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# U.S.-NORTH KOREAN RELATIONS UNDER THE BUSH ADMINISTRATION

*From “Slow Go” to “No Go”*

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Sebastian Harnisch

## I. Introduction

If anyone needed a reminder that America’s supreme military might and new moral clarity do not translate easily into political influence, Washington’s recent relationship with the Democratic People’s Republic of Korea (DPRK)—a famine-stricken, long-term adversary, with one of the most repressive regimes in the world—should be considered. In an unnerving yet typical strategic move of brinkmanship when under pressure, the North Korean regime admitted to having a secret nuclear weapons program during bilateral talks with Washington in early October 2002. Policy makers in Pyongyang may feel that this only reciprocates 20 months of an ever more hawkish engagement policy by the Bush administration, but potentially their revelation of a hidden nuclear weapons program has far wider implications for the Asia-Pacific region and the international order. First, Pyongyang’s new program—if confirmed—is a serious breach of several nonproliferation and nuclear commitments that calls into question North Korea’s reliability in any standing or pending international agreement. Second, this new program could create new risks for a nuclearization of Northeast Asian defense policies: South Korea, Japan, and Taiwan might feel obliged to reconsider their present non-nuclear defense postures. Third, if not addressed successfully within the framework of efforts through regional and global treaties such as the Korean Peninsula Energy Development Organization

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(KEDO) or the Non-Proliferation Treaty (NPT) to stem the proliferation of weapons of mass destruction (WMD), the program may seriously undermine if not crush these pillars of international (nuclear) order.

This is not to suggest that the Bush administration will take preemptive military action against North Korean WMD programs, as might have been implied in President George Bush's speech on June 1 at the West Point Military Academy.<sup>1</sup> Before Pyongyang's admission, Secretary of Defense Donald Rumsfeld pointed out in a news conference on September 16 that the administration has come to view the three states of the "axis of evil" (North Korea, Iraq, and Iran) differently when it comes to preemptive strikes. Rumsfeld hinted that the U.S. military might take preemptive military action only to prevent countries from getting nuclear weapons, but would not attack if they had already been acquired.<sup>2</sup> This article suggests that the Korean Peninsula may be heading for a crisis not because of U.S. preemptive action, but rather, because of inaction. It is argued that the current deadlock in U.S. relations with the DPRK, especially over the DPRK's contentious WMD programs, may evolve into a military crisis if these issues are not addressed in the near future.

Even before the September 11 attacks in the United States, there were plenty of good reasons to be concerned about North Korean WMD programs. Consider Pyongyang's missile program. First, it has fueled strategic tensions in the Northeast Asian region between China and Japan. After the DPRK launched a three-stage, solid-fuel, intermediate-range missile over the Japanese islands in August 1998, Tokyo revamped its security outlook considerably.<sup>3</sup> Since then, Tokyo has started to collaborate in earnest with Washington on theater missile defense (TMD) and combat support operations (such as in Afghanistan) and has begun to hedge its security reliance on the United States by acquiring its own surveillance satellites. Second, on a global scale, the DPRK's proliferation of missiles, missile parts, and their technology has been the primary source of strategic instability in South Asia and the Middle East. Both the Pakistani Ghauri medium-range missile program and the Ira-

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1. See "Remarks by the President at the 2002 Graduation Exercise of the U.S. Military Academy, West Point, New York, June 1, 2002, [accessed September 23, 2002], at <<http://lists.state.gov/SCRIPTS/WA-U.S.IAINFO.EXE?A2=ind0206a&L=WF-EUROPE&P=R4530>>.

2. DOD [Department of Defense] *News Briefing—Secretary Rumsfeld and Gen. Pace*, September 9, 2002, <[http://www.defenselink.mil/news/Sep2002/t09162002\\_t0916sd.html](http://www.defenselink.mil/news/Sep2002/t09162002_t0916sd.html)>; *Rumsfeld Indicates Nuclear Status Key to Pre-Emption Policy*, September 19, 2002, <[http://www.stratfor.com/fib/fib\\_view.php?ID=206276](http://www.stratfor.com/fib/fib_view.php?ID=206276)>.

3. For the impact of the DPRK nuclear weapons program, see Chris Hughes, "The North Korean Nuclear Crisis and Japanese Security," *Survival* 38:2 (Summer 1996), pp. 79–103. On the missile program's impact, see Bhubindar Singh, "The 1998 North Korean Missile Launch and the 'Normalization' of Japanese Statehood," *Issues and Studies* 37:3 (Autumn 2001), pp. 142–62.

nian Shahab missile program are based on the North Korean No Dong program. Thus, it is safe to say that the end of North Korea's missile exports would cause a severe blow to the ability of these countries to strike intermediate-range targets (beyond 1,500 kilometers) in the foreseeable future. Third, North Korea's missile program in particular and its confrontational security strategy in general have been a primary motive for the United States to seriously consider and begin to test components of a ballistic missile defense (BMD) program. North Korea's behavior has thereby furthered Washington's growing skepticism over the validity and efficiency of international nonproliferation agreements such as the comprehensive test ban treaty (CTBT), the biological weapons convention (BWC), the missile technology control regime (MTCR), and the NPT itself.

Despite this imminent threat to U.S. as well as Asian and European security interests in various regions and in the viability of international regimes, U.S. administrations have repeatedly failed to either deny the DPRK the resources to develop, produce, test, deploy, and export its missile technology (counter-proliferation), or to succeed in negotiating early inspections by the International Atomic Energy Agency (IAEA) to proceed with implementation of the so-called Geneva Agreement of October 1994, designed to first freeze, and finally dismantle, Pyongyang's nuclear weapons program.<sup>4</sup> In addition, as more evidence appears regarding how long North Korea has pursued its hidden nuclear weapons program, it is important to ask why it has taken the Bush administration so long to address this pressing issue.<sup>5</sup>

In this context, this article takes stock of recent developments in U.S.-DPRK relations. It first examines the advances of the bilateral U.S.-DPRK missiles talks under the outgoing Clinton administration in December 2000. Second, it appraises the Bush administration's policy vis-à-vis Pyongyang. The study posits that Washington's policy toward Pyongyang under the Bush

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4. The so-called Agreed Framework of October 21, 1994, calls for a freeze verified by the IAEA of the known plutonium-based North Korean nuclear weapons program, and the final dismantlement of that program in exchange for the promise and implementation of building two modern proliferation-resistant reactors and the supply of fuel oil to the DPRK by an international consortium, the KEDO under the leadership of the United States, South Korea, Japan, and the European Union. See Michael J. Mazarr, *North Korea and the Bomb: A Case Study in Non-proliferation* (Houndsmill: MacMillan, 1995); Leon V. Sigal, *Disarming Strangers: Nuclear Diplomacy with North Korea* (Princeton: Princeton University Press, 1998).

5. Recent reporting differs considerably as to how long the U.S. has had knowledge of North Korea's hidden pursuit of a nuclear weapons program based on uranium enrichment. Bill Gertz states that first indications occurred in 1997 and more solid evidence appeared in 1999; see Bill Gertz, "U.S. Saw North Korea's Work to Enrich Fuel for Nukes," *Washington Times (WT)*, October 18, 2002. Other sources suggest a time frame of two years, with a solid consensus in the intelligence community occurring only in July 2002. See Doug Struck and Glenn Kessler, "Korea Atom Effort: U.S. Knew Early On," *International Herald Tribune (IHT)*, October 19–20, 2002.

administration has suffered from serious bureaucratic infighting between moderate skeptics in the State Department who are nonetheless willing to test North Korea's willingness to engage in serious diplomatic negotiations to end its missile and nuclear weapons program, and hardline critics in the Pentagon who believe that the Kim Jong Il regime needs to be prosecuted and punished for any past misbehavior in the nonproliferation field.

The analysis concludes that Washington is not likely to take military action against North Korean programs for WMD, including missile production and deployment facilities, in the near future.<sup>6</sup> As laid down in several past policy documents—such as the Perry Report (October 12, 1999) and the Bush administration's own review of the DPRK policy (June 6, 2001)—the current administration will first apply maximum diplomatic pressure to solve several of the contending issues in a package deal. DPRK missile production, testing, and exports, as well as comprehensive IAEA safeguard inspections of the nuclear program, will rank first in such negotiations. However, a successful start or even conclusion of future U.S.-DPRK negotiations is far from given. Several developments are at work today to undermine a negotiated end of the North Korean WMD programs so that a crisis situation with military implications by default cannot be ruled out.

