



24TH ASIA-PACIFIC ROUNDTABLE

7-9 JUNE 2010 • KUALA LUMPUR

STRENGTHENING COMPREHENSIVE AND COOPERATIVE SECURITY IN THE ASIA-PACIFIC

Sponsored by



"Prospect for Peace in the Korean Peninsula"



Korean Peninsula Prospects for Political
Settlement

Supported by



by



Georgy Toloraya
Director of Korean Programs
Institute of Economy of Russian Academy of
Science





Korean Peninsula Prospects for Political Settlement

Paper prepared for 24th Asia-Pacific Roundtable Kuala-Lumpur, 7-9/06/2010¹

Georgy Toloraya

Director of Korean Programs,

Institute of Economy of Russian Academy of Science

Over the last months the news from Korea was dominated by "Cheonan" incident, bringing the tension to a new high. This incident and especially its aftermath seems to have taken down with it all progress in North-South reconciliation and achievements in the area of new security arrangements over the past decade and a half. Hopefully it will not get worse, although there are plenty of ill-tempered people on both sides of Demilitarized Zone (DMZ) who may advocate a military response. Any UN condemnation or sanctions on North Korea would not make them more peaceful. Worse yet, the situation is accident-prone, and could escalate unintentionally, although the positions of both sides have become more reserved.

I believe the rapid deterioration of relations cannot be blamed solely on the North Koreans. North Korean guilt is not proved 100 percent. Russian experts who visited Seoul are not convinced and China refuses to seriously consider such a possibility (hence we cannot expect her support of any UN action). However the ensuing campaign of heightening military-political confrontation to an unprecedented level has been mostly engineered by South Korea with the first reluctant U.S. support. But as long as there is still a reasonable doubt as to the North's involvement, from a legal standpoint it is premature to reach any conclusions on North Korea's guilt and punishment (let alone sanctions) in an international forum.¹

_

¹ Even if North Korean involvement is p[roved, that would only make the incident just the latest episode in a decade-long chain of conflicts in this *disputed* area. This area is not

If it would be proved (which I doubt) that the North Koreans really did attack the Cheonan, what was their rationale for doing so? Let us speculate. An incident in recent history that could shed some light on one possible motivation happened was the November, 10, 2009 when a North Korean vessel was destroyed by the South Korean Navy. The vessel was, in fact, in North Korean waters and it was the Southern side that opened fire. There was not much fuss about it in the international media and the version circulating in the world media is from one of the sides of the conflict – namely, South Korean. One of the few reports explained:

"The two countries reported different facts. South Korean military staff claimed the North Korean boat crossed the border known as the 'Northern Limit Line,' whereupon a South Korean high-speed gunboat sent signals to pull back, and issued warning shots. Subsequently, 'the North's side opened fire, directly aiming at our ship,' South Korean officials reported, after which 'our ship responded by firing back, forcing the North Korean boat to return to the North' and leaving the North Korean ship engulfed in flames...

According to North Korea, its patrol boat was on a mission to confirm "an unidentified object" on its own side of the maritime border, whereupon a South Korean ship started pursuing it and opened fire in a "grave armed provocation". North Korea has also requested apologies from Seoul.²

The only solution to such conflicts is negotiations, as both sides have their own "truths" and arguments. During the North-South summit meeting in October 2007

internationally recognized and therefore it is legally difficult to determine the rights of either side, despite South Korea's practical control of the area. In such disputed areas worldwide and in this type of a conflict, it is difficult for either side to prove its actions fully justified; and international support and judgments are often politically motivated.. This is the case with inter-Korean sea battles in the disputed West Sea.

² Dries Belet, "Korean navies exchange fire in border incident" Open Democracy, 10 November 2009, http://www.opendemocracy.net/security_briefings/101109.

in Pyongyang, breakthrough agreements on this problem were achieved. The late President Roh Moo Hyun declared:

"The North also accepted the proposal by the South Korean Government to develop a special peace and cooperation zone in the West Sea as part of a comprehensive project, which will serve as a driving force for peace and prosperity on the Korean Peninsula. This innovated idea is aimed at transforming the heavily fortified military and security belt into a zone of peace and prosperity. We will take the approach of economic cooperation in addressing the issue of military tension on the West Sea while leaving the existing Northern Limit Line (NLL) intact."

