



## **A U.S.-ROK-China dialogue on North Korea's Nuclear Stalemate: Update, Review, and Assessment**

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### **I. Introduction**

The Forum on Asia-Pacific Security (FAPS) of the National Committee on American Foreign Policy (NCAFP) hosted a Track 1.5 meeting in New York on March 22-23, 2016, with participants from the U.S., the Republic of Korea (ROK) and the People's Republic of China. (The participant list for the trilateral meeting appears in the appendix.)

The passage of UN Security Council Resolution 2270 in response to North Korea's fourth nuclear test in January of 2016 and a long-range missile launch the following month formed the backdrop for this first NCAFP trilateral U.S.-China-ROK dialogue. This private dialogue among informed scholars found a consensus regarding the seriousness of the dangers to regional security posed by Pyongyang's continued progress in developing nuclear weapons and its defiance of the international community. However, there also remained critical differences among the three countries, both on how harsh sanctions should be and on whether North Korea would respond constructively to new sanctions.

The following report summarizes the conference discussion and key policy recommendations.

### **II. North Korean Capabilities & Threat Assessment**

Experts believe North Korea now has 10 to 20 nuclear weapons and Pyongyang has mastered warhead miniaturization—essential if the weapon is to be carried long distances. But the North may not yet have perfected re-entry technology and therefore may not be able to deliver a nuclear device on a long-range missile.

North Korea must conduct additional tests if its nuclear and missile capabilities are to be operational and reliable. Importantly, North Korea is dependent on outside materials to supply its missile and nuclear programs, so tightened export controls and sanctions can slow the North's progress, even if it cannot be stopped completely. Thus, effective sanctions implementation should make it harder for North Korea to buy whatever it needs on the international market.

North Korea's growing nuclear weapons and missile capabilities are a major international concern. But Pyongyang's threats to use nuclear weapons preemptively have made this concern all the more troubling. North Korea's development of a deliverable nuclear weapon would also increase the likelihood that it would threaten, intimidate, or blackmail its neighbors and adversaries in a crisis.

### **III. Policy Direction**

A U.S. participant in the dialogue stressed that the international community's inability to prevent North Korea from developing nuclear weapons and missiles speaks volumes about Pyongyang's firm determination to acquire these capabilities, regardless of the cost and the degree of international condemnation. Faced with this reality, the U.S. is now placing an even greater emphasis on sanctions and pressure, strengthening its alliance-based deterrence, and building an international coalition to contain North Korea.

The U.S. speaker stressed that U.S.-led pressure is not aimed at destabilizing North Korea. Rather, the goal is to signal Pyongyang that it will not accept North Korea as a nuclear weapons state, and to compel North Korea to resume denuclearization talks. The failure of previous efforts to achieve this goal has also convinced the United States to impose a starker choice on Pyongyang through deployment of military assets near North Korea and unprecedentedly strong international sanctions.

Meanwhile, South Korea's policy has also shifted toward an approach that emphasizes sanctions, deterrence, and preparation for Korean unification.

The U.S. participant stressed that applying overwhelming sanctions on North Korea is designed to convince Pyongyang to reconsider its nuclear ambitions by holding at risk the one objective the regime holds most dear: its own survival. Admittedly, this approach risks the possibility that the regime might collapse—a situation vigorously opposed by China. This extreme approach might also risk making a bad situation worse if sanctions fail to thwart North Korea's efforts and the country succeeds in developing an even greater nuclear capability.

#### *Sanctions*

The new UN Security Council Resolution, passed in March 2016, includes the harshest sanctions ever imposed on North Korea. It calls for close scrutiny of cargo shipped to and from North Korea, prohibition of all weapons trade, additional restrictions on North Korean imports of luxury goods, and expulsion of North Korean diplomats suspected of illicit activities. The UNSC Resolution was passed thanks to close coordination and agreement between the United States and China, which had previously been at odds over the scope and likely effectiveness of UNSC sanctions.

