INFORMATION, ANALYSIS
AND ADVICE FOR THE PARLIAMENT

INFORMATION AND RESEARCH SERVICES

Current Issues Brief
No. 33 2002–03

Resolving the North Korean Nuclear Crisis—Options and Constraints

The path towards a resolution of the North Korean nuclear crisis remains difficult given both the lack of politically tenable options and the powerful constraints on these options. This paper explores these options and constraints.

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Foreign Affairs, Defence and Trade Group
23 June 2003

ISSN 1440-2009

Acknowledgements

The author would like to thank Alex Tewes, Professor James Cotton (UNSW-ADFA), Professor Tim Beal (Victoria University Wellington), Dr Frank Frost, Dr June Verrier, Greg Baker, Klaus Inveen and Maryanne Lawless for their assistance and comments on earlier drafts of this paper.

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Contents

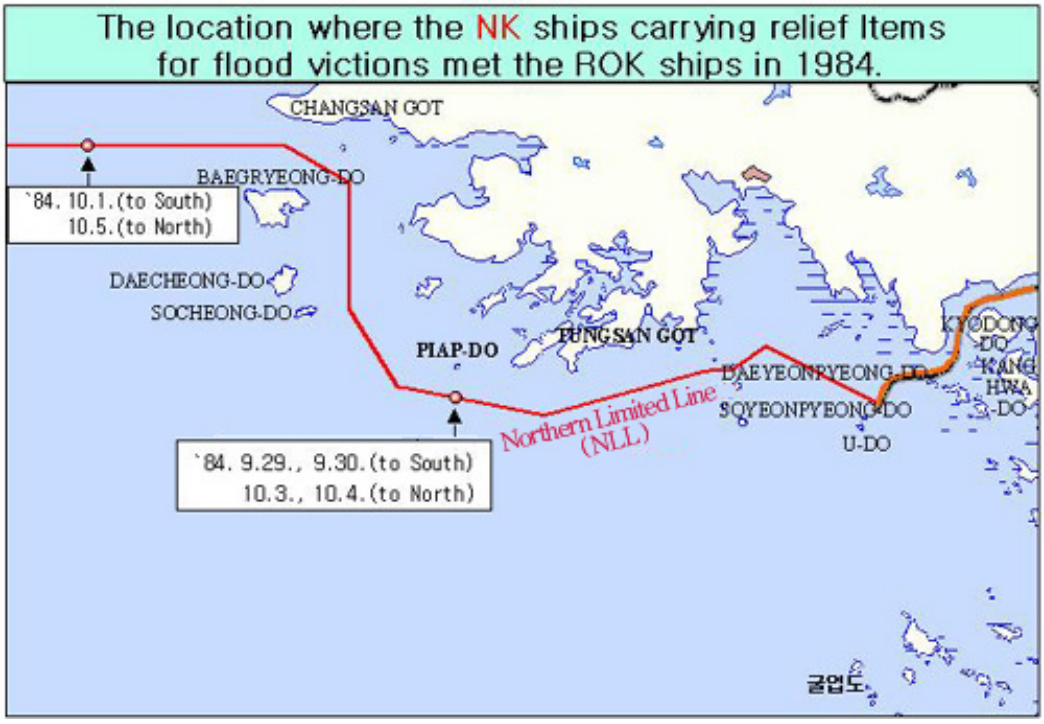
List of Maps

Map 1: Democratic People's Republic of Korea

Map No. 4163 UNITED NATIONS
March 2001

Department of Public Information
Cartographic Section

Map 2: Northern Limit Line



Map 3: DPRK–China Border

Executive Summary

The current North Korean nuclear crisis commenced in October 2002 and has been marked by the erratic escalation of the crisis and the strong reluctance of both the United States and the Democratic People's Republic of Korea (DPRK) to agree upon a framework for the commencement of negotiations to resolve the dispute. The trilateral talks between the United States, the DPRK and China in Beijing 23–25 April 2003 took the first steps toward the possible resolution of the crisis. However the path towards a resolution of the crisis remains difficult given both the lack of politically tenable options and the powerful constraints on these options.

The constraints and influences on options to resolve the crisis vary widely, but are firmly based on both United States domestic politics and the opacity of DPRK intentions. The November 2004 US Presidential Elections, potential nuclear proliferation and the war against terror, combined with the media emphasised split in the Bush administration, reinforce the influence of domestic politics on DPRK–US relations influences that remain strong given not its *current* prominence, but rather its potential to become both prominent and politically dangerous. Further constraints and influences on options to resolve the crisis include the maintenance of the US alliance framework and the historical mistrust between the US and the DPRK.

The options to resolve the crisis from the US perspective can be categorised into the diametrically opposed long-term aims to either tolerate the regime or to seek regime change. These categories intersect to form a third short to medium-term category which allows deferral of the decision on regime change or tolerance to the longer term. Seeking regime change could include military strike or enforcement and escalation options. Tolerating the regime could include internationalisation or regionalisation of the crisis, or tacit acceptance of a nuclear North Korean state. The short to medium term options include continuing the current US policy of 'strategic neglect' or undertaking comprehensive negotiations.

All options, in considering the powerful constraints and influences likely to play on them, retain the common features of a prolonged period of policy formulation accompanied by flexibility in the initial stages. This provides an increased opportunity for the pursuit of middle-power diplomacy given Australia's unique situation as a regional state and US ally, having diplomatic relations with the DPRK. Further interest by other non-directly involved middle-power regional states such as Canada and Indonesia could add force to the pursuit of a resolution reflecting Australia's regional interests.

Introduction

More than six months after the commencement of the current nuclear crisis the first steps towards a negotiated solution have taken place in the form of trilateral talks between the United States (US) and the Democratic People's Republic of Korea (DPRK) and China in

Beijing on the 23–25 April 2003. The talks overcame the strong opposition of the United States to bilateral talks, and the equally strong opposition of the DPRK to multilateral talks. The compromise solution, while a significant achievement in itself, by no way confirms a secure path to a negotiated resolution of the crisis. As often stated by US officials 'all options for resolving the crisis remain on the table'.

This paper follows up on an earlier paper detailing the issues and implications of the nuclear crisis.[1] It does not cover the crisis itself but rather explores the various options to resolve the crisis and the constraints on these options.

