

Dealing with Pyongyang: In Search of a More Effective Strategy

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Abstract

The United States and Democratic People's Republic of Korea (DPRK) both claim equal determination to achieve a peaceful, diplomatic solution to the Korean Peninsula's nuclear issue, but their strategies have failed to achieve progress toward their avowed goal. Here we focus on Washington's preferred strategy of "neo-containment." The Bush Administration, since taking office in 2001, has consistently rejected any engagement of North Korea, diplomatically and commercially. Yet at the same time it has declared its preference for a "diplomatic" solution to the nuclear issue. Achieving a "diplomatic" solution without diplomacy and diplomatic dialogue is impossible. Since the start of his second term, however, President Bush appears to have moderated his rejection of "engagement" by tempering his preference for "containment" with some aspects of engagement. This has yielded a hybrid strategy labeled here as "neo-containment." All the fundamental elements of containment remain in place, such as restrictions on diplomatic contact and economic sanctions, but some dialogue is permitted "under the umbrella of the Six-Party Talks and for the sole purpose of resolving the nuclear issue." Bush's "neo-containment" strategy, however, ignores the fact that even if the Six-Party Talks resume, successful negotiation of a resolution and its implementation will require a strategy of engagement.

Key Words: containment, CVID, engagement, neo-containment, Six-Party Talks

Introduction

Double failure does not yield success. North Korean leader Kim Jong Il and US President George Bush claim they want a “peaceful diplomatic solution” to the Korean Peninsula’s nuclear woes, but their strategies have failed to achieve their avowed goals. More effective strategies are urgently needed. But first we need to examine the factors impeding progress on both sides.

Kim Jong Il claims he is defending his domain from Washington’s “hostile policy” and wants “friendly relations” with the United States. But his Foreign Ministry finally confirmed on February 10, 2005 that North Korea had broken numerous previous promises and built “a nuclear deterrence capability.”¹ Pyongyang claimed that the United States’ hostile posture compelled it to do so. North Korea continues to declare that it will return to the Six-Party Talks, once the Bush Administration “switches to a policy of peaceful coexistence.”² North Korea has since escalated tensions with assertions that it is now a nuclear power. It has also declared an end to its voluntary moratorium on testing ballistic missiles. On March 31, 2005, Pyongyang suggested in an authoritative Foreign Ministry statement that disarmament talks should be considered as a replacement for the Six-Party Talks process.³ The international response to Kim’s assertive stance has been universally negative.

Equally, President Bush’s “pre-emptive” nuclear nonproli-

¹ DPRK Foreign Ministry, “Spokesman Statement,” *Korea Central News Agency (KCNA)*, February 10, 2005.

² For a discussion of North Korea’s perspective of the United States, see C. Kenneth Quinones, “The United States in North Korean Foreign Policy,” in Koh Byung Chul (ed.), *North Korea and the World - Explaining Pyongyang’s Foreign Policy* (Seoul: Kyungnam University Press 2005).

³ DPRK Foreign Ministry Statement, March 31, 2005; Yonhap Interview with DPRK Deputy Permanent Representative Han Song-Ryol interviews, *Yonhap News*, April 1, 2005; Barbara Slavin, “North Korea Arsenal May be Growing,” *USA Today*, April 19, 2005.

feration strategy, refusal to negotiate with North Korea, and moralistic condemnation of North Korea's leadership have not promoted a diplomatic solution. As recently as April 28 in a nationally televised press conference, Bush labeled Kim Jong Il a "dangerous man," and a "tyrant who starves his people." These comments erased any good will Secretary of State Rice's March tour of East Asia might have nurtured when she referred to North Korea as a "sovereign state." Pyongyang promptly and predictably responded to Bush's rhetoric by declaring him a "dictator."

Common sense dictates that a diplomatic solution requires diplomacy. President Bush, however, began with the opposite. He asserts that the United States has the unilateral right of "pre-emptive" nuclear attack on members of his self-defined "Axis of Evil," which includes North Korea. Since late 2003, Bush has demanded North Korea's complete capitulation, in the form of CVID or complete, verifiable, irreversible dismantlement of its nuclear programs. He has made this a precondition for direct diplomatic dialogue and dismissed the possibility of any concessions from the U.S. until Pyongyang has accepted his demands. At the same time, President Bush has frequently made it clear that he has no respect for his North Korean adversary with emotive labels such as "pygmy, tyrant, and outpost of tyranny." Neither such a strategy nor rhetoric promotes an atmosphere conducive to a diplomatic solution.

Pyongyang and Washington moved in early May 2005 to quickly temper escalating tensions with a "New York Channel" meeting on May 13, 2005. The meeting followed North Korea's May 8 suggestion that such a meeting be convened in New York. At the meeting, according to press reports, US State Department officers Ambassador Joseph DeTrani and Korea Affairs Director James Foster met DPRK Ambassadors to the United Nations Pak Gil Yon and Han Song-Ryol. The US side offered North Korea:

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- Resumption of substantive diplomatic dialogue about outstanding bilateral issues within the New York Channel
- Engagement in direct bilateral diplomatic dialogue within the context of the Six-Party Talks
- Provision of multilateral security assurances, if it would rejoin the Six-Party Talks. China had convened these talks in June 2003, to find a diplomatic means to free the Korean Peninsula of nuclear weapons. China, Japan, the two Koreas, Russia, and the United States had joined the talks and all the participants initially concurred with the goal of pursuing a “peaceful diplomatic solution.”

As of mid-May 2005, the second Korean nuclear crisis had reached a decisive junction in the search for a nuclear weapons free Korean Peninsula. If North Korea accepts the US proposal of May 13, and returns to the Six-Party Talks, the pursuit of a diplomatic solution will continue. On the other hand, a negative response from Pyongyang will intensify already escalated tensions.

Even if Pyongyang agrees to return to the Six-Party Talks, a peaceful outcome is far from being assured. The fundamental impediment to a peaceful resolution will remain the insistence of both sides on fundamentally coercive strategies for dealing with each other. Their mutually confrontational stance is not conducive to diplomatic dialogue and compromise. Obviously, if war is to be avoided, Pyongyang and Washington must replace their current postures and strategies with ones more prone to nurture diplomacy.

