

Negotiating an End to North Korea's Missile-Making

Leon V. Sigal (with thanks to the Arms Control Association)

[Back to Previous Page](#)

In the debate over national missile defense, missile menace from so-called rogue states is used to justify spending \$60 billion on defenses. Exhibit A for missile defense proponents has been North Korea. But the Democratic People's Republic of Korea (DPRK) has refrained from testing a ballistic missile capable of reaching the continental United States, and even worst-case estimates put it a decade away from deploying one. Long before that, Washington could negotiate a ban on development, production, and export of Pyongyang's medium- and longer-range missiles—a less risky way to counter the threat than unproven missile defenses.

In a major stride toward such a ban, North Korea agreed last September to suspend testing while missile talks proceed. It was expected to send a high-level representative to Washington to conduct the talks, assuring equally high-level attention in the US government. In return, the United States announced on September 17 that it would ease its decades-long economic embargo on North Korea. North Korea has kept its end of the bargain; there has been no untoward activity at its missile test sites since September. The United States has been slow to reciprocate but is now committed to relaxing sanctions soon. Until it does, however, North Korea's high-level representative will not come to Washington.

Both Tokyo and Seoul recognize that an end to adversarial relations with Pyongyang is the best way to halt proliferation and improve security in Northeast Asia, but that lesson has not yet been absorbed in much of Washington. US policy-makers must ask themselves why North Korea would move to disarm if the United States remains intent on treating it like a foe.

To negotiate an end to North Korea's missile threat, the United States and the DPRK need to set political relations on a new course by declaring an end to enmity. As a practical step toward that end, the United States should call off its economic embargo now. In return, the DPRK would agree in writing to a formal moratorium on missile testing as a first step to a complete ban.

Pyongyang's Missile Game

Most experts assume North Korea is racing headlong to develop long-range missiles, but if Pyongyang had wanted missiles worth deploying or selling, it should have been perfecting the *No Dong*, *Taepo Dong-1*, and *Taepo Dong-2* with repeated testing. Instead, it has conducted just two medium- or longer-range missile tests in the past decade—one of the *No Dong* on May 29, 1993, and another of the *Taepo Dong-1* on August 31, 1998—both of them failures.

North Korea's restraint is just one sign of its interest in a diplomatic resolution of the missile issue. Since 1992 it has expressed its willingness to stop exporting missiles, for a price. In October 1992, Israel took up a North Korean invitation to open talks in Pyongyang. In January 1993, the director-general of the Israeli Foreign Ministry, Eitan Bentsur, made an offer of diplomatic relations and hundreds of millions of dollars of investment and technical assistance in mining and agriculture as inducements for North Korea to halt its missile exports to Iran, Pakistan, and others. But Israel broke off negotiations at the insistence of the United States, which wanted to keep pressure on Pyongyang to force it to give up its nuclear weapons program.

In 1996, the United States opened missile talks of its own with the DPRK, but in the ensuing two years Washington held just two rounds of talks, hardly an indication of seriousness. On June 16, 1998, North Korea made public an offer to negotiate an end to its exports and to the "development"—its word—of new missiles.

Development is usually understood to cover both tests and the production of missiles for the purpose of testing. With that offer came a threat to resume tests if negotiations were not held.

The 1998 statement, carried in English by the state-run Korean Central News Agency, was explicit: "Our missile export is aimed at obtaining money we need at present. As the United States has pursued economic isolation of the DPRK for more than half a century, our resources of foreign money have been circumscribed. ... If the United States really wants to prevent our missile export, it should lift the economic embargo as soon as possible and make compensation for the losses to be caused by discontinued missile export." The statement went beyond the issue of exports: "The discontinuation of our missile development is a matter which can be discussed after a peace agreement is signed between the DPRK and the United States and the US military threat [is] completely removed. If the US concern about our missiles is truly related to the peace and security of Northeast Asia, the United States should immediately accept the DPRK-proposed peace agreement for the establishment of a durable peace mechanism on the Korean Peninsula."