A Chinese participant asserted that sanctions against North Korea are likely to have a serious impact on North Korea. First, the sanctions will further isolate North Korea and make the task of attaining nuclear weapons development more difficult. Second, North Korea's trade with China and Russia will be seriously affected. For instance, even Chinese local banks in and near Dandong are now stopping all their financial transactions related to North Korea. Despite facing these challenges, North Korea is unlikely to change its policy and is different from past cases such as Libya and Iran.

Another participant expressed skepticism about the efficacy of sanctions, describing them as analogous to New Year's resolutions: filled with good intentions, but unlikely to be sustained. As non-compliance sets in, the core problem is likely to remain in the absence of more drastic commitment and action by the international community to "squeeze" North Korea.

Particularly problematic is China's traditional approach towards Pyongyang. Beijing has often prioritized leverage with Pyongyang through aid and investment over an alternate strategy of punishment in which China reduces ties with its historical ally and neighbor. This experience suggests that for sanctions to be effective, it will be necessary to provide an economic disincentive for China to break Beijing's pattern of maintaining support for North Korea in order to preserve stability and avoid escalation of tensions. For this reason, a participant argued, the United States should pursue sanctions against Chinese institutions and individuals that do business with North Korea. Such sanctions may be effective because Chinese banks will want to avoid risks to their international reputation.

A Korean presenter noted North Korea's pattern of gradual nuclear improvement via testing every three years and expressed concern about North Korea's gradual-but-persistent progress toward building a nuclear-tipped missile. The presenter opined that the current international response and strong sanctions seem strong enough to send a clear message to North Korea. He anticipated that China would implement sanctions effectively.

Another Korean presenter stated that comprehensive implementation of UNSC Resolution 2270 should involve high-level coordination and would benefit from a series of five-party and "mini-lateral" (three-party) dialogues to promote coordination. He noted that the scope of the new sanctions is unprecedented and would likely hit at the North Korean "grey economy," which by some estimates constitutes as much as forty percent of its overall economy. However, it is not clear how sustainable and comprehensive sanctions implementation will be. He asserted that, in the past, China's will to implement previous UNSC sanctions faded as Pyongyang exploited lax Chinese implementation. In addition, the presenter asserted that implementing a secondary boycott on North Korean business partners is problematic.

The new sanctions resolution has three primary loopholes that could enable circumvention of implementation. First, determination of whether items subject to inspection under sanctions are related to nuclear weapons is a discretionary decision based on the judgement of the state conducting inspections. Second, the exemption for trade in items related to people's "livelihood" could be exploited. Third, exemptions for humanitarian assistance could also be exploited.

An American participant observed that U.S. sanctions legislation had been prepared prior to the nuclear test and had stalled, but after North Korea's test, it sailed through the U.S. Congress. This is because the sanctions were based on years of analysis regarding North Korea's overseas procurement patterns for its nuclear weapons program. Private sector vendors generally do not want their parts ending up in North Korea's nuclear program. But we regularly see goods going through China, many of which are either dual use or have not been licensed for use in North Korea because the North Koreans never ask for licenses.

China does not appear to be stopping these shipments. A European government tried to see how China was monitoring the border but was rebuffed by a Chinese company that was controlling the area. China was criticized for not effectively regulating and prohibiting profit-driven private companies from partnering with or persuading Chinese private sector counterparts to illegally purchase sensitive goods on behalf of the North Koreans. There needs to be a beefed up domestic intelligence capability and effective border inspections by the PRC government.

A Chinese presenter asserted that history proves that sanctions "do not work." The Chinese government will want to take into consideration humanitarian needs. His view was that sanctions will not affect North Korea's ruling class, but will affect ordinary people. So there is a need for a distinction between nuclear/military-targeted sanctions and civilian-targeted sanctions. Moreover, North Korea counterfeits foreign currency including the RMB as a means of evading sanctions.

#### *Deterrence*

North Korea's nuclear weapons capabilities are dangerous, but North Korea's rhetoric is often exaggerated compared to their relatively cautious actions. Since they know they will face an immediate reaction in response to nuclear use, a participant asserted that North Korea can be deterred.

