A Hedging Strategy is Needed
Toward North Korea

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Abstract

The U.S.-led campaign to pressure North Korea into abandoning its quest for nuclear weapons has encountered numerous difficulties. One reason for the lack of progress is that it is unclear why Pyongyang repudiated the 1994 Agreed Framework and is seeking a nuclear weapons capability. It is possible that the DPRK regime is merely using its program as bargaining leverage to obtain concessions from the United States and the nations of East Asia and would be willing to remain non-nuclear in exchange for such concessions. But it is equally possible that North Korea, for reasons of both prestige and security, is deadly serious about becoming a nuclear weapons state. The first scenario means that the crisis probably can be resolved through diplomacy; the second suggests that the crisis will intensify.

In any case, Washington’s strategy of forging a common front among Pyongyang’s neighbors to pressure the regime has not yet produced meaningful results. That is especially true of the reliance on China to exert the necessary diplomatic and economic pressure. Although the PRC is in the best position to influence North Korea, the Beijing government is reluctant to use that leverage.

The United States needs a hedging strategy in the event that the DPRK will not relinquish its nuclear ambitions. Preemptive military action is not a realistic option, since it would likely trigger a disastrous war on the Korean Peninsula. Instead, America’s fallback strategy should be to deter North Korea by making it clear that any transfer of nuclear weapons or technology to terrorist organizations or rogue states would mean war.
Introduction: North Korea’s Possible Motives

A key question—perhaps the key question—about the ongoing North Korean nuclear crisis is: Why is North Korea pursuing a nuclear weapons program? It is a difficult question to answer. There are a number of possible explanations, and Pyongyang may have multiple motives for its actions.

One possibility is that North Korea may be using the specter of nuclear weapons as a way to extort concessions from the United States, as well as its neighbors in East Asia. Given the agitation that Washington and the other relevant capitals have shown every time Pyongyang rattles the nuclear saber, it is not a far-fetched expectation. North Korea received substantial concessions in the 1994 Agreed Framework, for the mere promise to freeze (not, it must be emphasized, abandon) its nuclear weapons program. Perhaps Kim Jong-il’s regime believes it can win even more concessions this time around.

And there is a precedent for such expectation, in addition to the 1994 agreement. Ukraine and Kazakhstan, for example, used the nuclear weapons they inherited from the defunct Soviet Union as bargaining leverage to extract loans and other important economic concessions from the United States and the other Western powers in the early 1990s. History shows that Washington and its allies will pay a lot to induce a country not to go nuclear.

Another possibility is that North Korea may be seeking the weapons for prestige. The handful of powers in the international system that possess nuclear weapons have a status quite different from the bulk of the nations that do not possess them. All five permanent members of the UN Security Council are nuclear weapons states. While it is true that a few nonnuclear powers, most notably Germany and Japan, have secured significant prestige and influence in the international community, the possession of such weapons is a route into a rather exclusive club. It is no coincidence that China was treated with greater respect and caution by the United States and other countries after it acquired nukes than before it achieved that breakthrough. Similarly, Washington and other capitals now treat India as a serious player—in marked contrast to the tendency to view that country as a Third World underachiever before its nuclear tests in 1998. Pakistan also went from being regarded as a problem state (and in some quarters a potential failed state) before its tests in 1998 to being a significant player in the war on terrorism and other important security issues.

True, there were factors other than the nuclear issue that help explain the change in U.S. policy. Pakistan borders Afghanistan and has aided the United States in its struggle against Al Qaeda and the Taliban. India’s economic growth rate has reached impressive levels in recent years, and that development has contributed to Washington’s evolving perception of that country. But the nuclear factor is certainly not trivial in altering the way that Pakistan and India are now treated, and Pyongyang may believe that possession of nuclear weapons is the admission ticket to the club of major powers.