First, since Washington started engaging Pyongyang in the 1990s in an effort to end its WMD programs, pressure from Republicans in Congress built on the Clinton administration to withhold and even withdraw positive sanctions in the absence of a credible overall improvement of U.S.-DPRK relations. To hold the domestic consensus together, the U.S. executive branch under Clinton increasingly pursued a linkage strategy, binding the nuclear issues with, most notably, the proliferation of North Korean missiles.<sup>7</sup> As a result, over the 1990s, the bar for starting, not to speak of concluding, negotiations in earnest was raised considerably by the U.S. even before the Bush administration came to power. Second, the trend to raise the bar to build a domestic consensus has accelerated during the Bush administration because of heavy bureaucratic infighting. Pyongyang, given its poor economic situation and its declining international position, has tried again to exploit the plurality of voices from Washington and its regional allies, South Korea and Japan, by using what may be reasonably called "extortion tactics" and "smile diplomacy" to further its aim of regime stabilization. While this is entirely rational from the North Korean leadership's point of view, it is dangerous because Pyongyang's deliberate but so far circumscribed military

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6. Secretary of State Colin Powell reiterated on October 17, after the North Korean admission, that the United States was not contemplating military action against North Korea. See David R. Sands, "North Korea's Nuclear Program 'Troubling'," *WT*, October 18, 2002.

7. See Curtis H. Martin, "Rewarding North Korea: Theoretical Perspectives on the 1994 Agreed Framework," *Journal of Peace Research* 39:1 (2002), pp. 51–68.

provocations may escalate on the Korean Peninsula fairly soon because the “success” of Pyongyang’s brinkmanship hinges on its ability to predict Washington’s reaction to it. As Pyongyang has a long record of misinterpreting foreign intentions, and as it is unclear how the competing factions within the Bush administration will respond in a full-blown military crisis situation, there is a considerable potential for misjudgment and escalation on the Korean Peninsula. Third, with the crisis in the Persian Gulf unfolding, the Bush administration may apply some of the lessons learned in this case to the situation on the Korean Peninsula. While administration officials have been quick to point out the various differences between the two “axis-of-evil” countries, the U.S. might feel emboldened to pursue coercive military action if its high-stakes strategy vis-à-vis Baghdad succeeds. Even if this strategy backfires in Iraq—for example, if Iraq uses WMD in the conflict, inflicting mass casualties—the Bush administration may conclude that it acted too late with regard to Iraq, thereby adding pressure to act preventively in other contingencies, such as on the Korean Peninsula.<sup>8</sup> Of course, analogical reasoning using the Iraq conflict as a precedent may also occur in North Korean policymaking. Whether a peaceful or military solution to the Iraq conflict may induce Pyongyang to a negotiated settlement of the outstanding issues or convince its leadership of the necessity to pursue a high-risk strategy involving military action is very hard to predict and well beyond the scope of this article.

To forestall an escalation of the current tense situation into military confrontation, Washington and Pyongyang must start earnest diplomatic negotiations now, and on a high policy level, to finally end DPRK WMD programs. Thus, in conclusion, this article will look at policy implications, laying out some concrete pathways to pursue a negotiated settlement of the DPRK’s missile and nuclear program.

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8. An early indication of such an “Iraq spillover” on the Korean Peninsula may be seen in Rumsfeld’s statement on criteria for preemptive strikes by the U.S. First, following Rumsfeld’s clarification, it is entirely rational for the DPRK leadership to accelerate the weaponization of its alleged weapons-grade nuclear material and to reveal its capabilities during times of crisis. The U.S. intelligence community estimates that the DPRK may have separated and hidden enough plutonium for one or two bombs. Another 25 to 30 kilograms of irradiated spent nuclear fuel, which can be used to build five or six bombs, is under IAEA safeguards. See Joseph Cirincione et al., *Deadly Arsenals: Tracking Weapons of Mass Destruction* (Washington, D.C.: Carnegie Endowment for International Peace), p. 243. Secondly, if North Korea does not have nuclear weapons at this time, it would be irrational for its leadership to reveal this as long as it fears U.S. preemptive strikes. Hence, if this is indeed the administration’s position on when to conduct preemptive strikes, it is clearly detrimental to the administration’s effort to get to know North Korea’s past through IAEA inspections and diplomatic measures.

## II. The Clinton Administration's Policy vis-à-vis North Korea

Three simple assumptions have driven the United States policy vis-à-vis Pyongyang's WMD programs. First, as long as the DPRK nuclear program remained frozen under the Geneva Accord negotiated in 1994, the U.S. would focus more on the evolving threat from the North Korea missile program.<sup>9</sup> Second, in contrast to Pyongyang's nuclear weapons program, the missile issue does not involve DPRK violations of international agreements such as the NPT and the IAEA safeguards regime. Third, North Korea's ballistic missile program is central to the global proliferation of missile technology. Worldwide, apart from the five declared nuclear weapons states,<sup>10</sup> 33 nations possess ballistic missiles. Twenty-seven of these have only short-range missiles with a reach of less than 1,000 kilometers. Of the six remaining countries, three are friendly to Western nations: India, Israel, and Saudi Arabia. Among the last three states of concern, Iran, Pakistan, and North Korea, the latter is the core of a proliferation network, which includes the former two. Without North Korean missile exports, the Iranian program would be considerably slowed down (Teheran still has Russian and Chinese sources), but the Pakistani Ghauri program might not survive.<sup>11</sup> This is not to suggest that North Korea is already capable of autonomously producing, deploying, weaponizing, and delivering long-range ballistic missiles,<sup>12</sup> but it is certainly safe to say that after the Taepo-Dong missile test in August 1998, the North Korean missile threat has been the prime concern of U.S. policy-makers.<sup>13</sup> The Clinton administration had engaged since 1996 in bilateral missile talks with North Korea. During these talks, North Korea consistently offered to end its ballistic missile program, i.e., the production, testing, and

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9. See Gary Samore, "U.S.-DPRK Missile Negotiations," *Nonproliferation Review* 9:2 (2002), p. 17.

10. In addition to the U.S., the People's Republic of China, Russia, France, and Great Britain, two other states, India and Pakistan, have declared that they possess nuclear weapons, without being members of the Nonproliferation Treaty. Israel, which is known to have nuclear weapons, has not declared its nuclear status.

11. See Joseph Cirincione's statement, "Secretary of State Madeleine Albright's Visit to North Korea, ACA Press Briefing October 20, 2000," *Arms Control Today Online*, November 2000, <<http://www.armscontrol.org/ACTnov00/pressconnk.html>>.

12. Some sources suggest that private Russian companies or individuals are central to the North Korean missile program. See Jim Mann, "N. Korean Missiles Have Russian Roots, Explosive Theory Suggests," *Los Angeles Times*, September 9, 2000.

13. There have been strong indications that the DPRK threat is used by some U.S. experts and policymakers as a token to disguise what they perceive as the real threat in the years to come: the People's Republic of China. See Charles D. Ferguson, "Bait and Switch: Is Anti-North Korean Missile Defense Designed for China?" Federation of American Scientists (FAS), *FAS Public Interest Report* 52:6 (1999), <<http://www.fas.org/faspir/v52m6b.htm>>.

export of medium- and long-range ballistic missiles.<sup>14</sup> For example, after it sent shockwaves around East Asia and the world by testing a long-range ballistic missile as the launch rocket for a small satellite in August 1998, Pyongyang negotiated a missile test moratorium with the U.S. in Berlin in September 1999, in exchange for a partial lifting of economic sanctions. The Berlin agreement, together with an early agreement for bilateral inspections at an undeclared suspicious nuclear site in Kumchang-ri (May 1999), was the first tangible success of the so called “Perry Process,” which tried to strengthen and better coordinate the engagement policy, both domestically and internationally, under the stewardship of former Secretary of Defense William Perry.

In mid-2000 North Korean leader Kim Jong Il suggested a permanent missile test halt in return for a yearly quota of foreign space launches of its satellites.<sup>15</sup> And yet, despite the historic visits of Vice-Marshal Cho Myong-rok to Washington on October 9, and Secretary of State Madeleine Albright to Pyongyang on October 20–22, the outgoing Clinton administration was not able to secure a missile deal.

*Outline of the Clinton Deal on Ending the DPRK  
Missile Program*

Under the draft proposal for the missile agreement between the United States and the DPRK, the Clinton administration foresaw the following: North Korea would stop the production, testing, deployment, and export of ballistic missile with a range beyond 300 kilometers. Hence, the DPRK would come into compliance with standards of the MTCR. The proposal, which was put forward during bilateral missile talks in Kuala Lumpur in November, consisted of a public document that outlined the MTCR standards and the political framework with regard to further normalization of U.S.-DPRK relations, and a secret document that spelled out the specific terms of the bilateral inspection regime and the in-kind assistance.<sup>16</sup>

In comparison to Pyongyang’s former negotiating position, the scope of its acceptance was unprecedented. First, DPRK negotiators obviously accepted

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14. See Sebastian Harnisch, “*Erst Verhandeln, dann rüsten? Die nordkoreanische Bedrohung in der amerikanischen Raketenabwehrdebatte* [Negotiate first, arm later? The North Korean threat in the U.S. debate on ballistic missile defense] (Frankfurt/Main: Peace Research Institute Frankfurt, 2001), <<http://www.hsfk.de/abm/bulletin/pdfs/harnis1.pdf>>.

