



FEBRUARY 2019

# Negotiating With North Korea

How Will This End?

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## Acknowledgments

This report was made possible by the generous funding of the John D. and Catherine T. MacArthur Foundation and by the assistance of dozens of officials and scholars in the United States and elsewhere. CNAS has also benefited from the ongoing support of the Korea Foundation, which has enriched research and discussions with South Korean officials, scholars, and other experts. While the authors alone accept responsibility for what is written, they give special thanks to Robert Gallucci, Gary Samore, Bruce Bennett, Kelsey Davenport, Abraham Denmark, James Dobbins, Morton Halperin, David Maxwell, Adam Mount, Jung Pak, Chris Steinitz, Keith Luse, Mark Manyin, Kurt Campbell, Thomas Hubbard, Jon Wolfsthal, Michael Pillsbury, Haksoon Paik, Youngho Kim, Myong-Hyun Go, J. James Kim, Sang Hyun Lee, and Jina Kim. We are deliberately omitting the names of senior officials from whom we have also benefited. This report would not have been possible without assistance from a variety of CNAS colleagues, including Ely Ratner, Daniel Kliman, Duyeon Kim, Max Hill, Abigail Grace, Elizabeth Rosenberg, Eric Brewer, Ashley Feng, Neil Bhatiya, Richard Fontaine, Victoria Nuland, Hannah Suh, Ellen McHugh, Allison Francis, Matthew Seeley, Maura McCarthy, and Melody Cook.

### Cover Photo

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# **NEGOTIATING WITH NORTH KOREA**

## **How Will This End?**

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## Executive Summary

After a year of historic summits and negotiations, North Korea's future remains mired in uncertainty. Kim Jong Un, in the lead-up his second summit with President Trump, has an opportunity to cast aside his country's pariah status and jump headlong into economic development, but the diplomatic window is narrowing. Protracted stalemate may be unavoidable, but over the course of the next year or two the negotiating process is likely to be binary and head in one of two directions: Either sufficient progress is made to justify continuing the recent rapprochement, or frustrations over the lack of progress will effectively terminate the United States' diplomatic opening with the Kim regime.

Although immediate pathways are uncertain, this should not preclude disciplined thinking about the United States' long-term goals and interests on the Korean Peninsula and how they interact with the priorities of other key players, including South Korea as well as North Korea and their northern neighbor: China. This report examines the desired "end states" of each of these actors in order to situate the United States' aspirations within the complex geopolitical realities of the region. The recommendations offered in this report are intended not only to guide policymakers through present uncertainty, but also to bring greater clarity, realism, and creativity to the United States' long game on the peninsula beyond the narrow issue of North Korea's denuclearization.

In 2018, Kim embarked on a bid to transform North Korea's relations with the United States, South Korea, and other regional powers. Even as Kim retains his nuclear weapons arsenal, inter-Korean rapprochement is progressing at a pace the world has not seen for more than a decade and few could have anticipated in 2017. Since April 2018, South Korea's Moon Jae-in government has established a joint North-South liaison office in Kaesong;<sup>1</sup> abandoned guard posts within and designated "no-fly" zones above the Demilitarized Zone (DMZ);<sup>2</sup> and reopened an inter-Korean railway to conduct a joint survey of North Korea's antiquated railway tracks. Against the backdrop of this quickly shifting geopolitical terrain,<sup>3</sup> the United States' role in inter-Korean rapprochement has largely been one of a decelerator – that is, to ensure that the pace of concessions to North Korea does not outpace steps that it takes, or fails to take, toward dismantlement.

As the United States engages North Korea beyond fanfare and summitry, it must maintain unwavering discipline in advancing its interests amid the peace processes

that are unfolding on the Korean Peninsula. First and foremost, the U.S. national interest centers on minimizing the threat that North Korean weapons of mass destruction and intercontinental ballistic missiles – and the proliferation of these weapons – pose to the U.S. homeland, U.S. forces, and regional allies. Corollary interests include preventing the large-scale use of North Korean conventional weaponry against the Republic of Korea (ROK); maintaining the credibility of U.S. alliance commitments in the Asia- and Indo-Pacific region; and ultimately, realizing a peaceful conclusion to the Korean War in a way that promotes U.S. interests and values in postwar Northeast Asia.

But arguably, America's only prospect for achieving its strategic-military goals vis-à-vis North Korea is to address the yawning trust deficit with Pyongyang and to simultaneously seek to create a new relationship between the two Koreas. Maintaining a tight choreography between the two Koreas and the United States and North Korea is essential to pursuing the narrow path toward denuclearization and peace.

Washington and Seoul remain synchronized on first-order interests, forswearing major economic relief until Pyongyang commits to a meaningful plan of action for denuclearization. But the two allies could easily diverge on what constitutes sufficient progress to warrant effectively rewarding the Kim regime. In advance of negotiations that lie ahead, officials at the highest levels in Washington and Seoul should address gaps in their definitions of success and desired outcomes regarding the dual-track peace and denuclearization processes. Each may need to make compromises to ensure North Korea does not successfully unravel the seams of alliance solidarity. Should diplomacy succeed and make rapid headway, the United States and South Korea will want to be prepared to revamp the U.S.-ROK alliance for managing contingencies and emerging threats beyond the scope of the peninsula.

Planning for failure – for the potential shocks that would accompany a breakdown in negotiations with North Korea – is just as critical as planning for success. Failure can emerge in manifold ways, ranging from the fundamental issue of Kim's foot-dragging or cheating on denuclearization steps while reaping economic benefits to a crisis-induced interruption to renewed provocations and even the use of force. The United States must be prepared to work with South Korea and other countries to dial up economic and diplomatic pressure on Pyongyang if it does not move beyond moratoriums on missile and nuclear tests and largely symbolic gestures around secondary elements of its weapons programs.

Additionally, because North Korea could break the relative peace with a sudden show of force, it is critical that the U.S.-ROK alliance demonstrate continued vigilance and readiness to deter such a brazen turn of fortune. Finally, because North Korea may use this period of diplomacy to strengthen its nuclear and missile programs while simultaneously trying to weaken the sanctions arrayed against it, the United States should be prepared to revert to a robust policy of deterrence and containment.

**The stakes of U.S. diplomacy with the Kim regime far transcend the scope of the Korean Peninsula. Outcomes of diplomacy will be critically determinative of the regional balance of power and the security architecture of Northeast Asia and the wider Asia-Pacific region.**

The stakes of U.S. diplomacy with the Kim regime extend far beyond the scope of the Korean Peninsula. Outcomes of diplomacy will be critically determinative of the regional balance of power and the security architecture of Northeast Asia and the wider Asia-Pacific region. In this paper, we begin with an assessment of the current trajectory of U.S. engagement with North Korea. Section one offers an analysis of the desired end states of North Korea, South Korea, China, and the United States and how these concepts inform each of the key players' strategies. Based on this stakeholder analysis, the second section sets out a more realistic set of goals and projections for negotiations with Pyongyang in the next two years – bookended by arms control on one end of the spectrum and arms reduction on the other. Finally, section three, concludes with recommendations for the United States that will not only sustain diplomatic momentum in the near- to medium-term future but also enhance readiness and interoperability with South Korea and Japan in the event of a diplomatic breakdown.

**Summary of Recommendations**

In 2019, the United States and its allies must simultaneously prepare for two broad contingencies: first, a breakthrough denoted by Pyongyang undertaking significant steps toward dismantling its nuclear capabilities; and second, failure in the form of a protracted impasse or an abrupt, crisis-induced short-circuiting of negotiations. With a clear understanding of how the interests and aspirational end states of major stakeholders overlap, converge, or clash, the United States can navigate near-term uncertainty through risk mitigation measures while also incrementally adjusting its relationships with allies to promote its long-term interests in a changing Northeast Asia.

The first tranche of recommendations is intended to guide U.S. policymakers in preparation for a potential breakthrough with North Korea.

**Measure progress by evaluating North Korean actions against empirical criteria for denuclearization and seek international support to backstop a robust verification process.**

- Secure at least a partial material declaration, ideally one that includes the numbers and types of nuclear weapons in North Korea's arsenal and long-range intercontinental ballistic missiles (ICBMs) – but with the operating assumption that this declaration will be incomplete and if necessary, assembled in segments over the next year or two.
- Negotiate a moratorium on North Korea's production of all weapons-grade fissile material.
- Test North Korea's willingness to work with international inspectors, beginning with expert visits to test sites based on cooperation between the United States and the Comprehensive Nuclear-Test-Ban Treaty Organization.
- Conduct, in conjunction with South Korea, basic threat measurements based on official statements from North Korea's Politburo, speeches, and state newspaper editorials.
- Keep Congress fully apprised of North Korea's actions, statements, and perceived intentions, as a crucial way to prevent an executive-legislative-branch breakdown in the potential implementation of any accord.