Such a "peace agreement" would remove the "US military threat" as perceived by Pyongyang by setting up a "peace mechanism" with a military-to-military channel involving the United States, South Korea, and North Korea that Pyongyang has sought to replace the Military Armistice Commission.

When the United States did not take up this offer, North Korea carried out its threat to resume tests, launching a three-stage rocket in a failed attempt to put a satellite into orbit. For eight years the DPRK has been expressing interest in a missile deal, but it was unwilling to give up its missiles without getting something in return. What North Korea wanted most of all was a political accommodation with the United States, South Korea, and Japan to ensure its security.

This is nothing new. Pyongyang has been trying to reach out to all three countries since the late 1980s. When the United States moved to accommodate it, the DPRK responded in kind. When President George Bush announced the withdrawal of all US nuclear arms from South Korea in September 1991, Pyongyang signed a de-nuclearization accord with Seoul and a safeguards agreement with the International Atomic Energy Agency (IAEA). It backed up its words with deeds. To make nuclear arms, North Korea would have had to shut down its reactor, take out the spent fuel, and reprocess it to extract plutonium, the explosive ingredient in nuclear weapons. In a step later verified by IAEA inspectors, it halted reprocessing in autumn 1991. In October 1994, it concluded the Agreed Framework, freezing its nuclear weapons program. North Korea has adhered to the Agreed Framework even though the United States failed to deliver promised heavy-fuel oil on time, has been even slower to ease its economic embargo, and has yet to start construction of replacement reactors through the consortium it leads.

North Korea has showed some self-restraint in its missile program as well. On at least two occasions, in May 1994 and in October 1996, the North suspended preparations for missile tests at the request of the United States. Meanwhile, the United States kept South Korea from developing longer-range missiles. At the time of the *Taepo Dong-1* test in August 1998, the United States had just opened talks with North Korea about gaining access to the suspect nuclear site at Kumchang-ni. Ever since Washington resumed those talks after a brief recess, Pyongyang has refrained from testing the longer-range *Taepo Dong-2*, a test that U.S. intelligence has assessed as "likely."¹ In May 1999, North Korea granted access to the underground site at Kumchang-ni. Last September it agreed to suspend missile testing in return for an end to sanctions under the Trading with the Enemy Act.

By contrast, when Washington did not engage in diplomatic give-and-take or failed to carry out its agreements, Pyongyang retaliated. When Washington ignored Pyongyang's proposal for replacement reactors in June 1992 and instead resumed "Team Spirit" military exercises with South Korea in March 1993, Pyongyang gave notice of its intent to renounce the nuclear Non-Proliferation Treaty. Similarly, when the United States intervened to stop Israel from trying to negotiate an end to its missile exports, North Korea conducted its first and only No Dong test on March 29.

While exercising some restraint, Pyongyang has kept its nuclear and missile options open. That has led many observers to conclude that it is engaged in blackmail, intended to coerce Washington into providing economic aid. It is not. It has been playing tit-for-tat, cooperating whenever the United States cooperated, retaliating whenever the United States reneged, in an effort to get Washington to negotiate in earnest.²

Needless to say, North Korea's bristling bargaining behavior has not made cooperation politically easier in Washington. But the way to stop playing tit-for-tat is not to threaten the North but instead to try cooperation and see whether Pyongyang reciprocates. As former Secretary of Defense William Perry wisely counseled, "Keep your powder dry."

If the past is prologue, cooperating with Pyongyang works. The Agreed Framework has frozen North Korea's known nuclear program. Enough plutonium for five warheads is now stored in casks under the watchful eyes of the IAEA, awaiting shipment out of Yongbyon. The reactor at Yongbyon capable of generating more plutonium-laden spent fuel is shut down, along with a nearby reprocessing plant, and construction of two larger reactors has been halted.

