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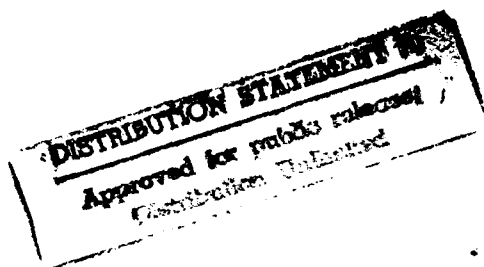
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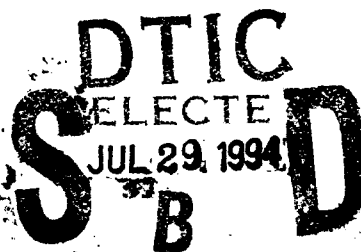
The North Korean Nuclear Program

What Is to Be Done?

James C. Wendt



Arroyo Center



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*The North Korean
Nuclear Program*

What Is to Be Done?

James C. Wendt

*Prepared for the
United States Army*

Arroyo Center

Preface

The purpose of this report is to provide a conceptual framework for choosing among alternative U.S. approaches to ending the North Korean nuclear program. This report is intended for policymakers and force planners in the U.S. government. It should also be of interest to a general audience concerned with the United States' nonproliferation policy and Korean policy.

This report first identifies important U.S. objectives affected by the North Korean nuclear weapons program. Then, it develops a framework for evaluating approaches for accomplishing these objectives. This framework is applied to several alternative approaches. On the basis of the objectives' priority, some approaches are found to be better than others. But no approach is likely to accomplish all U.S. objectives, at least not in the short term. Hence, we conclude that the United States must decide on the priority of its objectives and select an approach most likely to accomplish its most important objectives. The cutoff date for the information in this report is January 1994.

This project is sponsored by the United States Army, Office of the Deputy Under Secretary of the Army (Operations Research); it was done under the auspices of J-5/Combined Forces Command, Korea. It was conducted in the Arroyo Center of RAND.

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Summary

The North Korean nuclear weapons program creates a serious problem for the United States because it potentially undermines three important U.S. security objectives—fostering regional nonproliferation, fostering international nonproliferation, and promoting regional stability. The dilemma for the United States is that no approach to resolving the problem is likely to be able to accomplish all three objectives simultaneously. To some extent, these objectives are mutually exclusive, so that action taken to solve one problem exacerbates the others and vice versa.

Current Approach

The current U.S. approach to the problem consists of trying to draw North Korea into a dialogue over the nuclear issue and offering North Korea a series of concessions, such as direct negotiations with North Korea over the issue and *promises of an improved economic and security climate* if the North will abide by its commitments. It is hoped that North Korea will come to recognize that its nuclear weapons program is not in its interest and the program should be ended. The concessions have been offered to demonstrate U.S. good faith and, perhaps, to determine North Korea's price for ending this program. If this approach does not end the program, then at least it is hoped that the concessions will persuade North Korea to allow "old" International Atomic Energy Agency (IAEA) inspections (i.e., inspections of sites designated by the country being inspected). Such inspections of the currently operational reactors in North Korea would limit the expansion of the North Korean program because they would eliminate the source of new plutonium. But these old IAEA inspections would not eliminate the possibility that previously diverted plutonium was being made into one or two nuclear weapons. Only IAEA inspections of suspected sites, so-called full-scope inspections, would be likely to eliminate the entire North Korean nuclear weapons program.

Continuing the current approach is not likely to entirely eliminate the North Korean nuclear weapons program. If North Korea believed its nuclear weapons program was not in its interest, it would have ended it by now. North Korea has no incentive to voluntarily eliminate this program, and for the United States to do nothing because it believes the North Korean regime will collapse before its

nuclear capability is developed is risky. At best, the current approach could limit the ability of North Korea to expand its nuclear weapons capability beyond one or two weapons. Such an approach may avoid provoking North Korea and precipitating North Korean aggression in the short term. But it risks the possibility of facing the same problem in the future with a nuclear-armed North Korea. Such a prospect is alarming, even if North Korea has only one or two nuclear weapons.

Alternative Approaches

Two alternative approaches could be more effective: the current approach plus pressure or a more comprehensive approach plus pressure.

First Composite Approach: Current Approach plus Pressure

The first alternative approach is to continue the current approach but, in addition, give North Korea a deadline for accepting full-scope IAEA inspections. If the deadline were not met, pressure would be applied. Such a deadline would give North Korea more incentive to accept the current offer and comply.

Pressure would consist of some combination of economic sanctions and military coercion. The economic sanctions likely would be imposed under the auspices of the UN and could be aimed at reducing the flow of oil, primarily from China, and reducing the flow of hard currency, primarily from Koreans living in Japan and from the sale of missiles and other military equipment abroad by North Korea.