The current situation has significant parallels with bilateral US-DPRK relations on the eve of the first Korean War a half-century ago. The primary antagonists today remain the United States and North Korea (the Democratic People’s Republic of Korea). Fifty years ago the concern was how to halt the spread of communism in the wake of China’s “fall to communism,” and North Korea’s invasion of South Korea. Today, the focus has shifted to how best to halt the spread of

nuclear weapons and associated technology while simultaneously deterring war and pursuing national reconciliation on a still divided Korean Peninsula. Despite profoundly changed circumstances in Northeast Asia and around the world, the options for dealing with the increasingly complex and potentially volatile situation on the Korean Peninsula remain limited to engagement, containment, or armed confrontation.⁴

Back to the Future

The legacies of the Korean War (1950-53) and the Cold War continue to haunt the US-North Korea relationship. The Korean War “armistice” halted the combat but not the hostility. Because of the war, Pyongyang’s generals continue view the present through a distorted perception of the past. They point to the “technical state of war” that persists between their nation and the United States. The presence of US military forces in South Korea and Japan is a threat, in their eyes, to North Korea’s existence and their justification for maintaining a million-man army, an enormous arsenal of conventional weapons and an increasingly potent arsenal of ballistic missiles and possibly nuclear weapons. Their claim of having defeated United States “imperialism” in the Korean War legitimizes their domination of the Kim Jong Il regime, a reality recognized by Kim Jong Il’s motto of “military first government” (*songun chongch’i*). The sum result is a persistent pursuit of armed parity with the United States.⁵

⁴For in-depth discussions of US Cold War strategies, see Henry Kissinger, *Diplomacy* (New York: Touchstone 1994), and *Years of Renewal* (New York: Touchstone 1999). Also see George P. Shultz, *Turmoil and Triumph* (New York: Charles Scribner’s Sons 1993). Regarding the transition from containment to engagement in US policy towards North Korea, see C. Kenneth Quinones, “North Korea: From Containment to Engagement,” in Dae-sook Suh and Chae-Jin Lee (eds.), *North Korea After Kim Il Sung* (London: Lynne Rienner Publishers 1998).

⁵Byung Chul Koh, “Military-First Politics and Building a *Kangsong taeguk*,” Institute

President Bush's strategy for dealing with North Korea also remains linked to the Korean War. Four years ago he selected a strategy of containment over engagement. Apparently, his primary motivation was domestic political considerations rather than geo-political realities.⁶ Bush sought from the beginning of his Administration to distance and distinguish himself from his Democratic predecessor President Clinton.

Paradoxically, Bush reverted to Democratic President Truman's Cold War strategy of countering communism and communist regimes with "containment." At the same time, Bush dismissed the strategy of "engagement" as tantamount to appeasement. Actually, Republican President Nixon, at the behest of his famous National Security Adviser and later Secretary of State Henry Kissinger, had initiated the strategy of engagement to draw "Red" China away from the former Soviet Union. Later, President Reagan would apply "engagement" to the Soviet Union, a decade after which the "evil empire" collapsed. Then in 1988, President Bush senior joined forces with South Korea to pursue a common strategy of engagement with North Korea. President Clinton merely continued his Republican predecessors' preference of engagement. President Bush junior abruptly and profoundly altered U.S. foreign policy by discarding engagement for "neo-containment."

The Containment Option

The classical form of containment served as the corner stone of US national security strategy during the Cold War of 1947 to 1990. The US strategy concentrated on containing the "global threat of communism." The goals were to:

- Deter aggression by the Soviet Union and its allies by confronting

of Far East Studies Forum (IFES), forum@kyungnam.ac.kr (March 25, 2005).

⁶C. Kenneth Quinones, "Dualism in the Bush Administration's North Korea Policy," *Asian Perspective*, Vol. 27, No. 1, 2003.

them with superior nuclear and conventional military force possessed by a network of collective alliances

- Isolate diplomatically “communist” nations by discrediting their legitimacy and blocking their entry into international and regional associations; while also
- Erode their economic vitality using economic sanctions and embargoes.

The “deterrence capability” of containment was asserted through a triad of nuclear equipped bombers, submarines, and ballistic missiles. Only the United States’ superior economic and technological prowess could maintain such an expensive and sophisticated arsenal. Containment was defensive and reactionary in orientation, not offensive and pre-emptive. Containment also emphasized collective military alliances and multilateral diplomacy, which tempered any unilateral impulses harbored by American presidents.

During the Cold War, the application of containment to North Korea differed little from elsewhere, except in one respect. President Truman had succeeded in gaining the United Nations Security Council (UNSC) condemnation of North Korean “aggression” against South Korea. Throughout the Cold War, the United States used this moralistic condemnation to justify its championing of South Korea and efforts to isolate and discredit the government in North Korea. US official animosity towards North Korea was translated into extensive economic sanctions and intense global efforts to diplomatically exclude North Korea from the international community.

The presidential administrations of John Kennedy and Lyndon Johnson applied a similar strategy to North Vietnam. They saw its invasion of South Vietnam as having numerous similarities to the Korean experience. Eventually containment’s inability to achieve either an end to the Vietnam War or Vietnam’s reunification convinced America’s strategists to shift to a new strategy – engagement.

Transition to Engagement

President Nixon and Secretary of State Henry Kissinger initiated a gradual conversion of containment into engagement beginning in 1971. They first commenced negotiations with North Vietnam, a profound alteration of containment's basic premise of diplomatic isolation of the adversary. They next launched diplomatic and athletic engagement of "Red" China, intending to ensure the separation from the Soviet Union by defusing Chinese hostility and mistrust of the United States. They used diplomatic and commercial inducements to encourage Chinese transformation into an internationally respected nation that would become increasingly democratic and capitalistic. At the same time, the United States maintained the potency of its deterrence capability to defend itself and its East Asian allies from possible armed assault by China and/or its allies. The combination of collective armed deterrence, multilateral diplomatic, and commercial exchange became the hallmarks of their engagement strategy.

Subsequent U.S. presidential administrations retained and refined engagement. Presidents Ford and Carter pursued a similar strategy towards the "Communist bloc" nations of eastern Europe. President Reagan extended the approach to the Soviet Union during the 1980s, after which President Bush began to apply engagement strategy to China after 1988. Even the traumatic events of the Tiananmen Square incident of 1989 did not weaken Bush's commitment to engagement with China. In 1993, President Clinton also continued engagement as the United States' preferred global strategy.

