

## Enhancing U.S. Engagement with North Korea

Joel S. Wit

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The 2006 stalemate at the six-party talks, coming after North Korea's missile tests and its first nuclear detonation, was a sign that U.S. policy was failing. Hamstrung by bureaucratic bickering, unable to build a cohesive multilateral coalition in support of its efforts, and unwilling to engage in serious negotiations with Pyongyang, Washington faced the real prospect of a North Korea armed with a small but growing nuclear deterrent. The Bush administration said that it would never accept a nuclear North Korea, but because of its policies, it seemed to have no choice.

Then, in February 2007, engagement with North Korea appeared to be resurrected. Is it still possible to convince Pyongyang to reverse course? Former deputy secretary of state Richard Armitage has asserted that no country has ever tested a nuclear weapon and then voluntarily given it up.<sup>1</sup> As one former Bush administration official recently observed, the administration, prior to the February agreement, had yet to

seriously test the proposition that Pyongyang would give up its nuclear weapons for the right incentives.<sup>2</sup>

A renewed and intensified policy of engagement is worthwhile because vital U.S. interests are at stake. It may even secure bipartisan support, a significant development given past partisan bickering over U.S. North Korea policy. A policy of enhanced engagement that articulates a positive vision for the Korean peninsula and Northeast Asia; seeks to rapidly identify common ground with Pyongyang; builds productive communication; sets negotiating priorities; establishes realistic nuclear objectives; and creates a successful, sustained process of implementation holds the best chance for resolving the crisis and securing U.S. interests.

### Assessing Current Policy

Having entered office skeptical of engagement, the administration finally sent Assistant Secretary of State for East Asian and Pacific Affairs James Kelly to Pyongyang in October 2002. That visit ended abruptly when the U.S. delegation confronted the North Koreans with

evidence that Pyongyang was violating the 1994 U.S.-North Korean Agreed Framework by pursuing a secret program to produce highly enriched uranium (HEU) for nuclear weapons. The North Koreans, according to public accounts, admitted their transgression.<sup>3</sup> Relations between the two collapsed, as did the Agreed Framework. Pyongyang has since restarted its nuclear program and may have produced enough plutonium for up to 10 weapons in addition to the one or two that may have been built before the Agreed Framework was terminated.<sup>4</sup>

Two years of six-party talks designed to end the crisis seemed to make progress in September 2005 with the conclusion of a joint statement sketching a path to the “verifiable denuclearization of the Korean peninsula in a peaceful manner.”<sup>5</sup> Largely composed by Chinese diplomats, the accord was immediately gutted when U.S. officials essentially disavowed a key provision.<sup>6</sup> Further complicating matters, as the agreement was being finalized, the U.S. Department of the Treasury threatened to sanction the Macau-based bank Banco Delta Asia for participating in Pyongyang’s money-laundering operations, resulting in the freezing of North Korea’s substantial hard-currency accounts in the bank.<sup>7</sup> As a result, Pyongyang refused to return to the six-party talks until December 2006. Instead, in the summer of 2006, the North resumed testing missiles, ending a self-imposed moratorium that began in 1998, and in

October 2006 conducted its first nuclear test.

Although a full assessment must wait for an inside look at U.S. policy, unanswered questions remain about Kelly’s 2002 visit, particularly about the intelligence analysis that he used as the basis for the Pyongyang meeting. His ultimatum was based on an alarming new assessment that North Korea could produce HEU by the mid-2000s, much sooner than expected. One official recalled the contrary, saying that “the idea that I can tell you that by mid-decade they are going to be producing a couple of bombs’ worth of HEU is simply bad tradecraft.” He added, “[T]he single most important fact the United States had on North Korea’s HEU program was that they admitted to having it,” but even then “the notion that they admitted to the HEU isn’t as clear-cut in the transcript as in the oral tradition that the meeting seemed to foster.”<sup>8</sup> Moreover, U.S. officials never questioned the North Koreans about their assertion, an astounding omission given its importance. The HEU threat has since disappeared from public discourse, perhaps a sign that U.S. assessments have changed once again .