However when President Lee Myung Bak took office, his administration discarded North-South Declarations and agreements reached on the issue at the summit. In response, the North therefore considered these obligations to be nullified and began to act accordingly. It has repeatedly warned, both publicly and through official and unofficial channels, that it does not agree with the West Sea area *status quo*.

The incident, although tragic and regretful (as has been the whole of inter-Korean relations for last 65 years) is yet another example of the need for diplomacy to bring these two hostile neighbors to terms with each other. However, both the West in general and Seoul in particular seem to have a different goal. It is not to preserve the status quo, which means to let North Korean regime alone and peacefully coexist with it. A Visiting Fellow at the University of Southern California's Korean Studies Institute explained: "South Korea, the U.S. and other concerned countries have a long wish list for the Korean Peninsula: a democratic, human rights respecting, global trading, non-nuclear, unified Korea allied with the U.S. and favorably oriented to both Tokyo and Beijing." This sentiment was

.

³ "South Korea President Roh Moo-hyun's on Inter-Korean summit agreements, October 8, 2007," Disarmament Documentation, http://www.acronym.org.uk/docs/0710/doc02.htm.

⁴ Leif-Eric Easley, "Cool Heads Can Deter North Korea" *PacNet Newsletter*, April 5, 2010.

echoed in President Lee Myung Bak's May 24, 2010 address to the nation, when he said "It is now time for the North Korean regime to change" which sounds ominously close to a "regime change" idea⁵

The Cheonan tragedy is being seen by some as an opportunity to *get* Kim Jong II, especially in a difficult time of economic and succession problems. So after two months of thorough preparations the tactical response seems to be aimed at accomplishing the following goals:

- To isolate North Korean regime internationally;
- To deprive North Korea of Chinese support (this seems to be the main cause, as China has been threatened that unless it acts the way the West wants it to, the response, including increased military build-up in the area, will hurt its own interests); and
- To weaken the regime by imposing new sanctions, breaking financial and trade life-lines pushing the impoverished country to implosion.

No one in his right mind may consider any one of the numerous military clashes in this disputed border area to be a *casus belli* for a war that would kill millions. IT is often not taken into account, nevertheless, that even short of a military scenario, an implosion of North Korea might lead to disaster. South Korean measures to curb all trade and prepare for "self-defensive" measures could also cause a disproportional response from North Korea. The idea that more pressure will lead to more flexibility on Pyongyang's part and its return to the Six Party Talks is ridiculous to anybody familiar with Pyongyang's track record. It is time to return to self-restraint and start preparing for peace talks, not sanctions and war.

-

⁵ Full text of South Korean President Lee Myung-bak's address to the nation, May 24, 2010, http://wireupdate.com/wires/5451/raw-full-text-of-south-korean-president-lee-myung-baks-address-to-the-nation/.

The Russian position so far has been to "wait and see," most likely intending to follow China's lead. The sudden decision to send the group of Russian experts to validate the results of investigation was made on South Korean request.⁶ However it is unlikely the final truth will be found. And before that Russia would not support bringing this issue is before the UN Security Council, Russia will probably demand ironclad proof of North Korean culpability and will likely abstain at best if this proof is not provided.

The Lessons of History

"Cheonan" incident and its aftermath falls into an all familiar pattern. 2010 is a year of anniversaries- we mark 65 years since Korea was liberated, 60 years since the bloody war started—in essence, a civil one, but quickly internationalized and involving not only superpowers, but many indirect and informal international actors. However, unlike in other parts of the world, the issues which caused the war, has not been solved. And they are repeatedly being internationalized, as this tragic incident shows. The cycle of tensions keeps on repeating itself.

There is no hope for a swift resumption of the multilateral diplomatic process, as North Korea is not particularly interested in returning to discussing their nuclear potential, while now South Korea and USA also decline to talk to Pyongyang in the wake of the naval incident. Hopefully, however, after a period of tension (including a possible statement of rebuke from UN Security Council and North Korea's further closing up, which would take some time to reverse), the diplomatic process would be resumed (probably next year, but maybe only after the change of administration in Seoul). Simply because there is no other constructive way. We have time to analyze the experience of the diplomatic process of 2003-2008 and the reasons for its failure to avoid the repetition. With that in mind it is useful to consider the reasons of Pyongyang.

