Chapter 6

CONCLUSION

When the Second World War ended, in 1945, the U.S. was the pre-eminent power in world affairs. The source of this power was, in a very large measure, its monopoly over the atom bomb. As a result, every major country aspired to have nuclear weapons, so much so that by 1964 five countries had acquired it. Concerned over such rapid proliferation, the U.S. sought to freeze nuclearisation. The nuclear powers brought forth the Nuclear Non-Proliferation Treaty (NPT) which said there would be no more nuclear weapon powers after the Treaty came into effect. Thus a very exclusive club was formed. It was a coincidence that all five were members of the Security Council of the UN as well. This, however, only further multiplied their unprecedented influence and power. Several countries, including Japan and South Korea, and North Korea signed the NPT. Of these, some still tried to acquire nuclear weapons; North Korea was one of them.

This thesis seeks to explain why North Korea did so, and how efforts to persuade it to stop have consistently failed since the early 1990s. Our focus has been on the Agreed Framework Accord of 1994 because that was the most important instrumentality in preventing North Korea from going nuclear. This study is an attempt to examine its framing, implementation and actual outcomes. And as the preceding chapters show, North Korea’s nuclear weapons’ programme has contributed to continued regional tensions. Finally, this study tries to explore into one most critical question: to what extent do the current tensions, problems and postures flow from the flaws in the Accord and its achieved outcomes? Our answer, in one word, is: largely.

Driving Force behind North Korea’s Nuclearisation

The 38th parallel has been the dividing line between North and South Korea. While South Korea has become a world economic power, North Korea remains economically backward and politically isolated. Ordinarily, it would have counted for little. But its nuclear tactics cannot be ignored and has come to be its major foreign policy instrument. This is something that cannot be ignored easily. Also,
the situation in the Korean peninsula is complex because six countries -- three of whom are major economic and military powers -- are directly involved. These are South Korea, Japan, China, Russia, North Korea and the U.S.

Though historically neither the U.S. nor the USSR had much interest in the Korean peninsula but because of the dynamics of the Cold War both got involved. The Korean War was initiated by North Korea in June 1950 as a 'Fatherland Liberation War' to unify the peninsula that had been divided as occupation zones by the two major powers, the Soviet Union and the United States, following the surrender of Japan in 1945. A war that had started more as a civil war escalated into a multinational war. North Korea was supported by the Soviet Union and China in its attack on South Korea. The former provided it with advisors and equipment and the latter with its People's Volunteer Army (PVA). South Korea was supported mainly by the U.S. and detachments from many other countries under the UN flag. The war ground on and finally ended on July 27, 1953, largely because of the threat of use of atomic bombs by the United States. It culminated in the signing of an Armistice Agreement between the military commanders of the North Korean People's Army, the Chinese People's Volunteers, and the UNC. Neither the United States nor South Korea is a signatory to the armistice per se, although both adhere to it through the UNC. No comprehensive peace agreement has replaced the 1953 armistice pact. And this is what has been North Korea's demand time and again. However, following the war Korea was divided into two along the 38th parallel.

The impact of Truman's threat of using atomic bombs if necessary was dramatic on Kim Il-Sung. It became his central pre-occupation to make North Korea immune to such threats. It was willing to do so even at the cost of economic development. A key ingredient of this strategy was to develop nuclear weapons. Nuclearisation became the central pillar of its defence and foreign policy. Until the late 1980s, however, the nuclear programme did not make much headway, although some progress was undoubtedly there.
The end of the Cold War suddenly provided a fresh impetus to North Korean endeavours because suddenly it felt friendless, isolated and insecure. In 1988 Moscow had reduced its military aid. Then in 1991, the Soviet Union and China began demanding hard currency payments for their exports. This hurt the North Korean economy very badly. Kim Il-Sung concluded that he could no longer rely on Soviet Union to either guarantee North Korea's security or provide the military and economic aid. The development of nuclear weapons and the export of missiles and nuclear technology seemed to him a possible option and he pursued both with vigour. In 1993, the nuclear programme was discovered, and the U.S. became very concerned. It sought and obtained negotiations — just what North Korea had hoped for — and in 1994, an accord called the Agreed Framework Accord was signed.

