

NEGOTIATING THE PEACE: DIPLOMACY ON THE KOREAN PENINSULA

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AND DR TAT YAN KONG

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FOREWORD

In March 2018, the Defence Committee's own inquiry into North Korea and the threat it poses concluded that Kim Jong-un was ruthless but rational, and that his regime was unlikely to move towards denuclearisation after reaching such a late and highly advanced stage. We recommended a policy of deterrence and containment, both now and after North Korea achieves its goal of acquiring intercontinental ballistic missiles fitted with nuclear warheads.

This new country-by-country analysis, produced by a six-panel roundtable of experts hosted by SOAS, KCL and the Henry Jackson Society, seeks possible ways forward if recent negotiations are to have a chance of making progress. By systematically charting the perceived aims and objectives of China, Japan, the USA, Russia and the two Korean states, it poses 'primary questions' in relation to each of those countries.

The hardest to answer are undoubtedly those regarding the sincerity of North Korea and China in contemplating complete denuclearisation, in return for concessions and support from other powers in the region. Provided that they are serious, then there is much of value in this comprehensive examination of the central issues in a peace-bargaining process. It is certainly worth a try.

Dr Julian Lewis

Chairman, House of Commons Defence Committee

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ABBREVIATIONS

CVID	Complete, verifiable, irreversible denuclearisation
CVIS	Complete, verifiable, irreversible security
DPRK	Democratic People's Republic of Korea (North Korea)
FAO	Food and Agriculture Organization (UN)
FFVD	Final, fully verified denuclearisation
HI	Handicap International
IAEA	International Atomic Energy Agency
IGO	International Government Organization
IMF	International Monetary Fund
NGO	Non-government organization
RFE	Russian Far East
ROK	Republic of Korea (South Korea)
UNICEF	United Nations International Children's Emergency Fund

EXECUTIVE SUMMARY

As North Korea and the United States of America continue to meet bilaterally in an attempt to resolve the nuclear issue, it is important to understand what every member of the Six-Party Talks – the Democratic People’s Republic of Korea (South Korea), the United States of America (USA), the Republic of Korea (North Korea), China, Japan and Russia – wants to gain from the negotiations and their negotiating strategies. While this list is not meant to be comprehensive, it is meant to reflect the current priorities of each state, as identified by our experts.

North Korea

- North Korea wants to guarantee regime survival and seeks economic development, both on its own terms. It also craves legitimacy and international status.
- The best way to persuade North Korea to agree to complete, verifiable, irreversible denuclearisation (CVID) is to guarantee the security of the regime and offer it status and prosperity.
- North Korea should concede that a peace regime will only come at the end of a step-by-step CVID/sanctions relief process.

United States of America

- The Trump administration wants CVID, or final, fully verified denuclearisation (FFVD), of North Korea.
- While willing to establish a process towards FFVD, the Trump administration is interested in short-term gains, for a combination of national security and domestic reasons.
- The USA wants to consolidate or maintain its alliance with South Korea, something which, no doubt, plays into the dynamics surrounding the negotiations with North Korea, China and Russia.
- The US should concede on North Korea’s desire for a step-by-step approach, since the ‘Libya Model’ presents Pyongyang with risks.

South Korea

- South Korea has two main aims: economic growth and resolving the North Korea crisis.
- In order to achieve these, President Moon will continue to facilitate talks while promoting the use of non-military means.
- Progressives inside the Moon administration are interested in promoting economic growth in North Korea as soon as possible.
- Seoul must accept that any economic development and aid will have to come late in the step-by-step process once considerable steps to dismantle North Korea’s nuclear weapons programme and steps to dismantle the international sanctions regime.

China

- China's President Xi Jinping will support denuclearisation efforts as long as the North Korean regime is stable.
- Beijing's willingness to continue pressuring North Korea by the real application of economic sanctions is integral to the success of the current iteration of negotiations.
- There is a possibility that US-China tensions, economic and military, will "bleed" into the negotiation positions of the USA and into China's unique relationship with North Korea.
- China must be willing to accept change on the Peninsula.

Japan

- Prime Minister Shinzo Abe wants the return of abductees and CVID. These two objectives are of equal importance for Tokyo.
- Japan seeks a seat at the negotiating table, but if it cannot achieve this, then Tokyo will attempt to persuade President Trump to raise the abductions issue with North Korea.
- Japan must accept that the abductees issue will only be resolved after CVID and the establishment of a peace regime – during a reconstruction period.

Russia

- President Vladimir Putin wants to keep a foothold on the Korean Peninsula and oversee a reunification that benefits Russian interests. Moscow is likely to push for reunification that would create a neutral state.
- Russia is pursuing a balanced policy; however, its interests cannot be met if it does not get to the negotiating table.
- Moscow must concede that it has very little to offer CVID negotiations, and must be content to only become involved during the Peace Regime and post-regime reconstruction.

INTRODUCTION

“Managing the Korean crisis felt like playing a multi-tiered chess game on overlapping boards. It required dealing with the North, the South, China, Japan, the IAEA, the UN, the non-aligned movement, Congress, the press, and others.”

*~Joel S. Wit, Daniel B. Poneman, and Robert Galluchi
Going Critical: The First North Korean Crisis (2004)*

The presidency of Donald Trump has coincided with an advancement in North Korea’s ability to hit the American mainland with its growing nuclear arsenal. Over the past year, the result of both factors has led to a new level of tensions between Pyongyang and Washington DC. Unusually, the Trump administration focused much capital on pushing China to enforce economic sanctions on the North Korean regime; these bore fruit in bringing Kim Jong-un to the negotiating table in June.

Following the seeming success of President Trump’s “maximum pressure” policy, Pyongyang has shown itself willing to negotiate and, despite being under pressure, it seems to have led the tempo. And despite strong rhetoric from Trump and some near-cancellations, both the President and the Vice-President showed themselves willing to engage with Pyongyang. For those who have watched the region for decades, the pace of regional diplomacy has been remarkable.

In short order, we have seen two North–South summits, three USA–North Korea meetings (and one summit) and three visits by North Korea to China for what we can presume were summits. For their part, Russia and Japan have been sidelined completely and have maintained their interests in meetings in Washington and Pyongyang. However, despite all the diplomatic activity, it is clear that only principles have been agreed. The Panmunjom Declaration agreed between South Korean President Moon Jae-in and North Korean leader Kim Jong-un in late April says little substantive about denuclearisation, only that it is a “common goal” of the two states. Likewise, the USA–North Korea document signed at the historic summit in Singapore falls short of detail, saying only:

Reaffirming the April 27, 2018 Panmunjom Declaration, the DPRK commits to work towards complete denuclearization of the Korean Peninsula.

Nor was there any public announcement or statement made during any of the three visits by Kim Jong-un to China. It is in this context that HJS, KCL, and SOAS convened an expert panel in London on June 5th, which was able to discern three “wide” goals and one “narrow” goal in the current situation on the Korean Peninsula.

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First, there is the wide goal of North Korean denuclearisation. Wide in the sense that CVID is shared equally by the USA, South Korea and Japan and, while the goal is not clearly specified in the same manner, North Korea, Russia and China also agree to the principle of denuclearisation.

Second, there is a wide goal of establishing a “peace” regime on the Korean Peninsula. This is shared by all the parties but remains problematic for a number of reasons. It must be agreed by all parties to the Korean War (1950–1953) plus the UN, since the mission in South Korea remains a key part of South Korea’s defence. There is concern within the US policy community that a peace treaty could lead to popular demands to bring US troops home, so the USA has long sought to ensure that any such peace treaty would allow for a continuing presence on the Korean Peninsula.

Third, there is the issue of economic investment and reconstruction of North Korea. To some extent this is a goal of Seoul and Pyongyang, but remains a point of divergence for Russia and China, who both want to integrate North Korea into their own economies. It also presents leverage for countries like Japan (upon which reconstruction loans, perhaps labelled as “reparations” for colonial rule, are expected), which have found themselves thus far excluded from the negotiations process.

Fourth, there is the abductees issue, a narrower problem which only affects Tokyo, and which is driven by domestic politics in Japan. To some extent, while the USA and South Korea pay lip service to this issue, it is often an afterthought to that of denuclearisation. For its part, Japan has sought to insert the abductee issue into the wider discussion of denuclearisation and peace-making, aware that without sufficient pressure the issue will simply lapse. Despite this, Japan will still have leverage in any post-treaty stage, when reconstruction and investment into the North Korean economy are being negotiated.

In all of this, it seems that at least three of the players – the USA, South Korea and China – have shown an unusual level of diplomatic flexibility over the past five months. There have been shifts in positions previously thought fixed. For example, North Korea relaxed the “freeze-for-freeze” demand – often promoted by Beijing – as one of its conditions of a USA–North Korea summit. President Trump also demonstrated flexibility and awareness of North Korean sensibilities in his offer to suspend the annual joint military drills after signing the Singapore Declaration. Despite heavy criticism from some quarters that the suspension was too great a concession, Trump’s decision is one that can be reversed depending on the overall state of progress of denuclearisation.