15. During the historical DPRK-Japan summit meeting in Pyongyang, North Korean Leader Kim Jong Il promised, among other things, to extend the missile test moratorium beyond the previously indicated deadline of 2003, in exchange for the resumption of normalization talks with Tokyo. See John Larkin, “Breakthrough,” *Far Eastern Economic Review (FEER)*, September 26, 2002, <[http://www.feer.com/articles/2002/0209\\_26/p024region.html](http://www.feer.com/articles/2002/0209_26/p024region.html)>.

16. See Michael R. Gordon, “How Politics Sank Accord on Missiles with North Korea,” in *New York Times*, March 6, 2001.

non-monetary compensation such as regular satellite launches or in-kind transfers such as food aid, for ending all missile-related exports. Second, Pyongyang agreed to freeze current missile deployments and stop further missile production.<sup>17</sup>

However, with the domestic situation uncertain during the 2000 U.S. presidential election due to the Florida ballot, and with the incoming administration signaling concern, the Clinton team did not send Ambassador Wendy Sherman, special advisor to the president and the secretary of state as well as North Korea policy coordinator, to Pyongyang to settle the remaining issues of verification (i.e., on-site inspection), destruction of operational missiles, and the exact terms of non-monetary compensation.

### III. The Bush Administration's Policy vis-à-vis North Korea

The Bush administration's policy vis-à-vis Pyongyang developed in four stages. Three crucial turning points can be identified in the course of events. The first was the failed summit meeting between Bush and his South Korean counterpart Kim Dae Jung in early March 2001. The summit highlighted the divisions within the Bush team, and between Seoul and Washington with regard to the continuation of the engagement policy toward the DPRK. The second turning point came in June 2001 when the Bush administration issued its policy review, thereby trying to smooth the internal and external divisions. Hence, in the third phase, the strained Washington-Seoul relationship with regard to North Korea improved somewhat. At the same time, divisions and ambiguities within the Bush administration returned after the September 11 attacks on the U.S. When North Korea tried to induce cooperation through the accession to various U.N. anti-terrorism conventions and through a concrete offer to further restrain missile testing, the State Department reacted positively, only to be second-guessed by those in the administration who prefer a more hard-nosed approach toward the DPRK.<sup>18</sup> The third turning point occurred on January 29, 2002, when Bush, in the State of the Union address, pushed the fight against the "axis of evil" to the top of his foreign policy agenda.

#### *The Bush Administration's Worldviews*

In the first phase, the Bush team focused on the confirmation of its staff and on policy formation. In addition, the new administration highlighted (at least

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17. See Wendy Sherman, *Presentation at the Workshop, Perspectives on President Kim Dae-jung's visit to Washington*, New York, March 6, 2001, <<http://www.usip.org/oc/cibriefing/sherman030601.html>>; Samore, "U.S.-DPRK Missile Negotiations," p. 18.

18. See "Bolton Says Iraq, North Korea Violate Biological Weapons Pact," Washington File, October 19, 2001, <<http://usinfo.state.gov/>>.

rhetorically) the difference of its approach from that of the Clinton administration, while South Korean President Kim Dae Jung pressed for more engagement with Pyongyang to keep the momentum of the June 2000 summit meeting. In his confirmation hearing, Secretary of State-designate Colin Powell publicly labelled Kim Jong Il a “dictator,” although he balanced this view with a call for a renewed dialogue with Pyongyang at an appropriate time.<sup>19</sup> Later, this more moderate view of the regime in Pyongyang was strengthened with the nomination of Richard Armitage, a long-time Asia specialist and old friend of Powell’s, as deputy secretary of state.<sup>20</sup>

Earlier in 1999, Armitage headed a Republican study group that criticized the Perry process as insufficient.<sup>21</sup> Rather than focusing on the prevention of a North Korean collapse, U.S. policy should stress alliance consultations and an integrated package deal (including conventional arms control and North-South reconciliation) as an unambiguous choice for the North. Only if this comprehensive strategy failed, should the U.S. be prepared to act preemptively. Thus—and in contrast to the much more skeptical North Korea Advisory Group of the Republican members of the House<sup>22</sup>—the Armitage Report accepted the baseline of the Clinton engagement policy while criticizing it.

The more hard-nosed approach of the North Korea Advisory Group is represented in the Bush administration mainly through senior officials in the Defense Department.<sup>23</sup> Back in 1998, both Defense Secretary Donald Rumsfeld<sup>24</sup> and his deputy, Paul Wolfowitz,<sup>25</sup> had been leading members of the so-called Rumsfeld Commission, which issued a stern warning on North Korea’s ballistic missile capabilities only weeks before the unsuccessful launch

19. See *Nomination of Colin L. Powell to Be Secretary of State, Hearing before the Committee on Foreign Relations, U.S.S., 107th Congr., 1st sess., January 17, 2001*, p. 31, <[http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107\\_senate\\_hearings&docid=f:71536.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_senate_hearings&docid=f:71536.pdf)>.

20. See B. Raman, *Richard Armitage: His Past, Present and Future* (South Asia Analysis Group, Paper No. 204) (accessed May 28, 2001), <<http://www.saag.org/papers3/paper204.htm>>.

21. See Richard L. Armitage, *A Comprehensive Approach to North Korea* (Institute for National Security Studies Strategic Forum, no. 159, March 1999), <<http://www.ndu.edu/inss/strforum/forum159.htm>>.

22. See *North Korea Advisory Group, Report to the Speaker, U.S. House of Representatives*, November 1999, <<http://209.207.236.112.nuke/guide/dpr/nkag-report.htm>>.

23. See Jim Lobe, “The Koreas. Welcome to Bush’s Hobbesian World,” *Asia Times*, March 13, 2001, <<http://www.atimes.com/koreas/CC13Dg01.html>>; Uwe Parpart, “Bush’s Lone Superpower Vision,” *Asia Times*, February 16, 2001, <<http://www.atimes.com/editor/CB16Ba01.html>>; Uwe Parpart, “Bush’s Lone Superpower Vision: The Enemy Is China,” *ibid.*, February 16, 2001, <<http://www.atimes.com/editor/CB17Ba01.html>>.

24. B. Raman, *Donald Rumsfeld: His Past, Present and Future* (South Asia Analysis Group, Paper No. 194) (accessed May 28, 2002), <<http://www.saag.org/papers2/paper194.htm>>.

25. Tim Shorrock, “Paul Wolfowitz, a Man to Keep a Close Eye On,” *Asia Times*, March 13, 2001, <<http://www.atimes.com/se-asia/CC21Ae01.html>>.

of the Taepo-Dong I.<sup>26</sup> This conservative duo is supported by Vice President Dick Cheney<sup>27</sup> who, as secretary of defense under George Bush Sr., froze the U.S. troop reduction in South Korea in 1991 when concerns emerged about a secret North Korean nuclear weapons program, as well as Condoleezza Rice, former Russian specialist on the National Security Council staff and now the U.S. national security advisor.<sup>28</sup>

The divergent views within the Bush administration first came to the fore in March 2001.<sup>29</sup> In February, Kim Dae Jung had pressed for an early summit meeting to obtain U.S. backing for his “Sunshine” policy of openness to North Korea, which had come under attack domestically. With several key policy makers still locked in the confirmation process, including Armitage and Assistant Secretary of State-designate for Asia and the Pacific James Kelly, the Kim strategy backfired.<sup>30</sup> While Powell indicated on March 6 that the administration might pick up the dialogue with the North early,<sup>31</sup> Bush publicly renounced this course a day later.<sup>32</sup> He gave only rhetorical support to the South’s Sunshine policy and asserted that he distrusted the North and that there was some indication that North Korea was violating its agreements with the U.S.<sup>33</sup> When asked during a background briefing if there are agreements other than the Geneva Agreement between the U.S. and North Korea,

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26. Whereas the National Intelligence Estimate 1995 had argued that “(no) country other than the major declared nuclear powers will develop or otherwise acquire a ballistic missile in the next 15 years that will threaten the contiguous 48 states or Canada,” the Rumsfeld Commission concluded that the threat to the U.S. was “broader, more mature and evolving more rapidly than has been reported in estimates and reports by the intelligence community.” See Bradley Graham, “Missile Threat to U.S. Greater Than Thought: Report Singles Out Iran and North Korea,” *IHT*, July 17, 1998.

27. See B. Raman, *Dick Cheney: His Past, Present and Future* (South Asia Analysis Group, Paper, no. 178) (accessed July 20, 2001), <<http://www.saag.org/papers2/paper178.htm>>.

28. See Mark Hibbs, “Key Figures in Bush Transition Favor Stopping DPRK Reactor Deal,” *Nucleonics Week*, December 21, 2000, p. 1.

29. See Jane Perlez, “Discord on Bush Team,” *IHT*, March 13, 2001; Leon Sigal, “Bush’s Tough Line on North Korea Is Dangerous,” *ibid.*, March 8, 2001.

