President Kim Dae Jung pressed for more engagement with Pyongyang to keep the momentum of the June 2000 summit meeting. In his confirmation hearing, nominee to be Secretary of State Colin Powell labelled Kim Jong Il publicly a “dictator” although he balanced this view with a call for a renewed dialogue with Pyongyang at an appropriate time.<sup>3</sup> This later more moderate view of the regime in Pyongyang was strengthened with the nomination of Richard Armitage, a long-time Asia specialist and old friend of Colin Powell, as Deputy Secretary of State.<sup>4</sup>

Earlier in 1999, Armitage headed a Republican study group that criticized the Perry process as insufficient. Rather than focussing on the prevention of a North Korean collapse, US policy should stress alliance consultations, an integrated package deal, including conventional arms control and North-South reconciliation, as an unambiguous choice for the North. Only if this comprehensive strategy should fail, the US should be prepared to act pre-emptively. Thus and in contrast to the much more sceptic North Korea Advisory Group of the Republican members of the House<sup>5</sup>, the Armitage Report accepted the base line of

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- 3 Nomination of Colin L. Powell To Be Secretary of State, Hearing before the Committee on Foreign Relations, USS, 107th Congr., 1st sess., January 17, 2001, [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107\\_senate\\_hearings&docid=f:71536.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_senate_hearings&docid=f:71536.pdf) [20.07.2001], p. 31.
  - 4 B. Raman, Richard Armitage: His Past, Present and Future (*South Asia Analysis Group, Paper No. 204*), <http://www.saag.org/papers3/paper204.htm> [28.05.2001].
  - 5 North Korea Advisory Group, Report to the Speaker, US House of Representatives, November 1999, <http://209.207.236.112.nuke/guide/dprk/nkag-report.htm>

the Clinton administration's engagement policy although it criticized it.<sup>6</sup>

The more hard-nosed approach of the North Korea Advisory Group is represented in the Bush administration mainly through senior officials in the Defense Department.<sup>7</sup> Back in 1998, both Defense Secretary Donald Rumsfeld and his Deputy, Paul Wolfowitz, had been leading members of the so called "Rumsfeld Commission," which issued a stern warning on North Korea's ballistic missile capabilities only weeks before the unsuccessful launch of the Taepo Dong I.<sup>8</sup> This conservative duo is supported by Vice President Dick Cheney, who, as Secretary of Defense under George Bush Sr., froze the US troop reduction in South Korea in 1991 when concerns emerged about a secret North Korean nuclear weapons program.<sup>9</sup> Reflecting this sceptic turn

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[14.11.1999].

- 6 Richard L. Armitage (1999): A Comprehensive Approach to North Korea (*Institute for National Security Studies Strategic Forum, No. 159*, March 1999), <http://www.ndu.edu/inss/strforum/forum159.htm> [24.11.1999].
- 7 Jim Lobe, The Koreas. Welcome to Bush's Hobbesian World, *Asia Times*, 13.03. 2001, <http://www.atimes.com/koreas/CC13Dg01.html> [28.05. 2001]; Uwe Parpart, Bush's lone Superpower vision, *Asia Times*, 16.02. 2001, <http://www.atimes.com/editor/CB16Ba01.html> [19.07. 2001]; Uwe Parpart, Bush's lone Superpower vision: the enemy is China, *Asia Times*, 16.02. 2001, <http://www.atimes.com/editor/CB17Ba01.html> [28.05. 2001]; B. Raman, Donald Rumsfeld: His Past, Present and Future, *South Asia Analysis Group, Paper No. 194*, <http://www.saag.org/papers2/paper194.htm> [28.05.2001]; Tim Shorrocks, Paul Wolfowitz: A man to keep a close eye on, *Asia Times*, March 13, 2001, <http://www.atimes.com/se-asia/CC21Ae01.html> [28.05. 2001]
- 8 Whereas the National Intelligence Estimate 1995 had argued that "[no] country other than the major declared nuclear powers will develop or otherwise acquire a ballistic missile in the next 15 years that will threaten the contiguous 48 states of Canada," the Rumsfeld Commission concluded that the threat to the US was "broader, more mature and evolving more rapidly than has been reported in estimates and reports by the intelligence community," cf. Bradley Graham, Missile Threat to U.S. Greater Than Thought. Report Singles Out Iran and North Korea, *International Herald Tribune*, 17.07. 1998.
- 9 B. Raman, Dick Cheney: His Past, Present and Future, *South Asia Analysis Group*,

in US attitude vis-a-vis Pyongyang, the term “rogue state” for North Korea reappeared in US official statements in early 2001. Under the Clinton administration, the State Department stopped using the term in 1996 when referring to North Korea, abandoning the whole concept in June 2000.<sup>10</sup>

The divergent views within the Bush administration first came to the fore in March 2001.<sup>11</sup> In February, South Korean President Kim Dae Jung had pressed for an early summit meeting to obtain US backing for his sunshine policy, which had come under attack domestically. With several key policy-makers still locked in the confirmation process such as Richard Armitage and James Kelly from the State, the Kim strategy backfired.<sup>12</sup> While Secretary of State Powell on March 6 indicated that the Bush administration might pick up the dialogue with the North early,<sup>13</sup> President Bush publicly renounced this course a day later.<sup>14</sup> While giving only rhetorical support to the sunshine policy of the South, President Bush stated that he distrusted the North and that there was indication that North Korea was violating its agreements with the US.<sup>15</sup> When asked during a background briefing if there was

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*Paper No. 178*, <http://www.saa.org/papers2/paper178.htm> [20.07.2001].

10 Michael S. Lelyveld, U.S. Removes North Korea from List of “Pariah States,” *Journal of Commerce*, February 2, 1996, p. 1; Steven Mufson, For U.S. State Department, Difficult Countries are “Rogues” No More, *International Herald Tribune (IHT)*, 21.06. 2000.

11 Jane Perlez, Discord on Bush Team, *IHT*, 13.03. 2001; Leon Sigal, Bush’s Tough Line on North Korea is Dangerous, *IHT*, 08.03. 2001.

12 In addition, several key conservative Republican law makers had urged the new administration not to assume the engagement policy of the Clinton administration without prior consultation: Henry Hyde et al., Letter to President Bush on North Korea Policy, March 2, 2001, [http://www.house.gov/international\\_relations/nkorpul.htm](http://www.house.gov/international_relations/nkorpul.htm) [20.07. 2001].

13 Sec. Colin Powell, Press Availability with Her Excellency Anna Lindh, Minister of Foreign Affairs of Sweden, Washington, March 6, 2001, <http://www.state.gov/secretary/rm/2001/index.cfm?docid=1116> [20.07. 2001].