**Meet significant denuclearization actions, made in good faith, with steps designed to underscore the potential for transformed relations between the United States and North Korea and with appropriately sequenced and scoped inducements.**

- Maintain direct, regular bilateral diplomacy with North Korea and use bilateral or occasional trilateral forums to advance diplomatic objectives with South Korea, China, Japan, and Russia.
- Accept a partial deal as a next step, provided that it delivers major elements of North Korea's nuclear and missile programs, above and beyond inspections of the Punggye-ri nuclear and Tongchang-ri ICBM test sites and even the closing of fissile material production at Yongbyon. The additional steps might include a verifiable ban on all fissile material production or the destruction of long-range transporter erector launchers or nuclear warheads.
- Be prepared to loosen restrictions on some investments to help foster inter-Korean ties, including with respect to railroad projects and tourist and economic zones, but in proportion to verifiable North Korean actions, not words, about denuclearization.
- Consider placing funds from sanctions relief and potential investments into an escrow fund that can only be accessed after substantial denuclearization steps are taken.
- Accede to a political declaration as a good-faith intention to commence with replacing the 1953 armistice – but only after Pyongyang agrees to a firm set of steps and timetable for substantive denuclearization steps that can be verified.

**Launch a discussion with South Korea on the future *raison d'être* and the disposition of the alliance, both as it pertains to the peninsula and the broader Asia-Pacific region, should peace processes progress.**

- Clarify U.S. goals for a future Korean Peninsula and Northeast Asian regional architecture, and then for South Korea and Japan, as well as China and Russia, based on their aspirational plans and potential red lines.
- Promote serious conventional arms control talks, led by South Korea, that tackle North Korea's numerical advantages in conventional forces, beginning with entrenched artillery, cannons, and rocket launchers in the Kaesong Heights.

- Support the Moon administration's economic and diplomatic engagement with the Association of Southeast Asian Nations (ASEAN) under its marquee "New Southern Policy"<sup>4</sup> as an initiative complementary to the United States' Free and Open Indo-Pacific strategy, and identify areas for cooperation.
- Continue to articulate for North Korea a vision of what a nuclear-free future can look like, including the lifting of U.N. Security Council sanctions, bilateral aid, infrastructure development, and investments from the World Bank and Asian Development Bank.

Simultaneously, in preparation for a continuation of the current impasse or an abrupt breakdown of negotiations, the United States and its allies must ensure that their coercive diplomatic, economic, and military toolkit remains within easy reach.

**Prepare to incrementally dial up and dial down economic, diplomatic, and military instruments of coercion without risking an all-out conflict spiral.**

- Remain open to alternative interpretations regarding the degree of harmony or internecine friction within Pyongyang, with the aim of strengthening Kim's ability and willingness to deliver on the promise of denuclearization.
- Maintain as much economic pressure, as well as diplomatic and political pressure (e.g., over human rights), as possible on North Korea until it accepts a substantive plan for denuclearization.
- Determine the point at which the United States should walk away from negotiations with Kim – e.g., should he end the moratorium on missile or nuclear launches.
- Engage in risk mitigation exercises in conjunction with South Korea and Japan in the event that talks languish or fail.
- Ensure a strategy that prepares for neither peace nor war, with a plan for dialing up comprehensive economic and diplomatic pressure as well as stepping up military deterrence and defense.

**Find creative ways to maintain readiness and deterrence in preparation for potential crises, even as confidence-building measures progress and other calls for reducing military power grow more pronounced ("control the controllables").**

- Ensure that modifications to military exercises preserve sufficient deterrence should talks fail abruptly.

- Prepare to announce and reinstate Ulchi Freedom Guardian and Vigilant Ace combined military exercises with South Korea should Pyongyang resume a provocative posture of testing weapons, including high-tech tactical weapons aimed at Seoul.
- Bolster U.S.-Japan military readiness through both exercises and further steps for improving layered missile defense.
- Step up joint cyber offense and defense capabilities, in conjunction with South Korea and Japan, to thwart North Korea's use of cyber warfare.

Given the contending major power interests at play, the next two years represent a highly mutable phase of diplomacy that will serve as a prelude to a significant breakthrough, devolve into failure once again, or settle into some in-between dynamic equilibrium. Even as diplomacy proceeds in fits and starts during this interim phase, there is an urgent need for disciplined thinking about where this process is headed over time. Structurally, the mere act of engaging North Korea in high-level diplomacy could be construed in Pyongyang as an indication that the political will of its key adversaries has been broken. At the twilight of the Korean War, this is at least one of the main reasons armistice talks dragged on for two costly years after the United States opted to seek a cease-fire on the basis of the status quo ante in July 1951. In the absence of long-range assessments, U.S. negotiators today risk reliving General Matthew Ridgway's reflection at the start of cease-fire talks with North Korea, that "at the very start we [the United States] made a concession that we early had cause to regret."<sup>5</sup>

## Introduction: A Year of Experimental Diplomacy

The ongoing attempt at ending the Cold War with North Korea and its third generation of Kim leadership has yielded a year of experimental diplomacy, spurred on by summitry and top-down diplomacy. Between April and September of 2018, South Korean President Moon Jae-in conducted three summit meetings with his North Korean counterpart, and planning for a fourth was underway. That is remarkable given that there had previously been only two inter-Korean summits: in 2000 and 2007.

Even more astonishing was the first-ever meeting between a North Korean leader and a sitting U.S. president, slated for late February 2019, with a follow-on summit planned in early 2019. President Xi Jinping of China, having held North Korea's Kim Jong Un at arm's length before this year of energetic summitry, has since met with Kim three times in Beijing and once in Dalian.<sup>6</sup> U.S. President Donald Trump indicated his consent for a fourth inter-Korean summit, the first ever in Seoul, and Russian President Vladimir Putin appeared ready to have his own summit with Kim.<sup>7</sup> Although the pace and level of activity were not matched by concrete actions, the past year has certainly set the table for consequential diplomacy in the coming months. Two basic channels or tracks of activity have emerged from the flurry of summitry: inter-Korean peace building and denuclearization. While both Koreas and the United States are deeply involved in both tracks, there is a basic division of labor in which Seoul leads peace building and Washington leads denuclearization negotiations.



North Korean leader Kim Jong Un (R) and South Korean President Moon Jae-in (L) watch the gymnastic and artistic performance at the May Day Stadium on September 19, 2018, in Pyongyang, North Korea. Kim and Moon met for the Inter-Korean summit and discussed ways to denuclearize the Korean Peninsula. (Pyeongyang Press Corps/Pool/Getty Images)

On the track of peace building and inter-Korean rapprochement, Moon and Kim have moved forward to implement the vaunted Panmunjom Declaration for Peace, Prosperity, and Unification of the Korean Peninsula and the Pyongyang Joint Declaration. The April 27 Panmunjom Declaration announced the two leaders' intention to end hostilities and replace the armistice with a peace agreement, open liaison offices at the Kaesong Industrial Complex, implement economic projects agreed to in 2007, and undertake various confidence-building measures around the Demilitarized Zone (DMZ) and the Northern Limit Line in the West Sea.<sup>8</sup>

The declaration emerging from the third inter-Korean summit, in Pyongyang in September, called for the implementation of specific economic and security initiatives. Among the economic activities, Seoul and Pyongyang agreed to hold groundbreaking ceremonies before the end of 2018 for the east coast and west coast rail and road connections. They further agreed to normalize if not fully re-establish operations at the Kaesong Industrial Complex and Mount Kumgang Tourism Project, as well as to discuss forming a west-coast joint special economic zone and an east-coast joint special tourism zone.<sup>9</sup> These were preliminary steps based on political intent, but far more daring was the adoption of a lengthy "Agreement on the Implementation of the Historic Panmunjom Declaration in the Military Domain."<sup>10</sup>

The declaration amounted to a long list of activities discussed since 1991, but the fact that the summit was used to expedite a controversial list of conventional

military measures without careful debate suggests that Moon's strategy may have been one of catalyzing momentum behind rapprochement with North Korea such that it would eventually tip beyond the point of no return. Many American military officials and experts were concerned about the accord, which, among other things, designated no-fly zones, the withdrawal from some DMZ guard posts, the demilitarization of the Joint Security Area, the changing of military operational procedures considered provocative, establishment of the West Sea Peace Zone, and the devising of measures for passage of North Korean vessels via direct routes in the Haeju and Jeju Straits.<sup>11</sup>

The brief two-page statement emerging from the June 12 summit between Trump and Kim in Singapore amounted merely to a declaration of good intentions. In the following order, the Singapore joint statement enumerated four steps, with sparse elaboration: Establish a new relationship, build a lasting and stable peace regime, work toward complete denuclearization of the peninsula, and resume the return of remains of soldiers from the Korean War.<sup>12</sup>

