

The Spillover Effect of a Nuclear-Free and Peaceful Korea: Necessity of Audacity for Audacity

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1. Introduction

Inaugurated on January 20, 2009, the Obama administration faces a variety of global challenges that make prioritizing of its foreign policies difficult. These challenges include the current global financial crisis, the Israel – Palestinian conflict, the War on Terror, the wars in Iraq and Afghanistan, the spread of weapons of mass destruction including the Iranian and North Korean nuclear issues, global warming, and the global spread of poverty and diseases. In addition to these, the administration must avoid a “Second Cold War with Russia” and establish a fresh working relationship with China, the world’s newest superpower. While these challenges seem compartmentalized, in the increasingly “networked world” that interconnects nations, these challenges also become interconnected with one another.

Hence, all presented challenges are significant, because each brings its own unique challenge, but also because each is related to resolving other challenges. In this paper, I will emphasize the meaning and significance of a nuclear-free and peaceful Korean peninsula. Furthermore, I will include the possibility of the resolution of the ongoing North Korean nuclear crisis. The emphasis on the Korean peninsula is not because of its greater significance in comparison to other challenges, but rather from its historical significance, implementation potential, and spillover effects.

2. The Historical Meaning and Forward-looking Nature of the Resolution of Korean Conflict

Let us first examine the historical significance of resolving the conflict on the Korean Peninsula, for this historical event is intimately related to the complicated feelings Koreans have towards the United States. The crux of Korean ambivalence is found within two critical events in which the United States was deeply involved. The first is the forced division of the Korean Peninsula at the hands of its liberators, the United States and the Soviet Union, which accompanied Korea’s liberation from Japanese occupation on August 15, 1945. The second event was the Armistice Treaty of July 27, 1953 which halted the Korean War while failing to end it. On the one hand, many Koreans are thankful to the United States for defending the South from the North’s invasion and for helping South Korea achieve economic prosperity and security. On the other hand, many lament the fact that the United States disregarded the will of the Korean people and took the lead in dividing the Korean Peninsula while it has been less than enthusiastic about converting the Armistice Treaty into a peace treaty. Some Koreans believe that it is the historical obligation of the United States to make sincere efforts in ending the armistice status on the Korean Peninsula and, in the long run, the division of the Korean Peninsula. This would pave the way for a truly sincere friendship between Korea and the United States.

The U.S. and its Western allies declare the Cold War as history, when it still rages on

the Korean Peninsula and in Northeast Asia. Resolving this conflict would not only serve to heal historical wounds, but as a catalyst for preventing the start of another Cold War by the greater forces. In the current Cold War, the nature of the conflict is not limited to the two Koreas, but includes North Korea against Japan and the United States. Without resolution, these conflicts can potentially escalate by bringing in associated alliances and adjacent nations within Northeast Asia. In sum, resolving the Korean Peninsula issue should be viewed as a clean break from the conflicts of the 20th century and a gateway to a 21st century of co-prosperity and peace.

3. The Spillover Effects of a Nuclear-Free and Peaceful Korea

The world of the 21st century can be seen as one big fish net due to today's unprecedented depth and breadth of interconnectedness.¹ Moreover, this signals the end of the "Huge Chess Match" for the US, in which it controlled and set the rules of the game. Today, the U.S., like other nations, is just a player in 'Grand Net.' In this context, the Obama Administration should critically evaluate the potential positive spill-over effects of a peaceful and nuclear-free Korean Peninsula, as they are directly linked to the administration's foreign policy goals and U.S. national interests.

In a world of 'Grand Net,' problems of the Korean peninsula do not only affect the involved players, but spillover to other issues and regions as they unfold. Aware of that effect, the United States has consistently emphasized the negative spillover effects of North Korea's possession of nuclear weapons. These include the proliferation of nuclear weapons through their transfer to other countries or terrorist groups, the nuclear domino effect in Northeast Asia, instability in the nuclear Non-Proliferation Treaty (NPT) and the risk of nuclear war in the case of armed conflict on the Korean Peninsula. However, the United States has tended to ignore the positive spillover effects from the peaceful resolution of the North Korean nuclear crisis.

