Chapter 1

North Korea's "Second Nuclear Diplomacy"— Rising Risks and Expectations

By announcing its withdrawal from the Treaty on the Non-proliferation of Nuclear Weapons (NPT) in January 2003, North Korea set in motion "nuclear diplomacy" to deal with the United States and other countries concerned, using the development of nuclear weapons as a bargaining chip, just as it had done in 1993–94. In an about-face on its earlier pronouncements, in which it denied having any intention of acquiring nuclear weapons, it warned that unless the United States abandoned its hostile policy toward North Korea, it would have no choice but to arm itself with nuclear weapons as a deterrent. Thus did it harden its diplomatic stance, backed by the threat of nuclear development. However, at the same time that it adopted these hostile positions, North Korea demanded a nonaggression pact and normalization of diplomatic relations with the United States, an early realization of Japan's economic assistance to North Korea, a supply of electricity, and the construction of light-water reactors. It created the impression that it was seeking to sustain the present regime by improving relations with the United States and Japan.

In the intervening ten years since 1994, North Korea gained some advantages and incurred some disadvantages. The progress North Korea made in the development of nuclear weapons and ballistic missiles strengthened its bargaining position. On the other hand, the military balance is now less favorable to North Korea, while the hardening attitudes of Japan and China caused by North Korea's nuclear advances, together with deteriorating economic and social conditions in the country, have combined to put it in a worse spot than before.

The credibility of U.S.-Japan cooperation to deal with North Korea's nuclear diplomacy was strengthened by joint technological research on ballistic missile defense (BMD) and the Proliferation Security Initiative (PSI). Meanwhile, the United States and South Korea sought, with difficulty, to iron out their differences over how to respond to North Korea's nuclear problem and also over the future of their alliance.

Under such circumstances, six-party talks—involving the United States, North Korea, Japan, China, South Korea, and Russia—were held to defuse the nuclear crisis through diplomatic means. The United States, which had taken a hard-line attitude toward North Korea, gradually eased its position. Japan indicated to North Korea that a resolution of the nuclear, missile, and abduction issues could lead to a normalization of diplomatic relations between the two countries and Japanese economic assistance to North Korea. A diplomatic

resolution of the nuclear problem is possible. Indeed, a successful conclusion to the ongoing process could result in a far better outcome for all countries involved than did the first round of nuclear diplomacy ten years ago. The six-party talks now in progress may well produce an agreement that would have far-reaching ramifications in the region.

1. The Development of "Second Nuclear Diplomacy"

(1) Playing with the "Possession" of Nuclear Weapons

North Korea has set in motion its "second nuclear diplomacy," following its "first nuclear diplomacy" of 1993–94, by announcing in December 2002 that it was resuming the operation and construction of nuclear facilities, and on January 10, 2003 that it was withdrawing from the NPT. Since this latter announcement, North Korea has taken provocative actions in rapid succession. In February, it announced that if economic sanctions were imposed on North Korea, it would abandon the obligations it had assumed under the Armistice Agreement of 1953. A MiG-19 fighter flew over the Northern Limit Line (NLL) that served as the quasi-maritime border between the North and the South, and North Korea fired an anti-ship missile toward the Sea of Japan. In March, four North Korean fighters, including two MiG-29s, approached a U.S. RC-135S reconnaissance aircraft then flying over the Sea of Japan and tried to force it to land in North Korean territory. On March 7, it announced that its nuclear facilities had already resumed operation, and three days later it once again fired an antiship missile toward the Sea of Japan. Then, in April, it intimated that it might attack Japan with ballistic missiles, warning "it [Japan] is also within the striking range of the DPRK."

Most of these actions were either a reenactment of, or had features in common with, those it had taken in the past. For instance, the withdrawal from the NPT announced in January 2003 mirrored its behavior in pulling out of the treaty in March 1993, while the firing of antiship missiles toward the Sea

A MiG-29 fighter of North Korea approaching an RC-135S electronic reconnaissance aircraft of the United States (Reuters/Kyodo Photo)

of Japan in February and March 2003 was a repeat of the missile-firing exercise it carried out in May and June 1994. Moreover, the flight of the North Korean MiG-19 fighter over the NLL on the Yellow Sea in February 2003 was similar in nature to the actions taken from 1975 to 1976, while the harassment of the U.S. reconnaissance aircraft in March 2003 was reminiscent of the 1968 *Pueblo* incident and the shooting-down of an EC-121 reconnaissance aircraft in 1969. The threat of launching a ballistic missile in April 2003 was a repeat of its missile diplomacy of 1998–2000.

