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ASIA'S SLIPPERY SLOPE: TRIANGULAR
TENSIONS, IDENTITY GAPS,
CONFLICTING REGIONALISM, AND
DIPLOMATIC IMPASSE TOWARD
NORTH KOREA

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NEW THINKING ON DIPLOMACY
TOWARD NORTH KOREA

What to Do about North Korea

Mark Fitzpatrick

North Korea is the world's most troublesome country, brutal at home and a bully abroad. In 2013 it became even more dangerous, both to its neighbors and to its own people. Most worrisome are the nuclear weapons that Pyongyang sees as vital for the preservation of the regime. Although North Korea seems intent on never trading them away for economic or political benefits, this does not mean that diplomacy is meaningless. In combination with deterrence, interdictions, sanctions, and other policy tools, engagement can seek to limit the dangers. The policy options for the United States are not new; nearly every policy choice short of military preemption has already been tried. What is changed is the set of unfavorable circumstances faced by Pyongyang: a pervasive market economy, an increasing flow of outside information, widespread corruption, and the exposure of internal divisions that reached to the leader's own relatives. Pressure on Pyongyang that sharpens its policy choices also serves a longer-term goal of hastening internal change that can lead to unification.

A DANGEROUS REGIME

The external threats posed by North Korea include progress in both the plutonium and uranium paths to a nuclear weapon. Whether the DPRK has "smaller, diversified and precision nuclear weapons," as claimed,¹ cannot be confirmed. Nor is it known whether the February 12, 2013 test, North Korea's third since 2006, was based on plutonium, as were the other two, or highly enriched uranium (HEU). The radioactive isotopes collected in Japan two months later had decayed too much to allow a determination. But each test brings Pyongyang closer to having a deliverable nuclear weapon.

The North's current plutonium holdings are sufficient for no more than about ten weapons. The 5MWe reactor at Yongbyon which produced that plutonium before it was partially disabled in 2007 appears to have been restarted in the autumn of 2013, although North Korea has not yet announced this. Resumption of reactor operations will enable it to annually add one to two weapons' worth of plutonium to that stockpile, beginning in two to three years when the fuel load is discharged, cooled, and then reprocessed. The facility for producing enriched uranium appears to have doubled in size, based on overhead imagery of the roof, and new activity is underway on other probable nuclear-related facilities at the sprawling Yongbyon complex.² Construction of an experimental light-water reactor may be completed by the end of 2014 or early 2015, giving North Korea another means of producing plutonium for two or three weapons a year, although the main purpose is probably electricity generation since the plutonium from such reactors is not ideal for weapons use. In the summer and autumn, excavation work and two new tunnel entrances were observed at the Punggye-ri nuclear test site.³ In late March 2014, North Korea threatened to carry out a "new form" of nuclear test.⁴

Giving legal and political weight to the nuclear weapons program, meetings of the Workers' Party and Supreme People's Assembly in March and April 2013 decided that nuclear weapons possession should be a matter of law and never traded away, and that the nuclear and missile programs should be pursued simultaneously with economic development, a policy known as the "byungjin (progress in tandem) line." During the spring 2013 escalation of tension following the UN Security Council's response to the third nuclear test, North Korea threatened a "pre-emptive nuclear strike" on the United States and released YouTube

clips depicting attacks on the White House and New York City, the latter copied from a video game. To drive home the point, North Korea released a staged photograph of leader Kim Jong-un in a command center-like setting with a map supposedly showing target sites for a missile strike on various cities in the continental United States.

North Korea has no missiles capable of hitting the American homeland, though it is working toward this goal. The longest-range missile of known reliability, the Nodong; can reach about 900 km with a 1,000 kg warhead. A Nodong variant that was displayed in a 2010 parade and has striking similarities to the Iranian Ghadr-1 might extend that reach to 1,600 km, but the operational status of this system is unclear. North Korea has also displayed apparent mock-ups of two longer-range missiles that it has never tested. In April 2013, it deployed two road-mobile Musudan missiles to the East Coast, but whether it ever intended to test them or only to use them for political signaling is unclear. The United States estimates that the Musudan has a potential range of 4,000 km, which would put Guam in reach. The maximum range, however, may be closer to the 2,400 km of the Soviet R-27 system on which it was apparently based.⁵