14 Brian Knowlton, Bush Tells Korean He Distrusts North, *IHT*, 08.03. 2001.

15 Transcript: Presidents Bush, Kim Dae Jung March 7 Press Briefing, *Washington*

more than one agreement - the Geneva agreement - between the US and North Korea and if there was proof that the North was in violation of the Agreed Framework, a senior official resorted to ambiguous even misleading language.<sup>16</sup>

In sum, the first phase of the Bush administration's North Korea policy was characterized by divergent views within the administration and the failed US-ROK summit meeting. The early date of the summit as well as the fact that few of the working level officials in US Korea policy had been appointed certainly added to the meagre and ambiguous results of the meeting. As a consequence, the administration announced a policy review process.

### ***International and Domestic Pressure to Stick to Engagement with North Korea***

The second phase is associated with rising national and international pressure to continue the engagement policy and a much lower public profile by US officials with regard to Pyongyang. The open disagreement between the two allies and the harsh rhetoric of the President during the summit drew immediate international and domestic criticism.<sup>17</sup> Even before the meeting, opinion leaders in South

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*File*, March 8, 2001, <http://usinfo.state.gov/> [22.03. 2001].

16 Transcript: Background Briefing on Bush-Kim Meeting, *Washington File*, March 9, 2001, <http://usinfo.state.gov/> [22.03. 2001]; Ralph Cossa, U.S.-Korea: Summit Aftermath (*PacNet Newsletter*, No. 11, March 16, 2001), <http://www.csis.org/pacfor/pac0111.htm> [20.03. 2001].

17 Che, Eung Jung Cahill & Brad Glosserman (Eds.) (2001), *The Perils of Progress: The U.S.-South Korea Alliance in a Changing Strategic Environment* (Special Annual Issue Comparative Connections), <http://www.csis.org/pacfor/annual/specialJune2001.pdf> [20.07. 2001]; Stephen Thibeault, *Issue Focus: South Korea's Hopes for North/South Accord Dimmed But Not Dashed*, <http://www.usinfo.state.gov/admin/005/www1m27.html> [20.07. 2001]; President Bush's Deferral of North Korean Negotiations: A Missed Opportunity to Curb North Korea's Missile Program, ACA Press Conference, March 23, 2001, <http://www.armscontrol.org/Events/march2001>



Korea had urged the Bush team to keep the dialogue channels open.<sup>18</sup> During and after the summit the need was stressed for Washington's support of the sunshine policy and an early conclusion of the policy review.<sup>19</sup> Predictably, the North Korean leadership reacted harshly to the confrontational tone during the US-ROK summit, threatening to end its missile test moratorium and freezing the bilateral talks with the South.<sup>20</sup>

In this situation, with the US still stuck in its review process, the European Union took the initiative to jump start the Inter-Korean dialogue process, even though several of its member states had opened diplomatic relations with the DPRK without policy coordination within the Union.<sup>21</sup> Thus, the Presidency of the Union travelled to Pyongyang, offered humanitarian assistance and in return "received" an extension of the ballistic missile test moratorium until 2003.<sup>22</sup>

By early summer, the administration had also come under intense pressure from the (liberal) foreign and security policy community in Washington.<sup>23</sup> In a particularly galling criticism, Spurgeon Keeney, the

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press.html [23.03.2001].

18 Han, Sung Joo, A Changed Asia Meets New U.S. Administration, *IHT*, 28.02. 2001; Patrick E. Tyler, What's Behind Seoul's Decision to Cozy Up to Putin on Missile Plan, *IHT*, 01.03. 2001; Don Kirk, Seoul's 'Sunshine' Policy Faces Tough Test in U.S., *IHT*, 03.-04.03. 2001.

19 Steven Mufson, South Korean Leader Appeals to U.S. to 'Seize Opportunity' for Peace, *IHT*, 10.-11.03. 2001.

20 Alex Wagner, D.P.R.K. Threatens to End Missile Moratorium, Nuclear Cooperation, *Arms Control Today Online* 3 (2001), [http://www.armscontrol.org/act/2001\\_03/northkorea.asp](http://www.armscontrol.org/act/2001_03/northkorea.asp) [20.07.2001]; Don Kirk, North Korea Puts Abrupt Halt to Talks, *IHT*, 14.03. 2001.

21 William Drozdiak, EU Acts on Korea As U.S. Pulls Back, *IHT*, 26.03. 2001; Brian Knowlton, EU Mission to Koreas Is Seen As Rebuke to Bush, *IHT*, 28.03. 2001.

22 Alex Wagner, D.P.R.K. Extends Missile Pledge as U.S. Readies to Resume Talks, *Arms Control Today Online* 6 (2001), [http://www.armscontrol.org/act/2001\\_06/konjun01.asp](http://www.armscontrol.org/act/2001_06/konjun01.asp) [20.07.2001].

23 Tim Shorrock, Domestic Opposition builds to Bush's Korea Policy, *Asia Times*, 28.03. 2001; Jon B. Wolfsthal, North Korea: Hard Line Is not the Best Line, *Proliferation*

editor of the Journal “Arms Control Today,” suggested that the Bush team gave the impression that it wanted to preserve the North Korean ballistic missile threat, despite the recent progress in bilateral US-DPRK under the Clinton administration, to legitimise the National Missile Defense program.<sup>24</sup> A Council on Foreign Relations Report of a bipartisan Task Force on Korea presented its findings in March, in advance of a larger study, which was subsequently published in June 2001. The report called for the continuation of the engagement policy vis-à-vis North Korea, the continued support of the sunshine policy and the trilateral dialogue with South Korea and Japan within the framework of the Trilateral Coordination and Oversight Group (TCOG). In addition, the report stressed that further implementation or modification of the Agreed Framework should be coordinated closely with both Seoul and Tokyo.<sup>25</sup> Critics of the “go slow” approach of the administration in the Democratic Party issued a stern warning. The new administration would miss a “historic moment” if it did not actively pursue a settlement for the North Korean ballistic missile program, following up on the promising talks of the Clinton administration.<sup>26</sup>

To sum up, the second phase of the new administration’s approach saw an adjustment period in which working-level officials (such as Richard Armitage and James Kelly) took up their work and were immediately faced with harsh domestic and international criticism.

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*Brief 4* (March 7, 2001) 2, <http://www.ceip.org/files/publications/Proliferationbrief402.asp?=> [16.03. 2001]; Ralph A. Cossa, U.S.-Korea: Summit Aftermath, *PacNet Newsletter*, No. 11, March 16, 2001, <http://www.csis.org/pacfor/pac0128A.thm> [20.07.2001].

24 Spurgeon Keeney, Preserving the North Korean Threat, *Arms Control Today Online 4* (2001), [http://www.armscontrol.org/act/20001\\_04/focus01.asp](http://www.armscontrol.org/act/20001_04/focus01.asp) [20.07.2001].