However, its current nuclear diplomacy has a different design from that pursued previously in that North Korea for the first time publicly characterized its possession of "nuclear deterrent force" as a policy option and began using nuclear weapons testing as a bargaining chip. In the 1990s, North Korea had persistently claimed that it had no intention of acquiring nuclear weapons, and kept on denying that it was developing them. This time around, however, it showed no sign of concealing its nuclear development program. In April 2003, North Korea broadcast that "Only the physical deterrent force, tremendous military deterrent force powerful enough to decisively beat back an attack supported by any ultra-modern weapons, can avert a war and protect the security of the country and the nation. This is a lesson drawn from the Iraqi war," and asserted that it had the right to possess a "nuclear deterrent force." On April 18, North Korea declared that "we are successfully reprocessing more than 8,000 spent fuel rods at the final phase." On April 30, it released a statement that "the reality compelled it to opt for possessing a necessary deterrent force and put it into practice" to "deter the moves to stifle the DPRK with a physical force." And on June 9, North Korea declared "If the U.S. keeps threatening the DPRK with nukes instead of abandoning its hostile policy toward Pyongyang, the DPRK will have no option but to build up a nuclear deterrent force." It was reported that the North Korean side had said at the six-party talks held in August 2003 that it could show that it had nuclear weapons. This episode served to show that North Korea was trying to use nuclear weapons test as a diplomatic card.

(2) Assuring Regime Survival: North Korea's Political Objectives

For all its provocative actions, however, as of December 2003 there is no sign that suggests any significant change in the political objectives of North Korea, to judge from the way it has been conducting its nuclear diplomacy. It appears

that North Korea is still seeking to ensure regime survival by improving relations with the United States and Japan. North Korea has already clearly indicated its position. During high-level talks held in October 2002 between the United States and North Korea, the North Korean delegate reportedly told his U.S. counterpart that if the United States (a) concluded a non aggression treaty with North Korea, (b) signed a peace agreement, (c) lifted economic sanctions entirely, and (d) accepted its invitation to President George W. Bush to visit North Korea, it would abandon its nuclear program. The same month, North Korea officially clarified that it was ready to seek a negotiated settlement of the nuclear issue on the condition that the United States recognize the DPRK's sovereignty (noninterference with internal affairs), assure the DPRK of non-aggression, and not hinder the DPRK's economic development. At U.S.-China-North Korea tripartite talks held in Beijing in April 2003, North Korea came up with a "proposal for a package solution to the nuclear issue and the order of simultaneous actions." At the six-party talks held in August 2003, also, North Korea restated the same proposal, and made the contents public.

According to the proposal, the United States is to (a) conclude a non-aggression treaty with North Korea, (b) establish diplomatic relations with it, (c) guarantee economic cooperation between the DPRK and Japan, and between the two Koreas, and (d) compensate for the loss of electricity caused by the delayed provision of light-water reactors and complete their construction. In return, North Korea will (a) allow nuclear inspections and not make nuclear weapons, (b) finally dismantle its nuclear facilities, and (c) put on ice the test-firing of missiles and stop their export. As shown in table 1.2, these actions will be taken simultaneously in four stages. First, the United States will resume the supply of heavy fuel oil and sharply increase humanitarian food aid, and North Korea will declare its intention to scrap its nuclear program. Second, when the United States concludes a nonaggression treaty with the DPRK and compensates for the loss of electricity, North Korea will refreeze its nuclear facilities and nuclear substances, and allow monitoring and inspection of such facilities and substances. Third, when diplomatic relations are established between the United States and the DPRK, and between Japan and the DPRK, North Korea will settle the missile issue. Finally, when the light-water reactors are completed, North Korea will dismantle its nuclear facilities.

In October 1993, North Korea had informally unveiled its demands relating to the nuclear issue to the United States. At that time, it proposed (a) the

conclusion of a peace agreement or a treaty that included legally binding assurances on the nonuse of, and nonthreat of use of, force against the DPRK, (b) the provision of light-water reactors to the DPRK to finalize the resolution of the nuclear issue, (c) a full normalization of diplomatic relations between the DPRK and the United States, and (d) a pledge of an equidistant policy toward North and South Korea. In short, the core elements of its policy objectives—non-use of force against it, the supply of energy, and the normalization of diplomatic relations with the United States—have not changed from those it had pursued ten years ago.

2. Structural Setting of the "Second Nuclear Diplomacy"

(1) Strengthened Diplomatic Cards: Nuclear and Missile Development

During the ten years that followed the signing of the Agreed Framework between the United States and the DPRK in 1994, several changes have occurred in North Korea's power relations with the relevant countries. There are too many uncertain elements to determine the direction of North Korea's nuclear diplomacy with any certainty. To forecast the future, however, it is important to analyze structural factors that are less likely to change drastically in a short period of time. In this section, we will try to find a clue as to the direction of the "second nuclear diplomacy" by identifying factors that have become more favorable, and those that have become less so, to North Korea, compared with ten years ago.

