



U.S. Policy towards North Korea

Strategic Shaping and Interim Steps to Denuclearization

February, 2014



U.S. Policy towards North Korea Strategic Shaping and Interim Steps to Denuclearization

February, 2014

The National Committee on North Korea advances, promotes and facilitates engagement between citizens of the United States and the Democratic People's Republic of Korea. It works to reduce tensions and promote peace on the Korean Peninsula and improve the wellbeing of the citizens of the DPRK. Through cooperation on concrete activities addressing specific problems, NCNK seeks to enhance broad-based understanding and mutual trust. NCNK supports transitions enabling the DPRK to become a full participant in the community of nations.

Learn more about NCNK at www.ncnk.org

The National Security Network is dedicated to developing innovative national security solutions that are both pragmatic and principled.

Learn more about NSN at www.nsnetwork.org

COVER PHOTO by Eylakhov Valeriv

Introduction

It is time to take a fresh look at U.S. policy toward North Korea. The continued progress of North Korea's nuclear program, the persistent risk of potentially escalatory crises on the Peninsula, and the impact of the leadership transitions across the region create both the need and the opportunity for the U.S. to take a new approach towards Pyongyang to achieve denuclearization. The execution of Kim Jong Un's uncle Jang Song Taek and several of his associates potentially adds a new element of domestic instability to North Korea, and further underlines the importance of enhancing preparedness for a crisis on the Peninsula. The Obama administration pursued a policy of strategic patience during its first term; for the remainder of its second term, the administration should be guided by the approach of *strategic shaping*.

Strategic shaping is a policy approach that aims to strengthen crisis management while actively putting in place the necessary conditions for eventual denuclearization of the Korean Peninsula. The current Dual Track policy – the successor to strategic patience – is characterized by a strong sanctions regime and a willingness to return to negotiations with North Korea only after it has taken certain pre-steps. Strategic shaping would build on this foundation but additionally emphasize proactive efforts to set the conditions for more robust diplomacy to achieve denuclearization. The immediate focus would continue efforts to strengthen regional stability and enable the resumption of multilateral diplomacy on North Korea's nuclear program within the terms set by prior commitments. As multilateral dialogue is resumed, the U.S. would seek *interim steps* that are realistically achievable, mutually reinforcing, and could enable significant progress toward denuclearization over the next few years.

While engaging in dialogue without North Korean commitment to denuclearize would wrongly signal acceptance of North Korea's nuclear status, anything less than a full-fledged effort to get the denuclearization process back on track would result in *de facto* acquiescence to North Korea's nuclear status. Undertaking such a new approach to North Korea will require shifting the terms of debate in Washington; the dominant "all or nothing" attitude cedes the initiative to North Korea. A more proactive approach to shape the environment using interim steps has a greater possibility of producing meaningful results. Although other pressing foreign policy issues may still make it difficult for denuclearization of the Peninsula to receive full attention on the policy agenda, public debate and strategic thinking about North Korea must be more forward-thinking and not limited to times of crisis.

Stabilizing the Peninsula

The greatest current risk on the Peninsula is that of miscalculation or error leading to the escalation of military actions during a crisis. Increasing stability and crisis management in Northeast Asia is necessary for reducing the likelihood of such a miscalculation, building an environment conducive to trust-building, and for the eventual denuclearization of the Peninsula. The objectives of a stronger stability effort would be to limit the number and severity of crises on the Korean Peninsula, and to enable their swift de-escalation.

Strong targeted diplomatic coordination with regional actors should continue and be enhanced by (perhaps informal) routine diplomatic engagement of North Korea beyond the “New York Channel.” This would set the stage for meaningful multilateral dialogue on denuclearization. Increasing points of official contact with North Korea may also potentially offer insights into any changes in North Korea’s domestic political dynamics and open up new diplomatic possibilities. A continued strong diplomatic effort toward Northeast Asia would prevent the emergence of any gaps between the U.S. and its allies that North Korea could exploit, and help to ensure that China continues to make progress in playing its part to influence North Korean behavior towards constructive ends.

Highest-Level Involvement

Managing and effectively implementing a broad-reaching regional effort requires sustained attention at the interagency level and frequent high-level meetings with top diplomats and policymakers in the region. The Obama administration should identify a prominent, high-ranking official who would add North Korea policy to their existing portfolio; this official could be called on as appropriate to secure higher-level meetings in Pyongyang, and to strengthen the foundation built and sustained by Ambassador Davies’ ongoing regional diplomacy. In addition to creating openings for dialogue available only to higher-ranking officials, this person could also contribute to the debate on policy in Washington in favor of a more proactive approach.

