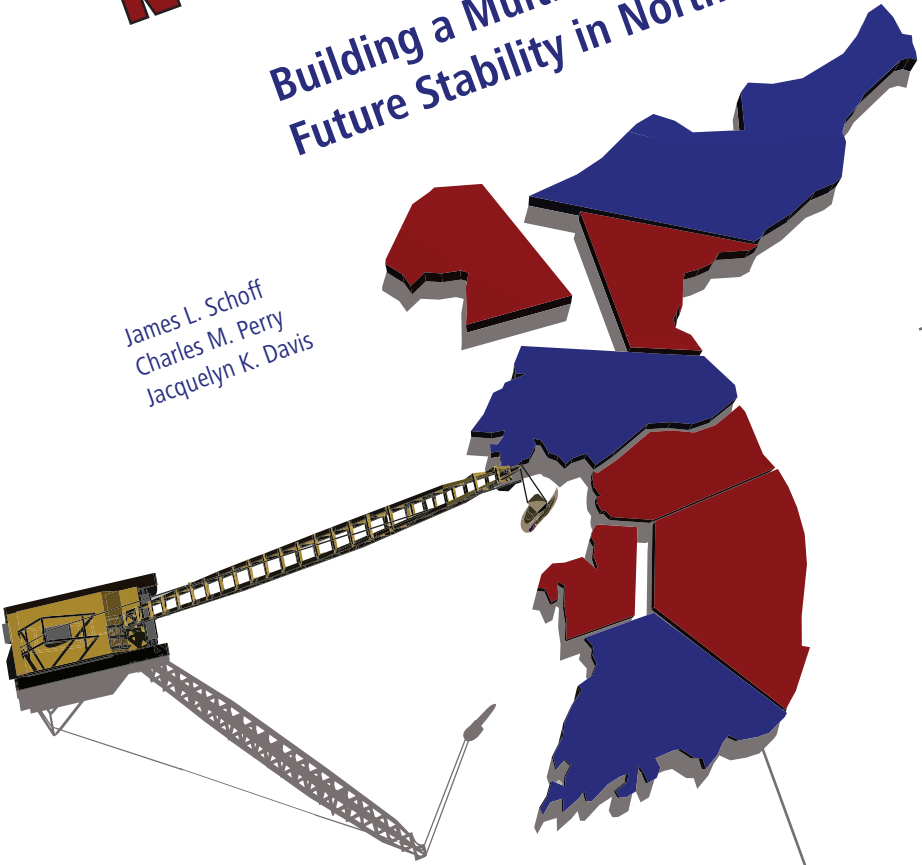


IN NUCLEAR MATTERS **NORTH KOREA**

**Building a Multilateral Response for
Future Stability in Northeast Asia**

James L. Schoff
Charles M. Perry
Jacquelyn K. Davis

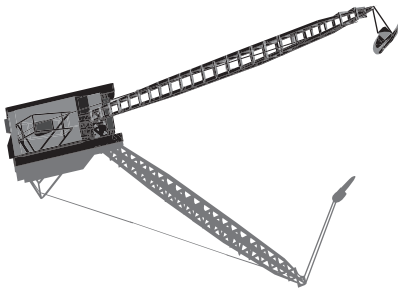


A Publication by
The Institute for Foreign Policy Analysis, Inc.
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Potomac Books, Inc.

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Introduction and Acknowledgements

This monograph constitutes the final report of a second three-year project that the Institute for Foreign Policy Analysis (IFPA) undertook with support from the Carnegie Corporation of New York beginning in 2005. The purpose of the project was to collaborate with scholars and stakeholders in the United States and throughout Northeast Asia in an effort to build regional capacity for North Korean denuclearization covering key areas including verification and monitoring, economic cooperation, and security assurances.

Three years ago IFPA published its first monograph in this series, and in that report we noted how the Korean Peninsula continued to precariously straddle two different futures (Schoff, Perry, and Davis 2004). On the one hand, there was concern that Asia could enter a period of geopolitical competition punctuated by instability, leading the world into a “second...Asian nuclear age.” On the other hand, optimists saw the potential for a new era of confidence-building measures (CBMs), thanks largely to institutionalized security dialogues, reduced threats, negotiated settlements in Korea and between China and Taiwan, and enhanced economic cooperation (see, for example, Bracken’s “The Second Nuclear Age” (2000) and Koh’s *The Quest for World Order* (1998)).