Military pressure on North Korea could be increased by increasing the U.S. military presence in South Korea, thereby sending a message to North Korea and reassuring South Korea of U.S. support. It could also include reinforcing South Korean air and missile defenses by moving in batteries of Patriots and perhaps stationing F-111s, F-15Es, and F-117s in the Republic of Korea (ROK). In addition, military maneuvers could be conducted in the seas around North Korea. For the foreseeable future, a pressure approach would not be likely to include military actions by the United States or the ROK against North Korea, or strikes against North Korean nuclear facilities. Rather, the increase in the U.S. military presence would be to strengthen deterrence and increase the capability of U.S. and/or ROK forces to defend South Korea from any North Korean aggression.

Such pressure could be most effective if carried out under the auspices of the UN. But the United States would have to be prepared to act with less-than-complete support from the UN or alone, if necessary. Such action by the United States would be likely to galvanize support from its allies in the region.

If pressure were applied, it could at least cripple the North Korean nuclear program and, perhaps, collapse the regime. But the downside risk of such an approach is that pressure would also increase the possibility of precipitating North Korean aggression or war. But while obviously not desirable, such aggression would be likely to provoke a response leading ultimately to the collapse of the current regime.

This composite approach would be likely to help accomplish both the U.S. objective of fostering regional nonproliferation and a second and equally important objective—fostering international nonproliferation—because the concessions offered to North Korea so far have been relatively modest. If the United States now puts pressure on North Korea, it would send a signal to the rest of the world that proliferators will not be rewarded and, in fact, will pay a price for their attempt to acquire nuclear weapons. Potential proliferators would be more likely to conclude that complying with their international obligations is in their own best interest, which would strengthen the U.S. effort at fostering international nonproliferation.

This approach could help accomplish two of the three major U.S. objectives—fostering regional nonproliferation and fostering international nonproliferation. But it could do so at the cost of the third U.S. objective—promoting regional stability. Still, it might be better to face the prospect of North Korean aggression now than after it has acquired nuclear weapons—even one or two weapons.

Second Composite Approach: Comprehensive Settlement plus Pressure

In the second alternative approach, North Korea could be offered the possibility of a comprehensive settlement with the United States, which would include a deadline for acceptance of full-scope IAEA inspections. This comprehensive settlement would be an attempt to broaden the focus of the U.S. effort by considering not just the nuclear issue but a wider panoply of issues.

This approach is based on the notion of a transformation of the entire U.S.–North Korean relationship. In a comprehensive settlement, North Korea would receive recognition from the United States and from others who are in the region and normalization of relations. The trade embargo would be lifted, and technical and

economic assistance would be offered. Not only would Team Spirit—the annual combined U.S./ROK military exercises—be canceled, but assurances would be given to North Korea that the United States would not participate in military action against it.

For its part, North Korea would be asked to eliminate its nuclear weapons program, allow full-scope IAEA inspections, and implement the South-North Agreement, a reconciliation and nonproliferation agreement with South Korea. In addition, North Korea would be expected to behave as a respectable member of the international community: It would not engage in terrorism, nor would it threaten South Korea, and it would curb its arms sales abroad. A deadline would be given for acceptance of this deal; if the deadline were not met, pressure would be applied.

Such an approach would be more likely to be accepted by North Korea than the current offer because it is more generous and it carries a potential cost to North Korea, not just a gain. This approach would also be more likely to be accepted than the first composite approach of continuing the current approach plus applying pressure because it is, again, more generous.

The composite approach of a comprehensive offer to North Korea, combined with a deadline after which pressure will be applied, would be the approach most likely to be accepted and to help accomplish the U.S. objective of fostering regional nonproliferation. Unfortunately, such an approach, if accepted by North Korea, could undermine the integrity of the Nuclear Non-Proliferation Treaty by providing considerable reward to North Korea for defiance of the world and ignoring its own international obligations. This approach would also be likely to prop up North Korea into the indefinite future—an outcome not in the interest of the United States. Furthermore, such an approach would still have the downside risk of possibly precipitating a war.

Developing the best approach to solving the North Korean nuclear weapons problem involves making difficult choices. The United States must realize that it is unlikely to accomplish all its objectives, at least in the short term. The current approach could well have the effect of failing to accomplish any U.S. objectives. The United States must decide on its priorities and act accordingly.

1. Introduction

The North Korean nuclear program began in the 1950s with the construction of a 1000-kilowatt reactor at Yongbyon with the assistance of the Soviet Union.¹ This reactor was followed in the mid-1960s by a larger, 2–4-megawatt, reactor. In the mid-1980s, the Democratic People's Republic of Korea (DPRK) completed construction of a 5-megawatt reactor. About that time, North Korea began construction of a 50–200-megawatt reactor, which is scheduled for completion by the mid-1990s. In addition to these nuclear reactors, North Korea has constructed a spent-fuel reprocessing plant at Yongbyon.

