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Conference Report: Exploring Theories of Change Implicit in Policy Approaches to North Korea

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About this Report

Calls for certain tactics—such as new sanctions, diplomatic negotiations, or raising awareness of human rights abuses—aimed at changing North Korean behavior are frequently raised in Washington. However, current and past U.S. policy has not achieved desired outcomes. Effective policy by the Obama administration, or the administration to take office in 2017, will require a better understanding of how different types of action can help induce short-term or long-term change in North Korean behavior. The “theories of change” framework discussed in this report allows for the clarification of assumptions and expectations that would demonstrate when and how certain forms of intervention are effective.

This report is based on the findings of a workshop that was held to apply the theories of change framework to North Korea, identifying unspoken assumptions and sharpening the strategic logic behind different types of interventions. This workshop – which brought together former policymakers and nongovernmental experts on North Korea – was sponsored by the National Committee on North Korea and the United States Institute of Peace's Asia-Pacific program. It focused on addressing the most urgent geopolitical concern: North Korea's WMD program. The workshop was facilitated by Peter Woodrow and Diana Chigas of CDA Collaborative Learning Projects, and made possible through the generous support of the Carnegie Corporation of New York. The project co-directors were Karin Lee, then Executive Director of the National Committee on North Korea, and Stephanie Kleine-Ahlbrandt, then Asia-Pacific Director at the U.S. Institute of Peace.

Summary Points

- Policymakers and analysts have implemented or advocated for a variety of different, often overlapping or competing, approaches to North Korea policy – these include pressuring Pyongyang through sanctions, engaging in diplomatic negotiations, breaking down information barriers, and/or encouraging economic engagement. However, the underlying assumptions behind these different approaches are often implicit, rather than critically considered and examined.
- Focusing on the “theories of change” behind these approaches allows for mapping out the processes through which they are intended to work; identifying and articulating often-unstated assumptions; and examining the reasons for a past strategy’s success or failure.
- Any effective strategy would need to apply a combination of both engagement and isolation approaches towards North Korea, and emphasize tactics that make the approaches complementary, rather than allowing one element to undercut others. Recognizing the shared or differing assumptions behind the two approaches is necessary to the development of such a cohesive strategy.
- Trust-building through diplomacy assumes converging values and interests; if North Korea’s main objective is to acquire nuclear weapons, and the U.S. goal is denuclearization, then there is no convergence of values and interests. However, purely transactional cooperation may still be possible even in circumstances where trust is unachievable.
- Beyond the stated goals of negotiations, both the U.S. and North Korea may engage on security issues in order to influence the policies and outlooks of the other side, or of third party countries.
- A key difference exists in the theories of change behind targeted financial measures and behind more traditional trade sanctions; while the former seek to compel changes to unlawful behavior and bring North Korea back to the negotiating table by cutting into the regime’s finances, the latter seek to create points of leverage that can more readily be traded for North Korean concessions.
- The development of a cohesive strategy to either pressure or induce North Korea to change is difficult from both a domestic and international perspective.

In September 2014, the National Committee on North Korea and the U.S. Institute of Peace convened a one-day workshop that used “theories of change” as a framework for discussing actions by government and non-governmental actors seeking to influence North Korea, with a focus on security issues. The workshop brought together 22 experts on North Korea policy, many of whom had engaged in diplomatic negotiations with North Korea, to identify and examine the assumptions behind different strategies.

The goal of this workshop was to identify some of the strengths and weaknesses behind different U.S. policy approaches to North Korea, and to develop a framework identifying the assumptions and rationales behind these approaches. The discussion focused on assessing how these approaches can sometimes compete with one another, and on finding practical ways of making them work better together with the ultimate goal of reaching denuclearization.