Whatever the historical reality, Arnold Kanter, undersecretary of state for political affairs under President George H. W. Bush, has observed that Washington rhetorically insists that North Korea make a strategic choice between nuclear weapons

and becoming a prosperous member of the international community, but “the North Koreans face few, if any, incentives to make that very hard choice, and confront few, if any, penalties for their failure to do so.”<sup>10</sup> The reluctance to use incentives reflects a deep-seated ideological and bureaucratic resistance to negotiating with North Korea. The lack of penalties—the recent limited sanctions against Pyongyang because of its weapons tests can hardly qualify as serious punishment—is due to Washington’s inability to convince others, particularly Beijing, that Pyongyang is to blame for the current mess or that sanctions will help resolve the crisis. Further, to make matters worse, North Korea fully understands the weaknesses in U.S. policy and has exploited them, becoming a nuclear power in the process.

A less-noticed but equally important casualty of not fully engaging North Korea is the nascent support in Pyongyang to build better relationships with the United States and the international community. North Korea should share some of the blame for the current situation. Yet, that should not obscure the fact that those who supported the North’s engagement policy to pave the way for economic reform and guard against dangers to its sovereignty from Russia and China have been seriously undermined.

From its perspective, Pyongyang spent the first two years of the Bush administration, prior to the HEU confrontation, repeatedly trying to find a

way to reengage a U.S. government that was uninterested in reciprocating. Even after the failure of Kelly’s visit, North Korean leader Kim Jong-il sent a secret message to President George W. Bush via two private experts in late 2002.<sup>11</sup> Only when the Agreed Framework disintegrated soon afterward did Pyongyang gradually shift to a diplomatic strategy geared to convince others that the United States was at fault, skillfully using the six-party talks for that purpose.

The round of six-party talks in December 2006 provided more evidence of Washington’s ineffective approach. Intense discussions between the United States and North Korea proved unproductive. The main sticking point was Pyongyang’s insistence that U.S.-driven financial sanctions against the Chinese bank in Macau end before serious negotiations on the nuclear problem began. The round adjourned with no agreement on a date for the next session. An attempt to separate discussions on sanctions also stalled, with the United States proposing a session in New York City and North Korea countering with Pyongyang and then Macau.<sup>12</sup> North Korea appeared to be emphasizing a tactical negotiating game while moving forward with its nuclear program, and the United States appeared mired in the muck of secondary issues.

At the beginning of 2007, three outcomes seemed possible. First, serious tensions could lead to confrontation. Under this scenario, the six-party

talks enter a deep freeze or collapse, North Korea conducts additional missile and nuclear tests, and the United States seeks more sanctions at the United Nations and through coalitions of the willing. Increased interceptions of North Korean vessels to enforce new restrictions could increase the chances of accidental conflict.

The second scenario is an uneasy equilibrium. The crisis stops short of escalating out of control through periodic albeit inconclusive meetings of the six-party talks, and restraint is exercised outside those talks. Pyongyang may avoid provoking additional sanctions by, for example, forgoing more nuclear tests. North Korea could nonetheless unload fuel rods from its reactor to produce more plutonium, an activity it has conducted in the past without provoking international punishment.

Third, limited progress could be achieved, although forward movement may fall far short of securing the dismantlement of the North Korean nuclear weapons program. One potential outcome, apparently reached in the February 2007 accord, is a package of measures lifting the freeze on North Korean accounts in Macau and freezing Pyongyang's nuclear weapons program.

The best possible result of the administration's policy would be to restore the status quo as it existed just before the Agreed Framework collapsed in 2002, although the nuclear program

five years later is likely to be much further advanced.