Then there has been South Korea, perhaps the unsung hero of this diplomatic flexibility. With a strong desire to push for a peace deal, the Moon administration has taken a number of daring chances. The immediate acceptance of a joint “Peace Team” at the Pyeongchang 2018 Winter Olympics by Moon following Kim’s suggestion was criticised internally, but

was certainly the staging ground for a Panmunjom Summit. Then there has been China, which faced the most criticism of all during the “maximum pressure” stage. Despite the fact that it has played a back-seat role to the Olympics, the North–South Summit, and the USA–North Korea Summit in Singapore, the fact is that Beijing has helped bring this about by applying serious pressure on sanctions enforcement, particularly in the banking and energy sectors. While it is easy to criticise China for such a loose sanctions regime in the past, it must be recognised that it has played a helpful role behind the scenes. Whether that will continue to be the case – given its trade conflict with the Trump administration – remains to be seen.

This project has made clear that despite the new-found flexibility among the actors, one of the most important factors in deciding the success or failure of the negotiations is **sequencing**. For example:

1. Should a peace regime precede denuclearisation or vice versa?
2. Should denuclearisation precede sanctions-easing or vice versa?
3. Should economic projects precede denuclearisation or vice versa?
4. Should verification precede sanctions-easing or vice-versa?

This report is the outcome of a six-panel round table that was hosted by the School of Oriental and African Studies, Kings College London and the Henry Jackson Society on 5 June, little more than a week before the USA–North Korea Summit was held in Singapore. Our group represented a host of institutes and expertise, including Hayato Hosoya from Chatham House, Tat Yan Kong from SOAS, Natasha Kuhrt and Ramon Pacheco Pardo from Kings College London, John Nilsson-Wright from Cambridge University, and Andrea Berger from the Monterey Institute for International Studies, as well as representatives from the South Korean and UK governments. The round table was organised much like this report, with one expert delivering to the group a paper on an assigned country. In giving their remarks, our experts sought to clarify for the group the nature of that country’s drivers on the Korean Peninsula and stated and unstated diplomatic objectives.

Going forward, it is hoped that this report, will serve – at the very least – as a resource for understanding the North Korean nuclear crisis, easily one of the most complex and difficult problems in contemporary international relations. While we hope that students of history, foreign policy and diplomacy will find this report of interest, we hope that practitioners and diplomats will equally find it of use. We have sought to simplify the basic negotiating lines in the hope of revealing where opportunities and challenges might lie going forward. Whatever the outcome of the current Trump–Kim negotiating cycle, international relations scholars and think tank policy analysts must continue to look at the art of negotiation as a means of talking our way to peace.

1. NORTH KOREA'S NEGOTIATING AIMS AND OBJECTIVES

“As I walked over here, I thought ‘why was it so difficult to get here?’ The separating line wasn’t even that high to cross. It was too easy to walk over that line and it took us 11 years to get here.”

*-Kim Jong-un, Panmunjom Peace Summit.
27 April 2018*

What does North Korea want ultimately? This continues to be a major point of contention among North Korea experts in Northeast Asia and the West. Is it unification? Or perhaps merely regime survival? Or is it as grandiose as an expulsion of US forces from the Korean Peninsula? According to the discussions among our expert panel, the motivations for North Korean leaders are not dissimilar to the options of other states in the international system: **to maximise gains and minimise losses**. During discussions at the round table, it was agreed that the North Korean leadership has come to the table with the Trump administration partly because of the maximum pressure – economic and military – imposed on it by the USA, and partly because it has achieved a nuclear deterrent and now feels in a stronger position to negotiate with the USA. As a result, it seems to be taking the negotiating process seriously, while simultaneously playing a number of other strategies, including developing support from Russia and China, attempting to water down international support for sanctions, and spinning out negotiations for as long as possible. The primary question for Seoul and Washington at the moment is how sincere is in this situation? Is it really willing to trade normalisation, peace and economic growth for its nuclear arsenal, or does it wish to have its cake and eat it?

What Does North Korea Want?

The primary goals of the North Korean regime under Kim Jong-un have fluctuated, making it difficult to answer this question. Certainly, the Five Conditions for Denuclearization policy made in *Rodong Sinmun*¹ in July 2016 seemed to be an expanded notion of the North Korean definition of denuclearisation. In short order Pyongyang declared it wanted: (i) a US declaration of all nuclear weapons in the South; (ii) complete, verifiable and irreversible denuclearisation in South Korea; (iii) a withdrawal of the US nuclear umbrella from the Korean Peninsula; (iv) guarantees from the USA that it would never use nuclear weapons on the Peninsula; and (v) a gradual withdrawal of US forces from the Peninsula. It is difficult to know how fixed these goals are, given that a withdrawal of US troops and the US nuclear

¹ The official North Korean newspaper of the Central Committee of the Worker's Party of Korea.

umbrella from South Korea would be a non-starter in Washington.² Indeed, recent reports indicate that Kim does not consider withdrawal of US forces from the Peninsula a non-negotiable issue.³

Certainly, whatever the current state of the North Korean stated goals, our round table agreed that its permanent goals are regime survival and economic development, ideally on its own terms. In March 2013, Kim Jong-un announced his *Byungjin* policy, a parallel advance of economic growth and nuclear capabilities. On 20 April this year, he announced a victory of the nuclear path and declared a new strategic line of “economy first” at a Worker’s Party plenum.⁴ Kim showed that he wants not only aid but also investment. His willingness to highlight Singapore’s economic development could be seen in the 42-minute documentary film of the summit, in which the city played an unusually large role in the background of Kim’s visit. Though a capitalist nation, Singapore was lauded in the film as “clean, beautiful and advanced”⁵, indicating that Kim is serious about economic reforms.

North Korea also craves legitimacy as the “real” Korea and desires international status. In the first instance, its desire to be accepted by the international community like its southern neighbour plays into the complex dynamics between the two. In terms of status, its nuclear weapons programme fulfils this to some extent. First, it is a source of regime security and survival. Second, it is a source of diplomatic leverage over Washington and other regional actors. Third, it has given Pyongyang the type of global status that it might not have otherwise achieved.

Ultimately, this complex mixture of roles for nuclear weapons on the Korean Peninsula means that Pyongyang is going to try to draw out any removal process of its nuclear weapons in order to avoid losing security and maintain negotiating leverage. North Korea’s sweet spot will be in maintaining the systems for as long as possible, while maintaining the momentum of the process and keeping Washington at the table. It would therefore seem that what is required is a guarantee that it will not be attacked and direct negotiations with the United States.

² Fifield, A., ‘North Korea’s definition of “denuclearization” is very different from Trump’s’, *The Washington Post*, 9 April 2018.

³ Landler, M. and Choe Sang-Hun, ‘North Korea Drops Troop Demand, but U.S. Reacts Warily’, *The New York Times*, 19 April 2018.

⁴ Carlin, R., ‘Kim Jong Un’s New Strategic Line’, *38 North*, 23 April 2018.

⁵ Shin, H., “North Korean film on Kim’s Singapore trip reveals new focus on economy”, *Reuters*, 15 June, 2018

Achieving its Objectives

For Kim Jong-un, the nuclear weapons programme has meant a form of security from the USA and the rest of the world. It is an advanced bargaining tool that applies an effective deterrent against all who wish to unseat the regime. To get rid of his nuclear weapons would be to get rid of his security and stability. He wants to keep his nuclear weapons as long as possible and he will not give them up unless he obtains an ironclad security guarantee (complete, verifiable and irreversible security, or CVIS), along with other material benefits.

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In terms of signs that North Korea is willing to give up its nuclear weapons, the Panmunjom Declaration indicates a willingness by both sides to carry out military disarmament, build a peace regime and realise “through complete denuclearization, a nuclear-free Korean Peninsula”. It also agreed to “actively seek the support and cooperation of the international community for the denuclearization for the Korean Peninsula”.⁶

It has sought to soften tensions with the United States by making concessions while simultaneously making new requests. For example, Kim Jong-un has released the remains of 55 US soldiers missing in action during the Korean War (1950–1953), has shut down its nuclear test site at Punggye-ri⁷ and has begun to dismantle its Sohae missile launch site.⁸ However, it has also insisted that it will halt all progress on the denuclearisation issue until a “bold move” is made to agree a new peace treaty. This is problematic for the USA as it would require two-thirds of the US Senate in addition, leading to a possible movement inside the USA to unilaterally withdraw troops from the Korean Peninsula. Any agreement would also affect the UN presence there, requiring the UN to be brought into the peace process as well as perhaps ending the official reason for UN support to South Korea.

Then there is the issue of North Korea’s agreement to denuclearisation on the Korean Peninsula. According to some accounts, this is a drive to set the entire relationship with the USA on a new track, and perhaps even engage with it at the expense of Sino–North Korean relations. According to Peter Hayes, the director of the Nautilus Institute, Pyongyang would seek a

⁶ ‘Panmunjom Declaration for Peace, Prosperity and Unification of the Korean Peninsula’, *Ministry of Foreign Affairs (Republic of Korea)*, 27 April 2018, available at: http://www.mofa.go.kr/eng/brd/m_5478/view.do?seq=319130&srchFr=&srchTo=&srchWord=&srchTp=&multi_itm_seq=0&itm_seq_1=0&itm_seq_2=0&company_cd=&company_nm=&page=1&titleNm=, last visited: 10 September 2018.

⁷ Fifield, A., ‘North Korea says it will suspend nuclear and missile tests’, *The Washington Post*, 20 April 2018.

⁸ Sevastopulo, D. and Song Jung-a, ‘North Korea is dismantling nuclear arsenal – or is it?’, *Financial Times*, 24 July 2018.

nuclear-free Peninsula (including South Korea) to create a new collaborative relationship with the USA. While this sounds odd, there may be a certain logic to upgrading ties with the USA, given Beijing's own regional ambitions to influence the Peninsula.