Calls for the more vigorous implementation of tactics directed at North Korea – such as sanctions, diplomatic negotiations, economic engagement, or raising awareness of North Korean human rights – are frequently raised in Washington and Seoul. However, there is seldom a discussion addressing the assumptions embedded in these approaches. Such assumptions constitute “theories of change” about how any particular strategy might generate desired changes in North Korean policies and behavior.¹

By focusing on the often implicit theories of change in North Korea work, this workshop aimed to identify and map out policy goals and the causal mechanisms for strategies intended to promote change, articulate unstated assumptions, identify gaps or unrealistic ideas, and permit examination of reasons for a strategy’s success or failure. Recognizing the theories of change behind different strategies for addressing the security threats posed by North Korea helped to identify areas of convergence and difference, thus uncovering areas where competing strategies either complement or undercut one another and enabling new and creative thinking on policy approaches towards North Korea.

This report summarizes the discussion of the distinct theories of change behind the U.S. “engagement” approach and the “isolate and pressure” approach, the areas of convergence and difference within and between them, and an analysis of how these two approaches could work in tandem.

U.S. and North Korea Goals/Interests

The first step of the workshop was a discussion of the goals and interests of both the United States and North Korea, which provided a basic understanding to inform the rest of the day's discussions.

From the U.S. perspective, key goals included denuclearization, regional security, and prevention of nuclear weapons proliferation. Moreover, participants agreed that the main (presumed)² goals/interests from North Korea's perspective were maintaining its current regime, countering the U.S. threat, and obtaining recognition as a "normal" state and nuclear power

Range of U.S. Goals/Interests

- Denuclearization or reduced nuclear capabilities
- Increased security for U.S. & Northeast Asia
- Prevent/contain proliferation of nuclear weapons
- Promote compliance with international law
- Avoid rewarding "bad behavior"
- Reduce/eliminate human rights abuses
- Democratization or regime change
- Alliance management and supporting security commitments
- Support unification
- Reduce/eliminate non-nuclear security threats (artillery near DMZ, chemical and biological weapons, etc...) and illicit activities
- Encourage marketization/contact to break down regime's control of information, change internal preferences
- Increase leverage
- Send a warning to would-be proliferators

Range of (presumed) North Korean Goals/Interests

- Maintain the current regime and political system
- Preserve elite privilege and power
- Counter the threat from a perceived hostile world led by the U.S.
- Obtain prestige and recognition as a "normal" state and nuclear power
- Lift/ease existing sanctions, and deter new sanctions
- Maintain or increase regime's control of ideological, political, military, and economic power
- Reduce dependence on China
- Normalization of relations with the U.S. (possibly a bygone goal)
- Reunification on regime's terms
- Ideological legitimization through "standing up" to neighbors, U.S.
- Coerce or politically influence South Korea
- Obtain food, fuel, and cash

Key Analytical Questions and Variables

To frame the discussion, participants were asked questions regarding the main drivers of North Korea's negotiation strategies, and the degree to which U.S. policies towards North Korea are driven by domestic politics. Questions such as these helped to identify the key variables that underlie various viewpoints and influence strategic decision-making. Other questions included:

- Are incremental goals on denuclearization worth pursuing, if there is no compelling theory of change showing how we would build from interim steps to complete, verifiable, irreversible disarmament?
- How do we understand North Korea's intentions regarding its nuclear program – to what extent is Pyongyang seeking deterrence, internal and international prestige, or coercive capabilities? Is North Korea driven by geopolitical realism or ideology? Have North Korea's negotiating strategies, tactics, and goals been consistent over time, or have they evolved?
- How do we interpret the history of negotiations with North Korea, and why have agreements repeatedly fallen apart? Does North Korea only engage diplomatically for short-term tactical reasons, or have past agreements failed because their implementation didn't meet North Korea's long-term expectations? How can we differentiate between facts and speculation about North Korean motivations and intent, and how can we test or verify theories about it?
- How high of a priority is North Korea's nuclear weapons program for overall U.S. national security interests and how high of a priority is it compared to the human rights and other concerns North Korea presents?
- Will marketization of North Korea's economy have an impact on its political structure and ideology? Is North Korea ideologically averse to market mechanisms, and can forms of economic engagement other than one-sided aid or sanctions reversal be used as incentives?
- Is there an empirical basis available to measure how and when sanctions and targeted financial measures have or haven't worked?