What is remarkable today is how this dichotomy not only persists, but how it has also become more intense. This is demonstrated most dramatically by North Korea’s (Democratic People’s Republic of Korea or DPRK) nuclear test in late 2006 and continued proliferation concerns on the one hand, and, on the other, greater regional economic interaction

with North Korea and new steps toward reconciliation, such as the first-ever testing of North-South rail connections in May 2007 and only the second North-South leadership summit five months later. Thus, in one sense, Paul Bracken's "second nuclear age" seems to be hitting its stride, yet the region has arguably never been more motivated and united than it is today behind a collective push to formally end the Korean War.

On the positive side (and consistent with the objectives of IFPA's research and dialogue efforts these past six years), multilateral policy coordination has grown stronger in Northeast Asia, highlighted first by unanimous agreement at the United Nations (UN) Security Council on far-reaching sanctions against North Korea's missile and nuclear programs (approved by the United States, China, Russia, and Japan), as well as by a subsequent six-party "initial actions" agreement on denuclearization in February 2007.¹ Long advocated by IFPA's capacity-building project, official six-party working groups were finally established in 2007 and began to discuss in more detail the critical areas of denuclearization, economic and energy cooperation, and development of a regional security mechanism. Moreover, U.S. assistant secretary of state and lead six-party negotiator Chris Hill met with his counterpart in Pyongyang in June 2007, which was the highest-level U.S. diplomatic visit to North Korea since 2002. The two envoys agreed to a schedule for shutting down North Korea's plutonium-producing nuclear reactor and related facilities, and representatives from the International Atomic Energy Agency (IAEA) subsequently oversaw that shutdown the following month. Follow-up six-party talks in September paved the way for disabling those facilities, and that process is nearly complete (under U.S. leadership) at the time of this writing.

Such optimism is tempered, however, by a general recognition that the hard work for the six-party talks is still just beginning, given the lack of clarity in these six-party agreements. Chris Hill himself noted this upon his return from Pyongyang saying that, though optimistic about eventual success, he was "burdened by the realization...that we are going to have to spend a great deal of time [and] effort...in achiev-

1 "Six-party" here refers to the so-called six-party talks, which is the official multilateral forum for negotiations targeting DPRK denuclearization. These talks began in August 2003 and involve China, Japan, North and South Korea, Russia, and the United States.

ing [denuclearization]” (*Chosun Ilbo* 2007a). After all, one of the DPRK leader Kim Jong-il’s top advisors, first vice minister of foreign affairs Kang Sok-ju, essentially ruled out the possibility of North Korea giving up the nuclear devices it had already produced. “How is it possible for us to give up our nuclear weapons?” he asked rhetorically of reporters in Beijing after the test (*JoongAng Ilbo* 2006). “Did we make them just to give them up?” Indeed, no country that has openly tested its own nuclear weapons has ever given them up, underscoring the challenge that still lies before the six-party process.²

So it might be that Pyongyang can be convinced to forego further production of nuclear material, but that it will insist as well on keeping whatever weapons it has already produced in order to preserve what it believes is a necessary deterrent until diplomatic normalization with the United States (or some similar milestone) is achieved. It could also be the case that North Korea will strive to maintain indefinitely some degree of nuclear ambiguity for deterrence purposes, perhaps through discrepancies in fissile material balancing. This could be especially important to North Korea if CBMs are pursued in the area of conventional weapons reductions. The United States and its allies will face, as a result, difficult choices in terms of how much risk and lack of compliance with global nuclear norms they are willing to accept, as well as what they will seek in return. North Korean denuclearization, therefore, will likely take longer than the optimists expect, and it will be closely intertwined with a complex assortment of coordinated political and diplomatic moves involving multiple nations.

Like a person with feet on two floating logs slowly drifting apart, the Korean Peninsula cannot continue to straddle these two futures indefinitely. The six-party talks are the means by which the region is trying to steer decidedly towards confidence building and threat reduction, but it is a relatively weak tool in the face of historical animosity, conflicting threat perceptions, and scarce mutual trust. Strengthening the region’s ability to overcome these challenges has been the focus of IFPA’s capacity-building project, and we believe that we, together with many other

2 One could say that South Africa is an exception to this statement, though a test was never officially confirmed, and other circumstances were quite unique (e.g., the motivation to dismantle was driven by pending regime change, and no outside power was involved in the actual dismantlement).

institutions and individuals committed to the same goals, have made some important contributions to the positive trends noted above. Much more work remains to be done, however, and in particular IFPA and its multinational project partners see a need to bolster the implementation framework underpinning the recent six-party agreements.

