



# SECURITY COOPERATION IN NORTHEAST ASIA

The North Korean Nuclear Issue and the Way Ahead

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SECURITY COOPERATION IN NORTHEAST ASIA:  
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## FOREWORD

North Korea conducted its fifth and most powerful nuclear test on September 9, 2016. It is making significant progress in developing submarine-launched ballistic missiles and reliable, longer-range systems that can strike targets throughout the region—and eventually the United States. It is also rapidly expanding its stockpile of fissile materials and improving and miniaturizing its nuclear weapon designs. There is growing concern that if this process continues, North Korea could soon become a clear and present danger to the United States.

Any significant military action on the Korean peninsula is likely to lead to rapid and devastating escalation. With that in mind, the US-Korea Institute at the Johns Hopkins School of Advanced International Studies partnered with the Hoover Institution at Stanford University to convene some of the leading experts on Northeast Asia security issues to take stock of the current situation and think through what steps should be taken to stabilize the situation and slow, stop, and reverse North Korea's development of weapons of mass destruction. The two-day conference, held at Stanford University in mid-June, was co-chaired by former Secretary of State George P. Shultz and former Secretary of Defense William J. Perry.

For those of us who follow North Korea, the topic is endless, and so are the prescriptions. The following report is a summary of the main points discussed by the participants. The primary takeaway was the need for a comprehensive policy review after the November presidential election, along the lines of the "Perry Process" fifteen years ago. When discussing which key figures should be involved in Perry Process II, many participants lamented the untimely passing of Ambassador Stephen Bosworth, who was the Chairman of the US-Korea Institute.

Many people gave their time, expertise, and funds to bring about this conference. I would like to thank Secretary Shultz and Secretary Perry for their active support. The conference was conceived by Ambassador James Goodby, Hoover Institution, whose hands-on involvement throughout was critical. Dr. John Merrill, a visiting scholar at the US-Korea Institute, was also a key contributor from the very beginning, providing ideas, context, and contacts. At Hoover, I would like to thank Summer Tokash, Daniel Robinson, Deborah Gordon, and Susan Schendel for their assistance; cross-country coordination was smooth and easy because they made it so. Finally, this conference and report would not have been possible if it were not for Henry Kan, my research assistant, who dutifully and skillfully organized the conference and drafted this report.



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October 2016

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## INTRODUCTION

The Hoover Institution and the US-Korea Institute at the Johns Hopkins School of Advanced International Studies (SAIS) held a two-day conference at Stanford University in mid-June on “Security Cooperation in Northeast Asia: The North Korean Nuclear Issue and the Way Ahead.” The conference was chaired by former Secretary of State George Shultz and former Secretary of Defense William Perry and included a diverse group of 40 area and functional experts, academic specialists, and retired diplomats and military officers from the United States and several other countries.

Participants agreed that the North Korean nuclear issue has dramatically worsened since the end of the Korean Peninsula Energy Development Organization (KEDO) in 2006 and the collapse of the Six Party Talks the following year. Apart from largely symbolic actions such as condemnatory UN resolutions and new sanctions, little has been done to address the problem. Meanwhile, Pyongyang has made significant progress on its nuclear and ballistic missile programs, further weakening crisis stability on the Korean Peninsula and the Asia-Pacific. As Kim Jong Un continues to consolidate his leadership and stabilize the economy, a North Korea collapse scenario is looking unlikely anytime soon. The US must take a more active role in trying to find a solution.

Though no one regarded it as a panacea, the consensus of participants was that engaging North Korea has been historically far more effective than isolating it. Engagement could be conducted in phases, moving from Track II dialogues to working level talks and eventually to more formal negotiations. As this process unfolds, coordination with South Korea and other countries in the region is crucial. Many participants suggested expanding the negotiation space to include broader regional issues as a way to build trust and momentum for talks. Participants also agreed that the next administration should conduct a “Perry Process” II to search for new ideas and build a bipartisan policy consensus.

## REVIEW OF CURRENT US POLICY

Participants generally agreed that “strategic patience” had failed—it seems to have been more an exercise in managing US domestic public opinion than an effective policy response. In retrospect, shunning North Korea only gave it breathing space to stabilize its domestic situation and push forward its strategic programs. While hope springs eternal, sanctions do not seem to be slowing the pace of Pyongyang’s nuclear and missile programs. At this point, they serve primarily to give the appearance of action. This is also true on the South Korean side. The closure of the Kaesong Industrial Complex did little to curb North Korea’s weapons programs, but instead severed the last channel of inter-Korean contact and cooperation.