Track II and Track 1.5 Dialogues

In the absence of official dialogue with North Korea, Track II dialogue should be broadly encouraged. It is precisely at such moments that Track II can increase understanding of North Korean intentions and help to test the possibility or discern new openings for effective engagement. For example, last August’s Track II dialogue accurately predicted North Korea’s actions and stance for the ensuing twelve months. State Department officials should encourage Track II dialogue and, as appropriate, signal a willingness to engage in Track 1.5 dialogue.

Building Social and Bureaucratic Links

Increasing formal and informal points of contact between the DPRK and the U.S., ROK, and other countries would enable Washington and Seoul to build basic working relationships with Pyongyang and encourage the formal and informal exchange of information, worldviews, and values. In combination with formal security dialogues, such a web of relationships may contribute to shared understandings that allow policymakers to more accurately calibrate their decisions – especially during crises – and set the stage for greater engagements. In the near term, this process can begin by expanding low-key engagement activities in the humanitarian, educational and environmental fields. The ROK is already pursuing such initiatives. A modest first step would be to routinely issue visas for visitors from North Korea not involved in security or other sensitive issues.

Investing in Mil-to-Mil Contacts

Ensuring crisis stability by preventing escalation during future flare-ups also hinges on developing a better understanding among respective military leaders of one another's dispositions, points of view and procedures. To build direct mil-to-mil relationships with the DPRK, the U.S. will have to proceed slowly. For example, Washington should restart the U.S.-DPRK missions to recover the bodies of POW/MIAs in North Korean territory that were halted in 2005. These missions may help build momentum for U.S.-DPRK dialogue on security issues, and would provide limited points of mil-to-mil contact between the two countries. The separation of POW/MIA talks from other issues paid dividends in the case of Vietnam, as mil-to-mil and mil-to-civilian relationships were built that eventually facilitated progress on other issues. As such, mil-to-mil contacts should be seen as a strategic investment for the U.S., not a political benefit to the DPRK.

Supporting Regional Security Dialogues

President Park Geun-hye has proposed establishing a Northeast Asia Peace and Security Initiative, a regional multilateral forum including North Korea, to enable a coordinated dialogue, beginning with "soft issues" such as the environment, disaster relief and nuclear safety concerns. As details of this initiative emerge, the U.S. should lend its support. Doing so would underscore the strength of the U.S.-ROK alliance and increase the possibility that this forum could contribute to ameliorating some of the sources of regional tension especially once the dialogue includes North Korea.

The U.S. should also support inter-Korean and bilateral North Korean-Japanese dialogue to address issues of particular concern to South Korea or Japan, such as inter-Korean economic cooperation or the fate of abducted Japanese nationals. However, bilateral dialogue with North Korea should be pursued in tandem with trilateral coordination among the U.S. and its allies, built on a common understanding of security issues. This may enable more accurate calculations by all sides during crises, limiting the risks of errors or misinterpretation and decreasing the chance of unintentional conflict.

Interim Steps to Denuclearization

Reaching strategic shaping's ultimate goal of verifiable denuclearization starts with interim steps. Active regional diplomacy, aimed at building confidence and reaffirming previous commitments to denuclearization, will be the first step to renewed multilateral negotiations on denuclearization, and the beginning of a process reversing the trajectory of North Korea's WMD developments.

While there is no immediately available mechanism for denuclearization – a process that will take shape over years as stability and diplomatic efforts proceed – there are several achievable short-term measures that could slow the growth of North Korea's nuclear arsenal. Modest nonproliferation and counter-proliferation objectives that could be pursued as interim steps to comprehensive denuclearization include limiting or halting missile and nuclear tests, nuclear enrichment, and plutonium production. Any interim measures should have buy-in from several stakeholders, particularly China, increasing the cost to North Korea of reversing or stalling implementation of an agreement.

Setting the Stage for Denuclearization with Interim Steps

Some policymakers promote an absolutist “all or nothing” attitude to North Korea policy. Instead, the path toward verifiable denuclearization requires realistic near-term interim steps to generate momentum. The refusal to engage in any preliminary measures will inevitably lead to a *de facto* acquiescence to North Korea's nuclear status, a policy approach as damaging to U.S. interests and credibility as an acknowledgement of North Korea as a nuclear state. Interim steps can provide immediate value to the United States while also putting more concrete steps toward denuclearization into the realm of the possible.

The administration and civil society should work now to underscore the importance of such interim steps, positioning the administration to win domestic support for these measures. Making the case for interim steps should be done in tandem with the implementation of measures seeking to stabilize the Korean Peninsula, so that a stronger framework is in place both domestically and internationally when meaningful negotiations over North Korea's nuclear program are able to resume.

