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Mistrust and the Korean Peninsula *Dangers of Miscalculation*

Key Points

- There is a danger that the U.S. government has fundamentally miscalculated North Korean intentions in signing the 1994 Agreed Framework with the Democratic People's Republic of Korea (DPRK). Recent evidence regarding missile development and apparently nuclear-related underground facilities has raised suspicions that North Korea may be pursuing a dual-track strategy: cooperating with the United States in dismantling its overt nuclear program, while covertly developing medium- or long-range missiles capable of delivering weapons of mass destruction, and less visible nuclear facilities capable of producing warheads for these missiles.
 - This evidence, unless clarified, is likely to undermine congressional support for the Agreed Framework; and, given North Korea's penchant for diplomatic brinkmanship, there could be a miscalculation of intentions in the near term, precipitating a major security crisis.
- North Korea may be prolonging attempts at negotiation more out of a desire to stall for time to build an intercontinental range ballistic missile (ICBM) and related warhead capability than out of a desire to negotiate a "soft landing" with the United States and others. Rather than chips to be bargained away in return for improved relations with Washington, North Korea's nuclear weapons and missile programs may be intended to achieve a strategic breakout by altering the balance of power on the peninsula and in the region, enabling the Kim Jong Il regime to deal from a position of strategic deterrence.
 - Current U.S. policy may not adequately account for the possibility that the requisite elements for such a strategic breakout could already be in place. A recently revealed underground site in the vicinity of Yongbyon may indicate that, despite the Agreed Framework, North Korea has an ongoing clandestine nuclear weapons program, and there may well be other such enigmatic sites. The Taepodong II missile test in August was a technological leap forward that potentially gives North Korea the ability to hold at least some U.S. territory, and all of Japan, at risk, with profound implications for the security

of Northeast Asia.

- The U.S. policy of encouraging North Korea to adopt an economic reform program and to reduce military tensions through arms reduction measures is in jeopardy. The Agreed Framework is in danger of unraveling as a result of repeated North Korean provocations. If U.S. policy toward North Korea is unsuccessful, there is a related danger of the loss of credibility of a diplomatic and compellence approach to controlling proliferation, a danger as serious as the challenge to U.S. counterproliferation strategy posed by Iraq's attempts to circumvent international arms control measures and sanctions.
- The U.S. objective of promoting positive change in North Korea through a policy of engagement remains the primary alternative to high tension and possibly violent confrontation. But the United States is attempting to manage a burgeoning crisis in an information vacuum and with minimal domestic political support. Recent political developments suggest that Kim Jong Il is increasingly dependent on the military as his power base. Yet U.S. access to the top North Korean leadership, civilian and military alike, is virtually nonexistent.
- Despite the lack of adequate intelligence and access, U.S. policy continues to operate under optimistic assumptions that shaped the negotiation and implementation of the Agreed Framework: that time is on the side of the United States and its allies and coalition partners, and that North Korea has tied its future to improved relations with the United States. In light of recent developments, the validity of these sanguine assumptions needs to be reassessed.
- Washington may need to redouble its efforts to forge an even closer international coalition to deal with North Korea and ascertain its intentions. More adroit coalition diplomacy--conducted at a higher level than current diplomatic efforts--is a prerequisite for avoiding being whipsawed between a Japan jarred by North Korea's missile launch over its territory and a South Korea intent on ameliorating relations with the North. It is equally essential that China be enlisted in a more concerted U.S. diplomatic strategy.
 - Authority for U.S. policy on Korea may need to be vested in a special presidential envoy who has stature both in the region and with Congress, and who can coordinate policy closely between Washington and Seoul to guard against North Korean attempts to separate the two allies.
- Coupled with this coalition-building effort, enhancement of U.S.-South Korean deterrent capability may be needed to hedge against a North Korean attempt at strategic breakout. Any remaining deficiencies in United States - Republic of Korea (ROK) Combined Forces Command readiness that were identified during the spring 1994 crisis or subsequently should have the highest priority on Allied defense resources.
- The Clinton administration has a window of opportunity to examine its

overall approach and secure bipartisan political consensus for a comprehensive policy. The future course of U.S. policy should be determined by the degree to which Pyongyang demonstrates its willingness and ability to seize the opportunity for tension reduction, North-South reconciliation, and economic reform afforded by the relatively benign yet potentially ominous security environment that currently exists on and around the peninsula.