Engagement became the preferred strategy for promoting United States' national interests in the three decades between 1971 and 2001. A Republican president had initiated the transition from containment to engagement, and subsequent Republican presidents had refined and extended the strategy around the world. The success of engagement had contributed to the demise of the Soviet Union and communism.

Presidents Carter and Clinton, both Democrats, also adopted the strategy. Regarding North Korea, President Bush senior initiated engagement with North Korea and his successor merely continued the strategy.

Neo-Containment

Since taking office in January 2001, the younger President Bush and his closest advisers have sought replace engagement and its multilateral deterrence capability with a new form of containment. The basic premise of “neo-containment” is that a few “rogue” nations possess weapons of mass destruction (or WMD which includes nuclear, biological, and chemical weapons, plus ballistic missiles), which requires the United States adopt a pre-emptive counter posture and build, in addition to its own nuclear umbrella, a “national ballistic missile defense system” to neutralize the threat posed by those nations.

- When the trauma of “9/11” caught the Bush Administration completely unprepared to deal with global terrorism, President Bush promptly merged the two threats. He declared America’s “new” worst enemy an “Axis of Evil” and identified its members as Iraq, North Korea, and Iran.⁷

The Bush Administration defined neo-containment on the basis of this new threat. “Cold War” containment was essentially defensive. It aspired to halt the spread of communism and deter invasion and war using military superiority, collective security arrangements, and diplomatic and commercial isolation of the adversary. President Bush discarded multilateralism in favor of unilateralism, dismissed multilateral organizations as ineffective, declared US military supremacy,

⁷ *Ibid*, pp. 197-224.

and claimed the sovereign right to launch pre-emptive military strikes against any nation deemed a potential threat to US security. He determined that all nations should follow the United States' lead. Only then could they demonstrate that they are "either for or against" the United States in its war on global terrorism.⁸ This is the essence of neo-containment.

Neo-Containment and North Korea

The Bush Administration's application of "neo-containment" to North Korea is a consequence of several factors, dating from 1994 these include:

- Republican control of the US Congress dating from November 1994
- The assumption that North Korea was on the verge of economic collapse
- The suspicions Americans and South Koreans share about North Korea credibility and intentions
- Similarly common concerns among conservatives in Seoul and Washington about the Clinton Administration's allegiance to the longstanding US-Republic of Korea alliance.

The October 1994 US-DPRK Agreed Framework, their first bilateral diplomatic accord, stands at the center of a continuing controversy over how to deal with North Korea. It was signed on the eve of Democratic President Clinton's re-election and only one month before Republicans won control of the US Congress. President Clinton regarded the agreement as a key diplomatic success. His critics promptly

⁸ US State Department, *National Strategy to Combat Weapons of Mass Destruction* (Washington, DC: Department of States), December 2002, online at www.whitehouse.gov. White House, *National Security Strategy of the United States of America*. *Ibid.*, Bob Woodward, *Bush at War* (New York: Simon & Schuster 2002).

countered that it encompassed the essence of “appeasement.” These critics contended then, and many continue today to do so, that the Accord’s provision of the annual shipment of 500,000 metric tons of heavy fuel oil to North Korea and program of gradual normalization of diplomatic and commercial relations between North Korea and the international community would strengthen North Korea’s ability to attack South Korea, endanger the US troops stationed there, and perpetuate a ruthless authoritarian regime that could not be trusted to halt its pursuit of nuclear weapons.

Similar concerns were voiced in South Korea. The administration of President Kim Yong-Sam deeply distrusted North Korea, but also had reservations about the Clinton Administration’s allegiance to the US-ROK alliance. Seoul’s distrust was rooted in its claim that the Clinton Administration had not given South Korea’s concerns due consideration during the negotiations with North Korea. Also, the Seoul government alleged that the United States, by giving aid to North Korea and engaging it in diplomatic dialogue and negotiations, was undercutting the longstanding US-South Korea defense alliance. Republicans in the US Congress echoed these same concerns.⁹

Contending Factions – Hard or Soft Landing?

Meanwhile, North Korea between 1994 and 2000 struggled to survive. Its economy was in steep decline. No longer could it turn to its

⁹ For insight into ROK President Kim Young-Sam’s term, see Donald Kirk, *Korean Crisis* (New York: St. Martin’s Press 1999). President Kim’s policy towards North Korea is discussed in C. Kenneth Quinones, “South Korea’s Approaches to North Korea: A Glacial Process,” in Kyung-Ae Park and Dalchoong Kim (eds.), *Korean Security Dynamics in Transition* (New York: Palgrave 2001). Leon Sigel addressed the tension between the Kim Young-Sam and Clinton Administrations during the first US-DPRK nuclear negotiations. See Leon Sigel, *Disarming Strangers - Nuclear Diplomacy with North Korea* (Princeton: Princeton University Press 1998).

former benefactors, China and Soviet Union, for assistance. Pyongyang's relations with Beijing turned frigid after China normalized relations with South Korea in 1992. Furthermore, China was preoccupied with revitalizing its own economy. The Soviet Union had collapsed and Russia lacked both the political commitment and economic ability to aid North Korea. North Korea appeared on the verge of following the other Soviet "satellite" nations into the dustbin of history.

By the Fall of 1995, North Korea's collapse seemed imminent, as near famine conditions prevailed. For the first time, the Pyongyang government sought international humanitarian assistance. The response was prompt, positive, and profound. Between 1995 and 2001, the international community delivered more than one billion dollars worth of food aid to North Korea. Additional millions of dollars of aid in the form of basic human needs such as medical supplies, household equipment, sustainable development projects, and training were and still are being provided.

