



DEFENSE DOSSIER

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HOW TO THINK ABOUT DENUCLEARIZING NORTH KOREA

ROBERT JOSEPH

UNDERSTANDING NORTH KOREA'S INTERNAL STRATEGY

NIKLAS SWANSTROM

CHINA'S ROLE IN THE NORTH KOREA CRISIS

LARRY M. WORTZEL

ON THE OUTSIDE LOOKING IN: RUSSIA AND THE KOREAN PEACE PROCESS

STEPHEN BLANK

AN ASIAN PREFERENCE FOR THE STATUS QUO

JAMES CLAD

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- 1. From the Editors** **2**
Ilan Berman and Richard M. Harrison
- 2. How to Think About Denuclearizing North Korea** **3**
America's past nonproliferation successes can point the way forward with Pyongyang.
Robert Joseph
- 3. Understanding North Korea's Internal Strategy** **7**
The Kim regime seeks stability, and concessions from the West.
Niklas Swanstrom
- 4. China's Role in the North Korea Crisis** **10**
The PRC is in a position to play kingmaker on the Korean Peninsula.
Larry M. Wortzel
- 5. On the Outside Looking in: Russia and the Korean Peace Process** **16**
Moscow wants to remain part of the North Korean conversation.
Stephen Blank
- 6. An Asian Preference for the Status Quo** **20**
Washington will have a hard time convincing Asian allies to back its North Korean play.
James Clad

American Foreign
Policy Council

FROM THE EDITORS

Welcome to the November 2018 issue of AFPC's *Defense Dossier*. In this edition, we turn our attention to the enduring strategic challenge posed by North Korea, and to the evolving political situation on the Korean Peninsula.

For decades, the United States and its international partners have unsuccessfully attempted to curb the DPRK's persistent nuclear ambitions. Despite several multilateral negotiating frameworks – most notably the “Six Party Talks” that stretched from 2003 until 2007 - the North Korean regime has continued its pursuit of an offensive nuclear capability and associated delivery systems. In the process, the threat to U.S. and international security posed by Pyongyang has grown exponentially. In the pages that follow, our authors discuss the strategic logic animating the regime of North Korea's young leader, Kim Jong Un, the different (and competing) interests of regional players like Russia and China, and the proper approach that the Trump administration should take in negotiating with the North.

As always, we hope you find these insights both timely and relevant. Wishing you and yours a very happy holiday season.

Sincerely,

Ilan Berman
Chief Editor

Richard M. Harrison
Managing Editor

How to Think About Denuclearizing North Korea

Robert Joseph

Following the June 12th Singapore summit, President Trump declared that his discussions with Kim Jung Un had led to the end of the nuclear threat from North Korea. Kim's commitment to complete denuclearization of the peninsula, however, must be viewed in the context of past broken promises and a recent intelligence assessment presumably leaked to the U.S. press. That assessment suggests that Pyongyang is actively seeking to deceive the United States about the scope of its past and current nuclear program, including a second, previously unreported enrichment facility to produce enriched uranium for nuclear warheads.

On the missile front, new satellite imagery has revealed what appears to be a major expansion of the factory at Hamhung that produces North Korea's solid-rocket motors for its ballistic missile force. If accurate, these reports support the conclusion that the North is acting consistent with its past playbook – offering meaningless political commitments in exchange for concessions, such as a pause in U.S.-South Korean military exercises, and buying more time to expand its nuclear and missile capabilities.

While skepticism is certainly warranted given the past 25 years of failed diplomatic efforts, the jury is still out as to whether Kim is serious about denuclearization. Either North Korea will move forward with the dismantlement of its nuclear and missile capabilities or Kim is playing the same game as his father and grandfather. If the latter, the risks are substantial; President Trump has demonstrated with Syria and Iran that he is not one to be played.

THE LESSONS OF LIBYA

With Secretary of State Mike Pompeo now actively engaged in diplomacy with the Kim regime, what lessons from past negotiations – both with North Korea and with other proliferators – can be applied to help determine North Korea's intentions and assess its actions?

One relevant diplomatic experience was with Libya, a clear nonproliferation success. Yet, the debate over how the negotiations with Libya might or might not apply to North Korea today remains contentious, because there are two distinct models associated with the denuclearization of Libya.

The first dates to the December 2003 agreement with Tripoli, which led to the complete, verifiable and irreversible dismantlement of Libya's nuclear program and the rapid removal of all components of the program (as well as Libya's longer-range ballistic missiles) from Libya to the United States. In exchange, the Bush administration promised that, with full compliance, the Libyan people would receive unspecified benefits to improve their lives and livelihood.

By March 2004, Libya's entire nuclear program – all sensitive materials and documentation, and many metric tons of conversion and centrifuge enrichment equipment – had been moved to Oak Ridge, Tennessee. Once the program was eliminated, and only after further actions were taken by Libya, including ending certain terrorist activities, Washington and Tripoli established formal diplomatic relations and the United States ended travel and other restrictions on Libyan diplomats posted with their UN mission. The United States then reduced economic

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Libya stands as one of few unquestioned successes in achieving the complete denuclearization through non-military means..

sanctions and opened new commercial relationships, in fields such as oil exploration and extraction technologies.

This was the path that President George W. Bush deliberately sought to establish for other proliferators to follow. Rogue states could choose between the fate of Saddam Hussein, who was defeated in war and overthrown, and that of Omar Qaddafi, who – by agreeing to peaceful denuclearization – led Libya out of its pariah status to become a more normal and prosperous country. When Libya is cited as a model for North Korea by some in the Trump administration, it is a reference to comprehensive and speedy denuclearization, followed by measures to improve the economy and reduce the political isolation of the North. The rationale is clear: Libya stands as one of few unquestioned successes in achieving the complete denuclearization through non-military means.

The second Libya model draws a direct and causal line from Libya's decision to denuclearize in 2003 to the overthrow of Qaddafi eight years later. In 2011, President Barack Obama, encouraged by then-Secretary of State Hillary Clinton, decided to intervene militarily in the ongoing Libyan civil conflict, part of the Arab Spring that had begun next door in Tunisia. This decision was apparently taken without first having in place a day-after

Since 2011, the link between denuclearization and violent regime change has become an obsession for Pyongyang, and is the reason for the Kim regime's repeated rejection of the Libya model.

plan, and without regard for the nonproliferation message it would send to North Korea, Iran and other proliferators. Following Qaddafi's death, Libya fell into years of chaos, and the Kim regime had a new talking point: Qaddafi gave up his nuclear program; the United States intervened to overthrow him; and he died.