25 Independent Task Force on Korea, Letter to the President, March 22, 2001, [http://www.cfr.org/p/pubs/KoreaTF\\_PresidentLetter.html](http://www.cfr.org/p/pubs/KoreaTF_PresidentLetter.html) [20.07.2001].

26 Senate, House, Democratic Leaders Send Bush Letter on Korea, *Washington File*, March 13, 2001, <http://usinfo.state.gov/topical/pol/arms/stories/01031402.htm> [20.07.2001].

This second phase ended when the administration presented the results of its policy review. The review made clear that moderates in the State Department had won the day over more conservative forces in the Pentagon in formulating the North Korea policy of the administration. Thus, the public criticism ebbed and the US policy sailed into smoother waters.

### ***The Bush Administration's Policy Review***

The third phase started with the announcement of the results of the policy review in early June 2001. In contrast to the Clinton administration's review, the so-called "Perry Report,"<sup>27</sup> the Bush administration finished its review in record time of less than six months. First findings were presented by Assistant Secretary of State for Asia and the Pacific, James Kelly, to his counterparts from South Korea and Japan at a TCOG meeting in late May. President Bush publicly announced the results of the review on June 6th.<sup>28</sup> Overall, the review mirrors the conclusions of the Armitage report of 1999 and the Council on Foreign Relations Task Force in March 2001. Thus, no dramatic policy shift vis-à-vis North Korea occurred between the Clinton administration and the Bush administration.<sup>29</sup>

And yet, the Bush policy review calls for a significant toughening of the US position on several key issues, including "old topics" such as the nuclear and ballistic missile program as well as "new ones" such as conventional arms control. First, although the report rejects the idea of

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27 Sebastian Harnisch, How much is enough? The normalization of US-DPRK relations, *Korea Forum* 2 (1999), <http://www.asienhaus.org/publikat/korea/kofo2-99/usnordk.htm> [01.02.2000], p. 1-7 (in German).

28 Statement of the President, June 6, 2001, The White House, <http://usinfo.state.gov/topical/pol/arms/stories/01060700.htm> [20.07.2001].

29 Ralph A. Cossa, Bush's 'Comprehensive Approach' to Dialogue with Pyongyang, *PacNet Newsletter*, No 28a, July 13, 2001, <http://www.csis.org/pacfor/pac0128A.htm> [20.07.2001].

scrapping or renegotiating the Agreed Framework, as some conservative republican law makers would like to see, it presses for an acceleration of the implementation process, an early conclusion to the talks between the IAEA and North Korea on special inspections at undeclared nuclear sites.<sup>30</sup> Second, while the review supports an initiative to end the North Korean ballistic missile program, it also stresses the need for intrusive bilateral verification measures in all phases of the program such as development, testing, deployment and export. Third, in contrast to its predecessor, the Bush administration added conventional arms control to the negotiating agenda. Finally, the review process concluded that the position of a Special Envoy for North Korea should be downgraded from ambassador rank for the time being and that lower level officials should continue to conduct the negotiations. Overall, the administration tried to present a comprehensive package deal as a “take-it-or-leave-it” negotiating position to the North Koreans.<sup>31</sup>

### ***From “go slow” to “no go”***

The Bush administration’s reshuffling of the negotiating agenda caused consternation in Pyongyang. The prioritisation of IAEA inspections, the call for an intrusive missile verification regime and bilateral talks on conventional arms control seemed to suggest that Washington had considerably raised the ante for further negotiations.<sup>32</sup> In addition, Washington imposed symbolic<sup>33</sup> sanctions on a North Korean firm, the Changgwang Sinyong Corporation, for proliferating Missile Technolo-

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30 Larry Niksch, North Korea’s Nuclear Weapons Program, *CRS-Report IB 91141* (Washington, DC: CRS for Congress 2001).

31 James A. Kelly, United States Policy in East Asia and the Pacific: Challenges and Priorities, Testimony before the Subcommittee on East Asia and the Pacific, House Committee on International Relations, June 12, 2001, [http://www.house.gov/international\\_relations/kell0612.pdf](http://www.house.gov/international_relations/kell0612.pdf) [20.07.2001].

32 Don Kirk, North Korea: No Talks Soon With US, *New York Times*, 10.07. 2001.

33 Earlier sanctions dating from April 2000 and January 2001 were still in place.

gy Control Regime (MTCR) category I<sup>34</sup> items to Iran.<sup>35</sup>

In early July, after several months of increasingly harsh rhetoric towards Washington and Seoul, the North Korean side reacted with a clear provocation, testing a missile engine.<sup>36</sup> Unsurprisingly, the report of the missile test by Bill Gertz of the *Washington Times*, with close ties to the Pentagon, drew a quick response from moderate policy makers in the State Department. Deputy Secretary of State Richard Armitage declared that “there was nothing wrong” with the test and that the United States did not view this as a breach of the missile test moratorium, which Pyongyang had reaffirmed in late April.<sup>37</sup>

However, within days the Pentagon second-guessed the State Department’s approach, issuing repeated warnings about North Korean military capabilities in general and its missile program in particular. First, General Thomas Schwartz, Commander US Forces in Korea (CUSFK), stressed that North Korea posed an increasing military threat to South Korea and US interests in the region. Second, in early July, during the hearings for the 2002 Defense Appropriations Bill, Deputy Secretary of Defense, Paul Wolfowitz, emphasized that US troops in South Korea were targets of North Korean short range missiles and that the US homeland was the target of Pyongyang’s long range missile program.<sup>38</sup>

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34 Category I items include complete missile systems with ranges exceeding 300 kilometers and payloads over 500 kilograms, major subsystems, rocket stages or guidance systems, production facilities for MTCR class missiles or technology associated with such missiles.

35 The latest publicly available US report on North Korea’s missile proliferation covers the second half of 2000, cf. Central Intelligence Agency, *Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 July Through 31 December 2000*, [http://www.cia.gov/cia/publications/bian/bian\\_sep\\_2001.htm#5](http://www.cia.gov/cia/publications/bian/bian_sep_2001.htm#5) [21.10.2001].

36 Bill Gertz, *North Korea Tests Its Missile Engine*, *Washington Times*, 03.07. 2001.

37 *Agency France Press*, *Nothing Wrong with North Korean Rocket Motor Tests: TOP US Official*, *Washington*, 07.07.2001.