- The apparent stability in the decades-old Korea confrontation should not obscure the fact that the peninsula remains one of the most dangerous unresolved conflicts in the post Cold War world. Peace and stability are potentially at risk. For the Agreed Framework and a diplomatic approach to retain credibility in Washington, Pyongyang needs to resolve--in the near term--U.S. concerns that the total North Korean nuclear weapons program remains frozen (to include clarifying the status of suspect underground sites); that the production, testing, deployment, and export of missiles are addressed satisfactorily; and that the North cease military provocations against the South.

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The Current Situation

Korean Peninsula

The Korean peninsula is poised on the brink of crisis once again. Four years after signing the U. S.-DPRK Agreed Framework, the prospects for reducing tension, creating a permanent peace mechanism to formally end the Korean War, jump-starting North-South dialogue, and thawing frozen relations between the United States and the DPRK appear to be slipping away. North Korea's response to the Clinton administration's policy of engagement and South Korean President Kim Dae Jung's "Sunshine Policy" of dialogue and reconciliation has been to dispatch commando teams to South Korea,

threaten to reprocess spent fuel rods at the Yongbyon nuclear site, build underground facilities suspected of being part of a clandestine nuclear weapons program, and test-fire a new, long-range missile over Japanese territory.

Virtually all diplomatic initiatives are stalled. The 1991 North-South Basic Agreement remains a dead letter, the Four Party Talks have yet to make progress two and a half years after they were first proposed, and Pyongyang has been no more forthcoming with the new administration in Seoul than it was with its predecessors. Bilateral discussions between the United States and North Korea covering terrorism, missiles, and liaison offices remain stalemated while North Korea continues to insist publicly that economic sanctions be lifted and that U.S. forces be withdrawn from Korea.



Four years after the death of Kim Il Sung, much of the uncertainty surrounding the dynastic succession appears to have been resolved in favor of heightened military control of the government and policy. The Korean People's Army, the foundation for "Dear Leader" Kim Jong Il's grip on power, has even greater influence following the recent elevation of military officials loyal to Kim to crucial positions within the government and the designation of the National Defense Committee as the supreme leadership body. The fact that Kim Jong Il did not assume the mantle of the civilian presidency suggests that his dependency on the military may be even greater than it was just a year ago.

What little we know about the ruling elite, however, remains dwarfed by what

we don't know. Reliable information is sparse, and North Korea's decision-making process is opaque. The international community has little insight regarding who has influence with Kim Jong Il, and it has no access to his inner circle. Not only has no U.S. official ever met Kim Jong Il, contact with the North Korean government is restricted to a handful of diplomats whose influence with the leadership is at best unclear. The foreign minister, for example, appears to be limited to the role of chief "barbarian handler," managing foreign contacts. It is not clear, however, that he is able to deliver results, or even convey candid foreign assessments of the Kim Jong Il regime.

Over the past four years Pyongyang has been presented with a clear path out of its predicament; the world would welcome North Korea's economic liberalization and diplomatic engagement as part of a process of reducing tensions and heightening security on the peninsula. This makes it all the more difficult to understand the North's continuing hostility and prolonged self-isolation. Paradoxically, conditions on and around the Korean peninsula today have never been more auspicious for peace. A rare convergence of major power interests on the peninsula means that an unprecedented international concert of powers is prepared to forge new avenues for cooperation. China, Japan, Russia, and the United States all favor a peaceful, stable peninsula free of weapons of mass destruction; none is pushing for rapid reunification or attempting to drive North Korea over the brink. In addition, South Korea is governed by the most reform-minded administration in the history of the Republic, an administration that has repeatedly expressed a desire for reconciliation and dialogue with the North while forswearing any intention to undermine or absorb the DPRK.

While it is impossible to know the thinking of Pyongyang authorities, their actions all too clearly convey a message of unrelenting hostility to the outside world. Rather than seize the opportunity for reconciliation presented by neighboring states, Pyongyang's diplomats demand humanitarian assistance for their impoverished people while diverting extremely scarce resources to the development of an advanced missile system and perhaps a covert nuclear program. The ramifications of such actions transcend their impact on the region. The North Korean nuclear and missile programs represent a direct challenge to United States' efforts to control through diplomatic means the proliferation of weapons of mass destruction and their associated delivery systems and are as worrisome as Saddam Hussein's efforts to stymie the international community's attempts to control Iraq's weapons of mass destruction.