If the United States was overwhelmed by the negative potential of North Korea's possession of nuclear weapons, then the response would be to focus on coercive and military measures such as strengthening the Proliferation Security Initiative (PSI), sanctions through the UN Security Council and a military response to any contingency situations in North Korea. However, such measures would stir up North Korea's doubt and insecurity, strengthening its motivation to possess nuclear weapons. Conversely, if one can focus on the positive spillover effects, then the will to resolve the issue peacefully through dialogue and negotiation will only get stronger. Below is the analysis of seven positive effects.

First, a quick resolution of the North Korean crisis would help the United States end its current "nightmare" of North Korea's possession of nuclear weapons and the possibility of a Nuclear 9-11. This 'nightmare' is an event orchestrated by Al Qaeda or other terrorist organizations having access to nuclear weapons or nuclear technologies possessed by North Korea. By the same token, the expedited resolution of the North Korean nuclear crisis would contribute to assuring America's security by substantially decreasing the likelihood of a Nuclear 9-11.

¹ Phoenix Initiative, "Strategic Leadership: Framework for a 21st Century National Security Strategy," July 2008, http://www.brookings.edu/~media/Files/rc/reports/2008/07_national_security_brainard/07_national_security_brainard.pdf

Second, the resolution of the North Korean nuclear issue would re-energize the Nonproliferation Treaty (NPT), which currently faces its biggest crisis in its forty year history. The NPT has regressed during the last eight years due to the Bush administration's unilateral nuclear policy and the development of nuclear programs by both Iran and North Korea. Concerned with that regression, the Obama administration seeks an overall nuclear weapons reduction through negotiations with Russia and proposes to automatically sanction countries that violate the NPT and develop nuclear weapons. Since North Korea has already left the NPT system, the amendment of the NPT will not give any basis for sanctioning North Korea. The best solution would be to make a breakthrough before the NPT Review Conference scheduled for May 2010. Since North Korea is the first country ever to withdraw from the NPT and test nuclear weapons, the NPT system will be re-energized by having North Korea give up its nuclear weapons program and rejoin the NPT.

Third, the resolution of the North Korean nuclear crisis could positively affect the Iranian nuclear crisis, which is one of the most urgent foreign policy goals of the Obama administration. If the North Korean crisis is resolved via two mechanisms-- the Six-Party Talks and the direct dialogue between North Korea and the United States-- the Iranian crisis could be resolved through its own seven-party talks. This could involve the United States, Iran, Great Britain, France, Germany, Russia and China, in conjunction with direct dialogue between Iran and the United States. In practice, on the condition of providing light water reactors to North Korea, the Six Parties must also resolve to provide nuclear fuel from outside of North Korea and remove all spent fuel rods. This model could be adopted for the Iranian situation as well. Resolution of the North Korean nuclear crisis would enable the Obama administration to concentrate on the Iranian crisis and would send a strong message to Iran about the necessity of compromise.

Fourth, the resolution of the North Korean nuclear crisis is the gateway to elevating the Six-Party Talks into a Northeast Asia peace and security system. This goal seems to be in line with the Obama administration's goal to "forge a more effective framework in Asia that goes beyond bilateral agreements, occasional summits, and ad hoc arrangements, such as the six-party talks." Establishing effective multilateral structure as a means to securing peace and co-prosperity in Northeast Asia is vitally important, for it will cleanse the legacies of the major power clashes of the Cold War and achieve what these powers failed to do in the region. However, achieving such a comprehensive goal will not be possible without the resolution of Korean issues.