Conditions in North Korea gave rise to an intense and continuing debate over whether North Korea would either collapse ("hard" landing) or transform itself ("soft" landing). An underlying assumption of both schools remains the belief that economic conditions in North Korea will determine the North Korea's political fate. Advocates of a "hard landing" claim an economic collapse was imminent, but the strategy of engagement has perpetuated the despotic Kim Jong Il regime. Promoters of a "soft landing" believe a strategy of engagement will promote North Korea's gradual transformation and greatly reduce the possibility of political turmoil or war in North Korea.¹⁰

¹⁰The debate among "Korea" experts peaked between 1997 and 2001. A concise summary of these divergent views appears in Warren I. Cohen, "Compromised in Korea Redeemed by the Clinton Administration?," *Foreign Policy* (May/June 1997), pp. 106-112. The views of those who advocated engagement and a "soft" landing can be found in Kim Kyung-wan and Han Sung-joo (eds.), *Managing*

The advocates of a “soft” landing aligned themselves with the Clinton Administration while critics gravitated towards the “hard” landing advocates. By 1997-98, conditions in North Korea suggested that it was destined for collapse. Many self-proclaimed “Korea experts” emerged in Washington’s conservative think tanks, including the American Enterprise Institute (AEI), the Heritage Foundation, the Hudson Institute, and the CSIS Pacific Forum. They shared the consensus that North Korea was a “failed system” on the verge of economic collapse. Furthermore, they argued that once the United States stopped supplying humanitarian aid and the heavy fuel oil being provided under the Agreed Framework, Kim Jong Il’s regime in Pyongyang would soon collapse.¹¹

By 2001, several of these experts soon found themselves in the first Bush Administration. During the six-month review of North Korea policy, these advocates of a “hard” landing successfully argued that a shift from engagement to neo-containment would be the most effective way to deal with North Korea. President Bush and his closest

Change on the Korean Peninsula (Seoul: Seoul Press 1998). The opposite viewpoint appears in Henry Sokolski (ed.), *Planning for a Peaceful Korea* (Carlisle, PA: US Army War College's Strategic Studies Institute 2001).

¹¹Nicholas Eberstadt of the American Enterprise Institute and Michael Green, formerly with the Council on Foreign Relations and currently in the Bush Administration as the senior Asia adviser on the National Security Council, championed the “hard landing” scenario. Nicholas Eberstadt, “Hastening Korean Unification,” *Foreign Affairs* (March/April 1997), “Prospects for Inter-Korean Economic Cooperation in the Sunshine Era,” in *To the Brink of Peace* (Stanford: Stanford University Press 2001). Michael Green, “North Korean Regime Crisis: US Perspectives and Responses,” *Korean Journal of Defense Analyses* (Winter 1997). Marcus Noland of the International Institute of Economics in Washington has maintained a middle position between “hard” and “soft” landing scenarios. His thesis is that North Korea will “muddle through.” Marcus Noland, “Why North Korea Will Muddle Through,” *Foreign Affairs* (July/August 1997). Selig Harrison is one of the more outspoken advocates of a “soft” landing. Selig Harrison, “Promoting a Soft Landing in Korea,” *Foreign Policy* (Spring 1997). Also see C. Kenneth Quinones, “Beyond Collapse - Continuity and Change in North Korea,” *International Journal of Korean Unification Studies*, Vol. 11, No. 2, February 2002.

foreign policy advisers clearly agreed.

Neo-Containment Split the Administration

Beginning in June 2001, the Bush Administration's basic strategy for dealing with North Korea has been one of neo-containment. It would be simplistic, however, to suggest that everyone in the Bush Administration promptly lined up against engagement and for containment. On the contrary, from its conception, the Bush Administration has been deeply divided over how to deal with North Korea.

The State Department became, and remains, a bastion for promoters of engagement and a "soft landing." Their number included Secretary of State Colin Powell, who had first learned about engagement while serving President Reagan, and Deputy Secretary of State Armitage. Assistant Secretary for East Asian and Pacific Affairs James Kelly also preferred engagement over containment. Although he had served in the former Bush Administration's National Security Council and was an early architect of engagement towards North Korea, Kelly was insufficiently senior to assertively promote his views. One of his close advisers on North Korea, US Army Colonel Jack Pritchard, also favored engagement but finally resigned his ambassadorship in protest at Bush's preference for neo-containment.

These so-called "moderates" had to compete for President Bush's attention with more influential "hard line" advocates of neo-containment, including Vice President Cheney, Secretary of Defense Donald Rumsfeld and his deputy Paul Wolfowitz, National Security Adviser Condoleeza Rice, and the State Department Undersecretary of State for International Security Affairs John Bolton. The shuffling of personnel at the beginning of the second Bush Administration has clearly strengthened the hand of those who advocate neo-containment and North Korea's "hard landing."

The situation during Bush's second term has changed little. Former National Security Adviser Condoleezza Rice replaced Powell and promptly began to champion assertive diplomacy as the best way to deal with Pyongyang. By May 2005, she found herself advocating "engagement" in the form of bilateral US-DPRK talks under the Six-Party Talks umbrella. She consequently found herself at odds with Vice President Cheney and his bureaucratic allies who prefer neo-containment.

Meanwhile, South Korea had undergone a shift from favoring containment to pursuing engagement to promote North-South Korean reconciliation. The administration of South Korean President Kim Yong-Sam (1993-97) had vacillated between engagement and containment. After the Agreed Framework's signing, Kim increasingly preferred containment. North Korea's infiltration of commandoes into South Korea in the fall of 1996 understandably played a significant role in Kim's conversion to containment and advocacy of a "hard landing." When the liberal Kim Dae-jung became president early in 1999, however, South Korea reverted to a strategy of engagement, continued by his successor Roh Moo-hyun since 2003.

Consequently, the debate over neo-containment versus engagement not only divided the Bush Administration, it is a fundamental cause of tensions between the United States and South Korea over how best to deal with North Korea.