Moscow, Beijing, and Tokyo Get It

Russia and China are well aware of North Korea's desire for a diplomatic resolution of the missile issue. That is why Russian President Vladimir Putin recently offered to work with the United States to induce North Korea to cease development of longer-range ballistic missiles.³ That is also why Beijing has concluded that U.S. missile defenses are aimed at it, not North Korea. "The U.S. is a huge superpower and you're afraid of little North Korea?" Sha Zukang, China's director-general for arms control and disarmament, said recently.⁴

China's possible reaction to U.S. missile defenses has also encouraged other states in the region to support a diplomatic resolution with North Korea. The conventional wisdom in Washington is that China is intent on modernizing its missile forces regardless of what the United States does about missile defenses. That wisdom is fatally flawed because it ignores both the potential magnitude of China's response and the political ramifications of that response for the U.S. position in Asia.

As of 1995, China had deployed just 18 missiles capable of reaching the United States, although it has long had the capacity to build more.⁵ If the United States decides to deploy defenses, China's armed forces will not only deploy more missiles to counter them, but will also demand a hike in defense spending to pay for the missiles rather than cut back on conventional arming. At a time of slowed economic growth, such a reallocation of resources from domestic needs to defense will prompt an intense struggle between the military and the regional authorities, who want more spent on domestic needs. In that struggle, the United States will be cast as China's foe, possibly setting off a new cold war in Asia and making U.S.-China cooperation all but impossible.

This possibility puts America's allies, Taiwan and Japan, in a bind. While they are reluctant to offend a Congress that makes missile defenses the litmus test of alliance, they do not want to provoke China's hostility either. It is for that reason that the newly elected leadership in Taiwan quietly favors a negotiated solution to the missile threats in Northeast Asia.

That is the same reason why Japan, once it got over the shock of the August 1998 *Taepo Dong-1* overflight, moved smartly under the late Keizo Obuchi and his successor, Yoshiro Mori, to resume long-deferred normalization talks with North Korea. For eight years Tokyo had demanded, as a precondition for talks, to be told the whereabouts of 10 Japanese citizens it believes were abducted by Pyongyang; but it dropped that demand. Instead, Japan decided to address the issue in parallel talks, much as the United States is handling the issue of Americans missing in action from the Korean War. In Red Cross talks in March, the D.P.R.K. said it had started a thoroughgoing search for the 10 Japanese citizens.

In normalization talks Pyongyang wants Japan to make amends for its harsh treatment of Koreans after it annexed Korea in 1910. It wants compensation, including the return of cultural artifacts looted under Japanese misrule, and an improvement in the legal status of ethnic Koreans residing in Japan. When Japan normalized ties with South Korea in 1965, it extended \$500 million in grants and loans in return for renunciation of claims to Korean assets seized in the past. Pyongyang will want more of an apology and recompense than Seoul got from Tokyo.

Japan is prepared to be generous with its words and its yen. As a sign of its priorities, it has quietly set aside much more money for aid and

investment for North Korea than it has allocated for research on missile defenses. It could eventually stop barring Pyongyang's admission to the Asian Development Bank—a step that would put Tokyo in a position to provide the lion's share of any *quid pro quo* for a ban on tests, production, and ultimately deployment of North Korea's medium- and longer-range missiles. It would also put Japan in a position to negotiate a missile deal of its own with North Korea if U.S.-D.P.R.K. talks falter.

Other states are ready to do their share as well. Israel has expressed renewed interest in providing economic aid and full diplomatic recognition if North Korea restrains its missile exports. "We are willing to support North Korea's agricultural industry if Pyongyang requests our aid," Israel's ambassador to Seoul, Arie Azari, told a reporter in February. "Whether [diplomatic] relations can take shape or not depends mainly on the North's willingness to stop its missile exports."⁶ Italy, which does not want to see Libya or others in North Africa acquire missile technology, also established diplomatic relations with the D.P.R.K. at the beginning of this year.

The North-South Summit

Under Kim Dae Jung, South Korea has been even more resolute than Japan in taking a cooperative course with the North. At the outset of his administration, Kim spoke of separating economics from politics and encouraging businesses from the South to invest in the North. Over 100 firms have done so, helping to boost North-South trade to a record \$330 million last year. This policy was symbolized by Hyundai-operated tours to Mount Kumgang, which brought thousands of South Koreans to the North for the first time and provided Pyongyang with tens of millions of dollars in much-needed hard currency. Kim also encouraged charities to aid the D.P.R.K.