Fifth, the resolution of the North Korean nuclear crisis will contribute to preventing a "second Cold War" between the United States and Russia. With America in the process of installing its missile defense (MD) system in Eastern Europe, Europe is concerned that this could lead to a second Cold War, as Russia vehemently protests such a move. If the administration does not deal wisely with its tension with Russia, then advancement on other foreign policy issues, such as nuclear arms reduction, progress in such fundamental issues as terrorism, resolution of the North Korean and Iranian nuclear crises and the war in Afghanistan, will become more difficult. On the contrary, if the North Korean nuclear crisis is resolved and the Cold War on the Korean Peninsula is over, then the world will have greater knowledge as to how to avoid a second Cold War between the United States and Russia. In short, resolution of the North Korean nuclear crisis and achieving lasting peace on the Korean Peninsula would diminish the urgency for setting up the MD system. This, in turn, would enable the Administration to reevaluate the MD system while providing an opportunity to

improve America's relationship with Russia and China.

Sixth, a nuclear-free and peaceful Korea can contribute to building bilateral and multilateral partnerships regarding both climate change and energy security. If the resolution of the North Korean nuclear issue is delayed, a divergence between China and the United States concerning their individual goals toward the Korean peninsula could emerge. Currently, the United States is focusing on the nuclear issue while China is more interested in maintaining stability of the Korean peninsula because it serves as China's buffer-zone. Divergence will negatively affect United States-China cooperation on climate change. Conversely, a quick resolution of the Korean issue would contribute not only to a strengthening of bilateral relations between the United States and China, but also to the building of a multilateral partnership. For example, a nuclear-free and peaceful Korea will accelerate construction of a gas pipeline connecting Russia and the two Koreas, and would reduce South Korean dependency on oil, a main culprit of global warming. Another potential initiative is to create a Northeast Asia Green Fund, to which Six-party talk participants contribute financial resources, hopefully from reduced military budgets, for resolving climate change in the regional and global context.

The final spillover effect is that the resolution of the North Korean nuclear crisis would contribute to the financial health of the United States. Without reducing its seven hundred billion dollar military spending, it will be difficult for the United States to provide an adequate budget for expanded social services, education and green economic initiatives. Moreover, the mammoth military expense of the United States has led to increased military spending by other nations, most notably China and Russia, increasing the potential of both an arms race and conflict. Resolution of the North Korean nuclear crisis and achieving lasting peace on the Korean Peninsula would enable the administration to control the speed and scale of huge military projects, most prominently the MD system. Furthermore, resolution would give more flexibility in America's use of its military resources through reduction in the size of the American military presence in both South Korea and Japan. As previously mentioned, all these spillover effects would generate an international environment in which a significant reduction in military spending could become possible.

4. Feasibility of the Resolution of the North Korean Nuclear Issue

The Obama administration should carefully note the feasibility of resolving the Korean conflict, which includes the North Korean nuclear crisis. When prioritizing policies, the feasibility, as well as the urgency and the significance of a policy needs to be evaluated. By focusing on a feasible foreign policy initiative and accomplishing visible progress through such an initiative, the Obama administration can build strong credibility for tackling other, more difficult foreign policy issues. The North Korean nuclear crisis is an issue through which the administration can build its foreign policy momentum.

Some claim diplomacy is useless when dealing with North Korea, as they say, "North Korea will never give up its nuclear arsenal as it is essential for the survival of the regime." Whether or not North Korea will give up its nuclear weapons is not a static issue but one to be explored and confirmed through "tough and direct diplomacy." Dealing with North Korea with rigid ideologies and prejudices is tantamount to the abandonment of diplomacy based on principles and interests and is the quickest way to live with a nuclear North Korea. There is no better example of this than the consequences of the Bush Administration's handling of

North Korea.

Here are several reasons to conclude that it is possible to resolve the North Korean crisis through diplomacy. First, North Korea desires to end its perpetual animosity with the United States and to normalize this relationship. The consistent North Korean position has been that “if the US hostile policies are withdrawn, then there is no reason to have nuclear weapons.” Nuclear weapons are not the end in themselves to North Korea but a means to ensure both survival and development. There is no better guarantee than this about the North Korean position and for the possibility of resolution through diplomacy, even though “ending the US hostile policy” includes demands that are difficult for the US to accept. This is why ‘Audacity for Audacity’ is needed.