While Trump's announcement that the Singapore summit had produced the end of the North Korean nuclear menace was at best premature, steps taken before and after the summit during 2018 undoubtedly laid the groundwork for future negotiations. For one thing, a freeze on missile and nuclear testing limits North Korea's further modernization of its nuclear force; and while that freeze can be halted overnight, as of now it remains in place. Secondly, North Korea took some unilateral steps and declared it would be open to bolder moves, including inspections. Specifically, in the inter-Korean Pyongyang Declaration, Kim acceded to the verified closure of the Punggye-ri nuclear test site as well as the permanent dismantlement of the Tongchang-ri missile test site and launch platform under the observation of international experts – a move that if applied to the entire facility and verified would close down a major element of North Korea's intercontinental ballistic missile (ICBM) and long-range missile capabilities. Kim further expressed his willingness to permanently dismantle the nuclear facilities in the Yongbyon Nuclear Research Facility in exchange for "corresponding measures."<sup>13</sup>

After the curtain has closed on a year of unprecedented engagement with the North, the United States is still looking for specific, significant steps toward achieving what it now calls Final and Fully Verified Denuclearization (FFVD).<sup>14</sup> Meanwhile, North Korea appears to be holding out for not simply reassurances such as an end-of-war declaration and political-military



*South Korean soldiers inspect a dismantled North Korean guard post on December 12, 2018. The inspection is part of a mutual withdrawal from the Demilitarized Zone that South Korean President Moon Jae-in and North Korean leader Kim Jong Un agreed upon during the September 2018 Pyongyang summit. (South Korean Defense Ministry/Getty Images)*



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concessions but, more pressingly, the relaxation of economic sanctions. A second Trump-Kim summit where such a deal could be finalized will set the table for working-level diplomacy, but the clock is ticking. The initiation of real negotiations in the coming months and within the next two years will be a critical testing ground for the United States to assess the verity of Kim's commitment to economic development as a domestic policy priority. Within this highly circumscribed timeline, one or both parties will likely be forced toward a new decision point about whether to continue to bet on diplomatic processes that will shape long-term power arrangements on the peninsula – or cash in their chips and return to unabated mistrust, disengagement, and brinkmanship.

### End States and Strategies

Defining end states is an integral part of long-range U.S. policy planning. As the old saw goes, if you don't know where you are going, any road will get you there.<sup>15</sup> In light of the shifting politics and perceptions between the two Koreas, the United States needs to conduct a rigorous examination of its own long-term objectives on the Korean Peninsula, including clear delineations of red lines and baseline acceptable scenarios. U.S. policymakers also need to couch these objectives in the context of the array of interests that other key stakeholders, particularly China, harbor and make clear distinctions between realistic interim goals and merely aspirational ones. (See illustration on page 11 depicting the strategies and goals of each actor.)

A mere four years ago, the Center for a New American Security, when asked to imagine a desired but realistic end state for the peninsula, posited "UROK," which stands for a United Republic of Korea, a fictional entity some 10 years after relatively peaceful unification. UROK was a democratic, non-nuclear Korea still allied with the United States, more outward-looking, posing little

### The Origins of End States

The U.S. Department of Defense distinguishes between strategic and military end states. A strategic end state is "the broadly expressed conditions that should exist after the conclusion of a campaign or operation" and the military end state is the "set of required conditions that defines achievement of all military objectives."<sup>44</sup>

The concept of end states might be traced back to historical texts on military planning. In *On War*, Carl von Clausewitz asserts that the complete disarmament of the enemy is rarely attainable. Therefore, military planners must examine the potential outcomes of conflict and decide on desirable end states that are viable given the resources at hand. The term emerged in the strategy lexicon of the West after the United States failed to pursue a feasible end state during the Vietnam War. U.S. military strategists have since adopted the concept of end states to guide their prioritization of tasks, goals, and objectives, ensuring that military efforts are directed at achieving a defined end state.

The practice of developing end states is particularly useful to policymakers, who are expected to achieve desired outcomes by establishing roadmaps and properly allocating resources. Astute discernment of end states plays an essential role in determining whether a strategy is successful. Indeed, the U.S. decision to stop short of invading Iraq during the Persian Gulf War is viewed as a success, because policymakers and military planners achieved their articulated end state of removing Iraqi forces from Kuwait and avoided the temptations of mission creep. While it is impossible to predict with certainty how other actors will respond to U.S. policies, strategies are rudderless without an end state in mind. The first step to achieving desired outcomes is determining which outcomes are within the realm of the possible.

direct harm to China, and boasting a thriving economy.<sup>16</sup> Yet there is a gaping disconnect between imagining a desired outcome and achieving the desired outcome in the context of real-world great-power rivalry. The recent intensification of competition between the United States and China suggests that the UROK desired end state may have assumed a best-case scenario rather than putting forth a likely outcome.

The United States and South Korea should strive to share a common understanding of how their desired end states converge or clash with North Korean and Chinese concepts for the long-term future of the Korean Peninsula.<sup>17</sup> If the United States does not adapt its

diplomacy to shape and reinforce where appropriate the contours of South Korea's peace agenda, it will be out-flanked by other, more opportunistic and geographically proximate powers – most notably China – that have an interest in co-opting the inter-Korean peace initiatives to shift the regional center of gravity in their favor. Already, North Korea, China, and Russia are trilaterally ratcheting up pressure to ease United Nations sanctions on North Korea.<sup>18</sup> Beijing, in particular, is strengthening its hand by quietly allowing North Korea to do its bidding in regard to a peace agreement that could lead to the reduction and ultimately the elimination of U.S. military forces from South Korea. Indeed, United States Forces Korea (USFK) has historically been described as a “dagger” to China's throat, and as some scholars have noted, an end-of-war declaration could snowball into a legitimization of Chinese demands for a phased withdrawal of U.S. troops.<sup>19</sup>

But while planning may be approached in logical phases toward some desired final stage, international politics seldom unfold in a linear fashion.<sup>20</sup> That is, even if diplomacy with North Korea can progress in the desired direction, sustaining a favorable outcome can hardly be taken for granted. The process is likely to be brittle and beleaguered by threats of breakdown, as seen during North Korea's 1993 decision to walk away from the Nuclear Non-Proliferation Treaty commitment, after halting historic bilateral accords in 1991 and 1992.<sup>21</sup> And while by 1994, a bilateral Agreed Framework emerged from the embers of crisis, it represented only a temporary cessation of hostilities, not a fundamental structural shift in the United States' relationship with North Korea.

Considering the question about how diplomacy with Kim will end, really includes several different questions:

- First, is it realistic to expect that the United States can negotiate an end to North Korea's nuclear weapons program?
- Second, can the United States break out of the Cold War structural impasse with North Korea and China that has prevailed over the peninsula for 69 years?
- Third, how would successful denuclearization and peace building affect Northeast Asia and U.S. regional influence?
- Finally, would failure in diplomacy – or even just partial success in the form of arms control rather than disarmament – leave the United States in a more vulnerable and weakened position in Northeast Asia, or does failure simply mean that the United States remains deadlocked in a stalemate with an old adversary?

The past year's conduct of fast-paced, dynamic, high-level diplomacy with North Korea has left little time and space for theorizing. Even so, an effective U.S. strategy for negotiating with North Korea must first and foremost be rooted in a clear understanding of the objectives and strategies of each of the key stakeholders: North Korea, South Korea, and China.

### North Korea

Kim appears to have clear end states in mind, both proximate and ultimate. Currently, he is capitalizing on the window of opportunity that the Trump administration offers to break the sanctions regime and to mitigate the threats that the Republic of Korea (ROK) and USFK pose to the survival of his regime. In the long-term future, Kim seeks to spur economic development; weaken the U.S.-ROK alliance; reduce North Korea's dependence on China and create a favorable regional environment in which to bid powers off of each other; and maintain its status as, at least, a de facto nuclear-weapon state. Above all, Kim is determined to reassert the sovereignty and longevity of Kim rule, adapted to a 21st-century context.

There is a strong historical basis for North Korean insecurity. The Kim family regime has arguably failed only once, in the winter of 1950 to 1951, after which it has pursued a “monolithic state” centered on a policy of economic self-sufficiency, total policy independence, and massive “self defense.”<sup>22</sup> One could argue this policy has endured ever since.

His core ambitions, following the logic of Maslow's hierarchy, are threefold. First, survival – that is, the preservation of the Kim family regime and long-term deterrence of potential interventions for regime change. Second, economic development, which requires busting the sanctions regime and turning on the spigots of international investment and trade. Kim has already begun chipping away at his country's economic isolation, engaging in shuttle diplomacy throughout 2018 with a troika of regional powers, including China, Russia, and South Korea.