38 Joo, Yong-joong, *Wolfowitz Warns Against N.K.’s Missile Capability*, *Joongang Ilbo*,

Thus, only two months after the completion of the policy review, the internal divisions that had marked the first phase of the Bush policy reappeared. Although State Department officials reiterated earlier calls for bilateral talks “without preconditions” in late July,<sup>39</sup> neither the DPRK-Russian summit in mid-August nor the DPRK-PRC summit in early September brought enough new momentum for direct high-level talks between Washington and Pyongyang.<sup>40</sup>

In the wake of the September 11th attacks, US policy towards Asia switched priorities, with South Asia and the military campaign against Al Qaeda and the Taliban ranging first. As a consequence, the regime in Pyongyang reacted promptly, issuing an unprecedented condemnation of the attacks on the US. Pyongyang also stated that the US had a right to take unspecified countermeasures.<sup>41</sup> In addition, on September 17th an article in the *Rodong Shinmun* appeared and suggested that North Korea may end the production of ballistic missiles if the US had verifiably withdrawn all its nuclear weapons and ballistic missile systems from South Korea.<sup>42</sup> The State Department reacted cautiously, but visibly, to the North Korean overture. In early October, Washington removed the Japanese Red Army from its list of international terrorist organizations, while keeping North Korea on the list of states

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13.07.2001.

39 Testimony of Special Envoy Charles L. Pritchard, Special Envoy for Negotiations with the DPRK and United States Representative to the Korean Peninsula Energy Development Organization (KEDO) before the Subcommittee on East Asia and the Pacific Committee on International Relations, House of Representatives, July 26, 2001, *Washington File* 26, July 2001, <http://usinfo.state.gov> [20.11.2001].

40 According to some sources, lower level contacts through the New York channel continued nevertheless.

41 Christopher Torchia, Koreans Unite to Condemn Attacks, *AP Seoul*, 15.09.2001; Support from North Korea on U.S. Campaign Against Terror, *New York Times*, 25.09.2001; Kim See-sung, DPRK Expresses Regret Toward U.S: Terror at UN Assembly, *Joongang Ilbo*, 10.07.2001.

42 North Korea Hints Conditional Suspension of Missile Production, *Joongang Ilbo*, 17.09.2001.

sponsoring terrorism.<sup>43</sup>

However, if there had been a chance for a renewed dialogue through piecemeal signalling between Washington and Pyongyang in early October, this chance was put to the test when President Bush, on October 17th, in an interview with editors of Asian newspapers, declared that:

“North Korea should not, in any way, shape or form to think that because we happen to be engaged in Afghanistan, we will not be prepared and ready to fulfil our end of our agreement with the South Korean government. They should not use this as an opportunity to threaten our close friend and ally, South Korea.”<sup>44</sup>

Although the President seemed to backtrack from his earlier confrontational statements when he called for immediate high-level talks without any preconditions during the APEC summit meeting in Shanghai,<sup>45</sup> the chances for the stabilization of the US-DPRK dyad through direct high-level contact decreased considerably.

In November, the old pattern of a divided administration with an ambiguous approach towards the DPRK reoccurred. Moderates, such as US Ambassador to South Korea, Thomas Hubbard, called for a renewed dialogue, but North Korea sceptics reiterated their earlier argument that North Korea kept on developing weapons of mass destruction while negotiating. On November 19th Undersecretary of State for International Security Affairs, John Bolton, declared that the DPRK had violated its responsibilities under the Biological Weapons Convention by developing biological and chemical agents for warfare.<sup>46</sup> US Secretary of Defense, Donald Rumsfeld, would not confirm

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43 The DPRK Remains A Terror-State, U.S. State Department Announces, *Joongang Ilbo*, 07.10. 2001.

44 Remarks by the President in Roundtable Interview with Asian Editors, The White House Press Office, October 17, 2001, <http://usembassy.state.gov/seoul/www42xr.html> [21.10.2001].

45 Bush Seeks Meeting With N. Korean Leader, *AP Shanghai*, 19.10. 2001.

that the administration had evidence that Pyongyang had exported chemical and biological weapons to other countries or terrorist networks, but these statements suggest that the Pentagon and other security officials in the administration want to and North Korea's chemical and biological weapons program to the bilateral negotiating agenda as a high priority.<sup>47</sup>

In sum, the third phase is characterized by continuing divisions in the Bush administration over its North Korea Policy.<sup>48</sup> While the administration has upgraded the status of its special envoy for the DPRK talks, Jack Pritchard, the failure of the inter-Korean talks in mid-November and recent statements by security officials on North Korea's biological and chemical weapons program imply that direct high-level talks between Washington and Pyongyang will not occur in the foreseeable future. This trend is reinforced as the United States turns its attention away from Northeast Asia towards Afghanistan, the Al Qaeda group and possibly other states that harbor terror organizations such as Iraq.

As a consequence, infant multilateral security structures and traditional bilateral alliances on the Korean peninsula may come under pressure in the months and years to come. With the Four-Party talks stalled since August 1999, the Perry Process seemed to reinvigorate multilateralism on the Korean Peninsula through the trilateral coordination among South Korea, Japan and the US. In December 2000,

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46 Bolton Says Iraq, North Korea Violate Biological Weapons Pact, *Washington File*, 19.10. 2001, <http://usinfo.state.gov/cgi-bin/washfile/display.pl?p=/products/washfile/topic/intrel&f=01111902.ppo&t=/products/washfile/newsitem.shtml> [22.11.2001].

47 Transcript: Rumsfeld, S. Korean Defense Minister Nov. 15 Briefing, *Washington File*, 15.11. 2001, <http://lists.state.gov/SCRIPTS/WA-USIAINFO.EXE?A2=ind0111c&L=WF-EASIA&P=R4009> [21.11.2001]; Transcript: Bolton Briefing on Biological Weapons Pact, Geneva, 19.11. 2001, <http://lists.state.gov/SCRIPTS/WA-USIAINFO.EXE?A2=ind0111c&L=WF-EASIA&P=R14287> [22.11.2001].

48 David E. Sanger, North Korea: Test Case For New U.S. Fortitude, *IHT*, 26.11. 2001.



North Korea appeared to be prepared to forego the production, testing, deployment and export of long-range missiles in exchange for political and economical inducements. However, the final conclusion of the deal foundered due to the contested outcome of the US Presidential elections. Since then the incoming Bush administration has been hesitant to seriously engage North Korea bilaterally, as outlined above.