Second, North Korea does not regard the possession of nuclear weapons as the absolute condition for a grand strategy. The goal to forge a "Great prosperous and powerful nation" by 2012 is a grand strategy pursued by Kim Jong Il's regime. The regime has announced that North Korea will fling open its gate of a great prosperous and powerful nation by 2012, the centenary of the birth of the late Kim Il Sung, Kim Jong Il's father.² If fulfilling this mandate is considered a national interest, then it serves as a useful tool of understanding the policies of the regime. Since the regime claims that it has already occupied the position of a political, ideological, and military power, it proclaims that by 2012, it will build economic and scientific power through a revolutionary surge.

It is in this context that we should analyze the launching of the DPRK's satellite on April 5, 2009, which caused a security crisis in the Korean peninsula and Northeast Asia. The DPRK made it clear that the launching of the satellite symbolized the first step of opening its gate of a great prosperous and powerful nation. In addition, they see the obtaining of satellite technology as the crux to becoming a scientific powerhouse. Furthermore, on March 28 and 30, the *Nodong Shinmun* introduced Kim Jong Il's conversation with his key officers during his birthday, where he stressed the need to pay closer attention to Kim Il Sung's instructions on the economic prosperity of North Korea. This story implies that resolving the economic welfare of the people is another important aspect of the “Great prosperous and powerful nation” that the regime is aiming to achieve.

Contrary to the regime's determination for economic resolve, the regime has not proclaimed becoming a nuclear nation as an absolute condition for its "Great prosperous and powerful nation" by 2012. Indeed, a New Year's editorial in 2009 published an article preferring strength of national unity over the capacity of nuclear weapons, and emphasized achieving a nuclear-free Korean peninsula as the regime's legitimate foreign policy of choice. Furthermore, that policy was advocated by Kim Il Sung. In sum, if Kim Jong Il cannot achieve a nuclear-free Korean peninsula by 2012, he will find himself in a politically uncomfortable situation for not fulfilling his father's instructions.

It is in this political atmosphere that we find hope for resolving the Korean peninsula's security crisis. Since the DPRK did not attach becoming a nuclear nation as an absolute condition for becoming a “Great prosperous and powerful nation,” it has left an opening for giving up its nuclear program, although this is achievable only with audacious compromise. Ranges of people may think pessimistically of this idea because of the regime's

² “North Korean Workers Urged to Bring About “New Great Surge,”” *BBC Monitoring Asia Pacific—Political*, December 28, 2008.

heavy dependence on the program for security and survival. On the contrary, this means that giving up the program will require strategic yet courageous decision-making. This end is possible only through mutually and equally audacious correspondence by all involved members, so called “audacity for audacity.”

A third important point to remember is the progress made after the change in the Bush administration’s North Korea policy in 2007. Through the 1st and 2nd stage implementations—agreed respectively on February 13 and October 3 of 2007—and under the September 19 Joint Statement, North Korea closed and sealed its Yongbyon facility and completed eighty percent of disablement. Moreover, North Korea has handed over to the United States the activation records of the Yongbyon facility since late 1980 and, after much controversy, declared its nuclear programs. Furthermore, the cooling tower, a symbol of the Yongbyon facility, was destroyed. These measures mean that once North Korea’s nuclear disablement process is completed, despite relapse and difficulties, it can no longer acquire nuclear materials through its own plutonium reprocessing.

These developments signify paramount importance in practice. The history of the five major nuclear powers—the United States, Russia, Israel, India and Pakistan—all illustrate that none of these powers were satisfied with possessing only a few nuclear weapons. This behavior is not surprising, for the essence of nuclear deterrence means having retaliation capacity of second and third strike by amassing hundreds of nuclear weapons.