Finally, Kim intends to see North Korea “thrive” under his rule, the definition of which could encompass everything from his grandfather's goal of unification of the two Koreas through force to simply establishing a strong and prosperous North Korea insulated from great-power influence. Kim is acutely attuned to the need for structural reforms to his country's economy, including in its agricultural and production sectors, as well as the evolutionary pressures toward a nascent service industry. In South Korea, some analysts view Kim as having the potential to not only be the next Deng Xiaoping,<sup>23</sup> but

## Kim's Hierarchy of Needs

### 1 Survive

**Deterrence and brinkmanship:** Acquire a nuclear arsenal and use the threat of war to deter against foreign interference.

**Oppression:** Assassinate domestic political rivals and instill fear in the local population.

**Illicit networks and theft:** Use criminal networks and cyber theft to circumvent international sanctions and generate stolen revenue.

### 2 Develop

**Sanctions:** Increase the flow of foreign investment and trade by reducing international sanctions.

**Foreign aid:** Appeal for foreign aid and assistance.

**Diplomacy:** Attempt to normalize relations with foreign countries.

### 3 Thrive

**International clout:** Ensure that North Korea has leverage and power on the world stage.

**Economic growth:** Achieve rapid economic growth.

**Security:** Maintain strong domestic control and a favorable regional security environment to ensure regime continuity.

also the next Peter the Great of North Korea. In recognition of this goal, North Korean economists have closely studied Chinese, Vietnamese, Taiwanese, Scandinavian, and South Korean models of development.<sup>24</sup>

At the end of the day, however, Kim is interested in a reform strategy only to the extent that it cements the long-term security of his regime – not only in the

form of external guarantees from South Korea and the United States but also, more critically, in maintaining ironclad control over his party and his population. Any significant economic liberalization would likely take more than a decade and would only occur in response to pressures from below. Additionally, North Korea has made it clear that its stated desire to transform the Korean Peninsula into a “land of peace, free from nuclear weapons and nuclear threats” is a direct reference to eliminating the nuclear threat that the United States poses, including through its introduction of strategic assets into the Korean theater during the U.S.-ROK joint military drills.<sup>25</sup>

### South Korea

South Korea appears to have an equally clear – and complementary – economic end state in mind: economic unification of the two Koreas and an end to the South Korean “economic discount.”<sup>26</sup> This economic end state is predicated on the creation of three inter-Korean infrastructure belts on the peninsula: an energy-resource belt along the eastern coast, an industry-logistics and distribution transportation belt on the western coast, and an ecological tourism belt along the DMZ. The Moon administration’s underlying logic is that linking the logistics networks of the two Koreas will enable South Korea to make another great leap forward from a de facto island economy – unable to fully connect with the Eurasian continent because of North Korea’s status as a closed



North Korean leader Kim Jong Un and South Korean President Moon Jae-in pose for a photo at the Peace House on April 27, 2018, after signing the Panmunjom Declaration. Moon has since released South Korea’s “New Economic Map,” a development plan that prioritizes increased connectivity and trade with North Korea. (Korea Summit Press Pool/Getty Images)

buffer state – to a continental one. Some banks estimate that Moon’s plan to build railway links between the two Koreas could add more than 1 percentage point to South Korea’s annual gross domestic product and could also generate 700,000 jobs within the next five years.<sup>27</sup> As Moon himself declared at the annual Singapore Lecture in July 2018, South Korea is drawing up a “new economic map ... to press on toward an economic community” and a “new peninsula ... where prosperity flourishes on the basis of peace.”<sup>28</sup>

The reality, however, remains that these economic benefits are entirely contingent on the lifting or at least incremental easing of international sanctions. Further complicating Moon’s grand vision for Northeast Asian connectivity is that Kim will remain extremely risk-averse when it comes to structural reforms and the opening up of North Korean markets and is therefore apt to continue to allow his economy to hobble along on the creation of additional special economic zones (SEZs).

Finally, South Korean strategy rests on the assumption that economic interconnectedness will grease the wheels of political normalization between South Korea and North Korea, as well as the United States and North Korea, beyond a notional end-of-war declaration. Moon is more pragmatic than his lofty rhetoric about restoring a single Korean identity – for example, in his August 2018 Liberation Day speech, during which he intimated that the two Koreas ought to use peace to achieve “genuine liberation” from foreign influence – might suggest. The object of the Moon administration in its remaining four years is not unification itself. Addressing the gulfing structural, institutional, and sociological divisions between the two countries after 69 years of hostilities is likely to be a multigenerational feat. Rather, the Moon administration is trying to institutionalize this interim stage of an end to Cold War antagonisms by opening up channels for social and cultural integration between the two Koreas, not limited to K-pop concerts in Pyongyang<sup>29</sup> and a joint Olympic bid.<sup>30</sup>

### China

China is, fundamentally, a pivotal player that quietly wields a large measure of influence over the success or failure of the United States’ diplomacy with North Korea. On the one hand, even as China and the United States are still at loggerheads over trade, they still share the broadly common objective of ensuring that North Korea relinquishes its nuclear ambitions. Yet, China’s and the United States’ priorities diverge significantly

when it comes to the economic transformation of North Korea and what a Northeast Asian economic community ought to look like.

In particular, Beijing is angling to ensure that North Korea remains within its economic sphere of influence and as therefore, has already steadily loosened restrictions on trade with North Korea, sometimes in contravention of United Nations Security Council resolutions. From illicit ship-to-ship fuel transfers to a dramatic increase in Chinese tourism to North Korea, Beijing has reopened its doors to Pyongyang, casting the Kim regime a vital lifeline while implicitly weakening the United States’ diplomatic toolkit. Assisting North Korea with the development of special economic zones not only opens the door to Chinese investments but would also provide an external stimulus to key provinces such as Liaoning and Dandong that specialize in heavy chemical industries but are experiencing economic slowdowns. China, in concert with Russia, has characterized U.N. Security Council sanctions on North Korea as the United States’ control mechanism over the other great powers and has called for the establishment of an “international mechanism for assuring peace on the Korean Peninsula.”<sup>31</sup>

Until recently, the United States and South Korea have been largely aligned in their efforts to maintain maximum pressure on North Korea and to exert pressure on Beijing to change its basic posture toward the Kim regime. But in the context of inter-Korean rapprochement, China has been able to quietly allow North Korea to do its bidding, particularly as the inertia toward an

