

## *A Prospect for US-North Korean Relations beyond the BDA Issue\**

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### **Abstract**

The February 13 Agreement has provided us not only opportunities but also challenges. We have just entered into a long, possibly rocky, process of denuclearizing North Korea. In order to keep the momentum of the denuclearizing process, several things need to be kept in focus. First of all, it is quite essential to pay keen attention to domestic political dynamics of the United States and North Korea, that is, how domestic political dynamics are related to the issue of North Korea as a whole and the North Korean nuclear problem in particular. Second, we should be more concerned with and keenly aware of changes in regional setting and strategic alignment, most importantly the US-China relations. The United States has found that Chinese cooperation is essential in solving the North Korean problem and China has been cooperative. Many more consultations are going on between the United States and China. To solve North Korean problems well beyond nuclear ones, South Korea needs to find ways to utilize the unfolding US-China cooperative relations and to be part of it. So while maintaining and strengthening South Korea-US-Japan TCOG relations, it would be worth seeking a new trilateral cooperation, or at least

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consultation, mechanism among South Korea, the United States and China. Thirdly, it is necessary to look beyond the current North Korean nuclear problem and to see not only the trees but also the forest since the North Korean nuclear problems are related to more fundamental North Korean problems. North Korean nuclear problem is a symptom of North Korean problems and one of many issues we should tackle in the process of realizing true peace and stability on the Korean peninsula. Last, but not least, as we have seen in the BDA case, technical details matter. Especially, to realize a swift and fast implementation of denuclearization, much more detailed homework should be done in advance. And real technical expertise is required. Meetings and consultations among technical experts are essential, and, through this, it would be possible to breed common understanding and common language, that would back up the political determination in real terms. To keep the momentum of the Six-Party Talks going and realize the denuclearization of North Korea, much more comprehensive understanding and detailed/focused approaches are required. For that purpose, South Korea should intensify its consultation and coordination with the US and seek all cooperation it can find in other participating countries, especially China.

**Keywords:** Six-Party Talks, North Korean nuclear problem, US-DPRK relations, BDA issue, peace regime

## **Introduction**

From the beginning of 2007, the Bush administration began to show more flexibility and willingness in seeking peaceful solutions to the North Korean nuclear problem. Unlike its previous position of refusing to have direct bilateral talks,<sup>1</sup> or negotiations with North Korea, the Bush administration finally had meetings with North Korea twice, one in Berlin and the other in Beijing.<sup>2</sup> Those two

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<sup>1</sup> From the beginning, the Bush administration, which criticized the previous Clinton administration for its North Korean policy, especially the Geneva Agreed Framework, refused to have any bilateral negotiation with the DPRK.

<sup>2</sup> On January 16, 2007, a three-day US-DPRK bilateral talks was held in Berlin, Germany between US Assistant Secretary of State for East Asian and Pacific Affairs, Christopher Hill and DPRK Vice Foreign Minister Kim Gye-gwan. It was the second US-DPRK direct bilateral contact in the Bush administration that took place outside of the Six-Party Talks framework, after Ambassador James Kelly's visit to Pyongyang in October 2002. Reportedly, the United States and North Korea negotiated

meetings enabled the six countries to get together again and resulted in the adoption of the February 13 Agreement of 2007 (hereafter ‘2.13 Agreement’), which contains initial phase actions for implementing the September 19 Joint Statement of 2005 (hereafter ‘9.19 Joint Statement’). Furthermore, in recent days the United States has softened its posture regarding the financial sanctions against North Korea over the issue of Banco Delta Asia (hereafter BDA),<sup>3</sup> which has blocked the Six-Party process and the implementation of the initial phase action measures laid out in the 2.13 Agreement.

Standing in contrast to US changes, North Korea has not altered its claims much. From the beginning of the Bush administration, North Korea has persistently demanded the abolition of the US hostile policy toward North Korea. North Korea has also claimed that it would not return to the Six-Party Talks so long as sanctions are imposed upon it. However, after the two meetings, North Korea returned to the Six-Party Talks and accepted the 2.13 agreement, even before US financial sanctions were lifted. And, in the follow-up working-group meetings,<sup>4</sup> North Korea has shown some positive signs of change. For example, in the inaugural meeting of the US-DPRK bilateral working group for normalizing relations held in New York on March 5, North Korea raised the necessity of completely

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on the terms and conditions of resuming the Six-Party Talks in this unprecedented meeting. On February 9, before the beginning of the fifth round of Six-Party Talks, the United States and North Korea had similar bilateral contact to further narrow down the gaps in their respective positions.

<sup>3</sup>The financial sanction against BDA was imposed due to suspicion of money laundering. Article 311 of the Patriot Act was the rationale. Thus, the United States often claimed that “the issue of BDA was a matter of law enforcement, and it had nothing to do with North Korean nuclear issues.” And, it demanded unconditional and immediate return of North Korea to the Six-Party Talks.

<sup>4</sup>The 2.13 agreement has produced five working groups: Korean peninsula denuclearization working group; US-North Korean normalization working group; Japan-North Korean normalization working group; economy and energy cooperation working group; and Northeast Asian peace and security cooperation working group. Between March 5 and 19, all five working groups met.

clarifying the suspicion on highly enriched uranium (hereafter HEU) program up front and consented on the establishment of an expert group for the clarification. Also, North Korea showed its willingness for quick normalization of its relations with the United States.<sup>5</sup> In the Northeast Asia peace and security mechanism working group, North Korea expressed that “we hope to be friends with the United States and Japan and become a responsible member state of the international community.”<sup>6</sup>

Despite an incomplete resolution of the BDA problem, the United States and North Korea face another opportunity to improve, maybe normalize, their bilateral relations. However, the past experience makes us very cautious since, against initial optimism, the two previous opportunities of 1994 and 2000 had failed and resulted in even worse situations and confrontation.<sup>7</sup> It is still uncertain whether both the United States and North Korea have made “*the*” strategic decision or not. And there are other issues and concerns, which can derail, or at least stall, the negotiation process. Because of these reasons, it is quite risky to positively predict the future of US-DPRK relations. But, this makes it necessary to identify and analyze issues and positions, which have influenced and will influence the course of US-DPRK relations.

## **US Policy and Approach toward North Korea**

There are several things to be pointed out regarding the US approach toward North Korea. During the 2000 US presidential

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<sup>5</sup> *Chosun Ilbo*, March 8, 2007.

<sup>6</sup> *Ibid.*, March 17, 2007.

<sup>7</sup> In 1994, by adopting the Geneva Agreed Framework, both the United States and North Korea agreed to pursue the normalization of their relations. In October 2000, during Vice Marshall Cho Myongrok’s visit to Washington, the United States and North Korea once again affirmed their intention to normalize the diplomatic relations.

campaign, the Republicans criticized President Clinton's policy toward North Korea, especially the Geneva Agreed Framework,<sup>8</sup> and strongly opposed to President Clinton's intent to visit Pyongyang and demanded a tougher stance on North Korea. After the election, the Bush administration tried to differentiate itself from the predecessor in almost every aspect. The so-called 'ABC' — anything but Clinton — was so pervasive in Washington's policy and political circles that a general tone of Bush administration's policy toward North Korea was characterized as tougher and aggressive. And, from the US perspective, North Korea's past behaviors, especially repeated blackmailing and cheating, were totally unacceptable. On top of that, the United States upheld a quite strong moralistic position in dealing with North Korea that is, 'no concession' and 'no reward for bad behaviors.'<sup>9</sup> The South Korean government explained that there are small but meaningful signs of changes in North Korea and urged the United States to engage North Korea. But the argument and explanation of the South Korean government were not well received by the United States.

The United States has viewed and approached the North Korean nuclear problem from the two dominant aspects: terrorism and proliferation. Since 1988, North Korea still has been on the list of state sponsors of terrorism.<sup>10</sup> Being attacked by Al-Queda on September 11, 2001, the most serious threat to national security of the United States was terrorism. Almost everything was viewed from terrorism

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<sup>8</sup> The Republicans criticized the Geneva Agreed Framework for the failure of eliminating North Korean nuclear capabilities. It was considered as an appeasement.

<sup>9</sup> For example, the words such as "axis of evil" and "outpost of tyranny" can be viewed as examples of such US perspective on North Korea.

<sup>10</sup> After the bombing of a Korean civilian airliner (KAL 858) in 1987, the US State Department listed North Korea as a state sponsor of terrorism on January 20, 1988. Since then, North Korea has been on the list of countries supporting terrorists. The latest 2006 Country Reports on Terrorism, released by the US State Department on April 30, 2007, did not change North Korea's status.

and counter-terrorism. Simply put, anything or anyone related, or believed to be related, to terrorism was an evil to be eliminated at all cost. This provided a basis for forming a US perception of North Korea and set the tone for and orientation of US approach toward North Korea. So the US rhetorical expressions such as “axis of evil” and “outpost of tyranny” could not and should not be taken lightly since they reflected genuine mindsets of the Bush administration rather than superficial, political meanings.<sup>11</sup> Thus, it implied that negotiation with North Korea was not perceivable for the United States since doing so meant a compromise on terrorism, which was in fact a surrender of the upheld principle of “no negotiation with terrorists.” In conjunction with this, North Korea was regarded as a possible, or probable, candidate for major proliferators of nuclear weapons. In the investigation of the A.Q. Khan network and activities of smuggling nuclear material and technologies, the United States discovered that North Korea was connected. Consequently, a combination of terrorism and proliferation contributed to even deeper distrust of the United States vis-à-vis North Korea and left little room for flexibility in dealing with North Korea.

