

Confidential

RUSSIA

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Aleksandr Vorontsov reports from Moscow:

SITUATION ON THE KOREAN PENINSULA:

OPPORTUNITIES FOR NEW U.S. ADMINISTRATION AND RUSSIAN INTERESTS

(written in the wake of contacts with North Korean experts)

SUMMARY

Dr. Aleksandr Vorontsov, head of the Korea and Mongolia department at the Oriental Institute and member of the PIR Center Advisory Board, often visits North Korea and maintains long-term contacts with North Korean experts. During his recent visit to Pyongyang in October 2016, he held meetings at three different departments of DPRK'S MFA and met governmental experts from the Kim Il-sung University and the North Korean Institute of Social Sciences.

He has shared his impressions of those meetings in an interview with Russia Confidential, with a special emphasis on the most pressing problem facing the Korean Peninsula - the nuclear problem. The expert also spoke about the opportunities that are open for the new American president Donald Trump, the overall dynamics in the region and the potential implications of all of this for Russia.

TYING AND UNTYING THE NUCLEAR KNOT: ON SANCTIONS AND NEGOTIATIONS

Pyongyang has never made secret of the fact that the nuclear test conducted in September 2016 was its response to the unprecedentedly tough Resolution 2270 adopted last March. North Korea does not recognize new sanctions; it regards them as unfair, and it has already demonstrated that it won't be stopped in its tracks by economic pressure. To the contrary, it will work even harder to speed up its nuclear program. It is true that there has been a large series of missile tests lately; experts say there were about 30 launches in 2016 alone.

➤ *During our meetings in March and October 2016, our North Korean counterparts - including representatives of the Foreign Ministry and of the leading research institutes in Pyongyang - made it very clear that they are not scared of the sanctions regime or the prospect of it being made even more biting. They also emphasized that they had already shown flexibility by offering negotiations - meaning the initiative on a mutual moratorium (on missile and nuclear tests by North Korea, and on large U.S.-South Korean drills). That proposal by Pyongyang, however, was rejected out of hand.*

This means that the North Koreans are ready and willing for dialogue - but they can also live without it. They stressed during our meetings that they understand the logic of approach of the Obama administration - no talks for the sake of talks - but neither does North Korea intend to participate in talks whose only aim is to secure its capitulation.

Despite Pyongyang's interest in dialogue with the U.S, the Obama administration deliberately inflicted a grave insult on the Korean nation by putting the North Korean leader himself on the sanctions list. Pyongyang is convinced that, by doing so, Washington had crossed the *red line*; this is why all official contacts with the U.S. administration have been broken, including contacts via the North Korean mission to the UN in New York, which used to be often employed for bilateral contacts. Only informal exchanges of opinion are still ongoing on the sidelines of scientific conferences. In such circumstances, new nuclear and missile tests have come as no surprise.

WHAT TO EXPECT FROM THE NEW U.S. ADMINISTRATION?

North Korea makes no secret of the fact that its main foreign-policy goal is normalization of relations with the United States. It is the lack of a settlement with the United States and its allies that has been the main cause of the launch and development of the North Korean nuclear program. There are no diplomatic relations and no peace treaty between the two countries. All they have is the 1953 Armistice Agreement, which is a total anachronism. No less anachronistic is that the Americans deliberately avoid a normalization: both countries are UN members, but they have no established diplomatic relations.

➤ *This is regarded by Pyongyang as one of the clear manifestations of hostility: since the Americans do not want a normalization, that means they want North Korea to cease to exist.*

There have been plenty of chances for a normalization with the United States; one of them came during the Bill Clinton administration. At the end of that administration's second term, in October 2000, the second-highest official in the North Korean hierarchy, Vice Marshal Jo Myong-rok, was received by Bill Clinton in the White House. During that meeting, the two signed a joint communique - which is in fact a joint document that almost amounted to a technical diplomatic recognition of North Korea by the United States. Two weeks later, Secretary of State Madeleine Albright came to Pyongyang and spent nine hours in one-to-one meetings with Kim Jong-il. These

steps constituted, in fact, practical preparation for the visit of the head of the White House to Pyongyang.

So, in theory, a rapprochement between the United States and North Korea, and the establishment of diplomatic relations between the two is possible. Back in 2000, they simply ran out of time, lacking just a few more weeks. Bill Clinton's presidential term was almost over, and then the situation changed drastically following the arrival of a Republican administration led by George W. Bush, who included North Korea into the *axis of evil*. Nevertheless, Bush turned to a more constructive policy on North Korea during his second presidential term - unlike the Democrat Barack Obama, who remained committed to his strategy of *strategic patience*. That strategy, as many experts say, including American ones, is a variation of the classical policy of containment - pressure without talks, or *stick without a carrot*.

