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North Korea: diplomatic efforts

The 5 July 2006 missile tests by the Democratic People's Republic of Korea (hereafter North Korea) heightened tension in what is now a long-running diplomatic impasse over North Korea's pursuit of a nuclear-weapons capability. The current impasse commenced in October 2002, when the United States (US) alleged North Korea had admitted to a nuclear-weapons program during a visit to the North Korean capital, Pyongyang, by US Assistant Secretary of State, James Kelly.1 The situation rapidly deteriorated with North Korea's withdrawal from the nuclear non-proliferation treaty (NPT) and the recommencement of nuclear programs.[2]

This Research Note looks at North Korea's aims, its methods of achieving these aims and the ongoing efforts at further diplomacy with North Korea.

Australian interest

Australia is a stakeholder in the peace and prosperity of Northeast Asia. In 2005, the Northeast Asian region accounted for over 38 per cent of total Australian merchandise trade and over 45 per cent of Australian merchandise exports.[3] Further, the economies of Australian trade partners—and consequently, demand for Australian goods—outside the immediate Northeast Asian region are, to a certain extent, dependent on stability within the region. Any conflict in the region would present a considerable challenge to the Australian economy.

The devastation of a conflict on the Korean peninsula would be unparalleled in the modern era. It would also require Australian participation, both as an ally of the US and as a signatory to the Joint Declaration on the Korean Armistice (1953), which confirmed the resolve of signatories to the defence of South Korea.

Australia also has an interest in the maintenance of strong non-proliferation regimes. The spread of nuclear weapons and missile technology threatens security and stability, both in Australia's immediate region and across the globe.

Australia previously contributed approximately $22 million to the Korea Energy Development Organization (KEDO) set up under the 1994 Agreed Framework. The Agreed Framework sought the freezing of North Korea's nuclear program in return for the construction of two light-water reactors and interim energy supplies in the form of heavy fuel oil.

Background

The Korean War (1950–53) ended in an armistice, leaving the Korean peninsula in a de jure state of war, and in a de facto state of extreme war readiness. North Korea made considerable early progress, with economic growth rates surpassing those of South Korea until the mid-1970s. The economy has been in steady decline ever since due to military overspending, economic mismanagement and self-imposed isolation. A high level of enmity and distrust, at times extending to armed border clashes, characterised the relationship between North Korea and US-influenced South Korea throughout the Cold War.

Since 1997, the South Korean Government has sought reconciliation with the North through the 'Sunshine Policy'. Relations between North Korea and the United States have remained strained due to US concerns regarding North Korean weapons of mass destruction (WMD) programs, the potential for WMD technology and/or material transfers, alleged illicit activities including counterfeiting and narcotics, and human rights abuses. In 2002, US President George W. Bush labelled North Korea as a member of the 'axis of evil', alongside Iran and Iraq.[4]

Current leader Kim Jong-Il has been in power since the death of his father, Kim Il-Sung, in 1994. The present leadership has been under considerably more pressure than under Kim Il-Sung for several reasons, including:

Lack of legitimacy. Kim Il-Sung held considerable 'legitimacy' as a competent guerrilla campaign leader against the Japanese occupation during World War II, and as a ruler who made considerable early achievements in post-war reconstruction, the spread of literacy, education and health care. In comparison, Kim Jong-Il was installed as Chairman of the National Defence Commission without any significant military training, and since coming to power has ruled over a steady, and at times cataclysmic, decline in living standards. Reports from defectors show that many continue to admire Kim Il-Sung, but blame Kim Jong-Il for the country's woes.[5]

Failed economy. The collapse of the Soviet Union reduced the proportion of North Korean trade at 'friendship prices'. This was followed by a reduction in Chinese aid, as competition for influence in North Korea became a one-horse race. Self-imposed isolation, sanctions and the failure to repay international debt cut North Korea's links to international trade and investment. The economy, which verges on the brink of collapse, is supported by remittances from the North Korean community in Japan, alleged illegal activities, and aid from China and South Korea.[6] Described by economist and North Korea analyst, Marcus Noland, it is an economy that 'may muddle through for years before turning toward reform or chaos'.[7]

Famine. Declining inputs to agriculture as a result of economic mismanagement and adverse weather conditions resulted in famine from 1994 to 1998. Estimates of famine-related deaths range from 220 000 by the North Korean Government to 2.5 million by the United States Agency for International Development (USAID).[8] The famine also resulted in an upsurge in unsanctioned activity including corruption, black market activity and defection.