### Options for the Future

Given these potential outcomes, a reevaluation of North Korea policy is in order. Yet, the prospects for lasting results are unclear. Any administration would have trouble changing its course to more serious engagement soon after the North's missile and nuclear tests without appearing to capitulate to Pyongyang, and strong voices still resist accommodation under any circumstances. Vice President Dick Cheney has asserted that "we don't negotiate with evil, we defeat it," and the president has clearly expressed his loathing of Kim.<sup>13</sup>

Some thought the 2007 National Defense Authorization Act, which requires the administration to appoint a coordinator to evaluate North Korea policy, might help ease the way to a course correction.<sup>14</sup> The president seems poised, however, to name a serving Department of State official to the post, a clear sign that a dispassionate review is not in the cards. As for speculation that the Democratic victory in the November 2006 congressional elections might result in a policy change, it seems more likely that the new majority party is focusing on the fight to change U.S. policy in Iraq. Regardless, if a shift occurs, four broad approaches could be taken.

First, the United States could seek to undermine or even overthrow the North Korean government by devoting “more resources toward convincing the North Korean people that their own government is their worst enemy.”<sup>15</sup> Two experts have noted that if this approach had been initiated in 1994, “the job might already be done.” That conclusion is open to question, particularly because China would be loath to support efforts to change the North Korean regime, given concerns about the subsequent spread of U.S. influence and the enormous headaches that would ensue with the disintegration of the current government.

Second, the United States could isolate and contain the North through political, economic, and military measures to ensure deterrence. Such an approach by itself is unlikely to convince North Korea to dismantle its nuclear force because its effectiveness would be tempered by limited Chinese support.

Third, the United States could tacitly or openly accept a nuclear North Korea by reaching agreements limiting the growth of its nuclear force or ensuring no leakage of nuclear technology beyond its borders, as it has done with other countries. Accepting a nuclear North, however, would provoke a domestic political firestorm in Washington and seriously undermine efforts to prevent others, notably Japan, from acquiring their own nuclear weapons.

The fourth and best option would be a serious effort to engage North Korea. Mitchell Reiss, a former Bush administration official involved recently in formulating U.S. policy, argues that “the real failure has been Washington’s inability, after three years of on-again, off-again negotiations in Beijing, to learn whether North Korea is actually willing to surrender its nuclear weapons program, and if so, at what price.”<sup>16</sup> The objectives would be to end the security threat posed by the North, particularly its nuclear program, and to create a face-saving escape route for Pyongyang from the current confrontation. This would be done not only by providing the North with concrete incentives, but also by taking steps to normalize political and economic relations. Alternatively, if North Korea rejected a new diplomatic initiative, opposition to Pyongyang’s program might firm up in China, South Korea, and elsewhere. A new joint declaration could prove to be a valuable tool.

A diplomatic initiative based on enhanced engagement would be an all-out effort to test whether Pyongyang would give up its nuclear weapons program if offered the right incentives. An integral part of this initiative would be to start both countries down the path of ending political hostility and building normal relations. Through normalizing relations with the United States, Pyongyang hopes to secure Washington’s help as a counterbalance to potential threats from more immediate neighbors China and Russia. A

less-dangerous external security environment would also benefit the North's efforts at economic reform. In return, Pyongyang would not only consider reducing or ending the threat it poses to U.S. interests, but also make itself useful in the more-important balance of power game playing out in Northeast Asia. Enhanced engagement would build on the positive elements of policies pursued by the Clinton and Bush administrations, keeping in mind past mistakes, the need to secure bipartisan support, and the need to reestablish credibility with Pyongyang. It will require taking six steps.

- ARTICULATE A POSITIVE VISION

The new policy would be launched in a high-profile speech by a senior official, such as the secretary of state. That speech would be designed to reinvigorate Washington's leadership role in resolving the nuclear crisis, to communicate to the North a new commitment to diplomacy, and to secure bipartisan support. It would articulate U.S. interests, emphasize the dangers posed by the crisis as well as the difficulties likely to be faced in resolving it, and postulate a vision of a peaceful, stable Korean peninsula and Northeast Asia based on political, security, and economic cooperation. It would also emphasize that if diplomacy fails, the United States will take whatever steps are necessary to safeguard its allies and its interests.