But although it is the received wisdom that it was these external reasons that led North Korea up the nuclear road, the fact is that there were strong domestic motivations as well. The government needed to appear strong and in control especially when there was to be a dynastic change of power from the father, Kim Il-Sung to the son, Kim Jong-Il. Also, North Korea realised it wanted to use nuclear weapons as a bargaining chip. Thus there were many factors, and not just security concerns, that impelled North Korea. What enabled it to do so successfully was the central contradiction in the NPT: on the one hand the treaty makes it mandatory for members to give up the manufacture of nuclear weapons; on the other, it promises them the wherewithal to build them. International inspections and verification were supposed to take care of this problem but they didn't because they could be easily avoided.

Another factor, usually ignored, is U.S. policy in East Asia. This appeared contradictory to North Korea. The main reason for this was the continuous strengthening of U.S. military capabilities in the region. The nuclear umbrella was an integral part of this. When the North Korean nuclear programme was discovered, the U.S. decided to obtain UN approval for economic sanctions. Simultaneously it not only exported Patriot anti-missile batteries to South Korea, it also announced the ‘Team Spirit’ military exercise. Indeed, the latter was done when North Korea had been showing some flexibility by permitting six inspection
visits until February 1993 to the seven nuclear sites that it had declared open to inspections. Moreover, the ‘Team Spirit’ decision was taken despite the recommendations of experts who had recommended that it should be suspended because North Korea saw them as a threat to its security (Appendix V; Cheon 1993: 10, n.23). The result was that North Korea turned even more intransigent. In 1993, it gave notice to withdraw from the NPT. It was only then that the U.S. began negotiations with it. The Agreed Framework Accord (AF) that resulted from these negotiations laid out a comprehensive road map to a peaceful end to Pyongyang’s nuclear programme. Both sides hoped that it would solve the problem but, it didn’t. The reasons, which are several, are set out below.

**Reasons for Failure of the Agreed Framework**

_Haste:_ The AF was drawn up very hastily in the expectation that the North Korean regime was ready to buckle under the pressures of the declining economy, the death of the ‘Great Leader’ Kim Il-Sung, the collapse of other Communist regimes and international pressures regarding its nuclear programme. It was essentially designed to buy time till such time as that happened. But the North Korean regime didn’t collapse.

_WRONG FOCUS:_ By keeping the LWRs as the centre of the AF the U.S., as argued by some scholars, in effect, had granted North Korea a much longer time to keep its nuclear option open (O’Hanlon 2003). Instead of immediately addressing North Korea’s energy requirements by either providing it with electricity the way South Korea has offered to do across the border, or providing it with the means of producing it quickly, say, a thermal or hydro power plant, the U.S. only ended up delaying addressing both the problem of North Korea’s energy requirements as also that of dismantling its nuclear programme. This delay is now 10 years (Nautilus Institute Special Report 2003). Instead of taking a longer view and solving the energy problem, all that the U.S. agreed to was to supply fuel oil in the interim period. This was to enable North Korea to produce its own electricity unmindful of the fact that the infrastructure for distribution was grossly inadequate. In this sense, the AF bore the seeds of its collapse. This further
supports the view that the U.S. was only trying to buy time till the collapse of the regime. Also, perhaps because of this, except in the first clause for which a target date of 2003 was fixed, no specific timetable or specific measures were mentioned for the remaining.

Mutually inconsistent methods: Ironically because of the financial aid and the fuel oil given by the U.S. as part of the Agreement, the regime got a new lease of life. “The estimated amount of external support that would be necessary to keep North Korea on “survival rations” was (and remains) relatively small (perhaps $1 billion to $2 billion annually)” (Noland 2004: 15). So, North Korea survived with the help of the U.S. and perhaps, needs to be thankful to the U.S. for it.

Wrong technology: In its anxiety to move North Korea’s indigenous nuclear energy programme away from one based on natural uranium and gas-graphite technology, the U.S. had suggested the less proliferation-prone LWRs. For one, the LWRs themselves were ill-suited for North Korea and for another, they were not as proliferation-resistant as they were believed to be. However, even if the U.S. was unaware of this, which is impossible, it certainly would have been aware of the high cost of supplying LWRs. Yet it did not factor this in. So within a few days of the negotiations starting, the AF ran into trouble. This resulted in delays and became a cause for tension. There was also the question of who was to provide the technology and the money for the construction of the LWRs. Though South Korea offered to do so, North Korea objected.