Summary

It is unclear what the North Koreans gave away at the summit, but it seems as if all parties – including the Trump administration – agreed that immediate denuclearisation will not take place in the short term. In many ways, the summit was a win for North Korea in the sense that it achieved a vague, general, highly symbolic agreement, which it might now seek to spin out for as long as possible. The inconclusive visit by Secretary of State Mike Pompeo seems to be an example of this, with one White House source telling a news agency, “The North Koreans were just messing around, not serious about moving forward.” This ambiguity has continued in the wake of the summit as North Korea has dismantled its missile site at Sohae⁹ while constructing new liquid-fuelled intercontinental ballistic missiles.¹⁰

However, it is also clear from the behaviour of Kim Jong-un that something has changed from previous cycles of provocation, crisis and negotiation. First of all, it would appear that something has shifted in terms of North Korea's priorities. One might see this in the fact that after North Korean diplomats stood up the US team in Singapore for a pre-summit meeting, Trump cancelled the summit, citing Pyongyang's “tremendous anger and open hostility”. Surprisingly, North Korea did an “about-face” on its rhetoric and attempted to reset the summit meeting with the US President. This might have been to gain the diplomatic victory of a meeting with the US President, but it is also highly likely that Kim Jong-un was genuinely worried about a US military build-up and is sincere in wanting to develop North Korea's economy, using the nuclear weapons programme as a bargaining chip. In this instance, it would appear as though North Korea's state messaging to its own domestic audience has begun to adjust the new prioritisation of economic growth.

There are thus two real questions ahead of us. First, can the USA and North Korea agree on an incremental deal, involving North Korean CVID for normalisation and economic development? Second, can such a deal be verified, given the technical difficulties involved in tracking North Korea's nuclear plutonium stockpile? This verification issue is precisely what ended up stalling the Six-Party Talks process in 2007.

⁹ Taylor, A., ‘North Korea begins dismantling key test site, satellite imagery suggests’, *The Washington Post*, 23 July 2018.

¹⁰ Brunnstrom, D., ‘US detects new activity at North Korea factory that built ICBMs’, *Reuters*, 31 July 2018.

2. THE USA'S NEGOTIATING AIMS AND OBJECTIVES

"I just think that we are now going to start the process of denuclearization of North Korea, and I believe that he's going back and it will start virtually immediately – and he's already indicated that and you look at what he's done."

*-President Donald J Trump, Singapore
12 June 2018*

US diplomacy under President Donald Trump is historically atypical and does not fall easily into the traditions of past US administrations. While North Korea has long been lauded as “unpredictable” in the Western media, our panel of experts agreed that Trump represents a special case of American unpredictability. While many of the USA's aims and objectives have remained the same, the negotiating positions and style have shifted, with many debating whether the Trump administration presents a complete break from the past or a form of continuity with stylistic differences. Indeed, there are many who are unsure whether the ultimate strategic aims of maintaining and consolidating the US alliance system in Asia remain a priority to the administration owing to Trump's harsh rhetoric on the costs of alliances to the US taxpayer.

What Does the USA Want?

The USA's position has long been to get North Korea to agree to complete, verifiable, irreversible denuclearisation (CVID) – even if, it should be noted, the Singapore Declaration and subsequent statements have not made specific reference to it. In return, it has been willing to offer North Korea diplomatic normalisation, economic incentives and various aid packages. This has been no different under Trump, though perhaps it is not yet clear whether a removal of US troops from the Peninsula would ever be considered, given the President's statements on the matter. His strategy has been driven by maximum pressure and maximum engagement. The maximum pressure sanctions approach has been a continuation of the groundwork laid by the Obama Administration.¹¹ It was the Obama Administration, after all, that prepared many of the early sanctions packages that the newly elected Trump administration utilised in the early part of 2017. Having said that, there are key differences between the Obama administration's “strategic patience” approach – critiqued by many as “doing nothing” – and the Trump administration's approach. This can be seen in the heavy involvement of the executive, something particular to Trump's personal approach. Then there has been the scope and type of pressure put on North Korea, including heavy diplomatic and military

¹¹ Klimas, J., ‘Trump's North Korea strategy: A lot like Obama's’, *Politico*, 8 August 2018.

pressure. Keeping military options on the table and moving various military assets such as B2 and B52 bombers and aircraft carriers will have played a role.¹² There has also been the Trump administration's willingness to pressure Beijing directly, shaping international public opinion and imposing secondary sanctions, such as those on Chinese companies.

The primary tool has been sanctions, and one can see that there are similarities between the administration's application of sanctions on North Korea and pressure on Iran. Indeed, the types of sanctions on Iran are very similar to the sanctions implemented on North Korea, and there seems to be a learning curve in how they achieve their best effects with the two regimes. One main difference between North Korean sanctions and the Iranian sanctions is that the North Korean sanctions were implemented unilaterally and through the UN, while those on Iran were implemented unilaterally and through multilateral coalitions. Every time there is a major provocation by North Korea the USA calls for new sanctions at the United Nations. New sanctions have been introduced by the Administration almost every month, except for July of 2017. In addition, Trump has made sure that others implemented these economic sanctions by using American influence abroad.

Achieving its Objectives

As has become evident, Trump brings heavy personal involvement to US diplomacy, whether through the promotion of his policies on Twitter or through summitry. As mentioned above, the key points of Trump's strategy thus far have been to apply maximum pressure on the economic and military fronts, through tougher sanctions packages and the movement of key US military assets to the regional theatre, creating a threat perception within North Korean leadership, all the while keeping an open face to negotiations. Perhaps the most revolutionary approach utilised by the President was his willingness to use the threat of a conflict to persuade both Pyongyang and Beijing that he was serious. He has followed this military pressure by applying unprecedented sanctions on a number of Russian¹³ and Chinese¹⁴ financial institutions that carried out business with North Korea, and he used the pressure of international public opinion through Twitter to shame Chinese sanctions

Perhaps the most revolutionary approach utilised by the President is his willingness to use the threat of a conflict to persuade both Pyongyang and Beijing that he is serious.

¹² Ward, A., 'The US Military is preparing for a possible war against North Korea', *Vox*, 16 January 2018.

¹³ Sevastopulo, D., 'US hits Russian bank with sanctions over North Korea', *Financial Times*, 3 August 2018.

¹⁴ Sevastopulo, D., 'US imposes more sanctions on Chinese and North Korea companies', *Financial Times*, 25 January 2018.

busting.¹⁵ There are those who criticise him for having a strong desire for an image of grand deal-making at the expense of substance. This desire for spectacle and the need for the appearance of the grand bargain have been both a strength and a weakness to the administration's approach. On the one hand, it makes the White House extremely flexible and open to meetings, as evidenced by Trump's sudden willingness for North Korea to take part in the 2018 Winter Olympics, as one example. This same dynamism ensured that even after the communications failures of his team (invoking the "Libya Model") and the no-show by North Korea's pre-summit team in Singapore, Trump was able to cancel the meeting and then reinstate it.

However, critics and members outside of Trump's base note that neither of the agreements made by North Korea at Panmunjom or in Singapore was markedly different from those that came before, such as the 2000 Joint Communiqué.¹⁶ Similar to this document, the Panmunjom Declaration and the USA-North Korea Joint Statement agreed that North Korea would commit to denuclearisation, and that all sides would push for a peace treaty. Neither document gave concrete details on a process, however, and remained ambiguous in nature.

In return for North Korea's willingness to come to the table, the USA has offered a number of concessions, such as putting a freeze on all bilateral military training exercises with the South Korean military, raising the possibility of the easing of sanctions, and offering a reconstruction and development package.¹⁷ While this first move – a seemingly off-the-cuff move by President Trump in the wake of the Singapore Summit – was widely welcomed among progressives in South Korea, it caused some concern among US and South Korean military officials.¹⁸ It also impacted perceptions of US alliance reliability among regional political elites. While the offer of sanctions was made by Secretary of State Pompeo on his visit to Pyongyang, he was accused of making "gangster demands" after he left North Korea, and the North Koreans put forward the notion of a freeze on denuclearisation until a peace treaty is realised.

It is thought that President Trump will not hesitate to negotiate for the USA's narrow interests, and though he has publicly reassured Japan that the abductions issue will be examined, it is clear that denuclearisation has been prioritised. For South Korea, avoiding the military option and maintaining the North-South Relationship – perhaps even bringing control

¹⁵ 'North Korea: Trump accuses China of allowing oil transfers', *BBC News*, 29 December 2017.

¹⁶ For example, Boot, M., 'A summit without substance', *The Washington Post*, 12 June 2018; Hemmings, J. and James Amedeo, 'Ambiguity the only certainty as the dust settles on the Singapore Summit', *East Asia Forum*, 17 June 2018; Panda, A., 'Trump's Singapore Summit was a bust – for the US', *Daily Beast*, 12 June 2018.

¹⁷ 'US offers North Korea new deal to reconstruct if it scraps nuclear weapons programme', *ITV News*, 12 May 2018.

¹⁸ Smith, J. and Phil Stewart, 'Trump surprises with pledge to end military exercises in South Korea', *Reuters*, 12 June 2018.

back to Koreans – has raised the possibility of a clash between Moon and Trump. However, as the next chapter will show, both Moon and Trump have managed to work around their different approaches and interests on the North Korea issue.

