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## North Korea and the US: no deal towards a workable and sustainable deal?

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### Theme

This analysis argues that the failure of the US and North Korea to reach an agreement in Hanoi could actually lead to a workable deal that both parties agree with and that can become sustainable over time.

### Summary

The Hanoi summit between the US President, Donald Trump, and the North-Korean leader Kim Jong-un ended without an agreement. This does not necessarily spell the end of the current diplomatic process involving North Korea, though. In fact, real negotiations between Washington and Pyongyang had only started a few weeks before the Hanoi summit. And the summit has served to have a clear understanding of Pyongyang's starting position for negotiations. It should thus be possible to launch a real diplomatic process that leads to a workable deal that satisfies both parties. Ideally, South Korea will take a mediating role throughout the negotiation process. The deal will likely involve an incremental approach that helps to build trust, rather than a grand bargain. To make implementation of the deal sustainable over the years it would be necessary to involve other parties. These would include, above all, South Korea and China, but also Russia, Japan and potentially more actors.

### Analysis

#### No deal

The much-anticipated **second summit** between US President Donald Trump and North Korea's leader Kim Jong-un in Hanoi ended with a very unexpected outcome. The summit was cut short and the two delegations parted on their own way. A joint lunch was cancelled, no agreement was signed. Trump and the North Korean Foreign Minister, Ri Yong-ho, gave their own separate press conferences to explain why the summit had failed to produce an agreement. In short, they explained, Washington and Pyongyang disagree on when US incentives will come if North Korea takes meaningful steps towards denuclearisation.

To this could be added that the US and North Korea also seem to still disagree on the fundamental question of the actual meaning of denuclearisation itself. More importantly, there seems to be no common understanding as to whether this includes the removal of Washington's nuclear umbrella over South Korea. Furthermore, there are also gaps in

the position of both countries regarding the issue of what constitutes a proper security guarantee for North Korea. It does not seem that the Hanoi meeting has served to iron out differences over these issues.

In the aftermath of the summit, therefore, questions have been raised about the sustainability of the process. Trump had gambled on his unconventional approach to diplomacy, including meeting Kim directly, succeeding where previous Presidents had failed. He had criticised former US Presidents for having 'failed' and got 'nothing' from North Korea. Following the Hanoi summit, it would seem that Trump will also fail to get anything out of the Kim government in terms of moving towards the denuclearisation of North Korea.

The situation, however, is not as bleak as it might have seemed immediately after the Hanoi summit. To start with, this Pyongyang is different from the one US Presidents Bill Clinton, George W. Bush and Barack Obama had to deal with. Certainly, it has a more developed nuclear weapons programme and has successfully tested ICBMs with a potential range including the whole of the US mainland. Whether Washington and the international community accept it or not, they are dealing with a de facto nuclear power. Indeed, there is a discussion in the US regarding whether complete denuclearisation is a realistic objective or whether Washington should accept a nuclear North Korea and instead seek to cap Pyongyang's programme while deterring its potential use of nuclear weapons. For now, however, Washington's official goal is the complete denuclearisation of North Korea.

Equally important, however, North Korea is now ruled by a young leader who feels secure in his position and who could well be in power for four decades or even longer. And this is a leader who has promised economic prosperity to his people. As he announced during the Korean Workers' Party plenum of April 2018, economic growth is going to be North Korea's focus once it has become a nuclear power. Kim reinforced this message during his New Year speech earlier this year, which had a decidedly economic focus. In other words, Kim is firmly putting economic development as his top priority. Following from the steps of other East-Asian strongmen such as China's Deng Xiaoping, South Korea's Park Chung-hee, Taiwan's Chiang Ching-kuo or Singapore's Lee Kuan Yew, Kim does not seem to see the absence of socio-political freedoms in contradiction with (partial) economic liberalisation. The examples of China and Vietnam, in particular, loom large.