This report describes how the six-party nations, along with other outside partners in the region and key international organizations, can practically and effectively organize themselves for successful implementation of DPRK denuclearization follow-on agreements. Though the authors are solely responsible for the content of this report, the policy considerations and recommendations contained herein are in fact the result of extensive multilateral research and dialogue over the last three years, carried out with the talented support of several project partners. Together we have conducted extensive research and dialogue efforts on both sides of the Pacific, highlighted by three high-level multilateral workshops (held in 2005 in Shanghai, 2006 in Honolulu, and 2007 in Beijing) involving a cross-section of officials and experts from Australia, China, Japan, South Korea (Republic of Korea, or ROK), Russia, and the United States.³

Among the many to whom we are indebted for their support and intellectual contributions, perhaps the most important have been our institutional collaborators and workshop participants over the last three years. We worked particularly closely with the Graduate School of International Studies (GSIS) of Yonsei University, located in Seoul, South Korea, and we were fortunate to have GSIS as an official co-sponsor for all three transpacific workshops. In this context, we would like to express our very deep gratitude to Drs. Moon Chung-in and Lee Chung Min, both of whom are distinguished professors at GSIS and widely recognized as among South Korea's top experts in national and international security affairs. They are, moreover, dear friends who have done more than anyone to help us understand current developments in Korea and what they portend for the future of the region and for U.S.-ROK relations. We are also extremely grateful to other workshop co-sponsors who provided critical financial, logistical, and intellectual support for particular events, such as Dr. Yang Jiemian and the Shanghai Institute

3 North Korean officials were invited to send participants to the 2007 meeting in Beijing, but they decided in the end not to attend.

for International Studies (Shanghai 2005), Dr. Hong Hyung-taek and the East Asia Foundation based in Seoul (Beijing 2007), and Professor Cui Liru and the China Institutes of Contemporary International Relations (Beijing 2007). Dr. Choi Kang, from the Institute of Foreign Affairs and National Security in Seoul, also provided invaluable help in organizing the ROK delegations for all three workshops.

A number of other experts and officials also need to be recognized for their very important contributions to the project, most of whom gave generously of their time both for interviews with the IFPA project team and as active participants in the three high-level dialogues.⁴ They include Bradley Babson, Stephen Bosworth, William Brown, Victor Cha, Robert Collins, Ralph Cossa, Joseph DeTrani, John Du Toit, Robert Einhorn, Douglas Englund, Evan Feigenbaum, Harry Heintzeman, Balbina Hwang, Frank Jannuzi, Eric John, Charles Jones, Robert Joseph, Charles Kartman, David Kay, James Kelly, Geoffrey Kemp, Sung Kim, Richard Lawless, Alexandre Mansourov, Michael McDevitt, Ted Osius, John Park, Jack Pritchard, James Przystup, Evans Revere, David Straub, Michael Tracy, and Andrew Walsh from the United States; Cha Duhgyeon, Choi Kang, Hahn Choonghee, Han Chang-soo, Kang Dae-Hyun, Kim Jungsup, Kim Taewoo, Kwon Taeg Kwang, Lee Sang-hyun, Lee Seoksoo, Lee Yong-Joon, Lim Sungnam, Moon Younghan, Park Jongchul, Park Sang-Ki, Park Seon-won, Rhee Bong-jo, Shin Maeng-ho, Song Min-soon, Yang Young Mo and Yoon Deokryong from the ROK; Chen Dongxiao, Chen Hongbin, Chen Qimao, Chen Zhimin, Cui Zhiying, Gong Keyu, Gong Xianfu, Jin Canrong, Jin Linbo, Li Genxin, Li Yang, Liu Ming, Liu Yongsheng, Ma Hui, Ma Ying, Ouyang Liping, Pan Zhenqiang, Ren Xiao, Ruan Zongze, Shi Yinhong, Shi Yuanhua, Teng Jianqun, Xia Libing, Yan Xuetong, Yang Bojiang, Yang Yi, Yu Xintian, Yu Yingli, Yuan Peng, Zhao Nianyu, and Zhuang Jianzhong from China; Akiyama Nobumasa, Ihara Junichi, Ishii Masafumi, Ito Naoki, Iwatani Shigeo, Izumi Hajime, Kanehara Nobukatsu, Kawakami Takashi, Kono Taro, Kumamaru Yugi, Mannami Manabu, Muto Masatoshi, Saiki Akitaka, Suzuki Atsuo, Tanaka Hitoshi, Takata Katsuki, Tosaki Hirofumi, Umemoto Kazuyoshi, Yamada Shigeo, Yamaguchi Noboru, Yamamoto Ichita, and Yoneyama Eiichi from Japan; Georgy Kunadze, Oleg Kuzunetsov, Georgy Toloraya, Maxim Volkov, and

4 Korean, Japanese, and Chinese names are given with the family name first throughout this book.

Igor Volozhanin from Russia; and Lucy Charlesworth, Scott Dewar, Peter Hayes, John Quinn, and Lori Snowden from Australia.