This positive vision would be based on the four organizing principles of demilitarization, normalization, modernization, and humanization. U.S. policies must be designed to secure in the near term the verifiable end of North Korea's nuclear and missile programs as well as to reduce the dangers of conventional military confrontation. Washington must also seek full political and economic ties, not only between the United States and North Korea but also between Pyongyang and others, particularly Tokyo. Part of this process will be reaching a permanent peace to replace the armistice ending the Korean War. The United States will support the economic modernization of North Korea through direct assistance when possible, by encouraging the efforts of South Korea and others, and by opening access to international financial institutions. This would be done based on a common agenda of support for economic reforms underway in the North. Finally, as part of an overall process of engagement and normalization, Washington would seek progress in improving the human rights situation inside North Korea as well as resolving differences over individuals abducted from Japan and South Korea by Pyongyang.

- RAPIDLY IDENTIFY COMMON GROUND

Given the negative experience of the past eight years, the United States and North Korea should conclude a declaration of principles to govern

relations between the two countries and to lay out objectives. A joint declaration could prove to be a valuable tool in rebuilding the foundation for far-reaching negotiations; in the past, North Korea has sought such statements as the springboard for substantive talks. In the case of a new administration, the process of working out a statement would also serve as an early indicator of each side's intentions. For example, the Bush administration's refusal until 2005 to reaffirm previous joint statements on respecting North Korea's sovereignty only added to Pyongyang's suspicions that Washington's real goal was regime change.

The new declaration could draw on previous documents, particularly the October 2000 joint communiqué and the September 2005 joint statement of the fourth round of the six-party talks. Of interest in the first document is far-reaching language pledging the two countries to a "new direction in their relations."<sup>17</sup> As a first step in that direction, the United States and North Korea agreed that "neither government would have hostile intent toward the other" and committed to "build[ing] a new relationship free from past enmity." The September 2005 joint declaration, a reflection of changed circumstances, is less far-reaching but includes useful language on the need to abide by "the purposes and principles of the [UN] Charter," to "respect each other's sovereignty," and to "exist peacefully together."<sup>18</sup>

A communiqué might also include pronouncements on negotiating priorities and principles. It could reaffirm the principle of "commitment for commitment, action for action," which will be essential in resolving differences.<sup>19</sup> It might even reconfirm language in the 2000 communiqué that "the resolution of the missile issue would make an essential contribution to a fundamentally improved relationship between them."<sup>20</sup>

Past experience has been that working with North Korean negotiators can produce results.

Negotiating a new joint communiqué may prove difficult. It is quite possible that Pyongyang will demand that Washington recognize its status as a nuclear power in view of the nuclear test. That would of course be unacceptable to the United States. Whether the two sides can find a way to work around that demand, leaving it for future, more detailed talks, would be an important sign of things to come.

- ESTABLISH PRODUCTIVE COMMUNICATION

A new process, rather than tying the hands of U.S. diplomats through unwieldy, unproductive multilateral talks, should maximize the chances for results. Even the Bush administration, recognizing the shortcomings of the six-party talks, has moved over the past three years from refusing to let U.S. diplomats be alone in a room with North Koreans to more frequent bilateral

encounters. One participant observed that the other countries spent most of their time “sitting on their hands” at the last Beijing session.<sup>21</sup> That multilateral meeting also featured a bilateral U.S.–North Korean working group on financial sanctions that may reconvene on its own in the future.<sup>22</sup>

A new engagement policy would make a clean break with the glacial pace of the past by establishing a direct, bilateral, and almost continuous process of negotiation between the United States and North Korea. Two channels would be the main fabric of this process. The first would be direct talks between senior U.S. and North Korean negotiators focused on resolving the nuclear issue, but naturally touching on other security, political, and economic topics as part of reaching a final agreement.