This is almost certainly the model that is in the mind of North Korea's leaders today. Since 2011, the link between denuclearization and violent regime change has become an obsession for Pyongyang, and is the reason for the Kim regime's repeated rejection of the Libya model.

MOVING BEYOND TRIPOLI

Recent comments in Washington and Pyongyang suggest that U.S. and North Korean officials now have these two fundamentally different Libya models in mind. For this reason, there is likely little utility in seeking agreement on which model best applies or in attempting to reconcile the two models. This is not, and never has been, about imitating with North Korea what happened with Libya 15 years ago. North Korea is not Libya. The state of its nuclear and missile programs is much different, as is the regional conventional threat represented by the two countries.

The better course, then, is to put both Libya models aside and adopt a negotiating approach that draws on the important lessons from our successes there, as well as the lessons from our past failures with North Korea and Iran. Four in particular stand out.

First, insist on a strategic decision – not words but concrete actions -- to abandon the nuclear program as quickly as dismantlement can occur. With North Korea, a strategic decision to abandon its nuclear program may take the form of agreeing to the immediate removal of the regime's nuclear weapons and the permanent disabling of its plutonium-producing reactor and enrichment facilities. Absent a strategic decision and meaningful near-term actions, there will be little merit in the outcome.

Second, employ all instruments of statecraft. To date, the Trump administration has skillfully used a broad array of tools, including diplomacy, economic sanctions, intelligence and the threat of the use of force. It is essential,

however, to avoid the mistake of previous administrations in their dealings with Iran and North Korea, relieving sanctions pressure and lowering the threat of a military option while shifting to a policy based solely on diplomacy and negotiations. If Washington decreases pressure on the North preemptively, failure is certain. The “maximum pressure” campaign, in combination with the President’s stated willingness to use force to prevent North Korea from acquiring the capability to hold American cities hostage to nuclear-armed missile attack, has worked to get Kim to the table. Continued pressure is the best means for improving the prospects for success thereafter.

History shows that North Korea has violated every agreement it has made regarding its nuclear program.

Without stringent verification, therefore, any negotiated agreement can be expected to fail.

Third, insist on effective verification, including anywhere/anytime inspections, as well as full and immediate access to people and documentation. History shows that North Korea has violated every agreement it has made regarding its nuclear program. Without stringent verification, therefore, any negotiated agreement can be expected to fail.

Fourth, do not bargain on denuclearization. While perhaps counterintuitive, bargaining on the terms of denuclearization will undermine the chances for success, as it did in negotiations with Iran. There can be no compromise on the complete, irreversible and verifiable dismantlement of the North Korean nuclear weapons program. This has been captured best by President Trump’s articulation of the goal of the negotiations: “They give up their nukes.” If they don’t, the U.S. must be ready and able to walk away and pursue a different course to counter the threat.

If Kim abandons his nuclear program, his country will become more prosperous, and the U.S. will not seek regime change. That’s the proposed deal. Whether Kim will accept remains a long-shot.

Holding firm on the fundamentals of denuclearization, however, does not rule out a win-win outcome that permits Kim to save face. The President has been clear on this point. If Kim abandons his nuclear program, his country will become more prosperous, and the U.S. will not seek regime change. That’s the proposed deal. Whether Kim will accept remains a long-shot, as demonstrated by the North’s recent posturing. But the President is rightly determined to test the proposition.

LEARNING FROM HISTORY

The irony associated with the two Libya models is striking, and reflects a broader pattern that few have observed. Many prominent national security professionals today continue to criticize the Bush administration as having done substantial harm to longstanding U.S. nonproliferation policies. Yet, it was George W. Bush who created a peaceful path to denuclearization and Barack Obama who made other proliferators leery of following that path.

And the contrast between perception and fact runs even deeper. It was the Obama administration that undermined decades of bipartisan support for discouraging the spread of enrichment and reprocessing when it agreed to the Joint Comprehensive Plan of Action with Iran – a fatally flawed agreement that President Obama had the temerity to call the most important nonproliferation agreement ever negotiated. And it was the Obama administration that abandoned what President Obama himself referred to as the gold standard for nuclear cooperation agreements with non-nuclear weapons states. While the Bush administration put in place an international initiative to reduce the risks of proliferation inherent in the spread of nuclear energy, the actions of the Obama administration took us in the opposite direction. Never was there a more

damaging example of the gap between the rhetoric of nonproliferation and policies that undercut the prospects for success.

The challenge for the Trump administration is to persuade and, when and if necessary, compel North Korea to fulfill its stated commitment to complete denuclearization. To succeed, the President and his team will need to overcome a quarter-century of failed attempts based in every case on the triumph of hope over experience.

North Korea remains a dangerous adversary that would like to gain concessions through negotiations without giving up the nuclear and missile capabilities that have always been viewed as perhaps the most important asset

to ensure the survival of the Kim dynasty. To compel it to do so, President Trump will need to present Kim Jung Un with a strategic choice: abandon your nuclear program in exchange for meaningful benefits, or keep it and face the prospect of containment and, potentially, a use of force that would lead to the end of the current regime in Pyongyang. ■

ENDNOTES

¹ See Courtney Kube, Ken Dilanian and Carol E. Lee, “North Korea has Increased Nuclear Production at Secret Sites, Say U.S. Officials,” *NBC News*, June 29, 2018, <https://www.nbcnews.com/news/north-korea/north-korea-has-increased-nuclear-production-secret-sites-say-u-n887926>.

Understanding North Korea's Internal Strategy

Niklas Swanstrom

In light of the recent, positive developments on the Korean Peninsula (chief among them the apparent 180-degree turnaround by Chairman Kim Jong Un on the issue of denuclearization) it is difficult not to get caught up in a wave of optimism. There have been no nuclear or missile tests since November of last year, and this May the DPRK closed its main nuclear test site at Punggye-ri (admittedly, under pressure from China). Moreover, President Trump and South Korean President Moon Jae-in have both assured the world that North Korea's Chairman is serious about his commitment to denuclearization.