⁶ President of Russia Statement on the Situation in Korean Peninsula –May, 26th,2010, http://news.kremlin.ru/news/7868

North Koreans entered the talks in 2003 with the underlying motive to diminish the international pressure on them due their nuclear program and explore the options – what could the opposite side suggest for the voluntary elimination of their nuclear capability (first potential, now actual). However the formula, agreed on September 19th, 2005, the substance of which is 'peace for nukes''², was not, as North Korean leaders perceived it, implemented by its adversaries.³. After the first nuclear test in October, 2006 North Koreans chose relying on force over diplomacy.

Regardless of the rhetoric (or elusive statements about "denuclearization of the whole of Korean Peninsula" 4) Kim Jong II actually opted for keeping the nuclear weapons at all costs. What was on the table of the Six-party talks in 2006-2008 was North Korean nuclear program (the objects and projects that had already played their role), not nuclear weapons and fissile materials.⁵ However even this initial phase could not be completed. Pyongyang not only shut down the Yongbyong nuclear objects, but started actually dismantling them. But North Korea's gains were negligible. Even the small step of US "de-listing' DPRK as a terrorist state was carried in an awkward manner and belatedly. And it is easily reversible, as recent movements in US Congress show. Economic aid package (in fact a pretty limited even in comparison with the 1990-s Agreed Framework's one) was also not implemented fully due to Japanese and South Korean positions. At the same time further down the road in "phase three" Pyongyang would have to discuss – and probably be pressed for concessions- on something really tangible – like the reprocessed fissile materials and actual nuclear weapons. This looked as a dead end to Pyongyang.

What exactly denuclearization means is also not clear. A country cannot be fully deprived of the right for nuclear research and peaceful use of nuclear energy – among other things that would contradict NPT principle, which we urge North Korea to follow. Narrowly put denuclearization might mean the disposal of the actual weapons, existing fissile materials and their production facilities. But even

in such a case human and scientific capital and expertise in things nuclear in North Korea would not disappear overnight, which leaves room for a possible restart of such programs. The closed character of the country would prevent verification on the scale, which would be satisfactory to the world community. The viable conclusion that the country has really "denuclearized" even in such a limited scale cannot be reached under the current political regime. Even if parts of elite would be ready to trade off the nuclear potential for their personal future (what actually happened in South Africa) this cannot be checked without a regime change. As of now a denuclearization of North Korea without setting in place a solid system of collective security in the region, the military risks in Russia's neighborhood could actually increase.

On the other side DPRK felt that her concessions were not fully recognized and valued. "Hawks" in Pyongyang might have suspected these concessions were perceived in the West as a sign of weakness and testimony to Pyongyang's pressing need to normalize relations. A turn since early 2008 of Lee Myong Bak's administration to a hard-line policy, effectively dismantling almost all achievements of the North-South rapprochement under the "liberal" governments of Kim Dae Jung and Roh Moo Hyong, was seen also as yet another precedent of untrustworthiness of the negotiation partners and became a major setback for those in Pyongyang leadership, who put diplomacy in front of *songun* (military first). By 2008 the Six-party talks seemed to Pyongyang to have exhausted their potential to help solve the central issue – that of regime survival. Pyongyang also used the chance to become a member of the global nuclear club without any particular danger of a retaliation from the world community. (USA was busy with power transition, Iraq and Afghanistan).

The new formula for the talks which would make it interesting for Pyongyang to take part in them is yet to be found. Should the sole agenda of the said talks be denuclearization? I believe we have left this page behind us. Pyongyang repeatedly said – and that should be taken at face value - that it "will manufacture"

nukes as much as it deems necessary but will neither participate in nuclear arms race nor produce them more than it feels necessary. It will join the international nuclear disarmament efforts with an equal stand with other nuclear weapons states", thus trying to pose North Koran as a nuclear weapons state .Because if Cheonan incident North Koreans stressed the need to preserve nuclear weapons, pointing out: "DPRK has so far bolstered up its nuclear deterrent under the banner of Songun for the purpose of coping with such present acute situation. Its powerful physical means including nuclear weapons are not to be on display or to be stockpiled". Pyongyang now might think: what if we would not have had the "nuclear deterrent" during a crisis like the one, caused by "Cheonan" sinking – would UN and international law defend us? So it would be naïve to expect voluntary de-nuclearization of North Korea in near future..