Yet another motive may be cost. Nuclear weapons are far less expensive than expanding the size of the army or trying to build high-tech conventional weapons. Indeed, North Korea insisted at one point that it was pursuing a nuclear weapons program in order to cut the size and expense of its conventional forces. The bulletin from KCNA, North Korea’s official news agency, added that the government hoped “to channel manpower resources and funds into economic construction and the betterment of people’s living.” Although one should view any North Korean statement with skepticism, that rationale makes a fair amount of sense. North Korea currently devotes a burdensome 11.6 percent of GDP to the military, and a large portion of the working age population is in uniform. Given that the DPRK’s economy has been in an alarming downward spiral since the mid-1990s, cutting the cost of the military may be an essential step to prevent the system from imploding.

Finally, North Korea may have a strategic motive for its actions. What U.S. officials do not wish to admit is that Pyongyang’s nuclear program is a logical, perhaps even inevitable, response to the foreign policy the United States has pursued since the end of the Cold War. Consider the extent of U.S. military coercion since the opening of the

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Berlin Wall in 1989. The United States:

- invaded Panama and overthrew the government of Manuel Noriega;
- devastated Iraq in the first Persian Gulf War;
- occupied Somalia;
- forced the government of Haiti from power by threatening to invade the country;
- bombed the Bosnian Serbs into accepting a peace agreement;
- bombed Yugoslavia into relinquishing control over its province of Kosovo;
- invaded Afghanistan and overthrew the Taliban government;
- attacked and occupied Iraq in the second Persian Gulf War.

In all, the United States has conducted eight major military operations in 14 years (not including such incidents as the periodic bombing of Iraq during the years between the Gulf wars or the cruise missile strikes on Afghanistan and Sudan in 1998.) That is an extraordinary record of belligerence.

Moreover, in his 2002 State of the Union address, President Bush explicitly linked North Korea to Iraq (a country with which the United States was apparently headed to war) in an “axis of evil.” The North Koreans probably noticed as well that Bush had stated, “I loathe Kim Jong-II. I have a visceral reaction to this guy because he is starving his people.” Although he didn’t explicitly call for forcible regime change, Bush added that he didn’t understand how the world continued to “coddle” that regime.

It is hardly surprising if Pyongyang concluded that it might be next on Washington’s hit list unless it could effectively deter an attack. Yet the DPRK cannot hope to match the conventional military capabilities of a superpower. The most reliable deterrent—maybe the only reliable deterrent—is to have nuclear weapons. DPRK officials told a visiting delegation of U.S. congressmen that they were building nuclear weapons precisely so their country would not suffer the same fate as Saddam Hussein’s Iraq.3 Even a few American hawks acknowledge the possibility that North Korea may have reached that conclusion. The Wall Street Journal’s Karen Elliott House notes, “the lesson Kim Jong-II almost surely has deduced from the impending war with Iraq is that all that stands between his fate and Saddam’s is his credible confession that he has a nuclear capability and a credible fear abroad that he might use it.”6

In other words, U.S. behavior may have inadvertently created a powerful incentive for nuclear weapons proliferation—the last thing in the world Washington wanted to occur. American officials dismiss the fears of North Korea as manifestations of paranoia. That is true to a point. When the Creator passed out paranoia, the North Korean political elites got in line twice. But as Henry Kissinger once pointed out, even paranoids have real enemies. And there is little doubt that the United States is the enemy of the DPRK.

Washington’s conduct toward non-nuclear powers such as Iraq and Yugoslavia likely has stimulated Pyongyang’s worst fears. The lesson that North Korea (and Iran and other countries may be learning as well) is that possessing a nuclear arsenal is the only way to compel the United States to exhibit caution and respect. That is especially true if the country has an adversarial relationship with the United States.