➤ *This is why the statements made by the new U.S. president, Donald Trump, during his election campaign, give reasons to be optimistic. The question is, whether his idea of direct talks with the North Korean leader will be actually put into practice. The reaction from Pyongyang to such a proposal would of course be positive.*

Let us recall that Donald Trump said metaphorically - the election campaign was a suitable venue for such metaphors - that he would meet the North Korean leader "over a burger" so as not to waste time on a proper official dinner. The main thing, however, is that he did not rule out the very possibility of a meeting at the highest level. That alone was a clear breakthrough because there were no such precedents in the past.

POTENTIAL FOR RUSSIAN INVOLVEMENT IN RESOLVING THE NORTH KOREAN PROBLEM

Russia is trying to remain an active participant in the settlement of the situation on the Korean peninsula, especially the Korean nuclear problem. We have a vital interest in peace and stability on the peninsula; that is our primary goal. This is why the Russian Foreign Ministry always welcomes any negotiations with Pyongyang, regardless of the format - provided that their aim is a normalization of relations and a reduction of tensions.

One of the key preconditions for resolving the Korean nuclear problem is a normalization of relations between Washington and Pyongyang, which, as already mentioned, is North Korea's main foreign-policy goal. However in the United States, due to its political tradition, there is in fact no central mechanism of formulating the foreign-policy course. There are several key players that have a say on the matter, including the President, the National Security Council, Congress, the Treasury, and the Department of State. In fact, the Six-Party Talks highlighted the conflicting positions of the Treasury and the DoS on the issue. In such circumstances, the United States cannot always be consistent in its foreign-policy decisions. That is one additional reason why it is important to have other actors involved in the process as mediators.

➤ *Of the great powers, only two, Russia and China, now maintain diplomatic relations with both North Korea and South Korea. Only Russia and China have the necessary experience and level of trust with Pyongyang. That potential should be utilized as part of the settlement process. Nevertheless, the most pressing need is for a normalization of the DPRK-U.S., DPRK-Japan and certainly inter-Korean relations.*

Meanwhile, Russia will continue to promote the idea of a polycentric international system. Northeast Asia, which is home to some of the world's leading economies, does not have a single regional platform for discussing security problems; that problem is well-known. There used to be the Six-Party mechanism, but it only existed until 2009. Of course, neither Russia nor any of the other participants have abandoned it completely. The only exception is North Korea itself, which explained its pullout by saying that

instead of fair and equitable negotiations where everyone's sovereignty and rights are respected, the process had become a case of five prosecutors haranguing the accused.

➤ *The North Koreans are fighting hard for their national interests; they cannot be intimidated or tricked. That is why if the new Trump administration truly intends to pursue nonproliferation goals, progress in the resolution of the North Korean nuclear problem is entirely possible. But if the Americans retain a secret regime change agenda, then the process will once again end in a deadlock.*

When North Korea held its fifth nuclear test on September 9, 2016, Russian Foreign Minister Sergey Lavrov and his U.S. counterpart John Kerry were in Geneva discussing the Syrian problem. During the press conference on September 10, they faced questions about the North Korean situation - and it became clear from their answers that the U.S. position on North Korea had shifted. The Americans started talking of their willingness to sign a non-aggression treaty, but only in the event of a denuclearization. The Russian minister added that even though new sanctions would be imposed, history shows that sanctions alone cannot solve such problems. They require creative diplomatic solutions. Lavrov recalled in particular that the elimination of the Syrian chemical weapons stockpiles and the settlement of the complex Iranian problem were achieved by using new, creative diplomatic approaches.

➤ *It is often argued that the North Korean problem can be resolved by signing an agreement similar to the one concluded with Iran. But the North Korean and Iranian situations have only partial similarities. Unlike North Korea, Iran had not yet developed nuclear weapons or conducted nuclear tests when the agreement was signed. It is much easier to relinquish a program at an early stage than a mature program that has already delivered nuclear weapons at a cost of major effort, investment, and sacrifice.*

Nevertheless, the Iranian experience indicates that diplomacy can produce results when countries are ready to show political will and come up with creative solutions, and when efforts are genuinely aimed at nonproliferation rather than regime change.

ON THE BALANCE OF POWER IN THE REGION AND FUTURE AGENDA FOR RUSSIA

Despite the search for innovative solutions, the existing system also has some immutable elements, such as the U.S. military presence in South Korea. As for the policies of Seoul itself, they will depend on the outcome of the presidential election scheduled for later this year. Ban Ki-moon, who has completed his stint as UN Secretary-General, is seen as a realistic candidate, and if one of the representatives of that camp wins, then the policies will stay the same. If, however, an opposition candidate wins*, he will return (to a certain extent though) to the policy of reconciliation and cooperation with North Korea initiated by Roh Moo-hyun, to the agreements signed in 2008 during the second inter-Korean summit and subsequently rejected by Lee Myung-bak. The work of the Kaesong industrial complex will be resumed; its closure was a grave political and economic error.