Background

On 16 October 2002 the US stated publicly that North Korea had admitted to a nuclear weapons program to US Assistant Secretary of State, James Kelly.[2] The program utilised a process of highly enriched uranium in contravention of the 1994 Agreed Framework. The Agreed Framework provided for the freezing and eventual dismantlement of the DPRK's nuclear program in return for a comprehensive package of immediate energy assistance, longer term nuclear energy assistance, diplomatic recognition and the removal of economic impediments.

The reported admission of the DPRK led to the November 2002 decision of the Korean Peninsula Energy Development Organization (KEDO) to suspend heavy fuel oil shipments to the DPRK, agreed to under the 1994 Agreed Framework. In return, on 13 December 2002 the DPRK announced its decision to lift its freeze on its nuclear facilities, and on 22 December DPRK officials began cutting seals and removing surveillance cameras installed by the International Atomic Energy Agency (IAEA). Five days later IAEA inspectors were ordered to leave the DPRK.

On 10 January 2003 the DPRK announced its decision to withdraw from the nuclear Non-Proliferation Treaty (NPT), effective immediately, stating the required three month notice period to be unnecessary due to its effective withdrawal being only 'suspended' in 1993. On 26 February 2003 the DPRK restarted its mothballed Yongbyong nuclear reactor, stating the move to be necessary during its ongoing energy crisis.

The escalation of the nuclear crisis has been accompanied by increasingly provocative actions by both sides in non-nuclear issues. On 17 February 2003 the DPRK threatened to withdraw from the Armistice Agreement that ended hostilities on the Korean peninsula after the Korean War (1950–1953). Three days later a DPRK MiG-19 flew over the Northern Limit Line [see MAP 2] initiating an immediate security alert in the South. On 24 February the DPRK launched the first of two surface-to-sea missiles off its east coast, to maximum effect during the inauguration of South Korea's new President, Roh Moo-Hyun. These provocations have been matched by American actions including increased surveillance flights of the DPRK coast, the deployment of additional long range bombers to the Western Pacific and the deployment of additional forces including the USS Carl

Vinson, 20 F-15 fighters and six F-117 Stealth Fighters to participate in scheduled joint military exercises with South Korea.

While initially thought to be a step towards calming the worsening crisis, the trilateral talks raised as many questions as proposed solutions. Prior to the talks ambiguous statements by the DPRK Central News Agency (KCNA) created confusion over the status of fuel rods stored at the Yongbyong nuclear facilities. Considered by various US sources to be 'a red line not to be crossed', analysts indicate that in reprocessing the 8000 stored fuel rods the DPRK would be able to produce four to six atomic devices within a six month time frame.[3]

This confusion was increased when during the trilateral talks DPRK officials reportedly claimed to have nearly completed the reprocessing of the fuel rods, and that the DPRK was prepared to both 'prove' and provide a 'physical demonstration' of its capability. Further the DPRK reportedly stated that it was prepared to export nuclear material to third parties dependent upon US actions. However, both China and the DPRK have refuted the accusation that this statement was made. China has stated officially that according to its information no such admission took place. However, the DPRK has remained ambiguous in its denials.[4] According to the US, the exchange during which the admission took place was outside of formal negotiations. The resulting confusion and continuing ambiguity of DPRK representations has been reflected in the decision of the Bush Administration to instigate an intelligence review of the DPRK's nuclear status.[5]

On 9 June 2003 the Korea Central News Agency (KCNA) broadcast a Korean language statement explaining the DPRK 'intention' to build a nuclear deterrent:

> … a nuclear deterrent force is not aimed to threaten and blackmail others but reduce conventional weapons under a long-term plan and channel manpower resources and funds into economic construction and the betterment of people's living[6]

This continued the DPRK precedent of making high impact statements designed to pressure US participation in bilateral negotiations. It also maintained 'strategic ambiguity' through not admitting to the possession of nuclear devices but rather explaining rationales for possible future actions.

Constraints and Influences on Options

The options to deal with the nuclear crisis remain constrained and influenced by a variety of factors. These factors include, but are not limited to:

- Post-Conflict Iraq and Domestic US Politics

  Iraq has remained the primary focus of the Bush administration, despite the fact that the DPRK is both potentially more of a direct threat to the US and its interests, and is thought to be further advanced in the production of weapons of mass

destruction (WMD). This focus on Iraq and its post-conflict restoration will continue to be the administration's primary foreign policy focus as looming Presidential elections in 2004 turn administration attention increasingly towards the domestic agenda. Accordingly, as the issue of Bush's re-election draws nearer, the political advantage of having achieved a foreign policy success (a quick and relatively bloodless conflict in Iraq) may persuade advisers to ensure that the potentially more politically damaging situation in North Korea does not become an issue in the minds of American voters.

Further, the Iraq conflict has impeded the ability of the US to prepare for conflict on the Korean peninsula. More than 140 000 US troops remain committed to Iraq, with expectations that the number may rise to 200 000 in the short-term.[7] The commitment of forces to the ongoing security and reconstruction of Iraq is likely to continue to limit US decision making on military options on the Korean peninsula for the immediate future.

- Opacity of DPRK Intentions and History of DPRK–US Relations

  Decisions on how to deal with the crisis are made overwhelmingly more difficult by the opacity of the DPRK. The US is unlikely to have conducted negotiations with a state it knew less about. The closed nature of the regime, the ambiguity of its intentions and the bellicosity of its statements present extremely difficult conditions for negotiations.

  Opinion on DPRK intentions in the current crisis vary widely. DPRK intentions could be aimed at achieving a nuclear deterrence to reduce the economic burden of maintaining a credible conventional military force, achieving nuclear deterrence to narrow the increasingly advanced technology gap between US and DPRK conventional forces, achieving credibility as an equal dialogue partner in negotiations for economic concessions or seeking regime security by achieving economic concessions and maintaining a minimal level nuclear deterrence.[8]

  This situation is made more difficult by the mistrust and contempt on both sides. The DPRK has considered the US its prime enemy since the Korean War, and possibly considers the US an even greater threat after its military success in the Iraq conflict. Similarly, the US leadership's distrust of North Korea, built upon decades of contempt brought about by events such as the De-Militarised Zone (DMZ) axe murder of an American GI by North Korean soldiers, is exemplified by President Bush's statement 'I loathe Kim Jong Il' and that the North Korean leader is a 'pygmy' who starves his people to serve his military.[9]

- The Alliance Framework

  Relations between the US and its key ally South Korea have been tense since the widespread anti-American demonstrations in South Korea during 2002.[10] South

Korean President, Roh Moo-Hyun, who came to power on the wave of youthful anti-American sentiment, is a staunch supporter of a more conciliatory approach towards North Korea.