To what extent is Pyongyang seeking deterrence, internal and international prestige, or coercive capabilities?

“Engagement” Approach

Cooperation is still possible even in circumstances where trust is unachievable.

The second session of the workshop focused on the theories of change underlying U.S. diplomatic engagement with North Korea in pursuit of security goals. Though some participants touched on the logic of cultural and economic engagement as a means of encouraging change or facilitating diplomatic openings, the conversation focused mostly on the role of negotiations in addressing North Korea's nuclear program.

The workshop facilitators presented a simplified model of the engagement rationale: *Establishing a relationship through negotiations or sustained dialogue can allow the two parties to address problems of mutual concern, build credibility about what each has to say, and, over time, build trust that can form the basis for more fundamental policy changes.* Yet, as several participants discussed, trust-building assumes converging values and interests; if North Korea's main objective is to acquire nuclear weapons, and the U.S. goal is denuclearization, then there is no such convergence. As one participant added, twenty years of unsuccessful talks over denuclearization have largely rendered moot any rationale of engagement for the sake of trust-building alone.

Nonetheless, as other participants pointed out, cooperation is still possible even in circumstances where trust is unachievable. Negotiations can be transactional,³ and if compliance moves ahead, the involved parties can achieve predictability and expectations that the other will follow through, even if mutual suspicions remain. As some participants noted, trust may be a long-term product of transactions, yet it is not a prerequisite, and one can forge a viable agreement with an untrusted partner if it includes strong verification measures and no loopholes.

Denuclearization was identified as the key goal of U.S. diplomatic engagement with North Korea, but as one participant noted, it is difficult to come up with a theory of change explaining how to accomplish this, given the lack of U.S. leverage to do so. A freeze on North Korea's nuclear program and delivery systems may be a more concrete short-term, transactional objective, as several participants noted. The current question for U.S. policy, they added, was whether any renewed negotiations with North Korea should begin with an incremental transactional approach (for example, one that would leave the issue of covert enrichment plants for a second stage of negotiations), or a more ambitious intermediate-level approach entailing a more comprehensive agenda in its initial stage.

The participants also identified several potentially positive effects of diplomatic negotiations with North Korea beyond possible progress on denuclearization and trust-building. U.S. diplomatic engagement with North Korea could demonstrate to third parties, particularly China, that the U.S. is serious in dealing with North Korea and doesn't only seek regime change. Discussions with North Korean officials on security issues might also provide an opportunity to gain information on why Pyongyang is doing certain things, and enable the U.S. to identify and take advantage of windows of opportunity when they open. Finally, building personal relationships with North Korean officials may change their perspectives, contributing to a cohort of officials with an interest in change; personal relationships with these officials may also prove valuable during a crisis.

Several participants discussed the argument that focusing on denuclearization de-prioritized other policy issues, such as human rights, illicit activities, and North Korean military developments other than nuclear weapons and delivery systems. The Agreed Framework negotiations, for example, focused on the nuclear issue and security guarantees. One participant argued that this framework, leaving many points of contention between the countries unresolved, did not lead to comprehensive political or economic normalization between the U.S. and North Korea, which perhaps in turn motivated North Korea to undertake its clandestine enrichment program. As other participants noted, the question for future negotiations is whether to continue prioritizing the nuclear issue, or to attempt a grand bargain that includes human rights and other concerns – particularly as North Korea's human rights record becomes a more prominent international issue. Additionally, in weighing priorities, the U.S. position may sometimes differ from that of its allies, adding another factor to negotiations.