A Chinese participant expressed concerns about the psychological and political effects of deployment of a Terminal High-Altitude Area Defense (THAAD) system. In response, a Korean participant asserted that THAAD is not a threat to China, but instead is targeted at strengthening the U.S.-ROK ability to defend against North Korean missiles. A Chinese respondent underscored that the system provides additional U.S. capabilities in terms of real-time monitoring even if it is not intended to target China. Another Chinese participant expressed concerns about U.S.-ROK consultations on THAAD deployment and the risks that system may pose to the Chinese mainland and urged the United States to draw lessons from negotiations with Iran to replace the Korean armistice with a multilateral regional security mechanism.

One participant asserted that both sides have operated under effective deterrence for decades, showing their mutual understanding of the value of deterrence; however, there were concerns expressed that the degrading of North Korean conventional capabilities has shortened the ladder of escalation and heightened the likelihood that North Korea would resort to nuclear use in a crisis.

## *U.S. Policy*

According to one U.S. participant, the Obama Administration's approach to North Korea has three tracks: diplomacy, pressure, and deterrence. This approach assumes that all three tracks can be pursued simultaneously and that each can be calibrated to make the mix credible in the eyes of the North Koreans. If one believes that North Korea will not abandon the nuclear program unless the legitimacy of his regime is put at risk, then it becomes necessary to put the regime at risk in order to change its calculus, either by changing Kim Jong Un's mind or by changing the North Korean leadership. But the problem is that the North Korean nuclear program has become so important to regime legitimacy and security that any threat to the nuclear program is perceived as a threat to the regime.

A participant asked whether or not North Korea's denuclearization is plausible. If not, consideration of negotiations is an unrealistic pathway and regime change is the primary alternative. But how would North Korea respond if the United States were to pursue a regime change policy? Wouldn't that make North Korea even less likely to give up its nuclear program?

Another American participant argued that the U.S. need to defer to the concerns of allies and partners has blunted consideration of more forceful measures, including kinetic measures, to deal with North Korea's nuclear development. But these options may become central to future discussions of North Korea under a new U.S. administration. U.S. policy could be heading in a more confrontational direction, especially if the nuclear problem continues to metastasize. Thus, it is important for participants from all countries to consider the ramifications of the use of force. A Chinese participant counselled moderation in implementation of sanctions and expressed concerns that overreaction to North Korean capabilities is as dangerous as under-reaction.

An American participant noted that sanctions-tightening has merit for several reasons: 1) there is a possibility that pressure could bring North Korea back to the negotiating table, 2) it slows down North Korea's program by limiting procurement and proliferation, and 3) it signals to North Korea the necessity of a change in direction. Meanwhile, the United States should continue to focus on deterrence through deployment of military capabilities, pursue expanded flow of information to North Korea through radio broadcasts such as Radio Free Asia and Voice of America, press the international community to condemn North Korean human rights practices, and actively pursue discussions on contingencies in North Korea.

An American presenter described how North Korea has rejected pathways that would have enabled the Obama administration to reach out in a fashion similar to the Administration's approach to Iran or Cuba. This explains why skepticism has grown regarding the likely success of diplomatic negotiations on denuclearization. Meanwhile, Pyongyang has complicated the picture by proposing "peace talks" premised on its desire to change the subject away from denuclearization and enter negotiations as a nuclear state.

A U.S. presenter also stressed that the United States should continue to leave “off-ramps” on the table for North Korea and keep open channels for dialogue. But he added that offering North Korea security guarantees as a replacement for its nuclear weapons is not likely to be credible to a North Korea which is deeply suspicious of U.S. intentions and quite fearful of South Korea and the model of success it represents.

### *Chinese Policy*

A Chinese participant argued that Beijing is pursuing a new approach toward the Korean peninsula, as evidenced by China’s determination to have North Korea pay a price for its defiance, the strength of the UNSC Resolution that China co-drafted with the United States, and the likelihood that comprehensive implementation of the resolution will deprive North Korea of the ability to improve its nuclear program.