In the remainder of this article, I lay out a strategy of how to jump start the dwindling bilateral dialogue between Pyongyang and Washington in two crucial areas: the missile talks and the KEDO process to stop and finally dismantle North Korea's nuclear weapons program. The argument is based on the premise that the basic idea of the Geneva Agreed Framework is still valid. As the North Korean regime complies with international norms, relations with the outside world will be normalized in a tit-for-tat process, politically, economically and militarily. Where the analysis differs from the conventional wisdom is that the Bush administration can and indeed will negotiate viable solutions in these two crucial areas alone. In order to succeed, I reason, US-DPRK bilateral talks have to be complemented through multilateral arrangements. Firstly, multilateralism through division of labor may unburden the bilateral US-DPRK agenda without compromising legitimate US security concerns. Secondly, multilateral cooperation may shelter bilateral negotiating positions from strong and often diverging domestic influences thereby stabilizing the negotiation process. As it frees up new resources for the reconstruction of North Korea, multilateral cooperation prevents the North from taking advantage of differences between the US, South Korea, Japan and other parties involved such as the European Union. In addition, multilateral institutions may - as KEDO and TCOG showed in the past - have beneficial effects on other troubled bilateral relationships such as those between the two Koreas or South Korea and Japan.<sup>49</sup>

However, multilateral arrangements are not viewed as a cure-all. Indeed, without a functioning bilateral component, they are primed to

fail. As the bilateral negotiations to end the North Korean ballistic missile program and the multilateral process to freeze and end the North Korean nuclear program under the auspices of KEDO show, bilateral and multilateral arrangements should be viewed as complementary and mutually beneficial rather than exclusive.

### III. Coming to Terms with North Korean Ballistic Missile Program

A simple calculation reveals why multilateralism may be beneficial to security concerns on and vis-a-vis the Korean peninsula. North Korea's ballistic missile program is central to the global proliferation of missile technology. Thus, ending the North Korean program would greatly diminish regional and global security threats including European concerns about missile proliferation to Middle East and Africa. Worldwide 33 nations possess ballistic missiles outside the five nuclear weapons states, but 27 have only short-range missiles with less than 1,000 km reach. Of the six remaining countries, three are friendly to Western nations: India, Israel and Saudi Arabia. Among the last three states of concern, Iran, Pakistan and North Korea, the latter one is the core of a proliferation network, which includes the former two. Without North Korean missile exports, the Iranian program would be considerably slowed down (Teheran still has Russian and Chinese sources), but the Pakistani Ghauri program might not survive without the DPRK assistance.<sup>50</sup> This is not to suggest that North Korea is

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49 Scott Snyder, The Korean Peninsula Energy Development Organization: Implications for Northeast Asian Regional Security Cooperation? (*North Pacific Policy Papers* 3), <http://www.pcaps.iar.ubc.ca/pubs/snyder.pdf> [17.11.2001], pp. 15-17; Victor Cha, Japan-ROK Relations: Seoul-Tokyo Cooperation on North Korea, Tried, Tested, and True (thus far), *Comparative Connections* 1 (October 1999) 2, pp. 65-71.

50 Joseph Cirincione, Secretary of State Madeleine Albright's Visit to North Korea, ACA Press Briefing October 20, 2000, *Arms Control Today Online* (November Issue), <http://www.armscontrol.org/ACTnov00/pressconnk.html> [02.03.2001].

already capable to autonomously produce, deploy and weaponize and deliver long-range ballistic missiles,<sup>51</sup> but it is certainly safe to say that after the Taepo-Dong missile test in August 1998, the North Korean threat, no matter how material it is, has been the prime concern of US policymakers.<sup>52</sup>

In short, if you eliminate the whole North Korean program not only its export, the main justification for an immediate deployment of a National or Regional Missile defense system would be diminished thereby giving breathing space to diplomatic efforts to contain the political fallout of deploying such systems.<sup>53</sup> While this appears to be in the interest of regional powers in East Asia such as the ROK, Japan and the PRC and others like the European Union, recent problems in testing and mounting costs of the system as well as bilateral talks between the US and Russia seem to suggest that the Bush administration may also come to favor an early effort of cooperative threat reduction with regard to North Korea that still leaves space for the deployment of a presumably modified and smaller system later.

According to the latest National Intelligence Estimate, the US should deploy NMD and/or TMD to defend itself against a North Korean capability becoming operational in 2005 and an Iranian capability in 2010. While the push for BMD seems even more unstoppable after the September 11th attacks, Asian and European countries may well be able to shape the implementation process if the North Korean

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51 Some sources suggest that private Russian companies or individuals are central to the North Korean missile program, cf. Jim Mann, N. Korean Missile Have Russian Roots, Explosive Theory Suggests, *Los Angeles Times*, 6.9.2000.

52 There have been strong indications that the DPRK threat is used by some experts and policymakers as a token to disguise what they perceive as the real threat in the years to come: the People's Republic of China, cf. Charles D. Ferguson (1999), Bait and Switch. Is Anti-North Korean Missile Defense Designed for China?, *FAS Public Interest Report* 52 (1999) 6, <http://www.fas.org/faspir/v52m6b.htm> [12.03.2001].

53 Sebastian Harnisch, European Responses to the North Korean Threat, Paper presented at the First Ballistic Missile Defense Forum (PRIF), Berlin, September 18, 2000, <http://www.hsfk.de/abm/ak/pdfs/ak1har.pdf> [12.03. 2001].

program is addressed and Washington subsequently takes their interests and concerns into account. Moreover, if the missile issue is brought to a solution, the unfolding US-DPRK normalization drive will be welcomed by Beijing. This may in turn help further stabilize the US-Sino relations, which had been suffering from the EP-3 incident and the decision by the Bush administration to sell advanced military technology to Taiwan.

### ***Is an End to the North Korean Missile Program Still Possible?***

To begin with, since 1996 North Korea has consistently offered to end its ballistic missile program such as the production, testing and export of medium- and long-range ballistic missiles. After it sent shock waves around East Asia and the World when it tested a long-range ballistic missile as a launch rocket for a small satellite in August 1998, the North Koreans negotiated a missile test moratorium with the US in September 1999 in exchange for a partial lifting of economic sanctions. In mid-2000, North Korean leader Kim Jong Il suggested a permanent missile test stop in return for a yearly quota of foreign space launches of its satellites. But the outgoing Clinton administration was not able to secure a deal during and after Secretary of State Albright's historic trip to Pyongyang in November 2000 although both parties had already agreed to the following: North Korea would stop the production, testing, deployment and export of ballistic missile with a range above 300 km. Pyongyang also accepted non-monetary compensation such as regular satellite launches. In exchange, Washington was obviously prepared to fund regular satellite launches and agree to a last minute visit of the outgoing President to North Korea.<sup>54</sup> However, as the domestic situation during the Florida ballot seemed unclear and the incoming

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54 Wendy Sherman, Presentation at the Workshop, Perspectives on President Kim Dae-jung's visit to Washington, *United States Institute for Peace*, March 6, 2001, <http://www.usip.org/oc/cibriefing/sherman030601.html> [12.03.2001].

administration signalling concern, the Clinton team did not send Ambassador Sherman to Pyongyang to settle the remaining issues of verification such as onsite-inspection, destruction of operational missiles and the exact terms of non-monetary compensation.<sup>55</sup>