International pressure. International pressure on North Korea has increased since October 2002. However, it is

not just pressure from the US and Japan that affects the North Korean leadership. Pressure to undertake economic reform or to adhere to certain directions also originates from China. In March 2003, prior to the North Korean agreement to participate in three-party talks to resolve the nuclear issue, Chinese oil pipelines to North Korea were shut down due to 'technical difficulties' and in September 2003, Public Security Police on the border were replaced by People's Liberation Army troops.[9] However, Chinese sincerity in applying pressure to push North Korean reform could be questioned, given possible Chinese strategic interests in sustaining North Korea.[10]

The situation to date

Efforts to resolve the diplomatic impasse have included:

Three-Party Talks. The initial refusal of North Korea to commit to multilateral talks, and the refusal of the US to commit to bilateral talks was resolved by the establishment of a process in which the US and North Korea could undertake bilateral negotiations within a three-party framework, hosted by China in Beijing. During the 23–25 April 2003 Three-Party Talks, the US insisted upon the complete, verifiable dismantlement of the North's nuclear programs prior to more substantive negotiations. The North, in return, sought the end to what it perceived as the US's 'hostile policy' towards North Korea. Subsequently, both parties agreed to meet again in a multilateral setting.

Six-Party Talks. The Three-Party talks were expanded to include South Korea, Japan and Russia, meeting in Beijing on 27–29 August 2003. The first round of talks resulted in no concrete achievements, except for the promise to meet again. The second round of talks (25–28 February 2004) discussed a framework that would require North Korea to freeze and eventually dismantle its nuclear programs in return for a security guarantee and economic aid. All parties agreed to meet again to confirm timeframes and definitions. The third round of talks (23–25 June 2004) resulted in clarification of timeframes and verification steps as well as agreement to further talks.[11]

The fourth round of talks (26 July–7 August 2005) resulted in the most positive development to date. The talks were preceded by a significant softening of the US stance and involved bilateral sessions between the US and North Korea. Participants disagreed on North Korea's right to a nuclear program for 'peaceful uses'. In a second session (13–19 September 2005) a Joint Declaration was issued, in which the parties agreed to the dismantlement of North Korean nuclear weapons programs and the return of North Korea to the NPT; the right of North Korea to a peaceful nuclear program under the NPT; a formal declaration by the US and South Korea on the absence of nuclear weapons on the peninsula; the US and Japan eventually normalising relations with North Korea; and mutually coordinated measures to implement the declaration. However, the following day (20 September 2005) both the US and North Korea clarified their interpretation of the declaration. A North Korean Foreign Ministry spokesperson stated that the US 'should not even dream of the issue of the DPRK's dismantlement of its nuclear deterrent before providing Light Water Reactors'—as was required under the 1994 Agreed Framework.[12]

The fifth round of talks (9–11 November 2005) was a relative disappointment. Parties agreed on minor changes to the Joint Declaration, specifically enforcing mutual measures. However, protests against financial sanctions imposed by the US in response to alleged counterfeiting of US currency dominated the round.

Second-track diplomacy. Second-track diplomatic efforts have also been undertaken, which serve to build confidence and clarify intentions. The most effective of these have been US congressional delegations and academic visits to North Korea.

Representatives of the Six-Party Talks also met informally at the Northeast Asia Cooperation Dialog (NEACD) conference (10–11 April 2006) in Tokyo. The main point of contention remained financial sanctions, which the US insists are separate to the nuclear issue.

Bilateral contact. Limited bilateral meetings have occurred between the US and North Korea through the North Korean representative at the United Nations and on the side of multilateral talks.

North Korea has also undertaken bilateral talks with South Korea, Japan, Russia and China. The North Korea–Japan Normalization Talks addressed issues pertinent to Japan, including the abduction of its nationals by North Korean Special Forces in the 1970s and 1980s, and the North Korean missile program. As a result of these bilateral talks, North Korea reaffirmed a self-imposed missile test moratorium in September 2002.[13]

Multilateral talks. The North Korean nuclear issue, in various guises, has been addressed at the United Nations Security Council (UNSC) and at the International Atomic Energy Agency (IAEA), as well as in other multilateral settings including the Asia Pacific Economic Cooperation (APEC) forum, the Asia-Europe Meeting (ASEM), and the G8 Leaders Summit.