To ascribe North Korea's seemingly contradictory actions to a lack of finesse resulting from long isolation, to inexperience in dealing with the outside world, or to the effect of competing factions within the ruling elite may be too simplistic. Such actions seem more likely to reflect decisions made by the top leadership in Pyongyang, which raises a basic question: What are North Korea's objectives?

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Questioning U.S. Policy Assumptions

North Korea's intentions remain unclear to outside observers. U.S. diplomats are engaged with North Korean representatives on a variety of issues but are operating largely in the blind in the absence of a sense of an overall North Korean gameplan. While North Korean diplomats meet with their American counterparts at various venues, the leadership in Pyongyang stubbornly refuses to implement the reforms necessary to revive agricultural production or to arrest the North's economic free - fall; conversely, the regime persists in actions that seem guaranteed to stymie progress in negotiations. There is a growing view in Washington--especially in Congress--that the administration misinterpreted North Korea's purposes in signing the Agreed Framework.

The Agreed Framework, signed by U.S. and North Korean diplomats in October 1994, is the foundation upon which nascent U.S.-North Korean relations have been built. Subsequent diplomatic initiatives--recovering the remains of American military personnel missing since the Korean War, removing Korea from the list of terrorist nations, opening liaison offices, negotiating limits on the production and sale of North Korean missiles--have been predicated--like the Agreed Framework itself--on the assumptions that the North was prepared to engage in significant domestic reform efforts and that "time is on our side." Perhaps conditioned by the rapid collapse of the Soviet bloc and the success of market reforms in China and Vietnam, the reform assumption is premised on the belief that, given the steady and seemingly inexorable economic decline of the North, the status quo--hostile division of the peninsula--is not sustainable for Pyongyang.

One of two futures for the Kim Jong Il regime has seemed inevitable: Either the regime will collapse (taking the Kim Il Sung system with it) or it will reform, thereby transforming the North into something less threatening, more open, and more "normal" and significantly reducing (if not eliminating) the security threat that it currently poses to the South and to the region. As long as the Agreed Framework and deterrence hold, the reasoning goes, South Korea and an international coalition can manage the North Korean problem while waiting for one of the futures to come to pass.

Since entering into the negotiations that led to the signing of the Agreed Framework and the establishment of the Korean Peninsula Energy Development Organization (KEDO) machinery, U.S. policy has also proceeded on the assumption that North Korea's principal objective is regime survival and that Pyongyang has concluded that improved relations with Washington are essential to achieving that goal. According to this logic, North Korea's nuclear weapons program was intended to compel Washington to deal directly with Pyongyang and was then to be cashed in for the benefits in the Agreed Framework: alternative energy sources, the lifting of economic sanctions, and establishment of liaison offices with the United States (which Pyongyang hopes would weaken U.S.-South Korean alliance cohesion).

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Recent Actions by North Korea Require a Reexamination of Both Assumptions

The assumption that time is on our side may yet prove to be true, but it is less convincing today than it was when the Agreed Framework was signed in October 1994. Predictions that Kim Jong Il would not last six months after his father's death and that North Korea must reform or collapse in a year (or two, or three) following the demise of the "Great Leader" have foundered. The regime has stubbornly held on by sacrificing the weakest and most vulnerable members of society, leveraging its economic and food crises to attain international humanitarian aid without adopting reforms, and buying time through negotiations by manipulating fears of proliferation, instability, and war. U.S. policy would now seem to rest on a more realistic foundation by proceeding on the assumption that the Kim Jong Il regime, rather than disappearing, will survive for the foreseeable future.

Events in the four years since the signing of the Agreed Framework have buttressed the view that the North Korean leadership's primary objective is regime survival. However, the assumption that the regime has tied its future to improved relations with Washington, and that nuclear weapons and missile programs are mere bargaining chips, seems less convincing than it did in 1994. Improved relations with the United States are already there for the taking; North Korea can reap the benefits that would flow from improved relations by implementing the provisions of the 1991 Basic Agreement, by negotiating constructively at the Four Party Talks, or by taking other actions that would reduce tensions and diminish the threat it poses to the South. Improved relations with Washington do not require that Pyongyang first expend scarce resources on nuclear weapons and missile programs while hundreds of thousands starve.