Prototypes of another road-mobile system, designated Hwasong-13 by North Korea and KN-08 by the U.S. military, were paraded in April 2012 and July 2013. The U.S. Department of Defense assesses that they have a range of more than 5,500 km and would be capable of hitting much of the continental United States “if successfully designed and developed” but notes that, like the Musudan, their current reliability is low because they have not been flight-tested.⁶ Non-governmental Western experts are divided as to whether the mock-ups represent real systems. Germans Marcus Schiller and Robert Schmucker believe the systems displayed are technically infeasible.⁷ Americans Jeffrey Lewis and John Schilling contend that the mock-ups are consistent with a development program for an intercontinental ballistic missile and argue that the space launch that North Korea successfully carried out in December 2012 was almost as technically challenging as an ICBM launch.⁸ The 100-kg satellite put into (dysfunctional) orbit by the three-stage Unha-3 is ten times lighter than a nuclear warhead, and the space launch did not test atmospheric re-entry. Until North Korea successfully tests re-entry of a dummy nuclear warhead, it can be argued that it does not have a reliable nuclear strike capability. Lewis cautions analysts not to be too sanguine on this point, noting that China tested a missile-delivered warhead in 1966 with its fourth test and ultimately solved engineering challenges related to re-entry vehicles for intercontinental ballistic missiles by 1980.⁹ Further missile developments can be expected in 2014, drawing on the successful Unha-3 launch and the reports of five static engine tests in 2013, which might have been for the Hwasong-13, although this is unknowable.¹⁰ The main launch site at Sohae has been expanded to allow for launches of rockets almost 70 percent longer than the Unha-3.¹¹

North Korea’s missile systems can also be used to deliver chemical weapons far afield, although artillery is a more effective means of chemical warfare. With Syria’s decision in 2013 to give up its chemical weapons, North Korea became the only country presumed to have an active chemical weapons program. Testimony from defectors and other evidence give South Korea reason to estimate that the North has 2,500-5,000 tons of chemical agents,¹² which would be two to four times the size of Syria’s former stockpile. North Korea’s chemical weapons are thought to include sulfur mustard, chlorine, phosgene, sarin, and V-agents.¹³ Over the past

decade there have been several unconfirmed reports of North Korean assistance to Syria's chemical weapons program,¹⁴ which came close to being corroborated in April 2013 when Turkey detained a Liberian vessel en route to Syria from North Korea that was found to be carrying a number of gas masks in addition to small arms and ammunition.¹⁵

North Korea had also assisted Syria's misbegotten pursuit of a nuclear weapons program, an effort that was abruptly halted in September 2007 by Israel's bombing of the plutonium-production reactor at Al Kibar. North Korea may also have cooperated with Iran's illicit nuclear program, although the evidence remains too sketchy to allow conclusions to be drawn.¹⁶ Similarly, there was reason to believe that North Korea may have been engaged in nuclear cooperation with Burma; Secretary of State Hillary Clinton said as much in an interview in 2009.¹⁷ Whatever assistance North Korea was providing to it in the nuclear and missile field has apparently ceased as a result of Burma's move away from authoritarianism and toward engagement with the United States and other Western countries. The drying up of North Korea's markets for unconventional weapons sales is one of the bright spots in an assessment of the troubles the North poses.

North Korea does continue, however, to sell conventional weapons in contravention of Security Council resolutions. Panama's seizure of the Chong Chon Gang in July 2013 provided graphic proof of North Korea's determination to continue such sales. This is no wonder. Military goods are among the few areas in which North Korea has a competitive advantage; it is thought to have netted \$100 million or more a year from such sales.¹⁸

Cyber warfare is another area in which North Korea poses security threats. It is strongly suspected of launching cyber attacks against South Korean television stations and banks in March 2013, similar to earlier massive denial-of-service attacks in 2011 and 2009. North Korea is reported to have a 3,000-person cyber army. The hermit nation has an asymmetric advantage in the cyber realm because its governmental and military infrastructure relies on computer systems to only a limited degree.

North Korea's troublesome behavior toward the South in 2013 included diatribes against President Park Geun-hye and threats to turn Seoul into a sea of fire. In April that year, North Korea abruptly withdrew workers from the Kaesong Joint Industrial Zone, halting for five months the most promising form of inter-Korea interaction. Just as Kaesong was coming back on line on a reduced scale, the North abruptly refused to permit North-South divided family reunions at the height of the Chuseok harvest festival holiday. A reunion event was allowed in February 2014, but North Korea refused to regularize such meetings.