However, North Korea stopped its nuclear weapons program after amassing only five to eight nuclear weapons, even though it faces a fully armed United States with its ten thousand nuclear weapons, as well as Japan and South Korea. This action indicates that the ultimate goal of North Korea is not the actual possession of nuclear weapons but the achievement of its diplomatic, security and economic objectives by leveraging its negotiating position with nuclear weapons.

It would not be easy for North Korea to give up its nuclear weapons, as this action requires North Korea to make a bold strategic decision. This, in turn, means that the United States and the other Six Party Talks participants need to make bold strategic decisions as well. Therefore, the Obama Administration’s North Korea policies need another modifier in addition to the “tough and direct” ones already used; namely, “audacious.” If you want the other party to make an audacious decision, you need to be willing to do the same. If the other party is prepared to make a comprehensive concession, you should be willing to do the same. The comprehensive and audacious bargain should include resuming the light water reactor construction, conversion of the Armistice Treaty into a peace treaty, normalization of relations and, finally, changes in the United States’ military preparation, including its current nuclear policy.

5. Recommendations for the Obama Administration’s North Korea Policy

In addition to the rewards and feelings of hope given to the international community, a settlement of the North Korean nuclear issue would benefit the United States and, of course, the Korean peninsula. This accomplishment, however, is not an easy task. The successful completion of this task depends not only on North Korea’s strategic decisions and the cooperation of the participating nations of the Six Party Talks, but also largely on the establishment of a DPRK policy by the Obama administration which actively seeks to resolve

the issue. A review of both the Clinton and Bush administration's North Korea policy is the first step to realizing this goal. More importantly, it is pertinent that a common 'Great Goal and Vision' be created with the counterpart of these negotiations, namely North Korea.

The preceding American administrations did not take the lead in establishing a peace settlement on the Korean peninsula through US-DPRK amity or the conversion of the armistice agreement into a peace agreement. They were unable to overcome repressive and reactive mechanisms when responding to North Korean provocations. Instead of applying 'preventive diplomacy' to manage and dissolve North Korea's threat, a large-scale military power disposition was presented while powerful US-South Korea (ROK) and US-Japan alliances were utilized to employ a containment and deterrence strategy. This policy simultaneously incurred both half a success and half a failure. The half success was preventing a second Korean War, thus contributing to the security and economic growth of South Korea, a significant American ally. However, this same deterrence policy also reinforced North Korea's belief that a similar deterrence policy was essential for them, providing North Korea with a cause to develop nuclear weapons and ballistic missiles, making the practice a half-failure.

Additionally, the incentives offered by the U.S. to express its interest in achieving a peace settlement on the Korean peninsula were problematic. These included the normalization of US-DPRK relations and the conclusion of a peace agreement. Indeed, the United States consistently displayed a passive and after-the-fact posture, brought crucial elements to the negotiation table only in response to North Korea's demands, which were exhibited by firing missiles and the testing of a nuclear weapon. However, the normalization of US-DPRK relations and establishing a peace settlement go beyond the level of bestowing a favor on the Korean peninsula. Decreasing the number of enemy states, even by one, contributes largely to US national interests. Moreover, transforming an insecure cease-fire agreement into a peace regime is the safest method to protect the priceless lives and assets of the United States, including those of the US Forces in Korea.

Certainly as long as the threat of North Korea remains, deterrence will be essential; however, it will be impossible to untangle the root of the problems on the Korean peninsula with a policy that adheres only to deterrence. The American-led powerful deterrence policy, in conjunction with a limited engagement strategy, triggered a response in kind from North Korea. This mechanism can be called 'the trap of hedging strategies.' The Obama administration should get out of this trap in order to not repeat the previous 'half failure.' Instead, a new approach to North Korea should be based on 'audacious engagement' and 'restraint deterrence.' An audacious engagement policy 'engages' the concerns and demands of the United States, North Korea, and other related parties; 'anticipates' incentives while intermittently presenting them to North Korea; 'cooperates' by thoroughly executing negotiated agreements; and 'reduces' US-led military power and deployment against North Korea parallel to the denuclearization process. Only after the Obama administration structuralizes this engagement policy can the United States exhibit strategic leadership in the framework of the Six Party Talks and direct talks with North Korea. With these notions as the basis for the transformation, the Obama administration should restructure the United States-North Korea policy as follows.