Nevertheless, problems remain. Despite some movement toward the shuttering of nuclear testing sites, there are a number of critical missile engine testing and satellite launch sites that are still fully operational. Additionally, some improvements to the infrastructure of these facilities have been made since the summit in Singapore.¹ Moreover, Kim Jong Un had declared North Korea as a nuclear power already in 2012, an achievement that is now enshrined in the national constitution, codifying that the country has single-handedly guaranteed its own security.²

The question now confronting Western policymakers is whether North Korea's *volte-face* is genuine, or whether it represents a well-orchestrated strategy designed to deceive the international community into lifting long-running sanctions against the Kim regime.

DOMESTIC CONSOLIDATION AND CHANGE

The DPRK is not, and has never been, an irrational actor. Rather, it has been guided by a long-term internal

strategy designed to increase its security (both regime security as well as national security), enhance its economic development and improve its international prestige. Many observers have underestimated the durability and consistency of this internal strategy, viewing the DPRK as an irrational actor that acts haphazardly under international pressure.³ Nothing, however, could be further from the truth. The DPRK has had an unambiguous policy about establishing a nuclear capacity since the 1970s, and this trend has continued under the leadership of Kim Jong Un.

From the very first day of his reign, North Korea's "young leader" has been determined to reform the domestic economy and to build his legitimacy through development. However, the inherent weakness of the country's economy is a clear hindrance to any radical changes. Additional impediments have been posed by international sanctions, as well as from opposition in North Korean military circles that continue to agitate for a military-first policy.⁴

The initial economic reforms undertaken by Kim Jong Un in 2012 had some positive impact, especially in the country's agricultural sector. Overall, however, the results were meager. Today, by contrast, conditions for such change are more favorable; Kim has now consolidated power, and with that solidification has come a slow but steady transformation of the country toward an economy-first policy, as well as toward more substantial international interaction and engagement.

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BALANCING PRIORITIES AND INTERNATIONAL PRESSURE

The key word when talking about the current North Korean strategy is balance. Domestically, Kim Jong Un announced the completion of DPRK's nuclear ambitions in his most recent New Year's speech, which was followed by an announcement in April of the end of the *byungjin* policy that had simultaneously emphasized economic and military policy.⁵ The *byungjin* policy did, in fact, overemphasize the regime's military aspects (in particular its nuclear development), and the regime's new approach represents an attempt to create a better balance between economic (political) and military forces (and control by the Party). This has been accompanied by the removal of key military individuals from positions of power, and by broader economic reform in the DPRK. None of this is to say that the North Korean military has been severely crippled; the institution still receives close to a quarter of national GDP.⁶ But there has been a growing focus on the civilian economy and the country's political – rather than its military – elite.

The new changes by no means indicate that North Korea is on the cusp of a “Deng Xiaoping” moment entailing a significant opening of the national economy. Rather, they are a sign of the regime elite's need for investments and economic opportunities to sustain its rule.

Today, there is a marked clash between the willingness of the regime to open up in order to receive access to international investments, and the fear of what any such opening might mean for the ruling elite. Nevertheless, there is a need to gain access to international capital if

Kim Jong Un's strategy of reversing the *byungjin* policy is to be realized. This provides the economic context behind Pyongyang's move toward rapprochement with the West.

NORMALIZATION AND UNIQUENESS

The overall long-term strategy of the North Korean leadership is, quite simply, one of regime survival. Economic development and international (as well as domestic) prestige are of course strategic aims, but they remain secondary ones. This strategy has, since at least the 1970s, driven the North to increase its military strength in order to coerce negotiations, and concessions, from the United States. From a North Korean perspective, then, it is the threat posed by the regime's nuclear and ICBM capabilities that has brought the U.S. to the negotiating table.

Correspondingly, economic factors are less critical for North Korea at this point in time – presumably because a peace treaty would surely bring with it increased economic relations, trade, and aid. Rather, the North is looking for an arrangement which provides those benefits while forcing it to give only minimal concessions on the nuclear issue.

The nuclear power of the DPRK can indeed be negotiated, but this negotiation is likely to come at a very high cost to the international community, in particular South Korea and the U.S.

Can North Korea attain this goal? Denuclearization has been touted as the formal requirement that would lead to a normalization of relations with the international community and a suspension of sanctions on the DPRK. That said, one could argue this definition has shifted, since the DPRK has already gained substantial concessions on this issue, including garnering acceptance of a phased sequencing of denuclearization

without a specific timeframe. Most notably, following the Singapore Summit the terms “verifiable” and “irreversible” were omitted from the official discussion summary in reference to denuclearization.

The results are clear. The nuclear power of the DPRK can indeed be negotiated, but this negotiation is likely to come at a very high cost to the international community, in particular South Korea and the U.S. None of this means, however, that a deal is not possible. President Trump seems to have moved toward a more transactional negotiating process, in which the DPRK could achieve at least some of its goals, and do so preemptively.

More broadly, Kim Jong Un can already be said to be a winner in the so-called denuclearization or normalization process. The DPRK’s objectives have been fulfilled to some extent, maybe even to a greater degree than Pyongyang expected, with increased security, international and domestic prestige and initial economic benefits a result. North Korea’s state media has, of course, utilized these gains for propagandist purposes, to bolster Kim’s standing at home.

The full extent of the North’s flexibility, however, remains to be seen. It may indeed be possible for a complete, verifiable and irreversible denuclearization of North Korea under Kim Jong Un’s new national strategy. But it is likely that any steps in this direction will entail high (and likely growing) demands from Pyongyang before substantive progress is made. The concern here is that if there is an easing of pressure from the international community (either militarily or economically), it would decrease the incentive for Pyongyang to continue with denuclearization. The internal strategy of the DPRK is to initiate such a process and create a more positive environment – one in which the U.S. will have difficulties backtracking without international criticism, and one that will make a U.S. military option virtually impossible. ■

ENDNOTES

¹ Joseph S. Bermudez, Jr., “No Apparent Dismantlement Activities at Sohae Engine Test Site as of June 12,” *38 North*, June 21, 2018, <https://www.38north.org/2018/06/sohae062118/>; Joseph S. Bermudez Jr., “North Korea Razing Key Missile Test Stand,” *38 North*, June 6, 2018, <https://www.38north.org/2018/06/>

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² K.J. Kwon, “North Korea proclaims itself a nuclear state in new constitution,” CNN, May 21, 2012, <https://edition.cnn.com/2012/05/31/world/asia/north-korea-nuclear-constitution/index.html>.