Drawing together this particular network of people from around the region, who are all deeply engaged in the process of finding a solution to the nuclear standoff in Korea, has been a unique accomplishment of this project, given the group's national, occupational, and ideological diversity. It represents, moreover, a living architecture upon which we intend to continue to build in the future to strengthen the multilateral response to nuclear matters in North Korea.

Of course, close colleagues at IFPA have also played a vital part in producing this monograph and in the project as a whole. Robert Pfaltzgraff and Eric McVadon helped arrange and participated in numerous project-related discussions with the experts and high-level officials noted above, served as key members of the senior project teams that conducted the foreign research trips, and helped to organize and chair the transpacific dialogues. We also received valuable research assistance from Choi Hyun-jin, Yaron Eisenberg, Charles Lister, Guillermo Pinczuk, Marina Travayiakis, Todd Walters, and Bobby Andersen, editorial assistance from Adelaide Ketchum, and graphic art and publication design support from Christian Hoffman. The views in this report, however, are the authors' alone.

Last, but very far from least, we want to acknowledge again the central role played by the Carnegie Corporation of New York, whose generous support made this project possible. We owe a particular debt of gratitude and special thanks to Patricia Nicholas, a program associate for international peace and security in the International Division of the corporation, who, as our principal Carnegie liaison for this project, has been a thoughtful and supportive partner over the past seven years, helping in numerous ways to make this project the best it could be. We would also like to thank Steve Del Rosso, a senior program officer for international peace and security in the International Division of the corporation, who encouraged IFPA to pursue this project in the first place, and has remained a steadfast supporter throughout.

One overarching goal of the corporation and of policy makers everywhere is to reduce the potential dangers of nuclear weapons. With the case of North Korea, we have a great opportunity to make progress toward this goal. We also have a great responsibility, since this is one of

the most egregious examples of nuclear breakout, even though the basic parameters of rollback are generally agreed to and well understood. It is an urgent challenge, but one for which there appears to be some reasonable hope for success. Although political will amongst the parties is critical to success, so too is the building of a durable implementing architecture that can promote confidence regardless of national leadership changes and help to satisfy the parties' varied interests in practical ways. We believe that the time to begin building such implementing capacity is now, whether through official or unofficial channels, by pursuing recommendations presented in this report in a multilateral manner with a strong sense of purpose and commitment.

Observations and Conclusions

Summary of Observations and Conclusions

Depending on one's perspective, the six-party talks are either a glass half-full or a glass half-empty. The talks are certainly not useless, as they have led to the cessation of plutonium production in North Korea and the physical disabling of various nuclear facilities, amongst other achievements. Critics, however, point to the slow pace of the talks and their failure to prevent North Korea's nuclear test as evidence that they are an ineffective means to accomplish their priority objective. One could also argue that the most significant breakthroughs during these five years of multilateral negotiations have actually taken place outside of the six-party framework, primarily at U.S.-DPRK bilateral meetings in places like New York, Berlin, Geneva, and Pyongyang. This latter argument bears careful consideration, because it suggests that the six-party talks are not useful for brokering compromise and serve instead as a forum for finalizing and codifying a basic compromise already reached.

Still, the talks demonstrate value by helping to ease tension when one side or another tries to apply pressure or escalate tension. The process has a moderating effect on participants' reactions to events, which helps to explain Washington's relatively restrained response to North Korea's nuclear test in 2006, and for that matter Pyongyang's restrained reaction to meaningful UN sanctions enacted against it under Chapter 7 of the UN Charter. The talks also provide a ready burden-sharing mechanism when it comes time to implement certain agreements, such as providing energy assistance, and they underscore the idea that getting

North Korea back into the NPT is a shared interest and responsibility that requires a regional solution.

A half-full glass, however, is a shaky foundation upon which to build a multilateral response either for carrying out North Korean denuclearization or for effectively containing and isolating North Korea, if Pyongyang refuses to give up its nuclear weapons under reasonably generous conditions. It is time to ask more of the six-party talks, but we cannot expect the talks to deliver desired results unless the participants are willing to empower the process in modest ways.

Ultimately, any attempt to build six-party capacity in order to live up to the commitments made in the September 2005 joint statement must take into account the strengths and weaknesses of the process, as they have revealed themselves over these last five years. The six-party talks can be improved, but they cannot be transformed into a regional organization in defiance of political and economic realities.

Strengths and weaknesses

As stated above, the six-party talks by themselves can hardly be considered a true forum for negotiating the terms of North Korean denuclearization. It is the *concept* of the six-party talks that gives shape and purpose to all of the shuttle diplomacy that takes place, and the talks serve as a valuable point of reference to which the parties keep trying to return. Moreover, the six-party framework exists beyond the actual plenary meetings. The potential for a five-versus-one dynamic is always there, if one country isolates itself too much within this process, and the mere knowledge of this possibility can act as a deterrent to such self-imposed isolation. In this way, we might consider the six-party talks as a “functioning concept” of multilateral dialogue, negotiation, and mediation, if not an actual forum. In this way, bilateral, trilateral, and even five-party meetings can be a productive component of the six-party talks.

