

# **Policy Forum 02-20A: Current Developments on the Korean Peninsula: Are There Grounds for Hope?**



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## **Current Developments on the Korean Peninsula: Are There Grounds for Hope?**

by Han Sung-Joo

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### **I. Introduction**

The essay below is by Professor Han Sung Joo, President of Korea University and former ROK Foreign Minister (1993-94) when the US-DPRK Agreed Framework was negotiated. Han argues that North Korea must be further embedded into relationships of deeper dependence upon the outside world, particularly South Korea, the United States and Japan. Similar to the 1994 "carrot and stick" approach by South Korea and the United States that led to the Agreed Framework, a similar strategy must be employed today, but with greater multilateral coordination. . Han argues that North Korea must be further embedded into relationships of deeper dependence upon the outside world, particularly South Korea, the United States and Japan. Similar to the 1994 "carrot and stick" approach by South Korea and the United States that led to the Agreed Framework, a similar strategy must be employed today, but with greater multilateral coordination.

This essay was originally presented as a speech given by Han Sung-Joo at the University of British Columbia on October 30, 2002.

The views expressed in this article are those of the author and do not necessarily reflect the official policy or position of the Nautilus Institute. Readers should note that Nautilus seeks a diversity of views and opinions on contentious topics in order to identify common ground.

### **II. Essay by Han Sung-Joo**

"Current Developments on the Korean Peninsula: Are There Grounds for Hope?"

Despite our tremendous foresight when we were planning for this lecture, we did not quite anticipate that relations between North and South Korea would be at such an interesting juncture. We should have known, however we could even have bet our last dollar that just about any time is an interesting time to talk about this subject. But today, it seems even more so.

In fact, I was at this campus to give a talk on a similar topic early this year. That was on February 1st, three days after the famous "axis of evil" speech by President Bush. At the time, by including North Korea as a member of his notorious axis, President Bush squashed any hope of an early U.S.-North Korea rapprochement.

Today, with Pyongyang's admission that they have been engaged in an enriched uranium nuclear weapons development program, the situation on the Korean Peninsula, not to speak of relations between the United States and North Korea, seems to be entering a rather rough period. Perhaps I can address this problem by asking a few key questions and venturing to answer them. First, given North Korea's commitment under the 1994 Geneva Agreed Framework to freeze all nuclear activity in return for light water reactors and a supply of heavy oil, why did it decide to restart its nuclear weapons program and thus violate, even flout, the agreement?

One may throw up one's hands and simply say -- that's the way they are. That's to be expected of the North Koreans, who cannot be trusted to abide by any agreement, and who spend many millions of dollars to develop and purchase weapons while starving their own people. But still, they must have had a particular reason to take the risk of setting the rest of the world against them, especially at a

time when they heavily depend on outside help for food and energy.

The most plausible explanation is that Pyongyang concluded that securing nuclear weapons was necessary not only to ensure its survival, but also as indispensable leverage in dealing with outside powers, especially the United States. With the time approaching under the Agreed Framework to lay bare their past nuclear activities which presumably included the clandestine production of plutonium, Pyongyang must have felt that it needed another nuclear weapons program to be taken seriously by their adversaries.

If that was the case -- that they did it for leverage, the next logical question is why Pyongyang chose this point in time to admit, indeed announce, its nuclear weapons program. Clearly this is not the most opportune time in view of its need for outside assistance for subsistence and desire for improved ties with the U.S. and Japan.

The fact is that Pyongyang did not necessarily choose the timing of its admission, or confession, if you will. Presented with irrefutable evidence by visiting U.S. emissary Jim Kelly, North Korea must have decided to take the gamble of trying to turn adversity into advantage. Pyongyang must have concluded that, if it could no longer hide its new nuclear program, instead it would use it to draw the U.S. into talks and make a big deal.

Pyongyang faced a similar situation ten years ago when the IAEA raised the suspicion that it had produced more plutonium, a critical nuclear weapons material, than it admitted. In that case, the North used the crisis to negotiate a deal whereby it secured the U.S. promise of improved relations, construction of two light water reactors, and delivery of heavy oil.

Apparently, the North is attempting to repeat this feat, this time with the hope of a security guarantee, diplomatic normalization, and economic assistance from the United States. North Korea must have calculated that the United States is in no position to respond militarily given that to do so would entail a three-front war against Iraq, against terrorism and against North Korea. Indeed, this must be a consideration in the United States' approach of seeking to resolve the issue by peaceful means. But, there is more to the situation than this. This time, there are greater risks for Pyongyang and less possibility that its "confession and bluff diplomacy" will be as successful.

