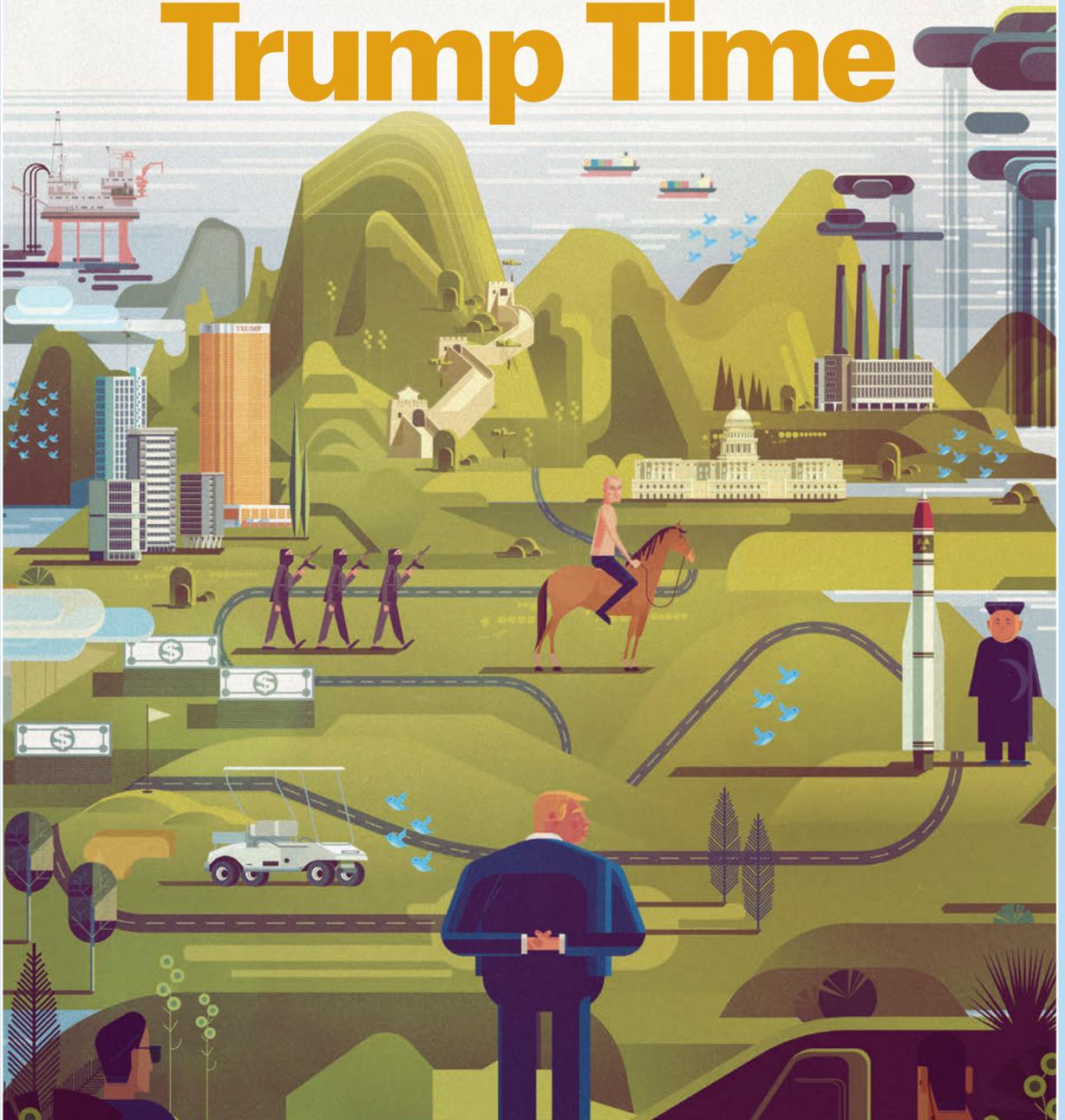


HOW AMERICA TURNED AGAINST EXPERTS

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Trump and North Korea

Reviving the Art of the Deal

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In the next four years, North Korea is poised to cross a dangerous threshold by finally developing the capability to hit the continental United States with a nuclear missile. That ability would present a direct threat to the United States and could punch a hole in the U.S. nuclear umbrella in Asia: Japan and South Korea, doubtful that Washington would risk U.S. cities to defend Tokyo or Seoul, might feel they had no choice but to get their own nuclear bombs. U.S. President Donald Trump, while still president-elect, drew a redline at Pyongyang's feet, tweeting, "It won't happen!" But the real question is how to stop it.