Xi Jinping has made many changes in China's policy toward North Korea, including shifting the handling of North Korea policy from the Communist Party to the foreign ministry. Xi made denuclearization a precondition for provision of aid to North Korea in his conversations with North Korea’s special envoy Choe Ryong-hae in Beijing. The deaths of pro-China figures in North Korea such as Kim Jong Un’s uncle Jang Song-taek were additional setbacks to the relationship. And China has joined in broader sanctions under the new UNSC Resolution to include a ban on trade of minerals from North Korea and enforcement of a ban on DPRK ships in Chinese ports.

According to one Chinese participant, Xi Jinping has also changed the old policy of using incentives to induce North Korea to cooperate and instead has consulted with the United States and adopted harsher sanctions toward North Korea. As a result, China has rejected North Korean efforts to attract private enterprises while state-owned enterprises have refused to go to North Korea and major banks have worked to implement sanctions against Pyongyang. Although North Korea has earned foreign exchange by exporting labor, China has refused to take more North Korean laborers and refused North Korea’s request to join the Asian Infrastructure and Investment Bank (AIIB). North Korea has been completely left out of the One Belt, One Road (OBOR) initiative. China has two bottom lines on North Korea: 1) it does not want to turn itself into an enemy of North Korea; and 2) China had previously resisted giving the impression that it would join collective action with South Korea to punish Pyongyang, but now it is not afraid to take such steps.

China is also diversifying its negotiating channels to include five-party and trilateral talks rather than focusing solely on resumption of the Six-Party Talks. North Korea could become a new driver for closer cooperation between Washington and Beijing.

But there are also adverse consequences from anti-DPRK policies, including the controversy over THAAD and the accompanying Chinese need to achieve “three no’s”: 1) no nuclearization of North Korea, 2) no violence, and 3) no disrespect for China’s national interests. This means that China has agreed to work with other countries to strengthen pressure on North Korea and that both Washington and Beijing have left the door open for diplomacy. In the future, mini-lateral talks may be a driver for new forms of readiness, and both sides should pay more attention to deterring North Korea from renewed provocations.

However, China and the United States also have differences in perspective: 1) China believes that the North Korean patient is curable, whereas the U.S. views the patient as incurable; 2) China and the United States can work together on multilateral sanctions, but China opposes unilateral sanctions out of concern that they could compromise Sino-U.S. relations and raise the threshold for a return to negotiations; and 3) the United States and South Korea may keep options open to prevent North Korea's nuclear development, including use of force, but China opposes the use of force.

One Chinese interlocutor suggested that Beijing may not oppose peaceful regime change in North Korea, but if it comes, Beijing believes it should be consensus-based rather than externally driven. This leads to the question of whether there can be international coordination in support of peaceful regime change.

A Chinese participant argued that there are deep divisions among Chinese analysts on how to deal with North Korea. Outsiders should encourage China in a positive direction, stop complaining that it is China's responsibility to contain North Korea, and avoid the introduction of geopolitical complications into the DPRK situation. North Korea is a rare area where there is potential for cooperation between the U.S. and China, but there is a need for more effective channels of communication. Stronger coordination could serve the dual aim of sending a clear signal to North Korea on the Sino-U.S. shared interest in denuclearization and to deny conspiracy theories suggesting that China has an interest in enabling a nuclear North Korea. In this way, it should be possible to deny Kim Jong Un the opportunity of exploiting complications in major power relations and to limit his room for maneuver to exploit major power distrust.

A Chinese participant observed that if North Korea is a credible buffer state for China, it would make sense to strengthen North Korea, but the actual consequence of China's policy is a weakened North Korea. This is a controversial point in China, but the larger trend is toward abandonment of Pyongyang. Would China save North Korea from collapse? In principle, yes, but in practice, results may be unexpected. There is also a gap between public feeling and the conservative nature of policy. China will not do a lot to prevent collapse from happening but ideologically and officially China is reluctant to take drastic steps.

A Chinese participant asserted that within China, two basic and contradictory arguments are that China does not have leverage on North Korea and that North Korea's bad behavior is because China has not done enough to stop the North. The first argument is closer to the truth: no one has leverage on North Korea, which is used to being independent and isolated.

In an important acknowledgement, one PRC participant said Chinese analysts still do not see North Korea as a serious threat to China, but border stability remains an important Chinese priority and fears of refugee flows remain a concern. The Chinese government has made maintenance of stability on the Korean peninsula its foremost objective.