There was some disagreement over North Korea's objectives for engaging in negotiations. North Korea's short-term transactional goals were broadly identified as obtaining food, fuel, and money; participants also pointed to the goals of economic diversification away from China, and temporarily relieving international pressure. One participant argued that North Korean bargaining (beginning with its 1970s debt default) was highly transactional, and without a long-term outlook, leading North Korea to cheat whenever it saw an immediate advantage in doing so. Another noted North Korea's opportunism in its foreign relations, seeking transactional advantage with whatever neighboring countries appear most amenable at the moment.

U.S. diplomatic engagement with North Korea could demonstrate...that the U.S. is serious in dealing with North Korea and doesn't only seek regime change.

However, as one participant noted, North Korea has sometimes been willing to sacrifice short-term material advantages (such as shutting down Kaesong in 2013, or testing a missile shortly after the Leap Day agreement was announced) in order to make a point. Several participants argued that North Korea's ideological outlook – its sense of simultaneous victimization by and superiority to an inherently hostile world, or a belief that great powers owe the country a debt – may explain such actions. Some participants said that North Korea was willing to forego short-term, transactional objectives in order to achieve long-term strategic objectives, such as international acquiescence to its nuclear-armed status. North Korea may believe that consistently testing and crossing the boundaries set by negotiations would be a pathway to such outcomes.

Finally, some participants noted that North Korea engages on security issues to manipulate the broader policy context, just as the U.S. does. North Korea may engage in order to influence and change American outlooks, or to alleviate pressure by demonstrating to China a willingness to negotiate on its nuclear program.

The “Isolation and Pressure” Approach

The workshop's third session focused on the theories of change driving the United States' isolation and pressure policies towards North Korea. Participants identified multiple goals of these policies, including gaining leverage to bring North Korea back to the negotiating table and to make concessions once there; punishing various forms of bad behavior in order to induce changes in future behavior; impeding proliferation and cutting off sources of proliferation funding; deterring third parties; and satisfying domestic constituencies within the United States. While the threat of military force was identified as one potential tool of isolation and pressure, the discussion focused mostly on sanctions and targeted financial measures; as some participants noted, the use of force in the Korean Peninsula hasn't been a realistic policy option for many decades.



The ability to utilize sanctions as leverage for negotiations is sometimes hampered by their inflexible nature.

Workshop participants contested the effectiveness of the pressure tools employed by the United States. The majority of participants agreed that sanctions are a favored policy tool within Washington and with domestic audiences, as they are a low-cost way of expressing indignation. Some argued that sanctions are more effective as a domestic political tool than as an effective tool for isolating and pressuring North Korea. Many participants suggested that the ability to utilize sanctions as leverage for negotiations is sometimes hampered by their inflexible nature, such as when they cannot be lifted without congressional support or when they rely on private financial institutions' assessments of reputational risk. While sanctions can have useful deterrent or degrading effects, such as preventing North Korea from illicitly acquiring hard currency to further enhance its nuclear capabilities, they can also undercut any positive engagement if the negotiating parties are unable to lift them, or if new sanctions are applied as negotiations are underway.

Targeted financial measures, as one participant described them, are used to actively enforce U.S. or international laws, constraining the inflow of prohibited items and the proceeds of illicit activities into North Korea. They are applied directly against the financial institutions that facilitate prohibited activities, pressuring North Korea to focus on legitimate sources of income, and preventing its procurement of materials related to weapons of mass destruction. Some participants argued that to have greater impact, further isolate North Korea and deter third parties, these laws should be more consistently and actively enforced, rather than enforced selectively according to the impulses of government officials. Participants identified a key difference in the theories of change behind targeted financial measures and more traditional trade sanctions. The former seek to compel changes to unlawful behavior, and to bring North Korea back to the negotiating table by cutting into the regime's finances, but cannot be effectively used as a bargaining chip. The latter, in contrast, seeks to create points of leverage that can more readily be traded for North Korean concessions.