Hawks argue that Washington should act now by imposing harsh new economic sanctions or undertaking preemptive military strikes. But neither option would end well. Slapping Pyongyang with still more sanctions would only encourage it to sprint toward the completion of a nuclear-tipped intercontinental ballistic missile. And military action could lead to the destruction of Seoul (which sits within range of North Korean artillery) and expose U.S. forces in Guam, Japan, and South Korea to devastating retaliation, potentially

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triggering a catastrophic war in one of the world's most populous and prosperous regions.

If the United States really hopes to achieve peace on the Korean Peninsula, it should stop looking for ways to stifle North Korea's economy and undermine Kim Jong Un's regime and start finding ways to make Pyongyang feel more secure. This might sound counterintuitive, given North Korea's nuclear ambitions and human rights record. But consider this: North Korea will start focusing on its prosperity instead of its self-preservation only once it no longer has to worry about its own destruction. And North Korea will consider surrendering its nuclear deterrent only once it feels secure and prosperous and is economically integrated into Northeast Asia. What's more, the world can best help most North Koreans by relieving their deprivation and bringing down the walls that separate them from the outside world. Washington's immediate goal should therefore be to negotiate a freeze of North Korea's nuclear program in return for a U.S. security guarantee, since that is the only measure that could enable Kim to start concentrating on economic development and the belated transformation of North Korea.

Trump seems open to this approach to the North Korean conundrum. Even in his most hawkish moment, when he threatened to bomb North Korean targets during his failed presidential bid in 2000, he insisted, "I'm no war-monger," and argued that only negotiation would bring a lasting solution. And last year on the campaign trail, he said that he "would have no problem speaking" to Kim. A businessman at heart, Trump will not be likely to turn down a good deal.

Kim also appears ready to do business. After taking power in 2012, he unveiled a new national strategy that put equal emphasis on security and prosperity. So far, however, he has focused primarily on consolidating his domestic power and building up the country's nuclear arsenal. Trump can now help him pivot to the economy, as Kim appears to have wanted to do all along. However unlikely a pair the two might seem, Kim and Trump are well positioned to strike the kind of deal that could lower the grave risks both their countries (and the region) now face. Such a move would also allow Trump to reaffirm U.S. leadership in a region critical to U.S. interests, and to finally start resolving a problem that has bedeviled every U.S. president since Harry Truman.

SINS OF THE FATHER

In order to understand why such a deal could work, consider how far North Korea has come over the past two decades. In 1994, the year Kim's father, Kim Jong Il, came to power, the country was heading into a perfect storm. The collapse of the Soviet Union three years earlier had abruptly ended Moscow's previously generous support. North Korea's other erstwhile Cold War benefactor—China—also cut back on its subsidies and even normalized relations with the North's principal enemy, South Korea. When massive floods hit, North Korea's already-stagnating economy went into a tailspin. Before long, the country was suffering a horrific famine that, according to the most conservative estimates, would take many hundreds of thousands of lives. Scrambling to survive, Kim called on his people to endure an "arduous march"

through an era of "military-first politics." Kim gave power to his generals and rations to their troops, at the expense of party cadres and the rest of the population. He boosted defense spending even as his people starved. And he abandoned tentative reforms under pressure from hard-liners. His military-first strategy kept the regime alive and the country intact—but at a brutal cost.

By the time Kim died, in 2011, North Korea had recovered considerably—enough so that Kim Jong Un could use his inaugural address to signal an end to his father's military-first policies. Never again, he promised, would his people have to "tighten their belts." A year later, Kim launched a new doctrine, which called for "simultaneous progress" on nuclear deterrence and economic development. It was "a new historic turning point," Kim told the Party Central Committee in 2013, when North Korea could develop its economy and improve its living standards.

Kim's interest in economic progress goes beyond mere sloganeering. At the same time that he unveiled his strategy of "simultaneous progress," he appointed Pak Pong Ju, a reformist technocrat, to be the country's top economic official. To improve efficiency, Kim decentralized control over management decisions to farms and factories. He set up a dozen "special economic zones" and has largely left the country's extensive informal markets alone to work their magic. Through high-profile visits to new shopping malls, high-rise apartments, and pop music concerts, he has publicly embraced Pyongyang's emerging consumer class. All these measures have helped the North Korean economy grow by a modest one to two percent

per year since he took power—despite tight sanctions and limited foreign investment—and the capital city is booming, although much of the population elsewhere still languishes at near-subsistence levels.