Secondly, there was the issue of providing monetary compensation that North Korea was demanding for giving up its 50 MW and 200 MW graphite-moderated reactors which were then under construction. Thirdly, there was the question of storing the spent fuel rods from the 5 MW reactor. There was also the question of the timeframe for the special inspections in North Korea. Alongside the LWRs, which were the central element of the AF, it also made a provision for providing alternative energy to offset the energy forgone due to the freeze on North Korea’s graphite-moderated reactors until the completion of the first reactor. This meant that 500,000 tons of heavy oil was to be provided to North Korea annually for
heating and electricity production. In 1995, the U.S. provided 50,000 tons and increased it to 500,000 tons of heavy oil annually from the following year. That part of the bargain was kept, but with great difficulty and did not inspire much confidence in the North Korean regime.

*IAEA's dealings:* The IAEA too, had run into problems because of the Agency's standoff with Pyongyang over the "continuity of safeguards" issue. North Korea had signed a full-scope safeguard agreement with the IAEA in January 1992. It had agreed to inspections of its nuclear facilities. During the course of inspections the IAEA found that "significant inconsistencies" existed between Pyongyang's initial report to the IAEA and their actual findings. It demanded a special inspection of the two undeclared sites that were intended for nuclear waste. It hoped to get information about the diversion of fissile material and North Korea's ability to produce more fissile material. North Korea refused on the ground that these were military facilities and not subject to IAEA inspections.

North Korea further accused the IAEA of being an "agent of the CIA" and stated that the request of special inspection infringed on its sovereignty. However, the IAEA did not relent. When the going had been good, the North Koreans had even agreed to let the IAEA officials take spent fuel samples from the Yongbyon reactor in the spring of 1993 (Seong-Whun Cheon 2001a: 162, n.17). This would have given the IAEA a chance for a valuable assessment of the amount of plutonium that the North possessed. North Korea on its part had agreed to allow the IAEA to monitor the freeze on its reactors and safely store the spent fuel from the Yongbyon 5MW reactor for eventual disposal. It had also committed to remaining a party to the NPT and to implement its safeguards agreement with IAEA. It agreed to the special inspections on the completion of a significant portion of the LWR but before the delivery of key nuclear components. North Korea was also supposed to repay the estimated $5 billion cost of the project on a non-interest basis over 20 years to KEDO. Another important clause of the AF provided for normalization of political and economic relations between the U.S. and the DPRK, something that North Korea has been aiming for decades. However, nothing substantial was achieved.
Poor diplomacy: The period leading up to the final settlement was not devoid of threats and harsh rhetoric. The comment by Admiral Ronald Zlatoper, Commander of U.S. Pacific Fleet said that though the U.S. was seeking diplomatic settlement it was also contemplating strong military force to influence diplomacy. The U.S. Defense Secretary had also warned North Korea of “coercive diplomacy”. The U.S. navy had even dispatched an aircraft carrier USS Kitty Hawk, three cruisers, a frigate and two logistics ships to the Sea of Japan. North Korea was thus provoked into saying that it would answer ‘dialogue with dialogue and force with force’ and if the U.S. continued with its military threats then North Korea would resume its ‘normal, peaceful nuclear development’. Thus, at no point was North Korea made to feel secure or devoid of security threat. One of its demands even today is a ‘non-aggression pact’ with the U.S.

Opposition in the U.S. Congress: Soon after the Agreement was signed it met with a lot of opposition from the Republicans, in the U.S. Congress. There were some who objected to the very strategy of resolving the issue, calling it a form of ‘appeasement’. There were others who objected to the financial aspect of the deal. Funding for the various projects like the construction of LWR, the oil supplies etc under the terms of the AF met with a lot of resistance and were not easily available. KEDO, the international consortium set up for the supply of the LWRs, too was unable to raise enough funds and as a result there were delays and hinderances in the implementation of the terms.

Overall, then, the conflicting signals the U.S. was giving did not instil any confidence in North Korea, which was seeking an early solution to its severe energy crisis. It therefore continued looking for avenues to earn the much-needed foreign exchange. An important and negative consequence for the world was that it entered into secret missile trade with Iran and even Pakistan which paid it in hard currency.