Looking at the prospects of a future missile deal after the Bush administration's policy review, several interrelated approaches come to mind. All of them include multilateral frameworks under US leadership and some of them the European Union. First of all, as the negotiations at the end of the Clinton administration show, a permanent missile test moratorium is within reach without larger cash payments. While the South Korean government had been reluctant in the past to fund any missile related threat reduction program, Seoul changed a course in December 2000 due to the centrality of the missile issue for the US-DPRK normalization, which is in turn vital for a balanced reconstruction effort in North Korea through multilateral development institutions such as ADB, IMF and WB.<sup>56</sup>

As indicated by the advanced stage of the Clinton negotiations, North Korea is willing to end, not only testing, but also exporting, production and deployment of ballistic missiles if it can get the right price. While a presidential visit by George W. Bush is almost certainly not in the cards within the foreseeable future, a first high-level meeting may be possible if the North Korean leadership acts in accordance with its recent Anti-Terrorism rhetoric thereby laying the groundwork for a removal from the State Departments list of terrorist sponsoring countries. Even if the Bush administration is still hesitant to engage the North seriously, or preoccupied with the conflict in Afghanistan, early

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55 Michael R. Gordon, Vote Morass in Florida Helped Sink Pyongyang Anti-Missile Accord, *IHT*, 07.03. 2001; Transcript: Background Briefing on Bush-Kim Meeting, *Washington File*, 8 March 2001, <http://www.usinfo.state.gov/cgi-bin/wa..lt&t=/products/washfile/newsitem.shtml> [09.03.2001].

56 Son Key-young, Seoul Might Pay to Stop NK Missile Program, *Korea Times*, 12.12.2000.

signs of North Korean goodwill such as the ratification of the International Convention for the Suppression of the Financing of Terrorism may indeed pave the way for more substantial discussions between Washington and Pyongyang.<sup>57</sup>

As for the multilateral funding of such a comprehensive missile deal, consider the following: in 1992-93, Israel suggested that it might explore the Unsan gold mine in exchange for an export stop of North Korean missile parts to Middle Eastern nations such as Syria, Libya and Iran.<sup>58</sup> In 1994, when Chief negotiator Robert Gallucci went on a fundraising mission to European and Middle Eastern capitals to enlist support for the soon-to-be the KEDO, several Arab nations noticed that the Agreed Framework excluded the sensitive missile issue. Therefore, they could not contribute to the joint effort.<sup>59</sup> If European nations could agree to North Korean satellites launched periodically through its Ariane program, Arab nations may be willing to contribute desperately needed oil supplies to North Korea. Thus, a missile deal could occur even without substantial funding from Washington. While European, Middle Eastern and Asian nations could benefit from Washington's negotiating cloud and the subsequent security gains, the Bush administration may contain a serious proliferation problem and thus bolster its regional and global role as a promoter of non-proliferation.

Of course, this more ambitious approach for an agreed-framework-like missile agreement with tight restrictions has some political strings attached. Japan may not be willing to contribute if shorter-range missiles deployed vis-à-vis its coastline are not withdrawn. Europe may be hesitant to invest in a missile test moratorium if missile exports to Iran and/or Libya continue.<sup>60</sup> South Korea and the US may want to link

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57 N.K: Said Committed to Terror Pact, *AP Beijing*, 30.10. 2001.

58 Oded Granot, Background on North Korea-Iran Missile Deal (in Hebrew), *Tel Aviv MA'ARIV*, 14.04.1995, English translation: <http://www.fas.org/news/israel/tac95037.htm> [6. 2.2000].

59 Interview with NSC Official, Washington, 30.08. 1996.

conventional arms control to the missile issue to achieve local security gains immediately.<sup>61</sup> And yet, a concerted effort to end the North Korean missile program would certainly push both multilateral and bilateral processes to engage North Korea and diffuse some of the tensions building up between Washington and Pyongyang and subsequently between Seoul and Pyongyang.

#### **IV. Ending the North Korean Nuclear Weapons Program by Reinvigorating the KEDO Process**

As in the case of the North Korean missile program, enhanced bilateral and multilateral cooperation offers to jump-start the KEDO process, which has also suffered from benign neglect recently. Over the last six years, the implementation of the Geneva Agreed Framework (AF) has indeed proved to be a valuable tool to freeze the North Korean nuclear weapons program.<sup>62</sup> Again, a simple calculation shows the significance of the achievement. Had the North Koreans continued in 1994, by now they could have had enough plutonium separated for 60-80 nuclear weapons. If all three reactors, the one operational at Yongbyon in 1994 plus the two under construction, had been dedicated to making weapons-grade plutonium, then North Korea would have been able to produce and export 40 to 50 nuclear weapons per year.<sup>63</sup>

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60 Recent reports concerning the export of 50 Nodong systems to Libya: Bertil Lindner/Suh-kyung Yoon, North Korea: Coming In from the Cold?, *FEER*, October 25, 2001, <http://www.feer.com/2001/1025/p060money.html> [24.10.2001].

61 Yong-Sup Han, Paul K. Davis, & Richard E. Derilek (2000), Time for Conventional Arms Control on the Korean Peninsula, *Arms Control Online* (December 2000), <http://www.armscontrol.org/ACT/dec00/handec00.html> [02.03.2001].

62 Sebastian Harnisch & Hanns W. Maull (2000), *Nuclear Weapons in North Korea. Regional stability and Crisis management under the Geneva Agreed Framework*, Bonn (in German).

63 David Albright, Secretary of State Madeleine Albright's Visit to North Korea, ACA

And yet, as impressive as this record is, several key issues, both technical and political, remain unresolved.

To begin with, in the past, the KEDO project has met serious political obstacles along the way, delaying the original delivery schedule for more than 6 years.<sup>64</sup> While this is due to a mixture of poor conditions at the site in Kumho, including North Korea's crisis strategy and congressional intransigence, the situation certainly holds the potential for deterioration in the months and years to come. From the North Korean perspective, the blame for the delay has to be put on the US. Therefore, Pyongyang has tried to extract compensation such as through higher wages for its workers. From the US perspective, the delay has been caused to a considerable degree by North Korean military provocations such as the submarine crisis in 1996 or the naval incident in 1999. To make matters worse, higher crude oil prices have inflated Washington's share in the project so that congressional critics have tried even harder to torpedo the whole project. In a political environment like this, certain technical aspects will become serious obstacles for the KEDO process. Hence, if KEDO is to succeed, the following problems have to be tackled.

In the short-term, KEDO and North Korea will have to negotiate five additional protocols, some of which may prove to be real stumbling blocks. First, a delivery schedule protocol must specify major dates for the completion of the LWRs. It may also contain dates when the North is to perform its commitments under the Agreed Framework vis-à-vis the IAEA. Second, in the nuclear liability protocol, North Korea must accept an indemnity agreement with KEDO, which secures nuclear liability insurances or other financial security for KEDO, its contractors and subcontractors in connection with any third-

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Press Briefing, October 20, 2000, *Arms Control Today Online* (November Issue), <http://www.armscontrol.org/ACTnov00/pressconnk.html> [02.03.2001].