Although these talks would be convened as often as possible, Washington should supplement them by holding frequent meetings with North Korean diplomats stationed at the UN in New York City. The New York channel, which now functions as little more than a mail drop, played an important role in the past, helping to maintain almost continuous contact with Pyongyang and to resolve substantive problems. At one point during the first nuclear crisis in 1993–1994, there were multiple sessions at the UN that finally produced an important breakthrough.<sup>23</sup>

In addition, the United States must broaden

contacts at all levels by welcoming and seeking sessions between senior officials. They could take place during “chance” encounters at multilateral diplomatic meetings in Asia, on neutral territory, or in each country’s capital. Such meetings may prove absolutely essential at the very beginning of an administration’s initiative to jump-start serious talks. Contrary to the popular myth, the United States’ past experience has been that working with North Korean negotiators can produce results, but going to the top occasionally is required to break log-jams. As a South Korean official noted before a planned North-South summit in 1994, the North Korean leader is the only person who can issue “on-the-spot guidance.”<sup>24</sup>

Although some experts argue that the issue of bilateral negotiations is a red herring, such talks will be essential to the success of a reengagement policy. They will demonstrate Washington’s new resolve to Pyongyang and others as well as its willingness to accept the North as a sovereign entity. Perhaps just as importantly, a multiplicity of channels will present a diplomatically adept administration with new opportunities. Frequent talks will allow time-consuming, sometimes agonizing exploration of issues, a hallmark of past successful discussions with North Korea that increase the chances of crafting compromises and finding solutions. Moreover, U.S. diplomats will be able to use those channels to find the right entry point into Pyongyang’s decisionmaking



process if a North Korean negotiator finds a particular issue too hot to handle.

Pursuing bilateral talks does not mean throwing out the multilateral baby with the bathwater. Maintaining the involvement and support of other countries will still be critical if talks break down or in providing material support if they succeed. The future of the six-party forum may be a moot issue by 2009 if they have not produced sufficient results, but critics of the bilateral approach are right in pointing out the danger that other countries may feel their equities are not being properly represented. That danger may be outweighed, however, by frustrations with multilateral talks and hopes that a new direction can succeed.

Another criticism, that bilateral talks make it easier for North Korea to “pit the allies against the United States,” rings hollow.<sup>25</sup> Seoul and Tokyo have often been at odds with Washington during the six-party negotiations. South Korean president Roh Moo-hyun even recently accused the United States of wrecking the September 2005 agreement.<sup>26</sup>

A number of steps can be taken to maintain multilateral involvement. On the international front, the United States could seek a UN Security Council resolution blessing efforts, either multilateral or bilateral, by concerned countries to resolve the nuclear crisis. On the regional

front, Washington could call for an urgent meeting of the six-party talks and seek an endorsement of bilateral talks by the participating countries. The plenary group could reconvene periodically to assess those talks and provide input. The United States could enhance consultations with close allies Japan and South Korea by strengthening trilateral consultations that were allowed to lapse until recently, using normal diplomatic channels, and encouraging allies to assign diplomats to closely follow the bilateral talks. During the last nuclear crisis, for example, South Korean and Japanese officials were practically part of the U.S. negotiating team, receiving briefings on completed sessions and offering negotiating advice. Maintaining constant contact between Beijing and Washington will also be essential.

- SET NEGOTIATING PRIORITIES

The United States’ peaceful vision for the future of the Korean peninsula translates into a wide-ranging agenda that could take years to achieve. As a result, there may be a multitude of new negotiations, dialogues, and diplomatic meetings designed to further these objectives. That will make it imperative for the United States not only to establish priorities, but also to carefully manage this extensive agenda to ensure that they are achieved. This may seem like common sense, but both the Clinton and Bush administrations have had trouble accomplishing this task. For example, one could argue that the freeze of North

Korea's hard currency accounts, containing the proceeds from North's counterfeiting and other illicit activities as well as from legitimate trade, just as the September 2005 joint communiqué was being completed was a serious misstep.