North Korea signed the Nuclear Non-Proliferation Treaty (NPT) in 1985. Although signatories are required to sign the Safeguards Accords, which allow for the inspection of nuclear facilities within 18 months, North Korea did not sign these accords until seven years later, after considerable foot-dragging.

After signing the Safeguards Accords, North Korea allowed the International Atomic Energy Agency (IAEA) to conduct six inspections of its nuclear facilities between May 1992 and March 1993. Suspicion that the DPRK had a nuclear weapons program was aroused when the results of the inspection of the reprocessing facility were inconsistent with North Korean claims: The characteristics of the plutonium samples analyzed did not match North Korean claims of their production. This discrepancy led to a request by the IAEA to inspect nuclear-waste areas to resolve this problem. The request was refused, with North Korea claiming that the sites were military installations. In March 1993, North Korea gave the required three months' notification that it would withdraw from the NPT in June.

As the June deadline for withdrawal approached, the United States entered into negotiations with the North over the inspection issue. On the final day of the deadline, the DPRK agreed not to withdraw from the NPT. But it has not yet agreed to special inspections and, in fact, has not even agreed to allow IAEA inspectors back into North Korea to inspect its seven declared facilities.

¹For a discussion of the development of the North Korean nuclear program, see Kongdan Oh, "The Problem of North Korea's Nuclear Program," Chapter 13 in Yong When Kihl, ed., *Korea and the World: Beyond the Gulf War*, New York: Columbia University Press, in press.

In addition to this dispute with the IAEA, in December 1991 North Korea signed a reconciliation and nonproliferation agreement with South Korea (the North-South Agreement). In that agreement, both the North and the South consented to ban reprocessing facilities and to conduct mutual inspections of one another's nuclear facilities for verification. After a number of fruitless meetings between South and North Korea, no progress has been made on implementing this agreement.

The United States has had three negotiating sessions with North Korea over this issue, with no satisfactory results so far. The North still refuses to allow full-scope IAEA challenge inspections, and it still has not implemented the North-South Agreement.

This is a difficult policy problem for the United States for three reasons: (1) No one knows the real reason for the North Korean actions; hence, developing an effective response to these actions is difficult. (2) No regional consensus exists regarding an appropriate response, making a coordinated response difficult. (3) Several U.S. objectives are affected by this issue, including fostering regional and international nonproliferation and promoting regional stability, and no response seems likely to accomplish all objectives simultaneously. To some extent, these objectives may be mutually exclusive: Action taken to solve one problem may exacerbate the others and vice versa. Difficult decisions must be made regarding the priority of these objectives.

In the remainder of this report, we discuss the U.S. objectives affected by this situation (Section 2), identify possible approaches for accomplishing these objectives (Section 3), build a framework for evaluating these approaches (Section 4), and apply the framework to evaluate these approaches under varying assumptions (Section 5). Section 6 presents combination, or composite, approaches that may be more effective than one approach alone. Section 7 offers conclusions.

2. U.S. Security Objectives

Several important U.S. security objectives are affected by the development of a North Korean nuclear weapons program.¹ The first of these objectives is fostering regional nonproliferation. It would be undermined by a North Korean program because the development of nuclear weapons by North Korea would directly intimidate the two major U.S. allies in the region—South Korea and Japan—through the threat of use or the actual use of nuclear weapons. But the danger of a successful North Korean nuclear weapons program to U.S. interests is not only from this potential threat to U.S. allies in the region but also from the potential response of those allies to that threat. If nuclear weapons are developed by North Korea, it is possible that, depending on U.S. actions, South Korea, Japan, and, perhaps, Taiwan, could respond to that threat by developing a nuclear capability themselves. Such a response could have substantial repercussions in the region because it would change the balance in the current security environment, with a consequent response by other regional parties and unknown outcomes. Furthermore, China and Russia could respond to this possible threat in some manner, perhaps militarily.

The second important U.S. security objective affected by the North Korean program is fostering international nonproliferation. To prevent the wide spread of nuclear weapons throughout the world, some international organization, such as the IAEA, will probably have to have the authority to monitor national nuclear facilities and limit the capability of all nations of the world to develop nuclear weapons. There are already proliferators beyond the “declared five” (United States, Russia, United Kingdom, France, and China), which weakens efforts at encouraging international nonproliferation. But a withdrawal by North Korea—a signatory of the NPT—from the NPT and development now of a nuclear weapons capability by North Korea could seriously degrade efforts to control international proliferation through the IAEA.