North Korea found still other ways to pose problems internationally. In April 2013, it sentenced naturalized U.S. citizen and Christian missionary Kenneth Bae to 15 years of hard labor for unspecified "hostile acts" while he was visiting as a tourist the previous year. U.S. efforts to win Bae's release were rebuffed in August when a State Department official was disinvented at the last minute, while Kim Jong-un instead entertained the flamboyant former U.S. professional basketball player Dennis Rodman.¹⁹ In October, Merrill Newman, an 85-year old U.S. Korean War veteran, was pulled off an airplane as he was about to depart Pyongyang after a ten-day tourist visit. He was held for a month until he confessed to killing North Korean soldiers and civilians 60 years earlier. In January 2014, Bae was put before

a ‘press conference’ in Pyongyang at which he confessed to unspecified “anti-government” acts and asked for U.S. government help to win his release. The staged event appeared to be North Korea’s way of seeking U.S. engagement.²⁰

Even worse than the dangers that North Korea presents externally are the crimes the regime commits against its own people. UN High Commissioner for Human Rights Navi Pillay last year noted that North Korea’s deplorable human rights situation “has no parallel anywhere in the world.”²¹ In view of this deplorable picture, last March the UN Human Rights Council established a Commission of Inquiry to investigate violations. After a year-long investigation, including interviewing over 320 victims and witnesses, the Commission on February 17, 2014, released a report which concluded that the systematic, widespread, and gross human rights violations constituted crimes against humanity. Documenting in great detail the “unspeakable atrocities” committed in the DPRK, the report said these crimes “entail extermination, murder, enslavement, torture, imprisonment, rape, forced abortions and other sexual violence, persecution on political, religious, racial and gender grounds, the forcible transfer of populations, the enforced disappearance of persons and the inhumane act of knowingly causing prolonged starvation.” Implying that Kim Jong-un and others should be held accountable, the Commission noted that the main perpetrators are officials “who are acting under the effective control of the central organs of the Workers’ Party of Korea, the National Defence Commission and the Supreme Leader of the Democratic People’s Republic of Korea.” The headline recommendation was that these issues should be referred to the International Criminal Court for action.²²

Hopes that the Swiss-educated young leader would bring North Korea closer to international norms were dashed when the world saw how he dealt with his uncle and former regent, Jang Song-taek, who apparently got caught on the wrong side of a struggle over control of resources. Jang’s summary execution showed the young leader to lead in the style not of Gorbachev but of Stalin. “Kim Jong-Un has picked up where his father and grandfather left off, by overseeing a system of public executions, extensive political prison camps, and brutal forced labor,” commented Phil Robertson, deputy Asia director at Human Rights Watch.²³

POLICY CONUNDRUM

In the quarter century since North Korea’s quest for nuclear weapons became apparent, the United States has tried every possible policy response, save one. There has been engagement bilaterally and multilaterally, with talks variously involving three parties, four parties, six parties, and eight parties. Sanctions of all forms have been applied. Policies of inducement, concessions, disengagement, and threats have all had their day. Lack of consistency can be faulted, but not lack of imagination. Nothing has persuaded North Korea to desist from its nuclear pursuit. Temporary diplomatic successes, the best of them being the 1994 Agreed Framework, have all been reversed through North Korean reneging.²⁴

The one option that has not been applied, military intervention, has been kept on the shelf for fear of sparking a repeat of the devastation of the 1950-1953 Korean War. Despite atrocious provocations over the years, North Korea has remained immune from U.S. military reprisal because its artillery held Seoul hostage. The nuclear weapons that may now accompany the conventional artillery reinforce the case for caution but do not account

for the reason Pyongyang is not attacked. The reason, rather, is geography. Although a U.S. military strike against North Korea remains an ever-present deterrent, the United States has no intention to attack or invade the DPRK with either nuclear or conventional weapons, as it put in writing in September 2005.²⁵

In December 2009, after visiting Pyongyang in the Obama administration's first high-level contact with the nation, Special Envoy for North Korea Policy Steven Bosworth told reporters "this may be the time to exercise strategic patience."²⁶ Bosworth's catchphrase has characterized U.S. policy ever since, though U.S. officials say it is not strictly accurate. U.S. Assistant Secretary of State for East Asia and Pacific Affairs Daniel Russel explained in answer to a question about strategic patience posed at an event at Chatham House in January:

...our strategy is not to succumb to impatience. Our strategy is to maintain a very solid grasp on the things that we do control and where we do have an ability both to shape North Korea's choices but also to avoid repeating chronic mistakes that we have, frankly, made in the past. The essence of those mistakes was to put hope over evidence – the hope that this time maybe North Korea would mean it...²⁷

To avoid repeating past mistakes, the Obama administration is determined not to return to any negotiating table with North Korea until it takes actions to demonstrate a commitment to denuclearization. Pyongyang's statements instead signal the opposite intention: to talk to the United States as an equal nuclear-armed state and not to give up its nuclear weapons until the United States does likewise.²⁸ Angered by the speed with which Pyongyang violated the February 29, 2012 "Leap Day deal," the Obama team has little interest in trying again. Under that deal, in implicit exchange for 240,000 tons of food aid, North Korea agreed to suspend nuclear tests, enrichment activity, and long-range missile launches. Although the U.S. negotiators made clear that a space launch would be a deal breaker, the definition of "long-range missile launches" was not agreed in writing. Sixteen days later Pyongyang announced its intention to put a satellite into space on the centennial of founding father Kim Il-sung's birthday. The rocket—and hopes for U.S.-DPRK rapprochement—blew up shortly after the launch. Although the next launch succeeded, relations with the United States and the rest of the world have gone from bad to worse.

The policy conundrum is that as Washington remains patient, Pyongyang is pushing its nuclear and missile program ahead on all fronts. Before long, it will undoubtedly demonstrate a capability to reliably mount and deliver nuclear weapons to Japan and South Korea and possibly further. As former Deputy Assistant of State Evans Revere put it, "When that occurs, it will dramatically mark the failure of years of efforts to end the North Korean WMD program."²⁹ Arguing that the United States and its allies cannot afford to just sit back and wait for that day, several private-sector experts advocate renewed engagement without preconditions. Frank Jannuzi, Deputy Executive Director of Amnesty International USA, for example, says: "The smart choice is to be bold. Engage Pyongyang without delay—not as a reward for bad behavior, but because it offers the best chance to gradually influence North Korea's conduct, encouraging it to respect international norms, protect the human rights of its people, and abandon its nuclear weapons."³⁰ After meeting with North Koreans in Europe, Bosworth and former Assistant Secretary of State Robert Gallucci argued that:

“Whatever risks might be associated with new talks, they are less than those that come with doing nothing.”³¹

“Doing nothing” is not how the Obama administration would characterize its North Korea policy, of course. Although it is not talking to Pyongyang, it is sending signals. One signal is a strengthened posture of deterrence, which serves at the same time as a means of reassurance to America’s allies in the region. In October 2013, the United States and South Korea announced a “tailored deterrence” strategy to deter North Korean use of nuclear and chemical weapons and other forms of aggression.³² In line with this strategy, U.S. and ROK defense and foreign affairs officials took part in the two-day Extended Deterrence Policy Committee Tabletop Exercise in Hawaii in January 2014 to explore a range of possible alliance responses to a nuclear crisis.³³ In February 2014, the Pentagon temporarily added an 800-person army regiment to the 28,500 U.S. military personnel stationed in South Korea. The annual large-scale Foal Eagle joint military exercise was again held in South Korea in March–April 2014. Last year, in light of North Korea’s nuclear threats, the Pentagon enhanced the exercise by sending nuclear-capable B-2 and B-52 bombers to fly near the border and simulate bombing runs as much to reassure the South as to deter the North. The United States also bolstered missile defenses in the region. UN sanctions against North Korea were strengthened and China was persuaded to more strictly implement existing international sanctions.

In return, China has encouraged the United States to return to the Six-Party Talks that began in Beijing in 2003. Those talks broke down in 2008 over verification requirements for the partial dismantling of its nuclear program that North Korea had agreed to undertake. In September 2013, Pyongyang sought to reconvene the talks “without preconditions,”³⁴ meaning without meeting U.S. demands to recommit to the original denuclearization purpose of the talks and to verifiably halt the enrichment and plutonium-related activity. A DPRK diplomat told this author bluntly in January that under these conditions, the Six-Party Talks are dead.