There are two areas in which the situation has grown more favorable to North Korea since 1994. First, it has made progress in the development of nuclear weapons. Under the Agreed Framework, central components of its nuclear program—the production, extraction, and accumulation of plutonium—were frozen. However, as the freeze did not cover the development of a detonator, the miniaturization of warheads (or nuclear devices), and the development of delivery means, it is believed that North Korea has continued work on these projects even after 1994. Were North Korea to make progress on the miniaturization of warheads, in particular, this would have serious ramifications because it means these could be mounted on ballistic missiles.

In addition to the plutonium-based nuclear development it already has undertaken, North Korea is pressing ahead with development of enriched

uranium-based nuclear weapons. If North Korea proceeds with a uranium enrichment program at its current pace, the plant could become fully operational as early as the middle of the decade, and it could produce two or more nuclear weapons a year thereafter.

Second, North Korea has made progress in developing long-range ballistic missiles that can be used as a delivery vehicle. In the second half of the 1990s, it began deploying No Dong missiles with a range of 1,300 kilometers. At present, it has deployed about 175 to 200 No Dong missiles capable of covering almost the entire territory of Japan. It is believed that No Dong missiles are designed to accommodate nuclear warheads, conventional warheads, cluster bombs, and chemical warheads. As it is difficult to spot No Dong missiles mounted on mobile launchers before they are launched, a preemptive strike cannot be effective. Because Japan and the United States are not capable of defending against No Dong missiles deployed by North Korea, Tokyo, like Seoul, is being held hostage militarily, heightening Japan's vulnerability.

(2) North Korea's Weaknesses: Deteriorating Military Balance, Diplomatic Encirclement, and Socioeconomic Hardships

On the other hand, the situation has worsened for North Korea in several areas. First, military superiority of the U.S.-Republic of Korea (ROK) Combined Forces over the Korean People's Army has been established. Through the 1990s, the war-fighting capabilities of North Korea have weakened on account of financial difficulties caused by a chaotic economy. Therefore, it is thought that even if North Korea mounted an all-out invasion of South Korea, its onslaught could be halted north of Seoul. Needless to say, in addition to an all-out invasion, North Korea could mount an attack on selected targets by long-range artillery. However, the counter-fire capabilities of the U.S.-ROK side have been continually strengthened and operational concepts—"proactive capability" to destroy North Korean artillery systems before they fire, and "overwhelming response" to any

Spent nuclear fuel rods stored in a facility at Nyongbyon, North Korea (Yonhap Press/Kyodo Photo)

North Korean attack on South Korea—have been advanced. Key components of the theater counterfire system that enables such operations include: counter-battery radar, precision munitions, operational-level and strategic-level unmanned aerial vehicles, state-of-the-art intelligence, surveillance, and reconnaissance capabilities. According to *Jane's Defence Weekly*, United States Forces Korea (USFK) has a plan to use surface-to-air missile Patriot PAC-1 that was remodeled into a surface-to-surface missile to attack North Korea's long-range artillery pieces. If the counter-fire capabilities of the United States and South Korea were strengthened further, North Korea's deterrent force based on its threat to hold Seoul as a hostage would diminish and its bargaining position would be weakened.

Thanks to the modernization of their armed forces consistently pursued by the United States and South Korea, their counteroffensive capabilities have improved. In the case of U.S. forces, in particular, the dramatic improvement in war-fighting capabilities achieved through the revolution in military affairs (RMA) was demonstrated during the invasion of Iraq.

The U.S.-ROK Combined Operation Plan 5027 is designed to mount a preemptive strike in case it becomes clear that North Korea is planning to mount an all-out attack on South Korea, stop a North Korean invasion of South Korea, and topple the present government of North Korea. In June 1994 Gen. Gary Luck, then commander of the U.S.-ROK Combined Forces Command, expressed his views that "although North Korea could use them [one or two nuclear weapons] to add to the carnage of an all-out war, they would not change the eventual results, namely, the defeat of North Korea." This operation plan drawn up by the United States and South Korea, backed by their military capability, has created a strategic environment in which an all-out invasion of South Korea can hardly be a rational option for North Korea. Given these prospects, and as long as North Korea's leaders judge the situation rationally, they are not likely to choose an impractical option of waging an all-out war, notwithstanding their belligerent rhetoric. As a result, the United States and its allies in the Far East can now deal with North Korea's diplomatic brinkmanship under such an assumption.

What is more, the United States, acting alone or in conjunction with South Korea, has the capability to destroy North Korea's nuclear facilities. In fact, the United States as early as June 1994, at a time of crisis, had formulated a plan to destroy them without causing much collateral damage. Moreover, the adoption

of "preemption" by the United States as its official strategy, as outlined in *The National Security Strategy of the United States of America* announced in September 2002, heightened the likelihood of a surgical strike on North Korea's nuclear facilities. Obviously, as such an attack could invite retaliatory strikes on South Korea, it is not an option that can be exercised lightly. However, it may be said that faced with the military capability of the United States and the new security strategy it has adopted, North Korea would be compelled to be more cautious in its conduct of military-diplomatic brinkmanship.

