



## **The Korean Crisis: Kim's New Posture, and the US Position**

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### **Executive Summary**

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\* The Kim Jong-Un Administration is here for the foreseeable future. Moreover, Kim Jong-Un is convinced he is not going anywhere; neither has he reason to either compromise with anybody or to concede anything.

\* There is no viable military solution. Pyongyang's unwavering commitment to the "use them or lose them" doctrine makes war impossible.

\* Some of the aborted initiatives can serve as the foundation for viable negotiations – if only as the sole alternative to a nuclear war.

\* The key is connecting Japan and South Korea by rail-lines through North Korea to the PRC's Belt and Road Initiative, laying a unified pipeline system for Russian oil and gas, as well as joint industrial zones. Taken together, these proposed transportation and energy projects would encourage economic involvement of, and interaction between, all regional powers.

\* Washington is looking at the proposed regional solution completely differently. All of the proposed economic measures would further consolidate the Eurasian macro-economic dynamic, thus stirring Europe eastward and away from the Euro-Atlantic sphere, to the detriment of US economy and influence. This factor influences the US refusal to consider a negotiated solution, and keeps the US pushing the Far East toward a nuclear war.

### **About ISPSW**

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## Analysis

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North Korea's latest successful ballistic missile and nuclear tests were not the most important news items coming out of Pyongyang in the first weeks of September 2017. Far more important was the confirmation that Kim Jong-Un's first child, born in 2010, was a boy who had already started his grooming to become the DPRK's next leader.

No less important was the confirmation that Kim Jong-Un's aunt, Kim Kyong-Hui, was gravely ill and not expected to live long. The aggregate message of these reports was that the long-term viability of the Kim's dynasty and state was now secured against both domestic and foreign threats.

The Kim dynasty had a viable heir.

The threat of the People's Republic of China-inspired challenge to Kim's reign — pushed by the now-killed Jang Song-Thaek and Kim Jong-Nam — was diminished with the imminent death of Kim Kyong-Hui (Jang Song-Thaek's widow). The now-proven acquisition of viable strategic strike capabilities made any US- led decapitation of the Kim Administration highly unlikely, if not outrightly impossible.

The Kim Jong-Un Administration, in other words, is here for the foreseeable future. Moreover, Kim Jong-Un is convinced he is not going anywhere; neither has he reason to either compromise with anybody or to concede anything.

The question is, therefore, what's next?

It's definitely not sanctions.

UN votes and political high-tones notwithstanding, sanctions have had little or no impact on the Pyongyang decision- making process. Kim Jong-Un and his coterie have been proven to be largely immune to the impact of the sanctions, and do not care about the plight of others. If anything, the sanctions only remind Kim Jong-Un of the enduring hostility toward him and his Administration, and thus strengthen his resolve to endure at all cost.

But there was, during September 2017, a strong perception that the US was sliding toward war in the Far East, dragging the entire region with it. Official Washington blamed Pyongyang. Kim Jong-Un was "begging for war", stated Nikki Haley, the US Ambassador to the UN, on September 4, 2017. But more realistic analysis shows that he was not.

Kim Jong-Un remains fixated on survival: staying alive and in power. He does not want war with anybody, be it the despised South Korea or the hated US and Japan. Kim Jong-Un wants to sustain the Kim dynasty in power, and is acquiring strike capabilities in order to deter the US and other powers from attempting to interfere with the Kim dynasty and its hold onto power.

Meanwhile, the US keeps banging the war drums without offering any viable alternative. On September 3, 2017, US Secretary of Defense James Mattis warned Pyongyang that a total war against the DPRK was possible. "Any threat to the United States or its territories including Guam or our allies will be met with a massive military response; a response both effective and overwhelming." Sec. Mattis raised the possibility of destroying North Korea as a state. "We are not looking to the total annihilation of a country; namely, North Korea. But as I said, we have many options to do so."

In practical terms, this is bluster. Former US White House Chief Strategist Steve Bannon stated bluntly the US quandary in his August 16, 2017, interview with *The American Prospect* (an interview which was cited as being



the cause of him being dismissed from his post): “There’s no military solution to [North Korea’s nuclear threats], forget it. Until somebody solves the part of the equation that shows me that 10-million people in Seoul don’t die in the first 30 minutes from conventional weapons, I don’t know what you’re talking about, there’s no military solution here; they got us.”

Thus, the fact that the US has the world’s largest and most powerful arsenal is irrelevant. The US cannot afford to engage in a nuclear attack on North Korea because the radiation fallout would hit densely populated Seoul as well. Moreover, any nuclear strike against the North Korean forward fortifications would likely to cause the collapse of the Imnam Dam on the Bukhan River (which already has cracks in it) and widespread floods in northern South Korea, including the Seoul area. This is not an idle threat. In September 2005, North Korea released a massive amount of water from the dam without warning, causing major floods in South Korea. Furthermore, in case of US nuclear strikes on the key strategic facilities of North Korea, massive radiation clouds would also spread into nearby China and Russia, nation-states which are not likely to “understand” and ignore.