For the United States, the North Korean nuclear problem is an important issue, but not an urgent one. Therefore it was sometimes off of the US policy radar screen and not enough consideration was given. Consequently, the situation has deteriorated and distrust between the United States and North Korea has deepened. While it has maintained and emphasized the principle of peaceful resolution of the North Korean nuclear problem through diplomatic negotiation, the United States has not given due attention to it and made only nominal effort in seeking a solution to the problem. Since the United States has been preoccupied with the other more urgent and pressing problems of Iraq

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<sup>11</sup> It’s been pointed out that the South Korean government underestimated the impact of the 9/11 incident upon the forming image of North Korea in the US and general sentiment in the US aftermath.

and Iran, the North Korean nuclear problem was not a priority, though important. The United States often said that “the ball is in North Korea’s court” and that it was always ready to talk with North Korea. The United States appeared to be quite reluctant in taking any kind of initiative unless North Korea makes the strategic decision of unilaterally giving up its nuclear ambitions. And it urged North Korea to show its strategic decision through concrete actions, not words, by saying that North Korea should try hard to earn trust by deed.

For the past six years, the Bush administration, especially during its first term, has maintained its North Korea policy primarily focused on the nuclear issue.<sup>12</sup> The overall picture and background of North Korean problems appears to have been forgotten, or at least underestimated. And yet, such a narrowly focused understanding of and approach toward the North Korean nuclear problem were so successful since the linkage between the North Korean nuclear problem and the related complexity of the problems was not well understood and utilized. And this was one of the causes of friction between the United States and the other concerned parties and, consequently, took a long time to agree on a common approach toward the North Korean nuclear problem.

Based on the abovementioned background, the Bush administration’s policy approach toward North Korea has evolved overtime: from the initial “comprehensive approach,” to “bold approach,” and finally to “common and broad approach.” After completing a policy review, in June 2001, the Bush administration announced “the comprehensive approach.”<sup>13</sup> In that approach, the United States identified four issues, or concerns, regarding North Korea: nuclear weapons, other WMD and delivery means, conventional military

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<sup>12</sup>This is quite different from the previous Clinton administration’s approach toward North Korea. The well-known Perry Process was designed to solve North Korean problems in a comprehensive manner.

<sup>13</sup><http://www.state.gov/eap/tls/rm/2001/4304.html>, searched on April 8, 2007.

threats, and humanitarian issues, including human rights violations. What makes the Bush administration different from the Clinton administration is that instead of seeking solutions for these concerns through negotiation, or engagement, with North Korea, the Bush administration set forth North Korea's unilateral actions to meet US demands as a nonnegotiable precondition for talks and improvement of US-DPRK relations. That is, a "quid-pro-quo principle" was adopted. On the other hand, North Korea perceived such US positions as "hostile, or oppressive policy" of the United States vis-à-vis North Korea and rejected the demands. The nuclear standoff between the two continued and further worsened.

The situation became even worse for two factors. The first is the 9/11 incident and its aftermath. The second is the revelation of the highly enriched uranium (hereafter HEU), or alternative nuclear program.

Shortly after the announcement of comprehensive approach, the 9/11 incident took place. Consequently, the United States became preoccupied with terrorism, and the North Korean nuclear issue was almost forgotten. When it began to revisit the North Korean nuclear issue, the United States viewed the North Korean nuclear issue from the perspective of the 'war on terror' and 'proliferation of weapons of mass destruction (hereafter WMD),' and took a tougher, maybe militaristic and aggressive, stance. For example, in the 2002 State of Union Address, President Bush identified three countries—North Korea, Iran, and Iraq—as an "axis of evil," which presents serious threats to world peace and security.<sup>14</sup> Moreover, in Nuclear Posture Review (hereafter NPR),<sup>15</sup> the United States revealed a new doctrine

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<sup>14</sup>US President George W. Bush first used the term, 'axis of evil' in his State of the Union Address on January 29, 2002 to accuse regimes that were believed to be sponsoring international terrorism and having WMD programs, <http://www.whitehouse.gov/news/releases/2002/01/20020129-11.html>, searched on April 8, 2007.

<sup>15</sup>In the NPR, the United States identified a new triad: offensive strike capabilities both nuclear and non-nuclear; defense both active and passive; and a revitalized



of “preemptive strike.” To realize this, it argued for the development of various means, including new nuclear weapons such as a bunker buster.<sup>16</sup> In other words, the United States recognized the necessity to have means available for prevention and tailored response. Otherwise, it would be self-deterred. The combination of these two elements led people to believe that the United States was taking a very aggressive and militaristic approach toward rogue states including North Korea, with little room for diplomatic negotiation.

As mentioned before, investigating the A.Q. Khan connection, the United States found evidence that North Korea allegedly pursued an alternative nuclear program based on HEU, which was a clear violation of the Geneva Agreed Framework. Upon his visit to Pyongyang in October 2002, Assistant Secretary of State for East Asian and Pacific Affairs James Kelly raised the HEU issue, and North Korea admitted the existence of the HEU program bluntly. That was the beginning of the second North Korean nuclear crisis. As the first North Korean nuclear crisis of 1993 did, this enabled the United States to take tougher stance vis-à-vis North Korea.

The comprehensive approach evolved into “the bold approach.” The difference of the bold approach from the previous comprehensive approach was that while other elements remained same, the scope of the bold approach became much narrower since it primarily focused on the North Korean nuclear issue. The essence of bold approach was that once North Korea decided to give up all nuclear programs, the United States would provide economic assistance and improve its relations with North Korea. Still the quid-pro-quo principle, or ‘conditionality,’ was applied. Disappointingly, however, North Korea

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defense infrastructure. Among these new three elements, the issue of offensive strike capabilities became most controversial. US Department of Defense, *Findings of the Nuclear Posture Review* (January 9, 2002).

<sup>16</sup> While it authorized the development and acquisition of conventional bunker buster, the US Congress rejected nuclear ones.

responded to the new US approach with heightening the level of crisis. North Korea's resumption of nuclear activities and announcement to withdraw from the Non-Proliferation Treaty (NPT) deteriorated the situation and helped the United States justify its position.<sup>17</sup>

To prevent further deterioration and to seek diplomatic solutions to the North Korean nuclear problem, South Korea and China began to move actively. Both countries emphasized peaceful resolution through diplomatic dialogue. In the meantime, China used its leverage with North Korea by controlling the oil supply.<sup>18</sup> And South Korea actively consulted with the United States to create chances to make a breakthrough and solve the problem. Such efforts were successful insofar as to bring the United States, North Korea and China to a negotiation table: that is, three-party talks were held in Beijing on April 23, 2003. However, the three-party talks failed to produce any tangible outcomes. Both the United States and North Korea reiterated their previous positions. Neither side was really ready to propose workable solutions to the nuclear problem, unless the other side made concession.

Based upon the consultation and coordination with South Korea and Japan, maybe China also, the United States put forward a principle of "complete, verifiable, and irreversible dismantlement (hereafter CVID)" of North Korean nuclear programs but showed no detailed incentives. It suggested "the Libyan model" and urged North Korea to make a similar strategic decision as Libya did. The United States again said that "the ball is in North Korea's court." However, the United

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<sup>17</sup>Initial response to North Korea was the suspension of the supply of heavy fuel oil to North Korea, which had been carried out by the Korean Peninsula Energy Development Organization (KEDO) established under the Geneva Agreed Framework. About two years later, KEDO project was terminated. At the beginning, it was reported that the United States demanded immediate termination of KEDO project. But due to the reservation of other board member countries, the suspension measure was agreed instead. The KEDO project was officially terminated in December 2005.

<sup>18</sup>It was reported that China shut off one oil pipeline for some months.

States could not move its policy priority to the North Korean nuclear issue, since the war in Iraq was expected to prolong. Thus, for the following two years, the Six-Party Talks did not make any meaningful progress at all.<sup>19</sup>

The frustration over the North Korean nuclear problems was rising, especially in Seoul. So, in July 2005, to make a breakthrough, South Korea took an initiative, known as “important proposal,” in which South Korea proposed a provision of 200MWe electricity for terminating North Korea’s nuclear program. That was very similar to the Geneva Agreed Framework.<sup>20</sup> In parallel, China and Russia urged flexibility and patience. In the meantime, the United States began to be concerned with criticism on aggressive US unilateralism in executing the war on terror and lack of enthusiasm to solve the North Korean nuclear issue. It seemed that the United States recognized that it could become a target of criticism if the Six-Party Talks failed. A new formula, ‘transformational diplomacy’ was put forward; that is, regime transformation, not regime change. Regime transformation meant that without changing political leadership, the United States would seek policy, or behavioral, changes of a target state. This new formula appeared less militant and more flexible.