Kim's focus on economics gives leverage to the US, South Korea and other parties. Without sanctions relief and, afterwards, foreign investment and expertise, the Kim government cannot fully develop the North Korean economy. Pyongyang also knows that a resumption of nuclear or ICBM tests would put an end to the current diplomatic process. Not even South Korean President Moon Jae-in, who kick-started the process, would be in a position to support diplomacy following from a new test. In other words, North Korea needs to come back to the negotiation table. Without doing so, Kim has little if any hope of launching a sustainable development process in North Korea.

On the US side, there is an understanding that negotiations are the only means to try to achieve the denuclearisation of North Korea. Pyongyang's nuclear deterrent makes war

unthinkable. Any conflict with North Korea would lead to retaliation and heavy casualties in South Korea and Japan and among US troops in both countries. Meanwhile, the regime does not seem to be on the verge of collapse, as some thought it might be back when Kim took power after his father, Kim Jong-il, died in December 2011. Similar arguments about a potential North Korean collapse had already been made in the 1990s when communist regimes broke down and North Korea's founder Kim Il-sung died. But North Korea still survives almost 20 years after the disintegration of the Soviet Union.

Also, with China, Russia and –more recently– South Korea unwilling to support 'maximum pressure' on Pyongyang, sanctions are not going to achieve Washington's stated goal of complete denuclearisation. There is even a question as to whether sanctions have compelled Pyongyang to come to the negotiation table. This is what the Trump Administration believes. But life in Pyongyang seems to carry on more or less as normal, regardless of whether ordinary North Koreans in the rest of the country are suffering or not.

Both the US and North Korea have repeatedly expressed their wish to continue diplomacy in the days since the Hanoi summit. Moon, meanwhile, has offered South Korea as a mediator between the two countries, including through three-party talks. The necessary working-level diplomacy between the US Special Representative for North Korea, Stephen Biegun, and the North Korean Nuclear Envoy, Kim Hyok-chol, only started weeks before the Hanoi summit. It is now the time for real diplomacy between Washington and Pyongyang to resume and take all the time needed to reach an agreement that works for both countries.

### A workable deal

The fundamental question if and once Washington and Pyongyang re-start negotiations is whether North Korea is willing to denuclearise. Over the past few months, US and South Korean policy-makers have repeatedly stated that this is the case. This includes Trump and Moon. But it is fair to say that most experts on North Korea and nuclear weapons believe that Pyongyang will never agree to complete denuclearisation. The Kim family has spent over 50 years developing North Korea's nuclear weapons programme. It is the ultimate deterrent against a US strike. Besides, the nuclear programme is the only military advantage that North Korea has over the South, which otherwise has stronger and more sophisticated conventional capabilities. South Korea, of course, also has a military alliance with the US. It would not make sense for Pyongyang to give it up.

In Hanoi, however, for the first time ever, Kim said that he was willing to denuclearise. And North Korea put a price on the closure of the Yongbyon nuclear complex, the crown in the jewel of its nuclear programme: the removal of the last five rounds of UN Security Council sanctions on Pyongyang. In other words, the sanctions imposed since 2016 as North Korea accelerated its nuclear and ICBM test programmes. Pyongyang also put a verified dismantling of Yongbyon on the table, meaning that international experts would be allowed to inspect the facility throughout the process. Furthermore, it seems that Pyongyang offered a permanent freeze to its nuclear and ICBM tests. Whether this is a fair price to pay is open to question. But the point is that Pyongyang now has publicly

stated its demands. And its leader is on record before the international community declaring his willingness to denuclearise.

On the US side, discussions prior to the Hanoi summit focused on the offer of a (non-binding) peace declaration, the establishment of liaison offices in each other's country and the potential lifting of sanctions –or at least the use of waivers to re-start inter-Korean economic projects–. During the summit, however, Washington also asked to discuss other suspected nuclear facilities. Some reports suggest that the US delegation also sought to include North Korea's biological and chemical weapons programmes in the discussion. Indeed, the US offer can be described as a grand bargain in which Washington would put significant incentives on the table in exchange for a fundamentally different –and less threatening– military posture from Pyongyang.