China is concerned that nuclear development in the DPRK may lead to proliferation of weapons of mass destruction (WMD). There are concerns about nuclear debates in South Korea and also in Japan as it becomes a "normal" state, given that both countries already have the technology, materials, knowhow, and financial capability to pursue a nuclear weapon.

### *ROK Policy*

According to one Korean participant, South Korea has strongly supported the UNSC sanctions and has taken additional unilateral measures including the closing of the Kaesong Industrial Complex, the designation of financial sanctions against 17 North Korean organizations and individuals, and efforts to discourage South Korean nationals from patronizing North Korean-run restaurants and stores located in third countries.

There are public concerns in South Korea that Seoul's military and intelligence communities failed to detect the fourth nuclear test, raising questions about whether South Korea's pledges to preempt a North Korean nuclear strike are credible. South Korea's public gives the Park administration low marks on its security policy, with only 25 percent supporting the policy versus 49 percent who believe the issue has been poorly handled. There is frustration that South Korea's only points of leverage seem to be related to loudspeakers and leaflet dissemination into North Korea, and there are growing discussions among the public on previously taboo subjects such as South Korean acquisition of a nuclear capability, cultivation of a latent nuclear weapons capability, the timeline for South Korea's implementation of missile defense, and renewed discussions regarding South Korea's need to exercise sole operational control over its forces in wartime. The latter discussion suggests that South Koreans are beginning to see the alliance with the United States less as a support for South Korean defense than as a constraint on South Korea's ability to pursue self-defense.

The Korean presenter argued that North Korea's nuclear capability is influencing South Korean deterrence calculations and that the South Korean military would be constrained by thoughts that North Korea has nuclear weapons. There has been a shift in discussions of North Korean instability following North Korea's fourth nuclear test from a discussion centered on the prospect of internally-driven instability to a discussion of externally-generated regime change. Debates about the end-game on the Korean peninsula are changing. Regime change is being discussed more and more often than before.

The Korean presenter stated that China often says that the relationship with the United States is the most important variable determining the effectiveness of sanctions, but it should really be determined by the level of the threat from North Korea.

### *North Korean Strategy*

A South Korean participant stated that the North Koreans view a long-range missile capability as the best means of securing U.S. withdrawal from South Korea and gaining the upper hand, so complete denuclearization may be impossible, but financial pressure should aim to stop North Korea's ability to advance its program.



A Korean participant asserted that North Korea's acquisition of a nuclear capability might have a psychological effect, but it is unlikely to influence deterrence calculations unless there is a full-scale conflict. An American participant assessed that, compared to the serious challenges such as the outbreak of famine that faced Kim Jong Il at a time of transition to the post-Cold War era, Kim Jong Un's *byungjin* policy is more ambitious in that it promises improvements in domestic quality of life, but Kim Jong Un may also face risks if he can't deliver on his promises. He further speculated that much of North Korea's behavior in recent weeks can be explained as an exercise in legitimacy building that tends to overreact to U.S. military exercises for its own purposes.

The Korean presenter speculated that North Korea might not be able to carry out reforms unless the leadership has confidence that its nuclear development has enabled the regime to cement its hold on power. In this view, acquisition of a nuclear deterrent may provide North Korea's leaders with sufficient confidence to pursue economic reforms, but if they are testing for domestic political reasons, then North Korea has reasons for continuing to test. Moreover, the presenter asked how the international community should respond if and when North Korea no longer needs to test, but offers to return to negotiations.

The speaker put forward the possibility that if North Korea reached a certain technical threshold and level of assurance about its capability, then the need to continue testing might dissipate. He also suggested that the level of sanctions imposed on North Korea would hurt most countries, noting that the UN ban on mineral exports hits at one-third of North Korea's overall exports. However, it is unclear how long it will take before North Korea feels pain from sanctions or what course of action North Korea might take in response.

