

The Possible Collapse of the U.S.-North Korea Agreed Framework: Prospects, Probabilities and Potential Solutions

Evan S. Medeiros and
James Clay Moltz
Center for Nonproliferation Studies
Monterey Institute of International Studies

MONTEREY NONPROLIFERATION STRATEGY GROUP
Discussion Paper Prepared for Strategy Session on
"Coping with Nonproliferation Crises"
Washington, DC, 3-4 November 1999

Status of the Agreed Framework

Reinforcing nonproliferation in East Asia remains a central U.S. policy objective and the 1994 U.S.-North Korea Agreed Framework stands at the heart of that effort. The Agreed Framework provided the structure around which the North froze and pledged to dismantle its suspected nuclear weapon program. Without this accord, the North's inventory of nuclear weapon usable material would be much, much greater today. In broader terms, the agreement has also provided a vehicle for dialogue on key bilateral issues like political normalization and Korean security. The 1994 accord serves as a clear standard to measure North Korea's willingness to cooperate.

The viability of the Agreed Framework has been increasingly called into question in recent months, however. The North has engaged in construction activities potentially inconsistent with its obligations under the Agreed Framework, and in August 1998 Pyongyang launched the technical equivalent of medium-range missile over Japanese territory. These activities undercut financial and political support in the U.S., Japan and South Korea for the Agreed Framework. Pyongyang argues the United States, South Korea and Japan have failed to fulfill their obligations by not lifting economic sanctions and delaying oil shipments. Thus, support for this accord in Washington, Seoul, Tokyo and Pyongyang has declined since its inception, and the agreement's future is by no means assured. If the Agreed Framework collapses, U.S. nonproliferation goals and global nonproliferation norms would suffer severely. Indeed, the existence of the Agreed Framework ensures that nonproliferation is a central U.S. priority in its Korea policy; if the agreement collapses, U.S. security concerns about the Korean security environment would dominate. At best, nonproliferation would become a tertiary priority.

This paper addresses these sets of concerns by examining three specific issues (1) possible conditions under which the Agreed Framework would collapse, (2) steps the United States can take to avoid the agreement's collapse (3) and possible responses to a collapse with particular emphasis on ways to limit damage to the nonproliferation regime.

Possible Collapse of the Agreed Framework

Other than the outbreak of war on the Korean Peninsula, there are four possible scenarios in which the Agreed Framework would likely collapse: evidence of renewed North Korea nuclear activities, another missile test, Congressional withdrawal of financial support for the agreement, or the gradual failure of the accord due to U.S., South Korean and Japanese inability to fulfill their obligations.

Renewed Nuclear Activity:

New evidence of overt or clandestine nuclear activity would constitute a violation of the 1994 accord. For example, North Korea could take steps to restart any one of the “frozen” nuclear facilities at Yongbyon, or U.S. intelligence could discover secret nuclear activities. The expulsion of IAEA inspectors from North Korea would also be considered a violation because it would severely degrade the IAEA’s ability to monitor North Korea compliance. Pyongyang would likely justify such action by arguing that the United States and others have continually failed to meet their obligations under the accord. In this scenario, the North’s actions would eliminate already weak support for the Agreed Framework in the United States, Japan and to a lesser extent South Korea.

Another Taepodong Missile Launch:

A second North Korean medium-range missile launch, especially over Japanese territory, might fatally wound the Agreed Framework. Although a missile launch does not violate any aspect of the Agreed Framework and the two issues are diplomatically separate, a test would significantly diminish support for the accord (or any negotiated solution) in the U.S. Congress and Japan.

Given that the United States and the North recently agreed to a missile test freeze in exchange for the lifting of sanctions, another test would convince many in Congress that the North can not be trusted, that economic incentives are not effective, that negotiated solutions with North Korea do not work and, ultimately, that Pyongyang only responds to the realistic threat of military force. The North’s justification of the launch as a space launch vehicle test would be treated with much skepticism. U.S. financial support for the agreement would soon be eliminated. If such a test occurred next year, the Clinton Administration would be under even greater pressure to react strongly. Japanese politicians would likely share these views. Following the August 1998 test, Japan temporarily halted its financial assistance to KEDO; a more severe reaction should be expected in response to a second missile test.

To be sure, North Korea’s continued sales of Scud-type ballistic missiles to other countries will continue to reduce support for the Agreed Framework but might not precipitate its collapse. Rather, such actions would contribute to the general reluctance in the United States and in Asia to negotiate with the North, raising the likelihood that either of the scenarios mentioned above would occur.

Death By Congress?:

Key Republicans in Congress have embarked on an active campaign to oppose the Clinton Administration’s approach to North Korea. Some harshly criticized the “Perry Report”, and others recently formed an all-Republican study group on North Korea. This partisan campaign could culminate in a Congressional freeze on all U.S. funding for the Agreed Framework. While an end to U.S. funding of the Agreed Framework would certainly damage the political sustainability of the accord, other KEDO members are likely to assume the modest U.S. financial burdens to prevent the agreement’s collapse.