First, the United States should not regard the conclusion of a peace agreement and US-DPRK amity as tools for denuclearization. Conversely, it should be established as

prerequisites of the 'Great Goal'. If goals and benefits cannot be shared with one's negotiating counterpart, then strategic leadership cannot be exhibited which, ultimately, hinders the attainment of the United States' own goals. Yet, previous US administrations did not regard the conclusion of a peace agreement and US-DPRK amity as prior phases to achieving the goal of denuclearization on the Korean peninsula. This attitude pushed North Korea to use their last card and develop nuclear weapons and missiles in order to achieve their goals of a peace agreement and the normalization of US-DPRK relations. The result confirmed the problematic nature of US negotiation tactics in the denuclearization process. Moreover, the core elements of North Korea's goals are in conflict with U.S.'s. North Korea desires establishing a peace agreement and amity with the United States. However, these are in a state of conflict with the U.S. goal of denuclearizing the Korean peninsula, making it difficult to escape from an exhaustive and tedious framework of negotiations.

Undoubtedly, this situation does not indicate a call for the normalization of US-DPRK relations and the conclusion of a peace agreement without North Korea surrendering their nuclear weapons. It serves merely to point out the need for the United States to view US-DPRK amity and a peace agreement as a part of the entire denuclearization process of the Korean peninsula rather than viewing them as two separate steps. Not only will this comprehensive approach be the most potent method in testing the resolve of North Korea in abandoning its nuclear weapons, but it will also contribute to establishing the recognition of a common greater goal. Finally, it will simultaneously solve the monotonous debate surrounding the sequential progression of denuclearization versus the normalization of relations.

Second, the United States must not simply view the denuclearization of the Korean peninsula in the narrow framework of finding the solution to the problem of the North Korean nuclear issue. Instead, it must be viewed as a part of the Obama administration's greater goal of strengthening the structure of nuclear nonproliferation and of the peninsula in the free world. Henceforth, one of the most tantalizing problems in the negotiations with North Korea will be to settle the differences of the notions and objectives of what the United States and South Korea maintain as the 'denuclearization of the Korean peninsula (*Han-bando*)' and what North Korea asserts as the 'denuclearization of the Korean peninsula (*Chosun-bando*).' In light of the United States' assurances pertaining to the absence of nuclear weapons in South Korea and the pledge not "to attack or invade the DPRK with nuclear or conventional weapons," the United States views the accomplishment of the denuclearization of the Korean peninsula possible if, and when, North Korea "completely and verifiably abandons all nuclear weapons programs." Conversely, North Korea demands a ban on the redeployment of all American nuclear weapons into South Korea and temporary passage of America nuclear weapons through South Korea, and the withdrawal of the United States' nuclear umbrella as components of the 'denuclearization of the *Chosun* peninsula.' North Korea has declared they will not abandon their nuclear weapons without having these conditions met, despite the offering of normalization in US-DPRK relations. However, the U.S. has rebuffed the demand, arguing that its nuclear policies pertain to its alliances, not to North Korea.

To resolve current problems and settle dissenting opinions on the ideals and goals of denuclearization, the United States must devise a plan that will simultaneously change America's nuclear policy while exerting additional demands on North Korea. Three directions are recommended: accelerate the denuclearization of the Korean peninsula,

reinforce a nuclear nonproliferation structure and create a nuclear weapon-free world. First, the Negative Security Assurance (NSA) must be established as a legally binding international regime through the NPT's revision or a separate international treaty. This will not only solve the problem with North Korea, but will also contribute to the solution of the Iranian nuclear problem. The second direction regards the issue of the redeployment and the temporary passage of American nuclear weapons. The Obama administration should propose that "all nuclear weapon states will not deploy or pass nuclear weapons through the Korean peninsula" by initiating a draft of an agreement within the Six Party Talks. This way it will not be a unilateral concession on the part of the United States but a multilateral solution to the problem, while it goes beyond the denuclearization of the Korean peninsula and initiates the establishment of a nuclear weapon-free zone in Northeast Asia. Third, a plan to include a clause in either the agreement drafted by the Six Party Talks or in the Korean peninsula peace agreement which states the "simultaneous withdrawal of the American nuclear umbrella upon the complete abandonment of North Korea's nuclear weapons" should be considered.