Summary

The ideal scenario for the USA would be the CVID of North Korea and the securing of all nuclear technologies before any easing of sanctions takes place. This preference can be seen in various statements made by the Trump administration and in the secondary sanctions that have been applied to those Chinese and Russian companies that have sought to facilitate trade with North Korea.¹⁹ The ideal result would be for the USA to accomplish North Korea's CVID with little or no impact on the US alliance system.²⁰ However, it should be noted that there are differences on this between the Washington foreign policy establishment and the President with regard to maintaining some sort of US presence on the Korean Peninsula even after a grand deal were to be struck. Trump's approach towards alliances has often been either indifferent or harshly critical of their costs to the US taxpayer. Because of his *America First* approach, it is difficult to know whether the USA would seek to create a new regional balance or a sub-regional security system through such negotiations. Such speculations are increasingly difficult given the growing Sino-US trade tensions.

¹⁹ 'US Blacklists Russian, Chinese companies for breaking North Korea embargo', *Channel News Asia*, 16 August 2018.

²⁰ 'Issue Briefs: Toward an Effective Deal on Denuclearization and Peace with North Korea', *Arms Control Association*, 8 June 2018.

3. SOUTH KOREA'S AIMS AND OBJECTIVES

“The message we must send to North Korea is twofold: if the North Korean regime believes that it can defend and protect itself through nuclear and missile programs, that is a misjudgement. But if North Korea gives up its nuclear program, we will help it secure and develop itself. We must consistently send these two messages.”

*-President Moon Jae-in
April 2018*

South Korea really has been a catalyst for the diplomacy that has taken place over the past year. It has consistently served as a middle path for the North Korean and American leadership, and drawn both together, even when the two pulled away from each other sharply.²¹ There was agreement among our discussion panel that the Nobel Peace Prize might be awarded to President Moon Jae-in, rather than President Trump, as the South Korean leader played such a personal role in changing the tone of US-North Korean tensions. Given Moon's background (he was aide to progressive President Roh Moo-hyun, his parents were from North Korea and he was born in a South Korean refugee camp), his strong positioning has come off as sincere and resonated well with the South Korean electorate. President Moon seems to understand the costs of war because he has experienced them. Furthermore, compared to other South Korean Presidents, Moon has attempted diplomacy with the North early in his presidency. Given that South Korean Presidents only sit for one term of five years, this has given him added authority going forward.²²

What Does South Korea Want?

To some extent, South Korea's approach towards North Korea diverges between its progressive and conservative factions, depending on which type of political leader is in office. As Moon is broadly speaking a progressive leader from the left, his positioning is fairly liberal in approach and he has followed in the footsteps of previous liberal presidents, such as Dim Dae-jung (1998-2003) and Roh Moo-hyun (2003-2008). He emphasises peace processes with the North over security, economic engagement and trust-building, and has made statements that would indicate an interest in a new type of “Sunshine policy”, involving greater cultural, people-to-people and economic ties.²³ Having said that, he came

²¹ *ibid.*

²² Statement made by visiting South Korean delegate to London.

²³ Pacheco Pardo, R., ‘Moon on a Mission: South Korea's New Approach to the North’, *The Diplomat*, 14 March 2018.

into office wanting a few things that are particular to his own political trajectory and experience.

First, Moon wants a peace process with North Korea, in order to bring a symbolic end to the conflict. Second, he wishes to do that with US support. Despite the traditional distrust felt by the left for the USA inside South Korean political discourse, Moon has seen up close how little Seoul can do without US support. He was Roh Moo-hyun's chief of staff and observed the payoffs between criticising the USA publicly to appease the progressive base and being blocked by the White House. He is determined not to repeat Roh's mistakes vis-à-vis the USA and has made sure to cater to President Trump publicly and behind the scenes. Third, Moon wants CVID on the Korean Peninsula. Fourth, Moon wants to repair North-South relations through revived people-to-people contact and through revived economic ties.

Achieving its Objectives

Realising after his electoral victory that North Korea's international reputation had sunk to new lows – in the wake of further missile tests and the assassination of Kim – South Korean leader Moon Jae-in has been extremely pragmatic. Rather than moving against the tide of public opinion and against the inclinations of a hawkish approach from the Trump Administration, Moon has played for time and sought to coordinate closely with the White House from the outset. In many ways, he has sought to cater to President Trump's need for symbolic wins, and often credited Trump for political victories that he might have claimed for himself.²⁴

However, President Moon has limits on what he can achieve. Kim or Trump could cancel any future talks without warning. Moon has suggested that all parties, including Russia and Japan, have to be included in the peace treaty in order to form a long-lasting peace. It is difficult to know how that might take place, but if he is able to obtain American and Chinese support, it should not present too much of a problem. President Moon wants a peace treaty to officially end the Korean War, North Korea to ultimately denuclearise and, in the long term, to have United Nations inspectors inside North Korea. President Trump shares the interest in denuclearisation, as discussed above, but it is difficult to know his position with regard to continued US military presence on the Peninsula after any successful CVID. No doubt, one of Moon's major tasks will be to balance US unilateralism on the future of the alliance, and he will seek to maintain sufficiently healthy

²⁴ Shin, H., 'South Korea president says Trump deserves Nobel Peace Prize', *Reuters*, 30 April 2018.

relations with Japan²⁵ and the shifting wartime operational control to Korea – a thorn which has long been in the side of the alliance.²⁶

According to one account,²⁷ aides around Moon Jae-in have suggested a number of trust-building ways to drive US–North Korean negotiations forward, including a “years-long process of reciprocal exchanges involving nuclear concessions from North Korea and political, security, and economic concessions from the United States and its partners”. The best path would be if US investors and officials were to begin working in North Korea, to create incentives for the North and reassure it simultaneously. In August 2018, Moon Jae-in put forward a railway project as a start for “prosperity”, which he insists will be tied to denuclearisation. As sanctions forbid this type of project, Moon has found his proposal buffeted by signs of opposition from Washington.²⁸

President Moon wants a peace treaty to officially end the Korean War, North Korea to ultimately denuclearise and, in the long term, United Nations inspectors in North Korea.

Summary

Like the USA, the ideal scenario for South Korea would be CVID. However, it should be noted that, owing to his progressive politics, the Moon administration will also seek to develop North Korea’s economy and build closer political ties between Seoul and Pyongyang – something that appears to be already occurring²⁹ – which will run into opposition from the Trump Administration over the easing of sanctions.

In many ways, South Korea has the most difficult tasks, given that it has to attempt to manage great power relations with the USA and China,³⁰ while attempting to put the process for any future inter-Korean peace process into Korean hands. The trick will be balancing all of this with the assurances that North Korea needs, the verification issue for the Americans, the regional leadership concerns of Chinese and the abductees issue for the Japanese. Finally, there are always the Russians, who will need to have a role, if only to prevent them from taking an opportunistic spoiling role over the crisis. Moon will also have to strike a balance between those on the conservative side of Korea’s political spectrum who wish to maintain a strong alliance and military-to-military links with the United States in the

²⁵ Cha, V. D., *Alignment Despite Antagonism: The US-Korea-Japan Security Triangle* (Stanford, California: Stanford University Press, 1999).

²⁶ Sang-hun, C., ‘Seoul looks to abandon reliance on U.S. military – Asia – Pacific – International Herald Tribune’, *The New York Times*, 10 August 2006.

²⁷ Friedman, U., ‘The Mystery at the Heart of the North Korea Talks’, *The Atlantic*, 26 June 2018.

²⁸ Padden, B., ‘S. Korea Plans to Start Railway Project With North This Year’, *Voice of America*, 15 August 2018.

²⁹ Jaewon, K., ‘South Korean banks scramble to hire experts on the North’, *Nikkei Asian Review*, 17 July 2018.

³⁰ Snyder, S. A., *South Korea at the Crossroads: Autonomy and Alliance in an Era of Rival Powers* (Chichester, West Sussex; Columbia University Press, 2018).

foreseeable future, and those progressives who view any CVID process as a means of potentially removing US forces from the Peninsula.

4. CHINA'S NEGOTIATING AIMS AND OBJECTIVES

"We are happy to see that the DPRK made a major decision to shift the focus to economic construction, and the development of the DPRK's socialist cause has entered a new stage in history ... Comrade Chairman has made positive efforts for realizing denuclearization and maintaining peace on the peninsula."

*-President Xi Jinping, meeting Kim Jong-un,
Beijing, 20 June 2018*

While China has not been involved in this era of negotiations, it has played a major role in the background, receiving three visits from North Korea's leader, Kim Jong-un. Overall, China has a complex role in the North Korean crisis and acts as an "honest broker" in attempting to bring the USA and North Korea together, while maintaining close political ties to Pyongyang and China's only formal alliance. China was the first country in Asia to acquire nuclear weapons. Its interest in acquiring them started in the 1950s after the USA's involvement in the Taiwan Straits. In the next decade, it would achieve its goal, with its first detonation in 1964. Seeing the impact on Beijing's hard power and regional standing, North Korean interest developed from that time. Only the top-tier powers had nuclear weapons, and only nuclear weapons could lead to the North becoming a great power. Thus, as it began to fall behind in the expensive conventional arms race in the 1980s, North Korea began to allocate a significant portion of its GDP and human capital to its nuclear ambitions, ultimately leading to its first successful test on 9 October 2006.