Despite predictions of the impending regime collapse, Kim Jong Un has shown considerable resilience, remaining in power on his own for five years. Many participants suggested that he has now consolidated his position. He has gradually shifted away from his father’s “military first” legacy by increasing the role of the party and cabinet. Kim seems determined to rebuild the economy and achieve actual results. Most experts acknowledge that the economy has

begun to grow again, albeit at a slow rate. Based on these developments and the fact that North Korea now has a fledgling nuclear weapons capability, it is clear that waiting for regime collapse is not a viable policy.

There was consensus that the next administration needs to better understand North Korea's motivations if it is to have any chance of influencing its behavior. Participants agreed with Secretary Perry's formulation that the regime has four goals: 1) maintaining the Kim regime—the primary objective; 2) attaining international recognition, respect, and dignity; 3) developing the economy; and 4) achieving unification under its own terms. However, several participants observed that even Pyongyang seems aware that unification on its terms is highly unlikely given its current strapped circumstances.

In contrast, US goals are less clear. There was consensus among participants that the US has been overly ambitious and unrealistic in its approach to the problem. Denuclearization, alliance management, non-proliferation, and human rights remain major priorities. However, these objectives can sometimes be at odds with one another. For example, harsher sanctions and stronger international condemnation of North Korea over human rights abuses have only heightened the Kim regime's sense of insecurity, making prospects for denuclearization less likely. Further exacerbating this lack of a coherent set of ranked priorities is the fact that high-level US policy attention to the issue has been intermittent.

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*The US has been overly ambitious and unrealistic in its approach to the problem.*

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As pressure on North Korea mounts, the danger of conflict by accident or miscalculation rises. As one participant put it, sanctions could backfire and push North Korea into a corner, creating a "fight-flight" situation. Participants agreed that China's cooperation was essential but with increasing tensions in the South China Sea, the US rebalance to Asia, and South Korea's decision to deploy THAAD, this can no longer be taken for granted.

## **A GROWING THREAT: NORTH KOREA'S IMPROVING CAPABILITIES**

Pyongyang's nuclear and missile programs continue to make progress despite US and international sanctions. Siegfried Hecker estimated that with the 5MW (electric) gas-graphite reactor at Yongbyon once again in operation, Pyongyang can produce an estimated maximum of 6 kg of plutonium per year—the equivalent of one bomb annually. By the end of this year, it is estimated to have between 34-52 kg of plutonium. Estimates of its HEU production are less certain, as enrichment facilities are more difficult to locate and observe. Hecker estimated Pyongyang's production capacity at 150 kg per year, the equivalent of 6 bombs annually. Altogether, he believed Pyongyang may have enough material for approximately 25 bombs by the end of 2016. He also noted that North Korea has the technical ability to produce deuterium and tritium— isotopes of hydrogen required to create fusion (thermonuclear) weapon—at an unknown capacity. While many experts doubt Pyongyang's

claims that it tested a fusion bomb during its January 2016 test, Hecker stated that a boosted fission bomb could not be ruled out. (Subsequent to the conference, North Korea conducted a fifth nuclear test—its second test of 2016 and its largest yet, in terms of explosive yield).

North Korea is also making steady progress on its missile program. The pace of testing has markedly increased, with every failure providing new information to improve its missiles and increase their reliability. With its existing stockpile of short- and medium-range missiles, Pyongyang is capable of striking targets throughout South Korea, Japan, and elsewhere in the region. It is also committed to developing a long-range missile capable of posing a direct threat to the US—Pyongyang has on multiple occasions paraded apparent mock-ups of a road-mobile ICBM under development, the KN-08, that could eventually reach the US mainland. It is also forging ahead with its submarine-launched ballistic missile (SLBM)

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*This latent capability carries serious implications for regional stability, deterrence, and non-proliferation.*

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program, as evidenced by its past testing. (Subsequent to the conference, it successfully launched an SLBM that reached 500 km before falling within Japan's Air Defense Identification Zone). This latent capability carries serious implications for regional stability, deterrence, and non-proliferation.

Ted Postol, a professor of science, technology, and national security policy at MIT, also noted that North Korea had already demonstrated the ability to potentially counter the THAAD system being deployed in South Korea. By cutting the upper stage of its missiles into smaller sections that will fragment upon reentry, it may be able to exploit the physical limitations of the system's infrared homing systems.