Gradual Dissolution of the Agreed Framework:

From the North Korean perspective, the Agreed Framework could collapse if the United States, South Korea, Japan and the KEDO consortium continually fail to meet their obligations under the accord. Successive delays in oil shipments, the reactor construction project, and lifting of economic sanctions may lead North Korean officials to threaten withdrawal from it. If such delays

were matched with increased U.S. military presence in the South and more joint exercises, then the North is likely to exit the accord.

Steps to Avoid the Collapse of the Agreed Framework

U.S. policymakers can take several steps to avoid the collapse of the Agreed Framework. In broad terms these steps involve communicating U.S. concerns to the North, creating incentives for the North to comply, and explaining the alternatives to a negotiated solution.

Defining the Red Lines:

U.S. policy-makers should communicate to the North the “red-lines” which North Korea should not cross. These include breaking the nuclear freeze, conducting secret nuclear work, and launching another medium-range missile. North Korean officials must understand the types of reactions that aggressive actions will precipitate.

“Incentivizing” the North to Continue to Adhere and Engage in Further Negotiations:

U.S. policy-makers should continue to build incentives into their agreements with the North to encourage compliance. This can encompass continued efforts to lessen U.S. economic sanctions on the North and to provide more food aid in exchange for tangible North Korean commitments. Seoul can encourage South Korean companies to invest in key sectors of the North’s economy; some firms have already taken limited steps in this direction. The recent Berlin accord on missiles suggests that an incentives-based approach with the North has potential to succeed. Pyongyang has demonstrated a willingness to negotiate on nuclear and missile nonproliferation issues in ways that Iraq, for example, has not.

Containment and the Military Alternative:

The United States must communicate to the North that the alternative to negotiation and cooperation is permanent isolation and possibly military confrontation. If North Korean officials reject the Agreed Framework and other bilateral agreements then the United States in conjunction with South Korea and Japan will take steps to contain North Korea and will likely reconsider military options. This could take the form of a troop build-up, expanding joint exercises, and deployment of theater missile defenses. The current South Korean government is not likely to support these harsher policy alternatives, however.

Responding to the Collapse of the Agreed Framework

If the Agreed Framework collapsed, the United States in conjunction with its friends and allies in East Asia could adopt a range of responses. Some of them could seek to limit damage to the nonproliferation regime while also pushing the North to re-engage its commitments. However, it must be recognized that if the agreement collapses, the priority in the United States will not be to pursue policies to bolster nonproliferation norms. Rather the priority will be to respond to the immediate U.S. security concerns—such as the potential outbreak of war—arising from the accord’s collapse. In such a situation, some of the policy options used to address the security problems are inconsistent with efforts to bolster the NPT.

“Rallying the Allies”:

The United States could lead an effort by key NPT parties such as the P-5, Japan, Germany, South Africa, Argentina, and Brazil to condemn North Korea’s actions and call for a halt to all nuclear activities and missile tests. This effort would also include the issuance of a UN Security Council resolution calling for the North to cease its nuclear and missile activities. While these steps would likely have little practical influence on North Korea’s behavior, the intended goal would be to signal the strong international support for nonproliferation norms, including economic sanctions.

Sanctions:

The next step would be to impose severe economic sanctions, unilaterally and within the UN context. Sanctions would have two goals: (1) to bring the North back to negotiations and (2) to impose penalties for violating the NPT. The United States would halt all heavy-fuel oil shipments and reactor construction, cease all food aid (including agricultural assistance) and re-impose all economic sanctions. The Japanese government would likely respond by blocking cash remissions to the North. China’s support for the economic isolation of the North is doubtful, however. Even though China continues to provide coal, food and clothing to the North, Beijing is primarily interested in preventing a mass humanitarian crisis in the border areas and limiting the U.S. military presence in Asia. A central US goal would be to prevent China’s veto of the resolution. Moreover, the utility of international economic sanctions to pressure the North is unclear. However, Pyongyang’s growing reliance on international aid since 1994 may have created a higher level of dependence compared to previous years. The North has become increasingly reliant on international oil shipments, food aid and cash from abroad to run its economy.

New Negotiations and Six-Party Talks:

The United States in conjunction with South Korea, Japan, China and Russia would seek to reengage the North on nuclear and missile nonproliferation. A six-party format could be used to get Russia involved in developing a successor accord to the Agreed Framework. South Korean President Kim Dae Jung has already openly supported this suggestion. Russia’s longstanding relationship with the North could be used to pressure Pyongyang, and Russian leaders could offer the North natural gas plants to replace the partially completed light-water reactors. Russian officials may be able to make a persuasive case to the North that fossil-fuel plants are better for the North, given the size of its electricity grid and the inherent legal and technical barriers and risks involved in building and operating nuclear reactors.

Coercive/Military Options:

Depending on the circumstances that bring about the collapse of the Agreed Framework, there will be strong U.S. support for a range of military options. These may include: isolation of the North, increased U.S. military presence in South Korea, re-deployment of tactical nuclear weapons, and—under extreme circumstances—preemptive air strikes and then war. To be sure, all of these options would undercut support for the nonproliferation regime.