The United States may have underestimated the hold that *juche*, North Korea's philosophy of extreme self-reliance, has on the country's current leaders, who remain largely isolated from, and possibly paranoid about, the outside world. The regime's actions suggest that, rather than tying North Korea's future to a stronger outside power in the manner of Korean dynasties of the past, the Kim regime may be attempting to resolve its security dilemma by pursuing a dual-track strategy: seeming to comply with the Agreed Framework, while covertly developing weapons of mass destruction and associated delivery systems. The leadership, despite some indications of discontent among the population over deteriorating conditions outside Pyongyang, may have calculated that, with substantial Chinese assistance and international humanitarian aid, it can survive its current difficulties long enough to expand its chemical and biological weapons arsenal, weaponize a hidden stash of plutonium, modernize its missile systems, and one day fundamentally alter the strategic equation in Northeast Asia to its advantage by presenting the world with a destabilizing fait accompli--ICBMs armed with nuclear, biological, or chemical weapons.

The elements necessary for such a strategic breakout appear to be in place.

North Korea already has significant quantities of chemical and biological weapons and is estimated to have enough weapons-grade plutonium (from the 1989 reprocessing of spent fuel rods) for one or two nuclear weapons. It may also be able to acquire fissile material from outside sources. And, as the recent Taepodong II launch showed, it has the technological and manufacturing capability to produce ballistic missiles with intermediate--and possibly intercontinental--range. Given the technical expertise that it has already demonstrated, it is reasonable to assume that North Korea has the ability to solve the reentry and targeting problems--the remaining obstacles to an operational ICBM weapons system.

The August missile test served notice on Japan and the United States that, should the Korean War reignite, conflict would not necessarily be limited to the peninsula. The Taepodong II gives North Korea the ability for the first time to hold at least some U.S. territory, and all of Japan, at risk. The potential combat zone has been dramatically enlarged, vastly complicating allied political calculations as well as military planning for the defense of South Korea and the security of the region.

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The Changing Context

The political context both in the region and in Washington is significantly different than it was in October 1994, with the future of the Agreed Framework now in doubt. There is an undercurrent of tension between the United States and its allies, reflecting a growing divergence over the appropriate policy response to North Korean provocations. Officials in Seoul have complained that the mid-August leak to the New York Times regarding the suspect North Korean underground site northeast of Yongbyon has put President Kim's "Sunshine Policy" under even greater pressure from conservatives, complicating the process of coordinating U.S. and ROK policy.

Tokyo remains upset by what it perceives to be an overly accommodating stance by Washington toward Pyongyang in the face of the Taepodong II test. In particular, many Japanese are concerned over the fact that the United States agreed to accelerate the construction of light water power reactors concomitant with Japan's suspension of its participation in the program in reaction to the missile launch. Beijing, while expressing understanding of Tokyo's concerns, is worried that North Korea's missile test has strengthened the hand of those in Japan advocating the research and development of a theater missile defense system, a move strongly opposed by China. Another unannounced missile test over Japanese territory could prompt Japan to withdraw permanently from participation in the light water reactor project.

U.S. policy is under pressure at home as well. Congressional funding for heavy fuel oil--an important interim energy source for North Korea during the interregnum between the shut down of its old graphite-moderated reactor and the activation of the first light water reactor--is in jeopardy because of

concerns that the Agreed Framework is not tough enough and that the North may be cheating on the requirement to freeze its nuclear weapons program. There is a danger that Pyongyang, with its penchant for brinkmanship, will fail to understand that one more provocation--be it another submarine incursion, further missile tests, unfreezing the Yongbyon nuclear facility, or some other incident--would almost certainly undermine any remaining support for the Agreed Framework on Capitol Hill.

U.S. officials are increasingly suspicious of North Korean intentions and impatient with North Korean brinkmanship. The status quo--with an unreformed, heavily armed North Korean government allowing large numbers of its people to succumb to starvation and disease while attempting to manipulate both the fears and sympathy of the outside world--is becoming unsupportable. Thus, Pyongyang may be surprised by a harsh reaction on the part of the U.S. government in the event of further North Korean hostile acts; and such surprises could, in turn, fuel confrontational or escalatory decisions leading to open conflict.