Current U.S. demands on North Korea include "a complete and verifiable abandonment of all nuclear programs," and returning to the NPT and the IAEA. In addition to these, the US should demand more by requiring the signing and ratification of the Comprehensive Test Ban Treaty (CTBT) and participation in the discussion of the Fissile Material Cut-off Treaty (FMCT). Indeed, the CTBT and the FMCT are the two focal goals of the Obama administration in order to strengthen overall nuclear nonproliferation. Hence, as a "rogue state" and as "the worst proliferator," the adherence of North Korea to these treaties would possess great significance.

Third, whereas execution should be implemented in phases, mutual agreements should be conducted comprehensively, particularly in regards to verification and for solutions to the problem of the light-water reactors (LWRs). The Bush administration demanded North Korean verification based on so-called "international standards" such as nuclear material sampling, inspections of undeclared facilities, etc. North Korea feels that the demands made by the United States not only disregards the 'special status' of North Korea, as they withdrew from the NPT and tested a nuclear weapon, but is also a matter that does not exist in the current agreement. All in all, these inconsiderate conditions have resulted in North Korea's inevitable defiance of the United States. For all these reasons, the Six-Party Talks broke down in December of 2008, acting as a hindrance to both the disablement of North Korean nuclear facilities and the conclusion in the execution of the second phase of the agreement which consisted mainly of energy and economic compensation by the five parties involved. Additionally, North Korea is demanding a withdrawal of the United States' hostile policy grounded in the resumption of the light-water reactor project.

To resolve this problem, the Obama administration needs to consider a package deal based on a 'light-water reactor for verification' approach. Specifically, the agenda for Phase 3 negotiations would include discussion on the light-water reactors and more specifically, that construction resumes at the conclusion of a Phase 3 agreement along with the establishment of an atomic energy agreement between the United States and DPRK, while reinstating North Korea into the IAEA. These should all be executed in accordance with the 'action for action' policy.

This kind of approach maintains advantages that will allow for a smooth process in the denuclearization of the Korean peninsula. First of all, clearly stating the provision for

light-water reactors acts as an incentive for North Korea to abandon its nuclear weapons and as a sanction if met by North Korean noncompliance. The rationale behind this approach is that light-water reactor construction is estimated to take about five years to complete, and during that time, if North Korea fails to execute its promises, then the construction may be suspended as a way of imposing penal regulations. Additionally, if part of the US-DPRK atomic energy agreement reinstates North Korea to the IAEA, and requires completing the construction of the light-water reactors, then it will open the path to the verification of North Korea's nuclear activities as applied to 'international standards.'

Fourth, an active American posture should be demonstrated through the dispatch of a North Korea special envoy and a summit with North Korea. Regardless of the many positive changes in the North Korean policy by the Bush administration subsequent to 2007, President Bush displayed a negative attitude towards the possibility of a visit by the Secretary of State to North Korea or a summit with Chairman Kim Jong-Il. This resulted in the loss of an opportunity to grasp the intentions of North Korea, prompt a strategic decision and build trust between the United States and North Korea.

Fortunately, the Obama administration is exhibiting a favorable position towards high-level talks with North Korea, including the possibility of a summit. However, the problem now is execution. If the Obama administration gives other matters a priority and therefore demonstrates a passive attitude towards high-level talks, then they will only duplicate the mistakes of the Bush administration. It is crucial to hold a high-level talk, because issues of verification problems, light-water reactors, the abandonment of nuclear weapons and nuclear material by North Korea, a transfer from the cease-fire agreement to a peace agreement, normalization of US-DPRK relations, and a change in the United States nuclear policy are difficult to resolve at working-level talks. This is because these issues demand high-level attention from both the United States and North Korea. From this context, the Obama administration needs to promote dialogue between high-level officials from both sides. Furthermore, it is most desirable to start the dialogue early when a strategic resolution is needed, rather than following a triumph of reaching a resolution with a United States-North Korea summit.