The second factor that has made its position worse compared with ten years ago is that with the hardening attitudes of Japan and China, international pressure on North Korea has grown. In the course of work carried out in the second half of the 1990s to redefine the U.S.-Japan alliance, Japan enacted laws that enabled it to carry out ship inspections to enforce economic sanctions and to provide U.S. forces with rear-area support in "situations in areas surrounding Japan that will have an important influence on Japan's peace and security" as defined by the laws. It also took steps to prevent the infiltration of Japan by foreign special-forces operatives and to check the inflow of refugees. Thanks to this work, Japan is in a position to act much more effectively than ten years ago in case a crisis or an armed conflict breaks out on the Korean Peninsula. In December 2003, the Japanese government took the decision to introduce ground-based Patriot missiles (PAC-3) and ship-based Standard Missiles (SM-3), deeming them necessary to intercept No Dong ballistic missiles from North Korea. Further, in February 2004, the Japanese Diet passed an amendment to the Foreign Exchange and Foreign Trade Law. The amendment allows Japan to apply economic sanctions to North Korea on its own.

Despite its official admission to having abducted many Japanese nationals, North Korea refused to allow the families of the Japanese abductees to come to Japan and failed to give a credible explanation for what happened to those who had reportedly died, with the result that public opinion in Japan has become increasingly critical of North Korea. According to a poll taken by *Mainichi Shimbun* in April 2003, more than half of respondents (54 percent) said with respect to the North Korean nuclear issue that if a peaceful solution is not feasible, Japan would have no choice but to resort to tough measures such as economic sanctions. Only 33 percent of them said that Japan should persist in seeking a peaceful solution to the nuclear issue. In another poll taken by *Sankei Shimbun* in August the same year, 36.2 percent of the respondents said "yes" in

response to a question on whether it was necessary to provide compensation to North Korea to resolve the abduction issue, with 58.4 percent saying "no." Backed by the tough attitude demonstrated by its citizens, Japan stepped up pressure on North Korea, short of imposing economic sanctions, by taking measures including a crackdown on illegal acts committed by the country in and around Japan.

China also is stepping up pressure on North Korea. Initially, China had urged the United States to have bilateral talks with North Korea. Aware that the United States is not interested in anything but multilateral talks, China sought to persuade North Korea to participate in three-party talks involving the United States, China, and North Korea, and then in six-party talks including three additional countries, namely, Japan, South Korea, and Russia. It was reported that in the course of persuading North Korea, China had suspended its supply of oil to North Korea for three days to prod a reluctant North Korea to come to the negotiating table. (For details, see Chapter 4.)

The third disadvantage for North Korea is the fact that the country's socioeconomic hardships have markedly worsened, and it has become heavily dependent on food and energy aid from abroad. North Korea's gross national income (GNI) shrank from $20.5 billion in 1993 to $15.9 billion in 2002, and the size of its annual budget also decreased from about 41 billion North Korean won in 1993 to about 22 billion won in 2002. Grain production for the year from November 2002 to October 2003 is estimated at 3.84 million tons. Even if commercial imports and food aid from the international community are factored into the total, North Korea is expected to have a shortage of about 560,000 tons of grain. Meanwhile, humanitarian aid from South Korea and the international community has increased from $4.6 million and $97.65 million in 1996 to $134.92 million and $257.27 million, respectively, in 2002, making North Korea heavily dependent on humanitarian aid from other countries. These figures suggest that North Korea has become more vulnerable to economic sanctions than it was ten years ago. What is worse, the number of North Korean defectors entering South Korea has increased from eight in 1993 to 1,141 in 2002.

In sum, North Korea's diplomatic card has been strengthened by nuclear weapons and ballistic missiles, on the one hand, but the overall military balance—together with the international situation and North Korea's own domestic circumstances—has become less favorable for it on the other. Taking

everything into account, therefore, it is difficult to judge whether North Korea is in a stronger or weaker position than it was ten years ago. However, given North Korea's strengthened nuclear and missile capabilities as well as its worsened socioeconomic conditions, it can be said that potential risks involved in an armed conflict on the peninsula have risen and the North Korean regime has become less stable.

3. The Nuclear Question and Alliance Relationships

(1) Revitalized U.S.-Japan Alliance and Strained U.S.-ROK Alliance

On the question of North Korea's nuclear diplomacy, the reaction by the U.S.-Japan alliance and the U.S.-ROK alliance presented a subtle contrast. Through joint technological research on ballistic missile defense (BMD) and the promotion of the PSI, Japan and the United States jointly stepped up pressure on North Korea. On the other, despite the long-standing alliance between them, which marked its fiftieth anniversary in 2003, the United States and South Korea failed to iron out differences over the North Korean nuclear question and in their work to reassess their alliance relationships.