In his New Year's Day address this year, Kim moved beyond encouraging private investment and aid to propose government-to-government talks to found an inter-Korean economic community. Then, in a speech in Berlin on March 9, he announced that the South Korean government is ready to help North Korea through its economic difficulties. He reiterated that the South's "immediate objective is to put an end to the cold war confrontation and settle peace rather than attempting to accomplish reunification," and he again urged the North to arrange reunions of families divided by the Korean War. His venue added resonance to his message that, as a Berliner might word it, *Ostpolitik*, not *Anschluss* was the order of the day. Kim closed by renewing his invitation for a dialogue between "government authorities" to open "without delay."

Eight days later, on March 17, ministers from the North and South held secret talks in Shanghai. After several unofficial contacts, they met again in Beijing on April 7 and 8 and agreed to the June summit meeting. North Korea's acceptance came just days before National Assembly elections with polls showing President Kim's party about to lose ground. Instead, it picked up seats, although it still fell short of a majority.

If held, the meeting would be Kim Jong Il's second with any head of state since he succeeded his father and the first North-South summit ever. An earlier attempt arranged by Jimmy Carter in June 1994 collapsed after Kim Il Sung died, setting off a vain attempt by Seoul to disparage his successor and destabilize the North. Kim Dae Jung's prospective visit to Pyongyang and a return visit by Kim Jong Il to Seoul could have the impact that Anwar Sadat's transforming trip to Israel did—but only if the two leaders get the political relationship right.

South Korea is full of talk about economic aid for North Korea, but the opposition has criticized the government for not tying aid to Pyongyang's acceptance of family reunions. That linkage has the unfortunate connotation of trading in human life. Kim Dae Jung is right to put the emphasis on the political purpose of aid—reassuring the North that the South does not seek its collapse. The June summit could exceed expectations if the sides take steps to end their half-century-long civil war.

A pledge to end adversarial relations is the key to family reunions. Only when the civil war between North and South is over can families divided by that war come together again. Declaring an end to enmity would also reinvigorate four-party talks, which aim at a peace treaty formally ending the Korean War. For a peace treaty to be meaningful, it is necessary to reduce the risk of inadvertent war on the peninsula. The North signaled its desire for that when it accompanied its acceptance of a summit with a pullback of FROG-7 rockets from the Demilitarized Zone and Silkworm missiles from the Northern Limit Line, as well as a reduction in the operating tempo of its naval patrols.⁷

A first step could be a peace agreement to replace the Military Armistice Commission with the new three-way "peace mechanism" sought by Pyongyang. That military-to-military mechanism, which would involve the three countries with armed forces on the peninsula, would become a channel for working out the details of a gradual pullback and drawdown of forces poised along the Demilitarized Zone. In that context, the presence of U.S. forces is not likely to be the issue; their role will be. The North envisions them serving as a potential stabilizing force on the

peninsula—but only if the United States changes its political posture from that of a foe to that of a partner of sorts.

A change in political relations is critical to preventing proliferation on the Korean Peninsula. Once the political conditions are put in place, economic engagement with the South could help curb the North's appetite for nuclear weapons and missiles. As North Korea begins producing other goods for a world market, it will have ways to acquire hard currency other than exporting missiles. With construction of replacement reactors under the Agreed Framework years behind schedule, Pyongyang has also sought to make up for the loss of electricity.⁸ It has proposed linking the North to South Korean transmission lines. As South Korean firms increase investment in the North, they will need a reliable supply of electricity and could help defray the cost of the hookup.

Washington Lags Behind

If the North-South summit meeting is a testament to South Korean President Kim's enduring faith that cooperating with Pyongyang works, it is also a testament to the Perry process. The Clinton administration's North Korea policy had been dangerously adrift from 1995 until 1998, when Perry's policy review set it on a cooperative course with Pyongyang. That helped persuade Pyongyang to agree to a summit meeting with Seoul. But the Clinton administration has been slow to act. If dialogue is to end the cold war in Korea, the United States will have to do its part.