³ O Chol Yong, *The Self-defense Capability of the DPRK and Peace on the Korean Peninsula*, Focus Asia, Institute for Security and Development Policy, May 10, 2017 <http://isdip.eu/publication/self-defense-capability-dprk-peace-korean-peninsula/>.

⁴ “Kim Jong Un’s 2017 New Year’s Address,” National Committee on North Korea, n.d., https://www.ncnk.org/resources/publications/kju_2017_new_years_address.pdf/file_view;

⁵ 김정은 핵·경제 병진노선, 5년만에 ‘경제집중’ 노선에 자리내줘, (the leader Kim Jong un addressed the success of Byongjin policy and new strategy for economic development), Yonhap News Agency, May 21, 2018, <http://www.yonhapnews.co.kr/bulletin/2018/04/21/0200000000AKR20180421037000014.HTML>

⁶ The data for North Korea is notoriously unpredictable, and ranges from one quarter to one third of GDP even if North Korea itself lands on a more modest 15 percent of GDP. “Nine Charts which tell you all you need to know about North Korea,” BBC, September 26, 2017, <https://www.bbc.com/news/world-asia-41228181>.

China's Role in the North Korea Crisis

Larry M. Wortzel

Prior to the May summit in Singapore between President Donald Trump and DPRK Chairman Kim Jong-Un, China's policy and academic community could be divided into three general camps on the question of how to deal with North Korea. Some scholars and policy commentators in the Middle Kingdom believed that the Communist Party and China's government should strengthen China's alliance with the DPRK. Another group of international relations thinkers were of the view that Beijing's entire strategy toward the DPRK should be reassessed in light of China's changed economic and political interests in the 21st Century. Still others noted that, as close allies with a traditional friendship and centuries of contacts, the historical basis for close ties between the two countries cannot be ignored.

Regardless of the state of the internal Chinese debate over the DPRK, the PRC's desires and interests in the Korean Peninsula have been clear for decades. Beijing has consistently called for peace and stability on the Korean Peninsula. It has also tried to foster "denuclearization" there, although that formulation has different meanings for China, the United States, and for North Korea itself. China's Communist Party and government have tried to preserve their influence over the DPRK, even as they improve political and economic ties with the Republic of Korea. Finally, Beijing has consistently tried to avoid situations that would weaken the capacity of the North Korean regime to control conditions within its own country, even as it has complied with United Nations sanctions against the DPRK.

EARLY STUMBLER

Given Beijing's approach, it is useful to review the history of U.S. actions toward the North. In a recent essay in *Arms Control Today*, Leon Sigal reminded us that the administration of President George H.W. Bush provided assurances to North Korea in September 1991 that U.S. nuclear warheads would be withdrawn from the Korean Peninsula, and that the annual U.S.-South Korean military exercise dubbed "Team Spirit" would be suspended. According to Sigal, "North Korea reciprocated, putting the brakes on its nuclear ambitions. On December 31, 1991, North Korea concluded a Joint Declaration on the Denuclearization of the Korean Peninsula with South Korea, agreeing not to 'test, produce, receive, possess, store, deploy or use nuclear weapons.'" North Korea also pledged it would not "possess facilities for nuclear reprocessing and enrichment." Further, Sigal writes, "the DPRK agreed to mutual inspections with South Korea, with procedures to be worked out by a Joint Nuclear Control Commission. On January 30, 1992, North Korea signed its safeguards accord with the IAEA [International Atomic Energy Agency]."

The problem, of course, is that the IAEA found that North Korea was cheating. By 1994, a crisis was brewing between North Korea and the United States. The U.S. restarted major military exercises, although it did not restore nuclear weapons to South Korea. The U.S. dispatched diplomats to China to seek help in pressuring the North, and sought to avoid a war. Eventually, the "Six Party Talks" were started with payments to the DPRK as incentives to stop its nuclear program. Yet again, North Korea cheated. The situation in 2006 was so tense that, after the DPRK tested its *Taepo Dong 2* missile on the Fourth of July that

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year, former Clinton administration Secretary of Defense William Perry and Assistant Secretary of Defense Ashton Carter urged a “surgical strike” against the missile launch pad should the DPRK test again.

We could review twelve more years of the history of North Korea’s missile and nuclear development here, but suffice it to say that today Chairman Kim controls missiles that are capable of striking the U.S., and an estimated inventory of 16 to 20 nuclear weapons. The same estimates project an inventory as high as 100 nuclear weapons by 2020. By any barometer, therefore, the DPRK is now a nuclear weapons state.

For Beijing, and for the DPRK, denuclearization means an end to U.S. extended deterrence vis-à-vis North Korea, even if there are no longer U.S. nuclear weapons on the Peninsula.

ENDS AND MEANS

That disturbing fact aside, the U.S. and its allies, as well as China, continue to seek North Korean “denuclearization.” The meaning of that term therefore deserves greater attention.

For Beijing, and for the DPRK, denuclearization means an end to U.S. extended deterrence vis-à-vis North Korea, even if there are no longer U.S. nuclear weapons on the Peninsula. Beijing also would like to see the U.S. withdraw its military forces from South Korea, as well as the dismemberment of U.S.-Korea Combined Forces Command and U.S. Forces Korea (USFK). Beyond that, Chinese leaders would be delighted to see a complete end to the U.S.-ROK alliance along with the removal of the Theater High-Altitude Air Defense (THAAD) batteries and their radars from South Korea.

It also is important to understand that China would prefer to see a divided peninsula, which is easier for it to manage.

It also is important to understand that China would prefer to see a divided peninsula, which is easier for it to manage. The last thing leaders in Beijing want as an outcome is a unified Korean Peninsula with a democratically-elected government and a free and open economy. According to Carla Freeman of Georgetown University:

...debates among Chinese policy elites regarding China’s strategic priorities indicate that Beijing is searching for fresh approaches to dealing with the multiple challenges it faces to its security resulting from North Korea’s nuclear program. China views North Korea as an increasingly complicated and wicked strategic problem. This expands the areas in which the United States can seek to engage China in search of policy solutions.