This does not mean that engagement with North Korea itself is dead. At least it should not be. Washington should find other ways to talk to North Korea. The Obama administration’s mantra of “not talking for the sake of talks” has a nice ring to it, but the argument is not compelling. Talking is useful for sounding out the other side’s intentions and exploring potential shifts. Keeping channels open will stand the United States in good stead in the event of a crisis that requires immediate communication. Moreover, talking is cost-free, and not a benefit bestowed on the other party. It is the essence of diplomacy. U.S. engagement should be aimed at reaching the ear of the leader.³⁵ Although Dennis Rodman is nobody’s idea of the ideal envoy, the fact that he is the only American to have engaged personally with Kim Jong-un is telling. Engagement should be coordinated with Seoul; the most important dialogue channel is North-South. For Pyongyang, the road to Washington runs through Seoul. The United States will not abandon its ROK ally or relegate it to a second-tier status in negotiations, as North Korea repeatedly suggests.

Last year North Korea sought several times to arrange for informal discussions in the guise of Track 1.5 talks in Beijing, Berlin, and London. Some of the American academics who joined those talks reported afterwards that there was room to find common ground. The idea that Pyongyang wants to be recognized as a nuclear power in diplomatic talks was

a “misunderstanding,” the North Korean participants reportedly said.³⁶ They could not accept conditions in advance, but their nuclear weapons program would be on the table,³⁷ including a freeze of the nuclear program, postponement of missile tests, and re-entry of IAEA inspectors: in short, a return to the Leap Day deal minus any moratorium on satellite launches.³⁸ North Korea, of course, would want food aid on the order of the 2012 deal and some political concessions.³⁹

The Obama administration is highly unlikely to pursue a comprehensive deal that does not include space launches. To allow space launches after they have been denounced by successive U.S. presidents and prohibited by two UN Security Council resolutions would be politically infeasible, widely condemned across the political spectrum as rewarding bad behavior. There is too much overlap between North Korea’s military-use missiles and its supposed space exploration. After successfully recovering the front section of the Unha-3 rocket, South Korea concluded that it was designed to accommodate a nuclear warhead.

So, what is there to talk about? Jannuzi’s suggestion for a Helsinki-like initiative to build multiple bridges of discussion on a broad number of topics including energy security, health policy, the rights of women and the disabled, etc.⁴⁰ is breathtakingly ambitious. He is under no illusions about North Korean sincerity with regard to denuclearization. In Jannuzi’s view, a multilateral process of engagement is first needed to bring about fundamental changes in thinking. The idea is akin to the “Sunshine Policy” that won President Kim Dae-jung the Nobel Peace Prize in 2000 and was continued by his successor Roh Moo-hyun. The no-strings attached assistance provided to North Korea under the Sunshine Policy contributed to a conservative political backlash in South Korea because it failed to elicit any reciprocity from Pyongyang regarding reducing the nuclear program or improving human rights. Little appetite is likely to be found in either Seoul or Washington for another turn down this road.

There may be scope for discussion of discrete aspects of North Korea’s strategic weapons programs. Siegfried Hecker has suggested focusing on “three no’s: no more bombs (meaning no more plutonium and no HEU); no better bombs (no nuclear testing and no missile tests); and no nuclear exports, though he recognizes that each advancement of North Korea’s nuclear program pushes up against his first red line.⁴¹ North Korea should also be encouraged to end its chemical weapons program and to adhere to the Chemical Weapons Convention. It is one of only six states that prevents this treaty from becoming universal. The United States would find it hard, however, to give up much in return for incomplete measures that North Korea, if true to past form, is unlikely to honor for very long, especially with regard to the verification measures that would be needed. Any pursuit of discrete measures must also be done in a way that does not signal acceptance of the nuclear weapons program. What it can offer is an improved relationship and integration into the international community on condition that Pyongyang denuclearize. Secretary of State John Kerry said the United States is prepared to sign a non-aggression pact.⁴² In 2005 it put into writing a promise of no intention to attack or invade into an agreement, and could do so again. North Korea could also be offered a process leading to a peace treaty to formally end the Korean War once denuclearization is complete.