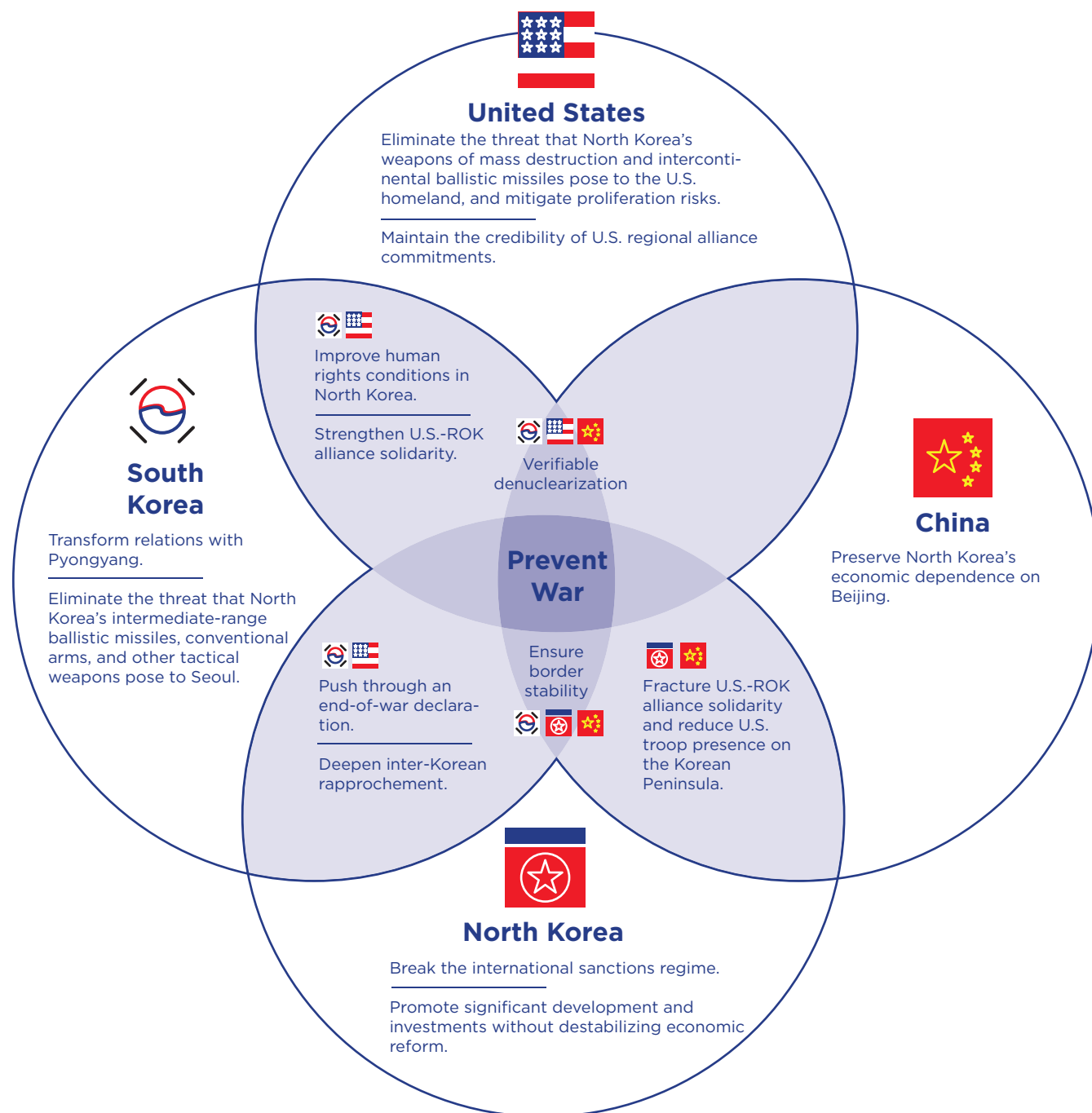


North Korean vehicles cross the Yalu River into the Chinese border city of Dandong on October 20, 2006. Cross-border trade has come under increased scrutiny since U.S. President Donald Trump began his campaign of “maximum pressure.” (Cancan Chu/Getty Images)

end-of-war declaration directly serves its national interest. Ultimately, Beijing’s key interest is to prevent war and maintain stability, particularly in the long run by reducing U.S. ground forces stationed in South Korea. It views the North Korea challenge through the prism of its strategic competition with the United States and sees it as a key domain to test the theory of U.S. commitment to Northeast Asia.

### United States

For the better part of 2018, the United States’ principal goal has been couched within the framework of complete, verifiable, irreversible denuclearization (CVID). Critics can easily find fault with the terminology of absolutes such as “complete” and “irreversible” (the nuclear science know-how will not be eradicated, and verifying every nook and cranny of North Korea is not



practical). But the meaning is to render North Korea a non-nuclear-weapon state and to provide serious monitoring and inspections to help minimize the risk of a nuclear breakout. The Trump administration has adopted the somewhat more feasible FFVD as the main goal of diplomacy: that is, to ensure the final, fully verifiable denuclearization of North Korea.

However, even if a path toward denuclearization were to proceed, invariably other questions would arise about the kind of regime the United States was working with, and even supporting, through economic rewards and a relaxation of military and diplomatic pressure. Will the United States live with a North Korean dictatorship

### **Will the United States live with a North Korean dictatorship that has merely concealed most of its nuclear weapons without necessarily changing the nature of its tyrannical regime or allowing anything close to the original objective of CVID?**

that has merely concealed most of its nuclear weapons without necessarily changing the nature of its tyrannical regime or allowing anything close to the original objective of CVID? Some argue the only way to ensure a non-threatening North Korea is to change its regime from a one-party dynasty to a more pluralistic form of governance, if not a full democracy like South Korea.

For all the benefits of thinking about an end state on the Korean Peninsula, the process can distract from an assessment of the all-important journey. En route toward the desired outcome, what precisely is happening along the way and how should policymakers conduct relations to improve the chances of success and mitigate the risks of failure? For a map to be useful, it needs to delineate important markers on the path ahead, beginning with the immediate terrain. In the context of current U.S. negotiations with North Korea, this means having a clear-eyed assessment of what might be achieved over the next two years of the Trump administration.

## **Sustaining Diplomatic Momentum**

The jack-rabbit start to diplomacy in 2018 is unsustainable when it comes to implementation. If 2018 was a year of political breakthroughs and statements of intent, the apparent speed with which summits underscored progress made it nigh impossible to sustain through the next phase of detailed agreement and tortuous implementation. Unlike Kim, democratically elected Moon and Trump cannot will their governments to move with the same alacrity as a dictator. To be sure, Kim, Moon, and Trump all appear to be men in a hurry: Kim to solidify economic benefits while retaining a level of security known only to his regime; Moon to reach a point of no return before his single five-year term makes him a lame duck; and Trump, while professing not to be bound by timetables, to show demonstrable progress before the 2020 presidential election.

The fundamental structural problem is that a state of hostilities has persisted ever since the signing of the 1953 armistice. Historical, legal, political, ideological, economic, military, and other impediments have surrounded the figurative negotiating table like the myriad land mines resting within the DMZ. Statements of good intentions, symbolic political gestures, and peripheral confidence-building measures might make for good photo opportunities and headlines, but they fail to address the deeply rooted problems that sustained hostilities over the past seven or so decades. It is difficult to go beyond mostly symbolic gestures, and 2019 and 2020 will test whether a truly historic breakout from the long Cold War can finally be achieved.

Constraining the United States and South Korea is tension over whether and, if so, how much and how fast to reduce the sanctions regime designed to undermine North Korea's economic development. The issue of sequencing between the two separate but related tracks of peace and denuclearization – even before being complicated by talking about other actors – serves as a natural brake on rapid implementation of any agreement. For the Moon administration, while swearing allegiance to a common allied strategy, there is a general belief that sanctions relief and peace building might spur slow-moving denuclearization talks. As Cho Yoon-je, the ROK ambassador to the United States, put it, “the development of inter-Korean relations needs to move forward along with the process of denuclearization and that international sanctions must be implemented faithfully.”<sup>32</sup> But Cho then added that does not mean that inter-Korean relations and denuclearization have to move at the same speed because “the momentum on one side can drive the

process on the other and create a virtuous cycle.” For the Trump administration, less convinced than some South Korean counterparts that this latest round of talks with North Korea is different from previous failed attempts, the thought that one track should outpace the other is seen as foolhardy.

But if caution on sanctions relief means a slower pace of progress, time alone is not an asset in the quest to turn the corner on this Cold War in Northeast Asia. Attempts to placate Kim’s alleged fear of attack are leading to pressure to reduce readiness along the DMZ and cease major military exercises, which over time will undercut the readiness of allied troops to respond to a sudden provocation or attack. North Korea’s 1950 attack on South Korean positions was facilitated by the utter surprise of South Korean forces unprepared for battle and the belief that the United States would stand aside. As historian T.R. Fehrenbach notes, “And while South Korea deployed four divisions along the border, only one of the three regiments of each division was actually occupying its preplanned defensive position.”<sup>33</sup>

Synchronizing the two tracks of peace building and denuclearization – as well as modulating pressure and rewards – between two allies will be difficult and at times will impose serious strains on the U.S.-ROK relationship. The basic problem with summit-driven diplomacy is that