30. In addition, several key conservative Republican lawmakers had urged the new administration not to assume the engagement policy of the Clinton administration without prior consultation: Henry Hyde et al., *Letter to President Bush on North Korea Policy*, March 2, 2001, <[http://www.house.gov/international\\_relations/nkorpor.htm](http://www.house.gov/international_relations/nkorpor.htm)>.

31. See Secretary Colin Powell, *Press Availability with Her Excellency Anna Lindh, Minister of Foreign Affairs of Sweden*, March 6, 2001, <<http://www.state.gov/secretary/rm/2001/index.cfm?docid=1116>>.

32. See Brian Knowlton, “Bush Tells Korean He Distrusts North,” *IHT*, March 8, 2001.

33. See “Transcript: Presidents Bush, Kim Dae Jung March 7 Press Briefing,” *Washington File*, March 8, 2001, <<http://usinfo.state.gov/>>.

and if there was proof that the North was in violation of the Agreed Framework, a senior official resorted to ambiguous language.<sup>34</sup>

In sum, the first phase of the Bush administration's North Korea policy was marked by divergent views within the administration and the failed U.S.-ROK (Republic of Korea, i.e., South Korea) summit meeting. The early date of the summit as well as the fact that few of the working-level officials in U.S. Korea policy had been appointed, certainly added to the meager and ambiguous results of the meeting. As a consequence, the administration announced a policy review.

*International and Domestic Pressure to Stick to  
Engagement with North Korea*

The second phase is associated with rising national and international pressure to continue the engagement policy, and a much lower public profile by U.S. officials with regard to Pyongyang. The open disagreement between the two allies and the harsh rhetoric of the president during the summit drew immediate international and domestic criticism.<sup>35</sup> Even before the meeting, opinion leaders in South Korea had urged the Bush team to keep the dialogue channels open.<sup>36</sup> During and after the summit, the need was stressed for Washington's support of the Sunshine policy and an early conclusion of the policy review.<sup>37</sup> Predictably, the North Korean leadership reacted harshly to the confrontational tone during the U.S.-ROK summit, threatening to end its missile test moratorium and freezing the bilateral talks with the South.<sup>38</sup>

In this situation, with the U.S. still stuck in its review process, the European Union took the initiative to jump-start the inter-Korean dialogue process, even though several of its member states had opened diplomatic

34. See "Transcript: Background Briefing on Bush-Kim Meeting," *Washington File*, March 9, 2001, <<http://usinfo.state.gov/>>; Ralph Cossa, *U.S.-Korea: Summit Aftermath* (PacNet Newsletter, no. 11, March 16, 2001), <<http://www.csis.org/pacfor/pac0111.htm>>.

35. See Che Eung Jung Cahill and Brad Glosserman, eds., *The Perils of Progress: The U.S.-South Korea Alliance in a Changing Strategic Environment* (Special Annual Issue Comparative Connections, 2001), <<http://www.csis.org/pacfor/annual/specialJune2001.pdf>>; Stephen Thi-beault, Issue Focus: South Korea's Hopes for North/South Accord Dimmed But Not Dashed, (accessed July 20, 2001), <<http://www.usinfo.state.gov/admin/005/wwwh1m27.html>>; "President Bush's Deferral of North Korean Negotiations: A Missed Opportunity to Curb North Korea's Missile Program" (Arms Control Association [ACA] Press Conference, March 23, 2001), <<http://www.armscontrol.org/Events/march2001press.html>>.

36. See Han Sung Joo, "A Changed Asia Meets New U.S. Administration," *IHT*, February 28, 2001; Don Kirk, "Seoul's 'Sunshine' Policy Faces Tough Test in U.S.," *ibid.*, March 3-4, 2001.

37. See Steven Mufson, "South Korean Leader Appeals to U.S. to 'Seize Opportunity' for Peace," *ibid.*, March 10-11, 2001.

38. See Don Kirk, "North Korea Puts Abrupt Halt to Talks," *IHT*, March 14, 2001.

relations with the DPRK without policy coordination within the Union.<sup>39</sup> Thus, the presidency of the Union traveled to Pyongyang, offered humanitarian assistance, and in return “received” an extension of the ballistic missile test moratorium until 2003.<sup>40</sup>

By early summer, the administration had also come under intense pressure from the liberal segment of the foreign- and security-policy community in Washington.<sup>41</sup> In a particularly galling criticism, Spurgeon Keeney, editor of the journal *Arms Control Today*, suggested that the Bush team gave the impression that it wanted to preserve the North Korean ballistic missile threat, despite the recent progress in bilateral U.S.-DPRK relations under the Clinton administration, in order to legitimize the National Missile Defense program.<sup>42</sup> A bipartisan Council on Foreign Relations Task Force on Korea presented its findings in March. The report called for continuation of the engagement policy vis-à-vis North Korea, continued support for the Sunshine policy, and trilateral dialogue with South Korea and Japan within the framework of the Trilateral Coordination and Oversight Group (TCOG). In addition, the report stressed that further implementation or modification of the Agreed Framework should be coordinated closely with both Seoul and Tokyo.<sup>43</sup> Critics in the Democratic Party warned that the Bush administration’s “go slow” approach would mean missing a “historic moment,” if officials did not actively pursue a settlement for the North Korean ballistic missile program, following up on the promising talks of the Clinton administration.<sup>44</sup>

To sum up, the second phase of the new administration’s approach saw an adjustment period in which working-level officials such as Richard Armitage and James Kelly took up their work and were immediately faced with harsh domestic and international criticism. This second phase ended when the administration presented the results of its policy review. The review made clear that moderates in the State Department had won the day over more-conservative forces in the Pentagon in formulating the North Korea policy of the ad-

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39. See William Drozdiak, “EU Acts on Korea as U.S. Pulls Back,” *ibid.*, March 26, 2001; Brian Knowlton, “EU Mission to Koreas Is Seen as Rebuke to Bush,” *ibid.*, March 28, 2001.

40. See Alex Wagner, “D.P.R.K. Extends Missile Pledge as U.S. Readies to Resume Talks,” *Arms Control Today Online* 6 (2001), <[http://www.armscontrol.org/act/2001\\_06/konjun01.asp](http://www.armscontrol.org/act/2001_06/konjun01.asp)>.

41. See Jon B. Wolfsthal, “North Korea: Hard Line Is Not the Best Line,” *Proliferation Brief* 4:2 (March 7, 2001), <<http://www.ceip.org/files/publications/Proliferationbrief402.asp>> Ralph A. Cossa, “U.S.-Korea: Summit Aftermath,” (PacNet Newsletter No. 11, March 16, 2001), <<http://www.csis.org/pacfor/pac0128A.htm>> (accessed July 20, 2001).

42. Spurgeon Keeney, “Preserving the North Korean Threat,” *Arms Control Today Online* 4 (2001), <[http://www.armscontrol.org/act/20001\\_04/focus01.asp](http://www.armscontrol.org/act/20001_04/focus01.asp)>.

43. Independent Task Force on Korea, *Letter to the President*, March 22, 2001, <[http://www.cfr.org/p/pubs/KoreaTF\\_PresidentLetter.html](http://www.cfr.org/p/pubs/KoreaTF_PresidentLetter.html)>.

44. See Senate, House, “Democratic Leaders Send Bush Letter on Korea,” *Washington File*, March 13, 2001, <<http://usinfo.state.gov/topical/pol/arms/stories/01031402.htm>>.

ministration. Thus, the public criticism ebbed and the U.S. policy sailed into smoother waters.

*The Bush Administration's DPRK Policy Review*

The third phase started with the announcement of the results of the policy review in early June 2001. In contrast to the so-called Perry Report, which was the Clinton administration's review, Bush officials finished their own review—under heavy international pressure—in record time, less than six months. First findings were presented by State's James Kelly to his counterparts from South Korea and Japan, at a TCOG meeting in late May. President Bush publicly announced the results of the review on June 6.<sup>45</sup> Overall, the review mirrored the conclusions of the Armitage report of 1999 and of the Council on Foreign Relations Task Force in March 2001. Thus, a tangible but undramatic policy shift vis-à-vis North Korea occurred between the Clinton administration and the Bush administration.

The significant toughening of the U.S. position becomes clear when one looks at the combination of “old” topics, such as the nuclear and ballistic missile program, with newer topics such as conventional arms control. First, although the report rejects the idea of scrapping or renegotiating the Agreed Framework, as some conservative Republican lawmakers had urged earlier, it presses for an acceleration of the implementation process, i.e., an early conclusion to the talks between the IAEA and North Korea on special inspections at undeclared nuclear sites.<sup>46</sup> Second, while the review supports an initiative to end the North Korean ballistic missile program, it also stresses the need for intrusive bilateral verification measures, i.e., in all phases of the program (development, testing, deployment, export). Third, in contrast to its predecessor, the Bush administration added conventional arms control to the negotiating agenda. Finally, the review concluded that the position of a special envoy for North Korea should be downgraded from ambassadorial rank, for the time being, and that lower-level U.S. officials should continue to conduct the negotiations. Overall, the administration tried to present a comprehensive package deal as a “take-it-or-leave-it” negotiating position to the North Koreans.<sup>47</sup>

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45. See The White House, *Statement of the President*, June 6, 2001, <<http://usinfo.state.gov/topical/pol/arms/stories/01060700.htm>>.