South Korean reactions to the nuclear crisis have been confined by both the realist necessity of maintaining security relations with the US and the desire to pursue reconciliation with the North—this has resulted in an often unclear foreign policy direction. Statements range from the February speech of then Prime Minister, Kim Suk-Soo to Parliament doubting the existence of North Korean nuclear devices[11] to President Roh Moo-Hyun's 14 May joint statement with President Bush noting that 'further steps' would be considered in reaction to increased instability on the peninsula.[12]

Similarly, sentiment in Japan, while more acutely aware of the threat posed by North Korea, is strongly opposed to actions that may precipitate further North Korean escalation. Australia has also inferred limits on its support for more drastic actions to achieve a nuclear-free Korean peninsula, the Foreign Minister stating 'regime change isn't the raison d'être of our policy.'[13]

The pressure placed on US decision making by the alliance framework has been heightened by the Franco-German–US split over Iraq policy. The lack of support from its key regional allies is in stark contrast to the strong support of allies during the 1994 nuclear crisis.

- Non-Proliferation and the War against Terror

  Two key elements in the US decision making process are the principles of non-proliferation and its continuing war against terror. North Korea is a primary target of the US in the war on terror due to both its history of proliferation and its potential ability to expand and intensify these activities. The strong sentiments behind these principles were succinctly stated in an address by Vice-President Cheney to Korean War veterans on 29 August 2002:

  > As former Secretary of State Kissinger recently stated: "The imminence of proliferation of weapons of mass destruction, the huge dangers it involves, the rejection of a viable inspection system, and the demonstrated hostility of Saddam Hussein combine to produce an imperative for pre-emptive action." If the United States could have pre-empted 9/11, we would have, no question. Should we be able to prevent another, much more devastating attack, we will, no question. This nation will not live at the mercy of terrorists or terror regimes.[14]

- The Split in Bush Administration Korea Policy

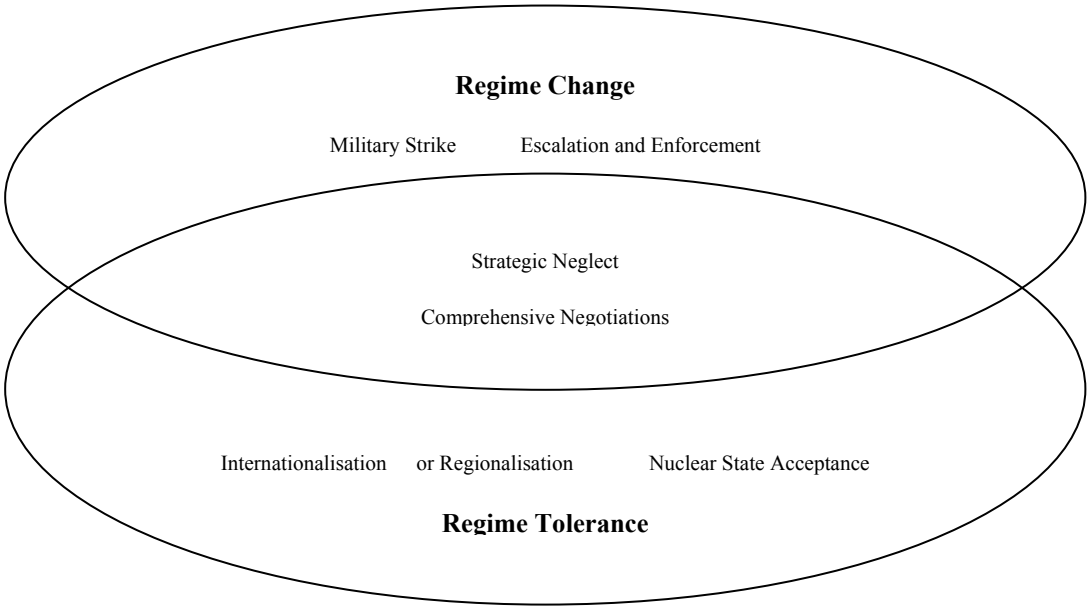
  There is a well recognised split in the Bush administration over its North Korea policy. The first policy faction, consisting of the office of the Vice-President, the Secretary of Defence, Donald Rumsfeld and the Undersecretary of State, John

Bolton, advocate economic and political isolation, enforced compliance and eventual regime change as the preferred solution to the nuclear crisis. This group is strongly opposed to negotiations taking place before North Korea has fulfilled its obligations under previous agreements. This stance is supported by elements within the Congress seeking to avoid negotiations with the North resulting in what it considers as tantamount to blackmail.

The second policy faction, led by Secretary of State, Colin Powell, and strongly supported by the State Department, supports the commencement of negotiations towards a comprehensive solution. This includes greater cooperation with both allies and partners in the region and a greater commitment to reforming the North Korean regime through placing it firmly within the international community. Despite gaining strong support from experts in North Korean studies, the approach has been greatly weakened by the failure of diplomacy in the build-up to the Iraq conflict.

Options for Resolving the Nuclear Crisis

There are two broad categories of options available for the resolution of the current nuclear crisis. The first category includes the diverse array of options that lead to long-term regime change in North Korea. The second category includes the equally diverse array of options that lead to effective long-term tolerance of the North Korean state. These categories intersect to form a final short-term category. This category includes options which allow the deferral of a decision on long-term strategy, but seek to find a politically manageable short-term solution.



The most common options in each category are explored below. However, there is the possibility that the policy option chosen, given the distinct constraints and influences, may be a combination of the most common options considered here.

Regime Change—Military Strike

The aim of the military strike option would be to rapidly resolve the nuclear crisis in the face of a perceived immediate threat to security. This could range from the imminent proliferation of nuclear devices and/or knowledge of the preparation for further production of nuclear weapons. A military strike would be judged successful by the elimination of DPRK nuclear threat.