Yet belying these efforts, Kim has focused his energy more on nuclear than on economic development. In 2016 alone, he staged two nuclear and 24 missile tests. Kim seems to be sticking to a general principle of international politics that puts security before prosperity. North Korea's leader will put the economy first—and open up the country in the way this would require—only if and when he starts feeling confident that he has secured his position at home and neutralized the threats from abroad. After five years in which he demoted generals, reshuffled top cadres, and even executed his own uncle, Kim seems to have accomplished the former goal. But so far, the latter remains out of reach.

LET'S MAKE A DEAL

To get there, Pyongyang will need a breakthrough in its relationship with Washington. That was unlikely to happen as long as U.S. President Barack Obama remained in office: because of his belief that the regime could not outlive Kim Jong Il's death, and then the wishful notion that Beijing could solve the problem for him, Obama never showed much interest in striking a grand bargain with Pyongyang. Such indifference only encouraged Kim to maintain his father's reliance on nuclear weapons as a guarantor of his security.

With Kim now feeling far safer at home, the United States needs to help him find a nonnuclear way to feel secure along his borders. A comprehensive deal is the best way to accomplish this, but it will

require direct dialogue with Pyongyang. Trump should start by holding back-channel talks. If those make enough progress, he should then send an envoy to Pyongyang, who could negotiate a nuclear freeze (and, perhaps, as a goodwill gesture on the part of Pyongyang, secure the release of the two U.S. citizens imprisoned in North Korea). Trump could then initiate high-level talks that would culminate in a meeting between Kim and himself.

In order to convince Kim to freeze the development of North Korea's nuclear weapons and the missiles that carry them, Washington will need to design a package of security guarantees and political incentives, along with the practical means to verify Kim's compliance. Trump should offer Kim substantive concessions, well beyond the food aid that Obama proposed to send in the 2012 Leap Day Deal (scuttled almost as soon as it was announced by a new North Korean satellite test). Trump could offer to scale back or suspend U.S.–South Korean military exercises and delay the deployment of new U.S. military assets to the Korean Peninsula. As long as the diplomacy moved forward, the United States could safely postpone these military moves. Trump could also suggest convening four-power talks among China, North Korea, South Korea, and the United States to negotiate and sign a treaty formally ending the Korean War, as Pyongyang has long demanded. Trump could further consider offering symbolic actions that would give Kim room to maneuver, such as setting up liaison offices in Washington and Pyongyang and moving toward the normalization of diplomatic relations.

Direct negotiations are the only way to find out just what steps Kim is ready to take now and which will have to wait



Deal with it: Kim Jong Un delivering a speech in Pyongyang, August 2016

until mutual confidence grows. Whatever Kim's comfort level, however, Washington should, in the first phase, ask Pyongyang to halt further development of its nuclear and long-range ballistic missile programs and allow International Atomic Energy Agency inspectors back into the country to verify compliance. Negotiators would also have to tackle the dual-use dilemma: North Korea currently insists on its right to launch satellites, which the United States considers de facto ballistic missile tests. To separate the two issues, Trump should ask Kim to let Russia launch all his satellites for him (a solution Kim's father suggested to Russian President Vladimir Putin back in 2000). In return, the United States would officially acknowledge North Korea's sovereign right to a peaceful space program.

The bilateral discussions should go beyond nuclear security, however. Trump should press Kim to take concrete steps to improve North Korean human rights, such as relaxing restrictions on travel abroad,

allowing foreign humanitarian organizations more freedom in North Korea, and closing political prison camps. Discussing how to manage the rise of China, meanwhile, might yield some useful surprises, since both Kim and Trump want to keep Beijing guessing. Making progress on these issues would prove the wisdom of Trump's campaign promise to talk to Kim so long as there was "a ten percent or a 20 percent chance that [he could] talk him out of those damn nukes."

THE NEXT ASIAN TIGER

Initiating talks on a nuclear freeze would immediately relax tensions between Washington and Pyongyang and lower risks in the region. But even if both sides agreed on new security arrangements, that would not solve the long-term threat posed by North Korea's nuclear arsenal. It would, however, create an opening for further negotiation. The United States would then need to use it by moving swiftly to the crux of the deal: helping Kim

plot a path to prosperity by integrating North Korea's economy into the region.

If the United States were to loosen sanctions in step with Kim's initial freeze and subsequent moves, North Korea's location at the crossroads of Northeast Asia would give it a natural advantage. Businesses in China's northeastern provinces and the Russian Far East would readily ship their goods through North Korea's ice-free port at Rason, a short trip from Busan, South Korea's international shipping hub. Building an oil and gas pipeline through North Korea would allow Russian energy companies to reach South Korean consumers more cheaply. International financial institutions could help Pyongyang stabilize its currency and improve its data collection, as well as providing development assistance. North Korea could also become a popular place for light industrial manufacturing, given its low wages and its industrious, disciplined, and educated work force (as demonstrated by the productivity of North Korean factory workers at the Kaesong joint industrial zone). Finally, Kim could attract foreign partners to help develop the country's rich natural resources, which include, by some estimates, trillions of dollars' worth of coal and iron ore, precious metals, and rare earths.

