

EXECUTIVE SUMMARY AND RECOMMENDATIONS

International Crisis Group

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Time is slipping away for a peaceful resolution of the nuclear crisis on the Korean Peninsula.

North Korea has withdrawn from the Nuclear Non-Proliferation Treaty and pulled out of the 1994 Agreed Framework, a plan to provide it with energy in exchange for abandoning its nuclear weapons ambitions. It has restarted its plutonium generating nuclear reactor at Yongbyon and now claims to have such weapons. Even if this claim is not true and is being made to push the United States into negotiations, the situation is extremely dangerous. North Korea has the materials and the capability to develop nuclear weapons – more than 200 of them by 2010. A nuclear-armed North Korea could threaten its neighbours and could export weapons, nuclear material or technology to other countries or terrorist groups. Even if it refrained from actively proliferating weapons, its possession of them could spark a nuclear arms race in Northeast Asia.

Pyongyang says it needs a nuclear deterrent because it feels threatened by the United States. North Korean officials also say they will negotiate them away in exchange for security guarantees and economic aid. The administration of President George W. Bush has said it will not bow to nuclear blackmail or reward bad behaviour. A round of talks among the U.S., North Korea and China in Beijing in April 2003 was mostly a statement of their positions with no real negotiations. Another round is being discussed, but progress is painfully slow.

Those dealing with North Korea face some key uncertainties. It is unclear how much fissile material the country has and how many weapons it may have constructed. U.S. intelligence believed it may have had two by the early 1990s; North Korea now says it has material to make six and intends to move quickly to do so. It is unclear whether such weapons are or would be small enough to be delivered on missiles or planes. It is uncertain how much more fissile material it could obtain from Yongbyon, or some other possible reprocessing plant, or how much it has or can obtain from enriching uranium. And nobody knows whether North Korea is truly willing to negotiate away its weapons or has decided that it must have a nuclear deterrent to ensure its survival.

These uncertainties make it extremely difficult for the United States – and the key regional countries with which it needs to act in concert – to come up with a policy response to North Korea's program. The full range of available options is discussed in this paper: some are more realistic than others but all have major disadvantages:

North Korea could just be accepted as a nuclear power, as others have been, but the dangers of this appear unacceptably high.

The current situation could be maintained, under which North Korea, in exchange for unofficial security guarantees, does not test or trade its weapons. But this offers no guarantee that North Korea would not escalate the situation at any time.

There could be serious negotiations, for most the preferred – and still most likely – option. But multiple uncertainties remain as to whether an acceptable deal can and will be offered, agreed to and implemented.

There could be coercion falling short of military action, involving sanctions and interdiction. But there are concerns about both the cost to the North Korean people and the likely impact upon the regime of such an approach.

There could be use of military force, either a limited strike on the Yongbyon and other nuclear facilities or an effort to change the regime by force, probably involving a full-scale invasion of the country. But there is no guarantee that a limited strike would eliminate the weapons program, and it could provoke massive retaliation. An invasion would have terrible consequences for the Korean peninsula and the wider region.

The U.S. wants the “complete, irreversible and verifiable elimination of North Korea’s nuclear weapons program.” It also wants to achieve the elimination or verifiable control of other destructive weapons, including biological and chemical weapons and missile systems. North Korea wants a pledge that the U.S. will not overthrow the Kim Jong-il regime, a pledge that it will not be attacked, and economic assistance. The respective demands may appear straightforward, but the obstacles to reaching agreement are formidable.

Verifying any agreement will be a major challenge as North Korea may have as many as 15,000 underground sites. North Korea’s history of deception and secrecy rules out trust or the benefit of any doubt. As a result any inspection regime will have to be extremely intrusive, something that has been resisted in the past. Reassuring the North that it will not face regime change at the hands of the U.S. military has been made more difficult by the Iraq war and the inclusion of North Korea in the “Axis of Evil”: the U.S. may have to acknowledge that Kim Jong-il’s survival in power is part of the price to be paid to rid the Korean peninsula of nuclear weapons.

Negotiations will also be complicated by the fact that South Korea, Japan, China and Russia all want their views heard. The U.S. has been insisting on multilateral talks, but North Korea feels outnumbered and wants an agreement directly with the United States. That said, both sides have been modifying their earlier positions: trilateral talks have already been held in Beijing, and a wider multilateral framework can in practice accommodate bilateral talks within it. Process is less of a problem than substance.