Pyongyang has never been oblivious of the US threats and designs.

Over the years, Kim Il-Song, Kim Jong-Il, and Kim Jong-Un, as well as numerous very senior officials, both civilian and military, have all assured international interlocutors of Pyongyang’s firm belief in, and unwavering commitment to the “use them or lose them” doctrine. Thus, the DPRK would empty its strategic weapons arsenals — all missiles and all types of weapons of mass destruction — the moment the Kim-of-the-day determined that a US-led attack was imminent and inevitable. The intent would be to exert the highest possible price for the US- led “audacity” to topple the DPRK Government and most likely kill Kim.

With South Korea and Japan saturated with North Korean agents and spies, and with the PRC and Russia opposed to any US attack, the likelihood of a complete US surprise attack on the DPRK was virtually nil. North Korea would likely have time to implement its “use them or lose them” doctrine to a great extent.

Could the US and its allies withstand a desperate, all-out launching and shelling by North Korea? It’s debatable.

Would the allies — particularly South Korea and Japan — be willing to take the risk of a North Korean all-out strike? Would South Korea agree to actually lose Seoul, or would Japan agree to actually lose Tokyo, in order to avert the North Korean threat to Los Angeles or New York? No, they would not.

Pyongyang’s negotiating strategy does not make things any easier.

The DPRK’s nuclear weapons, ballistic missiles, and all other strategic weapons are off the table. The sole declared objective acceptable to Pyongyang is permanent relations with Seoul which would eliminate the specter of war on the Korean Peninsula.

Pyongyang has insisted that a precondition to any meaningful negotiations on inner-Korean relations was the conclusion of a peace agreement with the United States which would finally bring the Korean War to a formal end.

Currently, there only exists the Korean Armistice Agreement signed on July 27, 1953, which set the DMZ as an interim border until a formal permanent agreement was reached and the border was either restored to the 38th Parallel or was defined anew as an agreed-upon border- line. The DPRK demands focus on negotiating solely with the United States and considering South Korea as a US protectorate of no sovereignty or relevance.



The US has refused to accept these demands. Meanwhile, all of Seoul's initiatives at normalization of relations with Pyongyang floundered because of excessive financial demands by Pyongyang and adamant refusal to permit South Korean access to the North beyond very limited areas under strict supervision. Seoul was also restrained by Washington's adamant objection to any North-South negotiations initiative.

Some of these aborted initiatives could, however, serve as the foundation for viable negotiations, if only as the sole alternative to a nuclear war.

The most important and promising initiatives focused on the integration of the DPRK into a political-economic regional order which would have treated Pyongyang as equal, provided lavish income, and at the same time would have ensnared Pyongyang in a web of conditions. The US' adamant refusal to entertain any political negotiations with the DPRK over an end to the war helped doom these initiatives early on.

As the most relevant precedent — that of 2007 — demonstrated, nuclear tests are not an impediment to launching an initiative and getting promising response from Pyongyang. The 2007 initiative was conceived and launched after North Korea conducted its first nuclear test on October 9, 2006.

The crux of the 2007 initiative was to integrate the DPRK in regional economic development both around trans-Korean rail-lines and in industrialized zones where subcontracting (that is, providing cheap labor for) South Korean, PRC, and possibly other conglomerates. The expectation was that under such conditions, Pyongyang would not feel threatened and be reassured by international recognition, cooperation and huge income.

The initiative started in May 2007 with the resumption of rail travel between Seoul and Pyongyang; the first time since 1951. Trains crossed the border between the two Korea's almost simultaneously. Both Seoul and Pyongyang hailed the event as "a key step toward reconciliation on the divided Korean Peninsula".

The quick and marked expansion the Kaesong Industrial Complex (originally launched in 2004) was also anticipated by official Seoul. The initial success of both reduction of cross-border tension and promise of growing economic cooperation led to the Korean Summit in early October 2007 (the first since 2000 and so far the last). Kim Jong-II and Roh Moo-Hyun met in Pyongyang for three days of both meaningful conversations and symbolic events.

In the Summit discussions, Kim Jong-II expressed hope for some form of near-unification which would enable the DPRK to benefit from the richness of the RoK without losing its distinct *Juche* character (in reality, the retention of the Kim dynasty in power). Kim Jong-II shrugged off the notion of the North occupying and absorbing the South. He was genuinely interested in an economically-viable South subsidizing the North and the Kims' hold on power.