Arguing in favor of taking such steps may seem difficult, particularly because some of these steps were attempted as part of the Leap Day Understanding between Washington and Pyongyang, which unraveled shortly after it was unveiled in spring 2012. Yet these goals remain solidly in the U.S. interest. Significant changes in regional dynamics greatly increase the chance of more durable success for a renewed attempt. Beijing can be expected to play a larger role today than it did in 2012. China has publicly and consistently declared its interest in diplomatic progress, while also increasing its public commitment to sanctions. While Beijing continues to emphasize stability in its public discourse, several factors – including a widening internal debate on North Korea policy and the political implications of Jang Song Taek's ousting – make it increasingly in China's interest to spur genuine progress on the nuclear front. China and the ROK are poised to work together more cooperatively, lending credibility

and momentum to any initial steps. Strengthening the Chinese and South Korean roles would also allow for more flexible or creative incentives to be offered in return for tangible steps by North Korea.

1. Inspections

The return of IAEA inspectors to Yongbyon would not only provide valuable information about the status of the DPRK's nuclear program, but would also send the clear signal that the denuclearization of North Korea is an international issue, not solely the responsibility of the United States. Historically, inspections have fulfilled an important role and could bring new issues to the table. Getting inspectors to North Korea's nuclear sites would provide important insights into the level of the country's technical advances, and allow for better estimates of its fissile material stockpiles.

2. Test Moratoria

Missile and nuclear test moratoria would slow North Korean WMD advances, allowing strategies that seek to cultivate long-term change – such as South Korea's *Trustpolitik* or efforts to break North Korea's information blockade – more time to be effective. North Korea abided by its 1999-2005 long-range missile test moratorium while negotiations continued, officially ending the moratorium a year before resuming testing. A new agreement could yield a significant slowdown on North Korea's technical developments, impacting not only the DPRK's missile program but also the quality of missile technology it illegally exports to customers such as Iran.

3. Plutonium and Uranium Freezes

Some policymakers reject a freeze on only the plutonium production and uranium enrichment facilities at Yongbyon, since North Korea likely has additional enrichment plants at unknown locations. However, as an interim step, halting these pathways to nuclear weapons would provide a valuable curb on Pyongyang's nuclear ambitions, and slow the growth of its arsenal. While achieving such an objective would no doubt be challenging, North Korean diplomats have reportedly privately indicated their belief that Pyongyang's nuclear program would be on the table in future negotiations.

4. Ancillary Benefits

Engaging in negotiations with North Korea has provided unexpected and valuable information in the past, and could potentially yield similar benefits in the future. For example, IAEA inspections in the early 1990s found inconsistencies in North Korea's declared nuclear facilities, providing evidence that North Korea had not revealed the entirety of its nuclear program. As part of the Six Party Talks process in 2008, the DPRK released 18,000 pages of documents as well which provided useful insights into their nuclear programs. The more the U.S. and its allies deal directly with Pyongyang, the more we can expect to learn about technical developments in its nuclear program.

Sanctions

UN Security Council resolutions prohibit the DPRK from engaging in the arms trade and call for the inspection and seizure of illicit shipments. More recent sanctions attempt to choke off all funding that could be used for prohibited activities, which limits legitimate trade as well. The U.S. has indicated that current sanctions will not be lifted until North Korea takes meaningful steps to reverse the trajectory of its nuclear and missile programs.

At this point, unilateral U.S. expansion of sanctions could be counterproductive, threatening cooperative efforts with China to pressure North Korea and derailing South Korea's trust-building initiatives. Moreover, unlike Iran, which has been the target of an international sanctions regime that has successfully built pressure thus far, North Korea lacks deep integration into the global economy, reducing the points of leverage that additional sanctions can exploit. The benefits of increasing cooperation with China and maintaining close coordination with the ROK provide more value than the marginal new pressure additional sanctions would impose.

Conclusion

Current U.S. policy has been unable to curtail North Korea's WMD program and the cycle of crises on the Peninsula is likely to continue unless conditions change dramatically. Given the North's advances in its nuclear and missile programs and the unpredictable risks of repeated crises, a more robust approach would better meet American interests. *Strategic shaping* provides such an approach by proactively using *interim steps* to concentrate on what can be realistically achieved in the near term. Strategic shaping's focus on enhancing crisis management, and the willingness to engage Pyongyang in dialogue on interim steps toward denuclearization, can set the conditions for successful denuclearization over the mid-term. Recent leadership transitions across Northeast Asia set the stage for greater U.S. investment in this issue, including through higher level involvement. Creating domestic support for strategic shaping will hinge in large part on changing the debate in Washington, which is increasingly taking an "all or nothing" approach. The status quo risks *de facto* recognition of North Korea as a nuclear power and misses the opportunity to reduce the chance of war on the peninsula as North Korea increases its stockpile of nuclear weapons and long-range missiles. The alternative is to begin taking realistic steps forward now to lay the groundwork for decisive diplomatic breakthroughs in the future.