These factors contributed to the resumption of the Six-Party Talks after about a year of suspension. On September 19, 2005, six countries adopted the 9.19 Joint Statement, which laid out the principles for denuclearizing the Korean peninsula. The major contents of the Joint Statement are as follows;

- Denuclearization of the Korean peninsula;
- Normalization of relations between the US and North Korea;

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<sup>19</sup> For this period, the Six-Party Talks were held five times. The first Six-Party Talks were held from August 27 to 29, 2003; The second from February 24 to 27, 2004; The third from June 24 to 26; The first phase of the fourth from July 26 to August 4, 2005; The second phase of the fourth from September 13 to 19, 2005.

<sup>20</sup> The US response to South Korean proposal was rather lukewarm. Secretary Powell said that “it is interesting.”

- Normalization of relations between Japan and North Korea;
- Promotion of economic cooperation in the fields of energy, trade and investment;
- Negotiation of a permanent peace regime on the Korean peninsula
- Exploration of ways and means for promoting security cooperation in Northeast Asia; and
- Taking coordinated steps to implement the consensus in a phased manner in line with the principle of “commitment for commitment, action for action.”<sup>21</sup>

The next task was to spell out more detailed action plans. Unfortunately, the Six-Party Talks stalled again, and optimism was replaced with pessimism due to US financial sanctions against North Korea, known as the BDA issue. After finding suspicion, or evidence, of North Korea’s money-laundering activities through BDA and counterfeiting, based on Article 311 of Patriot Act, the United States enforced the financial sanctions vis-à-vis BDA. By this US action, as many as 50 North Korean accounts in BDA, which amounted to about 25 million dollars, became frozen.<sup>22</sup> North Korea vehemently reacted to this action and argued that it would not return to the Six-Party Talks under the sanction.

The United States seemed to have finally found effective tools and means in dealing with North Korea, and now it could finally, realistically do something toward North Korea. The United States continued to press North Korea by explaining that the two issues — the issue of illicit activities and the nuclear issue — were totally separate, and that the former was not subject to negotiation since it was a law-enforcement issue. And, to show its commitment to the peaceful

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<sup>21</sup> <http://www.state.gov/r/pa/prs/ps/2005/53490.html>, searched on March 28, 2007.

<sup>22</sup> Sunghan Kim, “US Coercive Diplomacy toward North Korea: Current Status and Prospects,” *Policy Brief*, No. 2006-8 (Seoul: Institute of Foreign Affairs and National Security, 2006), p. 4.

resolution of North Korean nuclear issue through diplomatic dialogue, the United States repeated its position that “we are ready to discuss the North Korean nuclear issue within the Six-Party Talks.”

In addition, under the assumptions of democratic peace and transformational diplomacy,<sup>23</sup> from the beginning of 2006, the United States galvanized moral and ethical charges against North Korea by bringing up human rights issues in North Korea as well as the oppressive, tyrannical nature of the Kim Jong Il regime. And North Korea was described as one of the “outposts of tyranny.” It seemed that in its second term the Bush administration was pressing North Korea from all possible angles and advancing its North Korea policy, not simply the North Korea nuclear policy. And the so-called “regime transformation” policy began to be executed.

North Korea responded in its own typical way: test firing seven missiles on July 5<sup>th</sup> and a nuclear test on October 9<sup>th</sup>. Strangely, the US response to those two provocative actions was rather calm, while Japan took a tougher stance. The United States did not take any action except diplomatic ones to bring the issue to the UN Security Council. In punishing North Korea for its missile and nuclear test, the UN Security Council adopted Resolution 1695 (UNSCRES 1695) and Resolution 1718 (UNSCRES 1718) respectively.<sup>24</sup> The United States finally secured international consensus and justification for enforcing sanctions against North Korea for its bad behaviors. It is noteworthy that those two incidents brought China and Russia closer to the United States, and a coalition among the five parties emerged to take a common stance against North Korea. From that, one of the major concerns of the United States was not only how to press North Korea

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<sup>23</sup> For transformational diplomacy, see Kang Choi, “US Transformational Diplomacy and the Prospect for US-North Korean Relations,” *Policy Brief*, 2006-6 (Seoul: IFANS, 2006), pp. 1-9.

<sup>24</sup> Because of Chinese and Russian reservation, both resolutions exclude the use of force: Chapter 7, Article 42 of the UN Charter.

but also how to maintain the newly emerged coalition, especially sustaining China's support. About a month later, November 2006, President Bush met his Chinese and South Korean counterparts in Hanoi, Vietnam during the APEC Summit. Chinese Premier Wen Jiabao urged the United States to show flexibility in dealing with North Korea and reiterated the Chinese position—the peaceful resolution of the North Korean nuclear problem through diplomatic dialogue and negotiation. In the meantime President Roh and President Bush agreed on a new policy formula: that is, a “common and broad approach.”<sup>25</sup> Furthermore, it was reported that President Bush said that if North Korea gave up nuclear weapons, along with the two Koreas, the United States would sign a declaration to terminate the Korean War.<sup>26</sup>

Despite such agreement and understanding, the United States did not take any concrete action and rather called for the immediate resumption of the Six-Party Talks. At the same time, sanctions were under way and the United States urged the others to participate in implementing UNSCRES 1718.

Against such a favorable external background and development, the United States suddenly began to move quickly to solve the North Korean nuclear problem from January 2007. Finally, all six parties agreed on initial phase actions on February 13, 2007. The major contents of the 2.13 Agreement are:

- Shutting-down and sealing Yongbyun nuclear facility and monitoring and verification by IAEA;
- the DPRK's declaration of nuclear programs and discussion with other parties;
- Beginning the process of removing the designation of the DPRK as

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<sup>25</sup> Details of the common and broad approach are not available. But the term itself refers to a rather comprehensive approach focusing on not only nuclear but also other issues.

<sup>26</sup> Sunghan Kim, *op. cit.*, p. 6.

a state sponsor of terrorism and advancing the process of terminating the application of the Trading with the Enemy Act with respect to the DPRK;

- Resumption of normalization talks between the DPRK and Japan;
- Cooperation in economic, energy and humanitarian assistance to the DPRK, including the initial shipment of emergency energy assistance equivalent to 50,000 tons of heavy fuel oil (HFO) within the following 60 days;
- Establishment of 5 working groups and holding the first meeting of each working group within 30 days;
- Holding a ministerial meeting; and
- Holding a separate forum for negotiation of a permanent peace regime on the Korean peninsula.

Until March 19, 2007, everything looked quite promising. However, the unexpected technical issues associated with wiring North Korea's money from the BDA accounts once again impeded further progress. But the United States showed flexibility and moved actively and quickly to solve the problem once again. What do all these changes mean? Why has the United States begun to show flexibility not only in word but also in action? Is it a real strategic shift or a mere tactical adjustment? What has caused such a shift or adjustment? It seems there are at least three reasons.

First, the recent 2006 US midterm elections resulted in a sweeping victory for the Democratic Party and a sound defeat for the Republicans.<sup>27</sup> The Republican defeat created and increased pressure on the Bush administration in securing success in its foreign policy. US National sentiment and bipartisanship, which were supportive of the Bush administration's policy of war on terrorism, have

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<sup>27</sup> The 2006 US midterm elections were held on November 7, 2006. After the elections, the Democratic Party captured the US House of Representatives and Senate, and won a majority of state governorships.

substantially eroded. Criticism against the Bush administration's Middle East policies in general, and specifically Iraq and Iran policies, was mounting.<sup>28</sup> And the Democrats also criticized the Bush administration for refusing direct bilateral talks with North Korea. Iraq and Iran have been proved as almost failure cases for Bush's foreign policy. The increasing number of casualties and an unstable political situation in Iraq has made the call for an immediate withdrawal from Iraq widespread.<sup>29</sup> At this time, no feasible exit strategy is in sight. For Iran, the United States does not have viable policy alternative, either. So the Bush administration is not in a position to afford another failure in foreign policy. North Korea appeared to be the only remaining chance for achievement. If the Bush administration succeeded in resolving North Korean problems, it would be remembered as an administration which has cleaned up the Clinton legacy. So it is possible to assume (conclude) that a domestic political background and calculus of political leaders have contributed to such a shift in a US approach toward North Korea.

Second, development and management of US-China cooperative relations have become very important. As a matter of fact, the rise of China is inevitable and has tremendously significant implications for future international order and security structure. China can present a "disruptive challenge" for the United States in the long term, and China is described as "a country at strategic crossroads" in *The 2006 National Security Strategy of the US*.<sup>30</sup> China is and will be the primary

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<sup>28</sup> It seems that the US is entrapped in all three cases of the Middle East. For Iran, due to the reservation of European countries, China and Russia, the US cannot take any concrete action.

<sup>29</sup> Even the Iraq Study Group (ISG), headed by former Secretary of State James Baker, recommended gradual reduction of troops in Iraq. And the House demanded the withdrawal of troops with the approval of \$124 billion war spending bill.

<sup>30</sup> In *The 2006 Quadrennial Defense Review*, the US identified four challenges: conventional, catastrophic, irregular, and disruptive. China belongs to the 4<sup>th</sup> category of disruptive challenge. In *The 2006 NSS*, three countries were regarded as countries at strategic crossroads: India, Russia, and China.



concern of the United States in shaping the future. Thus, despite some friction and differences, it is a kind of mandate for the United States to develop cooperative and friendly relations with China. From circa 2005, the United States began to call China a “stakeholder” and to emphasize responsibility-sharing.