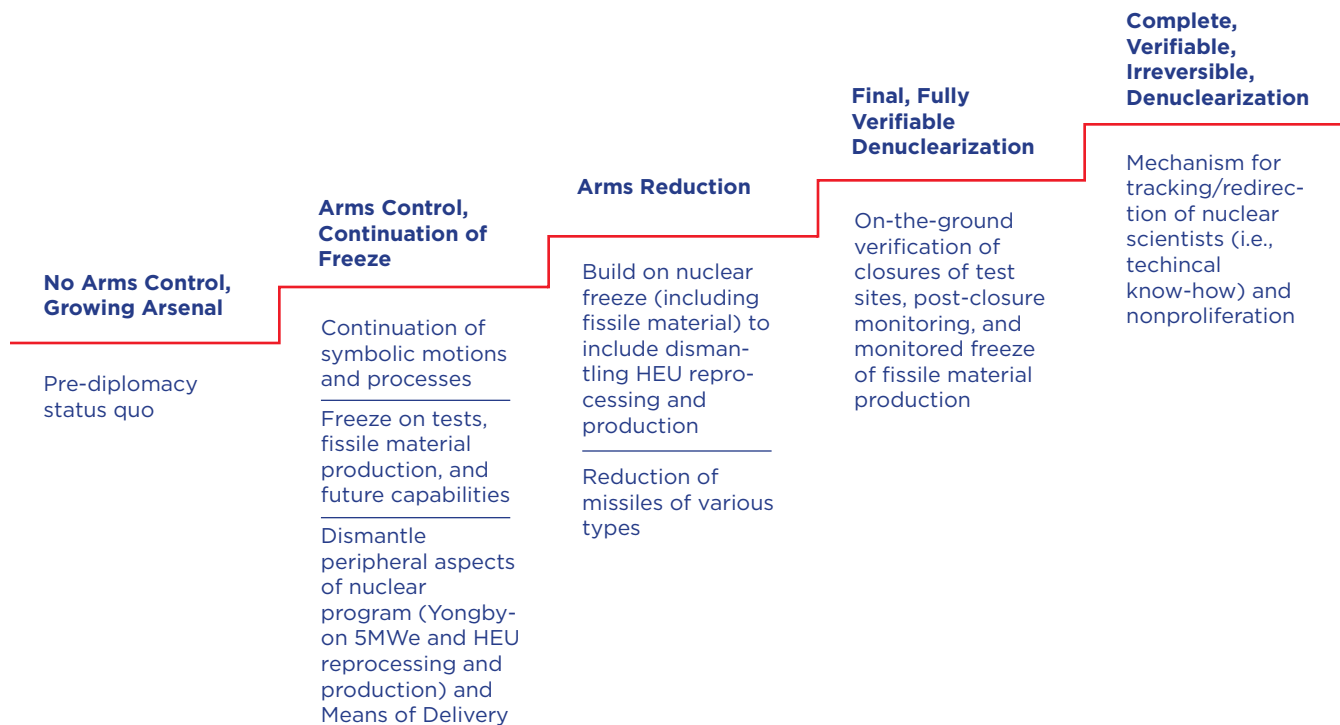
leaders can ask for more than governments are apt to deliver with ease. Summits can generate breakthroughs and serve as action-forcing milestones, but implementation remains a generally slower process. Ultimately, Kim may need a lesson in democratic governance, where fiat are not sufficient to make things happen.

### Arms Control or Arms Reduction?

Along the road toward complete denuclearization, the near-term test seems more circumscribed between the symbolic and the substantive, between arms control and arms reduction, and between throttling back the rhetoric and building some trust.

Negotiations between adversaries have a way of not just making desired end states seem remote but forcing officials to try to put one foot in front of the other and sustain progress. In the long road ahead of engaging North Korea, the next two years could well be the time of testing whether there is a serious departure from Cold War hostility. FFVD seems unrealistic – and though a return to the enmity of 2017 is possible, it is not desired by any of the principal parties. That probably confines the scope of diplomatic success this year and next to something between symbolic arms control and superficial peace and arms reduction and substantial peace building.

## The Spectrum of Denuclearization Outcomes



If 2018 served as an initiation phase, 2019 and 2020 promise to be a critical period to advance more or less progress on both tracks. On denuclearization it is possible and perhaps likely there will be more of a moratorium and control over future nuclear weapon production than reduction of an unknown nuclear stockpile: mostly limited safeguards imposed on relatively minor and older portions of North Korea's nuclear and missile programs; freezing of nuclear and missile test moratoriums verifiable dismantling of the 5MWe plutonium reactor, reprocessing and enrichment activities at Yongbyon; international verification of closure of Punggye-ri nuclear test site and dismantlement of missile engine testing facility (or more) at Sohae (Tongchang-ri) long-range launch facility, which includes six launch sites, two test facilities and two ejection test stands; freezing of fissile material production on top of nuclear testing and missile freeze; and locking down of nuclear warhead fabrication facilities.



*A North Korean soldier inspects the debris from the Punggye-ri nuclear test site, which was demolished on May 24, 2018. Analysts remain skeptical of the value of largely symbolic gestures, such as destroying tunnels at test sites, given the lack of verification and information on North Korea's broader nuclear program. (News1-Dong-A Ilbo, Getty Images)*

## Recommendations

Even if progress is made on denuclearization, whether in the form of mere arms control or arms reduction, the process will not be smooth or linear. Rather, it is likely to be a zigzagged pathway beleaguered by crises of confidence, threats of breakdown, and the polarization of domestic politics both within the United States and South Korea. Bumps may be relatively short-lived and minor, as Secretary of State Mike Pompeo witnessed after his third visit to Pyongyang in July 2018, less than a month after the putative breakthrough at the Singapore summit.<sup>34</sup> But as long as the United States is still embarked on this diplomatic roller-coaster ride, there are concrete steps it can take – both unilaterally and in concert with its South Korean ally – to safeguard its core interests when it encounters turbulence along the way.

While thinking about long-term objectives, it is equally important to develop a roadmap for how to arrive at them. These recommendations emerge from a critical evaluation of the intended end states of each of the key regional stakeholders and an understanding that these objectives must factor into U.S. policymakers' understanding of what is feasible in both the denuclearization and peace-building tracks of negotiations.

Fundamentally, in the months ahead, the United States and its allies must simultaneously prepare for two broad contingencies: first, a breakthrough; and second, failure in the form of a protracted impasse or an abrupt, crisis-induced short-circuiting of negotiations. The strategy offered is ultimately intended to steadfastly promote U.S. interests amid near-term uncertainty and the competing priorities of different actors.

### Contingency One: Preparing for a Breakthrough

#### **Measure progress by evaluating North Korean actions against empirical criteria for denuclearization and seek international support to backstop a robust verification process.**

The United States and South Korea can conduct basic threat measurements along the continuum of engagement and brinkmanship, based on official statements emanating from North Korea's Politburo, speeches, and state newspaper editorials. However, a process of rigorous empirical measurement must begin with a material declaration that includes the numbers and types of nuclear weapons in North Korea's arsenal, including long-range ICBMs – but with the operating assumption that this declaration will be incomplete. As the United



States looks to move beyond shutting down facilities at Yongbyon, one realistic and useful step could focus on trying to put a moratorium on North Korea's production of all weapons-grade fissile material. Although it is virtually impossible to prevent North Korea from concealing some existing stockpile of fissile material, it is technically possible to remotely monitor a freeze of fissile material production. This step is a logical early move and would also help to begin building a vital verification regime, including through the institution of an online monitoring system that could be activated at enrichment facilities.

**As long as the United States is still embarked on this diplomatic roller-coaster ride, there are concrete steps it can take to safeguard its core interests when it encounters turbulence along the way.**

Bearing in mind the inherent tensions between the roles of the International Atomic Energy Agency (IAEA) and U.S. inspection teams, the United States needs to organize a special verification organization. Expert visits to test sites based on cooperation between the United States and the Comprehensive Nuclear-Test-Ban Treaty Organization would be a good first step to test North Korea's willingness to work with international inspectors, potentially even including a circumscribed Russian role. There could be a third-party mechanism that publicly reports on what both the United States and North Korea are doing. Note that the Six-Party Talks ultimately broke down because both sides contended that their counterparts were not keeping their side of the bargain.<sup>35</sup> Finally, the Trump administration will need to keep Congress fully informed of North Korea's actions, statements, and perceived intentions as a crucial way to prevent an executive-legislative-branch breakdown in potential implementation of any accord.

**Meet significant denuclearization actions made in good faith with appropriately sequenced and scoped inducements.**

The United States cannot achieve its objective of peacefully denuclearizing North Korea unless it can simultaneously convince Kim that a new relationship

is real and that the United States and South Korea can be trusted. This will take time but must also govern how Washington and Seoul couple pressure and demands with demonstrable benefits – even if those benefits are placed in escrow until Pyongyang has made sufficient progress to warrant granting Kim access to that account.

Thus, an effective strategy of engagement with North Korea requires clear delineations of reciprocity, both in the form of punitive measures and quid pro quo inducements. Within the current de facto freeze-for-freeze framework that North Korea has in effect instituted, it has placed on the negotiating table a nuclear and missile testing moratorium; an offer to verify closure of the Punggye-ri nuclear test facility and Tongchang-ri long-range missile launch and engine test site; and an offer to retire its nuclear capabilities at Yongbyon. Over the course of working-level negotiations, the United States can more ambitiously strive for arms reduction, not simply settling for arms control as an interim measure. These steps can include a disclosure of the nuclear inventory and some reduction of warheads (perhaps even moving them out of the country); destruction of transporter erector launchers (TELs) or missiles; and initiation of a program to control and redirect identified nuclear scientists within North Korea.

At the same time, the United States has yet to attach clear valuations to the “corresponding measures” that North Korea has demanded in return, but there are a few limited measures it can offer up. In the political domain, the United States should continue to build momentum on mutual confidence-building measures that bear high symbolic value, including the establishment of a liaison office – and perhaps eventually, an offer for an embassy in Pyongyang. An end-of-war declaration must be held strategically as a bargaining chip in peace negotiations with North Korea, and the United States will need to ensure that neither Pyongyang nor Beijing casts any doubt on the American position that the U.S.-ROK mutual defense agreement stands entirely separate from the signing of an armistice agreement. The United States could also open up high-level U.S.-North Korean military exchanges at Camp Humphreys and arrange for colonel-level exchanges in Goksan Valley. These sorts of exchanges can also occur at the non-military level, including through engagement with North Korean university students. At the same time, the United States needs to make it clear that normalization of the diplomatic relationship with North Korea will ultimately

Dismantling North Korean weapons of mass destruction and means of delivery will be essential for maintaining regional stability after unification.