These first two objectives, although related, are not identical. Any approach that ended the North Korean nuclear weapons program would be likely to foster

¹U.S. security objectives are stated in different ways in different official documents. The objectives listed here are found in one form or another in the following documents: *National Security Strategy of the United States*, Washington, D.C.: The White House, March 1992, and *National Defense Authorization Act for Fiscal 1993, Conference Report to Accompany H.R.2100, House of Representatives, Report 102-311*, Washington, D.C.: U.S. Government Printing Office, November 1991.

regional nonproliferation. However, some approaches for ending the North Korean nuclear program, even if successful, could undermine efforts at fostering international nonproliferation, and other approaches could strengthen such efforts.

International nonproliferation could be strengthened if the North Korean nuclear program were effectively ended so that North Korea has gained little or nothing from its efforts and, perhaps, has even lost. Given that as a precedent, other countries of the world could likewise expect no gain from their own nuclear weapons program. On the other hand, even if the effort to end the North Korean weapons program were successful, international nonproliferation could be undermined if North Korea is perceived to have made substantial gains from its program before terminating it.

A third important U.S. objective is promoting regional stability. During the past few years, several countries in East Asia, including South Korea, have prospered and made progress toward democracy. It is reasonable to believe that other East Asian nations may move toward democracy, given the collapse of communism in Moscow and elsewhere. Thus, the United States has an interest in preventing war and turmoil in the region so that these developments can continue and be extended.

North Korea is a threat to regional security in several ways. If North Korea acquires nuclear weapons, it threatens its regional neighbors and could provoke a response by them as described above. North Korea is also a threat to regional stability because of its internal instability. It could collapse at any time, and the ensuing chaos—a result of massive refugee flows and possible violence—could engulf the entire region. Or North Korea could attack South Korea as an act of desperation or sheer irrationality if its economy continues to deteriorate. Overlaying all these possible threats is the specter of aggression or chaos happening after North Korea acquires nuclear weapons.

Finally, the United States has other security objectives affected by the situation. Perhaps the most important of these is maintaining productive regional relations. The United States must consider its regional partners in solving this problem, both because a satisfactory solution is not likely without some degree of support from other regional actors and because maintaining leadership and satisfactory regional relations is essential for U.S. interests in the region.

3. Approaches

Whereas fostering both regional and international nonproliferation and promoting regional stability are important U.S. objectives, we give highest priority to fostering regional nonproliferation as the primary objective of the approaches considered here because it has received the most attention from the U.S. government. But we consider the other objectives in the analysis as well.

If the goal of ending the North Korean nuclear weapons program is achieved, it will help accomplish the objective of fostering regional nonproliferation. With this goal in mind, let us examine three possible alternative approaches: dialogue and graduated incentives, comprehensive settlement, and pressure. These approaches are chosen because they appear to represent, in a simplified way, the plausible alternative approaches.

Dialogue and Graduated Incentives

The first approach, which has been U.S. policy for several years, is to try to *draw the North into negotiations over the nuclear issue through a series of graduated, unilateral incentives*. The assumption is that the problem has been caused by a North Korean misperception of its interests. North Korea can be persuaded to abide by its international commitments through a dialogue in which its best interests will be identified by the United States and it will be encouraged to act in its best interests by having those interests identified and by unilateral U.S. concessions.

Thus, over the past several years, the United States has made several unilateral concessions, including an assurance (given by former South Korean President Roh Tae Woo) that no U.S. nuclear weapons are in South Korea or aboard ships in the surrounding area and the cancellation of Team Spirit, the annual combined U.S./ROK (Republic of Korea; South Korea) military exercise, in 1992 (and perhaps for good). Meetings between representatives of the United States and North Korea to continue the dialogue took place in 1992, and more recently in 1993 in New York and Geneva. If North Korea would be more accommodating, additional concessions would follow, including broadened political and

economic relations.¹ Otherwise, the United States has isolated North Korea politically and economically by restricting its relations with other countries, but has not yet moved to impose economic sanctions or increase the military pressure.

Comprehensive Settlement

The next approach considered here, called a *comprehensive settlement*, can be described as an attempt to broaden the focus of the U.S. effort by considering not just the nuclear issue but a wider panoply of issues. This approach is based on the notion of a transformation of the entire U.S.–North Korean relationship, in which North Korea would receive recognition from the United States and from others who are in the region and normalization of relations. The current U.S. trade embargo would be lifted, and technical and economic assistance would be offered. Not only would Team Spirit be canceled, but assurances would be given to North Korea that the United States will not participate in military action against it.

For its part, North Korea would be asked to eliminate its nuclear weapons program, allow full-scope IAEA inspections, and implement the South-North Agreement. In addition, North Korea would be expected to behave as a respectable member of the international community: It would not engage in terrorism, nor would it threaten South Korea, and it would curb its arms sales abroad.