Some participants said that financial sanctions had value in that they targeted individuals or companies involved in illicit activities, but not the North Korean economy as a whole. Sanctioned companies can change their names and patterns of activities, as others mentioned, but this still disrupts their established networks and presents increased costs. One participant noted that, as the Treasury Department has said that licit and illicit North Korean activities cannot be readily distinguished, targeted financial measures have a far broader impact than their name would imply.

Other workshop participants argued that this dynamic is caused by North Korea's commingling of licit and illicit revenue streams, and that financial sanctions create incentives for North Korean enterprises to change this practice and commit to legal forms of commerce. However, another participant highlighted that this model did not reflect what happens in practice, as the Treasury Department would as the Treasury Department would still be loathe to green light financial transactions with a North Korean enterprise that had transitioned from illicit to legitimate commercial activities.

While sanctions can sometimes be a useful tool, their implementation has fallen short, noted participants, as North Korea continues to expand its nuclear program and provoke the international community with unpredictable missile tests. One participant pointed out that despite sanctions, there is new construction in Pyongyang and throughout North Korea, and the enrichment facility at Yongbyon has doubled in size (presumably to house more centrifuges). Additionally, sanctions and targeted financial measures have also had the effect of pushing North Korea's economy further underground, increasing Pyongyang's proficiency in the use of illicit back channels; as a result, the few actors trying to participate in formal financial channels, such as international NGOs, are the ones most affected by financial sanctions.

The effectiveness of sanctions in forcing North Korea back to the negotiating table depends on Chinese willingness to enforce these targeted measures. Some participants argued that, although the United States could do more to apply pressure on North Korea, the success of unilateral efforts would be marginal without greater participation from China; others responded that financial sanctions are intended to spur such action, as they reshape the interests of Chinese banks. Some participants also said that sanctions have been successful in driving down North Korean trade with partners other than China, further isolating the country. However, others pointed out that North Korea continues to pursue modest trade opportunities with countries in South Asia, Southeast Asia, and Africa despite sanctions, and that this trade is only declining relative to North Korea's trade with China.

One participant recommended that the parties implementing sanctions and targeted financial measures should take into consideration how North Korea is innovating to stay afloat, and do more to understand these measures' real impact. While North Korea's internal politics remain opaque, negotiations with North Korea over sanctions may also provide the United States and other implementing parties a unique opportunity to better understand its strategic goals, negotiating strategy, and decision-making process, all of which may lead to further progress down the road.

Parties implementing sanctions and targeted financial measures should take into consideration how North Korea is innovating to stay afloat.

In the end, participants largely agreed that the development of a cohesive strategy to isolate and pressure North Korea is difficult from both a domestic, regional, and international perspective. Within the United States alone, sharp political divides between the administration and Congress slow down progress, impede flexibility, and limit innovative strategies.

How do the Two Approaches Work in Combination?

Engagement tools aim to facilitate certain behaviors or options, while pressure tools work to inhibit unwanted behavior or close off alternatives options.

The workshop's final session explored how engagement and pressure approaches can work in tandem. Although the participants noted several ways in which one approach could undercut the other, they agreed that any effective strategy would need to apply a combination of both approaches. As one person noted, engagement tools aim to facilitate certain behaviors or options, while pressure tools work to inhibit unwanted behavior or close off alternative options.

However, combining engagement and pressure also creates the risk of sending mixed signals. Several participants pointed to the near-simultaneous timing of the September 19, 2005 joint statement on the denuclearization of the Korean Peninsula and the imposition of U.S. financial sanctions on Banco Delta Asia as a prime example of how the two paths can conflict.

One participant argued that U.S. laws should be consistently enforced, regardless of the state of diplomatic negotiations, and that the U.S. should send the message to North Korea that the way to prevent new sanctions is simply to cease illicit behavior. Others responded that while it was incumbent for some sanctions efforts to be ongoing regardless of the diplomatic context – such as efforts to interdict proliferation activities – efforts to crack down on second-tier concerns such as counterfeiting could be applied more selectively. Another participant, however, questioned whether North Korea would differentiate between ongoing or discretionary sanctions efforts, and would interpret either as a sign of American hostility.