Although Kim has already enacted some basic economic reforms, détente with the United States could usher in the next phase of North Korea's development. Such development would generate powerful new domestic business interests, which would slowly push the country toward more international cooperation. Convincing Kim to hand over his last bomb could take decades, and the world may never reach the perfect outcome of

complete, verifiable, and irreversible denuclearization. But short of that, the United States could make huge progress in reversing the current trajectory of ever-rising capabilities and risks.

CRITICS AT HOME, ALLIES ABROAD

Should Trump attempt to break the North Korean logjam, he will get plenty of criticism from multiple directions. But he will also win support in the one place that really counts: South Korea.

Hard-liners in the United States would condemn Trump for throwing Kim a lifeline when (they would claim) North Korea is tottering on the brink of collapse. But such arguments do not stand the test of history. Wishful thinking about North Korea's imminent collapse has compromised U.S. strategy for far too long. Obama, envisioning a day when "the Korean people, at long last, will be whole and free," squandered the early years of Kim Jong Un's reign in the mistaken belief that the regime would not survive long following Kim Jong Il's death.

But survive it did, and it's high time for Washington to recognize that not only is Kim's regime unlikely to collapse anytime soon but economic sanctions have done more harm than good. The Obama administration tried many times to goad Beijing into imposing sanctions that would break Pyongyang's nuclear will, and U.S. officials hailed each new UN Security Council resolution sanctioning North Korea as a game changer. Yet eight years of effort have yielded only a dramatic increase in the North's nuclear arsenal and its ability to deliver those weapons. Because of its overriding interest in a stable, divided Korean Peninsula, China will never impose an economic embargo on its neighbor. Even if Beijing

did enforce comprehensive sanctions, Kim would respond by doubling down on his nuclear weapons program. Targeted sanctions can slow proliferation somewhat, but wholesale sanctions designed to change North Korea's calculus have never worked and never will.

Another, more aggressive group of hard-liners will chide Trump for refusing to order preemptive strikes against North Korea's nuclear program. But the time for preemption passed long ago. The regime already possesses a modest nuclear arsenal and the means to hit targets in Guam, Japan, and South Korea. Its nuclear and missile programs are dispersed underground, underwater, and in other secret locations across the country.

Because the United States could not take out such weapons with a single blow, Pyongyang would almost certainly retain the ability to respond to any attack in kind—and respond it would. In a best-case scenario, Kim would retaliate by launching only conventional missiles and only against U.S. military installations in South Korea, and both Seoul and Washington would refrain from further escalation. Some Americans and South Koreans would be killed, but the fighting would at least stop there. Under an equally plausible worst-case scenario, however, the situation could quickly deteriorate into a catastrophe if North Korea unleashed artillery barrages on the civilian population in Seoul, triggering retaliatory attacks on Pyongyang. It's worth remembering that 20 years ago, General Gary Luck, then the commander of U.S. forces in Korea, estimated that a war with the North would take a million lives and do \$1 trillion worth of damage to the South Korean economy. And that was before Pyongyang got the bomb.

None of the alternatives to a deal—doing nothing (waiting for North Korea to collapse), doing too little (relying on China to impose sanctions), or doing too much (starting a second Korean War)—holds any promise for success.

By contrast, not only is the ground ripe for a grand bargain, but should Trump pursue one, he will likely find a powerful ally in Seoul. Although South Koreans live under the constant threat of nuclear attack from the North, the public there firmly opposes preemptive military strikes against Pyongyang. If the United States unilaterally bombed North Korea, its alliance with the South might be the first casualty. Thanks to the downfall of South Korea's conservative president, Park Geun-hye, liberal politicians—who embrace comprehensive engagement as the only long-term solution to the conflict—are well positioned to win back the presidency this year. But even a conservative leader may well favor a moderate approach to the North, and so Trump can probably count on whoever becomes South Korea's next president to backstop a bold approach by Washington.

In January 2016, a few days after North Korea's fourth nuclear test, Trump said of Kim: "This guy doesn't play games, and we can't play games with him, because he really does have missiles, and he really does have nukes." Trump was right. Like it or not, North Korea's nukes are a reality. The United States needs a new strategy for dealing with Kim—and Trump is well placed to deliver it. 🌐