The high level of representation at the talks (primarily at the level of deputy or vice foreign minister) is an important reason why the talks are able to function at all. The negotiators have direct access to their countries’ top diplomats, who in turn have direct access to the heads of state. Representation has also been relatively consistent. The group is less strong, however, on technical issues, and this is something that

the six-party process must improve upon if it is to properly design and oversee nuclear abandonment/dismantlement and effective economic engagement.

It is also clear that the six-party process has failed to prevent escalation when the talks break down or go into recess, though they are somewhat effective at moderating the reaction when the middle players balance against the escalating state if it is deemed to be going too far. An offended party expects that egregious moves by another will be countered by the other four parties, reducing the need for it to take unilateral action, which would only further inflame the situation. Similarly, the framework has been more reassuring to allies than a strictly bilateral format. There might come a time when either the United States or North Korea will decide that the six-party talks no longer serve its interests and that it is better off outside of the process rather than inside, but to date the prospect of five-versus-one pressure in that scenario has been enough to support modest achievements.

The challenge ahead

The six-party talks in 2008 are entering a critical implementation phase during an important time of political transition in South Korea and the United States. In addition, inter-Korean relations started the year on an unsure footing, and the North is facing its most serious food shortages in over a decade. The anticipated third-phase actions will likely include North Korea's "abandonment" of fissile material and nuclear devices, presumably in exchange for more economic assistance and some form of diplomatic normalization with the United States.⁵ Numerous challenges lie ahead. The term "abandonment" will have to be defined, and it could in fact end up being a slow and steady process by which nuclear material is accounted for and put out of reach at a secure location within North Korea, until steps toward normalization reach a critical stage.

It is extremely unlikely that the United States will normalize relations with North Korea before fissile material is moved out of the country and the North has rejoined the NPT, so a future home for the plutonium will

5 Third-phase actions refer to the anticipated next step in implementing the six-party joint statement of September 2005 (see Appendix A for the text of key six-party agreements).

have to be found and the terms of NPT reentry negotiated. Connected to this, careful attention must be paid to North Korea's suspected uranium enrichment and nuclear proliferation activities, because despite attempts to finesse their relationship to the multilateral process, these issues in fact foreshadow the pending six-party agenda. The purported North Korean–Syrian collaboration on a plutonium-based nuclear reactor in Syria, for example, is highly relevant to North Korea's NPT reentry and the future of the nonproliferation regime. North Korea's return to the NPT is, after all, a six-party commitment, not a bilateral pledge to the United States. Moreover, if the IAEA suspects that violations under its jurisdiction have taken place, then it might be compelled to require more detailed answers from Pyongyang and Damascus than Washington was willing to demand in order to get to phase 3.

This third phase will also include devising mutually acceptable verification and monitoring procedures, and it is possible that North Korea will insist on discussing initial planning for a light-water reactor (LWR) during this time. All of this suggests that North Korea is likely to remain in a state of suspended nuclear animation for at least a couple of more years, if not longer.

Verifying Pyongyang's nuclear declaration in phase 3 will be much more difficult and contentious than the disablement phase. Disablement was characterized by relatively clear and concrete steps that could be observed and evaluated objectively. In contrast, verification will involve elements of judgment and interpretation, especially when it comes to so-called dual-use items that could have both nuclear and non-nuclear applications. In the Libyan case of nuclear dismantlement, U.S., British, and Libyan officials developed a “common elements” paper, which articulated expectations and clarified the issues that U.S. and UK officials wanted to discuss with Libyan experts. This kind of collaborative effort has been notably absent in the North Korean experience, particularly when it comes to finalizing North Korea's declaration of activities related to suspected uranium enrichment and proliferation.

Indeed, it is worth underscoring again how important uranium enrichment and proliferation are to the future viability of the six-party process, because they are critical to building trust among key players and maintaining confidence over the long term. The United States will not be able to move forthrightly toward normalization with North Korea

if serious suspicions linger on these issues, and in that case the subsequent tentative follow-through by Washington will only feed doubt in Pyongyang about America's true intentions. Enrichment and proliferation are also the most difficult to verify and monitor, which is why the involvement of the other four parties is vital to crafting a mutually acceptable process. Both sides will have to compromise and neither will see risk reduced to zero, but there are ways to reduce risk to acceptable levels and improve the current situation through multilateral action.