Chinese and U.S. interests align in a number of areas: using economic pressure to force North Korea into negotiations; reassuring South Korea regarding its security; preparations for radiological, nuclear, and chemical weapon contamination clean-up; and preventing miscalculation or accidental confrontations between Chinese and U.S. or South Korean military forces in Northeast Asia. The United States has an opportunity to influence Chinese contingency planning by targeting these areas.

A CHANGING CHINESE APPROACH

Beginning in March 2018, following diplomatic overtures from both Koreas and from the United States, Beijing shifted its tactics toward Pyongyang with the aim of improving its relations with the Kim regime. A diplomatic warming followed, and President Xi and North Korean leader Kim Jong-un have now met twice this year. This

shift in Xi's approach reflects concern about the possibility of China losing influence in Pyongyang amid a flurry of diplomacy with the DPRK on the part of other countries. Simply put, China worries that North Korea could strike agreements with South Korea and the United States that could negatively affect China's interests.

China's new approach also helps to reaffirm the PRC's status as a major power in Northeast Asia, and emphasizes to others that Beijing will not countenance being isolated on an important regional security issue. President Xi Jinping has reinforced this through meetings with Kim Jong-un, and Kim highlighted the extent of the relationship between North Korea and China by flying an *Air China* jet on loan from the Chinese government to the summit in Singapore.

As of this writing, not much has come about as a result of the May summit, beyond the symbolic return of missing U.S. service members (although new talks now appear to be underway between Washington and Pyongyang). From a policy perspective, however, it is already clear that the main beneficiary of the Singapore summit is China.

From a policy perspective, however, it is already clear that the main beneficiary of the Singapore summit is China.

For decades, China has sought a reduction or removal of U.S. forces from the Korean Peninsula, an end to U.S. major military exercises on the Korean Peninsula, and to position itself as a major diplomatic intermediary and an active interlocutor, or at least a participant, in discussions over the future of the Korean Peninsula. Beijing was in that position during the Six-Party Talks, and China's leaders saw these as preferable to separate, bilateral talks between North and South Korea, or between the DPRK and the U.S. Now, the vague agreements in principle between President Trump and Chairman Kim have fulfilled most of these goals. Likewise, the suggestion that help would be

provided to North Korea to develop its economy is good news for Xi Jinping, since one of China's long-term goals is to develop a commodity economy in North Korea and open it to trade while keeping Kim and his Worker's Party in power.

THE CURRENT STATE OF PLAY

Here, it is useful to understand that some of President Trump's policy preferences have paralleled those of both China and the DPRK. As a candidate, Mr. Trump complained about the major U.S. overseas troop presence, the cost of keeping forces deployed, and appeared skeptical that America's foreign partners were meeting their share of the alliance costs. These preferences, in turn, have occasionally bled over into U.S. policy; in February 2018, for example, U.S. press reports detailed that President Trump had wanted to withdraw U.S. forces from the Republic of Korea, but was dissuaded from doing so by the White House Chief of Staff General John Kelly.

At the summit with Kim Jong-un in Singapore, President Trump said that major military exercises scheduled for August 2018 (dubbed "*Ulchi Freedom Garden*") would be cancelled. There was some jockeying back and forth in the administration, but those drills were not conducted. This harkens back to the suspension of exercise "*Team Spirit*" by the Bush administration in 1992, when there seemed hope for progress in denuclearization with North Korea. Still, it is obvious that the Department of Defense would prefer to hold exercises. Secretary of Defense James Mattis, in August 2018, said that the exercises could resume, but quickly backed away from his own pronouncement. The President, via social media platform Twitter, overruled that statement and said *Ulchi Freedom Garden* would not be held, cementing his place as the senior action officer in the Administration for matters related to North Korea.

Suspending *Ulchi Freedom Garden* and other major exercises, however, does not mean that U.S. and ROK military forces cannot or will not train together. Even without large scale exercises, U.S. and South Korean forces can undertake planning and table-top exercises. U.S. units in South Korea can train with their ROK counterparts. However, as long as Secretary of State Mike Pompeo and the President hold open the door for future negotiations

or a summit, this author does not expect major military exercises to begin again.

Still, United Nations Forces Command remains on the Korean Peninsula. It would take a formal end to the Korean War and a UN decision to remove that headquarters. And because the Chinese People's Volunteers (and Zhou Enlai) were a party to the 1954 armistice on the Korean Peninsula, a formal end to the war cannot be made without China's participation.

Along with United Nations Forces Command, there is a U.S.-ROK Combined Forces Command Headquarters located near Seoul. That headquarters continues to function, and as long as U.S. forces remain on the Korean Peninsula, it will likely continue to exist. Even without major troop exercises, U.S. and ROK military leaders can hold staff talks, table-top exercises, automated war games, and staff planning exercises. These types of things would not violate the agreement in principle that President Trump made with Chairman Kim.

NEXT STEPS

The future, however, remains murky. Many citizens, political leaders and military leaders in South Korea want the U.S. presence to continue. The ROK is a democracy and there is a healthy competition between political parties with different views there. It appears that even South Korean President Moon Jae in was taken aback by the Trump-Kim agreement, and wants an explanation of what it means.

Moreover, while Washington and Pyongyang have resumed talks, there is not yet a clear indication of how broad the scope of the DPRK's concessions will be. For instance, there has been no commitment by Chairman Kim regarding Japan's missing persons, or those of South Korea.

Fundamentally, North Korea should not be expected to give up its nuclear weapons and missiles. Indeed, U.S. defense agencies have identified new fissile material and missile production in the DPRK. Kim Jong-un is seeking to be recognized by the U.S. and to open diplomatic relations between Pyongyang and Washington – and strategic capabilities represent the surest guarantors of

this goal. Kim likewise wants the Democratic People's Republic of Korea to be recognized as a nuclear weapon state, with all of the international security guarantees that this status accords. Kim Jong-un's logic is grounded in America's past dealings with emerging nuclear weapons states, which are instructive. After all, despite early years of sanctions after their respective nuclearizations, both India and Pakistan have since developed good relations with Washington, and the U.S. has taken steps to nurture policies that lead to deterrence and stability in Southwest Asia.