The cooperation between the United States and Japan over the nuclear question is much improved from ten years ago. Behind this lies a forward-looking rearrangement of the relationship conducted by the two countries in the second half of the 1990s. Thanks to a revision of the Guidelines for U.S.-Japan Defense Cooperation in 1997 and the enactment of the Law Concerning Measures to Ensure the Peace and Security of Japan in Situations in Areas Surrounding Japan in 1999, a framework was established enabling Japan to take effective actions jointly with the United States in case a crisis or an armed conflict breaks out on the Korean Peninsula. Moreover, in the event that the United Nations Security Council (UNSC) decides to impose economic sanctions on North Korea, the United States and Japan can jointly inspect ships under the Law Concerning Ship Inspection Activities in Situations in Areas Surrounding Japan.

The United States and Japan have strengthened cooperation for the development of BMD. In December 2002, the two countries agreed on the necessity to step up consultation and cooperation over BMD development, and Minister of State for Defense Shigeru Ishiba stated that they needed to seriously consider the development and deployment of BMD. Come 2003, the United

States and Japan strengthened cooperation to implement the PSI to check the proliferation of weapons of mass destruction (WMD). In September a patrol vessel and a special security team of the Japan Coast Guard and observers from the Japan Defense Agency participated for the first time ever in a maritime interdiction exercise held off Australia. It was reported that Japan played a central role in these exercises. Supported by such joint actions, the United States and Japan are trying to solve the North Korean nuclear question through "dialogue and pressure."

On the other hand, joint action by the United States and South Korea, at least on the military front, remains low-key. For instance, the United States went ahead with a BMD project, and in September 2003 the state-of-the-art PAC-3 with BMD capability that it had deployed in South Korea became operational. However, South Korea postponed the next-generation surface-to-air missile (SAM-X) project involving the introduction of PAC-3 units between 2004 and 2006, and has thus taken a halfhearted attitude toward the BMD. Meanwhile, on the question of the PSI, it stated "the South Korean government will study the question as to whether South Korea will participate [in the PSI] by taking into account its geographic and strategic peculiarity in the light of changes occurring in the North Korean nuclear question and the efforts being made to solve it." As of December 2003, South Korea has not decided to participate in the PSI.

The adoption of a "preemption" strategy by the United States added a strain to the U.S.-ROK alliance. South Korean people felt it was U.S. behavior, not North Korea, that was posing a threat to their country's security. They felt that if the United States mounted a preemptive strike on North Korea, it would be South Korea, not the United States, that would be exposed to a retaliatory attack by North Korea. South Korea already had such fears when crisis loomed in 1994, and the adoption of a "preemption" strategy by the United States made such fears more realistic. Given that the U.S.-ROK alliance has not even adapted to the post-Cold War reality, jabbing it with the post-September 11 "preemption" strategy only served to cause friction.

However, there are also some reassuring elements compared with the situation ten years ago. Then, President Kim Young-sam of South Korea had taken a dim view of U.S. efforts to improve its relations with North Korea. As his attitude suggested, improvement in U.S.-DPRK relations carried the risk of undermining the U.S.-ROK alliance. When Kim Dae-jung came to power,

however, his government sought to improve relations between the United States and North Korea, and this helped make improving U.S.-DPRK relations and the U.S.-ROK alliance relationship compatible. Also, the United States, unlike ten years ago, tried to prevent a situation where a solution to the nuclear question would lead to the deterioration of U.S.-ROK relations, by bringing South Korea in the diplomatic process. On this point, Secretary of State Colin L. Powell stated "During the Agreed Framework, South Korea wasn't much of a party to something that involved their destiny. We want to do it differently this time."

(2) Alliance Redefined, Alliance Being Redefined

One of the reasons why the U.S.-Japan alliance took a path different from that of the U.S.-ROK alliance is that while the former has reshaped itself into a post-Cold War alliance by redefining its objectives and role-sharing in the light of the new security environment that emerged after the end of the Cold War, the latter has basically maintained the posture it had adopted during the Cold War era. The United States and South Korea had to tackle Cold War challenges—the management of Cold War confrontation with North Korea—as well as post-Cold War challenges such as the prevention of proliferation of WMD and the establishment of peaceful coexistence at the same time.