*This map shows selected major bases and facilities. Map is not drawn to scale.*

be impossible without addressing the issue of North Korea's human rights practices.

Concurrently, one concrete, commensurate economic concession the United States could offer is the creation of special-purpose escrow accounts in South Korea for specific North Korea-South Korea cooperation projects. Given the South Korean government's long-standing emphasis on inter-modal transportation infrastructure projects,<sup>36</sup> these accounts could serve as a good-faith gesture to Seoul as well while providing a small measure of transparency into the money trails flowing into Pyongyang. While this would not require U.N. Security Council approval, it would require the support of the U.S. Congress.

**Launch a discussion with South Korea on the future *raison d'être* and the disposition of the alliance, both as it pertains to the peninsula and the broader Asia-Pacific region, should peace processes progress.** Maintaining stability on the Korean Peninsula will remain the key priority of the alliance, but these safeguards will also need to encompass other revisionist forces that may disrupt equilibrium on the peninsula. In light of this, the United States needs to initiate a discussion with South Korea that clarifies goals for the future Korean Peninsula and Northeast Asian regional architecture and then identifies the aspirational plans and potential red lines of South Korea and Japan, as well as China and Russia. This discussion should begin with serious

conventional arms control talks, led by South Korea, that tackle North Korea's numerical advantages in conventional forces, beginning with entrenched artillery, cannons, and rocket launchers in the Kaesong Heights.

The United States will also need to find ways to elevate the U.S.-ROK alliance and diplomatic relationship beyond exclusive orientation around North Korea. Moon's vision for establishing a sustainable peace regime and continuous economic community on the Korean Peninsula is inclusive of engagement with not only its northern neighbors, but also with countries in the Association of Southeast Asian Nations (ASEAN), including Vietnam, Indonesia, and Thailand, under his marquee "New Southern Policy."<sup>37</sup> Moon is perhaps betting that in the event that Pyongyang carries out measures for denuclearization with sincerity, North Korea will eventually be positioned to have a seat at the various consultative bodies run by ASEAN. ASEAN could support inter-Korean economic cooperation by allowing goods produced in the Kaesong Industrial Complex to fall under the same tariff rates applied to South Korean goods covered by the Korea-ASEAN free-trade agreement.<sup>38</sup> These are worthy initiatives that warrant U.S. support as they buttress American interests in the Indo-Pacific region.

The United States has strategically tantalized Kim with a potential end state for North Korea. Trump rolled out a reality television version of this vision in a four-minute trailer during his June summit with Kim in which he cast the two leaders as the heroes of an epic journey featuring "two men, two leaders, one destiny."<sup>39</sup> As the Asia- and Indo-Pacific region becomes increasingly vulnerable to the chokehold of Chinese political and economic coercion, the United States needs to keep Kim focused on what a brighter future for North Korea can look like in terms of sustainable, long-term economic development. This future conceivably includes the lifting of U.N. Security Council sanctions, bilateral aid, infrastructure development, investments from the World Bank and Asian Development Bank – and incremental movement of North Korean interests into alignment with the orbit of regional actors that support the rules-based international order.

### Contingency Two:

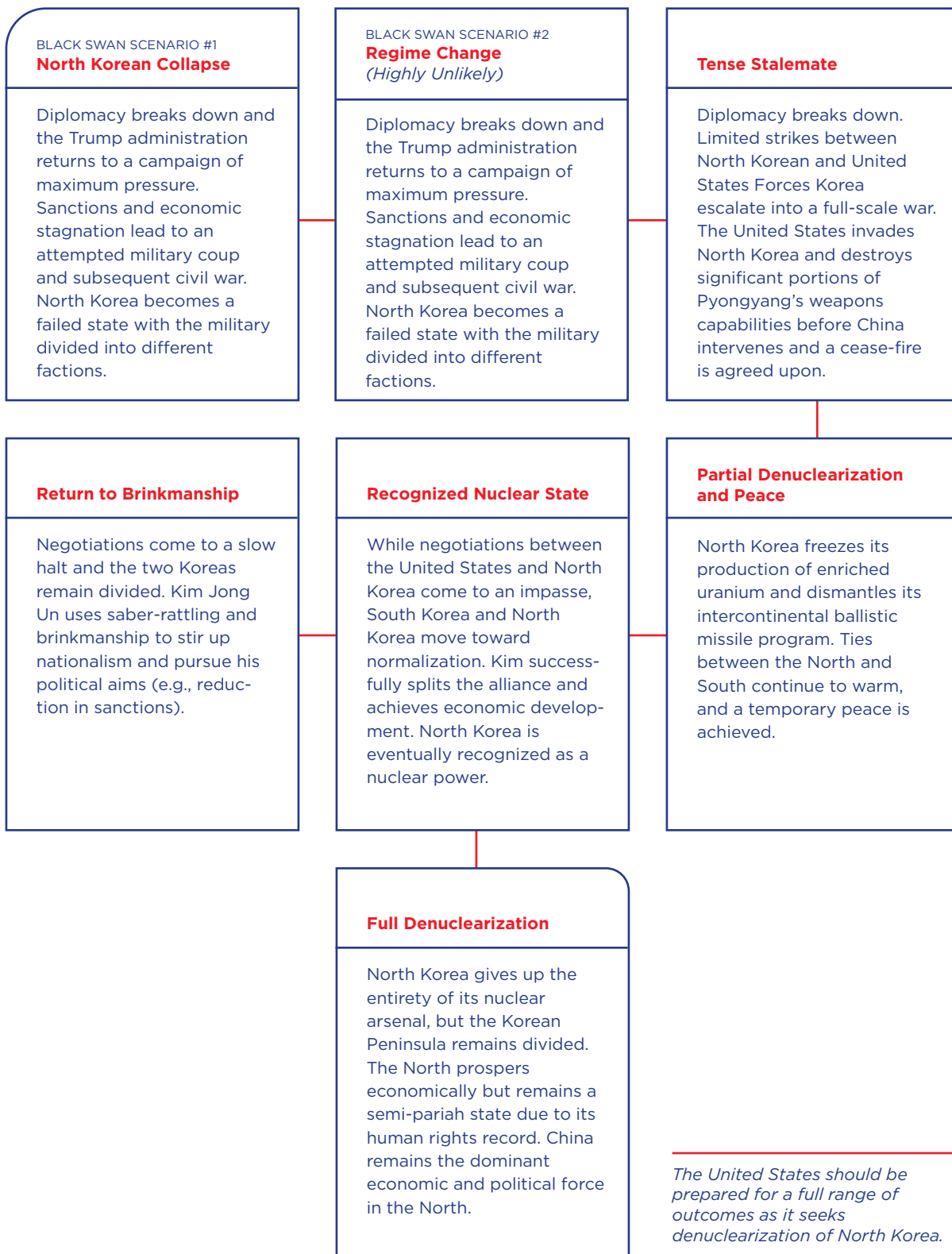
#### Preparing for an Impasse or Abrupt Failure

Simultaneously, in preparation for a continuation of the ongoing impasse or a complete breakdown of negotiations, the United States and its allies must ensure that their coercive diplomatic, economic, and military toolkit remains within easy reach.



South Korean President Moon Jae-in stands (center left) for a photograph with Southeast Asian heads of state. The trip was part of Moon's "New Southern Policy," which aims to enhance South Korea's economic and security ties with member countries in the Association of Southeast Asian Nations. (Ore Huiying/Getty Images)

## Preparing for a Range of End States



**Prepare to incrementally dial up and dial down economic, diplomatic, and military instruments of coercion without risking an all-out conflict spiral.**

The United States will need to make contingencies for offramps should no meaningful arms control materialize. This means that Washington will need to determine the point at which the United States should walk away from negotiations with Kim and ensure a strategy, in coordination with South Korea, that prepares for neither peace nor war. This must include a plan for dialing up comprehensive economic and diplomatic pressure as well as stepping up military deterrence and defense. If the denuclearization negotiations fail, the U.S.-South Korean alliance needs to resume its previous posture, but at neither the speed nor scale that would trigger dangerous North Korean misperception and miscalculation.