Future Challenges:
After the Bush administration came to power and especially after the 9/11 attacks in 2001, the U.S. has become even more intolerant with regimes showing signs of
non-compliance with international norms regarding nuclear non-proliferation. In fact, as has been seen in the case of Iraq, Iran as well as North Korea, the U.S. was quick to assume a worst-case situation in condemning their dishonesty and acting unilaterally (Harrison 2005). By 2002, it became clear that the Accord had failed as the U.S. failed to truly address the problem at hand which was to contain North Korea's nuclear programme. Its actions, in fact, have led to North Korea openly claiming to be a nuclear weapons state (NWS). It has walked out of the NPT, restarted the reprocessing of plutonium, sent the 'nuclear watchdog' IAEA inspectors out of their country, pulled out the inspection cameras and is proliferating nuclear weapons and developing the delivery system. The situation today is worse than it had been in 1993 when for the first time North Korea's weapons programme was taken note of.

Similarly, far from reducing the tensions in the region, there is a clear security crisis in the region. Denuclearization remains a distant prospect, as newer sites are being discovered in North Korea. Also, North Korea's network for trading of nuclear technology with other countries is being reported frequently. Besides these, with the suspension of the half-completed reactor project by KEDO, what is left is nothing but "$1.5 billion in wasted money and rusting piles of junk" (Korea Herald, 7 June 2006). Besides, North Korea is not only demanding compensation for energy production lost because of the freezing of its reactors, but has restarted its reactors because even though it has walked out of the NPT it claims that it reserves its rights under Article IV of the NPT which grants "inalienable right of all parties to the treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination."

Indeed, both the U.S. and North Korea have walked away from their respective commitments, each blaming the other for the collapse of the AF. It has become a further stumbling block in the process of negotiations between the two. Ironically, the AF was entered into with a tacit acceptance by the U.S. that North Korea was a nuclear weapons state, whereas a nuclear North Korea was exactly what the Agreed Framework was designed to prevent. The American approach was to

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In the case of North Korea there was controversy regarding its Uranium enrichment programme and what level of development it was at.
contain the North Korean nuclear programme rather than eradicate it altogether. Yet when it came to implementation, it was matters related to North Korea’s other nuclear facilities and activities not covered in the AF that became an issue.

North Korea was required to be in full compliance with IAEA safeguards only when a ‘significant portion’ of the LWR project was completed, but before the delivery of key nuclear components. This resulted in a lot of ambiguity leading to divergent interpretation of timing, similar to the one experienced recently by the two parties regarding the delivery of the LWRs in the fourth round of the Six-nation talks held.

All things considered, the Agreed Framework was drawn up and signed hurriedly on a set of flawed perceptions. The consequence was a delay in implementation, setting in motion a series of new tensions and disagreements and its resultant voiding.

After nearly a decade of high level negotiations the AF has collapsed and the situation, as seen is beyond doubt, worse than what it was in the early 1990s. Given that by virtue of being a closed, militant and totalitarian regime North Korea has, as argued by Seongwhun Cheon (2001a), some inherent elements that make it refuse to accept greater openness or transparency of its policies and behaviour. Nor are they constrained as is a democratic and pluralistic country like the U.S., that have powerful internal mechanisms that keep misbehaviour by the government, which may include treaty violation, in check. Granted that these differences in attitudes towards transparency and verification may give North Korea quite a bit of bargaining leverage during negotiations and implementation of treaties and agreements, nevertheless, if sufficient thought had gone into the framing of the AF a number of issues that cropped up later leading to delays and eventual nullification of the AF could have been avoided.
The Lessons

Having said that the U.S. is largely to be blamed for the collapse of the AF what could be the lessons that could be learnt from these past failures for future dealings with North Korea. The United States' preoccupation with Iraq and Iran might, in fact, be a blessing in disguise as far as North Korea is concerned. The interlude should have provided the two countries a window of opportunity to reflect on what exactly their objectives are and how to go about it, but the U.S. preoccupations have allowed North Korea to flex its nuclear muscles, thus further compounding the situation. As a result of its engagements elsewhere, the Bush administration has sought to entrust China with finding a solution to the problem. This may have emboldened the North Korean leadership to take advantage of the slight reduction in pressure to declare itself a 'Nuclear Weapons State' (NWS) – a status that is, however, conferred by the international community and not acquired by self declaration.