Such an exchange would be based on the notion that the current approach has been ineffective because it has not addressed the broader North Korean concerns, which include, most importantly, regime survival. The comprehensive settlement approach would increase the probability of the current North Korean regime's surviving into the future. However, if its nuclear weapons program has been ended and it has become a respectable member of the international community, then the threat such survival presents to the region would be substantially reduced.

If successful, this approach has the possible additional benefit of providing for a "soft landing" for North Korea. By improving North Korea's economy and providing an incentive to modernize, North Korea may be encouraged to begin

¹For the terms of the latest offer by the United States to North Korea, see "Accord Reportedly near on North Korea Nuclear Inspection," *Los Angeles Times*, January 4, 1994, p. A4.

to develop its economy before it eventually collapses, as seems likely. Or such reforms could form the basis for an eventual reunification with South Korea.

Pressure

The third approach, called *pressure*, is characterized by an insistence on North Korea's meeting its international obligations and receiving no reward for such behavior. There would be no United States and DPRK meetings to negotiate further. Rather, the North would be informed that it was expected to meet its obligations; if it did meet those obligations, it could expect to be treated as a member of the international community. But if it did not meet those obligations, it could expect to pay a price. That price would be extracted through some combination of economic sanctions and military pressure.

The economic sanctions likely would be imposed under the auspices of the UN and could be aimed at reducing the flow of oil, primarily from China, and reducing the flow of hard currency, primarily from Koreans living in Japan² and from the sale of missiles and other military equipment abroad by North Korea. We discuss in Section 5 the possible effectiveness of such measures and the likelihood of support by China and Japan for such measures.

Military pressure on North Korea could be increased by expanding the U.S. military presence in South Korea to send a message to North Korea and to reassure South Korea of U.S. support. Pressure could include reinforcing South Korean air and missile defenses by moving in batteries of Patriots and perhaps stationing F-111s, F-15Es, and F-117s in the ROK. Military maneuvers also could be conducted in the seas around North Korea. Nonmilitary actions, such as evacuation of civilians, could be taken, which would increase the flexibility of U.S./ROK military forces should North Korea attack the South.

A pressure approach would not be likely to include military actions by the United States or the ROK against North Korea or its nuclear facilities, at least for the foreseeable future. Rather, the expansion of the United States' military presence would be to strengthen deterrence and increase the capability of U.S. and ROK forces to defend South Korea from North Korean aggression.

²See "Japan Called Conduit for North Korea's Military Plans," *Los Angeles Times*, December 16, 1993, p. A5.

4. Framework

To evaluate three approaches, we apply three criteria.

The first criterion asks, Does the approach help to accomplish the primary U.S. objective—the fostering of regional nonproliferation? This objective will be furthered by the elimination of the North Korean nuclear program. For an approach to be effective, we must understand *how* its implementation could accomplish the objective.

The second criterion asks, What is the downside risk of the approach? Even if a particular approach accomplishes the objective, is the cost commensurate with the result? Is the United States willing to pay the price, whether political, military, or economic, to accomplish the objective? Are the other major objectives discussed above—fostering international nonproliferation and promoting regional stability—undermined by accomplishing this particular objective?

The third criterion asks, Can the approach be implemented? There are different types of impediments to the implementation of any approach, such as domestic political factors, practicality, and dollar costs, but here we focus on the possible regional impediments to implementation. Although the United States could act alone, and may have to, to implement its approach, the effectiveness of any U.S. action could depend on persuading the other regional actors to at least acquiesce to, if not actively support, a U.S. approach.

5. Evaluating Approaches

In analyzing the suitability of these alternative approaches, we apply the framework developed in Section 4 to each approach and evaluate how each approach fares on each criterion. Let us begin with the first criterion—Do these approaches help eliminate the North Korean nuclear program?—and evaluate each approach in turn.

Eliminate the North Korean Nuclear Program

Dialogue and Graduated Incentives

This, the current approach, assumes that offering North Korea a series of increasing incentives could end the North Korean nuclear program in one of three ways. First, it is assumed that perhaps there has been a misperception by North Korea. Building nuclear weapons is not really in North Korea's interest, and North Korea must be persuaded to eliminate this program. Drawing North Korea into a discussion of this issue and demonstrating U.S. good faith through concessions will cause North Korea to eliminate its nuclear weapons program.

One virtue of this approach is that the concessions offered so far, such as face-to-face discussion and promises of future economic considerations, may have been sufficiently modest not to undermine the integrity of the NPT. Such undermining could, in turn, undermine the U.S. international nonproliferation effort. To this point, North Korea is being asked to live up to its obligations as a signatory to the NPT, and an effort is being made not to link these concessions with its behavior.