The North Korean nuclear problem could be regarded as one test case. From the beginning of the North Korean nuclear crisis, the United States persistently asked China to play a more active role and at times expressed some disappointment.<sup>31</sup> The October 9<sup>th</sup> nuclear test by North Korea created a turning point in both countries’ relations in dealing with North Korea. China, along with Russia, moved closer to the United States and took a very tough stance toward North Korea. Within the Six-Party Talks framework, a “five (South Korea, the United States, Japan, China and Russia) versus one (North Korea) structure” finally formed. Since then, on various occasions, the United States has expressed its appreciation of Chinese cooperation and efforts, and emphasized the significant and positive role of China in dealing with North Korea. From the US perspective, cooperative efforts and relations between the United States and China are crucial in dealing with the North Korean nuclear problem. But, from a long-term perspective, such cooperation can be further developed in dealing with the peninsula as well as regional issues and concerns. For that purpose, the United States might have thought that it is not desirable to create any situation that undermines or discredits Chinese interests, most notably causing unstable situations in North Korea.<sup>32</sup> And the United States might have felt it necessary to take Chinese concerns into account and show flexibility.

Third, the ROK-US alliance management is another source of

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<sup>31</sup> In response, China usually said that it has only limited influence over North Korea and that it has done what it can.

<sup>32</sup> It is believed that the US and China have had talks on a North Korean contingency.

US policy change. There are two aspects of it: the one is the rising fear of abandonment in South Korea; the other is the South Korean public understanding of and concern over the ways in which the United States handles the North Korean nuclear problem.

Since 2003, South Korea and the United States have modernized their alliance system through a series of consultations and negotiations. Both have agreed on and ironed out the outstanding issues: relocation of Yongsan garrison as well as the US 2<sup>nd</sup> Infantry Division, adjustment of the Land Partnership Plan (LPP), and strategic flexibility of USFK.<sup>33</sup> The other pending issues such as Joint Vision Study of the ROK-US security alliance (JVS), comprehensive security assessment (CSA), and command relations study (CRS) were concluded at the 38<sup>th</sup> ROK-US Annual Security Consultative Meeting (SCM). And the target date of transferring wartime operational control to the ROK Joint Chiefs of Staff—April 17, 2012—was agreed upon at the meeting between South Korea’s Minister of National Defense Kim Jangsoo and US Defense Secretary Robert Gates on February 23, 2007. Both countries have resolved most of the contending issues. But, throughout the process of consultation and negotiation, a lot of concerns and criticism were raised. Some South Koreans began to argue the possibility of abandonment by the United States. So the key concern for the United States was how to reassure the US commitment to the defense of South Korea. For that purpose, the United States has reaffirmed its commitment to the defense of South Korea on various occasions, most notably at the 38<sup>th</sup> SCM by inserting the words, “extended nuclear deterrence,” in addition to the US offering its nuclear umbrella to South Korea.<sup>34</sup> The one concern—fear of

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<sup>33</sup> For details, see Kang Choi, “Tasks for the Development of the ROK-US Security Alliance” [Hanmi Dongmaeng Baljeoneul Wihan Gwajai], *Analysis of Major International Issues [Juyo Kukje Munjai Bunseok]*, November 15, 2006 (Seoul: IFANS).

<sup>34</sup> In the Joint Communiqué at the 38<sup>th</sup> SCM, which was announced on October 20, 2006 in Washington DC, the term, ‘extended deterrence,’ was included upon South Korea’s request. The relevant texts of the Joint Communiqué read as follows.

abandonment — has been kept at bay.

On the other hand, suspicion or concern was raised over the way the United States handled the North Korean nuclear issue: the possibility of using force and/or managing rather than solving the North Korean nuclear problem. Witnessing the United States' use of force in dealing with terrorism in Iraq, despite reiterated US commitment to the principle of peaceful resolution of the North Korean nuclear problem through diplomatic negotiation, South Koreans were very concerned with the possibility of the use of force against North Korea, however remote. For instance, when the NPR was released, South Koreans were alarmed by the word "preemptive strike." And South Koreans found that the United States became so frustrated with lacking of the Six-Party Talks and tired of North Korea's repeated brinkmanship. Consequently, it was possible for South Korea to speculate that the United States might use force against North Korea. Nevertheless, any split between the United States and South Korea would only benefit North Korea. Having that in mind, the United States found it necessary to eliminate, or at least reduce, such ungrounded suspicion and concerns of South Koreans by showing flexibility in and enthusiasm toward diplomatic negotiations.

Some South Koreans had and still have concerns over the US's posture on the North Korean nuclear problem. That is to say, due to the difficulty in finding a fundamental solution to the North Korean nuclear problem, the United States might implicitly acknowledge North Korea as a nuclear power so long as it does not proliferate — an Indian model, not Libyan model, would be adopted. In other words, a "capping" approach might be sought. If so, South Korea would remain

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<sup>3</sup>3. Secretary Rumsfeld offered assurances of firm US commitment and immediate support to the ROK, including continuation of *extended deterrence* [emphasis added] offered by the US nuclear umbrella, consistent with the Mutual Defense Treaty," <http://www.defenselink.mil/news/Oct2006/d20061020uskorea.pdf>, searched on March 28, 2007.

subject and vulnerable to a North Korean nuclear threat, which would be a different kind of abandonment. Such understanding of US posture on North Korean nuclear problem would seriously damage US credibility and trust as an ally to South Korea. As in the case of fearing abandonment, for alliance management purposes, the United States would have to recognize the necessity of eliminating such misunderstanding by taking on more active diplomatic initiatives, a depart from the previous reactive “wait and see” posture.

In sum, flexibility is not the result of policy review. It can be considered as a product of the factors which are not directly related to the North Korean nuclear problem: domestic political background, development and management of cooperative US-Sino relations, and ROK-US alliance management. It is uncertain whether Washington’s flexibility and activeness can be sustained further into the future. And this is why it is difficult to argue that the United States has made a strategic shift. Thus, sustainability can only be conditioned and tested by North Korean action.

## **North Korea’s Calculation and Responses**

Since the beginning of the second nuclear crisis, North Korea has taken steps to worsen the situation from withdrawing from the NPT, unfreezing its nuclear facilities and activities, announcing the possession of nuclear weapons, and finally its nuclear test. And it has persistently argued for the abandonment of the US’s hostile policy toward North Korea and the assurance of regime security. After the introduction of financial sanctions on North Korea, it has argued that as long as sanctions are enforced, it cannot return to the negotiation. And, while participating in the Six-Party Talks, North Korea has emphasized the importance and centrality of US-DPRK bilateral negotiations. In response, the United States urged North Korea to

immediately return to the Six-Party Talks without any precondition and showed its intention to have US-DPRK bilateral talks within the framework of the Six-Party Talks. As aforementioned, the United States refused to lift up financial sanctions. On the contrary, the United States began to raise and press human rights issues.

To increase pressure upon the United States and to drive a wedge among the other five countries, North Korea took its traditional “acts of brinkmanship”: test-firing seven missiles on July 5 and a nuclear test on October 9. However, unlike its expectation, North Korea itself became the victim of its own actions. Even China and Russia began to distance themselves from North Korea and criticize North Korean actions. Isolation of North Korea deepened even further. An international coalition was formed against North Korea and North Korea was put under rather comprehensive sanctions, just short of the use of military means.

Under the given situation, North Korea was left with few options: ignoring and giving no response, taking even far more aggressive actions such as staging another nuclear test to create a dramatic turning point and solution, or cutting a deal directly with the United States. The first two options might have appeared neither feasible nor desirable. The mounting external pressure supported by UNSCRES 1718 would not allow North Korea to simply ignore everything and take no action. Until North Korea made its move, the international pressure would keep mounting. Consequently, North Korea would be in a worse and weaker position. On second option of going further down the road would further the distance between North Korea and China. North Korea would be left alone without any reliable external supporter. China no longer would be North Korea’s strategic center of gravity. The world would be completely different. So it is possible to conclude that North Korea could not consider the second option due to its possible negative impact on North Korean-Chinese relations. Now North Korea was left with the third

option: making a deal with the United States, as it did in 1994. The general mood in Washington after the mid-term elections would have led North Korea to believe that the Bush administration is not in a position to press hard upon North Korea and that further resistance to returning to the Six-Party Talks would damage seriously its relations with China. Around December of 2006, the United States began to show some gestures of flexibility. China as well as South Korea actively sought ways to make a breakthrough in the nuclear stalemate. Another opportunity was given to North Korea. This brought about the resumption of the Six-Party Talks and resulted in the 2.13 agreement on initial phase action measures.

In the inaugural meeting of US-DPRK normalization working group, North Korea gave reconciliatory signals for expediting the normalization process. For instance, the North Korean officials at the meeting pointed out the necessity to clarify the suspicion over the HEU program and agreed on the establishment of an expert group meeting for this matter. Furthermore, North Korea expressed the hope for an early establishment of full diplomatic relations by skipping the usual practice of setting up a liaisons office.

It is conceivable that domestic political change in the United States and its consequences upon US policy toward North Korea, warming relations between the United States and China, rising dissatisfaction of China with North Korea, and shrinking (diplomatic and strategic) room for North Korea have all made it possible for North Korea to think about a desirable response and decide to return to the Six-Party Talks, as well as agree on the initial phase action measures on February 13, 2007.

