

OVERVIEW: NORTH KOREAN NUCLEAR CRISIS

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I. INTRODUCTION

Two thousand and six could truly be called the year of North Korea (officially, the Democratic People's Republic of Korea, or DPRK). Over many decades the country, known as a modern-day hermit kingdom, had occasionally made for ominous headlines in the international news media. Since the early 1990s, the world community was troubled especially by the nuclear ambitions of the 23-million "outlaw" nation, ruled by an anachronistic dictatorial regime. By the mid-1990s, with the death of its "Great Leader," Kim Il Sung, and suffering from massive famine, North Korea appeared to be teetering on the edge of economic collapse, even though it was in one of the world's most rapidly developing regions. In July 2006, North Korea defied the international community to test an advanced long-range ballistic missile. Only three months later, it conducted its first test of a nuclear weapon. Despite the ensuing UN Security Council sanctions, North Korea did not seem inclined as of the end of 2006 to yield to international pressures and change course.

II. BACKGROUND TO THE NUCLEAR ISSUE

Making sense of North Korea's actions in 2006 and its relationship with the international community, especially the U.S., required an understanding of the history of the nuclear issue. On hostile footing with the United States and its South Korean ally ever since 1950 and unable to counter the United States' "nuclear umbrella" for the South, the DPRK appeared to have had nuclear weapons ambitions since early in its history. The United States became

particularly concerned about the North Korean nuclear program in the early 1990s, when International Atomic Energy Agency (IAEA) tests indicated that North Korea had surreptitiously produced nuclear weapons material at its Soviet-provided, ostensibly civilian nuclear facilities in Yongbyon.

After long and difficult negotiations, the U.S. and the DPRK concluded a bilateral "Agreed Framework" in 1994. It stipulated that the DPRK would shut down its pilot reactor and other nuclear facilities in Yongbyon. In exchange, the U.S., eventually supported by South Korea, Japan, and the EU, would construct two light water reactors (LWRs) in North Korea for power generation. The LWRs would be built instead of two graphite-moderated nuclear power plants that North Korea had been constructing; experts said that LWR technology was less susceptible to nuclear proliferation than graphite-moderated reactors.

At the same time, the U.S. and the DPRK agreed to begin to move to fully normalize their political and economic relations. The U.S. also said it would provide formal assurances to North Korea not to threaten it with the use of nuclear weapons; the DPRK pledged to remain a member of the Nuclear Non-Proliferation Treaty and implement the North-South Korean Denuclearization Declaration of 1992. Full compliance with the provisions of the DPRK's safeguards agreement with the IAEA was also foreseen.

The energy-related aspects of the agreement were implemented by a new international consortium, the Korean Peninsula Energy Development Organization (KEDO), consisting initially of the United States, South Korea, and Japan, and joined later by the EU and a number of other states. South Korea and Japan agreed to pay for over 90% of the LWR construction costs, while the U.S. took the lead in providing North Korea with heavy fuel oil until the first LWR was constructed.

Some observers believed that, with Kim Il Sung's death a few months earlier, the U.S. had signed the Agreed Framework anticipating that the North Korean regime would collapse before the LWR construction could be completed. (U.S. negotiators disputed this assertion.) For its part, North Korea apparently pinned great hopes on an early lifting of U.S. economic sanctions against it. But the November 1994 election of a Republican majority in Congress opposed to the Agreed Framework led the Clinton administration to lift only a few sanctions against the DPRK. North Korea became increasingly skeptical of U.S. intentions as actual construction on the LWR project did not get underway until 2000.

After a period of promise in the year 2000, when President Clinton seriously considered visiting the North Korean capital of Pyongyang for a meeting with

Kim Il Sung's son and successor, "Dear Leader" Kim Jong Il, U.S.-DPRK relations deteriorated badly. Newly elected U.S. President George W. Bush made clear in 2001 his abhorrence and skepticism of Kim Jong Il and his regime, and, after the terrorist attacks of September 11, 2001, he included North Korea among the "axis of evil" states in his State of the Union address to Congress in January 2002. Such states, he said, sponsored terror and threatened America and its friends and allies with weapons of mass destruction.

Later in 2002, the U.S. said it discovered that the DPRK had stepped up a secret program to enrich uranium. Like the DPRK's existing, plutonium-based technology at Yongbyon, enriched uranium could be used to build nuclear weapons as well as power civilian reactors. Charging the U.S. with failing to fulfill the provisions of the Agreed Framework, the DPRK expelled IAEA inspectors from Yongbyon and, in early 2003, became the first state ever to withdraw from the Nuclear Non-Proliferation Treaty.

In response to the ensuing crisis, the United States called for the establishment of a multilateral forum of North Korea's neighbors to press it to abandon its nuclear ambitions. China, concerned above all with maintaining stability in its border region with the DPRK, persuaded the DPRK to agree to the U.S. proposal. Thus, Six-Party Talks began in Beijing in August 2003; the other participants were South Korea, Russia, and Japan.

While all of the parties said they agreed in principle on the desirability of a Korean Peninsula without nuclear weapons, the Six-Party Talks made no progress; indeed, the situation worsened. In February 2005, the DPRK announced it had manufactured nuclear weapons. Only in September 2005 did the parties finally agree even on a written statement of general principles to be taken into account in any resolution of the nuclear problem. Immediately thereafter, the DPRK boycotted the talks in response to *de facto* U.S. financial sanctions against it in connection with charges that the DPRK had used a Macanese bank, Banco Delta Asia (BDA), to launder DPRK monies obtained from illicit activities such as counterfeiting and smuggling. The DPRK apparently proceeded to intensify the pace of its nuclear weapons development.