U.S. leaders need to face the reality that America’s foreign policy may cause unintended (and sometimes unpleasant) consequences. Those people who cheered such initiatives as the expulsion of Iraqi forces from Kuwait, the nation-building crusades in the Balkans, and the overthrow of Saddam Hussein, need to ask themselves whether increasing the incentives for nuclear proliferation was a price worth paying. Because greater proliferation is the price we seem to be paying now with North Korea. As Chicago Tribune columnist Steve Chapman notes, nuclear weapons “are the best way to assure a government’s

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4 Although that may be the perception driving embryonic nuclear-weapons states, the evidence is ambiguous about whether the possession of a small nuclear arsenal actually would deter a country with a much larger arsenal. See Lyle J. Goldstein, “Do Nascent WMD Arsenals Deter? The Sino-Soviet Crisis of 1969,” Political Science Quarterly, Vol. 118, No. 1 (Winter 2003), pp. 53–79.
Foreign Minister Tang Jiaxuan and Kim Yong Nam, president of North Korea’s Supreme People’s Assembly, issued a joint statement pledging to boost the ties between their two countries.

The wide range of possible motives for North Korea’s actions underscores a crucial point: it is difficult to determine whether Pyongyang is merely using the specter of nuclear weapons to force negotiations or whether North Korea is serious about becoming a nuclear weapons power. The first scenario means that there is a good chance that the crisis can ultimately be resolved. The second scenario means that the crisis will almost certainly intensify.

**Washington’s Misplaced Reliance on Beijing for a Solution**

To get the DPRK to abandon its nuclear ambitions, the United States is pursuing a strategy that combines a willingness to engage in multilateral (and only multilateral) negotiations with an effort to exert growing economic and political pressure on Pyongyang. The most critical component of Washington’s strategy is to forge a united diplomatic and economic front. Bush administration officials believe that China is by far the most crucial participant in the coalition arrayed against Pyongyang. Indeed, the administration apparently expects China to exert whatever diplomatic and economic leverage is needed to get North Korea to abandon its nuclear ambitions.

U.S. leaders have not had their hopes fulfilled. During his trip to East Asia in February 2003, Secretary of State Colin Powell privately expressed disappointment that China had not done more to pressure its neighbor. But the Chinese did not seem overly sympathetic to the Secretary’s objectives. Indeed, in the midst of Powell’s trip Chinese survival. Any government that has serious disagreements with the United States—and particularly any on our ‘axis of evil’—knows that if we may decide who rules Iraq, we may later decide who rules other nations. There is only one protection: going nuclear.7

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A few Sinophobes in the United States charge that China is in league with the North Koreans and would not mind seeing a nuclear armed North Korea. Former congressional staffer William C. Triplett II states bluntly that “the idea that Beijing shares our desire for a nuclear weapons-free Korean Peninsula is nothing more than a dangerous self-delusion.” Triplett alleges further that if the Chinese “disapproved of North Korea’s WMD activities, they could end them with a telephone call.”

Such criticism contains at most a kernel of truth. Beijing may not be overly upset that Pyongyang’s behavior discomfits the United States and allows China to play the role as essential diplomatic broker in the region. Some Chinese officials also may be enjoying how the North Korean issue has sowed dissension in the U.S.-ROK relationship. If Seoul begins to loosen its close ties with the United States, China is likely to be the principal beneficiary (Given the historical Korean antipathy toward Japan, the ROK is unlikely to look to that country as a substitute for its partnership with the United States.).

Most evidence suggests, however, that while China may not be above fishing in troubled waters, Beijing is not eager to see nuclear weapons introduced on the Korean Peninsula. Among other drawbacks, such a development would increase the chance that Japan would respond by building a deterrent of its own, and a nuclear armed Japan is the last thing China wants to see.

But while maintaining the nonnuclear status quo on the Peninsula may be a significant Chinese objective, it is not the most important one. Beijing’s top priority is to preserve the North Korean state as a buffer between China and the U.S. sphere of influence in Northeast Asia, although it also clearly wants Kim Jong-II’s regime to reform. As


North Korea’s economy has languished in recent years, resulting in mass famine, China has worried that the North Korean regime might implode, much as the East German system did in 1989. Such a development would lead to the sudden emergence on China’s border of a unified Korea allied to the United States. It might also lead to a massive flow of North Korean refugees into China. As two prominent experts on East Asia note: “To guard against this event [China] will ultimately allow fuel and food (sanctioned or unsanctioned) to move across its border with the North.”