Amongst several lessons, as a first step, the U.S. should desist from using derogatory terms of reference for North Korea, like “an axis of evil”, “an outpost of tyranny”, “a criminal regime” etc because these are read by North Korea to be statements “little short of a declaration of war to mount a preemptive nuclear attack on North Korea” (Vantage Point, May 2006: 35). The inclusion of North Korea in the list of possible nuclear weapon target states in the Nuclear Posture Review not only violates the spirit of the AF but also gives North Korea an excuse to further bolster its nuclear deterrent, ostensibly for self-defense (Nuclear Posture Review 2003). At the same time a situation is created whereby North Korea's measure to bolster its nuclear deterrent gets taken “as a lever (by the U.S.) for achieving its aggressive purpose” (Vantage Point, May 2006: 35). Thus, this is a sure formula for escalating the tension and worsening the situation in the form of a vicious spiral.

Another way of allaying North Korea's fears of a preemptive attack by the U.S. would be to discontinue the joint military exercise conducted by the U.S. and South Korean forces annually. In fact, the most recent one was on August 21 of
this year, called Ulchi Focus Lens (*Hindustan Times*, August 23 2006: 26). This time the military exercise has raised the tension even higher because they are being held soon after North Korea has test fired a number of missiles on July 5. Feeling vulnerable, North Korea has threatened to launch a pre-emptive attack to counter it.

Such military exercises, on the one hand, give North Korea reasons to believe that it is “a rehearsal for a U.S. attack similar to that on Iraq” (*Vantage Point*, April 2006: 39). On the other, it spoils the inter-Korea relations, which had started improving because of the various initiatives taken by the South Korean side. The week long joint military exercise, which started on March 25 of this year despite North Korea’s repeated opposition, has led it to accuse South Korea of seeking, “cooperation with outside forces, not national cooperation” (*Vantage Point*, April 2006: 39). This negates all efforts by the South Korean government for reconciliation with its other half. Nor is any dialogue then possible between the two halves because as stated by North Korea’s chief Cabinet councilor, Kwon Ho-Ung, “a hostile war exercise and peaceful dialogue cannot coexist” (*Vantage Point*, April 2006: 39).

In any case, there seems very little reason for the two countries - the U.S. and South Korea - to hold any such military exercise and certainly not as a ‘defensive measure’. The very presence of the U.S. forces on the Korean peninsula is a deterrent, as is apparent from the fact that even though North Korea has harboured hopes of reunifying the peninsula and expressed it often, it has never dared to do it forcefully. The pursuance of a nuclear programme by North Korea is more as a deterrent and as a means to earn foreign exchange rather than for offensive purpose. But if an early solution is not sought for the problem then North Korea with its enhanced number of nuclear weapons and advanced missile technology might pose a more serious nuclear threat and may even be tempted to test its nuclear weapons just the way it is testing its missiles.
The second important issue that needs to be addressed is North Korea’s economic needs. The economic sanctions against North Korea that have been in place since the Korean War have yet to be lifted. North Korea has always hoped for the U.S. sanctions against it to be removed and as invariably reacted positively towards such moves. The announcement by the North Korean foreign ministry not to test-fire long-range missiles on September 24, 1999, within seven days after the Clinton administration eased sanctions against North Korea on September 17, 1999, is a case in point (Paik, Ryoo et al. 1999: 141). Yet efforts towards this end are not in sight.

North Korea’s energy requirements have not been met. Though solutions like South Korea providing 2 million KW of electricity directly across the border might solve the immediate problem, but a more permanent solution will have to be sought by either providing it with the capital or the technology for power generation. This will have to take into account some kind of rehabilitation of North Korea’s entire energy system, including production, distribution, maintenance, improving its efficiency etc. A recommendation involving an ‘Energy Action Plan’ on the lines of the study done by Ralph Cossa of the Pacific Forum, CSIS, Honolulu, could be studied in detail and some multilateral cooperation towards this end could be worked out (Martellini 2004). Though the modalities of it is beyond the scope of this study, the point being made is that the motivations behind North Korea’s drive for nuclear weapons will have to be addressed in the best possible manner.