Converting Carrots into Sticks

Since assuming office in 2001, the Bush Administration has worked to convert the "carrots" of engagement into "sticks" for pursuing the containment of North Korea. Early in his first term, President Bush confronted Kim Jong Il with a dilemma: either forego his entire arsenal of weapons of mass destruction (nuclear, biological, chemical

and ballistic missile), or face his regime's inevitable demise. Bush declared North Korea unworthy of diplomatic negotiations because conciliatory diplomacy would "reward" North Korea for its "past misdeeds."¹² Material aid such as food was phased out. Instead, Bush held out the promise of a "bold initiative" that could include humanitarian assistance to the people of North Korea, but only after their government had declared its readiness to disarm completely and their leader Kim Jong Il demonstrated greater respect for the North Korean people.¹³ The Bush Administration repeatedly claimed that it would "talk" to North Korea, and its subtle distinction between diplomatic

¹² Leading Congressional critics of the Clinton Administration's engagement policy towards North Korea formed the North Korea Advisory Group. The Republican group was chaired by Congressman Benjamin Gilman, Republican, New York and Chairman of the House Committee on International Relations. Members of Congress on the committee came from the House committees on International Relations, Foreign Operations, Intelligence and Armed Services. Selected Congressional staff, working with the Congressional Research Service (CRS) and Government Accounting Office (GAO) produced a lengthy and detailed assessment of Clinton's engagement strategy. The report was made public in 1999. The report warned that North Korea's nuclear and missile capabilities "have improved dramatically." The Clinton Administration was faulted for unsatisfactory monitoring of its food and heavy fuel oil shipments to North Korea. Also the aid "frees other resources for North Korea to divert to its WMD and conventional military programs." Key members of the working group subsequently shifted to other jobs. Peter Brookes first accepted an appointment as a deputy assistant secretary in the Department of Defense's Bureau of Asian Policy, but soon after became vice president of the Heritage Foundation. Chuck Downs moved to the American Enterprise Institute. Mark Kirk was elected as a Republican member of Congress. One year later, the Council on Foreign Relations North Korea Working Group reached similar conclusions. The group's Republican co-chairman Richard Armitage became Deputy Secretary of State in the new Bush Administration, James Kelly of CSIS (Pacific Forum) became Assistant Secretary of State for East Asian and Pacific Affairs, Paul Wolfowitz (then dean of John Hopkins School of Area and International Studies [SAIS]) became Deputy Secretary of Defense and Torkel Patterson (CSIS Pacific Forum) and Michael Green (Council on Foreign Relations) were appointed to the National Security Council.

¹³ George W. Bush, "Statement by the President on North Korea Policy," White House Press Release, June 6, 2001, online at www.whitehouse.gov. Colin Powell, "Remarks at the Asia Society Annual Dinner," New York City, June 10, 2002, online at www.state.gov. For further background, see C. Kenneth Quinones, "The United States in North Korean Foreign Policy," forthcoming in Byung Chol Koh (ed.), *North Korea and The World* (Seoul: Institute for Far East Studies 2004).

“dialogue” and “negotiation” was not explained until June 2002.

North Korea promptly rejected Bush’s proposal. It subsequently and repeatedly threatened to break the Agreed Framework and to resume its nuclear weapons program. Pyongyang squandered the opportunity to engage the United States in diplomatic dialogue in October 2002. First a ranking North Korean diplomat reportedly admitted to a North Korean uranium enrichment program, although denials followed from his superior the next day. The US delegation departed Pyongyang even more suspicious of North Korea’s real conduct and actual intentions regarding its nuclear programs.¹⁴

In Washington, the foes of engagement seized the opportunity to promote containment. In the words of a National Security Agency official, who spoke off the record to US journalists at the end of October 2002, North Korea was guilty of a “material breach” of the US-DPRK 1994 Agreed Framework. A stunned international community aligned with Washington and publicly censured North Korea. The Bush Administration promptly won Congressional approval to halt any further aid to North Korea. By November 2002, even more strident actions were being considered in Washington.¹⁵ It accused North Korea of “nuclear blackmail” and claimed it unworthy of being the United States’ negotiating partner.¹⁶

North Korea’s subsequent escalation of tensions made it poli-

¹⁴ James Kelly, “Remarks at the Woodrow Wilson Center,” Washington, DC, December 11, 2002, online at www.state.gov. “Statement of the Foreign Ministry Spokesman,” October 15 and 25, 2002, www.kcna.co.jp.

¹⁵ The material breach comment is based on a confidential conversation with a journalist. Regarding the Bush Administration’s reaction, see Richard Boucher, US Department of State spokesman, “North Korean Nuclear Program,” October 16, 2002, online at www.state.gov. George W. Bush, “Remarks by President Bush and Polish President Kwasniewski,” Washington, DC, January 14, 2003.

¹⁶ Bob Woodward, *Bush at War* (New York: Simon & Schuster 2002). George W. Bush, “Remarks by President Bush and Prime Minister Koizumi in Joint Press Conference,” Tokyo, Japan, February 18, 2002; “Remarks by President Bush and President Kim Dae-jung in Press Availability,” Seoul, Republic of Korea, February 20, 2002, online at www.state.gov.

tically impossible in Washington for any one to advocate continuing engagement with North Korea. At the start of 2003, North Korea quickly pronounced the Agreed Framework null and void, expelled the International Atomic Energy Agency's (IAEA) nuclear inspectors, restarted its 5 megawatt plutonium reactor at Yongbyon Nuclear Research Center and then announced that it no longer belonged to the Treaty on the Non-proliferation of Nuclear Weapons (NPT).

Six-Party Talks

Pyongyang's conduct has never conformed to the Bush Administration's expectations. In the case of North Korea, neo-containment is premised on the assumptions that the United States' military supremacy and North Korea's poverty would compel Pyongyang to submit to Washington's will. Obviously, that has not happened nor does it appear imminent in the near future. As of February 2003, tensions in Northeast Asia were being rapidly intensifying as a consequence of the dueling between Washington and Pyongyang over North Korea's nuclear intentions.

Fortunately for all the concerned nations, China in the spring of 2003 intervened. First it brought the US and North Korea together for so-called Three Party Talks. Those set the stage for Six-Party Talks, which commenced in the summer of 2003. These brought together the two Koreas, China, Japan, Russia, and the United States. The common avowed purpose was to forge a peaceful diplomatic accord to halt the spread of nuclear weapons to the Korean Peninsula. All the parties to these talks promptly signed up to this goal. However, ever since, the talks have been stalled primarily because of differences between the Washington and Pyongyang.

In summary, President Bush's neo-containment strategy is fundamentally at odds with a strategy of engagement preferred not just by

North Korea's Kim Jong Il, but also South Korea, China, and Russia. From the beginning of the Talks, the United States has refused to engage North Korea in either direct diplomatic dialogue or negotiations. President Bush continues to insist that North Korea cannot be trusted to negotiate in good faith. Instead, he adheres to demands that North Korea "completely, verifiably, irreversibly dismantle" (CVID) all its nuclear programs, both military and civilian. North Korea, furthermore, should do so without any compensation. Once it has accepted CVID, President Bush promises that he will consider giving North Korea appropriate economic rewards.