The overriding objective of keeping North Korea as a viable country probably places a limit on the amount of pressure that Beijing is willing to exert on Pyongyang. In theory, China might be able to use its economic leverage as North Korea’s principal source of energy and other vital commodities to compel Kim Jong-Il’s regime to put its nuclear weapons program back into the deep freeze. In reality, though, China fears the possible consequences of using that leverage.

And as far as diplomatic influence is concerned, the United States tends to overrate Beijing’s clout. China may be North Korea’s closest ally, but that is only because most other countries (with the partial exception of Russia) have utterly frosty relations with the reclusive Stalinist state. The North Korean elite are not especially fond of China. In addition to the wariness with which a small state typically regards a much larger neighbor, Pyongyang considers the Beijing government a communist apostate for its extensive flirtation with market-oriented economic reforms and its tolerance of a considerable amount of social pluralism for the Chinese people. The North Koreans may listen to China’s diplomatic message that it is dangerous and counterproductive to pursue the nuclear option, but it is not at all certain that they will heed that message. New York Times columnist Nicholas D. Kristof correctly concludes, “China’s influence on North Korea has always been
wildly exaggerated. North Koreans speak openly of their contempt for Chinese officials. . . .”

In short, if U.S. officials are counting on China to “deliver” a non-nuclear North Korea, they may be making a miscalculation. Beijing will probably try to be helpful on the issue, but its willingness and its ability to influence Pyongyang are limited.

The Nature of a Hedging Strategy

The United States needs to pursue a two-tier strategy with regard to the North Korean nuclear crisis. At the most basic level, Washington should negotiate with Pyongyang without demanding that the North first return to the Agreed Framework and rejoin the NPT. Those negotiations should preferably be multilateral in nature, but U.S. officials should not rule out bilateral talks with the North, if that is the only way to make progress. It would be in the best interests of the United States and the nations of East Asia if this crisis can be resolved through diplomatic means resulting in a comprehensive agreement.

Any diplomatic solution needs to have certain characteristics, however, to be worthwhile. It is not enough to get North Korea to promise to abide by the Agreed Framework and the NPT. North Korea has demonstrated repeatedly that its word means nothing. This time, there must be intrusive “on demand” inspections of all known and suspected North Korea nuclear facilities. If North Korea truly abandons its nuclear weapons program and agrees to such inspections, the United States should take a number of conciliatory steps. Those would include resuming the fuel oil shipments and construction of the light water reactors, agreeing to North Korea’s demand for a nonaggression pact (even though historically such agreements have rarely been worth the paper they’re written on), concluding a peace treaty to formally end the

20 For a detailed case for multilateral negotiations, see Doug Bandow, “All the Players at the Table: A Multilateral Solution to the North Korean Nuclear Crisis,” Cato Institute Policy Analysis, No. 478, June 26, 2003.
most sophisticated nuclear arsenal in the world—as well as a decisive edge in all conventional military capabilities. The North Korean regime surely knows (although it might behoove U.S. leaders to make the point explicitly) that any attack on American soil would mean the obliteration of the regime. The United States successfully deterred a succession of aggressive and odious regimes in the Soviet Union from using nuclear weapons, and it did the same thing with a nuclear-armed China under Mao Zedong. It is highly probable that the United States can deter Kim Jong-Il’s North Korea—a country that would have a much smaller nuclear arsenal than those possessed by the former Soviet Union and China. As an insurance policy to protect the American population in the unlikely event that deterrence failed, Washington should continue developing a shield against ballistic missiles.

To counter North Korea’s possible threat to the East Asian region, Washington ought to convey the message that Pyongyang may be making a serious miscalculation if it assumes that it will have a nuclear monopoly in Northeast Asia. North Korea’s rulers are counting on the United States to prevent Japan and South Korea from even considering the option of going nuclear. U.S. officials should inform Pyongyang that, if the North insists on crashing the global nuclear weapons club, Washington will urge Tokyo and Seoul to make their own decisions about whether to acquire strategic deterrents. Even the possibility that South Korea and Japan might do so would come as an extremely unpleasant surprise to North Korea.