Kim Jong-II repeatedly assured Roh Moo-Hyun of Pyongyang's commitment to improving relations with Seoul and avoidance of crises and threats. Pyongyang was committed to *de facto* and ultimately formal peace in the Peninsula, Kim Jong-II stressed. North Korea had no ill intent toward South Korea; only dread of the US presence in the South and possible US aggression aimed to destroy the North and topple the Kim dynasty.

During his private talks with Roh Moo-Hyun at the Summit, Kim Jong-II went back repeatedly to the example of the fate of Iraqi Pres. Saddam Hussein in the aftermath of the US invasion, and his fear of a US attempt at a similar unilateral "regime change" in Pyongyang. Kim Jong-II pointed out that Roh Moo-Hyun could not guarantee that such an attempt would not happen because, as Roh himself acknowledged, Washington was out of Seoul's control or even influence.



Indeed, the Bush Administration, which opposed the initiative in the name of confronting “the Axis of Evil”, only raised the level of threats to Kim Jong-Il and Pyongyang, as well as the threat of sanctions to any international conglomerate considering production in North Korea. The US threats made participation impossible for the likes of Samsung and Hyundai. It did not take long for the 2007 initiative to fade away.

Nevertheless, the strategic-economic logic behind the 2007 initiative remains viable. Even before the New Silk Road, tying North Korea into a regional transportation system and industrial infrastructure would have benefitted South Korean and Japanese exports to Europe. For North Korea, such an arrangement would have meant breaking its isolation and pariah status, as well as winning massive income from services and production lines.

All these factors are now even more relevant as the PRC’s Belt and Road Initiative (BRI, formerly the One-Belt, One-Road [OBOR] initiative) continues its momentum to become the dominant engine of the macro-economies of the entire Eastern Hemisphere.

Expanded and improved rail communications made possible once the BRI is completed can give immense boost to the South Korean and Japanese exports to Europe and the Middle East, and ultimately also Africa. The extension of the railways, through North Korea, would enable both South Korea and Japan to benefit immensely from the macro-economic revolution represented by the various “silk roads” (whether PRC-dominated or Russian-dominated).

For example, the use of transport by high-speed rail would be most beneficial for the Japanese and South Korean car industries. They would be able to ship individual or few built-to-order cars as needed, instead of the current method of sending shiploads of cars to Europe well in advance on the basis of estimated quantities and with having to deal with modifications and repair on-site in Western Europe. Relying on high-speed rail would reduce prices and still save huge amounts of money because of the elimination of long-term advance capital investments and redundancy in production due to uncertainties.

The same logic also applies to heavy engineering equipment, trucks, industrial goods, home appliances and machinery. As well, the extension of the New Silk Road rail-line would also help European exports to the huge markets in Far East.

Implementation is not that challenging.

The rail systems of both South and North Korea are in good shape and amenable to the necessary upgrading. The short section across the DMZ restored in 2007 has not been destroyed. Presently, the upgraded trans-Korean high-speed rail system can link up to the new high-speed rail-line from Shenyang to Dandong on the North Korean border (opened in Summer 2015). Most of the rail lines in eastern DPRK are dual-gauge so that they can link-up with both the Russian and the PRC rail systems.

Connection to the Russian rail system is already high on Tokyo’s agenda. Russia and Japan are considering building huge bridges between the Sovetskaya Gavan-Innokentevskiy area on the Russian mainland and Sakhalin and between south Sakhalin and Wakkanai, Hokkaido, Japan, in order to link Japanese economy to the Trans-Siberian railway system to the West. Connecting the Japanese and RoK rail systems through ferries, bridges or even a tunnel under the Tsushima Strait, would be simpler and cheaper than the proposed system of bridges to Sakhalin.



But connecting Japan and South Korea does not make sense as long as further travel to both Russia and the PRC via North Korea is not possible.

As well, laying pipelines alongside the trans-Korean rail-lines could enable both South Korea and Japan import the relatively cheap oil and natural gas from Russia's nearby Siberian resources. This would reduce their dependence on the explosive Arabian Peninsula and Iran, as well as the tankers' precarious long voyages through the Indian Ocean and the China Seas. North Korea would be able to simplify its own imports of oil and gas via these pipelines, as well as be lavishly paid for permitting the pipelines to run through its territory.

Taken together, these proposed transportation and energy projects would encourage economic involvement of, and interaction between, all regional powers.

As the experience of the Kaesong Industrial Complex suggests, any exposure to western economic practices ultimately supports the growth of localized market economy in North Korea. Presently, the Kim Jong-Un Government is increasingly tolerating small pockets of private market economy — from food stalls to smuggled PRC consumer goods to prostitution — in order to alleviate shortages and public discontent. The inevitable spread of a private market economy on the coattails of economic relations with neighboring states would demonstrate to Pyongyang that neighboring powers did not seek to topple Kim Jong-Un, and thus help reduce the alienation and bellicosity of Pyongyang.