Table 1. Chronology of Major Events in the Second North Korean Nuclear Crisis

2002	
October 3	James Kelly, US Assistant Secretary of State for East Asian and Pacific Affairs, visits North Korea (bringing out HEU problem).
November 15	KEDO executive board decides to suspend the provision (shipments) of heavy fuel oil (HFO) to North Korea.
December 12	North Korea announces its resumption of operation and construction of Yongbyon nuclear facilities.
December 21	North Korea begins removing the IAEA seals and monitoring devices from Yongbyon nuclear facilities.
2003	
January 10	North Korea announces its withdrawal from the Nuclear Non-Proliferation Treaty (NPT).
April 23-25	Three-Party Talks held in Beijing between the United States, North Korea, and China
August 27-29	First Round of Six-Party Talks held in Beijing (CVID solution proposed)
October 2	North Korea announces the completion of reprocessing spent fuel rods and warns that it will maintain and increase its nuclear deterrent force.
October 20	The United States expresses its willingness to provide a security guarantee to North Korea in a multilateral framework.
November 21	KEDO decides to suspend the light water reactor (LWR) project for one year.
2004	
February 25-28	Second Round of Six-Party Talks
June 23-26	Third Round of Six-Party Talks
2005	
February 10	North Korea declares its possession of nuclear weapons.
May 11	North Korea says it has completed extraction of spent fuel rods from Yongbyon.
July 26-August 4	Fourth Round of Six-Party Talks (First Phase)
September 13-19	Fourth Round of Six-Party Talks (Second Phase) adopts a '9.19 Joint Statement.'
November 9-11	Fifth Round of Six-Party Talks (First Phase)

2006	
January 18	Delegation Heads from the United States, North Korea, and China meet in Beijing.
March 7	The United States and North Korea have working-level contact in New York to discuss solutions for the financial problems caused by the BDA issue.
July 5	North Korea test-fires its missiles.
July 16	The UN Security Council adopts the UNSC Res. 1695 to impose sanctions on North Korea over the missile tests.
October 9	North Korea carries out an (underground) nuclear test.
October 15	The UN Security Council adopts the UNSC Res. 1718 with unanimous votes to impose weapons and financial sanctions on North Korea over its claimed nuclear test.
October 18-19	Tang Jiaxuan, State Councilor of China, visits Pyongyang and delivers Hu Jintao's message to Kim Jong Il.
October 31	The United States, North Korea, and China agree on an early resumption of the Six-Party Talks.
November 28-29	US-DPRK bilateral talks held in Beijing (between Christopher Hill and Kim Gye-gwan)
December 18-22	Fifth Round of Six-Party Talks (Second Phase)
2007	
January 16-18	US-DPRK bilateral talks held in Berlin (Christopher Hill-Kim Gye-gwan)
February 8-13	Fifth Round of Six-Party Talks (Third Phase)
March 5-6	Inaugural meeting of the US-DPRK Bilateral Working Group for normalizing relations held in New York
March 7-8	Inaugural meeting of the Japan-DPRK Bilateral Working Group for normalizing relations held in Hanoi, Vietnam
March 16-18	First working-group meetings on economy and energy cooperation, Northeast Asia peace and security, and denuclearization of the Korean peninsula held in Beijing

## A Prospect for the Future

For the time being, US-DPRK relations are more likely to proceed in a gradual way to seek solutions to problems rather than to bring up differences and confrontation. It is now clear that no party can



afford the failure of the Six-Party Talks. And there is a general consensus that all parties should keep the momentum of negotiations and dialogue. Meetings of the five working groups will be held occasionally.

However, whether both the United States and North Korea have ultimately made so-called 'strategic decisions' or have adopted just tactical adjustments is still unclear. It is expected that both will probe and test the other carefully. Deeply embedded distrust and hostility, which are the product of more than 50 years of confrontation, are not easily alleviated. Stereotyped perceptions and negative images of the other will be in place for some time and impede, if not derail, the process. Anything short of the other's expectation can easily be interpreted as a sign of cheating or weak commitment and in turn reconfirm bad images. There will always be dangers of misinterpretation and misjudgment.

The domestic political setting in the United States as well as North Korea will very likely influence the future courses of US-DPRK relations. In the United States, the Republicans are on the defense, whereas the Democrats hard press the Bush administration for its foreign policy. On North Korea, not only nuclear issues but also other concerns such as non-military issues, including its malpractice of human rights, oppressive nature of governance, illicit activities, and suspicion of state sponsorship of terrorism will be raised. Without any progress achieved in these fields, the Democrats will surely oppose to the Bush administration's last push for normalization with North Korea. In particular, on the nuclear dimension, the Democrats will not accept anything short of the Geneva Agreed Framework. On the other hand, due to North Korea's resistance, the Bush administration won't be able to deliver what the Democrats demand. Furthermore, for President Bush, it would be difficult to find justifications or excuses to back away from what he has been saying on North Korea, especially regarding human rights and freedom. If so,

he shall be criticized for making concession for achieving a personal political agenda. So domestic political support for the Bush administration's approach toward North Korea will be weak at best.

On the other hand, North Korea cannot simply reverse its previous position and cooperate with others in denuclearizing North Korea. As in the case of South Africa and Libya, the abandonment of nuclear weapons is the most fundamental strategic decision a state can make, and it could be considered as the beginning of true systemic reform of the Kim Jong Il regime, a departure from its "military first ideology, politics, and policy." It can discredit the firmly established organization in the North: the North Korean military. The current political situation and structure of North Korea do not allow such things to happen. Chairman Kim needs the military to control and sustain his regime. And the military is believed to back up the nuclear programs. Unless an alternative tool or organization governs the system and support Kim Jong Il, the military remains the central organ in North Korea's political system. No other organ can replace the military in the foreseeable future, and triangular relations (structure) between Kim, the military and nuclear weapons will be maintained. Likewise, structural and systemic constraint on the abandonment of nuclear weapons will remain formidable.

The issues of dismantling nuclear weapons, establishing a peace regime on the Korean peninsula, and achieving normalization of relations are closely tied up. The United States and North Korea have different perspectives and approach toward these issues. The United States considers the nuclear issue as one of the sources that threaten peace on the Korean peninsula. So denuclearization should be attained first and then peace can be realized. In other words, nuclear weapons are a destabilizing and threatening factor to peace, so the dismantlement of nuclear weapons must be a precondition for peace and security. On the other hand, North Korea argues exactly the opposite: that is, peace *is* the precondition for its abandonment of

nuclear weapons. North Korea has been arguing that the possession of nuclear weapons is a legitimate and inevitable response to the US's hostile policy toward North Korea and that unless the United States shows non-hostile intent through its actions,<sup>35</sup> it cannot give up its nuclear weapons. So it is possible to expect continuous collision and debate between the United States and North Korea over the issue of which should come first: denuclearization or peace (or peace as a consequence vs. peace as a precondition).

The issue of peace regime on the Korean peninsula is also indirectly but substantively related to the issue of normalization of relations between the United States and North Korea. How fast and how far both the United States and North Korea can improve their relations will greatly influence the scope and pace of peace talks. But, as in the case of peace and denuclearization, the United States and North Korea have different approaches from each other. North Korea has always demanded a very swift, early normalization. In the first meeting of the US-DPRK normalization working group, it was reported that Vice Foreign Minister Kim Gyeokwan of North Korea suggested skipping the step of opening liaisons offices and going for an expedited establishment of full diplomatic relations. In response, Assistant Secretary of State Christopher Hill pointed out the necessity to have intermediate steps before establishing full diplomatic relations since there remain numerous other issues to be solved.<sup>36</sup> Given the pressure from Capitol Hill, it would not be feasible for the US government to proceed and realize normalization without substantial improvement or resolution on two key issues: terrorism and human rights. More specifically and realistically, the US administration may

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<sup>35</sup> Traditionally, North Korea puts forward four conditions of peace: non-aggression pact or treaty (sometimes peace treaty) between the US and North Korea; withdrawal of US troops; stopping of joint military exercises on the Korean peninsula and banning of import of weapons into the Korean peninsula. Nowadays, it has added the lift up of all sanctions.

<sup>36</sup> *Chosun Ilbo*, March 12, 2007.

be able to lift up some sanctions, but not all, against North Korea. Among forty-two sanction measures, the President, or Secretary of State or Treasury, can waive as many as thirty-four within their own authority. The other remaining eight measures need at least partial revisions of respective US laws and require consent of the Congress.<sup>37</sup> Even regarding the thirty-four measures subject to the waiver, due to the possible domestic political repercussions and damages on the moral integrity of the President, the Bush administration cannot simply exercise waiver rights unless there is clear evidence of resolution, or improvement. However, such an approach would be perceived by North Korea as a sign of the continuation of a hostile US policy. In sum, it is expected that we will see the collision between the US's gradual approach and North Korea's swift approach toward the normalization of diplomatic relations.