A military strike to resolve the current nuclear crisis would entail neutralisation of the Yongbyong nuclear complex, which houses the 5-MW reactor and the fuel rod storage and reprocessing plants. It would also require neutralisation of the facilities housing the highly-enriched uranium program. The location of these facilities is as yet publicly unknown, and perhaps housed underground. These strikes would neutralise the DPRK's known nuclear program. In addition a military strike would need to destroy the DPRK's current nuclear arsenal, which according to US intelligence estimates[15] is reported to be one to two nuclear devices, with the possibility of this increasing rapidly with the reprocessing of spent fuel rods. The location (and existence) of the DPRK's current nuclear arsenal is also publicly unknown and by its nature easily concealed.

Accordingly, achieving the goal of eliminating the DPRK's nuclear program and arsenal through a military strike is extremely difficult. This is made overwhelmingly more difficult if possible DPRK reactions are factored in. Studies have estimated that the DPRK understands that the reversion to military force against the ROK (and the US) would be a 'suicide option', ensuring the end of the regime and the punishment, or elimination of its leaders.[16] American victory in such a 'suicide attempt' to regain control of the peninsula by the DPRK would exact a massive toll in military and civilian lives. It would be, as pointed out in 1999 by the Perry Report:

> … in sharp contrast to the Desert Storm campaign in Kuwait and Iraq, war on the Korean Peninsula would take place in densely populated areas. Considering the million-man DPRK army arrayed near the DMZ, the intensity of combat in another war on the Peninsula would be unparalleled in U.S. experience since the Korean War of 1950-53. It is likely that hundreds of thousands of persons -- U.S., ROK, and DPRK -- military and civilian -- would perish, and millions of refugees would be created …[17]

Even a limited response, calculated to avoid massive US retaliation could have a devastating human and economic toll in South Korea and consequently on the entire North East Asian economy. It has been reported that these factors influenced the decision by the Clinton administration to follow the path of negotiations which led to the 1994 Agreed Framework.

However, all options, including the military option, have remained 'on the table' during the Bush administration's reaction to the current crisis. While this may represent a preference to maintain negotiating coinage, the recent military success in Iraq has furthered concern (both in the US and quite possibly in North Korea) of its application to the current nuclear crisis.

The key to any military option to resolve the current crisis would be to minimise the likely reaction of the DPRK. This could include a limited strike solely upon the facilities in breach of a clearly defined 'red line', such as the reprocessing of fuel rods, or a more extended strike aimed at neutralising possible DPRK reaction, such as from the amassed artillery within firing range of Seoul.

The maintenance of the military option does serve two purposes. Firstly, it provides strong negotiating coinage against a regime that uses bluff and deterrence as a primary source in its negotiating tactics. Secondly, it maintains a credible, though difficult, 'last resort' if the DPRK proceeds to develop its nuclear arsenal and represents a direct threat to US security.

Regime Change—Enforcement and Escalation

Enforcement and escalation is the most likely approach to be taken by the US if it decides to pursue long-term regime change. Basically, enforcement and escalation is a politically feasible approach to pressuring the North Korean regime, allowing time and international opinion to turn against the North, finally necessitating capitulation in the form of comprehensive inspections and reductions, collapse or engineered regime change.

Enforcement and escalation aims at increasing the cost of North Korean non-compliance by maintaining highly principled pressure on the DPRK to conform to past agreements and enforcing these principles through a combination of political, economic and military isolation. The option entails defining clear and precise limits on acceptable behaviour and enforcement of these limits. It also entails close coordination with key regional allies and partners.

The first steps towards the pursuit of this policy have been taken. This is evidenced by closer coordination between the US and key regional allies, an increase in efforts to present the North Korean regime as illegitimate and increasing efforts to isolate the North Korean regime economically.

As a result of the visits of President Roh Moo-Hyun of South Korea, (11–17 May 2003) and Prime Minister Junichiro Koizumi of Japan, (22–23 May 2003) to the US, closer agreement between the regional partners has been achieved. As stated in the joint press release of the Roh visit:

> President Bush and President Roh reaffirmed that they will not tolerate nuclear weapons in North Korea … They stressed that escalatory moves by North Korea will only lead to its greater isolation and a more desperate situation in the North.[18]

The Koizumi–Bush meeting resulted in similar statements reflecting the increasing coordination of the US and its key allies. As stated by Prime Minister Koizumi:

> Coordination among Japan, the United States and the Republic of Korea is crucial to that end [the complete and verifiable dismantlement of North Korean nuclear program] … Further escalation of the situation by North Korea would require tougher measures.[19]

Concurrent to these coordination meetings has been the increasing political and hence media interest in alleged DPRK government and Worker's Party involvement in illicit activities including drug manufacture and running, counterfeiting and arms exports. The 20 May hearings of the US Senate Subcommittee on Financial Management, the Budget and International Security highlighted this, involving the testimony of North Korean defectors allegedly having witnessed government participation in illicit activities. In a statement epitomising the content of the hearings, convenor Senator Peter Fitzgerald labelled the North Korean regime 'basically a crime syndicate with nuclear bombs'.[20] The hearings gained extensive international media coverage, including in the Australian press, quoting the testimony of a specialist from the conservative think tank, the Heritage Foundation:

> Like the regime of Saddam Hussein, the Kim Jong-Il regime resembles a cult-based, family-run criminal enterprise rather than a government …[21]

The hearings also included reference to the 20 April 2003 boarding by Australian special forces of a DPRK cargo ship, the Tuvalu-registered Pong Su, believed to be involved in the illegal importation into Australia of high grade heroin estimated to the value of up to $80 million.

The US and Japan have also increased efforts to isolate the DPRK economically. The US has increased pressure through the imposition of sanctions on companies considered to have assisted in North Korean acquisition of nuclear technology and components, most notably the Pakistani corporation AQ Khan Research Laboratories (KRL). Japan has taken steps towards restricting a vital North Korean economic lifeline—the remittance of funds from North Korean residents in Japan, estimated to be approximately US$600 million a year.

However, China, essential to any successful sanctions, has been reluctant to support any US efforts to isolate the DPRK. China has repeatedly deflected US efforts to have the nuclear issue discussed at the Security Council, refused to agree upon a joint statement condemning DPRK actions and has stated that it will use its veto to avert any action directed at the DPRK.[22] The nuclearisation of the peninsula is against Chinese security interests, as are the collapse of the regime and its associated refugee flows, probable foreign incursion and the ultimate possibility of US forces stationed near the current China–DPRK border [see Map 3]. Considering these security interests, a Chinese role in any US moves to isolate the DPRK could ultimately be strategically limited.