Here, snapback must begin with diplomatic and economic tools, including an aggressive reinstatement of economic sanctions on North Korean and third-party entities, rather than immediate military measures. Depending on whether this brings North Korean negotiators back in line with U.S. goals, the United States could also consider announcing the reinstatement of the Ulchi Freedom-Guardian combined exercises with South Korea and of the Vigilant Ace military exercise, which was slated for December 2018.<sup>40</sup>

**Find creative ways to maintain readiness and deterrence in preparation for potential crises, even as confidence-building measures progress and other calls for reducing military power grow more pronounced (“control the controllables”).**

Conventional arms control remains a critical dimension of containing the North Korean threat. According to some experts, stability is more important than peace, and keeping the United States and its allies safe from the threat of war is more important than pursuing complete, verifiable nuclear dismantlement. Extending the moratorium on major U.S.-ROK military exercises into 2019, and perhaps beyond, may represent a step toward peace, but it does not necessarily translate into stability over time. Indeed, given the high turnover rate of ROK and especially U.S. forces every year, the absence of large-scale training exercises effectively reduces readiness for large-scale defense contingencies. The United States needs to ensure that modifications to military exercises preserve sufficient deterrence should talks fail abruptly.

If peace-building efforts progress, there will be increasingly difficult questions about the future of the U.S.-ROK alliance, the alliance and United Nations Command arrangements, and U.S. force posture on and around the peninsula. The movement of U.S. forces from Yongsan to Pyeongtaek already creates potential seams between the U.S. Forces Command and the Combined



*U.S. Forces Korea, along with the United Nations Command and Combined Forces Command, conducts a change-of-command ceremony at Camp Humphreys on November 8, 2018. U.S. Forces Korea recently moved its headquarters from Yongsan to Pyeongtaek, a decision that created friction between the different command structures. (Chung Sung-Jun/Getty Images)*

Forces Command and United Nations Command. Even if a peace agreement, vice a peace treaty, did not put an end to the United Nations Command, domestic pressures within South Korea could accelerate the return of wartime operational control, thereby possibly putting U.S. forces under the command of a South Korean military officer. Although the United States would still retain ultimate control over its national forces, the arrangement would undoubtedly be used by critics in the United States seeking to reduce or end America's long-standing military presence on the peninsula.

Both the ROK-U.S. allies and the trilateral grouping that include Japan must forge a consensus on the right balance to meet overlapping national interests and regional security needs. Meanwhile, the United States needs a bottom-up review of its military presence in South Korea. There are already about 4,000 too many

**If peace-building efforts progress, there will be increasingly difficult questions about the future of the U.S.-ROK alliance, the United Nations Command arrangements, and U.S. force posture on and around the peninsula.**

military personnel stationed at Camp Humphreys. Moreover, should diplomacy remain on track, there will need to be further thought given to optimal force posture, as well as a revamping of military exercises and training, including in coordination with Japan, to ensure that personnel readiness is maintained. The bottom line is this: U.S. troop presence, though perhaps in a modified format, would remain a central part of American strategy in Northeast Asia.

Finally, the United States and South Korea will need to red-team the situation for possible devious, hybrid warfare and other surprise gambits by North Korea. This is particularly pertinent as the North Korean government devotes significant resources to developing its cyber operations and has grown increasingly sophisticated in its targeted offensive capabilities. In the absence of international sanctions relief, North Korea appears to be engaging in increasingly hostile cyber activities, including theft, website vandalism, and denial-of-service attacks to circumvent multilateral pressure. Indeed,

some analysts consider the North Korean cyber threat to quickly be reaching a level of sophistication only surpassed by China, Russia, and Iran.<sup>41</sup> In light of this growing threat, the United States and South Korea need to step up their cyber offensive and defense capabilities.

## Conclusion

While Americans desire to know how this chapter of diplomacy with North Korea ends, the reality is that it may not produce peace or war. A protracted impasse may continue for a time before diplomacy breaks down, giving way to the default of a Cold War deterrence and containment policy, or achieves a historic détente that produces an end to that long antagonism. Right now, the United States needs to be prepared for an impasse, a breakdown, or a breakthrough in North Korean diplomacy.

Capabilities are difficult enough to measure in diplomacy with North Korea, but with the additional layer of opacity that the evaluation of intentions adds to the mix, it is impossible to know whether Kim truly wants peace or is pursuing a more devious strategy. The ghosts of 1950 haunt the diplomacy with North Korea. Because the United States was focused on deterring major war with the Soviet Union in Europe, it failed to notice that Moscow had shifted to a strategy that could accommodate limited war. Today, Kim may very well be taking a page from current Chinese and Russian playbooks for gray-zone operations and hybrid warfare. What if Kim, knowing he cannot defeat U.S. and ROK combined arms in a fair fight, seeks to relax their posture and pursue long-term hybrid warfare, but only after economic investments allow for a significant improvement in the North's economy?

Alternatively, is it possible that a new era of détente, marked by a substantive positive evolution of the U.S.-North Korea relationship and diminishing prospects of a return to Cold War geopolitics, could be on the horizon? Unification, long held as the paradigmatic foreign policy ideal of both of the two Koreas, may be a less distant prospect than expert communities assume. Finally, a black swan event, including the sudden collapse of the North Korean regime, a military incident that abruptly triggers brinkmanship, or the failure of the whole process and a return to an intense Cold War dynamic, is also a very real prospect.

In the near-term future, the most likely outcome within the spectrum of possibilities is the emergence of a new dynamic equilibrium in which there is a shift in politics, perception, and levels of economic integration between the two Koreas, but not in capabilities.<sup>42</sup> Given

that the United States and North Korea are not likely to be able to cast off the shackles of the Cold War anytime soon, a peace declaration without sufficient consideration could be detrimental to the United States' interests in the Northeast Asian strategic landscape. The unlikelihood of any real structural change in the United States' relationship with North Korea and the Kim regime leaves little room for the type of bold action that has been the signature refrain of the Moon administration throughout 2018.<sup>43</sup> Rather, it demands a careful approach – one in which pressure can be dialed up and down and in which diligent red-teaming supports greater ease at reconstituting readiness for deterrence and defense.

The stakes of the United States' engagement with the Kim regime extend far beyond whether North Korea remains an isolated, adversarial nuclear weapons state or not. Indeed, the outcomes of diplomacy will be critically determinative of the regional balance of power and the broader security architecture of the region. Any U.S. and allied strategy of deterrence and diplomacy with North Korea must be informed by the assumption that in the long term, the United States is in competition with China over the future economic and geopolitical dispensation of the Korean Peninsula. The manner in which the United States conducts this competition to shape the future of the Korean Peninsula will have a determinative impact not only on the U.S.-China balance of power in Northeast Asia but also on the durability of the liberal, rules-based order across the region.

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12. "Joint Statement of President Donald J. Trump of the United States of America and Chairman Kim Jong Un of the Democratic People's Republic of Korea at the Singapore Summit," June 12, 2018, <https://www.whitehouse.gov/briefings-statements/joint-statement-president-donald-j-trump-united-states-america-chairman-kim-jong-un-democratic-peoples-republic-korea-singapore-summit/>.
13. Ibid.; and "[Full Text] Pyongyang Declaration."
14. Joint Chiefs of Staff, *Joint Operation Planning*, Joint Publication (JP) 5-0 (August 11, 2011), xxxi, II-1, and III-7, [https://grugq.github.io/resources/jp5\\_0.pdf](https://grugq.github.io/resources/jp5_0.pdf).
15. Or as Lewis Carroll wrote: "Would you tell me, please, which way I ought to go from here?" "That depends a good deal on where you want to get to," said the Cat. "I don't much care where –" said Alice. "Then it doesn't matter which way you go," said the Cat. "– so long as I get SOMEWHERE," Alice added as an explanation. "Oh, you're sure to do that," said the Cat, "if you only walk long enough." See Lewis Carroll, *Alice's Adventures in Wonderland* (London: Macmillan, 1865).
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17. Choe, "South Korean Leader Urges 'Bold Decisions' on North's Denuclearization."
18. The North Korea-China-Russia trilateral vice-ministerial meeting held in Moscow in October 2018 released a joint statement urging the United States to ease sanctions on North Korea, which marked the first time – and certainly not the last – that the three countries officially raised sanction relaxation on North Korea. See, for example, Lee Jeong-ho, "China, Russia, North Korea call for adjusted sanctions ahead of denuclearisation," *South China Morning Post*, October 10, 2018, <https://www.scmp.com/news/china/diplomacy/article/2167931/china-russia-north-korea-call-adjusted-sanctions-ahead>.
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34. On Pompeo’s first overnight visit to Pyongyang, rather than receiving a full inventory of North Korea’s nuclear holdings, the secretary was told Kim was too busy touring a potato farm to make time for America’s top diplomat. Even worse, Kim Yong Chol excoriated Pompeo for “gangsterlike” demands, apparently a reference to Washington changing the understanding at the Singapore summit from peace to demands for a full nuclear inventory.
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