In the end, any agreement that the US and North Korea might reach will probably take an incremental, action-for-action approach. After all, and in spite of the two Trump-Kim summits, there is little trust between Washington and Pyongyang. The former thinks that the latter will never denuclearise. The US foreign policy community points out that, from a US perspective, North Korea cheated on the 1994 Agreed Framework signed by Clinton and the then North Korean leader Kim Jong-il as well as on the 2005 Six-Party Talks Joint Statement signed under Bush. North Korea, meanwhile, believes that Washington would not mind Kim suffering the same fate as Iraq's Saddam Hussein or Libya's Muammar al-Gaddafi. *Rodong Sinmun*, Pyongyang's official newspaper, and North Korean diplomats have repeatedly stated this point over the years. An incremental approach therefore makes more sense, since it would allow both countries to build trust over time.

Thus, any agreement would probably start with North Korea's offer to verifiably dismantle Yongbyon plus a permanent test freeze. After all, any realistic approach to North Korea's denuclearisation needs to start by capping its programme. This might seem a modest achievement, but at least it would prevent Pyongyang from continuing to expand its number of nuclear warheads and missiles. The roll-back would come afterwards. In exchange, the Trump Administration would in all likelihood offer partial sanctions relief or at least waivers. Kim needs these to prove to his internal opponents that taking steps towards denuclearisation leads to economic rewards. With Moon eager to re-start inter-Korean economic cooperation, North Korea could receive immediate economic benefits under both partial relief and waiver scenarios.

The US would probably also offer a peace declaration plus the eventual opening of liaison offices. A peace declaration would be the first step towards a peace regime that China, an official party to the armistice agreement that ended the Korean War, would also need to sign. In Moon's view, the peace treaty would then lead to a peace regime in the Korean Peninsula based on trust-building and cooperation. As for the liaison offices, this would be a reciprocal step that could either be reversed, if diplomacy fails, or lead to the eventual normalisation of diplomatic relations between the US and North Korea. This has been a long-term goal for the Kim family, dating back to at least the 1970s when the US and China normalised relations.

In other words, any agreement would be closer to Washington's negotiating position. This is natural, since after all the US is the stronger party to the negotiations and reportedly it was Trump who walked away from the negotiation table in Hanoi. This way the US President showed his willingness to flex Washington's diplomatic muscle if necessary. Trump needed this for domestic purposes, as he argued during the post-summit press conference when he stated that he would have been criticised had agreed to a 'bad' deal. But this also served Trump to indicate to Pyongyang that it needs to come up with a better offer if it wants an agreement with Washington.

On the other hand, the longer a cap and eventual roll-back on North Korea's nuclear programme takes, the more incentives the US will have to offer if it is serious about pushing North Korea towards complete denuclearisation. After all, reports suggest that Pyongyang continues to build missiles –and it has never said it would stop their production–. It is unlikely that Pyongyang will accept its own version of a 'bad' deal, consisting of a so-called Libya model in which North Korea would first denuclearise and sanctions relief would come later. If this is the agreement that Washington ends up offering, the Kim government will not agree to it.

### A sustainable deal

An agreement between the US and North Korea would lead to an implementation process full of dangers. After all, the Agreed Framework and the Six-Party Talks Joint Statement failed at the implementation stage. The 2012 Leap Day deal agreed by Obama and the current leader, Kim, barely lasted a few weeks. Therefore, it would be necessary for any new agreement to include a robust implementation mechanism to avoid having the US, North Korea or both defect from it. After all, full implementation of any deal would take years and cut across more than one US –and South Korean– presidency. The deal would thus need to be appealing under different political scenarios.