The steady increase in the isolation of the DPRK through the coordination of the US and its key regional allies and partners places pressure on the regime to react. DPRK reaction will most probably be in the form of increasingly bellicose actions (in the extremity, the testing of a nuclear device) and statements, further strengthening the US position internationally. The option for a more rapid military resolution of the crisis, and possibly regime change, will become increasingly acceptable in light of DPRK escalation.

Isolation of the regime could be extended to include sanctions enforced by a maritime interdiction force. A maritime interdiction force, similar to those undertaken in the Gulf in which Australia has previously played a lead role, would serve both to enforce trade sanctions, increasing economic pressure on the regime and to present a very visible international effort to counter proliferation. Options to reduce the provocation such a force would represent to the DPRK have included the use of non-military vessels, interdiction in key trade routes distant from the DPRK and multi-national or UN cooperation.

While the enforcement and escalation option has been categorised under regime change, there exists the potential for the US settling for the complete and comprehensive settlement of the nuclear issue without seeking regime change. However, to settle the issue without regime change the Bush administration would have to avoid the politically damaging appearance of revisiting the 1994 Agreed Framework. To do this, the agreement would require a much more comprehensive and intrusive program of inspections and quite possibly reduction or elimination of associated missile and conventional programs. This would greatly weaken the North Korean regime and present a greater potential for both spontaneous and engineered regime change.

Flexible Option—Comprehensive Negotiations

Comprehensive negotiations can conceal a variety of aims. These aims can range from seeking regime change through 'poisoned carrot' negotiations[23] to tolerating the regime and encouraging its reform by drawing it into the international community with the associated responsibilities of 'good international citizenship'. Essentially, comprehensive negotiations allow the postponement of decisions on long-term options until more information and the likelihood of acceptable outcomes become clear. They can also allow more time to overcome domestic political obstacles, such as in the lead-up to the November 2004 USPresidential elections.

Negotiations between the DPRK and the US have been historically difficult, epitomised by the fact that the two sides have failed to conclude a peace treaty following the Korean War (1950–53), relying instead upon the armistice agreement which ended hostilities in 1953. During the early stages of the Cold War the DPRK negotiated with the US from a position of relative strength as both part of a global communist movement backed by its allies China and the U.S.S.R, and as an economically more advanced nation than its southern counterpart. Today, the DPRK remains internationally isolated, enjoys extremely limited support from its former allies and is in dire economic straits.

DPRK Negotiating Aims

Security Requirements

Comprehensive security pact; options including:

- Security guarantee ratified by US Congress
- Security guarantee not ratified by US Congress but recognised internationally
- Conclusion of peace treaty to replace current Armistice Agreement

Removal of immediate military threat; options including:

- Removal of US Forces from Korean peninsula
- Bilateral reductions in conventional weapons

Energy Requirements

Immediate energy support; options including:

- Recommencement of heavy fuel-oil shipments

Long-term energy assistance; options including:

- Re-connection of DPRK to ROK energy grid
- Connection of gas pipeline from Russia to ROK via DPRK
- Continued construction of Light Water Reactors (LWR)

Economic Requirements

Short to medium-term economic assistance; options including:

- Immediate economic assistance
- Removal of US trade, economic and financial sanctions
- Removal from 'Terrorism List' to allow access to international financial assistance

Longer-term economic assistance; options including:

- US diplomatic recognition

US Negotiating Aims

Security Requirements

Verifiable resolution of nuclear issue; options including:

- Comprehensive US-led multilateral inspections of known and suspected sites
- IAEA inspections of known and suspected sites
- 'Third-country' inspections of known and suspected sites

Agreements on proliferation; options including:

- Bilateral agreement on missile technology and export
- DPRK adherence to the Missile Technology Control Regime (MCTR)
- DPRK return to the Nuclear non-Proliferation Treaty (NPT)

Military Confidence Building Measures (CBM); options including:

- Conventional forces reductions, particularly along DMZ
- Agreement to sign Biological and Chemical Weapons Convention

Political Requirements

Immediate Domestic Political Issues; options including:

- Transparency in distribution of food, energy and economic assistance
- Verification of nuclear program dismantlement

Long-term Domestic Political Issues; options including:

- Adherence to international human rights conventions
- Increased democracy and freedom

Alliance Framework Political Issues; options including:

- Removal of conventional threat to Seoul
- Adherence to 1992 Joint Declaration on denuclearisation of the Korean Peninsula with ROK
- Continuance of missile testing moratorium
- Return of kidnapped Japanese nationals' families

However, the DPRK has been able to maintain its strength in negotiations. As described by academic Scott Snyder:

> [a] major characteristic of North Korea's negotiating behaviour has been its ability to create leverage both by masking its own weakness and by using the weakness of others to gain concessions.[24]

DPRK negotiating tactics include the use of engineered 'crisis diplomacy' to gain the attention of the US, brinksmanship accompanied by excessive bluffing and threat, and the use of manufactured deadlines.[25] The DPRK benefited significantly in the 1994 Agreed Framework negotiations through the use of these tactics. Indeed the strong domestic political opposition in the US to the concessions made in the Agreed Framework negotiations remain a strong influence on future negotiations.[26]

DPRK negotiating aims are centred on three prime objectives: (1) safeguarding the regime; (2) maintenance of economic and strategic security; and (3) unification of the Korean peninsula.

Flexible Option—Strategic Neglect

'Strategic neglect' basically involves keeping all options open while committing to none, and awaiting a more favourable opportunity. Given an unpredictable and unknown situation, it allows time for both greater predictability and clarification. However the policy also holds inherent dangers for it increases the uncertainty of player reaction, therefore increasing the temptation towards brinksmanship. By not delineating limits, or 'red lines' on behaviour, such as the reprocessing of fuel rods, it could encourage North Korea to undertake this or more provocative actions. It could also encourage greater escalation to ensure adequate attention is paid to the situation.

The policy of strategic neglect has served its purpose during the highly undesirable timing of the nuclear crisis prior to the Iraq conflict and during a period of heightened anti-American sentiment in South Korea. It has also allowed more (much needed) time for the Bush administration to work on its North Korea policy which has proved problematic and incomplete since the 2000 elections. Indeed, it has also strengthened the US position vis-a-vis its regional allies as they observe North Korea's increasingly escalatory actions.