Above all, the United States can offer to help North Korea escape the contradictions that will otherwise spell its demise. If North Korea continues its nuclear weapons development, the United States will instead seek to make those contradictions more apparent. Over the

past year, policy makers have emphasized that Washington is seeking to sharpen the choices confronting the DPRK between isolation or integration.⁴³ Contrary to the byungjin policy line of procuring both guns and butter, “there is no scenario in which North Korea can create a viable economic future for itself or its people and retain a nuclear weapons program,” Russel said in January 2014.⁴⁴ Sharpening the choices is ROK policy as well. President Park said in Switzerland in January, “unless North Korea changes voluntarily, we have to create an environment where it cannot help but change.”⁴⁵ When both governments agreed in January to set up a consultative body to assess developments in North Korea, an unnamed senior ROK official suggested that the purpose was not just to watch but also to induce faster change in the regime.⁴⁶

A NATION BESET BY CONTRADICTIONS

As a nation, North Korea is beset by contradictions. For a nation that is chronically unable to feed itself and is heavily reliant on China for oil, trade, and investment, the self-reliance national ideology of *juche* is a meaningless slogan. Even in several areas away from the border, the Chinese yuan is replacing the national currency. The communist system is crumbling as market forces take over the economy. The public food distribution system never fully recovered after its collapse in the famine years of the mid-1990s. A study of defectors found that most of them had derived the bulk of their income in North Korea from unofficial economic activity.⁴⁷ Despite the state’s efforts to regain control of the economy, the private markets are there to stay.⁴⁸ Because the markets are not fully authorized, bribery is pervasive. In a ranking by Transparency International, North Korea is tied for the title of most corrupt nation on earth.⁴⁹

Corruption and emphasis on wealth accumulation have strained the ideological underpinnings of the state. Rampant smuggling of Chinese radios and South Korean-origin DVDs and CDs has undermined the state’s control over information. Cognizant North Koreans know their nation is far behind South Korea and a far cry from the socialist paradise portrayed in government propaganda. Arch North Korea critic Josh Stanton is not far from the mark when he suggests that: “poverty doesn’t cause revolutions; jealousy does. Class envy is far more dangerous to Kim Jong-un than famine was to Kim Jong Il.”⁵⁰ The economic reforms that the state does attempt to implement quickly fall victim to the contradictions. The directive of June 28, 2012 sought to incentivize agriculture by allowing family units to keep 30 percent of their production and to stimulate industry by giving factory managers more freedom. Among other reforms, factories were required to make their own production plans and procure their own inputs. The resultant inflationary wage increases, supply constraints, and resistance from entrenched forces within the state and military created insurmountable problems.⁵¹ In another heralded economic reform, North Korea in November established 13 new special economic zones. Yet the abrupt closing of the Kaesong Industrial Zone and the increased sanctions on North Korea will have scared off all but the most risk-seeking of foreign investors. Apart from these new political risk factors, conditions such as restrictions on the use of the Internet and inattention to the rule of law make North Korea inhospitable to foreign investment. Foreign firms that have made an impact, such as the Egyptian Orascom Telecom Holding, which now has two million cell phone subscriptions, have had trouble repatriating profits.⁵² Meanwhile the government

allocates scarce resources to non-productive vanity projects such as equestrian parks, a dolphinarium, skating rinks, and a ski resort, plus more monuments to Kim Il-sung and Kim Jong-il. Yet under Kim Jong-un, less than ten km of new roads have been built.⁵³

North Korea is often called a failing state. Collapse may, indeed, come in the foreseeable future, as predicted by Bruce Bennett at RAND,⁵⁴ or the present progressive form of the verb “failing” could stretch out for many more years. It is incorrect, however, to call North Korea an economic basket case. Visitors to Pyongyang report an uptick in consumerism: more restaurants, cars, kiosks, and cell phones. Women wear more fashionable clothes, and a housing boom is visible in the capital. Many analysts wonder where the money is coming from. Rüdiger Frank, one of the most astute foreign observers of North Korea, recalls a similar pattern of consumer spending in his native East Germany that was untethered to changes in economic policy and surmises that the DPRK may be living off its reserves. “Once they are depleted, trouble is inevitable,” he notes, adding: “We may be witnessing the beginning of the long-predicted endgame for North Korea.”⁵⁵