If we come to the issue of denuclearization, we can see a very completely, entirely different picture and collision: namely, comprehensive and swift US approach toward denuclearization versus North Korea's gradual 'salami' approach. The United States will try to solve the problem as soon as possible, whereas North Korea will lengthen the process by opting for salami tactics. Each side's position is intended to probe and test the other. Especially the Bush administration wants and will try to secure concrete results, which may be beyond, or at least equivalent to, the Geneva Agreed Framework within less than two years. Knowing the time constraint on the Bush administration, North Korea is very likely to either raise the price in a bold approach or go for salami tactics, or both. In any

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<sup>37</sup> There are four rationales in imposing sanctions against North Korea: North Korea poses a threat to US national security; North Korea is designated by the Secretary of State as a state sponsor or supporter of international terrorism; North Korea is a Marxist-Leninist state, with a Communist government; and North Korea has been found by the State Department to have engaged in proliferation of weapons of mass destruction. For details, see Dianne E. Renmack, *North Korea: Economic Sanctions, CRS Report for Congress* (October 17, 2006).

case, it would appear particularly difficult for the United States to accept either. The timeframe for proceeding from the shutting-down/sealing up of North Korean nuclear facilities to the ultimate dismantlement will be an element of contention between the two sooner or later.

Here, let's assume that both agreed on the timeframe. But, as we have seen in the case of resolving the BDA issue, technical and legal issues can hold the process of policy implementation. First thing to be expected is the scope and reliability of North Korea's declaration list of existing nuclear programs. North Korea is supposed to list and declare all nuclear programs it runs. It may include the programs that are already known to us, and possibly HEU also. The issue shall be centered around nuclear material and/or nuclear weapons. If North Korea excludes information on these two, this would inevitably create the suspicion over North Korea's sincerity and commitment to denuclearization, and consequently, another confrontation might arise, as we have seen in the first nuclear crisis of 1993. On the other hand, North Korea can go in exactly the opposite direction. If North Korea declares all its nuclear program, material, and weapons, and demands the acceptance of North Korea as a nuclear power and nuclear arms control, that would completely change the nature of this nuclear "tug-of-war."<sup>38</sup>

After declaration, the next issue is verification and monitoring. Who should carry out these functions? The 'IAEA' or the 'other five countries + IAEA'?<sup>39</sup> We can think of different formulas. What about the scope and nature of inspections and verification? Of course, we will demand a full scope inspection and verification, the so-called

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<sup>38</sup> The first option is more probable than the second. But we cannot rule out the possibility of the second option. The second option will become more probable when the pressure upon North Korea increases.

<sup>39</sup> IAEA has its own limits since it cannot access nuclear weapons. Only P5 are authorized to access and dismantle nuclear weapons. Among the P5, the US, maybe Russia, has experience of dismantling nuclear weapons.

'93+2,' for all nuclear programs past, present and future. North Korea would not accept this kind of full scope of inspection and verification at first. It may try to confine the scope only to the five facilities: that is, current nuclear activities. Past nuclear activities might be reserved for a later period and negotiation. If so, the Six Party Talks would face another great challenge, and the United States may be forced to take a tougher stance.

The concept, methods, and timeframe of disabling are still unclear.<sup>40</sup> When the word "disabling" came out it was hard to figure out what it really meant. And it is still unclear. The only thing we can say for sure is that disablement is a transitional measure between shutdown and dismantlement. This actually leads us to raise another concern the duration of the disablement stage. Crucial questions are about how long it will take to disable North Korea's entire nuclear program and how long the disabled stage will last. The United States, along with four other participating countries in the Six-Party Talks, will make efforts to shorten the period of disablement, which will be immediately followed by the steps and measures of dismantlement, whereas North Korea will try to stretch out the phase. So it is not unreasonable to have doubts in mind that another collision is ahead of us unless we are well prepared for in detail.

Finally, rather a seemingly minor issue is the cost and sharing of burdens. In the 2.13 Agreement, all parties agreed to bear "equal share." Some participating countries might have some reservation in bearing equal share, most notably Japan, unless the pressing issues are resolved. The Abe administration has made it clear that without making progress in solving the abductee issue, Japan will not provide any assistance to North Korea. The Bush administration is also in

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<sup>40</sup> When the concept of disablement was introduced, it was criticized for vagueness of the concept. And it was also criticized for being overlapped with dismantlement: waste of resources, energy, and time. On methods, several methods were speculated but not confirmed.

a difficult position due to legal constraints imposed by the North Korean Human Rights Act and ADVANCE Democratic Act, which tie up the humanitarian assistance to the improvement of human rights conditions.<sup>41</sup> So the principle of equal burden-sharing can be challenged and debate over who pays how much is most likely to arise.

### **Conclusion: Implications for the Future**

The February 13 Agreement has provided us not only opportunities but also challenges. We have just entered into a long, possibly rocky, process of denuclearizing North Korea. In order to keep the momentum of denuclearizing process, several things need to be kept in focus. First of all, it is essential to pay keen attention to domestic political dynamics of the United States and North Korea that is, how domestic political dynamics are related to the issue of North Korea as a whole and the North Korean nuclear problem in particular. Especially, in the United States, the issue of North Korean nuclear problem is subject to the debate between the administration and the Congress and between the Republicans and the Democrats. Given the political schedule, with the presidential election in 2008, the intensity of debate is much more likely to increase as time passes by. It may become more difficult to find bipartisan support for the resolution of the North Korean nuclear problem. ABB—anything but Bush—can intervene and impede the process. A more challenging problem lies with North Korean political structure. Chairman Kim may find himself posed between external pressure and internal constraint. Triangular relations formed around “military first ideology, politics, and policy” and manifested in his nuclear programs would not easily allow for Chairman Kim Jong Il to make the strategic decision of

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<sup>41</sup> See Kang Choi, *US Transformational Diplomacy* (2006).

abandoning the nuclear option once and for all. The key challenge is how to break up this triangular relationship. This may be the most fundamental task for us to tackle and may take longer time than we expect. Thus we should be ready to deal with the North Korean nuclear problem with a rather long interim period in mind.

Second, we should be more concerned with and keenly aware of changes in regional setting and strategic alignment, most importantly US-Sino relations. The United States has found that Chinese cooperation is essential in solving the North Korean problem and China has become very cooperative. Many more consultations are going on between the United States and China. Yet, it is uncertain how long and how deep this trend will go. To solve North Korean problems well beyond nuclear ones, South Korea needs to find ways to utilize the unfolding US-Sino cooperative relations and to be part of it. So it would be worth seeking a new trilateral cooperation, or at least consultation, mechanism among South Korea, the United States and China.<sup>42</sup> This does not necessarily mean undermining the previously established trilateral cooperation mechanism among South Korea, the United States and Japan. It is necessary and desirable to revisit and rejuvenate the previous TCOG mechanism, a product of the Perry Process, and to have another complementary mechanism. Both trilateral mechanisms can be developed in a mutually supporting and reinforcing way: China as a facilitator and Japan as a supporter. Two, or a dual structure, is better than one.

Third, it is necessary to look beyond the current North Korean nuclear problem to see only the trees but also the forest. Since North Korean nuclear problems are related to more fundamental North Korean problems, the North Korean nuclear problem is in essence a

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<sup>42</sup> Chungin Moon argued for the desirability of having South Korea-US-Chinese triangular cooperation mechanism in his column, *Joongang Sunday*, April 29, 2007. Furthermore, these three countries, along with North Korea, are the directly concerned parties to the peace regime on the Korean peninsula.



symptom of North Korean problems. We also need to understand that it is only one of many issues we should tackle in the process of realizing true peace and stability on the Korean peninsula. So it is both desirable and necessary to approach the current nuclear problem from the perspective of peace and understanding the complex linkages among the issues to be raised regarding North Korea. For that purpose, it is worth forming a common understanding of a “Korean Peninsula Peace Roadmap among the Parties.”

Last, but not least, as we have seen in the BDA case, technical details matter. Especially, to realize a swift and fast implementation of denuclearization, much more detailed homework should be done in advance. And real technical expertise is required. Otherwise, despite the agreement on action and measures, the implementation process itself can be stalled again and suspicion may arise. Meetings and consultations among technical experts are quite essential and, through this, it would be possible to breed common understanding and common language, that would back up the political determination in real terms.

To keep the momentum of the Six-Party Talks going and realize the denuclearization of North Korea, much more comprehensive understanding and detailed/focused approaches are required. For that purpose, South Korea should intensify its consultation and coordination with the United States and seek all cooperation it can find in other participating countries, especially China.

## Joint Statement of the Democratic People's Republic of Korea and the United States of America

New York, June 11, 1993

The Democratic People's Republic of Korea and the United States of America held governmental-level talks in New York from the 2<sup>nd</sup> through the 11<sup>th</sup> of June 1993. Present at the talks were the delegation of the Democratic People's Republic of Korea headed by First Vice Minister of Foreign Affairs Kang Sok Ju and the delegation of the United States of America led by Assistant Secretary of State Robert L. Gallucci, both representing their respective Governments. At the talks, both sides discussed policy matters with a view to a fundamental solution of the nuclear issue on the Korean peninsula. Both sides expressed support for the North-South Joint Declaration on the Denuclearization of the Korean Peninsula in the interest of nuclear non-proliferation goals.

The Democratic People's Republic of Korea and the United States have agreed to principles of:

- Assurance against the threat and the use of force, including nuclear weapons;
- Peace and Security in a nuclear-free Korean peninsula, including impartial application of full-scope safeguards, mutual respect for each other's sovereignty, and non-interference in each other's internal affairs; and
- Support for the peaceful reunification of Korea.