In order to defuse—or reduce—the friction between the United States and South Korea, the alliance should be redefined and restructured, as has happened with the U.S.-Japan alliance, in ways geared to meet the challenges posed by the new strategic environment. Aware of such a necessity, the two countries agreed at the Security Consultative Meeting (SCM) held in December 2002 to hold "Future of the ROK-U.S. Alliance Policy Initiative" meetings, with the first such meeting held in April 2003. At a summit meeting held in May 2003, the leaders of the two countries agreed to "work out plans to consolidate U.S. forces around key hubs and to relocate the Yongsan garrison at an early date." They also shared the view that the relocation of U.S. bases north of the Han River should be pursued, "taking careful account of the political, economic, and security situation on the peninsula and in Northeast Asia." At the second "Future of the ROK-U.S. Alliance Policy Initiative" meeting held in June 2003, they agreed to draw up an implementation plan for (a) capability enhancement, (b) Yongsan relocation, (c) the transfer of military missions, and (d) the realignment of U.S. forces in the Republic of Korea. In January 2004, the two countries agreed to relocate the Yongsan garrison except certain facilities such

Ten missions to be transferred from the USFK to the ROK Forces

- The Joint Security Area (JSA) Mission
- Rear Area Decontamination
- Counterfire Headquarters
- Rapid Land Mine Emplacement
- Air-to-Ground Range Management
- Maritime Counter-Special Operations Forces
- Day-Night Search and Rescue
- Close Air Support Controllers
- Military Police Battlefield Circulation
- Weather Forecasting

Source : A list provided by the U.S. Embassy in Seoul.

as the offices of the commander and deputy commander of the U.S.-ROK Combined Forces Command during the one-year period to the end of 2007.

Ironically, the two countries started the work of reshaping their alliance in earnest at a time when the deterrent symbolized by the U.S.-ROK alliance is most needed in the face of the North Korean nuclear question that flared up again. If the North Korean nuclear issue is resolved peacefully, once and for all, it can mean a shift in the status of the Korean Peninsula from a state of Cold War gridlock to one of peaceful coexistence. It follows that reorienting the U.S.-ROK alliance away from a Cold War configuration can be accomplished in parallel with the resolution of the nuclear issue. The question is, at what pace should these processes be carried out and to what extent should they be linked.

4. Solving the Nuclear Question

(1) Multilateral Talks: A New Approach

The biggest difference between the approach now taken by the United States and concerned countries in Northeast Asia to defusing the nuclear crisis of North Korea and the approach taken ten years ago lies in the channel of negotiations. Until recently, bilateral talks between the United States and North Korea served as the key channel of negotiations; this time around, they have been replaced by multilateral talks. The United States defines the North Korean nuclear question "not as a dispute between the United States and North Korea

but one between North Korea and the rest of the world," and asserts that this should be dealt with within a multilateral framework. Behind the change in the policy of the United States are the following intentions.

First, it wants to avoid putting itself in a position where it alone is held responsible for solving the problem; to let other countries concerned share the political and economic costs involved; and let them have the awareness that they too have a stake as a party to the dispute.

Second, it wants to step up pressure on North Korea by encircling it, and to create an environment conducive to winning a UNSC resolution for imposing

Table 1.1. Changing U.S. policy toward North Korea

2001	
June 6	The United States concluded review on its policy toward North Korea. It called for discussions with North Korea on nuclear and missile issues as well as convention military posture.
2002	
Jan. 29	President Bush characterized North Korea as an element of "an axis of evil."
Feb. 20	President Bush said the United States had "no intention of invading North Korea."
Summer	The United States developed a "bold approach" to improve relations with North Korea.
Dec. 29	The United States reportedly prepared a comprehensive strategy to increase financial and political pressure on North Korea if it did not abandon its effort to make nuclear weapons.
2003	
Jan. 13	Assistant Secretary of State James Kelly said the United States could help North Korea in the energy area if nuclear issue was resolved.
Jan. 14	President Bush suggested that he would reconsider whether or not to start the "bold initiative" if North Korea abandoned nuclear development.
Jan. 24	U.S. officials stressed a multilateral approach to the North Korean nuclear issue.
Feb. 13	Assistant Secretary of State James Kelly said that the United States could pursue a fundamentally different relationship with North Korea once it eliminated its nuclear weapons program in a "verifiable and irreversible manner."
May 31	President Bush proposed the PSI to combat the proliferation of weapons of mass destruction.
Aug. 27	Assistant Secretary of State James Kelly reportedly offered a three-step roadmap at the six-party talks in Beijing.
Sept. 5	Secretary of State Colin Powell said that the United States was looking at ways in which it could give the North Koreans assurance that the United States had no plans to attack or invade them, nor has hostile intent toward them.
Oct. 19	President Bush made clear that the United States was looking to come up with security assurances for North Korea, and that they had to be multilateral.

economic sanctions against North Korea when needed.

Third, it aims to create a broad-based peace regime by involving neighboring countries such as China and Russia in the peace process.

Even after North Korea had indicated its withdrawal from the NPT in January 2003, the countries concerned insisted on solving the problem through diplomacy. On January 13, Assistant Secretary of State for East Asian and Pacific Affairs James A. Kelly said "once we can get beyond nuclear weapons, there may be opportunities with the U.S. ... other countries, to help North Korea in the energy area." On January 14, President Bush said that this issue would be solved in a peaceful way, and that if North Korea abandoned its nuclear program, the United States would reconsider "a bold initiative." Neighboring countries supported these positive developments. On January 18, Aleksandr P. Losyukov, vice minister of foreign affairs of the Russian Federation, visited North Korea to have talks with Kim Jong Il, chairman of the DPRK National Defence Commission. During the conversation, Losyukov presented a "package" proposal for solving the nuclear question. In March the same year, Chinese Vice Premier Qian Qichen visited North Korea, and reportedly asked the North Korean leader to accept the proposal for three-party talks.