The verifiable dismantlement of North Korea's nuclear weapons program should remain the top priority for the United States, closely followed by an agreement to end Pyongyang's ballistic missile program. Seeking solutions to both these problems, if successful, will also result in advancing the broader U.S. agenda. Any agreements dealing with these two issues will almost certainly involve the normalization of U.S. political and economic relations with North Korea. That will help foster modernization of the Korean peninsula, particularly assistance to the North designed to speed the economic reforms already underway.

These first-order priorities would not preclude pursuing other issues of concern as long as Washington is careful to ensure that those discussions do not impede progress. Human rights discussions could be used to jump-start further contacts with the UN high commissioner on human rights. Those talks might be held under the broader umbrella of the Dialogue for Technical Cooperation for the Asia-Pacific to avoid the appearance that the North is being singled out.<sup>27</sup>

It could be argued the only chance for a human rights dialogue to make progress with the North would be in the context of a successful engagement policy that begins the process of improving relations. That policy might also clear the way for others to make progress in dealing with their own human rights issues, particularly Japan, which has been trying to resolve the fate of its citizens abducted by the North in the late 1970s and early 1980s.

The United States should also seek to establish new, permanent peace arrangements to replace the armistice ending the Korean War in a manner that reinforces, rather than detracts from, efforts to resolve the nuclear issue. Some experts believe that the narrow U.S. focus on the nuclear issue has been misguided. They would seek a larger negotiating framework with Pyongyang through new talks that could pave the way for normalization of relations and eventually end the conventional military confrontation on the peninsula. That would in turn help to establish a firm political foundation for successful negotiations to end the North's nuclear program.

Pursuing these arrangements would be extremely complicated and time consuming, involving at least three separate negotiations and multiple countries—the United States, China, South Korea, and North Korea. Nonetheless, this approach has merit, provided that the new talks are conducted in parallel to and do not substitute

for an all-out push to resolve top-priority issues.<sup>28</sup>

- SET REALISTIC NUCLEAR OBJECTIVES

The Bush administration has pressed the North to turn over its fissile material, any bombs, and any related technology and to begin the process of dismantling its facilities up front before receiving any benefits. Washington has begun in recent months to shift its strategy, slowly starting to clarify what political, security, and economic incentives it might provide to Pyongyang during this process. The bottom line, however, is that its far-reaching approach may be impractical because of the high level of political mistrust built up over the past eight years.

Given the difficult situation, laying the right groundwork for successful nuclear negotiations is essential. Reaching a new joint communiqué and establishing bilateral channels of communication will help. Another step that should be made clear from the beginning of new negotiations is that the United States will be willing to put all of its incentives on the table on the basis of the important principle of “commitment for commitment, action for action.” These incentives could be provided throughout the entire process of implementing an agreement, from the very beginning until its end, with timing keyed to steps taken by North Korea. They include establishing diplomatic relations, extending a security guarantee signed by the

president, lifting U.S. economic sanctions, providing energy assistance as part of a multilateral program, and offering economic assistance if possible. Supporting restarting the now-abandoned light-water reactor project would also be part of the package.

One high-risk, high-payoff strategy would be a “big bang” approach in which the United States, having put all of its incentive cards on the table, would ask North Korea to disclose all details about its nuclear weapons program; to turn over nuclear materials, bombs, and equipment; and to dismantle facilities as rapidly as possible. For such an approach to succeed, it would have to be accompanied by a political strategy designed to restore relations to the level of trust reached in October 2000 with the visit of Vice Marshal Jo Myong Rok to Washington and the reciprocal visit of Secretary of State Madeleine Albright to North Korea. Although a new joint communiqué and bilateral channels of negotiation would help, success may also require a bold step, such as dispatching the secretary of state or another high-level envoy to Pyongyang to meet personally with Kim. If it works, this strategy could establish strong momentum behind the new, enhanced engagement policy and fireproof any administration against critics of this approach. The failure of this presidential initiative would be particularly damaging in the case of a new administration during its first months in office.