In this context, the two Governments promised to continue dialogue on an equal and unprejudiced basis. The Government of Democratic People's Republic of Korea has decided unilaterally to suspend as long as it considers necessary the effectuation of its withdrawal from the Treaty on the Non-Proliferation of Nuclear Weapons.

## Agreed Framework Between the United States of America and the Democratic People's Republic of Korea

Geneva, October 21, 1994

Delegations of the governments of the United States of America (US) and the Democratic People's Republic of Korea (DPRK) held talks in Geneva from September 23 to October 21, 1994, to negotiate an overall resolution of the nuclear issue on the Korean peninsula.

Both sides reaffirmed the importance of attaining the objectives contained in the August 12, 1994 Agreed Statement between the US and the DPRK and upholding the principles of the June 11, 1993 Joint Statement of the US and the DPRK to achieve peace and security on a nuclear-free Korean peninsula. The US and the DPRK decided to take the following actions for the resolution of the nuclear issue:

- I. Both sides will cooperate to replace the DPRK's graphite-moderated reactors and related facilities with light-water reactor (LWR) power plants.
  - 1) In accordance with the October 20, 1994 letter of assurance from the US President, the US will undertake to make arrangements for the provision to the DPRK of a LWR project with a total generating capacity of approximately 2,000 MW(e) by a target date of 2003.
    - The US will organize under its leadership an international consortium to finance and supply the LWR project to be provided to the DPRK. The US, representing the international consortium, will serve as the principal point of contact with the DPRK for the LWR project.
    - The US, representing the consortium, will make best efforts to

secure the conclusion of a supply contract with the DPRK within six months of the date of this Document for the provision of the LWR project. Contract talks will begin as soon as possible after the date of this Document.

- As necessary, the US and the DPRK will conclude a bilateral agreement for cooperation in the field of peaceful uses of nuclear energy.
- 2) In accordance with the October 20, 1994 letter of assurance from the US President, the US, representing the consortium, will make arrangements to offset the energy foregone due to the freeze of the DPRK's graphite-moderated reactors and related facilities, pending completion of the first LWR unit.
- Alternative energy will be provided in the form of heavy oil for heating and electricity production.
  - Deliveries of heavy oil will begin within three months of the date of this Document and will reach a rate of 500,000 tons annually, in accordance with an agreed schedule of deliveries.
- 3) Upon receipt of US assurances for the provision of LWR's and for arrangements for interim energy alternatives, the DPRK will freeze its graphite-moderated reactors and related facilities and will eventually dismantle these reactors and related facilities.
- The freeze on the DPRK's graphite-moderated reactors and related facilities will be fully implemented within one month of the date of this Document. During this one-month period, and throughout the freeze, the International Atomic Energy Agency (IAEA) will be allowed to monitor this freeze, and the DPRK will provide full cooperation to the IAEA for this purpose.
  - Dismantlement of the DPRK's graphite-moderated reactors and related facilities will be completed when the LWR project is completed.
  - The US and the DPRK will cooperate in finding a method to store safely the spent fuel from the 5 MW(e) experimental reactor

during the construction of the LWR project, and to dispose of the fuel in a safe manner that does not involve reprocessing in the DPRK.

- 4) As soon as possible after the date of this document US and DPRK experts will hold two sets of experts talks.
  - At one set of talks, experts will discuss issues related to alternative energy and the replacement of the graphite-moderated reactor program with the LWR project.
  - At the other set of talks, experts will discuss specific arrangements for spent fuel storage and ultimate disposition.

II. The two sides will move toward full normalization of political and economic relations.

- 1) Within three months of the date of this Document, both sides will reduce barriers to trade and investment, including restrictions on telecommunications services and financial transactions.
- 2) Each side will open a liaison office in the other's capital following resolution of consular and other technical issues through expert-level discussions.
- 3) As progress is made on issues of concern to each side, the US and the DPRK will upgrade bilateral relations to the Ambassadorial level.

III. Both sides will work together for peace and security on a nuclear-free Korean peninsula.

- 1) The US will provide formal assurances to the DPRK, against the threat or use of nuclear weapons by the US.
- 2) The DPRK will consistently take steps to implement the North-South Joint Declaration on the Denuclearization of the Korean Peninsula.
- 3) The DPRK will engage in North-South dialogue, as this Agreed

Framework will help create an atmosphere that promotes such dialogue.

IV. Both sides will work together to strengthen the international nuclear non-proliferation regime.

- 1) The DPRK will remain a party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and will allow implementation of its safeguards agreement under the Treaty.
- 2) Upon conclusion of the supply contract for the provision of the LWR project, ad hoc and routine inspections will resume under the DPRK's safeguards agreement with the IAEA with respect to the facilities not subject to the freeze. Pending conclusion of the supply contract, inspections required by the IAEA for the continuity of safeguards will continue at the facilities not subject to the freeze.
- 3) When a significant portion of the LWR project is completed, but before delivery of key nuclear components, the DPRK will come into full compliance with its safeguards agreement with the IAEA (INFCIRC/403), including taking all steps that may be deemed necessary by the IAEA, following consultations with the Agency with regard to verifying the accuracy and completeness of the DPRK's initial report on all nuclear material in the DPRK.

Robert L. Gallucci	Kang Sok Ju
Head of Delegation of the United States of America, Ambassador at Large of the United States of America	Head of the Delegation of the Democratic People's Republic of Korea, First Vice-Minister of Foreign Affairs of the Democratic People's Republic of Korea

## US-DPRK Joint Communiqué Released by the Office of the Spokesman

US Department of State, October 12, 2000

As the special envoy of Chairman Kim Jong Il of the DPRK National Defense Commission, the First Vice Chairman, Vice Marshal Jo Myong Rok, visited the United States of America from October 9-12, 2000.

During his visit, Special Envoy Jo Myong Rok delivered a letter from National Defense Commission Chairman Kim Jong Il, as well as his views on US-DPRK relations, directly to US President William Clinton. Special Envoy Jo Myong Rok and his party also met with senior officials of the US Administration, including his host Secretary of State Madeleine Albright and Secretary of Defense William Cohen, for an extensive exchange of views on issues of common concern. They reviewed in depth the new opportunities that have opened up for improving the full range of relations between the United States of America and the Democratic People's Republic of Korea. The meetings proceeded in a serious, constructive, and businesslike atmosphere, allowing each side to gain a better understanding of the other's concerns.

Recognizing the changed circumstances on the Korean peninsula created by the historic inter-Korean summit, the United States and the Democratic People's Republic of Korea have decided to take steps to fundamentally improve their bilateral relations in the interests of enhancing peace and security in the Asia-Pacific region. In this regard, the two sides agreed there are a variety of available means, including Four-Party talks, to reduce tension on the Korean peninsula and formally end the Korean War by replacing the 1953 Armistice Agreement with permanent peace arrangements.

Recognizing that improving ties is a natural goal in relations among states and that better relations would benefit both nations in the 21<sup>st</sup> century while helping ensure peace and security on the Korean peninsula and in the Asia-Pacific region, the US and the DPRK sides stated that they are prepared to undertake a new direction in their relations. As a crucial first step, the two sides stated that neither government would have hostile intent toward the other and confirmed the commitment of both governments to make every effort in the future to build a new relationship free from past enmity.

Building on the principles laid out in the June 11, 1993 US-DPRK Joint Statement and reaffirmed in the October 21, 1994 Agreed Framework, the two sides agreed to work to remove mistrust, build mutual confidence, and maintain an atmosphere in which they can deal constructively with issues of central concern. In this regard, the two sides reaffirmed that their relations should be based on the principles of respect for each other's sovereignty and non-interference in each other's internal affairs, and noted the value of regular diplomatic contacts, bilaterally and in broader fora.

The two sides agreed to work together to develop mutually beneficial economic cooperation and exchanges. To explore the possibilities for trade and commerce that will benefit the peoples of both countries and contribute to an environment conducive to greater economic cooperation throughout Northeast Asia, the two sides discussed an exchange of visits by economic and trade experts at an early date.

The two sides agreed that resolution of the missile issue would make an essential contribution to a fundamentally improved relationship between them and to peace and security in the Asia-Pacific region. To further the efforts to build new relations, the DPRK informed the US that it will not launch long-range missiles of any kind while talks on the missile issue continue.



Pledging to redouble their commitment and their efforts to fulfill their respective obligations in their entirety under the Agreed Framework, the US and the DPRK strongly affirmed its importance to achieving peace and security on a nuclear weapons free Korean peninsula. To this end, the two sides agreed on the desirability of greater transparency in carrying out their respective obligations under the Agreed Framework. In this regard, they noted the value of the access which removed US concerns about the underground site at Kumchang-ri.

The two sides noted that in recent years they have begun to work cooperatively in areas of common humanitarian concern. The DPRK side expressed appreciation for significant US contributions to its humanitarian needs in areas of food and medical assistance. The US side expressed appreciation for DPRK cooperation in recovering the remains of US servicemen still missing from the Korean War, and both sides agreed to work for rapid progress for the fullest possible accounting. The two sides will continue to meet to discuss these and other humanitarian issues.

As set forth in their Joint Statement of October 6, 2000, the two sides agreed to support and encourage international efforts against terrorism.