Unfortunately, North Korea appears convinced that continuing its nuclear weapons program is in its interest. By now, it should have had sufficient time to end the program, if ending the program was really perceived to be in its interest.

Second, it is hoped that these graduated incentives will not only demonstrate U.S. good faith but might be sufficient to find North Korea's price for eliminating the program.

This hope is unlikely to be fulfilled because finding North Korea's price may be difficult. To this point, the United States does not know whether its offers are considered by North Korea to be even close to the value North Korea places on

actually possessing nuclear weapons. (This value will be discussed in more detail in the next subsection, "Comprehensive Settlement.")

But even if North Korea has a price for its program and the United States finds it, North Korea has no incentive to accept a particular offer and end that program. To this point, North Korea has simply "pocketed" U.S. concessions and has continued its nuclear program with the expectation of further concessions. If it is ultimately successful in developing nuclear weapons, the program will be even more valuable.

Third, this approach could be effective if one believes that by buying time through negotiations, the government of North Korea is either likely to change through succession or to collapse before it acquires nuclear weapons. For this approach to be effective, the time required for the regime change or collapse of North Korea must be shorter than the time required for North Korea to acquire nuclear weapons. And the successor regime, if there is one, must be more cooperative than the current regime, and it must live up to North Korea's NPT obligations.

Estimates of the survival time of the North Korean regime vary markedly. The end of the Kim Il Sung regime has been predicted for decades. However, with the end of economic assistance from the Soviet Union and China, the North Korean economy has been deteriorating. Gross domestic product has reportedly fallen at a rate of 4 to 5 percent per year for the past three years,¹ and such a decline cannot be sustained indefinitely. Nevertheless, the endurance of the North Korean people cannot be predicted, especially because they have almost no access to the outside world.

In addition, the economic crisis coincides with a looming political crisis over succession. The death of Kim Il Sung has been anticipated for some time, but for the present he continues in power.² Many believe that Kim Jong Il is already responsible for the day-to-day operation of the government. Still, Kim Il Sung provides legitimacy that his son may lack. The death of Kim Il Sung could provoke a serious succession problem. But there is no reason to believe that any successor regime—whether headed by Kim Il Sung's son or others—would perceive North Korean interests differently than the current regime.

¹See *Country Report: South Korea and North Korea*, London: Economic Intelligence Unit, 4th Quarter 1993.

²See "North Korea Moves Quietly Along the Path of Transition from Kim Il Song to Kim Jong Il," *Domestic and Foreign Affairs Strategic Policy*, April-May 1993.

It is difficult to predict if or when a country or a political system will actually collapse. We cannot have much confidence that the regime in North Korea is likely to end soon or that it will change its views.

In addition, the time required for the North to acquire nuclear weapons cannot be predicted with much accuracy because no conclusive evidence exists. Nevertheless, suspicion is growing that North Korea may acquire a nuclear weapons capability soon if it does not already have such a capability. Indeed, the CIA now estimates that North Korea already has one or two nuclear weapons.³ It would appear that if the United States is betting that North Korea will collapse or that the regime will change before it acquires nuclear weapons, it may be losing and some other approach is required.

Finally, the current approach could be considered desirable if the United States gives up trying to completely eliminate the entire North Korean nuclear weapons program, including any diverted enriched uranium from the past, but instead tries to limit the size and scope of the program. Such limitation could be accomplished through reinstituting the old IAEA inspections of the seven declared North Korean nuclear sites. If these reactors are continuously monitored, then North Korea cannot divert more nuclear fuel for reprocessing. Hence, even without inspections of additional sites, the United States would have some confidence that the DPRK program was not growing.⁴

Such an approach could make sense if the United States decides that no other approach is likely to force North Korea to accept full-scale IAEA inspections and thus completely eliminate the program. The United States would then have to live with the possibility that North Korea could develop one or two nuclear weapons with the fuel that is currently unaccounted for. Such an outcome might be more desirable than the possible cost—perhaps precipitating a war on the peninsula—of trying to pressure North Korea into accepting full-scope inspections.

In this approach, North Korea would be prevented from expanding its nuclear program and deterred from aggression against its neighbors by U.S. political and military support to South Korea and Japan and a strong regional alliance. The hope would be that North Korea could be contained until it peacefully collapses. In effect, this approach reduces the possibility of the short-term aggressive North

³See "U.S. Now Seeks Just One Survey of North Korea," *New York Times*, January 5, 1994, p. A1.

⁴See "U.S. Sees Easing by North Korea on Nuclear Sites," *New York Times*, December 31, 1993, p. A1.

Korean response to pressure for the hope that, in the long term, pressure will not be necessary.