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An Alternative Approach

The current U.S. policy of engaging North Korea and encouraging it to reform and open up remains the primary alternative to a posture of confrontation, heightened tension, and the possibility of renewed conflict on the peninsula. For current U.S. policy to succeed, however, all potential "deal-breakers" must be satisfactorily addressed: the North's disputed underground facility must be shown by early, direct, and ongoing inspection to be non-nuclear; the North's nuclear weapons program must remain frozen and the Agreed Framework faithfully implemented; U.S. concerns regarding production, testing, deployment, and export of North Korean missiles must be addressed satisfactorily; and military provocations against the South must cease. Should North Korea fail on any of these counts, the basis for continued engagement would be seriously eroded.

Current U.S. policy, however, may not adequately hedge against the ramifications of failure, and there are increasing calls for the Clinton administration to revise its policy toward North Korea. The administration has a narrow window of opportunity to craft a more concerted international coalition policy designed to seize and retain the initiative, and to secure domestic bipartisan political support for it.

A more resolute multilateral approach requires a willingness to match Pyongyang's penchant for brinkmanship and to call North Korea's bluff by increasing international pressure on the Kim Jong Il regime, while continuing to show the North a path out of its current predicament of self-imposed isolation and economic meltdown.

U.S. policy should be revised to test the North Korean leadership appointed

during the recent Supreme People's Assembly. The Kim Jong Il regime seems to have emerged significantly unified at the conclusion of the prolonged mourning and leadership transition period triggered by the death in 1994 of "Great Leader" Kim Il Sung. But the younger Kim appears significantly more dependent on the Korean People's Army, which seems increasingly influential following the recent elevation of military officials to key positions within the government.

Given the military's rise in influence, successful diplomacy--from the Four Party Talks to missile negotiations--may require the participation of senior North Korean military officials. Few outsiders, however, have had access to this upper echelon of leadership. Contact with Korean People's Army representatives remains restricted to Military Armistice Commission channels, an important component in the crisis management structure but hardly sufficient for the larger purposes of diplomacy. While being careful to preserve arrangements for maintaining the Armistice Agreement, the United States should consider steps to establish links with the new senior military leadership in North Korea to ensure that the dangers of miscalculation are fully appreciated by those in power in Pyongyang.

Close consultation and coordination between Washington and Seoul remain critical if the United States and South Korea are to present a united front to Pyongyang, yet this has often been the weak link in approaching North Korea. The reconciliation of U.S. and South Korean views should proceed from mutual recognition that current assumptions upon which policy toward the North is based need to be reevaluated. A more concerted U.S. policy--coordinated with Seoul and emphasizing sustained, high-level diplomacy and enhanced deterrence--may be required in order to resolve our current concerns with North Korea's behavior, break the diplomatic stalemate, and guard against a North Korean attempt at strategic breakout.

Central to this broader coalition approach is the role of China, which has increasingly played a helpful, if parallel, role vis-à-vis Pyongyang even as its contributions of food aid and industrial supplies to the North weaken the felt need for reforms. Equally challenging, working with Tokyo on an agreed approach will continue to be a hurdle over which U.S. policymakers must leap. Finally, preventing the transfer of any fissile material or technical support from Russia or other nuclear-capable states to Pyongyang should be a key part of any comprehensive approach.

Security on the Korean peninsula remains of vital importance to the United States and its Asian allies and friends. As part of a concerted diplomatic effort, the administration may want to consider appointing an individual of independent political stature as the president's personal representative for Korean matters so that policy formulation and implementation receives the requisite degree of attention in the capitals of all countries with a stake in the future of the peninsula--Washington, Seoul, Pyongyang, Tokyo, Beijing, and Moscow.

Finally, a more concerted diplomatic approach needs to be accompanied by

an enhanced deterrent capability. Combined Forces Command should take steps, in light of the possibility of a North Korean attempt to achieve a strategic breakout, to resolve any deficiencies in its ability to perform its dual missions of deterrence and defense.

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Conclusion

An unwillingness to challenge North Korea now with a more concerted diplomatic and deterrence policy, lest it precipitate a repeat of the 1994 crisis, risks being confronted later by a qualitatively different North Korean military threat. There is a significant danger of miscalculation: while previous North Korean induced crises have strengthened Pyongyang's negotiating leverage in general and perhaps the Korean People's Army's strong hold on power in particular, there is a serious risk that North Korea--through a pattern of military provocation, diplomatic foot-dragging, and worrisome advances in military capabilities--is creating a situation in which a sharp backlash against cumulative transgressions leads to a seemingly disproportionate international response. If the dangers of miscalculation and renewed confrontation are to be avoided, U.S. concerns about North Korea's intentions must be addressed quickly and satisfactorily.

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