64 Originally the first LWR was to be completed in 2003; current estimates are that it will not become operational before 2010.



party claims in the event of a nuclear accident. Furthermore, North Korea and KEDO have to conclude a repayment protocol and two other protocols: one on nuclear safety and regulation of the LWRs and the other on operation and maintenance arrangements for transferring the spent fuel out of North Korea. These required steps on their own involve great potential for delay and crisis because the DPRK-IAEA relationship is still not good. Although the DPRK and the US have recently again agreed on greater transparency and the carrying out of their respectful obligations under the Agreed Framework on October 12, 2000, the IAEA now clearly takes a tougher stance on the obligations of the NPT than in 1994. That is, the IAEA interprets its mandate as to gain confidence in an absence of undeclared nuclear activities.<sup>65</sup> Also, North Korea's nuclear safety process has gained much attention recently and it is still unclear whether Pyongyang can meet international requirements for a transparent, independent and technically elaborate nuclear safety process.<sup>66</sup>

In the medium-term, the main obstacle will be a lengthy "Preliminary Safety Analysis Report (PSAR)," which North Korea currently discusses with the KEDO and finally must approve. The PSAR will give the KEDO confidence that the ROK is indeed able to operate the LWRs safely.<sup>67</sup> Further down the implementation road, the US and

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65 David Albright, Holly Higgins, & Kevin O'Neill (2000), *Solving the North Korean Puzzle: Epilogue*, <http://www.isis-online.org/publications/dprk/book/epilogue.html> [08.02.2001], p. 11.

66 Henry Sokolski, Implementing the Korean Nuclear Deal: What U.S. Law Requires, Paper presented before the international forum, "Promoting International Scientific, Technological and Economic Cooperation in the Korean Peninsula: Enhancing Stability and Dialogue," Rome, July 1-2, 2000, <http://www.wizard-net/~npec/papers/6-4-00-DPRK-Sokolski.htm> [02.02.2001]; Victor Gilinsky, Plutonium From US-Supplied LWRs for North Korea. Do We have to Worry About it?, Paper presented before the international forum, "Promoting International Scientific, Technological and Economic Cooperation in the Korean Peninsula: Enhancing Stability and Dialogue," Rome, July 1-2, 2000, <http://www.wizard-net/~npec/papers/6-4-00-DPRK-Sokolski.htm> [02.02.2001].

North Korea will have to negotiate an “Agreement for Peaceful Nuclear Cooperation” which requires under US domestic law, among other things, the continuous and full implementation of IAEA safeguards. Also, this agreement includes a provision that the ROK must provide adequate back-up power in the case of an accident. As most international experts agree, so far, North Korea has no viable electrical transmission system and it certainly has no reliable back-up system to prevent a reactor meltdown through a back-up cooling system.<sup>68</sup>

In sum, we face a delayed LWR process that has built-in political and technical stumbling blocks in the coming month and years. As former US negotiator Robert Gallucchi suggested recently in a Congressional hearing, this might not be a bad thing altogether since the construction of the two new LWRs will be held up to the extent that North Korea does not cooperate with the IAEA.<sup>69</sup> However, this non-proliferation success by delay may be called into question by North Korea anytime. If the North breaks the freeze on its existing facilities, something it has threatened in the past to press the US back to the negotiation table, then Washington must act immediately to prevent the North from going nuclear.

Even if the technical and political hurdles can be overcome in the not too far future, it still is highly unlikely that Pyongyang will be able to safely and effectively operate one of the LWRs. For this, the DPRK needs a substantial modification of its electrical grid and entire transmission system.<sup>70</sup> In sum, to ensure the freeze and final dismantling of

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67 Stephen Milioti, Young-Chul Kang, & Brian Kremer, *KEDO's Nuclear Safety Approach*, <http://www.kedo.org/article.htm> [02.03.2001].

68 David Albright, Holly Higgins, & Kevin O'Neill (2000), *Solving the North Korean Puzzle: Epilogue*, <http://www.isis-online.org/publications/dprk/book/epilogue.html> [08.02.2001], p. 8.

69 An Ambassador Robert Gallucchi Statement, U.S. Policy Toward North Korea: Where do we go from here?, Hearing before the Cmte. on Foreign Relations, USS, 107th Congr., 1st. sess., May 23, 2001, p. 24.

70 One study estimates the costs of transmission and grid reconstruction at 3-5 Bio.

the North Korean nuclear weapons program, the KEDO process has to be either reinvigorated or amended.<sup>71</sup>

Reinvigoration means that both the political and technical process are put on a more stable basis. This may include the following: the energy substitution scheme is changed through which the US supplies heavy fuel oil. Arab nations may be willing to support KEDO in this regard, if Pyongyang stops exporting missiles linking nuclear weapons and ballistic missile arrangements. In a related move, South Korea may be willing to directly supply some energy at a later stage if North Korea agrees to confidence building or small-scale conventional arms control measures linking nuclear and conventional arms control. If the US was freed from its heavy fuel oil obligations and if Japanese and European missile proliferation concerns were addressed, KEDO partners may be willing to consider a reinterpretation of the AF with regard to the modernization of the North Korean electrical grid. So far, the KEDO has interpreted the AF not to include grid modernization though promising good offices help the DPRK obtain funding, but it becomes more and more obvious that the whole process is unsustainable without it. Of course, South Korea has made clear time and again that it is sceptical about renegotiating the AF.<sup>72</sup> These concerns can be addressed legally when grid refurbishment is not incorporated in the KEDO supply agreement. Politically and technically, South Koreans have to come around accepting that the Agreed Framework process is not sustainable without partial substitution or amendment of the AF. To sweeten this bitter pill, costs of this undertaking should be spread equally among KEDO partners and other parties concerned.

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USS, cf. David Van Hippel/Peter Hayes/Masami Nakata/Timothy Savage (2001), *Modernizing the US-DPRK Framework: The Energy Imperative (Nautilus Research Paper*, February 16, 2001), <http://www.nautilus.org/papers/energy/ModernizingAF.pdf> [12.03.2001], p. 12.

71 Joel S. Wit (2000): North Korea: The Leader of the Pack, *Washington Quarterly* 24 (2000) 1, pp. 77-92.

72 Cheon Seongwhun, KEDO at the Crossroads, *Korea Focus* 9 (2001) 4, pp. 95-103.

Amending or revamping the KEDO process means that the technical and political basis of the Agreed Framework is changed. To begin with, from the US perspective, the AF was meant to prevent Pyongyang from gaining a substantial nuclear arsenal of 5-6 warheads within a short time frame of 6 to 8 months and to freeze the North Korean program so as to forego any DPRK export capabilities. While stabilizing the strategic situation, the AF was not intended to stabilize the DPRK regime through timely and modern energy facilities. To put it bluntly, some policymakers hoped that North Korea would demise before KEDO nations had to make good on their promise.<sup>73</sup> Now that there is only scant hope that this might happen, KEDO is bound to seeing the project through or go back to square one, that is, another confrontation. It is clear that both KEDO partners would not like to renounce the core of the AF deal, the transfer of sensitive nuclear LWR parts against certainty on DPRK's nuclear history and future, and that North Korea would not be willing to reveal its trump card of nuclear history without gaining modern nuclear technology. Hence, an amended AF has to include at least one LWR.