Most recently, the UNSC discussed the 5 July missile tests, adopting resolution UNSC 1695 unanimously on 15 July 2006. It condemns the missile tests; calls on North Korea to suspend its missile program; requires member states to prevent North Korea from importing or exporting missile or missile-related components, or transferring finances in relation to the North Korean missile *and* WMD programs; urges North Korea to show restraint and avoid actions that would further aggravate the situation; and urges North Korea to return to the Six-Party Talks.

The resolution does not cite Chapter VII of the UN Charter, contained in the Japanese draft resolution, which allows measures to be enforced through armed action if necessary. However, importantly, the resolution is not limited to the missile tests, but goes to the root of the problem, namely the North Korean WMD program.[14]

North Korea stated that it reserves the right to test missiles and 'vehemently denounced' the resolution.[15]

North Korean diplomatic aims and methods

North Korea's aim of reunifying the Korean peninsula under its leadership, which drove its actions throughout the Cold War, has today all but faded. Today, North Korea has one aim—survival. However, in the North Korean context, this means survival of the leadership and the ruling elite.

The primary threat to the survival of the North Korean leadership and ruling elite is the imposition of regime change—through internal revolt, external interference, or a combination of the two.

Attaining WMD capability partially addresses these threats. It provides a deterrent to external interference. It

also provides a bargaining chip to gain economic concessions that can be redistributed amongst the ruling elite—and to a certain extent amongst the population at large— to keep the regime in power.

North Korea pursues its strategic aims through a diplomatic method that has been refined during more than 50 years of strained relations with the US. Distinct traits of its diplomatic method include:

Preference for bilateralism. North Korea prefers bilateral negotiations for two key reasons. Firstly, it allows greater freedom to manipulate negotiations. In bilateral talks there is more leeway for North Korea to play one party off against another, whereas in multilateral talks, it can be exposed to greater international pressure (although this has not been the case in the current talks).

Secondly, bilateral negotiations are interpreted by North Korea as increasing its prestige.[16] This dates back to the Cold War objective of negotiating with the US rather than South Korea in all contexts, thereby reducing the latter to a lower level 'client state'.

Negotiations under stress. North Korea likes to impose an atmosphere of stress through brinksmanship, initiating international crises and manufactured deadlines. Since October 2002 there has been a long list of devices to impose stress on negotiations—removing IAEA seals and cameras, withdrawing from the NPT, restarting nuclear reactors, reprocessing fuel rods, freezing certain cooperation projects with South Korea, and test-launching missiles. This leads to situations where the immediate aim of any negotiations is to reduce the crisis, rather than solve more fundamental issues.

Appearance of unpredictability. International opinion is divided as to whether Kim Jong-Il is an 'irrational madman' or a 'master manipulator'.[17] In negotiations, like in a game of high-stakes poker, unpredictability increases a player's ability to bluff. As noted by North Korea analyst, Chuck Downs: 'despite the prevalent characteristics of lunacy in its negotiating style, North Korea has been extraordinarily consistent in how it accomplishes its objectives'.[18]

The leadership has refined its diplomacy to suit current conditions in North Korea. Significant traits include:

Expansion of the role of the military. North Korea has always had a dominant military culture, given the size of the armed forces and their role in society. This has increased in recent years due to the stronger emphasis on the 'military first' policy that places the provision and advancement of the armed forces above all other national goals. It may also reflect concessions to the military elite that Kim Jong-Il may have made to strengthen his position. The military affects diplomacy through its control over economic resources, its interaction with key dialogue partners and its central role in the WMD and missile programs. A more influential military could have contributed to the decision to conduct missile tests, sparking the latest diplomatic crisis.

Limited and targeted reform. North Korea has attempted economic reforms, including market reforms, free-trade zones and cooperation with the South. However, the North is careful to ensure that reforms only go far enough to serve its purpose of strengthening the regime, and not so far as to weaken control. Accordingly, diplomatic engagement, such as economic ties with South Korea, is constrained by the desire to ensure that reform does not weaken regime control.