Initially, North Korea declined the proposal and insisted on bilateral talks with the United States. From late February to early April, North Korea repeated provocative actions of various kinds and belligerent rhetoric. However, when it saw that these actions were failing to produce the desired response, North Korea indicated its acceptance of the proposal for multilateral talks on April 12. As a result, three-party talks between the United States, China, and North Korea were held in Beijing on April 23–25. However, North Korea took the position that the talks were between the United States and North Korea with China merely playing the role as a host. In other words, its position was that as long as it could have a substantive talk with the United States, it would not object to the multilateral form of the talks. As previously mentioned, it put forward a package proposal, while intimating in the same breath that it had nuclear weapons.

Encouraged by the three-party talks, countries concerned set out to explore the possibility of holding broader multilateral talks. At a summit meeting held in May between the heads of the United States and South Korea, they agreed that the Republic of Korea and Japan were essential for a successful and comprehensive settlement and that Russia could also play a constructive role in multilateral diplomacy. At a Trilateral Coordination and Oversight Group

(TCOG) meeting held in Honolulu on June 13, 2003, the three delegations agreed that South Korea and Japan had vital interests in the solution of North Korea's nuclear weapons program, and agreed on the necessity of multilateral talks expanded to include other interested parties, particularly Japan and South Korea. In mid-July, Dai Bingguo, China's executive vice minister of foreign affairs, visited North Korea to persuade its leaders to participate in the proposed multilateral talks.

In parallel with these approaches, interested countries stepped up their pressure on North Korea. In May, the United States proposed the PSI to check the proliferation of WMD and related materials, and urged ten countries including Japan and Australia to participate. The Japanese police searched the premises of a trading company run by a Korean on suspicion of having illegally exported machine parts that could be used for the development of nuclear weapons, and vigorously inspected *Mangyongbong-92* that entered the port of Niigata. In June, the chair's summary of the G8 Leaders' Meeting in Evian touched on the North Korean nuclear issue as well as the issue of Japanese nationals abducted by North Korea. At a TCOG meeting held the same month, participants discussed cooperation over checking illegal activities committed by North Korean entities including drug running and counterfeiting.

***Mangyongbong-92* of North Korea moored alongside a wharf of Niigata Port, and a vehicle of the General Association of Korean Residents in Japan that came to meet the crew and passengers** (Kyodo Photo)

Delegates shaking hands prior to a meeting of the six-party talks. They are from the left: Director-General of the Asian and Oceanian Affairs Bureau of the Japanese Foreign Ministry Mitoji Yabunaka, U.S. Assistant Secretary of State James A. Kelly, North Korean Vice Foreign Minister Kim Yong Il, Chinese Vice Foreign Minister Wang Yi, Russian Vice Foreign Minister Aleksandr Losyukov, and South Korean Deputy Foreign Minister Lee Soo-hyuck. (Kyodo Photo)

The first round of six-party talks was held in Beijing August 27–29, 2003. The meeting was significant in that (a) it marked the start of genuine negotiations, and pointed the way toward, a solution of the nuclear issue; (b) it created a framework involving all key players; and (c) bilateral talks between the United States and North Korea, and between Japan and North Korea, were held during the meeting. In a host-country summary, Vice Foreign Minister Wang Yi of China called for a nuclear-free Korean Peninsula, stated that North Korea's reasonable concern over its security must be considered and resolved, and that the nuclear issue should be resolved "in a manner that is phased and synchronized or parallel in implementation." As the participating countries failed to agree to a joint communiqué, China released a host country summary of the meeting on its own. However, the lack of a consensus has actually served to encourage the host country to take the plunge and hazard a statement in which it boldly indicated the direction in which participants should strive to solve the nuclear issue.

Subsequently, however, no progress has been made and efforts to resolve the issue are at a standstill. Meanwhile, the Korean Peninsula Energy Development Organization (KEDO) decided in November to put on hold the construction of light-water reactors in North Korea for a period of one year, and pressure on North Korea has thus strengthened. Further, at the second round of six-party talks in February 2004, while establishment of a working group and convening of another round of six-party talks were agreed upon, North Korea refused to accept the notion of complete, verifiable, and irreversible dismantlement of its nuclear programs (CVID), meaning that no major breakthrough was witnessed.