➤ *A radical U-turn is not impossible. If it happens, new opportunities will also open up for trilateral (Russia-DPRK-ROK) cooperation projects that would be economically beneficial for everyone.*

➤ Life is not standing still, and new ideas are being born all the time. Let us recall the proposal to build a Russian natural gas pipeline to South Korea via the DPRK. At the beginning, in the 1990s, the origin of that pipeline was supposed to be in the Yakutia natural gas basin. Then the Kovykta fields** came

* The most likely opposition candidate remains Moon Jae-in, even though he lost all previous elections

** The Kovykta natural gas field is in the Irkutsk Region of Russia

online: since they were situated closer, it was regarded more economical to lay the pipeline via China and the Yellow Sea, bypassing North Korea completely. Plans were drawn up, and several memorandums of intention signed. Then natural gas production began in the Sakhalin, and the proposal for a gas pipeline via North Korea was resurrected. The same story happened with electricity: there was a proposal to build a power transmission line via two countries, including North Korea. Now there is an idea of a power transmission ring; it used to be just a pipe dream, but now it is gradually being fleshed out.

Returning to military-political issues, even if an opposition candidate wins the South Korean presidency, the THAAD program* will probably remain unaffected. It was not South Korea but the **United States** who made the decision to deploy that system as part of its own global strategy - which it continues to pursue regardless of any protests from Russia, China or other countries. Besides, South Korea itself has never questioned the value of the U.S. military presence in its territory even during periods of less chilly relations with the North under presidents Kim Dae-jung and Roh Moo-hyun.

At the same time, the outcome of the presidential election will largely determine the future of further military cooperation between South Korea and **Japan**. If an opposition candidate comes to power and Seoul makes another Northward shift, the need for such cooperation will disappear. The situation on the Korean peninsula will be back to normal, with closer military contacts between the North and the South. The future of the ROK-Japan cooperation is also uncertain because of the territorial disputes dating back to colonial times and still poisoning the development of closer military and political ties.

Things aren't simple in ROK-Russia relations, either. **Russia** appreciates that Seoul has not joined Western sanctions against it. But, being an ally of Washington, South Korea has a very limited freedom of maneuver. Meanwhile, Russia itself is bound by the sanctions it has voted for at the Security Council. They seriously limit the potential for the development of bilateral trade with North Korea.

➤ *In October 2016 I met several representatives of the DPRK Foreign Trade Ministry. They say that most of our bilateral economic projects have ground to a halt. Sanctions have also had a negative impact on the Rajin-Khasan** railway link; the volume of cargo transported via that link has fallen, even though the project itself does not fall under the scope of sanctions. Nevertheless, North Koreans are optimistic that these are but temporary problems.*

China supports Russia's opinion that the only legitimate sanctions are those introduced by the UN Security Council resolutions - but not the additional unilateral ones imposed by the United States, Japan, and South Korea, and aimed at weakening the civilian sector of the DPRK economy and hastening the collapse of the regime. This is where the position of Russia and China on the one hand, and the United States and its allies on the other, radically diverge. China has 1,300km of common land border with North Korea. It has no interest in fomenting instability along that border or in the whole of the DPRK, in having that country plunged into chaos, or in causing a worsening of North Korean living standards.

Three or four years ago, there was a detectable cooling in Beijing-Pyongyang relations. Now, however, America's plans for THAAD deployment have made the two countries' positions close once again. In these circumstances, China is less interested than ever in joining the Western countries' policy of trying to stifle North Korea economically.

Of course, North Korea is not bowing to any pressure from anyone, including the United States, Russia, or China. Washington may well seize the initiative if Donald

* THAAD: Terminal High Altitude Area Defense - a mobile land-based missile defense system

** *Rajin-Khasan* is a railway freight link between Russia and South Korea via DPRK territory

Trump fulfills his campaign promise and talks to Pyongyang. But the sanctions are not having any effect, that is obvious. The U.S. political establishment is probably finding it difficult to abandon its old idea that sanctions are omnipotent and the regime will inevitably fall under increasing pressure. To date, there are no signs of an impending collapse in North Korea however. On the contrary, the country's economy is in relatively steady growth - despite the sanctions, the lack of cooperation with the South, and the lack of any support from abroad.

Be that as it may, it is not clear what policy Donald Trump will pursue. The EU, absorbed by internal problems, isn't generating any fresh ideas, either. So if you ask me who is the most active player now with regard to the North Korean nuclear program, my answer is, North Korea itself.

The author of this paper, Aleksandr Vorontsov, PhD, holds a doctorate in History and chairs the Korea and Mongolia department at the Oriental Institute of the Russian Academy of Sciences. He is a member of the PIR Center Advisory Board.

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Sincerely,

**Chairman,
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Dmitry Polikanov