The Kremlin supports this approach, as articulated by Vladimir Putin during the BRICS Summit in Beijing and the subsequent early September meetings in Vladivostok with Moon Jae-In and Shinzo Abe. "There is no need to be swept up by emotions, and drive North Korea into a dead-end road," Putin warned. "Now more than ever, a calm posture is needed to avoid raising tensions."

He stressed the importance of regional infrastructure projects to calming down all parties. "We could deliver Russian pipeline gas to Korea and integrate the power lines and railway systems of Russia, the Republic of Korea, and North Korea. The implementation of these initiatives will be not only economically beneficial, but will also help build up trust and stability on the Korean Peninsula," Putin explained.

"The development of the Far East will also help change North Korea and create the basis for the implementation of the trilateral agreements. We will be working hard on this," Moon concurred with Putin. Seoul will soon build an industrial complex at the Russia-North Korea border as part of new trilateral economic cooperation.

Thus, the key to regional stability is not whether North Korea would have nuclear weapons and long-range ballistic missiles, but rather whether Kim Jong-Un and his successors would feel so threatened as to consider pushing the Red Button. The strategic weapons are the Kims' measures of last resort against the fate of Saddam Hussein, Muammar al-Qadhafi, and a host of other leaders forcibly removed by the US. Therefore, for the US, it would be imperative to convince Kim Jong-Un that there was no threat or conspiracy concealed in the proposed new regional order.

In 2017, the challenge is far more difficult than it was in 2007.

Pyongyang was, by mid- September 2017, far more paranoid and mistrustful because of the failure of previous initiatives and duplicitous negotiations by Washington.

Even if implemented, such a regional arrangement would not be a perfect solution and would not last forever. However, any such regional posture would be deemed preferable to the nuclear war and ensuing devastation



that now seem to be imminent. Meanwhile, the most affected states — Japan and South Korea — have let it be known in Vladivostok and elsewhere that they would endorse any regional solution which would credibly remove the North Korean threat.

There is no enthusiasm in Tokyo and Seoul for Washington's brinkmanship for fear of having to pay the unimaginable price of a US miscalculation.

US Pres. Donald Trump's Washington is looking at the proposed regional solution completely differently.

Once successful, all of the proposed economic measures would further consolidate the Eurasian macro-economic dynamic, thus stirring Europe eastward and away from the Euro-Atlantic sphere, to the detriment of the US economy and US influence. This factor has clearly influenced the US refusal to consider a negotiated solution, and keeps the US pushing the Far East toward a nuclear war.

Economic and trade issues have been at the forefront of the policy formulation at the Trump White House. While Washington was pressuring Beijing to lead the international effort to defuse Pyongyang in complete disregard of the PRC's own interests and long-term policies, Washington markedly increased the pressure on Beijing regarding trade practices and the value of the *renminbi/yuan*, as well as the South China Sea.

The Trump White House has a clear stand on the US priorities. "To me, the economic war with China is everything. And we have to be maniacally focused on that. If we continue to lose it, we're five years away, I think, 10 years at most, of hitting an inflection point from which we'll never be able to recover," Bannon explained in his August 16, 2017, interview.

Similarly, even at the near-climax of the Korean crisis, Washington decided to re-examine the free trade agreement with South Korea and demand new concessions. Pleading for the defense of his country, Moon Jae-In was informed that Trump was inclined to unilaterally withdraw from, or renegotiate completely, the Korea-US Trade Partnership.

Washington seemed unconcerned with the substantial political and economic costs for Seoul, particularly at times of such a security crisis.

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**Remarks:** Opinions expressed in this contribution are those of the author.

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## About the Author of this Issue

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Yossef Bodansky has been the Director of Research at the International Strategic Studies Association [ISSA], as well as a Senior Editor for the *Defense & Foreign Affairs* group of publications, since 1983. He was the Director of the Congressional Task Force on Terrorism and Unconventional Warfare at the U.S. House of Representatives between 1988 and 2004, and stayed on as a special adviser to Congress till January 2009. In the mid-1980s, he acted as a senior consultant for the U.S. Department of Defense and the Department of State.

He is the author of eleven books – including *Bin Laden: The Man Who Declared War on America* (*New York Times* No. 1 Bestseller & *Washington Post* No. 1 Bestseller), *The Secret History of the Iraq War* (*New York Times* Bestseller & *Foreign Affairs Magazine* Bestseller), and *Chechen Jihad: Al Qaeda's Training Ground and the Next Wave of Terror* – and hundreds of articles, book chapters and Congressional reports.

Mr Bodansky is a Director at the Prague Society for International Cooperation, and serves on the Board of the Global Panel Foundation and several other institutions worldwide.



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