The United States does not need to press Tokyo and Seoul to go nuclear. That would be inappropriate. A decision on nuclear weapons would be a difficult and politically sensitive issue in both Japan and South Korea, and the United States should not exert pressure one way or the other. Some experts are confident that at least Japan would overcome its long-standing nuclear allergy and embrace such weapons. Others are equally confident that Tokyo would decline to do so even if it had to confront a nuclear-armed North Korea. There is no way to be certain how such a debate would turn out.

It is sufficient if Washington informs those governments that the United States would not object to South Korea and Japan developing nuclear weapons. That by itself would be a major change in U.S. policy. In addition, U.S. officials should also inform their Japanese and South Korean partners that, if they choose to remain nonnuclear, they cannot count on the United States to risk its own security to shield their countries from a nuclear-armed North Korea. Within a decade, Pyongyang may have ballistic missiles capable of reaching targets in the continental United States. Putting American cities at risk to deter attacks on East Asian allies by a volatile and unpredictable adversary would be far too dangerous, and we need to be candid with Japan and South Korea about that point.

Faced with those realities, Japan or South Korea (or perhaps both countries) might well decide to build a nuclear deterrent. The prospect of additional nuclear weapons proliferation in northeast Asia is obviously not an ideal outcome. But offsetting the North’s illicit advantage may be the best of a set of bad options. Simply trying to renegotiate the Agreed Framework is unlikely to induce North Korea to return to a nonnuclear status. Diplomatic pressure and economic sanctions are not likely to achieve that goal either. And preemptive military strikes are clearly too dangerous. The one chance of getting the North to abandon its current course is if it becomes clear that Pyongyang may have to deal with nuclear neighbors, and would, therefore, not be able to intimidate them. Indeed, Pyongyang might have to face the prospect of confronting more prosperous nuclear adversaries that could easily build larger and more sophisticated arsenals than North Korea could hope to do. The North may conclude that ending the cheating strategy and keeping the region nonnuclear might be a more productive approach. Even if it does not do so, a nuclear

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peace of East Asia is if an aggressive and erratic North Korean regime gets nukes. Nuclear arsenals in the hands of stable, democratic, and peaceable nations such as Japan and South Korea do not threaten the peace of the region.

Although the prospect of North Korea possessing a nuclear arsenal is unsettling, the other component of the North Korean nuclear problem is the most troubling. The United States and North Korea's neighbors can probably learn to live with Pyongyang's possession of a nuclear arsenal. What the United States cannot tolerate is North Korea's becoming the global supermarket of nuclear technology. An especially acute danger is that Pyongyang might provide either a nuclear weapon or fissile material to Al Qaeda or other anti-American terrorist organizations. The DPRK's record on missile proliferation does not offer much encouragement that it will be restrained when it comes to commerce in nuclear materials.

Indeed, Pyongyang has shown a willingness to sell anything that will raise revenue for the financially hard-pressed regime. In the spring of 2003, for example, evidence emerged of extensive North Korean involvement in the heroin trade.

That attitude woefully misconstrues the problem. The threat to the balance of power in the region would likely emerge instead of a North Korean nuclear monopoly.

The prospect of a nuclear-armed Japan also is the one factor that might galvanize the Chinese to put serious diplomatic and economic pressure on Pyongyang to give up its nuclear ambitions. Charles Krauthammer expresses that thesis starkly: “We should go to the Chinese and tell them plainly that if they do not join us in squeezing North Korea and thus stopping its march to go nuclear, we will endorse any Japanese attempt to create a nuclear deterrent of its own. Even better, we would sympathetically regard any request by Japan to acquire American nuclear missiles as an immediate and interim deterrent. If our nightmare is a nuclear North Korea, China’s is a nuclear Japan. It’s time to share the nightmares.”