A less-demanding approach would try to build trust over time through a step-by-step process of dismantlement and a gradual thawing of political relations. That strategy would key the provision of incentives to staged dismantlement, starting with a freeze of North Korea's plutonium-related nuclear facilities (its operating reactor, reprocessing plant, and newly refurbished fuel fabrication plant) followed by their deactivation and disassembly. Another important component of such a strategy would be corralling the North's plutonium stockpile and shipping it out of the country. The sooner that is accomplished the better because that plutonium is the key nuclear material in its weapons stockpile. As the steps taken by North Korea become progressively further reaching, so would the incentives provided by the United States and others.

One outstanding issue would be the status of North Korea's suspected HEU program. At what point in the process should the United States insist on the North making a formal declaration about those activities and dismantling that effort? A strong argument can be made that Washington should first move forward with dismantling the plutonium-production program and getting that material out of the country as quickly as possible because it seems to account for all of Pyongyang's nuclear material, while continuing to insist on a total accounting of the North's HEU program as part of any final solution. Given the uncertainties and controversy over that issue, a

new, detailed intelligence assessment of the status of the North's HEU program may be in order. That assessment would underpin how such a reckoning would be integrated into this new process.

- BUILD SUSTAINED, SUCCESSFUL IMPLEMENTATION

Failed implementation was a significant cause of the 1994 Agreed Framework's collapse. Although Pyongyang should share the blame, implementation by the United States and its partners proved to be much slower than expected because of political, technical, and financial problems. In particular, Washington made a bad mistake right out of the gate by announcing that it would provide only up to \$30 million per year for implementation, much less than the multibillion-dollar pledges asked of South Korea and Japan.<sup>29</sup> In doing so, the Clinton administration seriously undermined its ability to exercise leadership and condemned the Korean Peninsula Energy Development Organization (KEDO), charged with implementation, to persistent funding shortfalls and debt.

To ensure that implementation is properly carried out, Washington should establish a Korea Peace Fund. Before leaving office in 2006, Senate Majority Leader Bill Frist (R-Tenn.) proposed providing \$10 billion to help North Korean refugees.<sup>30</sup> The new fund could assist refugees

as well as implement the four baskets of U.S. objectives. It might provide technical help for the development of a modern North Korean banking system as part of any agreement to end its counterfeiting activities or fellowships for study at U.S. universities, as was done with past assistance to China and Vietnam.<sup>31</sup> It could also finance demilitarization of the Korean peninsula. There would almost certainly be strong bipartisan support for funding the dismantlement of North Korea's nuclear weapons program, a task that could cost hundreds of millions of dollars. U.S. money might also pay costs associated with verifying dismantlement.<sup>32</sup>

In view of past experience, the United States, in cooperation with other participants, must also make a strong political commitment to establishing effective institutions for implementation. The 1994 agreement suffered because KEDO was a technical organization that gradually became an orphan. When implementation hit snags and delays mounted, senior officials made little concerted effort to get the process back on track.

An effective process must include establishing technical organizations to implement complex solutions involving dismantlement, the provision of incentives, and verification. These organizations can range from multilateral, KEDO-like bodies to bilateral arrangements, such

as a U.S.–North Korean consultative commission. Above all else, to avoid the experience of the 1994 agreement, government officials should remain closely involved in this complex process. Further, they must keep their superiors at the level of foreign minister or above informed so that they can intervene to help overcome technical or political difficulties.

### **The Risks of Engagement**

If current talks do not produce lasting results, the next president should make enhanced engagement with North Korea an important foreign policy priority. Yet, there are still likely to be a number of strong arguments against engagement. A new president confronted by a crowded national security agenda will have to pick and choose battles, balancing national security interests with domestic political realities. In doing so, it may be reasonable to conclude that the risks of failure, not just with the North Koreans but also in terms of domestic politics, are too great and success too small to take the chance.