However, the trilateral talks have signalled the beginning of the end for the policy. It will be increasingly difficult and more dangerous to continue such a policy. Further, it has already yielded limited benefits. With the South Korean President having met with President Bush on 13 May 2003, and the Japanese Prime Minister, Junichiro Koizumi, on 22 and 23 May 2003, a clearer and more coordinated US North Korea policy will likely develop as agreement on a stronger and more coordinated response from the regional partners emerges.

The US experience of negotiating with the DPRK strongly influences the current US administration. The pattern of DPRK negotiating behaviour as understood by the current administration is centred on the consistent maintenance of unpredictability, irrationality, and even duplicity, all serving to obtain advantage through threat and bluff—basically 'nuclear blackmail'. Reflecting this perception, the Bush administration tactics include neglect, denial of urgency, threat reduction (military reinforcement) and divergence (preference for multilateralism).

The US negotiating aims are centred on (1) removal of direct threat to US territory and interests posed by DPRK nuclear programme; (2) removal of threat posed by proliferation of DPRK nuclear and missile programs; (3) maintenance of regional strategic status quo; and (4) reduction of tension on the Korean peninsula.

Regime Tolerance—Internationalisation or Regionalisation

Internationalisation and regionalisation have in common the aim of broadening the responsibility of averting nuclear proliferation. The US has called for multilateral talks since the beginning of the current crisis its primary rationale being that the nuclearisation of the Korean peninsula—and the violation of associated international agreements— is an international problem and accordingly can be solved only through international dialogue. Allowing other states a greater role in the resolution of the crisis increases the probability that regime tolerance as opposed to regime change will be followed as the preferred long-term option.

The existence of a nuclear armed North Korea arguably presents greater challenges for its near neighbours rather than the US. South Korea and Japan would be the most likely targets of the DPRK, given both their support and basing of US forces.[27] China on the other hand would be challenged both economically and strategically as South Korea and particularly Japan rush to implement Theatre Missile Defence (TMD), the US accelerates deployment of National Missile Defence (NMD) and all acquire weapons systems to combat a nuclear North Korea.[28] Above all, the existence of a nuclear North Korea would both challenge economic growth and undermine confidence in the North East Asian region.

Increasingly, China is being viewed as holding the key to the long-term resolution of wider problems on the Korean peninsula. Indeed, in the current crisis it is China's influence that has served as the primary engine driving towards a negotiated solution. In setting up the trilateral talks involving China, the US and the DPRK, China showed that its former tolerance of DPRK escalatory actions had limits. The reported shutting down of oil pipelines delivering essential energy supplies to the DPRK due to 'technical difficulties' prior to the DPRK decision to participate in the talks reveals the high level of influence that China maintains as the DPRK's main economic lifeline. As US Secretary of State, Colin Powell points out:

> China tends to like to conduct its diplomacy in many areas quietly. We know that they are communicating and in touch with the North Koreans … When a country is providing you with $500 million a year worth of aid and provides 80 percent of your energy and 80 percent of your economic activity, it seems to me, you should at least listen to them when they are speaking to you.[29]

Regionalisation of the crisis, encouraging regional states and particularly China to play a greater role has two effects. Firstly, in the short-term it reduces the pressure on the Bush administration of being the sole actor responsible for the resolution of the crisis. Secondly, in the long-term, it would reduce the role of the US as the key to continued peace in the region. This would be particularly true if any regional sponsored solution proves successful, increasing the likelihood of increased anti-Americanism in both South Korea and Japan.

However, regionalisation of the crisis is unlikely to occur. China remains committed to 'quiet diplomacy' in seeking a solution to the crisis and the US currently remains committed to solving the crisis through American-led multilateralism.

Internationalisation of the crisis is even more distant. Internationalisation, effectively resolving the crisis through an international organisation—the United Nations—is strongly opposed by both the DPRK and the US. Further, it can be argued that the UN has been severely discredited internationally—or at least in America—due to its failure to achieve a resolution of the impasse between the permanent five in the lead-up to the Iraq conflict. As a result, internationalisation appears to have lost its currency in the justification of conflict as it has been (arguably) used before.

Regime Tolerance—Nuclear State Acceptance

A nuclear North Korea—de facto or de jure—has profound consequences for the security of North East Asia. It effectively revolutionises both accepted international nuclear strategy and the regional security structure. The US, its regional allies and partners have shown strong opposition to the nuclearisation of the Korean peninsula. Despite this, however, there exists the possibility that the DPRK already possesses a nuclear arsenal and that its production of further devices cannot be stopped without engaging in high-intensity conflict—probably a cost not willing to be borne by either the US or its regional allies. This situation could result in a US policy that tolerates a nuclear North Korea with the objective of maintaining the status quo. This could be achieved by implementation of Theatre Missile Defence (TMD) and National Missile Defence (NMD) systems, the readjustment of US nuclear strategy and the reconsideration of ally capability and defence requirements.

The current security structure in North East Asia relies upon the remnants of the Cold War—the US dominant forward military presence and the associated deterrence of the US 'nuclear umbrella'. Accordingly, the security structure could be challenged by reducing the effectiveness of either or both of these two elements. While the fears of many regional

states that the US forward presence would be reduced at the end of the Cold War have now dissipated, the second element is under challenge. Indeed the global proliferation of nuclear devices, due to both technological progress and weak proliferation controls, threatens to allow smaller states to reduce the absolute dominance of the US.

A major readjustment of US nuclear strategy occurred with the 31 December 2001 Defence Department submission to Congress of the Nuclear Posture Review (NPR) which in combination with earlier Presidential directives on the transformation of the military to meet the challenges of the new security environment, laid out the direction for US nuclear forces in the short to medium-term. The NPR called for the development of new offensive strategic nuclear devices—allowing greater flexibility in the use of nuclear forces, active and passive defence capabilities, and reorganisation of defence infrastructure to increase the ability to rapidly adapt to new weapons systems. These changes would allow the US greater flexibility in responding to a nuclear capable North Korea.

The regional imbalance between a nuclear North Korea and its near neighbours South Korea and Japan could lead to a regional arms race with associated uncertainty. Japan, and possibly South Korea, would seek more rapid implementation of TMD. Japan would continue its increasingly self-reliant direction in defence, more than likely ending its current constitutional restrictions on offensive military capabilities and seeking cruise missile capability and possibly even considering its latent capability in nuclear technology.