A multi-year study conducted by the Heritage Foundation and dubbed *Nuclear Games* concluded "that the presence of defenses in a 'multi-player' setting not only does *not* feed instability, but also may contribute to stability." The key to this nuclear stability was a combination of alliances and nuclear defenses. First, the outcome of the games generally showed that "the more widespread the presence of defenses, the lower was the propensity to ready offensive (nuclear) arms." Further, the study "also showed a greater propensity to abandon offensive arms (disarm) as defenses became more widespread; the more widespread the presence of defenses, the lower the propensity to adopt hostile attitudes toward one another or move to threaten each other; and the more widespread the defenses, the less likely an aggressive actor's conclusions favored aggressive actions."

PRIORITIES FOR WASHINGTON

Given the climate in Congress regarding nuclear proliferation and disarmament, it is probably heretical to suggest that North Korea may well emerge as a recognized nuclear weapons state. But if the results of the *Nuclear Games* simulation are correct, we could still see stability on the Korean Peninsula – albeit not in a way that would reassure our allies Japan and South Korea.

With respect to the inclination of President Trump to bring troops back to the U.S. and reduce the U.S. presence in the region, it is true that alliances and forward-based forces can be costly. However, the United States must avoid the great error made in the Pacific region by Secretary of State Dean Acheson on January 12, 1950. After Acheson declared that the U.S. would use naval and air power

“We can expect a long-difficult process of negotiations that will affect the U.S. presence in Korea, the way that extended deterrence is understood on the Korean Peninsula, and the Status of Forces Agreement between South Korea and the U.S. For Japan, it means that China will have a stronger diplomatic hand in the region.”

to secure a defensive perimeter encompassing Japan, Okinawa and the Philippines, the People’s Republic of China and the Soviet Union took it to mean that the U.S. had conceded the remainder of Asia. Five months later, the Korean War broke out in June 25, 1950.

We can expect a long-difficult process of negotiations that will affect the U.S. presence in Korea, the way that extended deterrence is understood on the Korean Peninsula, and the Status of Forces Agreement between South Korea and the U.S. For Japan, it means that China will have a stronger diplomatic hand in the region. It also means that Japanese leaders must coordinate closely with policymakers in the U.S. Over the longer term, unless North Korea completely disarms itself of nuclear weapons and missiles, U.S. forces in Japan and the Japanese people still need effective missile defenses, air defenses, and a strong conventional deterrent to conflict.

RESPONDING TO CHINA

Accordingly, China has followed up with aid to North Korea, and it appears that Beijing also is trans-shipping North Korean coal. Senior level visits between North Korean leaders and Chinese officials continue. And both Russia and China have taken steps to limit United Nations sanctions on North Korea. President Moon wants to see some type of declaration about the end of the Korean War issued by the United States. President Trump has expressed some frustration with China’s role,

“Both Russia and China have taken steps to limit United Nations sanctions on North Korea.”

linking China’s refusal to negotiate on tariffs to China’s actions on the Peninsula.

Xi Jinping, therefore has achieved many of his goals for the Korean Peninsula at the expense of the United States: China is again a central actor in matters related to the Korean Peninsula, U.S. policy on North Korea is tied to China, major U.S. military exercises have stopped, and the Kim regime remains in power. Furthermore, opinion in South Korea seems to be shifting to accommodate China.

The U.S. should maintain a robust military presence in East Asia and work with Japan and South Korea to strengthen military cooperation. While Beijing may not feel threatened by North Korean missiles or nuclear weapons, Seoul, Tokyo and the U.S. are deeply concerned about these developments. The role for the U.S. is to strengthen defense and policy coordination with our allies with a focus on missile defenses. ■

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On the Outside Looking In: Russia and the Korean Process

Stephen Blank

The unprecedented DPRK-U.S. and inter-Korean summits that took place this Spring have upended previous calculations among the members of the Six-Party process, and forced them to jockey for a new role in the unfolding negotiating process taking place on the Peninsula. Russia is one of these parties, and far from a disinterested one. The Kremlin is clearly concerned that the emerging peace process could exclude it, robbing it of a say in what may become a new political settlement between the Koreans.

Moscow's Korean policy revolves around three key points. The first, in keeping with the Kremlin's self-conception as an indispensable global player, is assuring Russian participation in any political process on the Peninsula. The second, stemming from the now-extensive strategic ties between Moscow and Beijing, is reinforcing its alliance with China and further developing ties to both Koreas. The final prong of Russia's approach, and one that has been used to significant effect up until now, involves blaming Washington for the political impasse that has long prevailed there.

The new summit process kickstarted by the Trump-Kim meeting in Singapore has therefore spurred Moscow into action. Russian President Vladimir Putin and Foreign Minister Sergei Lavrov have offered to mediate between Washington and Pyongyang, even while fully supporting the latter. This has revealed the inherent duplicity of Russia's policies, and also its transparent lack of leverage in the peace process now unfolding in Asia.

RUSSIA'S ERODING POSITION

Despite over a decade of strenuous efforts, Moscow has little to offer North Korea, or anyone else, to engender

peace and denuclearization on the Peninsula. Nor does North Korea highly rate Russia's potential influence or its ability to contribute meaningfully to that outcome, since there has been little progress on Moscow's cherished infrastructure projects with the DPRK (among them a Trans-Siberian-Trans-Korean railway and a parallel gas pipeline). While the sanctions regime on North Korea may in fact be eroding, Russia has been relatively unable to exploit that situation – and now, given the revival of negotiations between Washington and Pyongyang, Moscow may find itself in a worse position still.

This state of affairs is unacceptable to the Kremlin. The Korean peninsula is particularly important to Russia because the large-scale economic projects it is pursuing there have large potential political payoffs. Moscow, simply put, is playing for very high political and economic stakes in Korea. But its failure to capitalize on the investments it has made to date means that if a genuine "peace process" does indeed develop, Moscow runs the risk of being marginalized. Meanwhile, the U.S. is entering the Asian energy market in a big way, and is bound to compete with Russia for market share – reducing Russian dominance still further.