46. See Larry Nicksch, “North Korea's Nuclear Weapons Program,” Congressional Research Service (CRS)-Report IB 91141 (Washington, DC: CRS for Congress, 2001).

47. See James A. Kelly, *United States Policy in East Asia and the Pacific: Challenges and Priorities*, Testimony before the Subcommittee on East Asia and the Pacific, House Committee on International Relations, June 12, 2001, <[http://www.house.gov/international\\_relations/kell0612.pdf](http://www.house.gov/international_relations/kell0612.pdf)>.

*From "Slow Go" to "No Go"*

The Bush administration's reshuffling of the negotiating agenda caused consternation in Pyongyang. The prioritization of IAEA inspections, the call for an intrusive missile verification regime and bilateral talks on conventional arms control seemed to suggest that Washington had raised the ante considerably for further negotiations.<sup>48</sup> In addition, Washington imposed symbolic sanctions on a North Korean firm, the Changgwang Sinyong Corporation, for proliferating Missile Technology Control Regime Category I<sup>49</sup> items to Iran.<sup>50</sup>

In early July, after several months of increasingly harsh rhetoric toward Washington and Seoul, the North Korean side reacted with a clear provocation, testing a missile engine.<sup>51</sup> Unsurprisingly, the missile-test report, by Bill Gertz of the *Washington Times*, with close ties to the Pentagon, drew a quick response from moderate policy-makers in the State Department. Deputy Secretary of State Armitage declared that "there was nothing wrong" with the test and that the United States did not view this as a breach of the missile test moratorium, which Pyongyang had reaffirmed in late April.<sup>52</sup>

However, within days the Pentagon second-guessed the State Department's approach, issuing repeated warnings about North Korean military capabilities in general and its missile program in particular. In early July, during the hearings for the 2002 Defense Appropriations Bill, Deputy Secretary of Defense Paul Wolfowitz emphasized that U.S. troops in South Korea were targets of North Korean short-range missiles, and that the U.S. homeland was the target of Pyongyang's long-range missile program.<sup>53</sup>

Thus, only two months after the completion of the policy review, the internal divisions that had marked the first phase of the Bush policy reappeared. Although State Department officials reiterated earlier calls for bilateral talks

48. See Don Kirk, "North Korea: No Talks Soon with U.S.," *New York Times*, July 10, 2001.

49. Earlier sanctions dating from April 2000 and January 2001 were still in place. Category I items include complete missile systems with ranges exceeding 300 kilometers and payloads over 500 kilograms, major subsystems, rocket stages or guidance systems, production facilities for Missile Technology Control Regime (MTCR)-class missiles or technology associated with such missiles.

50. The latest publicly available U.S. report on North Korea's missile proliferation covers the first half of 2001. See Central Intelligence Agency, *Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 January Through 30 June 2001*, (accessed September 23, 2002), <[http://www.cia.gov/cia/publications/bian/bian\\_jan\\_2002.htm#5](http://www.cia.gov/cia/publications/bian/bian_jan_2002.htm#5)>.

51. See Bill Gertz, "North Korea Tests Its Missile Engine," *WT*, July 3, 2001.

52. See Agence France Presse, "Nothing Wrong with North Korean Rocket Motor Tests: TOP U.S. Official" (Washington, July 7, 2001).

53. See Joo Yong-joong, "Wolfowitz Warns Against N.K.'s Missile Capability," *Joongang Ilbo* [Central Daily News], English edition, Seoul, July 13, 2001.

“without preconditions” in late July,<sup>54</sup> neither the DPRK-Russian summit in mid-August nor the DPRK-People’s Republic of China (PRC) summit in early September brought enough new momentum for direct high-level talks between Washington and Pyongyang.

*The 9–11 Attacks and Their Effect on the Korean Peninsula*

In the wake of the September 11 attacks, U.S. policy toward Asia switched priorities, with South Asia and the military campaign against Al Qaeda and the Taliban now ranking first. As a consequence, the regime in Pyongyang reacted promptly, issuing an unprecedented condemnation of the attacks on the U.S. Pyongyang also stated that the U.S. had a right to take (unspecified) countermeasures.<sup>55</sup> In addition, on September 17 an article in the *Nodong Simmun* newspaper appeared that suggested that North Korea might end the production of ballistic missiles if the U.S. verifiably withdrew all its nuclear weapons and ballistic missile systems from South Korea.<sup>56</sup> The State Department reacted cautiously, but visibly, to the North Korean overture. In early October, it removed the Japanese Red Army (JRA) from its list of international terrorist organizations, while keeping North Korea on the list of states sponsoring terrorism.<sup>57</sup> Washington thereby indicated that it might consider further action, i.e., the removal from the list, if Pyongyang expelled the JRA member it hosted.

However, if there had been a chance in early October 2001 for a renewed dialogue through piecemeal signaling between Washington and Pyongyang, this chance faded when President Bush, in an October 17 interview with editors of Asian newspapers, issued a stern warning to North Korea that it should not try to benefit from U.S. engagement in Afghanistan by threatening South Korea.<sup>58</sup> Although the president seemed to backtrack from his earlier confrontational statements when he called for immediate high-level talks

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54. See “Testimony of Special Envoy Charles L. Pritchard, Special Envoy for Negotiations with the DPRK and United States Representative to the Korean Peninsula Energy Development Organization (KEDO) before the Subcommittee on East Asia and the Pacific Committee on International Relations, House of Representatives, July 26, 2001,” *Washington File*, July 26, 2001, <<http://usinfo.state.gov>>.

55. See Christopher Torchia, “Koreans Unite to Condemn Attacks,” Associated Press, Seoul, September 15, 2001; “Support from North Korea on U.S. Campaign Against Terror,” *New York Times*, September 25, 2001.

56. See “North Korea Hints Conditional Suspension of Missile Production,” *Joongang Ilbo*, September 17, 2001.

57. See “DPRK Remains A Terror-State, U.S. State Department Announces,” *ibid.*, October 7, 2001.

58. See “Remarks by the President in Roundtable Interview with Asian Editors,” The White House, Press Office, October 17, 2001, <<http://usembassy.state.gov/seoul/www42xr.html>>.

without any preconditions during the Asia-Pacific Economic Cooperation (APEC) summit meeting in Shanghai,<sup>59</sup> the chances for a stabilization of the U.S.-DPRK dyad through direct high-level contact decreased considerably.

In sum, the third phase was characterized by continuing divisions in the Bush administration over its North Korea policy. The administration upgraded the status of its special envoy for the DPRK talks, Jack Pritchard, thereby discarding an earlier decision in order to facilitate further serious high-level discussion, but the failure of the inter-Korean talks in mid-November, and statements by senior officials on North Korea's biological and chemical weapons program implied that direct high-level talks between Washington and Pyongyang would not occur in the foreseeable future.

Then on January 29, 2002, President Bush in his State of the Union address clearly shifted gears in the U.S. approach toward North Korea. Although the president's tough rhetoric scolding North Korea, Iran, and Iraq as an "axis of evil" was directed toward the home front, it indicated another hardening in the administration's approach toward North Korea.<sup>60</sup> Even though the president used more balanced rhetoric on his trip to South Korea in late February, repeating that the U.S. would not attack North Korea,<sup>61</sup> it soon became clear that conservative North Korea critics in the Pentagon and the White House had gained ground against moderate Asia specialists in the State Department in early 2002.

On March 8, through a leak, the planning for a new U.S. nuclear force posture became public. The plan specifically targets North Korea and six other states as potential targets for U.S. nuclear strikes.<sup>62</sup> On March 20, the Bush administration declined to certify that the DPRK did not violate the Agreed Framework under the Foreign Operations Appropriations Act 2002,<sup>63</sup> thereby putting in danger U.S. funds to KEDO for the first time.<sup>64</sup> Although the executive branch subsequently waived the certification requirement, the

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59. See "Bush Seeks Meeting with N. Korea Leader," Associated Press, Shanghai, October 19, 2001.

60. U.S. President George W. Bush, *State of the Union Address to a Joint Session of Congress*, January 29, 2002, <<http://www.whitehouse.gov/news/releases/2002/01/print/20020129-11.html>>.

61. See Ellen Bumiller, "North Korea Safe from U.S. Attack, Bush Says in Seoul," *New York Times*, February 20, 2002.

62. See DOD, *Nuclear Posture Review (Excerpts)*, January 8, 2002, <<http://www.globalsecurity.org/wmd/library/policy/dod/npr.htm>>.