Although the disablement experience is a good starting point for addressing verification and eventual abandonment and dismantlement, disagreements and different interpretations are likely to be more contentious in these later phases. As a result, dispute resolution will become an increasingly important function for the six-party talks. Models for dispute resolution with North Korea do exist, for example when the Korean Peninsula Energy Development Organization (KEDO) was created and tasked with providing heavy fuel oil (HFO) and LWRs to the North as part of the Agreed Framework of the 1990s, but these models will have to be discussed and tailored to the new agreements. Other models exist as well, and they are described in this monograph.

It is also important to note the long-term nature of this denuclearization challenge, not only from the perspective of verification and monitoring, but also considering environmental issues related to eventual dismantlement and waste treatment, as well as the redirection of North Korea's nuclear scientists and engineers into sustainable careers beyond nuclear weapons development. This process will outlive the diplomats and administrations that negotiated these agreements, and the six-party talks will eventually need to develop sufficient capacity to implement the agreements based on a shared institutional memory of what transpired in the past and with a consistent vision of future objectives.

As a final point on denuclearization challenges, we should remember that whatever the six-party process does or does not decide with respect to North Korea's nuclear programs will have global implications for similar negotiations, such as those with Iran over its nuclear programs, on the future of the NPT, and on other counter-proliferation discussions and initiatives around the world. The impact on the region will be profound, of course, but responding effectively in a multilateral way to North Korea's nuclear development (either through dismantlement or

containment, if talks fail) could inspire other collaborative approaches in other regions that help rise above diplomatic posturing, uncoordinated sanctioning, or possible military action.

In the area of economic engagement, the six-party role will be more limited compared to denuclearization. The short-term focus of the economy and energy cooperation working group has been the provision of HFO to the North, as provided for in earlier agreements. Still, the economic engagement picture as it relates to North Korea is actually much more complicated than simply providing HFO and related assistance. North Korea's cross-border trade with China and South Korea has increased in recent years, including the development of special trade zones and investment projects, and nongovernmental organizations (NGOs) and the World Food Program (WFP) are still active in the DPRK. If the six-party talks progress as hoped, this could eventually lead to DPRK membership in international financial institutions (IFIs) such as the World Bank and the International Monetary Fund (IMF), which would further diversify economic engagement.

If the talks move in this direction, the six-party process will likely have to manage a middle period when denuclearization is not yet complete, but economic and development activity is growing. In such a situation, there is a ready danger that the parties will lose control over the economic levers in the negotiations, which could undermine both the denuclearization and the economic development objectives. North Korea is nestled in the heart of a very dynamic and increasingly wealthy part of the world, with low-cost labor and valuable commodities to offer in exchange for investment that could quickly raise productivity and reap significant profits for both investor and North Korea alike – if Pyongyang decides that it is willing to pursue such a path.

Throughout the IFPA project a general consensus slowly emerged amongst participants that economic engagement with North Korea should have two distinct components.⁶ One component (which we call tier 1) would be directly linked to the six-party process and specifically tied to negotiations on the nuclear weapons question. The other component (tier 2) would be essentially depoliticized and would involve a

6 Note that the conclusions of this report do not necessarily represent the opinions of all project workshop participants or their organizations. It is not a consensus document, nor has it been reviewed by the participants before publication.

set of activities that are not linked to the nuclear issue. Most tier 1 projects would be state-led or state-supported, while tier 2 projects would be largely aid- or commercially oriented and implemented by non-state actors (or under bilateral arrangements involving the DPRK's neighbors) according to international standards. Tier 1 and tier 2 projects could be complementary and comprehensive, encompassing transportation, energy, health care, agriculture, finance, and industry, as well as including technical assistance to improve economic management and policy making in North Korea.

The other key challenge will be coordination of the noncommercial component of economic interaction with the North, while at the same time staying well informed of developments on the commercial side of the equation. A six-party organization will probably not be directly involved in the implementation of any tier 1 or tier 2 projects, but it should have a role in a coordinated process of assessment, design, and monitoring of multilateral economic involvement in North Korea, probably in cooperation with IFIs.

Finally, on the security assurances side of the equation, although U.S.-DPRK normalization has essentially become the ultimate CBM, the security challenges on the peninsula will not be solved by a simple exchange of ambassadors between Washington and Pyongyang. Closely associated with U.S.-DPRK normalization as a form of security assurance for North Korea, negotiation of a peace regime or a peace treaty for the Korean Peninsula is another oft-mentioned priority that has close but undefined connections to the six-party process. More generally, the six-party talks could become a useful framework for developing cooperative threat reduction (CTR) initiatives and CBMs that reduce the risk of armed clashes, allow for more open transport of goods and people across the DMZ, and maintain confidence in the face of outstanding security concerns.