While Beijing has long been North Korea's main trading partner and military ally ("as close as lips to teeth", as the saying goes), it has viewed North Korea's nuclear programme with ambiguity. Traditionally, Chinese foreign policy elites did not openly debate North Korea's nuclear programme, but after the crisis in 1994, when the USA began to consider military options, splits in the party position began to appear. Broadly speaking, the Chinese policy community is divided into three camps on how it thinks about the North Korean issue. First, there are traditionalists in the CCP who believe that North Korea is a strategic asset created at the expense of enormous human sacrifice during the Korean War and that its nuclear weapons are symptomatic of the post-Cold War imbalance of power on the Korean Peninsula. Second, there are strategists who believe that China should support the USA's efforts to denuclearise North Korea because they see that a rogue regime with nuclear weapons is destabilising for the region

and a threat to Chinese growth. Finally, there are centrists who take the middle ground on the North Korean issue and believe that support for denuclearisation efforts is important as long as it doesn't threaten the North Korean regime. The current government under Xi Jinping is considered by our expert panel to be a centrist one.

What Does China Want?

Prior to the Trump Administration, the US policy community debated whether China was really implanting sanctions, or whether it was in fact unable to apply too much pressure on North Korea. A common response to US efforts to persuade China to apply more pressure on North Korea was that, first, Pyongyang did not take direction from China and, second, too much pressure might destabilise the regime. At the beginning of the Trump administration, however, it was clear that there was widespread belief among the US policy community³¹ that North Korea was getting a free ride through China. To some extent, North Korea's economic growth reflected this, as it saw a robust growth rate of 4% in 2016, with 90% of that activity taking place across the Chinese border. While it's not clear that China has intentionally broken sanctions, a UN report found that various individuals and entities from China had helped create an elaborate infrastructure of skeleton shipping companies to engage in sanctioned trade and financial dealings.³² Beijing has traditionally played a role in delaying or softening overly harsh sanctions packages, such as those devised during the George W. Bush Administration.³³

Prior to Trump's inauguration, Beijing's primary policy line was to suggest a resurrection of the Six-Party Talks. The idea was not without merit, since it was the closest the region had come to resolving the North Korean nuclear issue when talks ceased in late 2007. In essence, the issue that had broken the talks was the inability of the USA and North Korea to agree to a verification protocol. By the end of 2008, North Korea had restarted its programme, and in 2010 revealed a light water reactor uranium enrichment facility.³⁴ Following that period, Beijing began to recommend a "freeze-for-freeze" approach, which would see North Korea freeze its programme and testing in exchange for a freeze of annual US-South Korean military exercises.³⁵

In their telephone conversation in April 2017, President Xi Jinping told President Trump that China was "committed to the target of

³¹ Editorial Board, 'The UN has placed more sanctions on North Korea. That's not enough.', *The Washington Post*, 7 August 2017.

³² Report of the Panel of Experts established pursuant to resolution 1874 (2009), *UN Security Council*, 27 February 2017, available at: http://www.un.org/ga/search/view_doc.asp?symbol=S/2017/150, last visited: 6 September 2018.

³³ Hoge, W., 'China and Russia Stall Sanctions on North Korea', *The New York Times*, 13 October 2006.

³⁴ Crail, P., 'N. Korea Reveals Uranium-Enrichment Plant', *Arms Control Association*, 5 December 2010.

³⁵ 'US Rejects "freeze-for-freeze" proposal from China, Russia to break North Korea impasse', *Straits Times*, 7 July 2017.

denuclearization on the Peninsula, safeguarding peace and stability on the Peninsula, and advocates resolving problems through peaceful means”.³⁶ This inner foreign policy group has stated that it wants **North Korea to denuclearise peacefully**, as it realises that a war on the Korean Peninsula would be more disastrous than a Kim Jong-un regime with nuclear weapons. China would be faced with serious economic and security problems and its peaceful rise would be threatened.

China’s immediate goal has been to help bring about an end to the nuclear tests and it is credited³⁷ for really putting pressure on cross-border trade, particularly after the USA sanctioned Chinese banks serving North Korean government officials. For the moment, they seem to have achieved this goal, though perhaps less from exerting pressure and more because Pyongyang appears to have achieved the results it wanted. Xi made a point to Kim that they cannot be defended if they continue their nuclear tests.³⁸ Kim realises that China is North Korea’s strongest ally and that when Xi talks Kim must listen – or at least pretend that he does, since Kim had a poor relationship with China from his inauguration until earlier this year. The recent thaw in Sino–North Korean relations is more than “lips being close to teeth” – as the old adage goes – and more a question of pure calculations about China’s potential economic support, its military power and North Korea’s possible reliance on both.

Inclusion in Beijing’s massive Belt and Road Initiative ... would be a key accelerant for North Korea’s reconstruction and development process.

Achieving its Objectives

China has revealed itself to have great leverage in shaping North Korean behaviour; much of this stems from Pyongyang’s economic reliance on Beijing. Chinese diplomats regularly encourage Kim to switch his focus from nuclear development to economic development, promising that its inclusion in Beijing’s massive Belt and Road Initiative (BRI) would be a key accelerant for North Korea’s reconstruction and development process. While there have been major concerns about development debt in the West,³⁹ the BRI has been touted by Beijing as offering infrastructure projects and other benefits to those who sign up. In developing countries, the economic benefits appear to have delivered a number of key projects important to national economies. For example, in Pakistan the construction

³⁶ Martina, M. and Nobuhiro Kubo, ‘China’s Xi calls for peaceful resolution of North Korea tensions in call with Trump’, *Reuters*, 12 April 2017.

³⁷ Clover, C., Sherry Fei Ju and Song Jung-a, ‘Chinese border town awaits North Korea trade thaw’, *Financial Times*, 22 June 2018.

³⁸ Wong, C. and Liu Zhen, ‘China and Russia unite against North Korean nuclear test’, *South China Morning Post*, 3 September 2017.

³⁹ Hurley, J., Scott Morris and Gailyn Portelance, ‘Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective’, *Center for Global Development*, DGD Policy Paper 121, March 2018.

of the Nehru Tim Jigelu Mu Hydropower Station⁴⁰ helped solve a key energy deficit. Kim Jong-un must realise this and must have considered inclusion.

Chinese public opinion differs quite widely over North Korea. For example, older generations are more likely to be supportive of the country, while younger generations are more critical. In 2016 a survey conducted by Weibo on social media asked 8,000 Chinese citizens whether they would be in favour of a US pre-emptive strike on North Korean nuclear weapon sites. Astonishingly, two-thirds responded that they would be in favour of such strikes. While Weibo constituency reflects its urban, middle-class roots, the fact that this poll was so overwhelmingly in favour of strikes on a Chinese ally must have been disconcerting for China's leadership.

Summary

The best possible outcome for China would be if North Korea and the USA were to normalise their relations and establish a peace regime on the Korean Peninsula. If North Korea were to back down from its constant provocations and the United States were to match concrete steps to denuclearise with a softening of maximum pressure (this would include the reprieve of sanctions), then relations would go back to the status quo. China could then keep its client state – and, more importantly, its buffer from a US ally on its border – and focus its energy on other parts of the world, working on building a regional hegemony in the Asian theatre. Certainly, it would like to develop closer economic ties with North Korea – first, as it is said to have vast mineral deposits useful to China's economy, and second, as linking them into the Belt and Road Initiative would enable some leverage over what has long been a wilful and at times petulant ally.

⁴⁰ Wei, J. and Liu Tian, 'Pakistan's biggest ongoing hydropower project co-built by CGGC and CMEC saw great progress', *Xinhua News Agency*, 25 October 2016.

5. JAPAN'S AIMS AND OBJECTIVES

“Efforts toward dialogue were used to buy time. We must make North Korea abandon all nuclear and ballistic missile use in a complete, verifiable, and irreversible manner. If North Korea does not accept that, then I am convinced there is no way forward other than to continue to maximize the pressure on it using every possible means. And, we will demonstrate leadership within the international community and make our utmost efforts toward resolving the abduction issue.”

-Prime Minister Shinzo Abe, Election Victory Speech, September 2017

Japan has become increasingly marginalised in the crisis on the Korean Peninsula. Certainly, it appears that Japan has been left out of the negotiations between the US President and the North Korean leader, Kim Jong-un. Certainly it has not played a direct role, and Japanese Prime Minister Shinzo Abe has had to resort to a secondary role, consulting with the US President in Washington DC the week before Trump's summit meeting with Kim in Singapore.⁴¹ However, despite the appearance of being left outside the loop, Japan does have a number of points upon which it can exert leverage, including its own unilateral sanctions packages, the potential for future Japan-North Korean economic activity and investment, and its place as a US ally.

What Does Japan Want?

During his brief remarks in the Rose Garden of the White House five days before Trump's trip to Singapore, the Japanese Prime Minister made two points. The first was to remind the world of the fate of Megumi Yokota, a young girl who was abducted at the age of 13 by North Korean agents from her town in 1977. Abe pronounced that he wished to negotiate directly with the North, determined to take all means. The second point he made was to link the abductions issues to Japan's support for UN Security Council resolutions (sanctions), and to offer a promise of Japanese economic help if the issue were to be resolved. “If North Korea is willing to take steps toward the right direction, North Korea can see a bright future for itself. Japan ... is prepared to settle the unfortunate past, to normalize our diplomatic relations, and to provide economic cooperation.”