For one thing, there is an administration in Washington, D.C. that is less amenable than the Clinton administration to making a deal like the Geneva Agreed Framework. In fact, the Bush administration is demanding that North Korea take steps to dismantle its new nuclear program before any deal can be made. Secondly, North Korea is much more heavily dependent on outside help for its economic survival. It is much more vulnerable to economic pressure from other countries, including South Korea, Japan and China, which are all pooling their efforts to persuade the North to behave.

Pyongyang may be counting on South Korea to continue its Sunshine policy, which can mean that Seoul would be providing assistance to North Korea despite its infringement of the Agreed Framework. But unlike in 1993, the crisis is taking place at a time when the days of the current South Korean government are numbered, with the strong possibility that any succeeding government is likely to take a harder line than the present one.

Another key question concerns the fate of the Agreed Framework itself. Given that Pyongyang has admitted it has violated the accord, should it be maintained, and if it is, should its provisions, especially as they relate to light water reactors and heavy oil, be implemented?

The problem with nullifying the Agreed Framework -- even if it is fully justified, indeed called for -- is that the issue that precipitated the need for the agreement that of stopping North Korea from

producing nuclear bombs -- remains unresolved. In fact, scrapping the Agreed Framework will allow North Korea to resume its nuclear activity with a degree of legality and legitimacy. It would also feel free to process its spent nuclear fuel and produce plutonium, and make many nuclear bombs. Thus, the Geneva Agreed Framework should be maintained as long as North Korea's earlier (pre-enriched uranium) nuclear activity is not resumed.

However, the supply of heavy oil and continued construction of light water reactors should be contingent upon North Korean willingness to address the enriched uranium issue. To the Bush administration's credit, it has not stopped shipment of heavy oil even after North Korea's uranium enrichment program became known. Handling the Agreed Framework will require close coordination and careful consideration among the United States, Japan and South Korea.

For Pyongyang's part, a new diplomatic approach seems to be emerging during the past few months. Observing North Korean behavior, there seems to be a pattern as it deals with the United States, Japan and South Korea. In the past, it has tended to concentrate on one country at a time in its effort to improve relations with all three. In 1991, for example, it was on South Korea that Pyongyang placed the greatest emphasis. In 1992, Japan was the favored focus. From 1993 until the end of 1999, the United States was North Korea's focal point in its relations with the rest of the world. The June 2000 summit restored South Korea temporarily to the top spot, until North Korea again returned to its "U.S. first" policy during the last six months of the Clinton administration.

During the past few months, North Korea seemed to be getting out of this pattern of dealing with one country at a time. Instead it has shown the intention to deal with all three countries at the once. With the diplomatic stakes so high, will this new pattern continue or will North Korea revert to its old ways?

The nuclear issue aside, it looks as if, for our friend up in the North, Chairman Kim Jong-Il, things don't seem to be going his way these days. It's possible that he might even be in trouble of some kind. When Prime Minister Koizumi visited Pyongyang in September, Chairman Kim Jong-Il surprised everyone by admitting that North Korea had indeed kidnapped Japanese citizens and apologized for that. His admission of the kidnapping followed an earlier admission to South Korea that North Korean naval ships had fired upon South Korean ships in June. So, this latest round of "confession diplomacy" on the nuclear issue had two precedents already within the last three months.

Is this game of pleading guilt and saying sorry, or saying "so what" as the case may be, a new way of North Korea's dealing with past misbehavior? After the North's admission of kidnapping, I would have expected that sooner or later they would admit that they had processed more plutonium than they reported to the IAEA and would then dutifully allow the "special inspection" they promised in the Geneva Agreed Framework of 1994. Of course, they'd say they did it "by mistake" and of course Kim Jong-Il didn't know about it and so Pyongyang is sorry about it. And now will the rest of the world rush in and provide lots of aid to North Korea?

Unfortunately, things are not working out the way Kim Jong-Il may have hoped. There is a public uproar and great indignation in Japan, to the extent that Kim Jong-Il may be regretting that he admitted the kidnapping. The Japanese are particularly upset that more than half of those kidnapped have died. Nonetheless, Pyongyang decided to send five of those kidnapped for a "two-week visit" to Japan (although their children are being kept in North Korea), indicating its continued eagerness to curry favor with Japan. It may even put up with Japan's refusal to send them back to North Korea contrary to the two governments' understanding.

For all we know, Chairman Kim might be under a lot of criticism in North Korea, particularly by the

military, for the hare-brained thing he has done. Now with the same "come clean" approach, North Korea is taking on the United States in a diplomacy filled with bluff and daring as well as desperation.

Meanwhile, the Shinuiju Special Administrative Region project got off to a bad start. Shortly after the appointment of Chinese-born Dutch citizen Yang Bin as Governor, he was promptly arrested by the Chinese authorities for charges yet to be specified. Even though the Chinese, who urged Pyongyang to make Shinuiju a special economic zone to begin with, reportedly told the North Koreans that they have no complaints about the project as such, the arrest of its first governor could not help but pour cold water on the enthusiasm and prospects for the initiative.