Extended discussion revolved around the question of whether North Korea's long-term strategy was to become a status quo or a revolutionary power in Northeast Asia, and whether the United States can live with a "normal nuclear North Korea." Here, North Korea's human rights record came into play, with several Americans asserting that it would be impossible to accept a regime that continued to deprive its own people of fundamental human rights. Some American participants asserted that there cannot be a "normal" nuclear North Korea or a stable and peaceful North Korea under the current system and leader. Provocations and challenges to the South will continue for the long-term, both due to the regime's need to play up external instability factors as a means of maintaining domestic stability and internal political controls and because North Korea's long-term strategic objectives include unification on North Korean terms. In this view, North Korea pursues and reaps benefits from periodic tactical de-escalation from provocations.

An American participant argued that rewards for North Korean good behavior are undesirable because it further incentivizes the next round of bad behavior and allows North Korea to manipulate the crisis atmosphere that it has created in an effort to make tangible short-term gains.

A Chinese participant asked whether it is really possible or necessary to denuclearize North Korea. He noted the persistence of regime collapse theory and raised questions about the effectiveness of continued military displays of deterrence toward the North, asserting that talks are the only way to bring North Korea into the global community and that the longer talks are delayed, the more capabilities North Korea will have developed. He argued that North Korea's security concerns have continuously been neglected and that the North Koreans perceive the nuclear option as the most cost-effective means of protecting national security.

An American responded that the North Koreans could have made alternative choices and still can if the leadership is willing to reassess its current direction. A South Korean participant stated that if North Korea must have nuclear weapons, then what about South Korea? South Korean public opinion supports South Korea becoming a nuclear state and a South Korean nuclear capability would provide parity in inter-Korean negotiations. He also asked if the United States might again deploy nuclear weapons in South Korea in the future.

### *Negotiations Sequencing*

An American raised questions regarding conditions for renewed diplomacy, including whether or not the United States and South Korea would be willing to pursue parallel peace and denuclearization talks, which would be a concession compared to the sequenced approach outlined in the Six-Party joint statement. Second, he asked if China would be willing to support such talks by taking actions to force North Korea to engage meaningfully in negotiations or suffer further consequences. There was an extended discussion that explored the plausibility of and conditions for pursuing parallel peace and denuclearization talks.

An American participant stated that the peace treaty is a red herring, both because it cannot be discussed in the absence of denuclearization and because the North Koreans do not really want a peace treaty. They have not offered concrete ideas of what they would want to talk about if the U.S. were to come to the table.

An American participant supported the idea that peace and denuclearization could be discussed together because the United States could still be able to walk away if the result is unsatisfactory. However, a Korean participant stated that for South Korea, parallel peace and denuclearization talks are not a possibility because peace talks have ramifications for unification policy.

Another South Korean participant asserted that parallel peace and denuclearization talks are a non-starter for the Park administration without a verified freeze of known plutonium and uranium enrichment facilities. But the realization of a peace regime on the Korean peninsula could only take effect when North Korea's denuclearization is fully realized. There is room for flexibility as long as it contributes to denuclearization.

#### **IV. Policy Recommendations**

First, a Chinese participant advocated the re-initiation of talks in different formats. Six-Party Talks that were initiated by China may not lead to denuclearization, but resumption of talks remains very important. It is important to keep North Korea at the negotiation table to let the North Korean people feel pressure from the outside and to explain to North Korea what they can and cannot do. This can help delay the development and weaponization of nuclear technologies. Bilateral talks are also important, as they are sincerely desired by North Korea. In addition, four-party talks among the United States, China, and the two Koreas should be convened on how to transition from the current armistice to a permanent peace regime. Without talks, North Korea will continue to pursue nuclear development, weaponization, and ICBM technology.

Second, there is a need for sanctions that can truly target North Korean elites. Third, proliferation of nuclear weapons in Northeast Asia is not desirable from China's point of view, but it might enhance regional stability as was the case in South Asia. There are also concerns about biological and chemical weapons in North Korea.

The Chinese speaker made specific suggestions for Chinese policy, including that China take part in international sanctions on North Korea, tighten border controls including private sector companies engaged in trade with North Korea, and improve the quality of Chinese thinking on policy toward the Korean peninsula.