From this we can see that the issue has huge resonance at the domestic level inside Japan. Indeed, Prime Minister Abe actually came to national prominence as a young Liberal Democratic Party (LDP) Diet member after

⁴¹ ‘Remarks by President Trump and Prime Minister Abe of Japan in a Joint Press Conference’, *The White House*, available at: <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-prime-minister-abe-japan-joint-press-conference-2/>, last visited: 6 September 2018.

adopting a hard-line stance on the North Korean abductions issue and as a key negotiator on the issue for the Koizumi government. The issue has its roots in the 1970s and 1980s, when the North Korean intelligence services abducted a number of Japanese citizens to use them for cultural and language training. In September 2002 the North Korean government released five of the abductees and issued the Pyongyang declaration which stated that North Korea would halt its nuclear programme in return for economic aid from Japan.⁴² Even though the abductions occurred nearly four decades ago, the Japanese people have not forgotten about the remaining abductees. This means that the primary objective for Abe is different from most of the other countries' objectives.

While most of the other countries believe that denuclearisation is the most important objective, **Prime Minister Abe believes that the return of the remaining abductees is the primary objective of negotiations.** So important is the issue to Abe that he sought and received a commitment from Trump at the Mar-a-Lago resort that Trump would raise the issue of Japanese nationals in his meeting with Kim.⁴³ While it is unclear whether or not the issue was raised in their discussions, the issue was not included in the Singapore Declaration. It has been reported that in the recent string of meetings between Pompeo and North Korean interlocutors, Pompeo has brought up the abduction issue. According to Japanese media accounts, Kim acknowledged the issue but did not make any definitive statements in regard to the resolution.⁴⁴

“If North Korea is willing to take steps in the right direction, North Korea can see a bright future for itself. Japan ... is prepared to settle the unfortunate past, to normalize our diplomatic relations, and to provide economic cooperation.”

Achieving its Objectives

Japan's method of incentivising North Korea to resolve the abductees issue satisfactorily has been threefold. First, it holds some leverage over multilateral sanctions in the United Nations. Second, it has its own sanctions on North Korea, which it can offer to lift. Third, it can offer “compensation” to North Korea in the form of economic aid and investment, once a peace treaty and CVID have been realised. This last promise has to some extent depended on the success it has had in carrying out such a policy with South Korea. In 1965, when the two countries normalised relations, they agreed

⁴² McCurry, J., ‘Relatives of Japanese abducted by North Korea decades ago place hope in Trump’, *The Guardian*, 4 November 2017.

⁴³ Kyodo, ‘Abe wins promise that Trump will raise abductions issue with North Korea's Kim’, *The Japan Times*, 18 April 2018.

⁴⁴ Kyodo, ‘Kim tells Pompeo that North Korea is aware of abduction issue with Japan’, *The Japan Times*, 4 June 2018.

that Japan would pay a fund of \$300 million to Seoul, while extending a further \$200 million in loans. To some extent, though it was never stated, this was owing to Japan's colonial past over the Korean Peninsula and is an unacknowledged form of reparations. Over the past 40 years, the two have grown closer economically, with Japan now accounting for the third largest share of South Korea's trade. Furthermore, an additional 40,000 Japanese citizens live in South Korea.

While Japan's stated objective is to offer economic incentives in exchange for North Korea to release any remaining abductees, it has been some time since the issue has garnered a positive response from North Korea. Since 2005, Pyongyang has insisted that the issue is dead, when it returned cremated remains to Japan, and in 2002 it allowed five living victims to visit relatives in Japan on the condition that they return to North Korea. Their subsequent decision to remain in Japan closed the issue – and some argue became an excuse – for Pyongyang to close the issue. Subsequently, Tokyo has continued to demand evidence of the fate of the remaining eight victims and challenged the veracity of those remains brought to Japan. Thus, aside from this promise of future aid, Tokyo has little leverage over the negotiations. Thus it has devoted a large part of its strategy attempting to influence public opinion inside the West, pressing the USA to adopt the issue and relying on economic sticks to bring Pyongyang back to the table.

Summary

Abe will continue to push the abductees issue with the USA and South Korea, and link it to denuclearisation. He may even hold back Japanese support for sanctions relief and a regional peace treaty in order to influence future negotiations. If Abe engages in talks and achieves the return of the remaining abductees, it would have a significant impact on the domestic scene in Japan.

The Japanese people are still in shock that President Trump started negotiations with Pyongyang – the same shock that occurred in 1971 when Richard Nixon visited China – and are not really sure how they feel. **They want peace in the Peninsula, but not if that means the great powers forget about the abductees.** Abe's best course of action would be to not rush to a conclusion but to wait and see what Pyongyang wants from Tokyo, after which Abe can negotiate from that baseline offer.

The ideal situation for Tokyo would be the return of the abductees, peace in the Peninsula and reunification of North and South Korea. In order to properly do this, the main short-term goal is to gain access to the negotiating table. In the current cycle of USA-North Korean negotiations, Abe will look to convince Trump that Japan's support will be needed in future economic packages to the North, and that Pyongyang and Washington cannot ignore Tokyo forever in brokering a peace deal.

6. RUSSIA'S AIMS AND OBJECTIVES

“They’d rather eat grass than abandon their [nuclear weapons] programme unless they feel secure. And what can establish security? The restoration of international law. We should promote dialogue among all interested parties.”

*-President Vladimir Putin, BRICS Summit
September 2017*

As far back as the 1990s, Russia’s marginalisation as a player in the first nuclear crisis on the Korean Peninsula provoked deep bitterness among Russian policy elites, but with this resentment came the realisation that Moscow’s lack of a clear policy and lack of investment into either of the Koreas was also to blame for the loss of influence. Subsequently, Russia has conducted a more balanced policy, preparing perhaps for a unified Korea that might be persuaded to invest more heavily in the Russian Far East (RFE). How much leverage this “balanced policy” affords Moscow is unclear as the past cycle of four-way discussions has seen both Russia and Japan excluded from most of the direct negotiations. Thus one might look at Moscow’s “balanced policy” as having primarily benefitted Beijing. Since this last cycle of negotiations began, it’s clear that Russia has been attempting to influence the discussions. There are rumours that North Korea’s leader may have been invited to the Shanghai Cooperation Organization Summit in Qingdao,⁴⁵ to meet with both President Putin and President Xi on the sidelines, though this remains unconfirmed. Most recently, Putin has invited Kim Jong-un to visit Vladivostok in September 2018 to attend the Eastern Economic Forum.⁴⁶

What Does Russia Want?

The Korean Peninsula has begun to take an increasingly central role in Russia’s Asian diplomacy, and since the Ukrainian crisis in 2014, bilateral relations between Russia and North Korea have become more active. Like China, Russia has generally been reluctant to strengthen sanctions on Pyongyang, although the interests of China and Russia do not necessarily always coincide.

Russia’s interest in North Korea is threefold. First, although Russia has only a short border with North Korea, a regime collapse scenario⁴⁷ there would have devastating effects on the RFE in terms of refugee flows. For now, North Korea provides a steady flow of labour for the RFE, in particular in

⁴⁵ Chossudovsky, M., ‘Qingdao SCO Summit: “Secret Meeting” between Vladimir Putin, Xi Jinping and Kim Jong-un?’, *Global Research*, 31 May 2018.

⁴⁶ ‘Putin invited North Korea’s Kim to visit in Russia in September – RIA’, *Reuters*, 4 June 2018.

⁴⁷ O’Hanlon, M. E., ‘North Korea Collapse Scenarios’, *Brookings Institution*, 9 June 2009.

the logging industry.⁴⁸ Second, Russia is interested in the economic possibilities in North Korea, both in terms of North Korea's mineral wealth and in terms of geographical location, for possible oil pipelines to feed the South Korean and Japanese markets. Third, Russia wants to be a stakeholder in the process of Korean unification.

A reunified Korea would bring certain advantages: a new medium-sized power might balance Japan and China in the region. Furthermore, a reunified Korea might be neutral rather than a US ally, and while North Korea has often tended to function as a brake on Russian regional initiatives, a unified Korea might be a partner for Russia in developing the RFE, unlike China and Japan which so far have proven to be unreliable partners in this endeavour. In any case, the nature of any reunification process will be decisive: should it involve the implosion of the Pyongyang regime, this could have severely negative effects on the RFE.

A fourth area – rarely mentioned – is the wider geopolitical role that all crises, including North Korea, afford Russia as it searches for ways to present itself as a “fixer” and great power to the international community.⁴⁹

Achieving its Objectives

On 2 April 2012, Moscow and Pyongyang announced the commencement of a cross-border cargo freight service (a rail link) that would begin in October. It was to be constructed as part of the infrastructure expansion linking the Russian border town of Khasan to the Rajin-Sonbong Special Economic Zone. Both sides anticipated that successful completion of this rail link would lead to rail freight capacity estimated at 100,000 shipping containers per year to earn hard currency. Nevertheless, in spite of these developing projects, North Korea has remained above all a client state of Beijing, making it difficult for Russia to exert any profound influence in the country. In July 2018, Russia hosted a seminar to discuss trilateral economic cooperation with the two Koreas, but the South Korean policy is to link progress in the nuclear negotiations with economic collaboration.⁵⁰

Russia has also sought to promote the construction of a trans-Korean pipeline, which would benefit Pyongyang as it would be able to charge transit fees. A further project seeks to build a railway across the Peninsula. Some have mooted the idea of using North Korean labour in the RFE as North Koreans are perceived to be relatively skilled and “well disciplined”. It should be noted that there are already a large number of North Koreans

⁴⁸ In the Amur region alone, Russian lumber companies have hired an estimated 1,500 North Koreans, and evidence indicates that Russian timber and other companies in the RFE continue to show interest in employing more North Korean workers.