Even if one does not embrace Krauthammer’s approach, the reality is that if the United States blocks the possible emergence of a Northeast Asian nuclear balance, it may well be stuck with the responsibility of shielding nonnuclear allies from a volatile, nuclear-armed North Korea. More proliferation may be a troubling outcome, but it beats that nightmare scenario. Yet oddly enough some of the most hawkish members of the U.S. foreign policy community are terrified at the prospect of America’s democratic allies in East Asia building nuclear deterrents. Neconservative writers Robert Kagan and William Kristol regard such proliferation with undisguised horror: “The possibility that Japan, and perhaps even Taiwan, might respond to North Korea’s actions by producing their own nuclear weapons, thus spurring an East Asian nuclear arms race . . . is something that should send chills up the spine of any sensible American strategist.”

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25 This is a point noted by Senator John McCain. In response to a question on the CBS program “Face the Nation,” McCain stated: “One of the options we have is, of course, to remove our objections to Japan developing nuclear weapons, since they are now directly threatened by North Korea. I’m sure the Chinese would not like to see that happen.” Available at http://www.cbsnews.com/stories/2003/01/06/.
26 Krauthammer, “The Japan Card.”

broken many of its international nonproliferation commitments.”

Deputy Secretary of State Richard Armitage rightly argues that “the arms race in North Korea pales next to the possibility . . . that she would pass on fissile material and other nuclear technology to either transnational actors or to rogue states.”

Preventing that development will not be easy. Some people have proposed monitoring North Korean shipments around the world—and some have even suggested imposing a blockade on North Korea—to intercept suspect shipments. One example of an aggressive anti-smuggling policy was the joint U.S.-Spanish interception of a shipment of North Korean Scud missiles bound for Yemen in late 2002. More recently, the United States has induced more than a dozen nations to join the Proliferation Security Initiative. The goal of the PSI is to prevent trafficking in missile parts, unconventional weapons, and other contraband by various rogue states.

But successful interdiction as a general policy is a long shot at best. The utter failure to halt the trafficking in illegal drugs using that method does not bode well for intercepting nuclear contraband. It would be difficult to seal off North Korea in the face of a concerted smuggling campaign. That is particularly true if we did not have the active cooperation of Russia and China, and to date neither country has joined the PSI. Interdiction is an especially daunting task when one realizes that the amount of plutonium needed to build a nuclear weapon could be smuggled in a very small container.

Since interdiction is not likely to prove successful except on fortuitous occasions, the United States needs to adopt another approach. First of all, it needs to communicate to the DPRK that selling nuclear material—much less an assembled nuclear weapon—to terrorist organizations or hostile governments will be regarded as a threat to America’s vital security interests. Indeed, U.S. leaders should treat such a transaction as the equivalent of a threatened attack on America by North Korea. Such a threat would warrant military action to remove the North Korean regime. Pyongyang must be told in no uncertain terms that trafficking in nuclear materials is a bright red line that it dare not cross if the regime wishes to survive.

There are subtle indications that the DPRK may understand that point already. In announcing that they were going to build a nuclear deterrent, the North Koreans also stated that they would not transfer that capability to other parties. Obviously, when assessing North Korean assurances on any subject, one ought to take them not only with a grain of salt but with the entire salt shaker in hand. Nevertheless, Pyongyang’s statement does suggest that the regime understands that there are limits to how far it can provoke the United States.

Clearly, all reasonable people in the United States and East Asia hope that the North Korean nuclear crisis can be resolved through diplomacy. But Washington needs to consider alternatives in case Pyongyang continues to pursue its nuclear ambitions regardless of the wishes of its neighbors. The use of military force against the DPRK is not a realistic option, since such action would likely trigger a general war on the Korean Peninsula that could claim the lives of tens of thousands—if not hundreds of thousands—of innocent Koreans. Instead, the United States needs to adopt a hedging strategy—one that would be based on containment, deterrence, and the emergence of a regional nuclear balance. That is hardly an ideal solution, but it may be the best option available if diplomacy fails.