The rise in tension in the region caused by the nuclear crisis has already increased public debate in Japan on the 'peace clause'—Article 9 of the Constitution—set in place during the American occupation of Japan (1945–1952), which renounces war and the threat or use of force in the resolution of international disputes.[30] Key recent events, branded as rearmament moves by regional neighbours, have included the launch of two intelligence gathering satellites and the passage of the Emergency Defence Bills, which allow the government to deploy troops in the case of military attack and strengthens the ability of the military to utilise civilian facilities.[31]

While the tolerance of a North Korean nuclear state would represent a revolutionary change in the North East Asian security structure, the strategic balance could nevertheless be maintained, albeit on a dangerously heightened threat level.

Australian Options

Australia similarly faces the long-term options of tolerating the North Korean regime or seeking regime change. Unlike the US however, the Australian choice between these two long-term options requires immediate action to capitalise on the influence of middle-power diplomacy[32] before the key players have committed to long-term options.

The 1994 nuclear crisis commenced with a breakdown in cooperation with the IAEA in 1992, and finally a refusal by the DPRK to allow an IAEA special inspection in February 1993. The crisis did not end until the surprise visit to Pyongyang by former President

Jimmy Carter in June 1994 and the commitment to the Agreed Framework in October 1994. It can be expected that the resolution of the current crisis will be of a similarly long duration, perhaps longer, given the constraints on US policy options and their apparent reluctance to act. Thus the long-term decision of the US administration to seek regime change or to tolerate the regime should remain open to influence, and middle power diplomacy, during the early 'flexible options' stage. To capitalise on this Australia needs to consider its long-term options prior to the US decision.

Regime Change

Australian pursuit of long-term regime change in the DPRK would require efforts to delegitimise the regime, active coalition gathering in support of regime change in multilateral and regional forums, and military participation or pursuit of compromise that seeks an eventual weakening of the regime.

Efforts to delegitimise the regime could include deferring the opening of the proposed Australian embassy in Pyongyang, agreed to in a joint statement on the visit to Canberra of DPRK Foreign Minister, Paek Nam-Sun, in June 2001 or even the severing of diplomatic relations. Arguably, the seizure of the *Pong Su* provides a pretext for this, given the arrest of 26 North Korean seamen on drug importation charges, including a member of the Korean Workers Party. As stated by Foreign Minister Downer on 2 May 2003:

> … if there was proof that another government or the political party which is the governing party of another country is involved in drug trafficking that would be a matter of complete outrage. And, so what we're doing is we're laying down some markers to the North Koreans today that we're very concerned about this, bearing in mind North Korea is a totalitarian state and there's been an official of the Korean Workers' Party found on board the ship.[33]

Supporting long-term regime change would also require Australian participation in multilateral forums and coalition building, such as occurred at the 13 June 2003 Madrid meeting discussing how to use or change international law to counter the proliferation of weapons of mass destruction. As stated by Foreign Minister Downer on 16 June:

> … the Madrid initiative, as we might call it … is not North Korea specific, but of course it is directly relevant to measures that are being taken or at least considered in relation to trying to stop the movement of weapons of mass destruction related materials in and out of North Korea.[34]

Australia could also conceivably participate in an extension of this initiative—a military blockade of North Korea. Australia has participated in similar interdiction forces in the Persian Gulf including leadership of the United Nations-mandated Multinational Interdiction Force. Australian participation in the formation and undertaking of a similar force to counter North Korean proliferation could be considered in support of a long-term regime change option.

Regime Tolerance

Australian pursuit of long-term regime tolerance would require efforts to further recognise the legitimacy of the DPRK (including its security interests), active coalition gathering in support of tolerating the regime in multilateral and regional forums, and the pursuit of a compromise solution acceptable to both US and DPRK interests.

In re-establishing diplomatic relations with the DPRK in 2001, Australia signalled its willingness to work towards the inclusion of the DPRK in the international community of nations. Furthering this aim, Australia could avoid weakening DPRK legitimacy through the disruptive linkage between the nuclear crisis and the arrest of the crew of the *Pong Su* on drug importation charges[35] and continue to pursue DPRK involvement in the international community.

South Korean efforts to continue North–South reconciliation in the face of the worsening nuclear crisis stand out as an example of this approach. Despite the nuclear crisis, South Korea held the 10th ministerial level talks 27–30 April 2003, participated in the 14 June 2003 joint opening ceremony of North–South rail links, severed for more than 50 years, and will send 100 elderly South Korean nationals to participate in the 7th round of the inter-Korean separated families reunion 27–30 June 2003, to be held in the Mt Geumgang resort in the DPRK.

There is strong interest in both avoiding nuclearisation of the Korean peninsula and seeking a peaceful resolution to the crisis amongst key middle-power international and regional states. Coalition building among regional states could be undertaken with ASEAN, and could occur after the 18 June 2003 ASEAN Regional Forum meeting. This could extend to other international middle-power states that have shown an interest in the issue including Canada, member states of the European Union particularly including the Scandinavian states.

Australia is not in a position to play the role of 'impartial mediator' given its close alliance with the US. However, through inclusion of the other middle-power states mentioned above, Australia could support the pursuit of a compromise acceptable to the US. Australia is the only state in the region not directly involved in the issue, which maintains both a close relationship with the United States and diplomatic relations with the DPRK. As stated by the Foreign Minister, Alexander Downer on 13 February 2003:

> Our alliance with the United States, and our diplomatic relations with North Korea, provide channels of communication to ensure that international concerns with North Korea are understood.[36]

The DPRK has made clear its willingness to commence multilateral dialogue after initial bilateral dialogue with the US.[37] Its willingness to commence multilateral talks, albeit after initial bilateral talks, displays an increasing openess to dialogue on the issue, despite its decision to withdraw from the 18 June 2003 ASEAN Regional Forum meeting.