Fissures among the ruling elite became glaringly apparent over Jang’s purge and kangaroo trial. Foremost among his many alleged crimes was the claim of disloyalty to the state and forming a faction to threaten Kim Jong-un’s power. For a state that has unfailingly proclaimed absolute unity, this was an extraordinary admission of internal divisions.⁵⁶ The byungjin line is the most obvious contradiction. For countries in dire straits, the policy choice should be guns OR butter, not more of both. As long as North Korea maintains its nuclear weapons, it will remain cut off from most sources of foreign trade and investment. China continues to offer a lifeline, but at reduced levels after the February 2013 nuclear test and subsequent provocations. According to some reports, China stopped state investment in free-trade zones and froze high-level visits.⁵⁷ China also began implementing UN sanctions more rigorously, releasing a 236-page list of goods denied to North Korea and stepping up inspections of North Korea-bound cargo.⁵⁸ It even went beyond the requirements of the UN sanctions by cutting ties with the DPRK’s Foreign Trade Bank and other bank outlets.

The rationale behind byungjin is that nuclear weapons save money by allowing deterrence to be sustained with smaller conventional forces. The most militarized country on earth, North Korea maintains the world’s fourth-largest army with the world’s 49th-biggest population. Defense spending accounts for 22 percent of GDP, a huge drain on resources. The state apparently wants to redeploy some of its forces to economically productive activities. Indeed, this is already underway as soldiers are put to work in agriculture,⁵⁹ but whether military spending is being cut cannot be confirmed.

CONCLUSION

The argument is made that if only the United States would stop its hostile policy and halt large-scale military exercises, the DPRK would be able to relax its guard and lower its military spending. These exercises are necessary, however, precisely because of North Korea’s provocations and threatening posture toward its neighbors with nuclear and other unconventional forces. Regular exercises are an important means of maintaining deterrence and the capability to properly respond to provocations and to quickly defeat aggression should deterrence fail. It is all the better if such defensive exercises put pressure on the North

Korean regime in ways that intensify its contradictions. It is no wonder that the January 16 proposal that North Korea made to the South, in the name of the National Defense Commission headed by Kim Jong-un, sought a halt to those exercises.⁶⁰

One should not be sanguine about the turmoil that would be unleashed by implosion of the North Korean state. Bennett's 2013 study amply lays out the tremendous human, political, and security problems that would ensue. There is every reason to hope that the collapse will come about with a soft, rather than hard, landing. Peter Hayes, among others, makes a reasonable argument for seeking to transform the DPRK "inside-out" via engagement aimed at non-collapse.⁶¹ This, in effect, is the consistent policy of China, which is wary of turmoil on its northeast border and fears that U.S. policy aims at regime change. But those who prop up the North Korean state prolong the suffering of its population, and the longer unification is forestalled, the harder it will be to knit together the divergent Koreans.

The United States is genuinely in favor of Korean unification that would remove the greatest and most longstanding threat to regional security. Unification as a democratic, free-enterprise-based republic free of nuclear weapons would be a happy ending indeed to the long-running North Korean tragedy.⁶² Washington does not seek to overthrow the Kim regime, nor should it. Yet the United States can help to foster the internal conditions that can lead to a regime change, including by promoting a greater flow of information to the people about the regime's human rights record and other failings. Washington is already doing this through Voice of America, Radio Free Asia, and independent broadcasters in South Korea.

Sanctions will be further strengthened if North Korea conducts another nuclear test or long-range missile launch. In particular, Washington should consider the kind of secondary sanctions that have been effectively employed against Iran. It is absurd that far tougher sanctions have been imposed on Iran even though North Korea's record of nuclear non-proliferation treaty and human rights violations is far worse. Third parties that do business with North Korean entities involved in illicit nuclear or missile programs should themselves face penalties. Any foreign banks that provide financial services for blacklisted North Korean entities should face the threat of being declared an institute of "primary money laundering concern" as was applied against Banco Delta Asia in Macao in 2005.

U.S. officials insist that the policy of sharpening North Korea's choices is intended to persuade it to give up its nuclear weapons. Privately, most of them would agree with the dominant mood in the analytical community that North Korea will not willfully make that decision. Officials can never say so, but putting pressure on Pyongyang also serves a longer-term goal of hastening an internal change that can lead to unification. The "new" U.S. diplomacy toward North Korea is looking to the end game. The goal is not regime change per se, but creating the foundation for peaceful unification of the Korean Peninsula.

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