Many believe the most important lesson of the past decade is that Pyongyang will not live up to its obligations. That risk would be magnified by the real possibility that the North might not respond to any new initiative. From Pyongyang's perspective, engagement has proven to be a failure. Although it may still be open to real

negotiation, the momentum behind North Korea's nuclear weapons program and its development of ballistic missiles to deliver those weapons has certainly strengthened the position of individuals in Pyongyang unwilling to give up the new deterrent. By 2009, that momentum may produce a larger North Korean nuclear stockpile and perhaps more effective missiles to deliver those weapons.

Skeptics will argue that such an initiative would be political risky; the domestic space for engagement has shrunk due to growing opposition in Congress as well as from conservative lobbying groups who would prefer to shine the spotlight on Pyongyang's bad behavior. Front and center is the North's abysmal human rights record, and other problems include its illicit drug, counterfeiting, and money laundering activities.

Moreover, any leeway for pursuing engagement may shrink even further if Pyongyang's provocative behavior continues. The North Korean Nonproliferation Act of 2006, passed by Congress after the recent missile tests, was cosponsored by some prominent supporters of engagement. It adds North Korea to Iran and Syria as the only countries covered by restrictions sanctioning third-party transfers of weapons of mass destruction and missiles.<sup>33</sup>

### Engagement's Future

The arguments against engaging North Korea assume that the president will ignore national security interests because of the risk of failure, the overwhelming burden of other foreign policy challenges, and likely domestic political concerns. Yet, because important U.S. interests are challenged by a nuclear North Korea, its program cannot be ignored. Although the domestic politics of engagement will be complicated, a possibility exists even today for securing bipartisan support that has never been present previously.

On the home front, ceding the field to nonmainstream lobbies and ignoring the coalescing support for engagement among centrist Republican, Democrats, and public opinion would be a mistake. In contrast to the 1990s, a number of prominent Republicans now support engagement, including Senators Richard Lugar (R-Ind.), Chuck Hagel (R-Neb.), and Arlen Specter (R-Pa.). Outside of Congress, Brent Scowcroft, national security adviser to two Republican presidents, and Richard Armitage, Bush's former deputy secretary of state, have called for direct talks.<sup>34</sup> Henry Kissinger himself, commenting on nuclear discussions with Iran, has argued that "[w]e must learn from the North Korean negotiations not to engage in a process involving long pauses to settle disagreements within the administration and within the negotiating group while the other side adds to its nuclear potential."<sup>35</sup>

Moreover, opinion polls show a strong foundation of support for engaging problem countries and for a more serious effort to engage Pyongyang. Eight in 10 Americans reject the approach of isolating rather than talking to these states.<sup>36</sup> Even though 47 percent of the American public approves and 41 percent disapproves of the Bush administration's policy toward North Korea, 50 percent favors direct talks with Pyongyang, and only 34 percent opposes them as rewarding bad behavior.<sup>37</sup> A majority, 51 percent, thinks the North can be persuaded to give up its weapons by providing it with aid, money, or trade.

Pyongyang's nuclear weapons program poses a danger to the global nonproliferation regime. An ostracized North Korea could export nuclear technology to make money, secure assistance to expand its own arsenal, or build closer ties with like-minded countries and subnational groups. Further, because of North Korea's public acquisition of the bomb and Tokyo's movement away from its post-World War II pacifist roots, a nuclear tipping point could spread to neighbors, particularly South Korea. A nuclear North Korea also poses a serious threat to peace and stability in Northeast Asia. Overall, it could result in a region in greater political disarray rather than one where growing cooperation fosters peace and stability.

Given the dangers posed by a nuclear North

Korea and the failures of the past six years, Washington must find a new approach to regain lost ground. Relying on false hopes that the North will eventually capitulate due to political and economic pressure or, even better, because of a regime collapse is a serious mistake. For any strategy to succeed, it must also make the strongest case possible, on practical as well as geopolitical grounds, to North Korea that reversing its nuclear course makes sense. A policy of enhanced engagement will make that case.

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