Fifth, the Obama administration must display leadership in the cooperation among the United States, South Korea and Japan. It will be difficult for the Obama administration to neglect the positions of South Korea and Japan, as they are allies of the United States and also participating nations of the Six Party Talks. Conversely, due to inter-Korea relations and the Japanese abductees issue, the Korean and Japanese government may use these concerns as reasons to potentially restrain or intrude on the North Korean policy of the Obama administration. If the Obama administration places priority on the trilateral cooperation between the US-ROK-Japan rather than the Six-Party Talks and direct bilateral talks, it will increase opposition and the entire framework of the Six-Party Talks may be disturbed. Overall, the Obama administration's dilemma may expand if both inter-Korean relations and DPRK-Japan relations do not improve.

In light of the deteriorating inter-Korean relations and North Korea-Japan relations, all three nations must, together, change their postures. This will be possible if the Obama administration secures the confidence of all three nations and becomes an 'impartial arbitrator.' Therefore, it is necessary for the Obama administration to emphasize to both Korea and Japan the overall effectiveness of the United States' North Korean policy to curb

worries and promote its usefulness in attaining the common goals of all six parties. The process begins with the dispatch of a US special envoy to North Korea. This approach will also serve as an opportunity for Korea and Japan to recognize the need for an improvement in their own relations with the DPRK. Additionally, North Korea must be convinced that if inter-Korean relations and DPRK-Japan relations do not improve, then the principle demands of North Korea, including the provisions for energy and light-water reactors, normalization of US-DPRK relations and the conclusion of a peace agreement, may become logistically impossible.

In order for the Obama administration to successfully carry out this role as an “impartial arbitrator,” the administration should hold high-level talks with North Korea. The talks should carry equal weight of importance to the policy discussions held between the United States, Japan and Korea. In doing so, what is critical for the Obama administration to understand is that the deterioration of inter-Korean and DPRK-Japan relations is the reason to pursue an accelerated, rather than a reluctant, approach of “tough and direct diplomacy.”

Finally, current military policies that negatively influence negotiations with North Korea should be restrained. From North Korea’s perspective, abandoning nuclear weapons carries great significance because it relinquishes the most powerful military deterrence. Hence, this article attempts to predict the importance of military issues at future negotiations with North Korea, while simultaneously pointing to the task at hand for the Obama administration of adjusting United States military policies with regards to ‘mutual threat reduction.’ The United States, while pursuing diplomatic negotiations, has concurrently reinforced arms deployments in the Asia Pacific region, arranged the missile defense (MD) system and the Proliferation Security Initiative (PSI), etc. While these moves are rooted in the ‘provision for an emergency,’ they on the other hand induce a sense of threat in North Korea, serving as the impetus for the development of nuclear weapons and ballistic missiles. As a retort to this hedging strategy displayed by the United States, North Korea too has come back with a hedging strategy. If this mechanism cannot be overcome, finding a resolution to the North Korean nuclear problem will be a far-fetched goal. The Obama administration will have to provide political, economic and diplomatic incentives along with a re-adjustment of United States military policies.

Specifically, three things are critical for the negotiations: 1. an overall re-examination of the PSI and MD system. 2. Operation Plan 5029, which is the US-ROK military countermeasure plan in the case of a sudden change in North Korea. 3. A reduction in the size and frequency of the ROK-US combined military exercises. Furthermore, when a solution to the North Korean nuclear issue has transpired and the discussion for a peace agreement is authorized, then a plan to promote ‘talks for arms reduction on the Korean peninsula’ may be considered.