Expected adjustments to the U.S.-ROK and U.S.-Japan alliance relationships, for example, have the potential to strain a denuclearization agreement if implementation drags on. The planned transfer of wartime operational control of Korean armed forces to Seoul (by 2012) involves a number of incremental steps including extensive exercises to maintain readiness, yet such exercises in the past have almost always undermined denuclearization and peace talks. These issues should be discussed in

a multilateral context as a supplement to bilateral channels. The transfer of operational control will also involve the creation of new U.S.-ROK cooperative bodies related to military logistics and operations, which could have a direct impact on the UN command system still in place on the peninsula and involving certain bases in Japan. U.S. proposals for reassuring South Korea and maintaining extended deterrence in the context of a reconfigured alliance structure in the future could also have hitherto unanticipated consequences for both the introduction of a peace regime and the completion of denuclearization.

More fundamentally, IFPA's capacity-building dialogues have revealed increasing concern in the region that the longer North Korea remains a de facto nuclear power, the greater the risk that neighboring countries (whatever the adjustments in existing alliance systems) will invest in new defensive and offensive capabilities that could raise alarm bells in other capitals. This is an insidious problem going largely unnoticed, primarily because attention has been drawn to the near-term drama of U.S.-DPRK negotiations over nuclear abandonment and normalization. The six-party talks offer a convenient framework for coordinated management of North Korea's interim nuclear status.

The missile component in particular needs to be addressed in a peninsular and regional context, given recent North Korean development of two new missiles (the so-called *Musudan* that could reportedly reach Guam and another short-range solid-fuel model with a one hundred-kilometer range), as well as new missiles being tested in Russia and China. A missile-led security dilemma unfolding in the region could easily spill over to upset progress on denuclearization, if not dealt with collectively. In this case, we are not suggesting that a Korean peace regime plan should specifically tackle regional missile production issues, but it can contribute in this area by including missiles in the peninsular discussion.

Finally, there are the potential challenges that the six-party process could face if the talks reach a formal impasse. How stringently will UN Security Council resolution 1718 be enforced, and what happens if it is not enforced? The other five parties and the international community will need to decide how food shortages in North Korea will be handled, and these could be quite serious in 2008 and 2009. There is also a still relatively small but growing North Korean refugee problem to manage.

More generally, will pressure be applied to North Korea, or will the strategy focus more on counter-proliferation and containment? Pyongyang has demonstrated in the past that it is resistant to pressure unless the pressure is well coordinated and comprehensive, and the regime often responds to containment efforts by escalating tensions. Perhaps the five parties will respond with a more balanced approach, essentially recalibrating the ratio of sticks and carrots, and present the North Korea leadership with a starker choice for its future regional relationships. In all of these types of scenarios, the six-party process (or “six-minus-one” in this case) would be a valuable tool for coordinating a response and presenting a united front.

Project observations and recommendations

Ever since the North Korean nuclear crisis reignited in 2002, U.S. officials have talked about the need for North Korea to make a “strategic decision” to get rid of its nuclear weapons and join the global community.⁷ Many U.S. officials and analysts expected that, if and when this occurred, it would be a “bright line” moment, or something clearly visible and easily distinguished in a “before and after” way. Libya’s decision to abandon its nuclear program in 2003 (and allow it to be packed up and carried away within months) was often referred to as the model. It is quite possible, however, that such a strategic decision by North Korea will arrive with a whimper, instead of a big bang. It is indeed likely that this strategic decision will be quiet, highly conditional, and practically undistinguishable except in retrospect. These characterizations apply not only to North Korea, but also to the United States and other six-party participants. The Bush administration’s commitments to the 2005 joint statement and subsequent implementation agreements, for example, are conditional on North Korean compliance, and in the context of the nuclear declaration or similar actions such compliance is highly equivocal. The extended argument over whether or not Pyongyang has submitted a sufficient declaration of its nuclear programs is a case in point.

As a result, the six-party talks will continue to play an important role as a forum for evaluating policy sincerity, so to speak, and assist-

7 See, for example Bolton 2004.

ing with dispute resolution when standoffs ensue. In addition, the entire compensation model for denuclearization (including nuclear abandonment, verification, economic assistance, normalization, and peace regime development) is inherently complex, so facilitating and possibly coordinating the various implementation components are now integral to overall progress. At this time, there is little to no appetite amongst the participating governments for a large or expensive organization, permanent staff, or codified procedures and decision-making mechanisms as a way to institutionalize and somehow salvage the six-party talks. Still, something must be done to help bridge the gaps between key players and essentially remove logistical excuses for political inaction. There are several organizational models in existence from which to borrow, and with some minor customizing they can be effectively applied to the Korean Peninsula.