He recommended that the United States start negotiations without preconditions; show self-restraint in rhetoric toward North Korea; reduce military exercises in quality and quantity as a show of sincerity toward North Korea, provide security guarantees for North Korea; pursue Sig Hecker's "three no's" policy toward North Korea of no proliferation, no more weapons, and no better weapons; and expand the Demilitarized Zone through pursuit of conventional arms control with North Korea.

An American presenter suggested that the next president might choose among four distinct options in policy toward North Korea:

- 1) Do nothing. The United States has overwhelming superiority and the ability to contain North Korea. This policy option relies on the hope that North Korea will eventually fail, but it is also possible that North Korea will increase its weapons and stockpiles of fissile materials and perfect a long-range delivery system. The risk of this development is that it would erode the credibility of U.S. extended deterrence guarantees to allies and North Korea's increased confidence and propensity for provocations could increase the possibility of military conflict based on miscalculation.
- 2) Sanctions—With China's help at the UN and robust implementation of sanctions, pressure can be placed on the regime in Pyongyang, but it is pressure that we hope will lead North Korea to calculate that negotiations are a better option. Without a change in Beijing's current policy, sanctions cannot lead to the surrender of the nuclear program directly.

- 3) Military action—it is implausible for the U.S. to do this without acquiescence of South Korea. It will inevitably be costly to relations with China. There is not a surgical option to deal with North Korea's nuclear program. Military action will entail a campaign, not a single strike.
- 4) Negotiations, with the following caveats:
  - a. Negotiations must be undertaken only after a decent interval has passed since the last North Korean provocation.
  - b. The president should announce willingness to enter negotiations without any preconditions while pursuing four preconditions:
    - i. There must be no North Korean provocations or incidents while negotiating—bring them to understand that if there were an incident, retaliation would be supported by the United States.
    - ii. There must be no transfer of nuclear material technology or weapons to any other entity or country i.e., Syria 2005.
    - iii. There must be a freeze on plutonium separation and any enrichment at Yongbyon that can be easily monitored.
    - iv. The North Korean nuclear weapons program must be on the table for eventual dismantlement.
  - c. A peace treaty may be on the table, but human rights cannot be abandoned.
  - d. Carrots may not threaten U.S. deterrence or capability to provide for South Korea's security.
  - e. Refrain from gratuitous provocations while negotiating.
  - f. Try very hard to reach an understanding with Beijing about China's role in the negotiations. China should not be expected to solve the North Korea problem, but they have an interest in not having it get out of hand.
  - g. Pursue talks through whatever format is acceptable to Seoul.

A South Korean presenter explored North Korea's likely game plan and objectives, positing five scenarios:

- 1) North Korea will accelerate miniaturization of warheads and of ICBMs capable of hitting the U.S. mainland.
- 2) Tactical dialogue may be possible if the ROK suffers from international pressure.
- 3) North Korea may resume nuclear/missile development when pressure is eased.
- 4) Pyongyang may declare a moratorium on tests once it possesses a nuclear-armed ICBM.
- 5) North Korea may pretend to negotiate over denuclearization while consolidating stability of regime.

Based on these likely steps by North Korea, the presenter made six policy recommendations:

- 1) Policy should be aimed at regime transformation, if not regime change. Because Kim Jong Un holds regime security as a higher priority than national security, regime transformation requires changing the behavior of the regime by threatening regime security. Regime security must be weakened to the extent that Kim Jong Un will accept denuclearization. If sanctions work, North Korea will play the freeze card, but a freeze should be done in the context of verifiable denuclearization.
- 2) Avoid dialogue for the sake of dialogue: deny North Korea the option of using dialogue to buy time or to allow them to complete their game plan.
- 3) Implement UNSC Resolutions, but fill loopholes in the sanctions regime with appropriate unilateral measures. China's active implementation of sanctions measures should show North Korea that their strategic calculus has changed. To ameliorate suffering of China's three Northeastern provinces, South Korea should consider increasing economic cooperation with those three provinces.
- 4) Establish an official U.S.-China-ROK strategic dialogue. There is a need for a trilateral consultation mechanism to enhance policy coordination and assess the effects of sanctions.
- 5) Open negotiations on parallel implementation of a peace treaty and denuclearization. If North Korea conducts complete and verifiable freezing of its nuclear program, then it would be possible to discuss replacement of armistice with a peace treaty in parallel with the Six-Party Talks. The main parties to peace talks should be the two Koreas with endorsements by U.S. and China of a peace treaty, to be implemented in parallel with North Korea's denuclearization.
- 6) Redefine the Nuclear Security Summit and broaden it to include nuclear safety and nonproliferation to address future proliferation threats.