This may be wishful thinking. If North Korea does acquire a nuclear weapons capability—even one or two nuclear weapons—that capability is likely to lead to regional instability anyway. Then aggression by North Korea could be accompanied by nuclear threats or the actual use of nuclear weapons.

Comprehensive Settlement

A comprehensive settlement between the United States and North Korea would lead to the complete elimination of the North Korean nuclear program through the implementation of full-scope IAEA inspections and North/South inspections. This outcome is achieved by finding North Korea's price and paying it. To analyze how effective this approach might be, let us examine the value that North Korea may place on its nuclear weapons program.

To maintain its viability as a sovereign state, North Korea has three major problems to solve: It must provide for its security, create national political well-being, and improve its economic performance. North Korea could view its nuclear weapons program as contributing to the solution of these problems in either of two ways: (1) Use the program as a bargaining chip to help solve these problems, or (2) develop and retain a nuclear capability to help solve these problems.

If the North chooses to bargain away its nuclear capability, it could use the bargain to help solve its external security problem if it received security assurances and guarantees from the United States and other countries in the region. Such assurances could take the form of pledges not to threaten the North, not to use nuclear weapons against the North, or even a no-invasion guarantee such as the one the United States gave Cuba at the end of the missile crisis in 1962.

In the political arena, the DPRK desires diplomatic recognition and wants to be treated as a normal member of the world community. Its political isolation hurts North Korea's pride and affects its economy. North Korea could bargain away its nuclear capability for such incentives as political recognition and the establishment of normal relations with the United States and others, including Japan. Furthermore, it could be provided with a face-saving way out of this nuclear situation.

Finally, an attractive deal for North Korea could involve economic incentives, such as lifting the trade embargo, providing technical and financial assistance, and investing directly in North Korea. The United States has offered to aid North Korea in constructing a cold-water nuclear reactor. In addition, the United States could encourage South Korean and Japanese investment in North Korea. A comprehensive settlement could be perceived by the North as solving its main problems, and perhaps the North could accept a deal on that basis.

Alternatively, the DPRK could continue its nuclear weapons program and attempt to use the acquisition of such weapons to help solve the above political and economic problems. With regard to external security, such a nuclear weapons capability could deter a possible South Korean and/or U.S. attack (possible, at least, in North Korea's view).

North Korea also has an internal security problem associated with the succession of Kim Il Sung by Kim Jung Il. This nuclear weapons program could help bolster Kim Jung Il's claim to power by solidifying his support from the North Korean military through acquiring such weapons.

On the political front, North Korea has already achieved considerable political respect from its threat to develop nuclear weapons. It could, perhaps, get even more if it actually developed nuclear weapons. The acquisition of nuclear weapons would demand even more respect from the world, regardless of U.S. efforts to undermine that respect.

Finally, North Korea could try to use its nuclear weapons program to help solve its economic problem. It already sells missiles abroad for hard currency. Nuclear weapons could be worth a lot to some countries around the world, such as Iran.

Thus, it is difficult to know whether North Korea even has a price at which it would sell its program. It may have already decided that a successful nuclear weapons program is worth more than anything it could receive from a deal. If so, then no deal is possible. But if North Korea does have a price, that price is likely to be high. Yet, even if a U.S. offer met North Korea's price, there is no reason to believe that North Korea would accept such an offer.

This approach suffers from one of the same shortcomings as the graduated incentives approach. Whereas, in effect, the United States ups the ante and offers a greater payoff to North Korea, hoping to find North Korea's price, North Korea can simply stonewall, "pocket" concessions along the way, and continue its nuclear weapons program. The more progress it makes on the program, the more valuable the program becomes and the more concessions North Korea can

ultimately extract. Nothing in this approach prevents this North Korean response.

Pressure

A pressure approach tries to find a "pain threshold" for North Korea instead of finding its price. Its effectiveness is based on correctly identifying actions that would hurt North Korea and taking those actions. Then North Korea would have to decide whether it wanted to succumb to the pressure and reach an accommodation, endure the pressure, or respond with aggression of some type.

Economic pressure would be the principal focus of this approach. It would include UN-sponsored economic sanctions, perhaps followed by a blockade. As described above, the intent of such sanctions would be to reduce the flow of oil from China and reduce the flow of hard currency from Koreans living in Japan and from the sale of missiles and other military equipment abroad.

Assuming such sanctions could be implemented (this implementation will be discussed later in this section), the economic effectiveness of such action is difficult to determine. North Korea is relatively self-sufficient in most areas of its economy. One of the few materials it depends on others to supply is oil, about half of which it buys with hard currency from China. The other half it gets from Iran.⁵ A cutoff in this oil supply would hurt the North Korean economy, but how severely and over what period of time is not known. About 90 percent of its energy needs are met by indigenously produced coal; most of its imported oil is used by its military. Since the military has stockpiled oil reserves for potential military action, its ability to fight a war would not be affected directly. The readiness of its forces would be reduced through lack of training, but the consequences for force effectiveness would be difficult to determine. The effect of an oil cutoff on the progress of its nuclear program would be even harder to determine.