One participant argued that efforts in line with what scholar Andrei Lankov has called “subversive engagement” – which aim to change North Korea by exposing its people to new ideas and information – could be implemented in tandem with both an engagement and a pressure track. As these are inherently long-term efforts, they could be undertaken without regard to changes in the status of negotiations or U.S.-DPRK relations.

The participants agreed that proper implementation of both pressure and engagement measures requires greater domestic and international policy coherence. Several pointed to the need for the President to empower a high-ranking official to take charge of all aspects of U.S. policy toward North Korea, directing and coordinating diplomacy, sanctions, and military actions. Other participants, however, pointed out that there does not seem to be the political will in either the White House or Congress for such an effort, and furthermore that the separate role of a Special Envoy for North Korean Human Rights is required by statute.

Political will is also a requirement for effectively implementing any new agreement with North Korea after it has been reached, a participant argued. A structure needs to be in place to coordinate the measures that different government agencies will implement, and to respond efficiently when a crisis occurs. Another participant said that any agreement would need to need clear text and verification measures, so that both sides could implement it effectively, and so there would be no ambiguity about failures to comply with provisions.

Proper implementation of both pressure and engagement measures requires greater domestic and international policy coherence.

This one-day workshop included a wide range of well-informed experts on North Korea, many of whom have been directly involved in negotiations with North Korea or have been working on issues of security in Northeast Asia for many years. A benefit of discussion and joint analysis among such a diverse group is that the resulting ideas and recommendations are often better and more robust, insofar as they are enriched by many differing experiences, knowledge and perspectives. A challenge is that such discussions have not always been productive, as participants are often committed to particular approaches and frustrated both by the lack of consensus and effective strategies for change.

By using theories of change as a framework for conversation, participants were able to identify the strengths and limitations of all the predominant strategies that have been tried, and continue to be employed, to influence North Korea. The focus on theories of change facilitated critical examination of the strategies and the assumptions on which they are based. Participants were continually asked, "How would that action or tactic actually produce changed behaviors or policies?" and "What is the chain of logic from discrete activities to the large goals we all espouse?" Through addressing those questions, participants were able to work together across significant differences to examine the range of approaches employed and identify areas of agreement, disagreement and complementarity of the diverse (and often seemingly opposed) strategies advocated.

While this workshop did not produce agreement on a single, consolidated strategy, there was clear agreement regarding the complementary roles of the both the engagement and isolation approaches, as well as emphasizing practical tactics for how to make these approaches work together more effectively, rather than allowing one to undercut the other. Further recognition of the shared or differing assumptions behind the two approaches is necessary for the development a cohesive U.S. strategy towards North Korea.

Participants also agreed on the urgency of addressing the humanitarian and security dilemmas presented by North Korea and the ongoing need to work together to identify opportunities for promoting change.

Recognition of the shared or differing assumptions behind the two approaches is necessary for the development a cohesive U.S. strategy towards North Korea.

Endnotes

¹ For more information on theories of change as a concept and tool, see Babbitt, E., Chigas, D. & Wilkinson, R. *Theories and Indicators of Change: Concepts and Primers for Conflict Management and Mitigation*. Washington, D.C.: USAID (2013).

² Although the workshop participants all had deep experience regarding North Korea, there was general acknowledgement that no one at the workshop fully understood North Korea's motivations and interests.

³ Transactional negotiations typically deal with reaching deals for mutual gains on tangible matters or issues—as opposed to relationship or interpersonal issues.

The views expressed in this report are solely those of its authors, as informed by the Theories of Change workshop discussion. This report does not represent the views of the National Committee on North Korea, the United States Institute of Peace, or any individual workshop participants.