President Bush's continuing position regarding the Six-Party Talks reflects the essence of neo-containment. His position is unilateral. Only Japan has voiced support, while quietly conveying through diplomatic channels that it would prefer greater US flexibility. President Bush bases his position on a moralistic judgment of North Korea's past conduct. Having accused North Korea of "breaking past promises and of "nuclear blackmail," he refuses to "reward" it by engaging in diplomatic negotiations.

Bush's primary reason for engaging in the talks has been to concentrate multilateral pressure on North Korea, not to pursue a negotiated settlement. Originally, Bush presented Kim Jong Il a choice between submitting to the US demand for CVID, or risking the US "military option." Since the start of his second term, Bush has endeavored to compel China to squeeze North Korea into a choice between submitting to Bush's demands or risk losing China's economic support. In early May 2005, however, the Beijing government rejected pressure from Washington to at least temporarily halt oil and other economic aid shipments to Pyongyang.¹⁷

This illustrates the two basic assumptions of neo-containment.

¹⁷ *Washington Post*, May 7, 2005.

The first is that an adversary would rather submit to US demands than risk war with its a military superior. Secondly, given North Korea's feeble economic situation, Kim Jong Il would not risk the collapse of his regime by jeopardizing China's extensive economic assistance.

Economic Sanctions

At the same time, President Bush has sustained and even reinforced measures beyond diplomacy that are designed to coerce North Korea into accepting his "CVID" goal.

Foremost among these is the Bush Administration's extensive regime of economic sanctions. Most date from the Korean War and fall under the Trading with the Enemy Act. Others were imposed following North Korea's last known act of terrorism, bombing a South Korean airliner in 1987, killing almost 200 people. These sanctions prevent US investment of any kind in North Korea, including any US government "sustainable" developmental aid. Following the previous Bush Administration's 1988 "limited initiative," Americans continue to gain licenses to sell and export to North Korea items classified as "basic human needs," including food, clothing, medicines, and similar materials required to sustain normal life. Commercial investment, however, remains prohibited. North Korea is barred from acquiring "Most Favored Nation" (MFN) status, without which all goods imported from North Korea into the United States are subject to prohibitive import duties and highly restrictive quotas.¹⁸

The small number of sanctions lifted by previous Admini-

¹⁸Rinn-Sup Shinn, *Korea: Procedural and Jurisdictional Questions Regarding Possible Normalization of Relations with North Korea* (Washington, DC: Congressional Research Service 1994). Dianne E. Rennack, *North Korea: Economic Sanctions* (Washington, DC: Congressional Research Service 2003). Congressional Research Service, "Memorandum on "Terrorism List" Sanctions," Washington, DC (March 5, 2004).

strations have not been restored. US citizens may travel to North Korea, a barrier lifted in 1982. Telecommunication contact between the two nations is still allowed. US ships and aircrafts are still allowed to deliver humanitarian goods to North Korea, and the US government allows citizens to use US credit cards in North Korea. North Korea, however, does not accept any American credit cards. Although the Clinton Administration phased out some sanctions, the most potent ones remain firmly in place.

International Organizations

The US, with the continuing cooperation of Japan and other key allies, blocks North Korea's entry into all international financial organizations and most international organizations such as the World Trade Organization and OPEC. Consequently, North Korea is unable to enter the World Bank, Asian Development Bank (ADB), or the International Monetary Fund (IMF). These organizations are the potential source of large, low cost loans and other assistance vital for North Korea's economic modernization. Membership of the United Nations and its related agencies, first acquired during the previous Bush Administration, remains unaffected.

Proliferation Security Initiative

Since December 2002, the United States has increased the economic impediments to North Korean development. Relying on the published research of a few conservative Washington think tanks, the Bush Administration claimed that the Kim Jong Il government relies heavily on various illegal and unsavory exports to sustain itself. These include mind-altering drugs, counterfeit currency, and weapons of mass destruction, particularly ballistic missiles.¹⁹

To make its point, the US Department of Defense, with the assistance of a Spanish warship, seized a shipment of North Korean-produced Scud C short-range ballistic missiles in December 2002 from a Cambodian registered cargo ship en route to Yemen. The US, however, was ultimately forced to release the shipment as seizure on the high seas is illegal under international law. Moreover, international law does not prohibit the sale of ballistic missiles.²⁰

Undeterred, President Bush formally launched the Proliferation Security Initiative (PSI) in June 2003. The initiative aims to deter and obstruct international trade in illegal drugs, counterfeit money, and equipment, materials, and technology related to weapons of mass destruction. The PSI integrates current international law and advanced technical means to identify and track ships carrying undesirable cargo.

The Bush Administration claims that the PSI is a global effort aimed at proliferators of WMD, not any particular nation. Several nations are known to be responsible for the spread of WMD technology, specifically President Bush's so-called "Axis of Evil." Since the PSI began in earnest in 2003, the list of targeted nations has decreased. Iraq's former leader has been toppled and thorough searches of Iraq have not uncovered evidence of WMD stockpiles. Libya has acted upon its pledge to rid itself of all WMD and normalized relations with the US have followed. Of the original

¹⁹"G8 Action Plan on Nonproliferation," Text of Joint Statement by G8 Participants, Evian, France, June 2003. John Bolton, Under Secretary of State for Arms Control and International Security, "The Bush Administration's Nonproliferation Policy: Successes and Future Challenges," Testimony to the House International Relations Committee, Washington, DC (March 30, 2004), online at www.house.gov/international_relations/108/bolto33004. James Cotton, "The Proliferation Security Initiative and North Korea: Persuasion or Pressure?" (Seoul: IFES Forum), June 14, 2004.

²⁰"Spain, US Seize N. Korean Missiles," *Washington Post*, December 11, 2002; "Scud Missiles Found on Ship of North Korea (sic)," December 11, 2002, p. 1 (*The New York Times* carried a similar story but it was less accurate than the *Post's* report). Ari Fleischer, Presidential Spokesman, "Press Briefing," December 12, 2002, online at www.whitehouse.gov/news/releases.