Each of these options can be located along an active-passive continuum differentiated by the degree to which a six-party organization actively and independently sets the rules and implements a verification and disarmament regime. Examining each of these potential organizational models can shed light on some key questions regarding nuclear abandonment, monitoring, and eventual dismantlement in North Korea, and several examples are discussed in detail in this book.

Overall, we are attracted to the most passive models when it comes to applying them to the six-party talks, and chief among these is the Group of Seven/Group of Eight (G7/G8) method of fostering collective multilateral action with a minimal amount of physical institution building and bureaucratic overhead. The G7/G8 model is appropriate and achievable, though it would not involve a meeting of the heads of state until denuclearization and normalization are further along. The support of the heads of state is critical, however, and in the meantime annual meetings at the ministerial level could suffice. These could take the form of five-party meetings if North Korea is unwilling to attend, and in fact the development of a G5/G6 dynamic is quite natural considering the number of issues the five face on their own (such as funding dismantlement, disposing of plutonium, and coordinating economic assistance).

Other passive models that could be adapted to serve six-party interests include 1) (for denuclearization) the Joint Consultative Group (JCG) from the 1990 Treaty on Conventional Armed Forces in Europe, which

was established to handle technical questions on treaty interpretation and implementation ; 2) (for economic and energy assistance) the World Bank consultative group, which is a consortium of international donors organized and led by the World Bank striving to improve the efficiency, effectiveness, and accountability of economic assistance to a specific country, such as the group working with Vietnam for several years; and 3) (for security assurances) a Northeast Asia version of the ASEAN Regional Forum (ARF) to serve as a forum for a regional security dialogue and confidence building as a supplement to normalization efforts and peace regime development on the peninsula.

All of these multilateral initiatives could evolve quite naturally from the six-party working groups already tackling some of these issues, but an important difference is that meetings would be more frequent and predictable, which would allow them to be more ambitious with regard to long-range planning and technical problem solving (especially with regard to denuclearization, verification, and economic assistance). If for some reason the six-party talks break down completely, these mechanisms could still conceivably play an important role in managing the technical and logistical consequences that follow, provided that five-party solidarity can be maintained. Each country has developed its own proposals for addressing technical, political, and economic issues, but what has been lacking to date is a suitable multilateral framework for collectively prioritizing and debating these proposals with an eye toward implementation and information sharing.

To accommodate these initiatives, the six-party talks do not need a large staff or budget, but they do deserve a permanent home other than China's Foreign Ministry. A permanent secretariat could be established in Beijing with only a small investment of money and staff, but it should be a physical space located separately from the Foreign Ministry, most likely drawing on personnel dispatched from each country's embassy in China who facilitate working group meetings, consult with IFIs, NGOs, and UN agencies, streamline implementing procedures, and help to identify and resolve small disputes before they become major obstacles.

Although most government officials from the six-party nations support the concept of regional or six-party capacity building, many believe that it is still too early in the process to dwell separately on implementation when so much of the front end of a denuclearization deal remains

undecided. Time is considered to be a precious commodity in this process, and negotiators often say that they can ill afford to divert attention to seemingly secondary organizational issues, though this reasoning is ironic given how little has been accomplished in over four and a half years. The short amount of time spent together as a group is indeed part of the problem, but refraining from establishing a permanent secretariat or other means for regular dialogue is an odd way to address that shortcoming.

The leaders associated with this six-party process have a remarkable opportunity to make history in Northeast Asia, by paving the way for U.S.-DPRK and Japan-DPRK normalization, opening large-scale economic interaction with North Korea, and creating a functional consultative mechanism for the region while for the first time returning an NPT defector back to the nonproliferation regime. They must seize this opportunity aggressively and empower the six-party process with the tools and support it needs to build confidence and manage implementation. The recommendations in this book are not generated by one think tank or one country, rather they represent the collective wisdom of a broad-based multilateral team that worked together for over six years. The prospects for multilateral cooperation in the region have never been better than they are now.

Building a multilateral response for future stability in East Asia is not a way for the United States, or China, or any other country to abdicate responsibility for North Korea's nuclear challenge. In fact, it is the growing convergence of interests amongst the countries involved (particularly between China and the United States) to strengthen regional and global non-proliferation norms that could potentially bind the nations of Northeast Asia closer together on security issues, rather than divide them into two separate camps. The six-party talks are a way to share responsibility and to pool resources and legitimacy in order to turn a new page in the region's history. The North Korean anomaly in Northeast Asia is ripe for resolution, not in a vindictive way but in a constructive and accommodating manner that stands firm on core principles consistent with global norms. It could also be a dramatic step toward resolving the broader Korean dilemma that has endured for over sixty years.

The Korean Peninsula