⁴⁹ Ramani, S., ‘Why is Putin backing North Korea? To build up Russia as a great power’, *The Washington Post*, 26 July 2018.

⁵⁰ ‘(Lead) Presidential panel discusses Rajin-Khasan cooperation during trip to N.K.’, *Yonhap News*, 15 July 2018.

working in the RFE, mainly in the logging industry.⁵¹ There is a general shortfall in manpower in the RFE (the gap was filled for a while by Chinese workers but their numbers have fallen). In August 2017 both China and Russia agreed to sign up to UN sanctions targeting North Korea; the sanctions prohibit them from receiving additional workers from North Korea but this doesn't affect those already residing in Russia and China.

Furthermore, Russia was somewhat taken aback when China joined the USA in drawing up sanctions against North Korea in 2015, which threatened Russian economic interests. Russian policymakers have stressed that Russia needs to ensure that its economic and trade relations with North Korea are not neglected, stressing the importance to Moscow of participating in “the future opening up of North Korea”. This partly explains the Russian Duma's in 2014 vote to write off 90% of the North Korean Soviet-era debt,⁵² and Russia's policy of continuing to supply oil to North Korea despite the imposition of sanctions.

Russia and North Korea both use roubles to trade and North Korea is permitted to open accounts with Russian banks. The two signed an agreement to increase trade to US\$10 billion by 2020. During the first two months of 2017 trade between North Korea and Russia increased by 73%,⁵³ mainly consisting of deliveries of coal. Given the ban on importing coal from North Korea, Russia has been able to take advantage of this by increasing its exports to China in 2017 by 37%. Russia therefore has clear, if limited, economic interests in the Peninsula and is able to take advantage to some extent of North Korea's isolation by being a niche supplier.

Summary

According to our panel, Russia tends to see the future of the Peninsula in terms of a gradual integration of the North into the South. This is not dissimilar from the USA's implicit policy, but contrasts markedly with China's policy of maintaining the status quo of the two Koreas. Despite this, it has often lent Pyongyang diplomatic support when it was most under pressure, indicating that Russia's aims might be more status-quo than would first appear. Russia blocked a United Nations Security Resolution condemning North Korean nuclear testing in 2017 and denied that the missile launch conducted by North Korea was an ICBM. Ultimately, both Russia and, to a lesser extent, China may see North Korea nuclear testing as a lesser evil compared to instability on their borders. Both began discussions on opposing the US Terminal High Altitude Area Defense anti-ballistic missile system in April 2015.⁵⁴ A Sino-Russian Northeast Asian security dialogue was begun and both have pledged to strengthen their security cooperation on this issue.

⁵¹ Lankov, A., 'The Real Story of North Korean Labor Camps in Russia', *Carnegie Moscow Center*, 7 October 2017.

⁵² 'Russia writes off 90 percent of North Korea debt, eyes gas pipeline', *Reuters*, 19 April 2014.

⁵³ Dorell, O., 'Russia's boost in trade with North Korea worries U.S.', *USA Today*, 7 June 2017.

⁵⁴ Power, J., 'Russia: Korean THAAD Deployment is a Security Threat', *The Diplomat*, 2 April 2015.

In July 2017 both China and Russia issued a statement calling on the USA, South Korea and North Korea to agree to a dual-freeze solution,⁵⁵ which was largely symbolic yet significant as, despite the strategic partnership, the two do not routinely coordinate positions on nuclear issues. For Russia, the possible resumption of multilateral talks would be seen as an opportunity to turn these into a regional collective security framework. Overall, a reunified Korea might be in Russia's interests; it seeks to diversify its Sinocentric Asia-Pacific policy and has sought to re-engage Japan in recent years. However, the uncertain trajectory and nature of China's rise means that Russia's strategic autonomy in the region remains circumscribed.

⁵⁵ 'US Rejects "freeze-for-freeze" proposal from China, Russia to break North Korea impasse', *Straits Times*, 7 July 2017.

7. ANALYSIS

This section examines the points raised in the preceding chapters in order to clarify how the negotiating baselines of the six nations facilitate or hinder the resolution of the North Korea crisis. How should we negotiate peace? In previous chapters we have seen that nearly every one of the six countries involved in this regional crisis has interests and objectives that either align, partially align or contradict those of the others. By focusing on this more carefully, it should become possible to discern the alignment points that help to further negotiations and those that derail or hinder them.

Trade and economic self-interests: North Korea's interest in economic reform and in real investment and financial growth aligns with China's interest in a prosperous and stable regional order. Given North Korea's desire to avoid over-dependence on Chinese largesse and to gain diplomatic recognition from international society, the USA and its allies would seem to have some leverage in offering alternative economic gains to Pyongyang in exchange for denuclearisation. The strength of this leverage, however, depends on how much Beijing and Moscow are willing to offset that with their own offers.

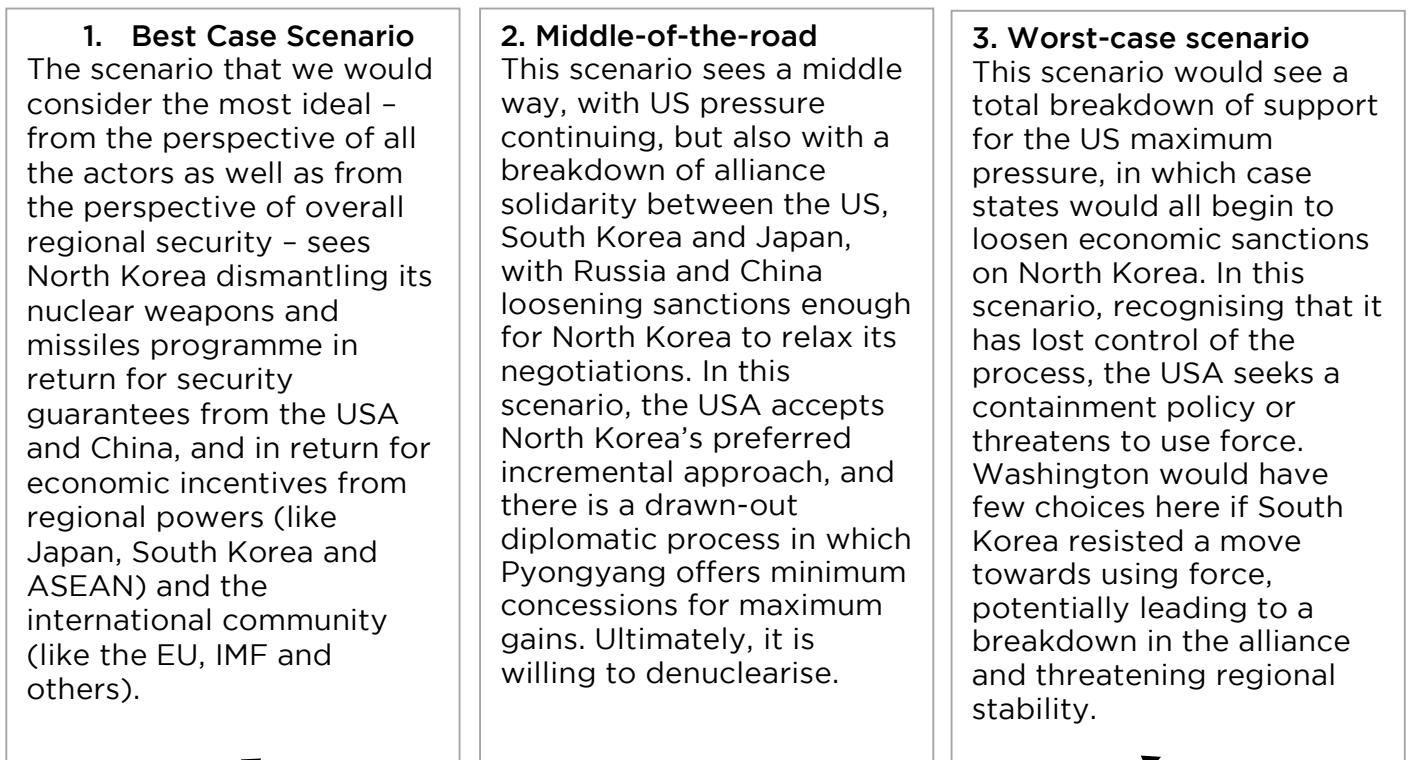
Security and national interests: When it comes to perceptions of security and national interests, nearly every state – including the USA and its liberal democratic allies – has diverging interests. While Japan and South Korea are nominally supportive and dependent upon US security guarantees, they differ in the details, including on operational control during war, on the Trump administration's inclination for a “bloody nose” preventive strike, and on Japanese military involvement in a conflict. When it comes to North Korean and Chinese perceptions of national security – and their hostility to the USA's military presence in the region – these differences are even greater. Nearly all powers up to this point – with the obvious exception of North Korea – have preferred the status quo, when it comes to Pyongyang's missile and nuclear weapons programme.