63. For the requirements, see "Foreign Operations, Export Financing, and Related Programs Appropriations Act," P. L. 107-115, January 10, 2002, Section 565.

64. See Alex Wagner, "Bush Challenges North Korean Adherence to Nuclear Freeze," *Arms Control Today Online*, April 2002, <[http://www.armscontrol.org/act/2002\\_04/nkapril02.asp](http://www.armscontrol.org/act/2002_04/nkapril02.asp)>.

incident signified a material change in U.S. policy on the implementation of the Agreed Framework.<sup>65</sup>

The toughening of the Bush administration stance continued through the summer. In a programmatic but little-noticed speech on June 10, Secretary of State Powell further raised the bar for negotiations with North Korea. While Powell reiterated the “any time, any place, without precondition” mantra of the administration, he explicitly stated conditions for the North once the two sides started negotiations. Powell said, “Progress between [the states] will depend on Pyongyang’s behavior on a number of key issues”: (a) it must get out of the proliferation business and eliminate long-range missiles that threaten others; (b) it must make a much more serious effort to provide for its suffering children (i.e., better monitoring for health organization to ensure that food reaches needy persons only); (c) it must move toward a less-threatening conventional weapons posture; and (d) it must come into full compliance with the NPT and IAEA safeguards.<sup>66</sup>

Already in April it had become clear that Washington needed further outside prodding to even start talking about the resumption of talks with Pyongyang. Thus, the next step in U.S.-DPRK relations was initiated at a meeting of South Korean Special Presidential Envoy Lim Dong Won with DPRK President Kim Jong Il to jump-start inter-Korean dialogue. Kim also pledged to resume dialogue with the U.S., but preparatory talks stalled when naval forces from both Koreas clashed off the peninsula’s west coast, killing some 30 sailors. Finally, after more than 20 months without high-level contacts, Powell met with his North Korean counterpart, Paek Nam-sun, on the sidelines of the Association of Southeast Asian Nations (ASEAN) Regional Forum (ARF) ministerial meeting in Brunei on July 31. While North Korea quickly pointed out that it was willing to receive a high-level envoy from the U.S., Powell stated that he had to consult with Bush first before deciding how to proceed.<sup>67</sup>

Then in August, the Bush administration backtracked from its earlier statement that it was prepared to meet with Pyongyang without any preconditions. On August 15, State Department spokesman Richard Boucher explained that Washington needed to see further progress in relations between Japan and

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65. It is important to note that this decision was not related to intelligence suggesting that Pyongyang pursued a hidden nuclear weapons program. Rather, the Bush administration’s decision was based on a legal concept called “anticipatory breach,” which suggests that the DPRK, by rejecting early IAEA inspections of its frozen nuclear reactors under the Agreed Framework, will render impossible the timely conclusion of the inspections before the first modern proliferation-resistant reactor is completed.

66. *Remarks at the Asia Society by Secretary of State Colin Powell*, June 10, 2002 <<http://lists.state.gov/SCRIPTS/WA-U.S.IAINFO.EXE?A2=ind0206b&L=WF-EASIA&P=R5175>>.

67. “Powell to Consult Bush on Next Steps with N. Korea,” Reuters, Bandar Seri Bagawan, Brunei, August 1, 2002.

North Korea, thereby suggesting that recent advances in ministerial talks between Seoul and Pyongyang were welcome but insufficient to meet Washington's new standards for entering into talks with Pyongyang.<sup>68</sup> While this may well have been the last straw to convince Japan's Prime Minister Junichiro Koizumi to take the initiative for restarting normalization talks with Pyongyang, the switch in Washington's stance again showed how the administration's infighting hampered its role as a lead nation in East Asia. If anyone needed further evidence of a bureaucratic impasse, the open conflict concerning the trip of Undersecretary of State for Arms Control and International Security John Bolton in late August to Japan and South Korea may serve as an example. Before the trip, Ralph Cossa, president of the Pacific Forum of the Center for Strategic and International Studies in Hawaii and one of the leading opinion makers in the field, with close ties to moderate forces in the State Department, issued a stern critique of Bolton's *anticipated* speech:

But one needs to ask why a self-professed hawk like Bolton, who has created more diplomatic problems than he has solved, is going to South Korea in the first place, given the lack of arms control issues between Washington and Seoul. . . . Why anyone in Washington thinks it is a good idea to send America's most undiplomatic diplomat to Seoul at this sensitive juncture remains anyone's guess. How openly antagonizing and insulting the North while feeding the worst suspicions and accusations of Southern critics serve U.S. national interests is, quite frankly, beyond the commentator's ability to comprehend.<sup>69</sup>

In sum, since taking office the Bush administration position vis-à-vis Pyongyang had toughened considerably, even before solid intelligence occurred that Pyongyang was pursuing a secret nuclear weapons program, because of the need to build a domestic consensus among moderate and hardline critics of North Korea within the administration and in Congress. Hence, raising the bar for negotiations with Pyongyang through broadening the agenda again and again became a proxy for building a sustainable negotiation agenda with a clear prioritization of issues. This may not have been such a bad thing after all, because the lack of leadership by the United States has induced its allies Japan and South Korea to take the policy initiative on North Korea. However, as everyone knows and accepts, the United States still is the cornerstone for any meaningful progress toward peace and stability on the Korean Peninsula. Hence, it is troubling to note that it took the Bush administration almost three months from the time it acquired solid evidence on the hidden DRPK

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68. See Kim Ji-ho, "U.S. Pleased with Outcome of Talks, but Not Ready to Send Envoy to North," *Korea Herald*, August 16, 2002.

69. Ralph A. Cossa, *Sweet and Sour Diplomacy* (PacNet Newsletter, no. 34, August 26, 2002), <<http://www.csis.org.pacfo/pac0234.htm>>.

nuclear program, plus a rather unusual and, with respect to the hidden program, unsuccessful high-profile Japanese summit initiative to get out of its self-inflicted bureaucratic gridlock.

*The Bush Administration's KEDO Policy*

Now that the DPRK has obviously broken its promise under the Geneva Agreement and its legal obligations under the NPT, the KEDO Supply Agreement, and the Inter-Korean Denuclearization Agreement, it may seem odd to analyze the Bush administration's policy regarding KEDO. Since both North Korea and the United States have declared that they consider the Geneva Agreement void, this exercise may be only of secondary interest. This analysis nonetheless serves two purposes. First, if there is to be a chance for a negotiated settlement for the new nuclear program, it may be worthwhile to look at the problems and prospects for the implementation of the settlement for the old nuclear program. Second, given the considerable benefits from the Agreed Framework for North Korea, it is interesting not only to ask why Pyongyang leaders cheated, but also why they admitted to the program when presented with the evidence by Undersecretary James Kelly in early October.

What could have motivated Pyongyang? We can only speculate; here is an informed speculation. To begin with, if security had been the reason for starting the hidden nuclear program, why did the North Korean regime not restart its old program, since this would have been an easier and faster way to get more and smaller nuclear warheads than with the hidden program? In addition, if security was the motive, why did the DPRK leadership admit that it had pursued a hidden nuclear program, rather than leaving the issue open and thus benefiting from the effect of strategic ambiguity? In fact, it is worthwhile noting that DPRK admitted only, according to U.S. sources, that it had *pursued* a hidden nuclear program, rather than conceding *possession* of weapons. Pyongyang thus may not really have any nuclear devices; if so, it therefore lacks the only means that could, according to the position taken by Rumsfeld in his September 16 briefing, stop the United States from acting preemptively against North Korea. Thus, if this reasoning is valid, and security and deterrence are of secondary importance as motives for pursuing and admitting the secret program, what then drives this illegal and irresponsible undertaking?

One reasonable answer to these questions suggests that the DPRK began the new program when it started to doubt whether it would ever be able to reap the fruits of normalizing its relationship with Washington under the Agreed Framework. Therefore, with the implementation of KEDO lingering on, the DPRK leadership may have felt that it needed additional bargaining power to extract further concessions from Washington and its allies to prop

up its regime. Based on the early (and still incomplete) evidence we have on the hidden program,<sup>70</sup> it seems plausible that Pyongyang first used its missile program with Pakistan to trade its missile technology for uranium-enrichment know-how, plus related materials, before using the 1998 Taepo-Dong missile test to trade the abrogation of the same program for financial benefits from the United States.<sup>71</sup> In a related development, the North Korean government conducted large-scale underground construction projects, one of which drew special attention from U.S. intelligence services in 1997. When confronted with U.S. allegations in autumn 1998 that the suspicious site at Kumchang-ri, 25 kilometers north of Yongbyon, might host a nuclear-related facility, the North agreed to a bilateral inspection regime, consisting of yearly on-site inspections by U.S. experts in exchange for an increase in U.S. humanitarian aid.<sup>72</sup>

If the DPRK's pursuit and pace of WMD programs are related to its perception of its relative bargaining position vis-à-vis Washington, as suggested above, what does this mean for the analysis of the Bush administration's KEDO policy and Pyongyang's recent admission of a secret nuclear program? To begin with, immediately after taking office, the Bush administration started to rethink its commitment to KEDO and a cooperative settlement of the known North Korean nuclear weapons program. But only after the September 11 attacks did the administration's KEDO policy clearly tilt toward a position held by conservative critics of the Geneva Accord within the administration and the Republican establishment.<sup>73</sup> The argument of this group, which informed the decision of the administration to deny certification of Pyongyang's compliance with the Geneva Accord on March 20, 2002, can be summarized in three parts as follows: First, in the light of the terror attacks and the revelations that Al Qaeda terrorists sought to sabotage nuclear power stations and also acquire sensitive nuclear technology, the Bush administration must stop the KEDO process of transferring two advanced light-water reactors (LWR) reactors to North Korea, because this "axis of evil" country *might* use the transferred technology to threaten the U.S. or help ter-

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70. See, inter alia, David E. Sanger, "U.S. Not Certain If Pyongyang Has the Bomb," *New York Times*, October 17, 2002; David E. Sanger and James Dao, "U.S. Says Pakistan Gave Technology to North Korea," *ibid.*, October 18, 2002; Joby Warrick, "U.S. Followed the Aluminum," *Washington Post*, October 18, 2002.

