

# **Policy Forum 02-17A: North Korea Back to the Future**

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# **Nautilus Institute Policy Forum Online: North Korea Back to the Future**

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PFO 02-17A: October 30, 2002

## **North Korea Back to the Future**

by Glyn Ford

CONTENTS

[I. Introduction](#)

[II. Essay by Glyn Ford](#)

[III. Nautilus Invites Your Responses](#)

## **I. Introduction**

The essay below is by Glyn Ford, member of the European Parliament representing South West England. He has visited North Korea five times. Ford argues that any possible resolution of the North Korean nuclear issue falls squarely on the shoulders of South Korea and Japan. Potentially, the EU and China could help supply the political impetus to overcome US opposition, while South Korea and Japan could provide the bulk of the financial resources in exchange for the normalization of relations with North Korea.

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## **II. Essay by Glyn Ford**

"North Korea Back to the Future"

By Glyn Ford, European Parliament

Next year's crisis on the Korean Peninsula has come early. 2003 was to see a change of regime in South Korea, markedly less sympathetic to engagement with the North than current President Kim Dae Jung, the final failure of the US to deliver the North two promised nuclear power stations, and the expiry of North Korea's self-imposed moratorium on missile testing; an explosive conjuncture of events. All were pre-empted by North Korea admitting that - aided and abetted by Pakistan - they have been engaged in a clandestine programme to produce enriched uranium since the end of the 1990s, breaching Agreements made with the US in 1994.

The question is why has North Korea's leader triggered such a crisis now? The answer is two-fold. First, they see the US as comprehensively failing to deliver technically, politically and militarily on the promises of 1994, and with Iraq in US sights, an opportunity to negotiate a new comprehensive solution rather than precipitate US military adventurism by breaking US hawk's attempts to neatly sequence action against the three 'Axis of Evil' regimes. Secondly, they need international aid. North Korea has taken a series of, almost certainly irreversible, steps transforming their command economy into one where the market plays a central role. The old system of guaranteed food delivered through the People's Distribution Centres has, since the 1st of July, been superseded by an emphasis on producers and production, where massive increases in wages are available as an incentive. The old emphasis on equality that allowed free riding has been swept away. Now agriculture and industry have to be competitive. Yet these very changes pose a threat. Over the past five years, one in eight of the population has died of starvation. Food production still fails to match demand, many factories lack fuel and raw materials but not workers. With no work possible, millions now face an even bleaker future. The consequences can only be eliminated by greater, rather than less, aid and assistance.

North Korea is going for broke. They've agreed a human rights dialogue with the EU. They have made public their nuclear programme to be able to trade it, their missiles and even arms exports for guarantees of system survival and stability. They have finally admitted to abducting a dozen Japanese nationals in a similar attempt to normalise relations with Prime Minister Koizumi's Japan, and now want to draw the US and the wide international community into the game. As Vice Foreign Minister Choi Su Hon said at a seminar last week in Brussels, North Korea wants to talk.

Back in 1994 the world came closer to a nuclear war than at any time since the Cuban missile crisis in 1962. It certainly came close to war. The US believed that the North Koreans had up to five nuclear weapons, made from diverting plutonium from their Russian-designed graphite moderated

reactor. Refusing to allow Iraqi-style special inspections by the International Atomic Energy Agency (IAEA), North Korea announced a suspension of its then recent adherence to the Nuclear Non-proliferation Treaty.

America's Defence Planners prepared for surgical strikes against the North: the F1-11s in Okinawa were fuelled, their engines primed and ticking over. North Korea threatened to turn Seoul into a sea or fire. At the last minute, former President Carter intervened directly with the North Korean leader Kim II Sung. After long negotiations the two sides signed, in Geneva, a Framework Agreement with the US promising to construct two 1000 MWe Light Water Reactors in North Korea in exchange for them abandoning their own nuclear programme. The Korean Energy Development Organisation (KEDO) was to have the first of these reactors on line by the end of 2003 and the second a year later. The US strong-armed the Republic of Korea into committing two-thirds of the \$4.5 billion funding required, while \$1.0 billion was to come from Japan, with the \$500 million funding gap to be filled by minor contributions from the European Union and others. The US was to provide no direct funding, but in the interim to supply 500 million tonnes per annum of Heavy Fuel Oil (HFO) for delivery to North Korea's ageing oil-fuelled power stations.

Paralleling this were a series of commitments to improve bi-lateral relations with the North, with moves towards the full normalisation of relations, with the gradual lifting of economic sanctions, in place since the end of the Korean War half a century ago. Equally assurances were to be given to North Korea against the threat or use of nuclear weapons by the US. In exchange, North Korea was to make available its nuclear sites for inspection by the International Atomic Energy Agency (IAEA), immediately prior to the delivery of the key nuclear components to the KEDO site, in order that the IAEA could finally establish whether or not nuclear material had in fact been diverted towards a clandestine nuclear weapons programme.

Right from the start, the Framework Agreement was as much honoured in the breach as in the observance. The HFO flowed in fits and starts. Congress failed to deliver the money and EU funds, agreed for the nuclear programme, were dubiously diverted to pay for HFO. The project was successively delayed by Japan, South Korea and at times, North Korea as a series of incidents soured relations. If it started badly, it got worse. From the beginning, the North suspected that KEDO was not going to deliver. In North Korean eyes, compounded by US bad faith as senior administrators argued KEDO as a means of procrastinating to wait out the North's collapse. Now eight years on, it's clear to all that they were right. The construction of the Light Water Reactors (LWR) is running at least seven years late - in fact it's barely started. All the North Koreans have to show is two large holes in the ground and several thousand tonnes of concrete. Since Bush came into office, the US has been demanding early IAEA inspections, outside of the Agreement adding a further three years to completion. The US has neither normalised relations nor lifted the embargo, and since Bush's 'Axis of Evil' speech in January clearly re-instated the threat of nuclear strikes against the North.

Yet it's in the World's interest to resolve this new crisis. The most intransigent will be the US where Congress will neither play nor pay. It will not allow new resources, and maybe not old ones, to be delivered to the North, even in the unlikely event that Donald Rumsfeld wants to provide them. Yet the US is now in reality a minor player in KEDO. Any possible resurrection depends on the two key paymasters South Korea and Japan. The EU should take its lead from Seoul and Tokyo rather than Washington.

On the broader security and economic issues the North Koreans want a comprehensive settlement. To end their nuclear programme and to allow a permanent moratorium on missile testing by launching their satellites and by compensating them in the short-term for abandoning their only flourishing export trade in missile technology, is no different from the US paying the Taliban \$40m in June 2001 for limiting opium production. Providing at the same time assistance to establish new

export industries based on North Korea's mineral wealth as a substitute for weapons exports makes good sense. The EU and China could help supply the political impetus to overcome US opposition, while South Korea, in its own best interests, and Japan as part of the settlement of the legacy of World War II and in exchange for a normalisation of relations, could provide the bulk of the financial resources.

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

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[Return to top](#)

[back to top](#)

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