Defining “denuclearisation”: While both the United States and North Korea agreed upon a “firm and unwavering commitment to complete denuclearization of the Korean Peninsula” at the Singapore Summit, it is quite clear that each country interprets this quite differently. For its part, the USA is pursuing a quick bilateral deal which exchanges security guarantees and economic incentives for a complete and irreversible removal of North Korea's nuclear weapons programme and all components. Either for strategic reasons or out of mistrust, North Korea does not see this as a viable option and prefers to create a peace regime on the Peninsula which also implicitly calls for the removal of US forces from South Korea. Whether for strategic reasons or from a sense of insecurity created by the presence of nearby US military assets, this is a major block to progress.

Verification issues: Even if North Korea were to agree to the US definition of CVID, verification remains a major problem. It is both a trust-related issue and a highly technical one. In order for the United States to confirm that CVID has in fact taken place, it needs to be reassured that North Korea has not stockpiled nuclear materials and weapons. Given the fact that this would require the long-term insertion of third-party or US inspectors into many previously sensitive aspects of the North Korean security sector – a policy that has both emotional resonance and security risks for Pyongyang – it is clear that this issue will remain a major sticking point. The fact that this was the issue which ultimately derailed the Six-Party Talks in 2007 should remind us of its importance.

Three Scenarios

In attempting to understand how these interests interact, we have drawn three scenarios which showcase the relationship between the states, their negotiation baselines, their assumptions and eventualities. In simple terms, we judge that these would be the best-case scenario, the middle-of-the-road or muddling-along scenario, and the worst-case scenario.



Diplomatic progress

- 1. Total Denuclearisation:** The scenario that we would consider the most ideal – from the perspective of all the actors as well as from the perspective of overall regional security – sees North Korea dismantling its nuclear weapons and missiles programme in return for security guarantees from the USA and China, and in return for economic incentives from regional powers (like Japan, South Korea and ASEAN) and the international community (like the EU, IMF and others).

In this scenario, Beijing and Washington hold joint responsibility for North Korea's security and work closely on this and the wider issue of regional security. Recognising the heavy stakes for the region, they avoid letting their own bilateral tensions in trade and security spill into the negotiation process.

In this best-case scenario, Russia and China refrain from weakening or undermining international sanctions prematurely and allow US and international sanctions to pressure the Kim regime into full CVID, all the while sending encouraging signals to North Korea. Furthermore, they defer to US-South Korean-North Korean leadership over the diplomatic process.

This scenario sees South Korea construct a viable model for North-South relations at the political and developmental level, a model that assuages Pyongyang's insecurities and concerns while providing incentives for institutional change and reform – including a commitment to the advancement of human rights, a critical one for broad support of any constructive relationship with Seoul and Washington.

In addition, Japan loosens its linkage between a resolution of the abductee issue and Japanese support for the peace process. Prime Minister Abe prioritises regional peace and security and makes resolution of the issue secondary to the peace process. He instead uses engagement as a route towards a long-term resolution of the abductees issue.

- 2. Muddling along**

This scenario sees a middle way, with US pressure continuing, but also with small issues testing alliance solidarity between the USA, South Korea and Japan, while Russia and China loosen sanctions enough for North Korea to relax its negotiations. In this scenario, the USA could

react either by tacit acceptance of a nuclear-armed North Korea or by continuing to apply pressure on North Korea in the long run.

In this scenario, China and Russia loosen sanctions enough to take the pressure off of North Korea, which encourages the regime to push for its own preferred agenda of incremental diplomacy and maximum gains for medium concessions. In this situation, South Korea pressures the USA to continue diplomatic channels and begins to make small economic concessions or promises of concessions to the North.

Furthermore, Seoul, Moscow and Beijing give small economic concessions, with the promises of more after the North gives up its nuclear weapons programme. In other words, they continue to insist on CVID, but agree with Pyongyang that the process should be incremental and met with concessions from the USA and security guarantees.

Outnumbered, the Trump administration continues to attempt negotiations and agrees to an incremental diplomatic process, while continuing to keep some economic pressure on the North through UN sanctions, bilateral American and Japanese sanctions. In this scenario, Seoul–Washington tensions increase as Seoul begins to take more and more of a middle position between the USA and North Korea.

3. Breakdown conflict

In this scenario, there is a total breakdown of support for the US maximum pressure, and other regional states would join Russia and China in the loosening of economic sanctions on North Korea. Russia and China would loosen sanctions greatly and interfere strongly in the diplomatic process, either to advance their own national interests or to thwart US diplomacy to gain leverage over Washington.

Without economic pressure on it, North Korea might continue to push for a peace regime on the Peninsula, but offer the minimal concessions for maximum gains vis-à-vis the USA. In this scenario, it is likely that the Kim regime would seek to have its cake and eat it – that is to say, to break down its economic and diplomatic isolation while maintaining a robust nuclear weapons programme. It would offer an insincere appearance of a negotiation process.

Recognising that it has lost control of the process, the USA would be compelled either to admit defeat and accept a de facto nuclear North Korea or to consider some sort of containment policy. In this scenario,

a breakdown over diplomacy also raises the prospect for conflict as the Trump administration might consider a nuclear threat over the US mainland to be intolerable.

In such a scenario, the USA would begin to move forces to the region either in tandem or in opposition to the government in Seoul. Washington would have few choices here if South Korea were to resist a move towards using force, potentially leading to a breakdown in the alliance. In such a dynamic, Japan would find itself with more leverage as Washington sought allies and a base of operations.

8. CONCLUSION

“The Schleswig-Holstein question is so complicated, only three men in Europe have ever understood it. One was Prince Albert, who is dead. The second was a German professor who became mad. I am the third and I have forgotten all about it.”

-Lord Palmerston, 1875 (apocryphal)

As with many reviews of North Korea, this study recognised from the very beginning that there are many “known unknowns”, and that the crisis presents diplomats with one of the most complex and high-stakes riddles in international relations.

Briefly, the crisis involves at least six powers with six different agendas and negotiating baselines – some with greater power, some with less.

The six powers are roughly arranged on two sides, with the USA, South Korea and Japan on one side and North Korea, China and Russia on the other. Despite this apparent clarity in players, there is nevertheless a real possibility of minor defections over key issues on each “side”. For example, South Korea and Russia might well offer economic concessions that play to other agendas beyond resolving the crisis. China, concerned with the status quo, might fear losing North Korea from its orbit and begin to loosen sanctions and offer economic gains so as to spoil the process.

There are also secondary tensions not specifically related to the nuclear crisis, which nevertheless “bleed” into it. These include the historical issue between Japan and China/South Korea/North Korea, US-China and US-Russia tensions, and the issue of which is the “true” Korea, between North and South Korea.

As Scott Snyder wrote in the 2009 *China’s Rise and the Two Koreas*, there are other ways in which the players’ negotiating positions line up, which he argues occur through the prism of various trilateral groupings. For example, the USA and South Korea line up against North Korea; China and North

Korea line up against the USA; the North and South line up – at times – against the USA; and the North and South line up against Japan.

So what is the answer to this conundrum (or series of conundrums)? Given the failures in past negotiations, shifting American positions and the apparent duplicity of North Korea in having parallel nuclear programmes, it is clear that trust must be prioritised if the process is to be successful. If trust is to be prioritised, however, the Libya example demands that the USA give up its demand for *immediate* CVID and agree to a step-by-step process.

In this process, however, North Korea will have to give up its immediate demands for a peace regime on the Peninsula, which does not engender trust in Washington and Seoul and is viewed as a delaying tactic. Japan will have to give up the abductee issue in the short term, and prioritise regional concerns. Russia will have to halt the pursuit of its own narrow self-interests and allow a constructive process to take place. China and the US will have to wall off their bilateral security and trade rivalries from this issue. If the USA does not use force on the Korean Peninsula and continues to bargain with the North in good faith, Beijing will maintain maximum pressure on Pyongyang.

In such a scenario, all players will have to give up something, but will gain something else in doing so. It requires an altruistic approach and the widest definition of self-interest to be applied by a group of power states, all of whom have various competing interests. While it is well beyond the scope of this paper to offer a precise table of negotiations, we believe the following considerations and principles should be pursued by all parties if peace is to be given a chance. These are not in any order or prioritisation, but clearly some are more important than others to the various players.

- The willingness to give concessions and adopt a wider view of self-interest.
- An acknowledgement by all sides that conflict is a real possibility should negotiations fail.
- A guarantee of regime security for both North and South Korea.
- A step-by-step process by which North Korea's moves to dismantle its programme (observed by neutral parties) is matched by US loosening of sanctions and other pressures.
- An acknowledgement by all sides that a peace regime led by the USA and China is necessary upon the completion of the CVID process.
- A serious USA/South Korea/Japan plan (with international support) for reconstructing North Korea through aid programmes or promises of investment, to be implemented after the conclusion of the peace regime.
- A recognition by North Korea that major human rights abuses will threaten the overall process and jeopardise any resulting agreement with the USA.

While we believe that peace is possible without some of these and that we are highly likely to see a situation in which all six parties continue along scenario two, where all continue to “muddle along”, neither resolving the crisis nor going to war, we do not see this as ideal. It might be realistic, but all it means is that a dangerous tripwire to regional and nuclear war remains present in our midst. For us, this is an unacceptable danger to humanity. To paraphrase Kim Jong-un, the obstacles are not even that high for us to cross.

All we have to do is walk across.

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