What then the goals of the diplomatic process might be? It looks as if the presumption of many governments and individuals is that North Korean regime will collapse sooner or later and the goal of all efforts (including diplomacy) is to help it go down to a "soft landing", not address its security. The Cheonan incident was widely perceived as an opportunity, first, to further isolate and pressure North Korea and, second, to deprive Pyongyang of Chinese support.

. How big is the possibility of DPRK to implode and be absorbed by South Korea? Or China (meaning a pro-Chinese regime)?) Or divided between them? Will it persist in isolation and keep the system conserved and for how long? Will it try to transform and then collapse (back to question # 1)? Or will it evolve into a more or less "normal" state- "conventionalize"?

. A possibility of a collapse is generally seen in Russia as remote although problems of the closing change of power increase the risks. Of course, it is not totally excluded - even short of a military conflict or an international blockade of North Korea. For example, in case conservative old leaders, lacking Kim Jong II's

⁷" NDC Holds Press Conference on "Cheonan" Sinking"-KCNA, Pyongyang, May 28, 2010 - http://www.kcna.co.jp/index-e.htm

abilities and legitimacy, get the power after Kim Jong II's demise. Policies, aimed at "freezing the time", like the attempt to confiscate the capital of the newly emerging entrepreneurial class, undertaken through currency reform in November 2009, might well result in an eventual internal implosion of the country.

The de-facto occupation of the North by the South following this would have innumerable and grave consequences, ranging from a guerilla war to a total economic disorganization. Such scenarios are discussed elsewhere and I would not dwell much on them. One thing that should be said that this is a bad choice and should be avoided at all costs. At least from Russian point of view. But the North Korean elite does have a self-preservation instinct. Hopefully a pragmatic new leadership may, while anxious about keeping the system, nevertheless try to reinvigorate the country starting from cautious adaptation of a new economic guidance system. Besides China would do utmost not to let the collapse happen, as renewed support of Kim Jong II demonstrated during his China visit in May 2010 shows.

Of course there is a possibility is "soft" change of regime with Chinese involvement – which might range from Beijing sending troops to control the breaking-up country to installing a pro-Chinese faction in power in case of a turmoil in the neighboring country. Such a scenario would also mean increase in regional tension (contradictions between China and South Korea, supported by the USA) and a possible arms race, which would certainly be a result of what would be perceived in Asia as a new hegemonism of Beijing. However even in such a case the current middle-level members of elite would keep their influence if not positions, as there is simply no alternative to them today due to a closed system of the country.

From my point of view a slow *evolution* of DPRK should be promoted. North Korea just has not been given that chance, a short window of opportunity in 2000-2002 was not used by the cautious leaders to the full extent. For using a similar chance the stability of current elite should be guaranteed, but the change itself would proceed with the generational change of the latter.. Engagement is the code

word for such a scenario. Engagement may produce a fertile soil for eventual change of political economy, regardless of what the die-hard communist orthodox leaders might think about it⁸ The recent attempt of return to the conservation of the Kim Il Sung system and self-isolation might be but the last push of the leaders to rule in an old way, which cannot last for long. The unprecedented de-facto admission by the authorities in March 2010 of the failure of the currency reform of November 2009, initially meant to curtail the market forces, well illustrates this point (dramatism is added by rumors that former Planning Commission Chairman Park Nam Gi was chosen as a scapegoat and executed for "damaging the people's economy")⁹ The failed reform attempt showed the limits to the power of the state to regulate economic activities of the population, as well as swift realization of this fact by the

Economic growth would bring about socio-political stabilization. Communist ideology might eventually give way to "social-nationalism" and 'patriotism' (with the sacred role of the founder of the state) as the foundation of societal mentality. A corresponding decrease of tensions and confrontation of the DPRK with the outside world would set the ground for military confidence-building measures and the eventual creation of a multilateral system of international arrangements for Korean security as described earlier.

Of course, this is likely a long time away. However embarking on this road is the real chance North Korean leaders might conclude that they no longer need a nuclear deterrent and would voluntarily abandon their nuclear and other WMD ambitions (for example, the 'South African variant', when the elite voluntarily gave up existing secret nuclear potential when the threat from African neighbors disappeared with the dismantlement of apartheid regime) and reduce their level of militarization.