In this regard, the role of Moon is crucial. His relentless push to launch a diplomatic process since becoming President in May 2017 was the main factor behind the current bout of diplomacy in the Korean Peninsula. As the failure of the Hanoi summit shows, there is no guarantee that diplomacy can even lead to an agreement. In this respect, it is encouraging that following the summit he has openly offered Seoul as the mediator in three-way talks also involving Washington and Pyongyang. More mediation will be needed in weeks, months and, possibly, years ahead though. And if an agreement is reached in the next few months and Trump is replaced by another President in 2020, Moon will have to make the case for the continuation of diplomacy.

Furthermore, implementation of any agreement will outlive Moon, whose non-renewable five-year presidency will end in 2022. His successor will have to carry on with the diplomatic process. In this respect, there are questions as to whether a potential conservative victory could put an end to inter-Korean diplomacy. After all, South Korean conservatives tend to take a tougher approach towards negotiations with North Korea. However, polls show that the current diplomatic process and inter-Korean reconciliation have the support of over two thirds of South Koreans –including around half of conservatives–. Furthermore, South Korea's ruling and main opposition party issued a letter in support of the Hanoi summit in the days before it took place, along with three

other smaller parties. It can be thus assumed that if the current process fails it will not be due to South Korean opposition. After all, Seoul is the party that has more to gain from engagement and diplomacy with North Korea other than Pyongyang itself.

Considering the level of political polarisation in the US, it would make sense to try to reach an agreement that is flexible enough to gather the support of a wide range of Republicans and Democrats. The former have been generally supportive of Trump-led diplomatic efforts with North Korea, at least publicly. The latter have been more critical, even though in recent weeks progressives within the Democratic Party have called for a roadmap to formally end the Korean War. It seems that divisions between Republicans and Democrats and within each party do not relate to the use of diplomacy per se. They refer to the level and timing of incentives, as well as to whether the current negotiation process with North Korea should focus on denuclearisation solely or should cover other matters such as Pyongyang's human rights record. In this respect, an agreement on denuclearisation leaving scope for finetuning down the road, including on matters outside the realm of denuclearisation itself, would be preferable and more realistic than a comprehensive agreement imposing a straitjacket that future US governments might reject.

In this respect, a sustainable deal involving the US and North Korea would also need to include a multilateral component. When it comes to denuclearisation, the US and North Korea are the key players. But when it comes to guaranteeing Pyongyang's security –a long-term demand of the Kim family– or support to improve the North Korean economy, however, other actors should be involved. The Six-Party Talks Joint Statement included several working groups. Moon's North-East Asia Plus Community of Responsibility envisions a regional mechanism involving a core involving the six parties plus several supporting actors. In recent weeks there had been discussions about setting four working groups in the aftermath of the Hanoi summit if an agreement had been forthcoming. In other words, an agreement with denuclearisation at its core and other matters surrounding it would be best not only to assuage North Korean concerns, but also to ensure that multiple stakeholders have an incentive to keep it alive. Also, the more stakeholders that are part to an agreement the easier it would be to carry it across different US Administrations.

The fate of the Joint Comprehensive Plan of Action –or JCPOA– with Iran shows the advantages of involving several stakeholders. Had it been a bilateral agreement between Washington and Tehran, it would have died following from Trump's decision to withdraw last year. The JCPOA, however, is being kept alive thanks to the other signatories. Whether the JCPOA is eventually revived or is replaced by another deal, the fact that nominally it remains in place provides a basis for diplomacy to resume. It also provides a lifeline to Iranian policy-makers who prefer engagement over hawkish hardliners who would rather see Tehran develop its own nuclear programme. The same would apply to any process involving Pyongyang.



## Conclusion

Ultimately, the North Korean nuclear issue and the security situation in North-East Asia –not to mention inter-Korean reconciliation– affect other players in the region and the international community at large. A sustainable diplomatic process will necessarily involve South Korea and China first, Russia and Japan second, and other countries and organisations including the UN and the EU third. As much as the Hanoi summit was an important setback in the diplomatic process with North Korea, a potential silver lining is the potential for a mutually agreeable deal between Washington and Pyongyang that other parties, led by Seoul, can support along the way.