“Axis,” Iran and North Korea remain the primary focus of the PSI, which North Korea remains convinced is a “blockade” aimed at impeding its efforts to revitalize its economy.

Conversely, Pakistan has escaped the Bush Administration’s condemnation and imposition of sanctions despite a long history of nuclear weapon technology proliferation. Instead, the Bush Administration has taken at face value the Pakistani government’s promise that it has discontinued and will not resume its prior proliferation activities.²¹

Japan and Neo-Containment

Japanese Prime Minister Koizumi has consistently but cautiously supported President Bush’s preference for neo-containment of North Korea. This has been most apparent in Japan’s participation in the Proliferation Security Initiative. Japan has been a key participant in the PSI since its conception. In June 2003, Japanese Maritime Police began inspections of all North Korean ships entering Japan’s territorial waters and ports. The intent is to deter any possible North Korean attempts to covertly position a nuclear device or other type of weapon of mass destruction in Japan’s territorial waters. On a more practical level, the inspections also aim to block the alleged flow of counterfeit currency and mind-altering drugs from North Korea into Japan and to other nations in East Asia.²²

New laws passed in the summer of 2004 give the Japanese government authority to block the entry of all North Korean ships

²¹ Leonard Weiss, “Pakistan: It’s *Déjà vu* All Over Again,” *Bulletin of the Atomic Scientists* (May/June 2004), pp. 52-59.

²² Based on discussions with Japanese officials in the Japan Defense Agency, and Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry, June 2003, November 2003, and June 2004.

into Japanese territorial waters and make them and their cargoes subject to seizure. Japanese Maritime Self Defense Forces already have the authority to board, and even fire on, uncooperative North Korean ships. Japan's Diet, much to the approval of the Bush Administration, gave the Japanese cabinet extensive new authority to impose comprehensive economic sanctions on North Korea, if Tokyo deems necessary. All of these activities strengthen the PSI's potency and, if implemented, would most directly affect North Korea.

The flow of Japanese hard currency to North Korea has also subsided significantly since 1998. Japan's Korean population once favored North Korea over South Korea. This minority's ability to share in Japan's prosperity enabled it to make substantial investments in North Korea and contributions to various North Korean educational and political organizations. Since 1998, however, an increasing number of Korean residents in Japan has distanced themselves from North Korea and the pro-North Korean Association of Koreans Resident in Japan, the *Chosen Soren*. North Korea's development and testing of long-range ballistic missiles, combined with Pyongyang's increasingly hostile attitude towards Japan, particularly Pyongyang's inept handling of the Japanese citizen abduction issue, has convinced the Japanese people that North Korea had replaced the Soviet Union as the primary national enemy. South Korean President Kim Dae-jung's decision to allow Koreans living in Japan to visit their ancestral homes in South Korea further eroded allegiance to North Korea.

After 1998, the annual pilgrimage of Koreans from Japan to North Korea dwindled by an estimated 75%. By 2000, membership in the *Chosen Soren* had declined by half. As of June 2004, the *Chosen Soren*'s active membership dropped from its high of nearly 400,000 in the late 1950s to about 10,000.²³

²³ Based on June 2004 discussion with *Chosen soren* (Chongnyon) official in Tokyo.

Similarly, the flow of Japanese currency to North Korea for investment and other purposes steadily subsided. In 2001, the pro-North Korean association's primary bank had collapsed into bankruptcy. According to Japanese officials, as reported in Japan's conservative *Yomiuri Shimbun* on June 28, 2003, a total of Yen 12.7 billion (approximately US\$ 115,454,000) was transferred to North Korea through registered remittances and cash carried by visitors to North Korea during 2000-03. According to Japanese government reports, the amount of total remittances (registered plus estimated illegal currency transfers) continues to decline despite the increasing registration of money transfers from Japan to North Korea.

Japan's contribution to neo-containment of North Korea is impressive when all the various aspects are taken into account. These include Japan's willingness and military ability to contribute to implementation of the PSI, Tokyo's refusal to facilitate Pyongyang's admission into the Asian Development Bank, inspections of North Korean fishing and cargo ships, and the shrinking flow of Japanese currency into North Korea.

South-North Korean Economic Cooperation

The Bush Administration has also pressed South Korea to restrain its strategy of economic cooperation with North Korea. Seoul has agreed to suspend all public and private commercial investment in North Korea, but continues to supply humanitarian aid. In the spring of 2004, Seoul sent Pyongyang 200,000 metric tons of chemical fertilizer and promised to provide 400,000 metric tons of rice and corn.²⁴ In 2005, however, Seoul has stiffened its stance when dealing with

²⁴ *Agence France-Presse*, "South Korea to Ship 400,000 tons of Rice to the North," July 6, 2004. UN Office for the Co-ordination of Humanitarian Affairs, "DPR Korea Situation Bulletin," March through May 2004.

Pyongyang, withholding further aid pending the resumption of bilateral ministerial talks. These did not reconvene until mid-May 2005, and only at the vice-ministerial level. Nevertheless, South Korea renewed its pledge to ship agricultural aid to North Korea once ministerial level talks are held in June, as agreed by Pyongyang.

The United States has concurred with South Korea's desire to continue its development of the infrastructure for the joint North-South Korean Kaesong Industrial Park. Private South Korean investment in the park has been stymied less by government restraints and more by investors' concerns about whether the nuclear impasse with North Korea might lead to a second Korean War.

Washington has failed to convince Seoul to completely end the construction of two light water nuclear reactors (LWR) in North Korea. The project was initiated at part of the 1994 Agreed Framework. After the October 2002 diplomatic collision between the US and DPRK in Pyongyang, Washington halted its annual shipment of 500,000 metric tons of heavy fuel oil to North Korea, another provision of the Agreed Framework. North Korea declared the accord no longer operative. But the governments in Seoul and Tokyo have refused to shut down the project entirely. Instead, despite Washington's keen displeasure, both US allies agreed to "suspend" the LWR construction project. The US Congress nevertheless voted to end all support for the project in June 2004. Despite Washington's strong objections, Seoul continues to favor resumption of the LWR project as a concession to North Korea if a diplomatic resolution is achieved in the Six-Party Talks.