Why have similar approach were only moderately successful in freezing and at times even halting DPRK nuclear program but so far always been a false start?

The single most important reason is the absence of a genuine commitment by the

opponents of North Korea to coexist with the regime. It should be noted that insincere and half-hearted "partial" engagement with an underlying intention for a regime change does more harm than good.

Today the danger lies in further expansion of North Korean nuclear programs and improvement of nuclear weapons and delivery means (missile programs). This was dramatically underlined by North Korean statements that its has "succeeded in thermonuclear fusion". A possibility of North Korea's WMD technologies falling into terrorists' hands should not also be totally discarded. Russia's interest to stop these further developments coincide therefore with those of USA, Japan, South Korea.

It should be admitted that in 2009 the provocative behavior of Pyongyang (and above all the pursuit of a nuclear and missile capabilities) have almost overfilled the cup of Kremlin's patience and gave rise to a less lenient approach to DPRK's adventurism in the top echelons of power, including the Kremlin. ¹⁰ . "Reset" of relations with the USA, high on agenda, might have prompted to put less weight on good relations with Pyongyang for the sake of closer cooperation with Washington in vital security areas, especially in strategic arms limitation and counter-proliferation activities.

As to the new peace regime, we should consider all the options. North Koreans say that "the Korean Armistice Agreement and the U.S.-South Korea "Mutual Defense Treaty" are "leftovers of the Cold War era" and should be "eliminated". They see peace treaty with the US as the cornerstone of the new security arrangements. I believe the new peace and security regime should not be necessarily tied somehow to the obscure Armistice agreement, which was temporary in nature and anyway is almost six decade old. In fact this agreement (article 4) called for an international conference on Korean problem for "withdrawal of all foreign troops and peaceful solution to the Korean issue".

⁸ DPRK Succeeds in Nuclear Fusion –KCNA –May,12,2010 http://www.kcna.co.jp/index-e.htm

Attempts to follow this understanding, including Geneva conference of 1954, failed. However the Six-party talks, convened fifty years later, could well carry the same mission. Now that we have this forum, precisely this mechanism, not a format, comprising the former signatories of the Armistice agreement (by the way, technically South Korean side was not among them), should be the base for a new security arrangement, I believe the sequence should be as follows when the situation in Korea calms down:

- USA and DPRK make a political declaration on the end to hostilities and mutual diplomatic recognition (ideally on a summit level) and set a target date for DPRK's giving up its nuclear weapons, fissile materials and production facilities to an international commission, uniting representatives of nuclear states (P-5) and IAEA.
- Six-party make a declaration supporting that move and vowing there
 decision to monitor and cross-guarantee it. Guiding principles of peace and
 cooperation in Northeast Asia are included into the declaration, mentioning
 the possibility of setting a regional mechanism for monitoring security
 issues.
- Japan normalizes relations with DPRK without conditions, entering the process of negotiating bilateral concerns (abductees, war-time compensation)
- North and South convene a summit meeting, confirming previous summit meeting declarations and setting a mutually agreed agenda of national reconciliation.
- Each of the members of the six-party talks sign bilateral treaties with 5 other partners confirming its obligations to sincerely implement the agreed principles and monitor their fulfillment by other members. The copies of these documents are deposited to the UN, which is also entrusted with monitoring and control functions/
- A declaration on international economic assistance to DPRK is adopted and an international committee to this end is set, which is to coordinate all aid

- to DPRK with the purpose to modernize its economy (including nuclear energy power generation installment).
- As the target date of DPRK's abandoning of nuclear weapons approaches, the six-party nuclear committee with the participation of IAEA works out the modalities, including verification. Should the agreement be not reached, all preceding agreements are declared null and void and relations with North Korea are severed. That would make a strong stimulus for North Korean leadership, which have already tasted the benefits of détente and engagement, to make the right decision.
- Verification and monitoring mechanism is set to check the compliance with all the clauses of the agreements

Of course for this to happen a certain level of mutual trust should be achieved, which today seems not to be close.