(2) Prospects for Settlement

Recent moves toward a peaceful solution to the North Korean nuclear issue through diplomatic means hold out hopes for an eventual accord. As noted earlier, North Korea disclosed the type of solution it was seeking by presenting "a package proposal." The proposal was overly favorable to North Korea, but it presupposes counterproposals demanding concessions it may have to make in the course of negotiations. Therefore, it does not necessarily mean that North Korea expects that a solution along the line of its proposal can actually be worked out.

The United States and Japan also are gradually clarifying their position on the problem. Both have consistently intimated the possibility of normalizing

Table 1.2. The roadmap presented by the U.S., and the package solution of North Korea

	U.S. Proposal	North Korean Proposal
First step	North Korea declares its intention to abandon its nuclear program in a verifiable and irreversible manner, and returns to the NPT.	North Korea declares its intention to abandon its nuclear development program.
	The U.S. expanded its humanitarian food aid, and assists North Korea in dismantling its nuclear facilities.	The U.S. resumes supplying heavy fuel oil, and sharply expanded humanitarian food aid.
Second step	North Korea commences dismantling its nuclear facilities.	North Korea accepts freezing, monitoring and inspections of its nuclear facilities and nuclear materials.
	The U.S. investigates to determine North Korea's energy demand. It prepares for talks with North Korea with a view to removing North Korea from the list of states sponsoring terrorism.	The U.S. concludes a nonaggression treaty with North Korea, and compensates for the lost production of electric power.
Fourth step	North Korea completely dismantles its nuclear development program.	The missile issue to be settled.
	The U.S. tackles in earnest the problem of supplying energy to North Korea. It discusses with Korea steps to be taken to address security concern of North Korea, and non-nuclear issues (WMD, missile, human rights, and abduction) with a view to normalizing diplomatic relations with North Korea. The U.S. shifts its relations from the armistice to peace.	The U.S. and Japan normalize diplomatic relations with North Korea.
Fourth step	—	The nuclear facilities are dismantled.
	—	The construction of light-water reactors is completed.

Sources: Data from *Chosun Ilbo*, August 30, 2003 and *Korean Central News Agency*, August 30, 2003.

their diplomatic relations with North Korea if—a big if—and when pending issues have been resolved. It was reported that the United States had presented a three-stage roadmap at the six-party talks. The Japanese delegate said, "No country, including the United States, has a hostile policy toward North Korea. However, if North Korea insists that it still has security concerns, Japan is ready to consider these in the six-party talks process, on the premise that North Korea properly dismantles its nuclear development program." A few days after the six-party talks, Secretary of State Powell said, "we are looking at ways in

which we can give them [North Koreans] the kind of assurance that they say they need." At a director-general-level consultative meeting held between the United States, Japan and South Korea in August, senior officials from the three countries discussed the details of the multilateral verification system. In October, President Bush declared that the United States would provide North Korea with a multilateral security assurance within the framework of the six-party talks.

In the Japan-DPRK Pyongyang Declaration signed in September 2002, Japan announced that after normalization of diplomatic relations with North Korea, it would provide economic cooperation including grant aid, long-term loans at low interest rates, assistance including humanitarian assistance, through international organizations, and other loans and credits by financial institutions such as the Japan Bank for International Cooperation, with a view to supporting private economic activities. Clearly, North Korea is trying to tie a resolution to pending issues, such as the nuclear and abduction issues, to economic assistance from Japan. In this sense, it is noteworthy that North Korea asked the United States at the six-party talks for an assurance of economic assistance from Japan.

However, the present situation cannot be taken lightly. North Korea may have more bargaining chips than it had ten years ago, but its domestic socio-economic situation has worsened. To use its diplomatic cards more effectively, a desperate North Korea may resort to a more dangerous form of military-diplomatic brinkmanship. North Korea is unlikely to push too hard in order not to heighten tension more than necessary, but it will continue to use brinkmanship. In addition, it also will continue to brandish the possibility of test firing ballistic missiles. Although Japan has indicated its intent to provide North Korea with economic assistance with an eye on the normalization of diplomatic relations, anti-North Korean sentiment in Japan has worsened markedly in recent years. The United States is taking a strong stand against proliferation of WMD as it demonstrated by the active promotion of the PSI. In order to seek a solution to the nuclear issue through diplomatic means while preventing North Korea from cheating on its international obligations, it will be essential to keep up pressure on North Korea.

Although, in a new agreement, it may be necessary to incorporate more stringent technical details into the inspection formula than were included in the Agreed Framework, a diplomatic solution to North Korea's nuclear issue is

feasible. The process now in progress could possibly produce results more acceptable to the parties concerned than the process ten years ago. If the Republican administration under President Bush, which is regarded as "tough" on North Korea compared to its Democratic predecessor, reaches some sort of an agreement with North Korea, then U.S.-DPRK relations would not be jolted as they have been in the past when the administration changed. If a broader-based agreement involving key players in the region comes into being, such an agreement would contribute to the stability and prosperity not only of the Korean Peninsula but also of Northeast Asia as a whole.