All parties agree that it is unacceptable for North Korea to become a nuclear power. All say they want to see a negotiated settlement. But they diverge in how this is to be achieved:

China is North Korea's closest ally and has the most leverage to get it to the table in a way acceptable to the United States. It has recently been taking a firmer line with Pyongyang. But it has been reluctant to support sanctions, let alone military force.

South Korea's policy of engagement with the North has been set back by the nuclear crisis, but there continues to be very strong opposition to the use of force, not least because this could well lead to the destruction of Seoul.

Japan's relations with the North had been warming, but a dispute over Japanese kidnapped by Pyongyang's agents and rising concerns over missiles have pushed Tokyo closer to Washington.

Russia opposes sanctions or the use of force.

The way forward is for the U.S. to embrace – and to persuade China, South Korea, Japan and Russia to support, or at least acquiesce in – a four-phased approach that would start with the U.S. giving North Korea a conditional security assurance in return for a verifiable halt in its nuclear program; move from there to time-limited substantive negotiations; then escalate to sanctions, and ultimately to the use of military force, if and only if these latter steps became necessary. To be successful, any diplomatic approach will have to be married with a credible threat of force - but only if all diplomatic means are exhausted is there any chance of countries in the region supporting a more forceful approach. What is clear is that time is of the essence: North Korea is not likely to collapse any time soon, and a patient policy of containment without more would only allow it time to develop more weapons.

Any military conflict on the Korean Peninsula would be a catastrophe, especially for the many civilians in both Koreas. Balanced against this is the prospect of Pyongyang proliferating and supplying other countries and terrorist groups with fissile material and nuclear bombs. Should that happen, then no city in the world would be safe. Effective diplomacy, vigorously pursued and delayed no longer, is the only way of peacefully resolving the contemporary world's most serious security dilemma.

RECOMMENDATIONS

To the United States:

1. Embrace – and seek to persuade China, South Korea, Japan and Russia to support or at least acquiesce in – a four-phased strategy as follows:

Phase I: Conditional Security Assurance

The U.S. would state publicly that it would not attack or otherwise use coercion against North Korea while time-limited negotiations took place, in return for North Korea halting in a verifiable manner all activities at its declared nuclear facilities, and giving a full accounting of its known 8,000 fuel rods and any plutonium that may have derived from them.

Phase II: Time Limited Negotiations

The U.S. would offer North Korea an agreement, to be negotiated to conclusion within six months, including the following key elements:

a) on the North Korean side, complete, verifiable and so far as possible irreversible elimination of North Korea's nuclear weapons program;

b) on the U.S. side, a pledge not to use nuclear weapons against or otherwise attack North Korea; mutual normalisation of diplomatic relations; a willingness to accept the continued existence of the Kim Jong-il regime; economic support for North Korea, including food and energy assistance, through an international consortium; and facilitation of access by North Korea to the international financial institutions.

Phase III: Sanctions

Should negotiations not be successfully concluded within six months the U.S., with the support of the other regional powers, would implement a graduated series of sanctions, beginning with measures to deny hard currency to North Korea (like stopping remittances from ethnic Koreans in Japan), extending to the interdiction of ballistic missile shipments, and ultimately embracing suspension of energy supplies and all trade with North Korea.

Phase IV: Military Force

Should North Korea respond to sanctions by taking significant military action, or there be credible evidence of it preparing to use nuclear weapons or transfer them to any third state or non-state entity, the U.S., with the support of the other regional powers, would take such military measures as are necessary and appropriate to respond to the threat in question, not excluding full-scale invasion.

To South Korea:

2. Coordinate its policy on engagement with North Korea with U.S. policy, accepting the implications of embracing the proposed four-phased strategy for domestic policy, so as to ensure that North Korea is not able to exploit any gaps in the relationship

To China:

3. Maintain pressure on North Korea to get it to the table and to ensure that it does not raise tensions by engaging in reprocessing, or further reprocessing of spent fuel rods, testing a nuclear weapon or firing ballistic missiles; embrace the proposed four-phased strategy and, in particular, accept the necessity for diplomacy to be ultimately backed by credible force.

To Japan:

4. Coordinate policy closely with the U.S., China, South Korea and Russia, accepting the implications for domestic policy (eg. on bilateral relations with North Korea) of embracing the proposed four-phased strategy.

To Russia:

5. Work closely with the other countries involved, urge North Korea to a more moderate position and avoid undercutting the unanimous disapproval of Pyongyang's behaviour.

Washington/Brussels, 1 August 2003