The responsibility to embark on the road for a real solution largely lies on the USA. However Obama's administration has not - for at least first half of its term in office - worked out a comprehensive Korean strategy and takes a "wait and see" or "strategic patience" approach, while counting that sanctions and isolation would weaken North Korean regime and make it more receptive and ready to concessions. "Prior denuclearization" theory still leads to an impasse both on US-North Korea bilateral track and in multiparty format. There is still no evidence that a strategic decision on US commitment to co-exist with the present DPRK leaders has been taken. A paradigm of US-DPRK coexistence should be worked out based on the assumption that Pyongyang regime is here to stay and should be recognized. China and Russia would without much reservation support such an approach and will be helpful in promotion of the dialogue as normalization in Korea corresponds with their strategic goals both in the region and in their relations vis-à-vis the United States. Japan's policy, with its Hatoyama government, might become more result-oriented and pragmatic. However such a development is probably not possible before the change of power in Seoul, as North Koreans are deeply

mistrustful of Lee Myong Bak's government and would make no concessions while it is in power. Another factor is the need to consolidate the basis for hereditary power transition. So no major changes could be expected before 2012, which could well become the watershed year for North Korea.

¹ Based on an article prepared for International Journal of Korean Unification Studies.

The key elements of this deal were: from North Korean side – "... to abandon all nuclear weapons and existing nuclear programs and return at an early date to the NPT and to IAEA safeguards", from US side – "to respect each other's [US and DPRK] sovereignty, exist peacefully together and take steps to normalize their relations subject to their respective bilateral policies."

³ Kim Joong II. *DPRK is an Invincible Juche Socialist State-*(Pyongyang: Foreign Languages Publishing House, 2008). p.20 (In Russian)

⁴ "The denuclearization of the Peninsula is the goal of the policy consistently pursued by the Government of the Republic with a view to contributing to peace and security in Northeast Asia and the denuclearization of the world" – said Foreign Ministry on January 11,2010 –("DPRK Proposes to Start of Peace Talks", KCNA, 11.01.2010-http://www.kcna.co.jp/index-e.htm

⁵ Pyongyang persistently points out that ." "The DPRK's dismantlement of nuclear weapons is unthinkable even in a dream as long as there exist the sources that compelled it to have access to nukes"-KCNA Statemet,30.092009 " "As long as the U.S. nuclear threat persists, the DPRK will increase and update various type nuclear weapons as its deterrent in such a manner as it deems necessary in the days ahead-"Foreign Ministry Dismisses US Nuclear Plan"-KCNA, 09.04.2010), and that " The DPRK's dismantlement of its nuclear weapons can never happen even if the earth is broken to pieces unless the hostile policy towards the DPRK is rolled back and the nuclear threat to it removed – ("KCNA Snubs Call for DPRK's Dismantlement of Nukes"- KCNA, 19.02.2009.) - http://www.kcna.co.jp/index-e.htm

⁶ The Joonang Ilbo wrote a day before "Chonan" tragedy, involuntarily summarizing the Seoul's policy for the previous period: «The Lee Myung-bak administration's so-called diplomacy of practicality has no tolerance for North Korea. Inter-Korean exchanges have been deadlocked since the shooting of a South Korean tourist at Mount Kumgang in July 2008. The number of people traveling between the countries plunged by 35 per cent last year from 2008. Humanitarian aid came in at 63.7 billion won, half the amount in 2008. Discussions on developing North Korean resources have not even come up"-*Jonanag Ilbo*, 25.3.2010.

⁷ "Foreign Ministry Issues Memorandum on N-Issue" - KCNA, 21.04.2010, http://www.kcna.co.jp/index-e.htm ⁸ The Third Russia-Korea Forum, Diplomatic Academy, Moscow, 2002; Korea: A view from Russia - Proceedings of the 11th Koreanologists' Conference, Moscow, -March 30, 2007, (Moscow, Iinstitute of Far Eastern Studies, 2007);.

⁹ Execution Confirmed by Capital Source http://www.dailynk.com/english/read.php?cataId=nk01500&num=6204

It should be noted that Medevedev administration views that North Korean nuclear ambitions are a global challenge and should be dealt with sternly are closer to the approach of US administration, than was the case previously- Joint Press-conference of Russian President D.Medevev and USA President B.Obama , http://www.ln.mid.ru/Brp_4.nsf/arh/58DC80824084D8FDC32575EC002720BD?OpenDocument Nodong Shinmun, 28.04.2010