President Clinton warmly endorsed the summit meeting. Some in his administration, tired of trying to coax partisan opponents in Congress into paying the price of cooperation with Pyongyang, are only too happy to have Seoul in the driver's seat with Pyongyang. Others are less sanguine. Their fear is that Seoul will move too far, too fast with Pyongyang without addressing the nuclear and missile matters that preoccupy Washington. Both the South and the North prefer not to let those issues get in the way of Korean cooperation. Any interference by Washington would reawaken resentment by South Korean officials, who recall efforts by the Bush administration to impede the North-South dialogue in 1991 and 1992.

In Seoul there is rash talk about a "post-Perry process" now that the North is engaged in direct dialogue with the South. While impatience with Washington's hesitation is growing in Seoul and Pyongyang, South Koreans who assume that the North is eager to move ahead with the South while letting relations with the United States lag far behind are likely to be disappointed.

Some North Koreans speak of Washington as a "harmonizer" of relations between North and South. They have in mind not Camp David, where the United States mediated between former enemies, but something more subtly supportive of reconciliation between North and South Korea.

Reconciliation between Washington and Pyongyang is the key to reconciliation between North and South Korea. Washington can begin by carrying out its promise to lift sanctions.

An Agreed Framework on Missiles

The lifting of sanctions would lead to high-level talks in Washington, which could clear the way for a second agreed framework, freezing the North's missile program and drawing up a road map for its eventual elimination. In the talks, Pyongyang is seeking something like the 1972 Shanghai communiqué between the United States and China, which set relations with Washington on a new course. That means declaring an end to the 50-year enmity between the two sides. In return, North Korea stands ready to agree in writing to a moratorium on missile tests.

To obtain the agreed framework on missiles, however, the United States must first carry out its end of the October 1994 Agreed Framework. In Pyongyang's view, that means, above all, putting an end to sanctions.

The 1994 accord provided that "the two sides will move toward full normalization of political and economic relations." With respect to sanctions, it stipulated only that "within three months of the date of this document, both sides will reduce barriers to trade and investment, including restrictions on telecom services and financial transactions." Further easing of sanctions, in the U.S. interpretation, was linked to resolution of the missile and terrorism issues, among other things, and to North-South dialogue—a linkage it forged in the negotiations, though not in the language of the accord. The Agreed Framework merely states, "As progress is made on issues of concern to each side, the U.S. and D.P.R.K. will upgrade bilateral relations to the ambassadorial level." Reverse linkage can be read into the provision on inter-Korean matters: "The D.P.R.K. will engage in North-South dialogue, as this Agreed Framework will help create an atmosphere that promotes such

dialogue." In any event, Pyongyang has now suspended missile tests and set a date for a North-South summit, inviting an easing of the embargo.

Pyongyang also wants Washington to end sanctions under U.S. anti-terrorism statutes. "We cannot visit the United States [wearing] the cap of a terrorist," North Korea's ambassador to China put it, underscoring the North's view that both sides had to be in an equal position for talks to succeed.⁹ The United States has been unwilling to take North Korea off its list of state sponsors of terrorism even though there is no evidence of Pyongyang's involvement in any terrorist act since 1987. In recognition of that fact, in October 1990 the Bush administration dropped terrorism from its list of preconditions for holding high-level talks with the North.

During talks in mid-March 2000, the United States asked the D.P.R.K. to issue a statement condemning terrorism, which it has since done, and to sign international conventions dealing with terrorism, which it is willing to do. The sole sticking point is that Pyongyang still harbors a handful of aging Red Army members whom Tokyo holds responsible for the 1970 hijacking of a Japanese airliner. Yet Pyongyang says it is ready to repatriate them. In the course of their normalization talks, Japan and the D.P.R.K. should be able to resolve the issue. That would remove any reason for the United States to maintain anti-terrorism sanctions against Pyongyang.