III. DEVELOPMENTS IN 2006

In 2006 North Korea remained firm that it would not participate in the Six-Party Talks unless the U.S. took steps to ensure the release from BDA of its frozen financial assets. The U.S. insisted that the nuclear and financial issues

were separate matters and that North Korea should return to the Six-Party Talks immediately.

The DPRK's response was a series of seven missile tests conducted July 4-5, including one of a long-range Taepodong-2 missile potentially capable of reaching Alaska. Publicly acknowledging the tests on July 6, the DPRK foreign ministry described them as a successful part of "regular military drills to strengthen self-defense," and it warned of "stronger physical actions" if pressed by the international community. The international community was indeed deeply concerned, since North Korea could eventually use its long-range missiles to deliver nuclear weapons. North Korea was believed to have a significant arsenal of chemical weapons, which could also be delivered by missiles. Moreover, North Korea was a known proliferator of missiles and missile technology to the troubled Middle East region.

On July 15, the UN Security Council unanimously voted to impose sanctions on the DPRK over the missile tests. Resolution 1695 condemned the tests and required UN member-states to "prevent the procurement of missiles or missile related-items, materials, goods and technology from the DPRK, and the transfer of any financial resources in relation to DPRK's missile or WMD programmes." It called on the DPRK to return to the Six-Party Talks. Some UN member-states also responded by implementing unilateral sanctions against the DPRK, such as South Korea's decision to suspend shipments of food aid.

During the period July 10-20, heavy rains in central and southern North Korea caused flooding, killing at least hundreds of people and resulting in serious property damage throughout much of the country. Approximately 60,000 people were left homeless, over 7,000 homes were destroyed or damaged, and up to 30,000 hectares of growing rice was destroyed.

On October 3, in a carefully worded statement, the North Korean foreign ministry announced that the DPRK would test its first nuclear weapon. It said it had been forced to boost its nuclear deterrent in the face of American hostility and threats. North Korea pledged, however, that it would never be a nuclear proliferator and it said it remained committed in principle to the denuclearization of the Korean Peninsula. The White House responded the same day with a statement against a test, and three days later the UN Secretary Council, in a unanimous vote, warned North Korea that a nuclear weapon test would bring "universal condemnation." Nevertheless, on October 9, North Korea announced that it had "successfully conducted an underground nuclear test." On October 11, the U.S. government verified that the test had been of a nuclear device, and it confirmed it publicly on October 16.

The international community's response was swift. On October 14, the UN Security Council passed Resolution 1718, unanimously condemning North Korea for its nuclear test "in flagrant disregard of [the UN Security Council's] relevant resolutions." It called on UN member-states not to assist the DPRK's nuclear and missile programs, not to export major conventional military armaments to the DPRK, and not to export luxury consumer items to the country. The resolution also gave the right to other nations to inspect any North Korean vessel's cargo, although the PRC expressed reservations about the provision, saying it wished to avoid any military confrontation with North Korea. Both the PRC and the Russian Federation pointed out that the resolution in no way authorized the use of military force against North Korea.

On October 31, after another round of shuttle diplomacy between Beijing and Pyongyang, the Chinese government announced the resumption of Six-Party Talks. The PRC said that North Korea had set no preconditions for its return to the talks. Analysts were divided about North Korea's motivations. Some asserted that the nuclear test represented a desperate attempt by the DPRK to secure room for a successful agreement with the U.S. at the Six-Party Talks. Many others believed that, after the nuclear test, the DPRK was even less likely to negotiate away its nuclear weapons program and that it was likely returning to the talks primarily to deflect Chinese and other international pressure against it.

On November 3, North Korea confirmed that it would return to the six-nation nuclear disarmament talks. It indicated that its decision was based on the premise that the U.S. would remove financial sanctions against it. World leaders welcomed the DPRK's decision to rejoin the talks, but no progress was made when the last round of talks of 2006 was finally held in Beijing beginning December 18.

IV. PROSPECTS

As of the end of December 2007, most observers were skeptical about the prospects for progress in the Six-Party Talks. The differences between the U.S. and the DPRK remained stark. North Korea had taken a very strong position in the talks before its nuclear weapon test, and most experts expected it to take an even tougher position thereafter. The immediate sticking point was the DPRK's insistence that the U.S. first ensure the return of the DPRK's frozen funds in BDA, but the U.S. continued to argue that the BDA issue had nothing to do with the nuclear talks.

On the other hand, experts pointed out that it was noteworthy—and ironic—that the U.S. government had agreed to continue with the Six-Party Talks even after the North Korean nuclear weapon test. They also pointed to the departure from the Bush administration of leading figures opposed to negotiations with the DPRK and the continuing efforts of Secretary of State Rice for the U.S. to show more flexibility in the Six-Party Talks. Moreover, President Bush and his foreign policy team were preoccupied with events in Iraq, and the Democratic Party had gained control of both houses of Congress in the November election, further limiting the president's options regarding North Korea.

As a result of the DPRK nuclear test and U.S. preoccupation with Iraq, U.S. talk of a military "option" against North Korean nuclear facilities had faded. Further complicating the situation were the South Korean presidential election scheduled for December 2007 and increasing tensions between North Korea and Japan over the unresolved issue of North Korea's abduction of Japanese citizens nearly a generation ago. It appeared likely that the Six-Party Talks would continue, but with very uncertain prospects.