Even when it withdrew from the NPT, the North Korean authorities clearly stated, ""Though we pull out of (the treaty) we have no intention of producing nuclear weapons and our nuclear activities at this stage will be confined only to peaceful purposes such as the production of electricity" (Appendix VI). Moreover, once its energy problem is sorted out the vast amount of natural resources in North Korea could be developed with the help of international investments which is bound to fetch significant returns. The kind of economic power that North Korea has the potential to become cannot even be estimated.
North Korea on its part also needs to realise that its bluff of brinkmanship has been called and it needs to seriously think of giving up its nuclear weapons programme and use the money more productively for economic reforms. It should be satisfied with a multilateral security guarantee provided by the countries of the region. It will have to realise that the tolerance that South Korea has been exercising with its neighbour might not last long. Considering the power that South Korea has become, both in the region and globally, it would greatly benefit North Korea to cooperate with it. A co-operation between the two can be worked out keeping in mind the ‘chaemyun’ (or face-saving) of the two sides.

If as stated by Ambassador Pritchard at the KEDO Concrete Pouring Ceremony for the building of the LWRs at Kumho, North Korea on 7 August 2002, the U.S. had agreed to the terms of the AF “with the full expectation that all aspects of our (U.S.) concerns over North Korea’s nuclear program would be resolved finally and completely”, North Korea too would have had similar expectation about their concerns. However, none of these concerns have been resolved (Department of State, Doc. 15 of 500, 2002). What remains is an abandoned agreement, a dissolved KEDO, a more nuclear North Korea, much distrust between the two parties and a colossal waste of money, which has started fresh controversies.

The controversy now is over who should shoulder the cost of the cancelled project, which is expected to reach at least 200 million (Jin 2006: 21-23). Since the cancellation of the project is a unilateral one, North Korea will have no role to play in the settlement. South Korea has already lost US$ 1.1 billion of the US$ 1.5 billion that lies as wasted junk. Besides, the ‘liquidation cost’ involving cancellation of nearly 114 signed contracts with private contractors there is the cost of equipment left in North Korea (which North Korea is not likely to return easily). Though Seoul had agreed to shoulder 70 percent of the cost of the LWRs it is of the view that its commitment does not automatically place the same burden on it when the project is scrapped (Jin 2006: 23). These fresh issues that have cropped up also need to be resolved.
Thus with the shaking of the foundation of the LWRs, the foundation of building confidence between North Korea and the U.S. also remains extremely weak and vulnerable to even minor shocks from either side. However, if only the U.S. was able to pick up the subtle signals of change emanating from the North Korean leadership some concrete results could be achieved. For instance, Kim Jong Il’s visit to China in January of this year which was his fourth visit in five years, was for one, without any military personnel, and for another, was mainly to places of economic interest like optical fibre cable plant, lasers and financial software plants as well as to a crop research institute. Also its efforts to expedite a training facility for upgrading the skills of approximately 30,000 workers annually, at Kaesong, an industrial area opened for joint businesses, are all clear signs of change in the focus from military to economy. This flexibility in approach that the North Korean leadership is showing needs to be leveraged to advantage.

The lessons learnt if studied carefully, might help in formulating future resolutions successfully. The essential motivation to recognize is that for countries which seek to develop and possess nuclear weapons, deterrence rather than an offensive capability is the corner stone of national strategy. Once the U.S. had acquired the nuclear weapons in 1945, all others who followed did so for reasons of deterrence. North Korea is no exception. Once even some crude deterrent capability is brought into existence, a country feels safer from attack. After that, both its priorities and its policies with respect to its neighbours undergo a transformation. As in the case of Britain after 1954, France after 1958 and India and Pakistan after 1998, the main thrust of national nuclear policy is towards the development of nuclear energy sources. In the case of North Korea particularly, because it has neither coal, nor oil nor hydel resources, the energy imperative is all the more severe. For it now, the development of nuclear weapon has become secondary to the development of nuclear energy. The U.S. has recognized this in the case of India, taking advantage of which China has offered a similar arrangement to Pakistan. This suggests that it is nuclear energy rather than nuclear weapons which have the potential of becoming the symbol of national prestige. Under proper safeguards this subtle transformation offers a means to settling the impasse in Northeast Asia.