Special Envoy Jo Myong Rok explained to the US side developments in the inter-Korean dialogue in recent months, including the results of the historic North-South summit. The US side expressed its firm commitment to assist in all appropriate ways the continued progress and success of ongoing North-South dialogue and initiatives for reconciliation and greater cooperation, including increased security dialogue.

Special Envoy Jo Myong Rok expressed his appreciation to President Clinton and the American people for their warm hospitality during the visit.

It was agreed that Secretary of State Madeleine Albright will visit the DPRK in the near future to convey the views of US President William Clinton directly to Chairman Kim Jong Il of the DPRK National Defense Commission and to prepare for a possible visit by the President of the United States.

## Joint Statement of the Fourth Round of the Six-Party Talks

Beijing, September 19, 2005

The Fourth Round of the Six-Party Talks was held in Beijing, China among the People's Republic of China, the Democratic People's Republic of Korea, Japan, the Republic of Korea, the Russian Federation, and the United States of America from July 26<sup>th</sup> to August 7<sup>th</sup>, and from September 13<sup>th</sup> to 19<sup>th</sup>, 2005.

Mr. Wu Dawei, Vice Minister of Foreign Affairs of the PRC; Mr. Kim Gye Gwan, Vice Minister of Foreign Affairs of the DPRK; Mr. Kenichiro Sasae, Director-General for Asian and Oceanian Affairs, Ministry of Foreign Affairs of Japan; Mr. Song Min-soon, Deputy Minister of Foreign Affairs and Trade of the ROK; Mr. Alexandr Alekseyev, Deputy Minister of Foreign Affairs of the Russian Federation; and Mr. Christopher Hill, Assistant Secretary of State for East Asian and Pacific Affairs of the United States attended the talks as heads of their respective delegations.

Vice Foreign Minister Wu Dawei chaired the talks.

For the cause of peace and stability on the Korean peninsula and in Northeast Asia at large, the Six Parties held, in the spirit of mutual respect and equality, serious and practical talks concerning the denuclearization of the Korean peninsula on the basis of the common understanding of the previous three rounds of talks, and agreed, in this context, to the following:

1. The Six Parties unanimously reaffirmed that the goal of the Six-Party Talks is the verifiable denuclearization of the Korean peninsula in a peaceful manner.

The DPRK committed to abandoning all nuclear weapons and existing nuclear programs and returning, at an early date, to the Treaty on the Non-Proliferation of Nuclear Weapons and to IAEA safeguards.

The United States affirmed that it has no nuclear weapons on the Korean peninsula and has no intention to attack or invade the DPRK with nuclear or conventional weapons.

The ROK reaffirmed its commitment not to receive or deploy nuclear weapons in accordance with the 1992 Joint Declaration of the Denuclearization of the Korean Peninsula, while affirming that there exist no nuclear weapons within its territory.

The 1992 Joint Declaration of the Denuclearization of the Korean Peninsula should be observed and implemented.

The DPRK stated that it has the right to peaceful uses of nuclear energy. The other parties expressed their respect and agreed to discuss, at an appropriate time, the subject of the provision of light water reactor to the DPRK.

2. The Six Parties undertook, in their relations, to abide by the purposes and principles of the Charter of the United Nations and recognized norms of international relations.

The DPRK and the United States undertook to respect each other's sovereignty, exist peacefully together, and take steps to normalize their relations subject to their respective bilateral policies.

The DPRK and Japan undertook to take steps to normalize their relations in accordance with the Pyongyang Declaration, on the basis of the settlement of unfortunate past and the outstanding issues of concern.

3. The Six Parties undertook to promote economic cooperation in the fields of energy, trade and investment, bilaterally and/or multilaterally.

China, Japan, ROK, Russia and the US stated their willingness to provide energy assistance to the DPRK.

The ROK reaffirmed its proposal of July 12<sup>th</sup>, 2005 concerning the provision of 2 million kilowatts of electric power to the DPRK.

4. The Six Parties committed to joint efforts for lasting peace and stability in Northeast Asia.

The directly related parties will negotiate a permanent peace regime on the Korean peninsula at an appropriate separate forum.

The Six Parties agreed to explore ways and means for promoting security cooperation in Northeast Asia.

5. The Six Parties agreed to take coordinated steps to implement the aforementioned consensus in a phased manner in line with the principle of “commitment for commitment, action for action.”
6. The Six Parties agreed to hold the Fifth Round of the Six-Party Talks in Beijing in early November 2005 at a date to be determined through consultations.

## Initial Actions for the Implementation of the Joint Statement

February 13, 2007

The Third Session of the Fifth Round of the Six-Party Talks was held in Beijing among the People's Republic of China, the Democratic People's Republic of Korea, Japan, the Republic of Korea, the Russian Federation and the United States of America from February 8 to 13, 2007.

Mr. Wu Dawei, Vice Minister of Foreign Affairs of the PRC; Mr. Kim Gye Gwan, Vice Minister of Foreign Affairs of the DPRK; Mr. Kenichiro Sasae, Director-General for Asian and Oceanian Affairs, Ministry of Foreign Affairs of Japan; Mr. Chun Yung-woo, Special Representative for Korean Peninsula Peace and Security Affairs of the ROK Ministry of Foreign Affairs and Trade; Mr. Alexander Losyukov, Deputy Minister of Foreign Affairs of the Russian Federation; and Mr. Christopher Hill, Assistant Secretary for East Asian and Pacific Affairs of the Department of State of the United States attended the talks as heads of their respective delegations.

Vice Foreign Minister Wu Dawei chaired the talks.

I. The Parties held serious and productive discussions on the actions each party will take in the initial phase for the implementation of the Joint Statement of September 19, 2005. The Parties reaffirmed their common goal and will to achieve early denuclearization of the Korean peninsula in a peaceful manner and reiterated that they would earnestly fulfill their commitments in the Joint Statement. The Parties agreed to take coordinated steps to implement the Joint Statement in a phased manner in line with the principle of "action for action."

II. The Parties agreed to take the following actions in parallel in the initial phase:

1. The DPRK will shut down and seal for the purpose of eventual abandonment the Yongbyon nuclear facility, including the re-processing facility and invite back IAEA personnel to conduct all necessary monitoring and verifications as agreed between IAEA and the DPRK.
2. The DPRK will discuss with other parties a list of all its nuclear programs as described in the Joint Statement, including plutonium extracted from used fuel rods, that would be abandoned pursuant to the Joint Statement.
3. The DPRK and the US will start bilateral talks aimed at resolving pending bilateral issues and moving toward full diplomatic relations. The US will begin the process of removing the designation of the DPRK as a state sponsor of terrorism and advance the process of terminating the application of the Trading with the Enemy Act with respect to the DPRK.
4. The DPRK and Japan will start bilateral talks aimed at taking steps to normalize their relations in accordance with the Pyongyang Declaration, on the basis of the settlement of unfortunate past and the outstanding issues of concern.
5. Recalling Section 1 and 3 of the Joint Statement of September 19, 2005, the Parties agreed to cooperate in economic, energy and humanitarian assistance to the DPRK. In this regard, the Parties agreed to the provision of emergency energy assistance to the DPRK in the initial phase. The initial shipment of emergency energy assistance equivalent to 50,000 tons of heavy

fuel oil (HFO) will commence within next 60 days.

The Parties agreed that the above-mentioned initial actions will be implemented within next 60 days and that they will take coordinated steps toward this goal.

III. The Parties agreed on the establishment of the following Working Groups (WG) in order to carry out the initial actions and for the purpose of full implementation of the Joint Statement:

1. Denuclearization of the Korean peninsula
2. Normalization of DPRK-US relations
3. Normalization of DPRK-Japan relations
4. Economy and Energy Cooperation
5. Northeast Asia Peace and Security Mechanism

The WGs will discuss and formulate specific plans for the implementation of the Joint Statement in their respective areas. The WGs shall report to the Six-Party Heads of Delegation Meeting on the progress of their work. In principle, progress in one WG shall not affect progress in other WGs. Plans made by the five WGs will be implemented as a whole in a coordinated manner.

The Parties agreed that all WGs will meet within next 30 days.

IV. During the period of the Initial Actions phase and the next phase- which includes provision by the DPRK of a complete declaration of all nuclear programs and disablement of all existing nuclear facilities, including graphite-moderated reactors and reprocessing plant - economic, energy and humanitarian assistance up to the equivalent of 1 million tons of heavy fuel oil (HFO), including the initial shipment equivalent to 50,000 tons of HFO, will be



provided to the DPRK.

The detailed modalities of the said assistance will be determined through consultations and appropriate assessments in the Working Group on Economic and Energy Cooperation.

V. Once the initial actions are implemented, the Six Parties will promptly hold a ministerial meeting to confirm implementation of the Joint Statement and explore ways and means for promoting security cooperation in Northeast Asia.

VI. The Parties reaffirmed that they will take positive steps to increase mutual trust, and will make joint efforts for lasting peace and stability in Northeast Asia. The directly related parties will negotiate a permanent peace regime on the Korean peninsula at an appropriate separate forum.

VII. The Parties agreed to hold the Sixth Round of the Six-Party Talks on March 19, 2007 to hear reports of WGs and discuss on actions for the next phase.