Exploiting regional fears. Conflict on the Korean peninsula would severely disrupt regional trade and investment. However, the region fears not only war with North Korea, but also the country's unexpected collapse. This could result in numerous problems including uncontrolled refugee flows to China, Russia, South Korea and Japan; civil war within North Korea, including the potential use of WMD; and possible long-term foreign intervention (China or the US) upsetting the regional balance of power. Regional powers have a lot to fear, which exposes them to manipulation by the North.

Exploiting differences among allies. North Korea has been very successful in exploiting differences between all participants in the now long-stalled Six-Party Talks. Predominantly, this has meant exploiting growing differences between South Korea and the US. South Korea views the collapse of North Korea, which would wreak havoc on its own economy, as the primary concern. In contrast, the US considers WMD and WMD proliferation as the primary concern. Accordingly, South Korea is seeking to engage the North, while the US is seeking to isolate it. The North Korean strategy is to exploit these fundamental differences between negotiating partners.

The 5 July 2006 missile tests conform to these patterns in North Korean diplomacy. To date, the tests have:

- Increased domestic political pressure for the US to commence bilateral negotiations.
- Created a high-stress environment for future negotiations and added another issue to the agenda. This clouds the international community's ultimate goal of dismantling the WMD program and potentially provides another opportunity for North Korea to seek compensation for compliance with international requests.
- Reaffirmed the impression in key negotiating partners that North Korea is unpredictable.
- Widened the rift between the US and Japan on one side and South Korea, China and Russia on the other. In particular, the missile tests have substantially widened the rift between Seoul and Tokyo.

Accordingly, despite the reported failure of the missile tests of 5 July 2006, it could be argued that diplomatically, North Korea may have achieved its strategic objectives.

North Korea still faces potential fallout from the missile tests. The tests could ultimately result in: increased pressure from China; a weakening of North Korea's influence in South Korea—and subsequent closer policy coordination between the US and South Korea; moves towards rearmament in Japan; and greater willingness of the international community to support sanctions in response to future transgressions.

Diplomatic efforts

North Korea has stated that it will not return to the Six-Party Talks until the US removes financial sanctions. With the pressure for a return to talks mounting after the 5 July missile tests, the options include:

Five-Party Talks. The five remaining participants of the Six-Party Talks may meet in order to agree on measures to entice North Korea back to the talks. China and Russia remain wary of this option. Importantly, South Korea has agreed with the US on the need for continuing talks regardless of North Korea's attendance.[19]

Unofficial dialogue. The ASEAN Regional Forum (ARF) met in Kuala Lumpur on 28 July 2006 with all Six-Party Talks representatives in attendance, presenting an opportunity for discussions on North Korea's return to the talks.[20] North Korea refused to participate in dialogue on the situation.

Strategic neglect. The missile tests conform to the North Korean diplomatic strategy of using pressure and brinksmanship prior to requesting talks. This indicates that it seeks talks, albeit on its own terms and for reasons which analysts can only speculate about. Strategic neglect could place the onus on North Korea to initiate dialogue without the benefit of pressure or brinksmanship. However, this is a dangerous option: neglecting North Korean WMD and missile programs potentially allows further time for their development. It may also encourage further escalation by the North as it again seeks talks on its own terms.

Direct talks. High-level direct bilateral talks proved successful in the earlier nuclear crisis, when a US Special Envoy, former President Jimmy Carter, visited North Korea. This ultimately resulted in the 1994 Agreed Framework. As noted by the Northeast Asia Project Director for the International Crisis Group, Peter Beck, Kim Jong-Il is 'the only man in the country who can make a deal anyway'.[21] Direct talks could also strengthen US influence with the other partners in the Six-Party Talks by demonstrating its willingness to diplomatically engage North Korea. Currently, the US is opposed to direct talks.

Ultimately, the diplomatic options depend upon North Korea. It has achieved its immediate diplomatic objectives and may now wait for suitable terms before returning to negotiations—which may mean waiting until after the Bush Administration. Alternatively, it may once again increase the pressure for direct talks through further missile tests, a threatened nuclear test or military provocations.

Australian efforts. Australia maintains diplomatic relations with North Korea, with the latter having an embassy in Canberra, and Australia represented through a non-resident ambassador based in Beijing. The Australian media reported that Australia could play a role in enticing North Korea back to negotiations through the contribution of coal to alleviate energy shortages.[22] To date, the Australian Government has been active, both bilaterally and with key allies and partners, in communicating its concerns regarding the missile tests and its desire for North Korea to return to the Six-Party Talks.[23]

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