71. For earlier reports on the DPRK-Pakistan link, see Joseph Bermudez, "A Silent Partner," *Jane's Defence Weekly*, May 20, 1998, pp. 16–17; Wade Huntley, "The Proliferation Network," *NAPSNet* [Northeast Asia Peace and Security Network] *Special Report—Policy Forum Online* No.17/1998, p. 6; "Japan Worries Pakistan Will Give North Korea Nuclear Aid," Reuters, Tokyo, May 29, 1998.

72. See Brian Knowlton, "Pyongyang Assents to U.S. Inspections," *IHT*, March 17, 1999.

73. See Henry Sokolski and Victor Gilinsky, "Bush Is Right to Get Tough with North Korea," *Wall Street Journal*, February 11, 2002.

rorist organizations to do so.<sup>74</sup> Second, as a significant part of the first LWR will be completed in early 2005, and as IAEA has stated that it will take three to four years to conclude the necessary inspections in North Korea, the DPRK must now allow IAEA inspectors to fully investigate its nuclear past. Third, based on this peculiar reading of the inspection requirements (as set forth in the Agreed Framework and the Supply Contract between KEDO and the DPRK),<sup>75</sup> this group argued that the DPRK is already in an “anticipatory breach” of its verification requirements. Owing to the lack of cooperation between the DPRK and IAEA, the agency will not be able to conclude its inspections by early 2005.<sup>76</sup>

As former U.S. chief negotiator Robert Gallucci had already pointed out, the concept of “anticipatory breach” neither stands up to the wording of the Agreed Framework nor to the negotiation history.<sup>77</sup> But North Korea may also have considered the legal and political implications of such a reinterpretation of the Geneva Accord and subsequent KEDO Agreements. Accordingly, the DPRK may have concluded during the talks with Undersecretary Kelly in early October that the Bush administration would indeed exert extensive pressure shortly, even to the point of suspending or breaking the Agreed Framework, and thus withholding its benefits from North Korea. While the Supply Agreement between KEDO and the DPRK (which is legally binding for the U.S., South Korea, Japan, the European Union, and other KEDO members) foresees in Article 15 that any dispute arising out of the interpretation and implementation of the Agreed Framework should be settled through consultations between KEDO and the DPRK, other KEDO member states had made clear during the previous month that they supported the administration’s push for early inspections. With the prospect of losing the benefits of the KEDO process as well as most of the recent advances with Japan and South Korea, which are more or less tied to continuous North Korean nuclear and missile disarmament, the DPRK felt that it was losing its relative bar-

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74. The thinking of this group is reflected in the writings of the conservative think tanks such as the “Project for the New American Century.” See Dan McKivergan, *Memorandum to Opinion Leaders on North Korea*, August 6, 2002, <<http://www.newamericancentury.org/northkorea-080602.htm>>, and the “Nonproliferation Education Center,” led by the former U.S. Nuclear Regulatory Commission official, Henry Sokolsky. See *Letter to the Honorable Spencer Abraham*, secretary of energy, April 18, 2002, <[http://www.npec-web.org/pages/4\\_18letter.htm](http://www.npec-web.org/pages/4_18letter.htm)>.

75. See these agreements at <[http://www.kedo.org/ap\\_main.asp](http://www.kedo.org/ap_main.asp)> (September 23, 2002).

76. See exchange between Henry Sokolsky and Victor Gilinsky, Nonproliferation Policy Education Center (NPEC), and Marc Vogelaar, KEDO deputy director, “Holding North Korea Accountable,” *National Review Online*, December 19, 2001, <[http://www.npec-web.org/pages/12\\_19korean.htm](http://www.npec-web.org/pages/12_19korean.htm)>.

77. See Robert Gallucci, statement on April 10, 2002, “Progress and Challenges Toward Denuclearizing the Korean Peninsula: An ACA Press Conference,” *Arms Control Today Online*, May 2002, <[http://www.armscontrol.org/act/2002\\_05/pressmay02.asp](http://www.armscontrol.org/act/2002_05/pressmay02.asp)>.

gaining position. As in earlier situations when under pressure, the North tried to improve its bargaining position by creating a crisis situation that it could resolve on its own terms through extracting benefits.

In sum, Pyongyang's recent history of trying to capitalize on its WMD programs—starting some, freezing others, eliminating none—as well as the Bush administration's recent toughening of its KEDO policy, strongly suggest that Pyongyang, by admitting to the secret program, sought to improve its bargaining position in a future negotiated settlement.

#### IV. Policy Implications

What are the immediate policy implications of this analysis? First, the analysis of the Bush administration's approach toward North Korea suggests that the transition from Clinton to Bush has been accompanied by a deterioration of both the U.S.-DPRK and the U.S.-ROK relationship. As the United States, North Korea, and South Korea became ever more entangled through economic, humanitarian, political, and security cooperation during the 1990s, any change in the domestic context of one affected the triangular relationship as a whole: earlier in the 1990s, the ebb and flow of public support in South Korea impacted heavily on President Kim Young Sam's stance on the nuclear question, thereby putting U.S.-ROK cooperation to the test. Since the mid-1990s, increasingly strong opposition from Republican members of Congress (especially after the August 1998 launch of the Taepo-Dong I medium-range ballistic missile over Japan) forced the Clinton administration to pursue a linkage strategy in its cautious moves toward normalization of U.S.-DPRK relations. This at times frustrated the Kim Dae Jung administration, which had pressed for strong U.S. backing of its Sunshine policy (especially after the historic June 2000 summit meeting). Similarly, North Korean leader Kim Jong Il had been reluctant to follow his father's course of brinkmanship *and* diplomatic engagement. However, after securing his rule in autumn 1998, the younger Kim embarked on a diplomatic offensive, parallel to the traditional brinkmanship strategy, which considerably changed the dynamics of the triangular relationship. Thus, any shift in the domestic realm of the parties concerned can—but must not—have serious consequences for the overall security situation on the Korean Peninsula.

Second, the loss of cohesion in the American executive branch and the subsequent inflation of conditions for starting negotiations and then conducting negotiations have brought the Bush administration's policy toward Pyongyang from "slow go" to "no go." If it is true, as National Security Advisor Rice has stated, that the North has "aggressively pursued a covert

program since 1999,”<sup>78</sup> and if this refers to the Department of Energy report indicating that the DPRK tried to buy frequency converters to be used in a gas centrifuge facility to enrich uranium, then it is hard to understand why it took the Bush administration, in contrast to the Clinton administration, more than 20 months to even start talking with the North Koreans about this serious security concern. Only when we take the internal policy processes in both Washington and Pyongyang into account, can we understand when and why the current crisis situation on the Korean Peninsula occurred and how it might be resolved.

Third, under the current circumstances, a U.S. focus on the North Korean ballistic missile program and additional IAEA inspections of the nuclear program still seem plausible. While much remains unknown about the extent and seriousness of the hidden nuclear weapons program, it seems safe to suggest that it is not very advanced. Otherwise, the Bush administration would not have waited several months, after receiving solid evidence, to address it. In addition, if the program was as advanced as the one frozen under the Agreed Framework, Secretary of State Powell’s statement on October 20, 2002 that the new hidden program “has to be capped” and that “it can go no further”<sup>79</sup> would suggest that the administration had lowered the bar for the new program, since the Agreed Framework foresees not only a capping but a verified freeze *and* the full dismantlement of the old program. Hence, despite the understandable furor over Pyongyang’s cheating, when looking at its WMD programs of course all of them must be ended, but some are more pressing than others. To put it bluntly, as long as there is no substantial proof that the North Korean regime exports biological and chemical agents to third countries or terror groups, thereby changing the balance of terror in other regions, the two WMD programs that already do alter the regional and global security environment and undermine the non-proliferation regime, i.e., the missile program and the (as of yet) frozen nuclear weapons program, must be tackled first.