However, to make sure that the LWR transfer becomes a viable option in the mid-term future, the KEDO process should be amended so as to include: 1) the establishment of a multilateral process incorporating several development banks or a multilateral consortium including the EU to modernize the DPRK electronic grid and transmission system; 2) the transfer of several smaller conventional power plants and/or direct transmission service from South Korea to secure a reliable power back-up system for the remaining LWR;<sup>74</sup> and 3) a concert-

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73 Scott Snyder, The Korean Peninsula Energy Development Organization: Implications for Northeast Asian Regional Security Cooperation? (*North Pacific Policy Papers* 3), <http://www.pcaps.iar.ubc.ca/pubs/snyder.pdf> [17.11.2001], p. 31, FN 7.

74 David Van Hippel, Peter Hayes, Masami Nakata, & Timothy Savage (2001), Modernizing the US-DPRK Framework: The Energy Imperative, *Nautilus Research Paper*, February 16, 2001, <http://www.nautilus.org/papers/energy/ModernizingAF.pdf> [12.03.2001].

ed effort to start serious inspections through IAEA and/or South Korean inspectors under the framework of the 1991 Joint Declaration on Denuclearisation of all nuclear facilities.

The first rationale of both reinvigorating or amending the AF is that without resolving these security issues tackled first, political reconciliation and economic reconstruction between the two Koreas and the DPRK and the rest of the world cannot be achieved or even started in earnest. Second, while the odds are not good for a smooth implementation of the AF, as it is today, reinvigoration or amendment can be seen as saving the AF through changing its priorities. An amended AF will certainly fulfil its core function, freezing a significant North Korean capability or program, but it may also be viewed as a tool to further entangle the DPRK in an ever-thicker web of linked norms of appropriate external behaviour. In the security field, this might include a ban on uranium enrichment as included in the Declaration on Denuclearisation of December 1991, a verified ban on the production, deployment and export of ballistic missiles, and a number of bi- and multilateral confidence building or arms control measures. In the political, economic and energy field, this amendment might include the incorporation of electric grid modernization, the partial normalization of the DPRK-US and/or DPRK-Japanese relations, the opening of multilateral aid organizations for North Korean membership, etc. Third, as Washington's recent ambivalences vis-a-vis Pyongyang have shown, bilateral is not inherently stable nor are they primed to be the most effective solutions for the problems at hand.

## **V. Policy Implications**

What are the immediate policy implications of this analysis? First, my analysis of the Bush administration's approach vis-a-vis North Korea suggests that the transition from the Clinton to the Bush admin-

istration has been accompanied by the deterioration of both US-DPRK and US-ROK relationships. As the United States, North and South Korea became ever more entangled through economic, humanitarian, political and security cooperation in the 1990s, any change in the domestic context of one affected the triangular relationship as a whole: Earlier in the 1990s, the ebb and flow of public support in South Korea impacted heavily on Kim Young Sam's stance in the nuclear question thereby putting the US-ROK cooperation to the test. Since the mid-1990s, an increasingly strong opposition from Republican Members of Congress, especially after the August 1998 launch of the Taepo-Dong I medium-range ballistic missile over Japan, forced the Clinton administration to cautiously move toward the normalization of US-DPRK relations, at times frustrating the Kim Dae Jung administration that pressed for a strong US backing of its "sunshine policy" especially after the historic June 2000 summit meeting. Similarly, North Korean leader Kim Jong Il had been reluctant to follow his father's course of brinkmanship and diplomatic engagement. However, after securing his rule in autumn 1998, the younger Kim embarked on a diplomatic offensive that considerably changed the dynamics of triangular US-ROK-DPRK relationship. Thus, any shift in the domestic realm of the parties concerned can, but must not, have serious consequences for the overall security situation on the Korean peninsula.

Second, the loss of cohesion in the Bush administration's policy towards Pyongyang underscores the necessity for an overall reduction and prioritisation of key issues on the US negotiating agenda. A multilateral division of labor may help address the problem of overburdening the bilateral US-DPRK agenda. As in the past, multilateral cooperation can stabilize the course of national policies vis-a-vis North Korea. When Japan threatened to change its engagement policy towards North Korea in the aftermath of the Taepo-Dong Launch in August 1998, multilateral policy coordination helped limit the negative fallout of the test on the overall security situation. Thus, more multilateral

cooperation may also stabilize the ambiguous North Korea policy of the Bush administration. Of course, the administration is well aware of the inclination of its allies to “bind the hegemony multilaterally.” And yet, as multilateralism is not presented as an end in itself here, but as a concrete tool to further the interests of all parties involved including the United States, the administration may well come to the conclusion that overall multilateralism brings various benefits and harbors only minor costs.

Third, under the current circumstances, a US focus on the North Korean ballistic missile and nuclear program seems plausible. Most security experts as well as most governments in the region would agree that these programs need immediate attention. To put it bluntly, as long as there is no substantial proof that the North Korean regime exports biological and chemical agents to third countries or terror groups thereby changing the balance of terror in other regions, the two programs that do alter the regional and global security environment and undermine the non-proliferation regime must be tackled first. Thus, if the administration decides to put biological weapons on the bilateral agenda, it may well hamper bilateral and multilateral efforts to tackle the most pressing problems.

Fourth, as the inter-Korean talks finally came to a halt in mid-November, it has become clear that Pyongyang’s miscalculations as to the brink of its brinkmanship and Seoul’s domestic political considerations with regard to the 2002 Presidential elections have become a stumbling block for enhanced bilateral relations on the Korean peninsula. Thus, to present Pyongyang with clear choices, Seoul must coordinate its bilateral initiatives with the North more closely with its allies in multilateral fora such as TCOG. Tying both bi- and multilateral relations with North Korea will effectively constrain Pyongyang’s choices with regard to partners and issue areas, thus allowing rational cost-benefit calculations. If past behaviour is any indicator, North Korea will respond positively, that is, cooperatively to such unambiguous

choices.

Finally, whatever one's view is on North Korea and its programs for weapons of destruction, they will certainly come to haunt us if they are not dealt with. Thus, while the dust seems to settle in Afghanistan and elsewhere, North Korea demands much more attention by key policy makers in the US and in the region.