Humanitarian Aid

The United States has not moved to halt the flow of international humanitarian aid to North Korea, but the Bush Administration has

significantly reduced the amount of food aid it has supplied to North Korea since 2001.²⁵ US food aid to North Korea totaled 50,000 metric tons in 2004, roughly one-tenth the annual amount provided during the Clinton Administration. The Bush Administration has also made the continuation of this aid contingent on North Korean compliance with World Food Program requirements regarding access to all areas of North Korea, its population, and ability to monitor aid distribution.²⁶ Like the Clinton Administration, the Bush Administration does not allow US sustainable development aid to North Korea.

The continuing gains in North Korean food production and declining US food aid suggest an abrupt end of US humanitarian aid would not undermine the North Korean government, economically or politically. The withdrawal of aid would not necessarily alienate the population from their government. On the contrary, the government most likely would concentrate popular frustration and anger on the United States, blaming the “hostile policy” and alleged efforts to “strangle” North Korea. Hostile North Korean reaction would be directed towards the United States.

Diplomatic Dialogue Becomes a Stick

Despite the numerous “sticks” of neo-containment, Pyongyang has remained adamant in rejecting CVID and refusing to rejoin the Six-Party Talks. In response, President Bush has intensified the pressure on North Korea, since his re-election in November 2004. While continuing

²⁵ Edward Reed, “Unlikely Partners: Humanitarian Aid Agencies and North Korea,” Paper presented at the American Enterprise Institute, Washington, DC, February 12-13, 2004. William Brown, “Prospects for North Korea’s Economy: Its All About Money,” undated manuscript. Aidan Foster-Carter, “North Korea Chooses Guns over Butter,” *Asia Times* (March 31, 2004), www.atimes.com.

²⁶ Department of State briefing of American NGOs at InterAction, Washington, D.C., April 22, 2005.

to press China, South Korea, and Japan to intensify diplomatic and economic pressure on North Korea, the Bush Administration has continued to convert diplomatic dialogue from a tool of diplomacy into a “stick” of neo-containment.

US diplomats were not allowed to meet face to face with their North Korean counterparts between December 2004 and May 2005. Even telephone contact between them was reduced to brief discussions of technical issues regarding visa issuance for travelers between the two nations and travel permission for North Korean officials wishing to go outside New York City.

Since December 2004, North Korean diplomats wishing to visit the United States have been denied visas, while existing diplomats have been prevented from traveling more than 25 miles from downtown New York. As of May 2005, the situation remained unchanged.

Neo-Containment’s Impact

The extensive array of US impediments to negotiation, including diplomatic dialogue, normal economic activity plus international ostracism, and public condemnation, has thus far failed to convince North Korea to submit to US demands at the Six-Party Talks. In other words, the Bush Administration’s neo-containment strategy as applied to North Korea has failed promote US national interests.

Neo-containment has arguably made the situation worse. North Korea’s attitude towards the United States remains intensively hostile, having become virtually belligerent since the Bush Administration assumed office in 2001. The strategy has failed to halt North Korean nuclear weapon development or the expansion of its “nuclear deterrence capability.” On the contrary, North Korea proclaimed itself a nuclear power on February 11, 2005. It subsequently announced that it no longer felt bound by the 1998 moratorium on testing ballistic

missiles. This has raised concerns that it will now quicken development of a nuclear-armed ballistic missile. Pyongyang also announced its the 5 Megawatt power reactor had been shut down to extract the 8,000 spent fuel rods for reprocessing into weapons-grade plutonium and possible fabrication of several more nuclear weapons.

Meanwhile, North Korea maintains a huge conventional military force of more than one million personnel. “Supreme Commander” Kim Jong Il has declared a “military first” national strategy aimed at ensuring that his armed forces receive preference over the civilian sector in all areas. Also, neither his rule nor his domain’s economy appears to be faltering. On the contrary, Kim Jong Il appears to have the solid support of North Korea’s most decisive political force, the military. Also, North Korea’s economy, with substantial aid from China, appears to be gradually backing away from collapse and even beginning to achieve some revitalization.

On the other hand, neo-containment has certainly frustrated North Korean efforts to revitalize its economy. The nation’s civilian industrial infrastructure remains dilapidated and incapable of producing goods capable of competing in the international market place. The agricultural sector remains unable to supply the nation’s food needs despite some steady improvement in food production.²⁷ Economic sanctions have achieved mixed results regarding technology, but only adversely affect the civilian sector as North Korean munitions

²⁷ Bradley Babson, “Economic Cooperation on the Korean Peninsula” (Berkeley, CA: The Nautilus Institute 2003), online at www.nautilus.org/DPKKBriefingBook; C. Kenneth Quinones, “Abducted Japanese Issue Blocks North Korea’s Entry into Asian Development Bank,” *Asahi Monthly* (Tokyo, in Japanese), April 2004; Joseph Winder, “Promoting Cooperation on the Korean Peninsula and in Northeast Asia,” *Cooperation and Reform on the Korean Peninsula* (Washington, DC: Korea Economic Institute 2002); Bernhard Seliger, “Economic Reform in North Korea,” *Korea’s Economy 2004* (Washington: Korea Economic Institute and Korea Institute of International Economic Policy 2004); Eliot Jung, Youg-soo Kim, and Takeyuki Kobayashi, “North Korea’s Special Economic Zones: Obstacles and Opportunities,” *Confrontation and Innovation on the Korean Peninsula* (Washington, DC: Korea Economic Institute, 2004).

and WMD programs retain access to advanced technology. What the United States and its allies have refused to supply, North Korea has been able to obtain from through a global network of covert dealers in arms and technology, particularly the close US ally Pakistan.

At the same time, President Bush's avowed goal of a "peaceful diplomatic solution" to the continuing nuclear crisis on the Korean Peninsula remains an elusive goal. Neo-containment's coercive elements have been met with equally coercive responses from Pyongyang. The sum result is a tension bilateral atmosphere of intensified distrust and disrespect between the United States and North Korea. Neo-containment has not built an atmosphere conducive to diplomatic dialogue and compromise.

Even if the Six-Party Talks resume, restoring the mutual trust essential for diplomatic negotiation and compromise will be far harder to achieve than before neo-containment was implemented. Consequently, achieving a peaceful diplomatic solution remains a distant hope. To achieve peace, a strategy of engagement must be employed.