Fourth, despite recent advances in the inter-Korean talks with regard to family reunions and rebuilding road and railway connections, it is now clear that Pyongyang will not negotiate away its prime bargaining chips, the missile program and its old advanced nuclear weapons program, with lesser states than the U.S. That does not mean that a solution must exclude others. In fact, when looking at the prospects of a negotiated settlement as well as a coercive sanction-based approach, multilateral arrangements will be most suitable, because they stabilize the negotiation environment and may, if nec-

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78. See Brian Knowlton, “North Korea Arms Pact Is Now Dead, Powell Says,” *IHT*, October 21, 2002.

79. *Ibid.*

essary, also bring to bear the full weight of the parties concerned upon North Korea.

*The Road Ahead*

Given the well-founded skepticism about the North Korean willingness to faithfully implement international agreements, anything less than a very comprehensive package deal will not do. This has to include at the very least the new uranium-based nuclear program as well as the missile program, and the older, frozen, plutonium-based program. As of this writing, the chances for such a deal are not good.

Nevertheless, when looking constructively at the prospects of a future missile deal, several interrelated approaches come to mind. All of them include multilateral frameworks under U.S. leadership, and some of them include the European Union. First of all, as the negotiations at the end of the Clinton administration show, a permanent missile test moratorium is within reach without larger cash payments. While the South Korean government had been reluctant in the past to fund any missile-related, threat-reduction program, Seoul changed course in December 2000 due to the centrality of the missile issue for U.S.-DPRK normalization, which is in turn vital for a balanced reconstruction effort in North Korea through multilateral development institutions such as the Asian Development Bank (ADB), the International Monetary Fund (IMF), and the World Bank (WB).<sup>80</sup>

The advanced stage of the Clinton negotiations made clear that North Korea is willing to end not only testing, but also exporting, production, and deployment of ballistic missiles if it can get the right price. While a presidential visit by George W. Bush is certainly not in the cards within the foreseeable future, a first high-level meeting (e.g., with Condoleezza Rice) may be possible if the North Korean leadership addresses Washington's concerns about the new program early in the process, and further, acts in accordance with its recent anti-terrorism rhetoric, thereby laying the groundwork for its removal from the State Department's list of terrorist-sponsoring countries. If North Korea indeed repatriates all Japanese Red Army terrorists, and if it further cooperates with regard to the abduction of foreign nationals, then the U.S. might reconsider its veto of DPRK membership in multilateral development institutions.

As for the multilateral funding of such a comprehensive missile deal, consider the following: in 1992–93, Israel suggested that it might explore the Unsan gold mine in exchange for an export stop of North Korean missile

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80. See Son Key-young, "Seoul Might Pay to Stop NK Missile Program," *Korea Times*, December 12, 2000.

parts to nations such as Syria, Libya, or Iran.<sup>81</sup> In 1994, when chief negotiator Robert Gallucci went on a fundraising mission to European and Middle Eastern capitals to enlist support for the soon-to-be KEDO, several Arab nations noticed that the Agreed Framework excluded the sensitive missile issue, and that therefore they could not contribute to the joint effort.<sup>82</sup> If European nations could agree to North Korean satellites being launched periodically through its Ariane program, Arab nations may be willing to contribute desperately needed oil supplies to North Korea. Thus, a missile deal could occur even without substantial funding from Washington. European and Middle Eastern and Asian nations could benefit from Washington's negotiating clout and the subsequent security gains, and the administration might contain a serious proliferation problem and thus bolster its regional and global role as a promoter of nonproliferation.

Of course, this more ambitious approach for an Agreed Framework-like missile agreement with tight restrictions has some serious political drawbacks. First, North Korea's ability to faithfully implement international agreements is seriously hampered by the DPRK regime's inability to reform itself. If the regime cannot find other domestic sources of legitimacy in the near future, rather than extracting foreign financial support to prop up its decaying rule, it may become impossible to negotiate a verifiable end to Pyongyang's WMD programs. Second, Japan may not be willing to contribute if the new program is not dealt with early on, and if shorter-range missiles deployed in the direction of its coastline are not withdrawn. Third, Europe may be hesitant to invest in a missile test moratorium if missile exports to Iran and or Libya continue.<sup>83</sup> In addition to these problems, South Korea and the U.S. may want to link conventional arms control to the missile issue to achieve local security gains immediately.<sup>84</sup>

Looking at the chances for a cooperative settlement of the nuclear weapons program frozen under the Agreed Framework, several issues come to mind, the most important being, as stated earlier, the verification question. If left unresolved, verification may block any future agreement, just as it has blocked progress on implementation of the Geneva Agreement in the past. The core problem is that Pyongyang does not want to open up its nuclear past

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81. See Oded Granot, "Background on North Korea-Iran Missile Deal" (in Hebrew), *Tel Aviv MA'ARIV* newspaper, Tel Aviv, April 14, 1995. English translation: <<http://www.fas.org/news/israel/tac95037.htm>>.

82. Interview with National Security Council official, Washington, August 30, 1996.

83. For recent reports concerning the export of 50 No Dong systems to Libya, see Bertil Lindner and Suh-kyung Yoon, "North Korea: Coming in from the Cold?" *FEER*, October 25, 2001, <[http://www.feer.com/2001/!=!\\_25/p060money.html](http://www.feer.com/2001/!=!_25/p060money.html)>.

84. See Yong-Sup Han, Paul K. Davis, and Richard E. Derilek, "Time for Conventional Arms Control on the Korean Peninsula," *Arms Control Today Online*, December 2000, <<http://www.armscontrol.org/ACT/dec00/handec00.html>>.

because if it does, it loses its prime bargaining chip with regard to the outside world. Indeed, the verification issue poses a vexing dilemma for the North: if IAEA inspectors find that the DPRK cheated in the early 1990s and produced weapons-grade material, it will lose not only face but KEDO member states may also lose their motivation to stick to the deal, a concern the DPRK has raised for years. In this context, it is noteworthy that U.S. law requires the executive branch to forgo any exports of sensitive nuclear technology to countries that have violated their NPT commitments in the past. Although this requirement may be subject to a presidential waiver, especially if it turns out that the DPRK produced less than the significant quantity of eight kilograms of weapons-grade plutonium for making one nuclear bomb,<sup>85</sup> Pyongyang certainly will feel that its bargaining position is greatly weakened once its nuclear past is revealed. In turn, if IAEA inspectors find that the DPRK did not cheat and does not possess nuclear weapons-grade material sufficient for one or two bombs, Pyongyang will lose not only a precious bargaining tool. From its point of view, unless it changes its relationship with America dramatically, Pyongyang may lose, through clarification of its nuclear past, its ultimate deterrence against a preemptive strike by the United States.

Hence, a concerted effort to solve the inspection issue—not to speak of combining it with related approaches in other areas of concern—meets considerable obstacles, and is certainly not in the cards for the foreseeable future. Nevertheless, an incremental approach, as proposed by the IAEA to the DPRK in December 2001, may at least help to start inspections, thereby creating momentum for the improvement of overall U.S.-DPRK relations.<sup>86</sup> This incremental approach to the DPRK inspection problem is based on the tit-for-tat logic of the Geneva Accord itself. Given the North Korean interest in preserving the ambiguity about its nuclear past to the very last moment, the inspections can start with facilities that are operating but do not contain “critical information” on the state’s nuclear past. As a sign of good faith by the DPRK, these early inspections should also probably include suspicious sites that could be related to the new uranium-based program. To ensure DPRK acceptance of ever-more intrusive inspections, the next steps should be linked with progress in building the two LWRs or the supply of alternative energy sources, thereby reassuring the DPRK that Washington and its allies will stay committed to the project.<sup>87</sup>

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85. See Mark Hibbs, “Clinton White House Was Ready to Press IAEA on DPRK Verification,” *Nucleonics Week*, February 8, 2001, pp. 6–7.

86. See Oh Young-hwan, “3-Step Nuclear Inspections,” *Joongang Ilbo* (English edition), December 10, 2001.

87. See Michael Knapik, “U.S. to Have Hard Time Convincing DPRK to Speed IAEA Compliance,” *Nucleonics Week*, June 21, 2001.

A reasonable evaluation of such approaches to end North Korea's WMD programs must conclude that the chances for implementing them could be much better. Indeed, by focusing on the inner workings of the U.S. administration and its interaction with Pyongyang, this article has left out other important factors that also might hamper the start of a negotiated settlement, such as the deterioration of U.S.-China relations, etc. However, with the Bush administration's claim for hegemonic leadership in international affairs,<sup>88</sup> it is becoming more and more important to understand how the hegemon formulates its policies, and how other lesser countries respond to it.

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88. The White House, *National Security Strategy of the United States of America*, September 2002 (Washington, D.C.: The White House).