STEPPED UP ENGAGEMENT

Against this backdrop, Foreign Minister Sergei Lavrov's late May visit to Pyongyang showcased just how much Russia is now attempting to avert its marginalization. During his trip, Lavrov predictably invited Kim Jong Un to Moscow, offered Russia up as a mediator between Pyongyang and Washington, echoed Kim's approach that any denuclearization needs to be phased over time, and insisted that sanctions should be rolled back prior to denuclearization. He also reiterated the Kremlin's desire

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Despite over a decade of strenuous efforts, Moscow has little to offer North Korea, or anyone else, to engender peace and denuclearization on the Peninsula.

for a realization of the railroad and gas pipeline projects long discussed between Pyongyang and Moscow. In this way, Russia has sought to remain relevant in the new political reality now prevailing on the Korean Peninsula.

At the same time, however, Russia is working to preserve the *status quo*. Thus, Lavrov and numerous Russian analysts have reiterated the argument that peace can only come through a rejuvenated Six-Party process – one in which Moscow plays a part equal to other countries in Northeast Asia. They have also advocated the need for a step-by-step process that fosters an overall restructuring of Asian security, even though Russia was not a belligerent in the Korean War and lacks legal standing to sign a paper formally ending that war.

Russia's overtures have met with a lukewarm reception in Pyongyang. Kim Jong Un was happy to complain to Lavrov about U.S. "hegemonism." But he stopped short of making concrete promises to cooperate with Moscow, committing only to exchanging views with the Kremlin. That reflects a dawning realization among North Korean officials; once dependent on Russia and China to serve as their country's interlocutors with the world, that the DPRK now needs neither to communicate with Washington.

WORKING FOR INERTIA

If Russia's position on the Korean Peninsula is eroding, it is also deeply affected by Moscow's evolving relationship with Beijing. Russia has proven unable to compete effectively with China for influence over North Korea, even though it consistently aspires to upgrade its standing in Pyongyang's eyes. This failure, in turn, has allowed the DPRK to play the two countries off against one another,

even as it can count on support from both in the event of a collapse of negotiations with the West.

Where does all this leave Russia? Rhetorically, the Russian government has long opposed North Korean proliferation, even as it has pressured the U.S. to make concessions to resolve the crisis with the DPRK. Substantively, however, Moscow remains unwilling to do anything about North Korea's nuclear program, lest it endanger its precarious position vis-à-vis Pyongyang. As relations with the United States have deteriorated in recent years, that position has become even more ingrained.

The fundamental purpose of Russia's Korean policy is to preserve peace in Korea and Asia more generally, as Moscow sees peace is indispensable to any development of Siberia and the Russian Far East. Peace is also a necessary precondition for Russia to play the role that it covets in East Asia. For only if Russia can play the role of peace-keeper can it actively help create and sustain the multipolar world that its officials and analysts believe should exist. Accordingly, Moscow's Korean policies are not just part of its overall Asian program, but are also an essential component of the world order the Kremlin covets.

Moscow's Korean policies are not just part of its overall Asian program, but are also an essential component of the world order the Kremlin covets

Therefore, in regard to Korea, Moscow has all along championed the Six-Party Process, in which it had a formal role. But since the Korean denuclearization issue has become fundamentally a matter of bilateral U.S.-DPRK negotiations, Russia has had no choice but to accept its diminished status, praise the U.S. for negotiating, but demand that it make additional concessions (like formally ending the state of war in Korea, ending sanctions,

and negotiating peace in advance of complete verifiable North Korean denuclearization). Russia also insists that security guarantees must precede complete verifiable and irreversible denuclearization (CVID), which is the U.S. position. Therefore Moscow's current emphasis is on persuading everyone to accept Russia's long-standing ideas about tripartite economic collaboration, a Trans-Siberian, Trans-Korean railway and gas line and major electricity projects.

In this way, Russian officials hope that they can maintain an enduring role on the Korean Peninsula, reaping the potential dividends of any diplomatic normalization, should one occur – and exploiting existing relations with Pyongyang to improve its position if one doesn't. ■

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An Asian Preference for the Status Quo

James Clad

The May 2018 summit between U.S. President Donald Trump and North Korean leader Kim Jong Un won much fanfare from some quarters as the start of a new, reinvigorated negotiating process with Pyongyang, and as a move reducing Pyongyang's menace. Yet despite the periodically positive atmospherics, serious reservations persist in Asia about America's Korea policy – doubts that predominate both in Korea's immediate neighborhood and farther afield.

At the close of 2018, most Asian nations remain far from convinced that Washington's seemingly fickle approach has been the correct one, or that it will result in bringing basic change to the region's security calculations. Beyond that, Asia-Pacific states (or at least those outside the immediate circle of key stakeholders) have had little incentive to swing in behind what's seen by some as a "forced march" by Washington aimed at further isolating the DPRK. There are exceptions, of course, but most Asian states during 2018 saw erratic and highly personalized U.S. policy portending results potentially even more dangerous than the current state of affairs on Korean Peninsula.

COEXISTING WITH KIM

The attitude of many regional states toward North Korea has its origin in the early Cold War era – in the non-aligned movement (the NAM), in "socialist fraternity," or in an aversion to "taking sides." The DPRK still values links dating back to that era, whether for propaganda purposes or for specific reasons such as access to banking and commercial services repeatedly proscribed by multilateral (UN Security Council) or bilateral sanctions.

Countries like Malaysia and Singapore lie along the same East Asian arc as the two Koreas, but Southeast

Asia remains far, geographically and emotionally, from the Northeast Asian cockpit. Though there has been a discernible tightening of enforcement, both Kuala Lumpur and Singapore remain ready to accommodate shell companies doing trade and other transactions with the North. Some commercial trails lead also to Bangkok and Manila. As well, Southeast Asian countries have in the past permitted locally registered banks to facilitate remittances in and out of North Korea. Only the periodic specter of the U.S. Treasury Department moving to sever these banks' access to the Society of Worldwide Interbank Financial Telecommunications (SWIFT) and other payment systems has had a noticeable impact in changing these arrangements – and even then only haphazardly.

There's no shortage of evidence that ASEAN governments choose to look the other way with regard to signs of their nationals having facilitated commercial dealings with North Korea. For the latter, strict enforcement of UN and Western sanctions can be problematic, if only because these commercial linkages enable the passing of messages to DPRK regime cronies. The security establishments within these countries remember Pyongyang's retaliatory measures when policy tilted too overtly in Seoul's direction – such as the October 1983 assassination attempt in Rangoon against a visiting South Korean president.