Attracting less attention but probably of more immediate significance, North Korea has tested and is about to deploy a new 300 mm multiple rocket launcher with highly accurate terminal guidance and a much longer range. This new system is a major upgrade to existing forward-deployed artillery already capable of destroying Seoul. It gives Pyongyang the capability to take out high-value military and leadership targets deep in the South with great precision and with little advance preparation. Besides their obvious tactical and strategic worth, North Korea's conventional artillery, rocket artillery, and missile systems are useful as tools of political intimidation.

## **MOVING FORWARD: THE WAY AHEAD**

There was wide consensus among participants that the new US administration should undertake a comprehensive review of North Korea policy along the lines of the "Perry Process." The focus should not be on second-guessing officials, but rather taking on a fresh look at the problem.

There was agreement that while deterrence is still necessary, it is no longer enough. Several participants noted that periods of engagement with North Korea were associated with a reduction in tensions. More focus is required on ways to stabilize the peninsula, reduce tensions, and peacefully engage North Korea.

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Participants also observed that Seoul's current hardline stance should not be regarded as a given. A renewed attempt to reach out to Pyongyang is possible before the South Korean presidential election at the end of next year, and Seoul's policy could soften dramatically with a different administration. On the other hand, there was a chance that the public attitude towards the North could harden significantly if there were an incident involving loss of life.

Several participants stressed the need for closer US-ROK political and military coordination. There is growing anxiety in Seoul over the progress of Pyongyang's nuclear and missile programs and how to counter it. Participants also expressed concern about what the change of administration in Washington next year would mean as well as how it will be perceived in Seoul.

In a session devoted to a discussion of mechanisms for engaging North Korea in efforts to create a stable structure of peace and cooperation in Northeast Asia, the following principles were advanced:

Most participants agreed that it is unlikely that North Korea would agree to relinquish its nuclear weapons—while this might have been possible when its program was still at an early stage, the opportunity has long since passed. Its nuclear program has now solidly developed into an actual capability that is highly advertised. The most that could be hoped for is probably a freeze on further nuclear and missile testing and development. One participant noted that such a freeze—with the possible exception of space launches—would be a significant achievement in itself. However, obtaining agreement to a freeze at this point would likely require substantially more concessions than previous US administrations have been willing to provide. A package that North Korea might accept would probably have to include an end to large-scale military exercises, significant sanctions relief, and a range of confidence-building measures. As part of such a deal, one participant suggested that it might even be necessary to consider arranging for North Korea to acquire more advanced conventional defensive weapons.

Several different geometries were discussed for resuming formal talks. Engagement could be conducted in phases, starting with an increase in Track II dialogues before establishing working level talks that could eventually lead to more formal multilateral negotiations. Many

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*Instead of pursuing a grand bargain, it may be more effective to break the problem into smaller pieces and embrace a broad set of issues.*

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participants agreed that future talks should feature an expanded negotiation space—instead of pursuing a grand bargain, it may be more effective to break the problem into smaller pieces and embrace a broad set of issues.

While the Six Party model is a practical way of initiating a dialogue, several variations can also be considered, such as a Track 1.5 study of security issues in Northeast Asia; a Northeast Asia nuclear-free zone, or a conference on security and cooperation in Northeast Asia modeled loosely on the methods used to establish the post-Cold War order in the Euroatlantic region. The United States will have a decisive voice in any negotiations of this type and a renewed and sustained commitment of time by the next President will be essential to the success of this enterprise. Regardless of the approach, the first step must be to reinitiate contact with North Korea.

## CONCLUSION

Decades of US and international efforts have failed to halt the development of North Korea's nuclear and missile programs. Instead, Pyongyang may now have enough fissile materials to produce at least 25 nuclear weapons by the end of 2016. At the same time, it has increased the tempo of its nuclear and missile tests and may be able to deploy a submarine-launched ballistic missile within the decade. Meanwhile, the North Korean government seems increasingly unlikely to collapse, with Kim Jong Un continuing to consolidate power and focus on economic growth.

The US must take a lead with its allies and regional partners in addressing the issue by restarting engagement with North Korea. Such a process may be conducted in stages, beginning with Track II discussions that can eventually lead to formal negotiations. While denuclearization must officially remain on the table, a halt on development or testing would be a significant step in the right direction. It is also important to consider expanding the scope of talks to include broader regional issues that can be used to build confidence and momentum. While restarting talks is a longer-term goal, in the near-term, the next administration should strongly consider conducting another internal policy review similar to the Perry Process in order to form a coherent set of policy priorities and actions.



# Security Cooperation in North East Asia

## The North Korea Issue and the Way Ahead

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