Endnotes

1. Jeffrey Robertson, 'North Korea Nuclear Crisis—Issues and Implications', *Current Issues Brief*, no. 18, Department of the Parliamentary Library, 18 March 2003.
2. Richard Boucher, 'US Seeks peaceful resolution of North Korean nuclear issue', *State Department Press Release*, 16 October 2002.
3. Monterey Institute of International Studies, *Fact sheet on North Korean reprocessing statement*, 23 April 2003.
4. The following account is drawn from Jeffrey Robertson, 'Resolving the North Korean Nuclear Crisis', *Research Note*, no. 34, Department of Parliamentary Library, 13 May 2003.
5. In a subsequent visit by US lawmakers to the DPRK led by Representative Curt Weldon, 29 May to 1 June 2003, the DPRK reportedly reiterated the near completion of spent fuel rod reprocessing, the possession of nuclear devices and its intention to build more.
6. Sang-Hun Choe, 'North Korea says it intends to build nuclear deterrent', Associated Press, 10 June 2003.
7. Peter Rixon, Defence Analyst, Department of Parliamentary Library.
8. For an account of DPRK intentions see James Cotton, *The Second North Korean Nuclear Crisis, Australian Journal of International Affairs*, 57 (2003) No. 2.
9. Bob Woodward, *Bush at War*, Simon & Schuster 2002.
10. On June 16 2002 two teenage girls were killed in a road accident in Yangju, north of Seoul involving a USFK tank on the way to training exercises in the area. The tragic accident grew into a major issue centring upon the presence of American forces in South Korea. The extremely emotional nature of the accident galvanised growing anti-American sentiment to such an extent that fears were expressed by both governments of the rise in anti-American sentiment. At the centre of the issue was the refusal of United States Force Korea (USFK) to release the two soldiers to be tried under South Korean jurisdiction, after a request by the South Korean Justice Ministry. Under the Status Of Forces Agreement (SOFA) the USFK is not required to hand over jurisdiction for incidents which occur during training.
11. Associated Press, 'South Korea believes North has no nukes', *Associated Press Newswire*, 10 February 2003.
12. *Joint Statement between the United States of America and the Republic of Korea*, White House, Office of the Press Secretary, 14 May 2003.
13. Alexander Downer, T*okyo Press Conference*, 15 May 2003.
14. Dick Cheney, Speech: *Vice President Honors Veterans of Korean War*, 29 August 2002
15. CIA, *Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions*, January 1–June 30, 2001.
16. Jonathan Pollack and Chung Min Lee, *Preparing for Unification: Scenarios and Implications*, Rand Organization, 1999.

17. Dr. William J. Perry, *Review of United States Policy Toward North Korea: Findings and Recommendations* (Unclassified Report), Washington, DC, October 12, 1999.
18. Joint Statement between the United States of America and the Republic of Korea, op. cit.
19. *Joint Press Statement with President Bush and Prime Minister Koizumi of Japan*, Bush Ranch, Crawford, Texas, 23 May 2003.
20. Senator Peter Fitzgerald, 'North Korea: A mafia masquerading as a government', *Press Release*, 20 May 2003.
21. 'North Korean defectors detail drug rings', *The Daily Telegraph*, 21 May 2003.
22. Joseph Colemen, Sanctions Would Not Be Easy, *Associated Press*, 12 February 2003.
23. Poisoned carrot negotiations refer to the process of negotiating with an aim to offer incentives that will ultimately weaken the target state. An example of such negotiations with the DPRK could include insistence upon economic and technical training in the US, media liberalisation or increased NGO access to local civilian populations—effectively weakening the base of DPRK political control by introducing new ideas and concepts.
24. Scott Snyder, 'Negotiating on the edge: Patterns in North Korea's diplomatic style', *World Affairs*, Summer 2000.
25. ibid.
26. The decision of the Clinton administration to allow significant concessions to the DPRK may have been made in light of the widespread belief at the time that the DPRK would collapse in the near future. Negotiations could therefore be undertaken in the context of long-term promises being unlikely to require fulfilment. However, the ability of the DPRK to not only survive, but improve its situation relatively (in terms of regional and world opinion) has focused criticism on the 'excessive' concessions made in the Agreed Framework.
27. The inclusion of South Korea as a target of a DPRK nuclear program is controversial, particularly among liberal academics in South Korea. Reasons against this range from the ethereal concept of brotherhood between South and North to the more practical reality of the DPRK ability to destroy more than forty per cent of South Korean GDP capacity with artillery alone, in effect, wasting an assumed limited number of nuclear devices.
28. While the feasibility of the National Missile Defence program remains questionable, the fact that it is being undertaken as part of the Nuclear Posture Review reveals a determination to ensure that given unavoidable nuclearisation the current status quo of US dominance can be maintained, as Kenneth Waltz stated 'The only way to move beyond second-strike [nuclear forces] is to create a first strike capability or to put up an effective strategic defence' (Kenneth Waltz, 'The Emerging Structure of International Politics', *International Security*, Volume 18, Issue 2, Autumn, 1993).
29. Colin Powell, P*ress Briefing on board plane en route to Elmendorf Air Force Base*, 25 February 2003.
30. 'Interview with Setszuso Kohsake: Article 9 Cannot Protect Japan's Interests', *The Asahi Shimbun*, 14 June, 2003.

31. Akinori Uchida, 'Contingency Laws—Overcoming the taboo / new era in defense policy wins praise from US', *Yomiuri Shimbun*, 11 June 2003.
32. Middle-power diplomacy is characterised by state preference for multilateral solutions to international problems, compromise in international disputes and the pursuit of 'good international citizenship' as a guide to diplomacy [Andrew Cooper, Richard Higgot, and Kim Richard Nossal, *Relocating Middle Powers: Australia and Canada in a Changing World Order*, University of British Columbia Press, 1993]. The credibility of its use has been questioned in the post-Cold War unipolar international order due to the tendency of middle-power states to become 'followers', as the best method to pursue their national interest waivers between multilateralism and close alliance with the US [Laura Neack, Middle Powers Once Removed: The Diminished Role of Middle Powers and American Grand Strategy, Paper presented at International Studies Association, 41st Annual Convention, September 2000.
33. Alexander Downer, *Doorstop Interview–12.15 Adelaide*, 2 May 2003.
34. Alexander Downer, Australia, House of Representatives 2003, Questions without notice, 16 June 2003.
35. As stated by noted DPRK scholar, Tim Beal of the Victoria University of Wellington: 'Even if all the accusations were true it would not serve Australia's interests to be sidetracked by a minor matter'.
36. The Hon. Alexander Downer, MP, 'Dealing with North Korea', Speech at the Korea re-examined dinner, Sydney University, 13 February 2003.
37. Reuters, 'North Korea softens stance on multilateral talks', 24 May 2003.