As the dialogue concluded, an American participant shared his assessment that North Korea's leadership is not interested in halting or freezing its program regardless of incentives, and it is not interested in dialogue with the United States until Washington accepts North Korea as a nuclear power. Pressure may or may not break North Korea, and talks have little impact on the pace of North Korean provocations. Sanctions remain the only option short of military action, and North Korea will not trust externally offered security guarantees. But the United States has never successfully deterred North Korea from undertaking nuclear and missile tests; their motivations for conducting such tests may not be subject to U.S. influence.

A Chinese participant stated that China has channels for ongoing dialogue with North Korea, and Chinese companies that violate UNSC resolutions should be punished. China has its own ad hoc measures but should engage with the United States on discussion of North Korean contingencies.

Another Chinese participant agreed, noting that since China is doing the most business with North Korea it has the greatest challenge in implementing sanctions. This is a Chinese internal coordination issue rather than a foreign policy issue to the extent that it relates to enforcement. This participant raised the question of how the international community will respond if North Korea conducts more tests and expressed concerns about the long-term deadlock created by North Korea's push for nuclear weapons development. He expressed support for trilateral consultations on nuclear safety and the possibility of North Korean military aggression toward South Korea and/or Japan.

An American participant observed that trilateral cooperation is needed to increase transparency, to strengthen coordination in the face of future provocations, to enhance capacity to implement sanctions on dual use items effectively, and to strengthen intelligence sharing. He also noted the need for discussions on a division of labor in the event of North Korean contingencies, expressed concern on the impact of a health crisis on North Korean stability, and encouraged cooperation on facilitation of information flows into North Korea. A Chinese participant suggested pursuit of secret talks.

A Korean participant asserted that North Korea's willingness to negotiate depends on 1) the effectiveness of sanctions, 2) China's willingness to pursue additional measures beyond the UN Security Council resolutions, and 3) North Korea's belief that benefits will accrue from negotiations. He emphasized that sanctions are simply a tool, but that they must induce cooperative responses by initiating and target states. It would be good to signal to North Korea in advance the likely costs of further nuclear tests as a possible means of preventing North Korea from making additional provocations.

A Chinese participant reiterated concerns that a U.S. preemptive strike on North Korea or other U.S. interference might draw the United States and China into conflict, especially since North Korean nuclear facilities that could be potential targets of U.S. strikes are so close to China. China is taking part in sanctions, despite concerns about the humanitarian impact, but these sanctions should be exactly calculated to avoid a humanitarian crisis. He expressed the view that trilateral coordination on North Korean contingencies will remain challenging and difficult for China to pursue.

## **V. Conclusion**

Trilateral discussions among Chinese, South Korean, and American scholars revealed a growing convergence and will to cooperate more actively on sanctions implementation. But there were clear caveats from the Chinese side on the desirable limit of pressure towards North Korea and on the need to fashion a negotiation channel that can serve as an effective exit strategy from the high tensions generated by a North Korea that continues to show great commitment to pursuing a nuclear capability that is taking regional security dynamics in the wrong direction. Rising tensions are inevitable, but those same tensions are also drivers for cooperation on sanctions and on the common goal of seeing North Korea change direction and return to a negotiation process that includes denuclearization and eventual establishment of peace on the Korean peninsula.

# THE NATIONAL COMMITTEE ON AMERICAN FOREIGN POLICY (NCAFP)

*PRESENTS*

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## A U.S.-ROK-CHINA TRILATERAL CONFERENCE

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MARCH 22<sup>ND</sup> & 23<sup>RD</sup>, 2016

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