Beyond regional monetary authorities choosing to look the other way, there are other ways for these countries to help the North, mostly in the guise of business. For example, certain types of highly liquid enterprise, such as Japan's *pachinko* parlors, which routinely remit funds to North Korea, also have a parallel in Southeast Asia. So do more overtly nefarious activities which directly involve senior DPRK regime echelons with shadowy enterprises in the ASEAN area. Thus, prior to Myanmar's normalization

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with the U.S. in 2013-14, well-founded accusations had already fingered Myanmar's military for its involvement in a large, opaque trade with the DPRK – in weapons and even as a conduit for materials needed for nuclear weapons and missile delivery development.

CONTINUITY AND CHANGE

During its initial year in office, the Trump administration applied an intense focus on North Korean nuclear weapons development, and on the DPRK's development of intermediate and long-range missile systems. The perception in Washington of an improperly accommodating stance on North Korea among some Association of Southeast Asian Nations (ASEAN) members dominated the "First Special US-ASEAN Meeting" in May 2017.

This criticism was followed by action. The U.S. applied punitive sanctions to Myanmar's Directorate of Defense Industries (DDI) in July 2013 under the provisions of the *Iran North Korea and Syria Non-Proliferation Act*. The sanctions apply to both personal and institutional targets. During ASEAN Defense Ministerial meetings in Manila in October 2017, all ASEAN members condemned Pyongyang's ongoing missile and nuclear tests. ASEAN member states pressured Myanmar to expel a blacklisted North Korean official from its territory.

But contacts have proven resilient despite American pressure. Why? Because the rationale of these "outer Asians" for opting to keep their ties to the North is informed by a number of differing considerations.

For instance, the DPRK's longtime ally, China, is a factor in the calculus of regional countries evaluating the costs and benefits of endorsing Washington's policies vis-à-vis Pyongyang. (Vietnam, for example, backs North Korea and its independence from Beijing because it fears that a loss of that autonomy could spell trouble for Hanoi.)

Others, like India, have proven to be more predisposed to U.S. policy (albeit for their own reasons, like Delhi's desire to sever the proliferation pipeline that exists between the DPRK and its regional rival, Pakistan). But even those states that are have been publicly loath to endorse what they privately and periodically describe as American bellicosity. Thus, America's staunchest allies and lynchpins of western Pacific security (Australia and Japan) have moderated their support for American goals, preferring to line up behind UNSC resolutions backed by the Permanent Five, especially those emerging during 2017 with steadily stronger accusatory language and accompanied by sanctions that boast Chinese support (and occasional Chinese enforcement).

Most Asian states seek to maintain at least minimally cordial links with Pyongyang's notoriously unconventional regime. This involves putting up with behavior by North Korea's regionally posted diplomats that routinely contravenes the Vienna Convention.

Practical considerations also abound. By dint of proximity, most Asian states seek to maintain at least minimally cordial links with Pyongyang's notoriously unconventional regime. This involves putting up with behavior by North Korea's regionally posted diplomats that routinely contravenes the Vienna Convention – behavior in the countries where they are posted which has included running criminal gangs, conducting money laundering, kidnapping North Korean exiles, and smuggling contraband to amass hard currency.

Outside of Northeast Asia, meanwhile, regional links to North Korea often rest on “non-aligned” linkages, or on residual fraternal socialist links. This applies to countries like Vietnam or the Laos PDR. But other Asian states with only tenuous Cold War links to the DPRK have developed ties using a different, destabilizing agenda – as in the case of Pakistan, whose nuclear and missile delivery ambitions have been empowered through cooperation with Pyongyang.

Another set of informal linkages results from deep connectivity in peripheral Asian states with Pyongyang’s illicit trade and money-laundering. Although South Korea’s economy eclipsed that of the North many decades ago, diplomatic pretense ensures equal treatment for both Korean regimes, especially as dual recognition has become common practice in major Asian countries like India and Indonesia. Pyongyang’s bad behavior now has little shock value, and enables the enrichment of compliant associates of the local regime.

“Another set of informal linkages results from deep connectivity in peripheral Asian states with Pyongyang’s illicit trade and money-laundering.”

REGIONAL INERTIA

Thus, despite North Korea’s bellicose behavior, most Asia Pacific countries see little advantage in too fervent an embrace of America’s denuclearization objectives vis-à-vis North Korea – particularly as the tactical approach from Washington toward achieving these objectives seems to vary from week to week. Asian countries also generally resent U.S. criticism of their tolerant demeanor towards Pyongyang, insisting that they must live with many difficult neighbors and asserting that their “balanced” approach helps to defuse an otherwise volatile Korean situation.

In this calculus, specific – and occasionally even very sharp – bilateral differences with the North have generally succumbed to narrower and more mercantile interests, such as the DPRK’s ability to provide weapons at bargain basement prices. Despite the apparently universal disapproval of nuclear proliferation and of the vicious regime in Pyongyang, Asian pragmatism and special interests prevail. Washington will thus need to actively work to convince the countries of the region regarding the prudence of its new approach toward North Korea – and of the benefits that will accrue to those countries if they support it. ■

ENDNOTES

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² See “North Korea’s Shadowy Role in the Illegal Wildlife Trade,” National Geographic *Wildlife Watch*, October 16, 2017, [https://www.nationalgeographic.co.uk/video/tv/north-koreas-shadowy-role-illegal-wildlife-trade; Neil Bhatiya, “The Missing Piece in the World’s North Korea Strategy,” *The Diplomat*, January 30, 2018, https://thediplomat.com/2018/01/the-missing-piece-in-the-worlds-north-korea-strategy/](https://www.nationalgeographic.co.uk/video/tv/north-koreas-shadowy-role-illegal-wildlife-trade; Neil Bhatiya, “The Missing Piece in the World’s North Korea Strategy,” The Diplomat, January 30, 2018, https://thediplomat.com/2018/01/the-missing-piece-in-the-worlds-north-korea-strategy/).

³ See “North Korea’s Nuclear Arsenal Threatens China’s Path to Power,” *New York Times*, September 5, 2017, which reviews North Korea/Pakistan linkages dating back to the 1970s.

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