Once the political conditions are right, a verifiable ban on North Korean missile tests would not take long to work out. It would proscribe tests of missiles with a range in excess of 300 kilometers, a prohibition that could be verified by national technical means alone. A ban on the sale or transfer of missiles and missile technology would be more difficult to monitor. Ultimately, what is needed is a more detailed ban on missile production and deployment, which could be negotiated subsequently and would be modeled on the 1987 Intermediate-Range Nuclear Forces Treaty between the United States and the Soviet Union. That would provide for on-site verification to ensure that the North is not producing medium- or longer-range missiles for export or any other purpose.

An accommodation with Pyongyang would improve the political atmosphere for resolving leftover nuclear issues as well. The North has agreed to continue the nuclear talks. These talks have yielded access to the suspect nuclear site at Kumchang-ni, where two visits by U.S. inspectors have uncovered no evidence of any violation of the Agreed Framework. Pyongyang has indicated its willingness to allow continuous monitoring there by the United States. Other pending nuclear issues include getting Pyongyang to preserve the operating history of the Yongbyon reactor, which could contribute to ascertaining how much plutonium Pyongyang reprocessed in the past; expediting North Korean efforts under the Agreed Framework "to come into full compliance with its safeguards agreement," including "taking all steps that may be deemed necessary by the I.A.E.A."; and clearing up U.S. suspicions about North Korean efforts to acquire uranium-enrichment technology. The best strategy for ending North Korea's nuclear and missile programs and ensuring peace in Northeast Asia is cooperative threat reduction—combining reassurance with reciprocity, providing inducements on condition that potential proliferators accept nuclear restraints. Short of war, coercive strategies have had no success in preventing proliferation in the D.P.R.K. or anywhere else. Mutual accommodation through diplomatic give-and-take has already halted North Korea's known nuclear program and suspended its missile tests. Ending adversarial relations with the D.P.R.K. will put an end to the proliferation danger in Korea.

In the late 1980s North Korea's Kim Il Sung decided to reach out to the United States, South Korea, and Japan and transform political relations. Now, for the first time, Washington, Seoul, and Tokyo are ready to reciprocate. That will make it possible to put an end to the North Korean missile threat—without deploying untested missile defenses.

NOTES

The author would like to thank Samuel Huntington, Nikolai Sokov and Kimberly Zisk for their helpful comments on earlier drafts of this article.

1. Robert Walpole, national intelligence officer for strategic warning, "Testimony before the Senate Governmental Affairs Subcommittee on International Security, Proliferation, and Federal Services," February 9, 2000.

2. Robert Axelrod, *The Evolution of Cooperation* (New York: Basic Books, 1985) demonstrates how cooperation can emerge from conflict and mistrust by following a tit-for-tat strategy.

3. Walter Pincus, "Russia Has Offer on Missile Defense," *The Washington Post*, April 29, 2000, p. A1.

4. Erik Eckholm, "China Says U.S. Missile Shield Could Force an Arms Buildup," *The New York Times*, May 11, 2000, p. A1.
5. Michael R. Gordon and Steven Lee Myers, "Risk of Arms Race Seen in U.S. Design of Missile Defense," *The New York Times*, May 28, 2000, p. A1.
6. Shin Yong-bae, "Israel Willing to Aid N.K.'s Farm Industry in Return for Halting Missile Exports," *The Korea Herald* (Seoul), February 1, 2000.
7. "Two Koreas Set to Hold Crucial Talks for Summit, Military Tension Eases," Agence France-Presse, April 26, 2000.
8. "DPRK Foreign Ministry Spokesman on DPRK-US Talks," Korean Central News Agency, March 18, 2000.
9. John Pomfret, "N. Korea Threatens to Skip Talks," *The Washington Post*, March 29, 2000, p. A20.

*Leon V. Sigal is director of the [Northeast Asia Cooperative Security Project](#) at the [Social Science Research Council](#) in New York and author of *Disarming Strangers: Nuclear Diplomacy with North Korea*.*

Economists for Peace and Security
<http://www.epsusa.org>