Neither does the new policy of high prices for goods and high wages for workers seem to be working well. In the absence of a plan or system, price hikes do not cause increases in production and therefore an increase in goods to be sold or purchased. At the moment, there is hardly any new source of income to pay the higher wages called for in the reform.

The news the North heard from Jim Kelly during his long-awaited visit to Pyongyang was anything but good. He insisted that North Korea should not only stop and dismantle its enriched uranium nuclear project, but also it should make a "comprehensive" effort to deal with the nuclear issue, missile issue, conventional forces, human rights and humanitarian problems. By comprehensive, Kelly meant that Pyongyang had to deal with all five areas of concern simultaneously, not in succession as the early Perry process had called for. North Korea is disappointed and upset, so much so that its Foreign Ministry spokesman criticized Kelly for his high-handedness and arrogance. So much for their hope that an improvement of relations with the United States would release funds from international organizations and facilitate diplomatic normalization.

So, at least in the short term, neither North Korea's diplomacy nor its domestic policy is faring very well.

Even before the revelation of North Korea's enriched uranium nuclear program, there were troubles looming on the horizon. Let me just mention one still potentially very serious trouble. It relates to the debate going on in the United States now as to whether North Korea is in breach of the 1994 Geneva Agreed Framework.

The Agreed Framework provides that North Korea must be in full compliance with its international inspection obligations "when a significant portion" of the promised two 1,000 megawatt light water reactors are completed and before the "key nuclear components" are delivered. There are those who cite the IAEA estimate that it would take three to four years after Pyongyang grants what amounts to a "special inspection" of North Korean nuclear sites. Since the significant portion of the project is expected to be completed by May 2005, they argue that North Korea should have started to allow such an inspection already, and that KEDO should not be pouring concrete for the construction of the light water reactors.

Even though the Bush administration has not bought this argument yet, it has kept its options open by exercising a waiver on its certification to Congress that the Agreed Framework is fully implemented by North Korea. As one who was involved in dealing with the North Korean nuclear issue in 1993-94, I have to admit that back then, few people, if any, expected that the issue of how long the inspection took would emerge as a key issue. For that reason, it may be useful to revisit the language of the Agreed Framework signed by Robert Gallucci and Kang Sok Ju on October 21, 1994. The last paragraph of the Agreed Framework reads as follows:

"When a significant portion of the LWR project is completed, but before delivery of key nuclear

components, the DPRK will come into full compliance with its safeguards agreement with the IAEA (INFCIRC/403), including taking all steps that may be deemed necessary by the IAEA, following consultations with the Agency with regard to verifying the accuracy and completeness of the DPRK's initial report on all nuclear material in the DPRK."

In all likelihood, Pyongyang insists on two points: 1) that it has no obligation to allow the inspection to begin three to four years before the completion of a significant portion of the LWR project, and 2) the construction of the LWRs should continue as long as the inspection would begin. On the other hand, the United States, even though it did not stop the pouring of concrete in August this year without the beginning of the inspection, will not allow the delivery of key nuclear components without the completion of the inspections. If the LWR work stops, even if it is the result of North Korea's failure to implement the agreement, Pyongyang will threaten resumption of its nuclear activity and a crisis will be precipitated. We will all need Solomon's wisdom to deal with this dilemma.

The answer, in my view, is to bind North Korea in a relationship of deeper dependence upon the outside world, particularly South Korea, the United States and Japan. And for the moment, a window of opportunity seems to be opening up. For all its controversies and criticisms, South Korea's Sunshine policy has accomplished one very important thing -- to demonstrate to North Korea that it can get help from the outside world. Back in 1993-94, a strategy of carrot and stick worked, in the form of the Agreed Framework. Today, a similar strategy, not as well coordinated and planned as before between the United States and South Korea, seems to be working and we should take a full advantage of it. One interesting difference is that, back then, the U.S. was playing the good cop, South Korea the bad cop. Today, the roles seem to be reversed. What the two countries need is the recognition that they have a viable strategy and that it should be better coordinated.

Thus, as usual, it is difficult to make any prognosis of how the situation will evolve on the Korean Peninsula. However, one need not feel hopeless about the future of relations between North Korea and the other countries, or of the Korean Peninsula itself. Pyongyang, assuming that it will behave in a rational, if brazen, way has no choice but to accommodate, given its dire economic situation and diplomatic isolation. How the world will fare with North Korea will depend upon how well the countries involved coordinate their actions and cooperate among themselves. Most importantly, it behooves all countries, especially the United States, to think through the most rational and effective course of action in dealing with a country called North Korea.

### **III. Nautilus Invites Your Responses**

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: [napsnet-reply@nautilus.org](mailto:napsnet-reply@nautilus.org) . Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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