A cutoff of the flow of hard currency to North Korea from Japan would certainly hurt its economy, but how much and over what period of time would be difficult to determine. Likewise, the effect on North Korea's nuclear program would be difficult to determine; however, some high-technology equipment is necessary for this program.

Military pressure could consist of reinforcing South Korean air and missile defenses and conducting exercises in adjacent seas. Although no military action

⁵See "North Korea Could Prove Sanction Proof," *Washington Post*, December 27, 1993, p. 3.

would be directed against North Korea, such military acts would be intended to strengthen deterrence and increase the capability of U.S. and/or ROK forces to defend South Korea.

Of course, North Korean accommodation would be the preferred outcome to such pressure. But if North Korea chooses to endure the hardships caused by economic sanctions, it would be hoped that, at the very least, such sanctions would slow or stop its nuclear weapons program. Perhaps in addition, such sanctions would precipitate a collapse of the regime.

Even if North Korea responded with aggression, such aggression, while not desirable, could lead to the end of North Korea's nuclear weapons program if it set off a chain of events leading to North Korea's collapse or defeat and the replacement of its government with a more cooperative one.

Downside Risk

Let us now apply the second criterion—What is the downside risk?—to these same approaches. Here we assume that an approach is implemented and is effective and ask whether the cost incurred by implementing the approach is worth eliminating the North Korean nuclear program. Another way of stating this criterion is, Consider the other objectives that might have to be foregone to accomplish the main objective.

Dialogue and Graduated Incentives

The present approach—continuing the dialogue and offering graduated incentives—does not appear to have any serious downside risks. If this approach does not succeed in eliminating North Korea's nuclear weapons program, then at least it could limit the program through inspection of current reactors (assuming North Korea allows regular IAEA inspections).

Unfortunately, this is a shortsighted perspective. Allowing North Korea to continue its nuclear weapons program, even if it has only diverted enough fuel for one or two weapons, may avoid confrontation in the short term and perhaps contribute to short-term regional stability. But sooner or later the development of a North Korean nuclear weapons capability, even if it is only one or two weapons, is likely to lead to regional instability anyway. This approach simply postpones the consequences of inaction at the cost of perhaps increasing the severity of such consequences over the long term. A chaotic, unstable North Korea is a frightening prospect for most countries in the region, one to be

avoided if possible. But a chaotic, unstable, *and* nuclear-armed North Korea is far more frightening.

Comprehensive Settlement

A comprehensive settlement approach has two serious downside risks: propping up of North Korea and undermining of international nonproliferation.

First, even if successful, the net result of this approach would be to prop up North Korea into the indefinite future. North Korea has always been a renegade state, and in spite of promises made or agreements signed, there is no reason to believe that it will change, at least as long as the current government is in power. In the past, it engaged in terrorist activity and tried to undermine South Korea at every opportunity. Propping it up would be likely to continue such activities into the future.

On the other hand, propping up North Korea into the future could have the benefit of helping to provide for a "soft landing" after it collapses. A comprehensive agreement could lead to further economic development in the North, so that its collapse would not present an overwhelming economic burden to the South. In fact, it is even possible that some kind of peaceful confederation or reunification could occur if North Korea normalizes its relations with others in the region.

In any case, it is not certain that North Korea could be propped up. The result of increased contact with South Korea, Japan, and the United States could well serve to undermine the closed regime and hasten its collapse.

A second downside risk associated with this approach is that, even if it were successful, the concessions involved would be likely to undermine the United States' international nonproliferation effort. As discussed in Section 1, North Korea is a signatory of the NPT and is under an international obligation to allow inspections of its nuclear facilities. If it allows such inspections only after receiving an enormous bribe, the rest of the world is sure to notice. Such a bribe could set a precedent for what others will demand in the future, thus undermining the international nonproliferation effort.

Pressure

The final approach—pressure—has the most serious downside risk of the three approaches considered here: the possibility of precipitating North Korean aggression and even war on the peninsula. North Korea has said that it will

consider economic sanctions to be an act of war. Of course, no one knows what it would actually do, but such threats cannot be discounted. If backed into a corner, the regime could become desperate and believe that it has nothing to lose. In such a circumstance, a war launched against the South may be considered the best of bad options. Such a war, even if not successful, would be devastating to both Koreas and is to be avoided. Even if the North did not initiate a full-scale war, it could step up its terrorist activity, attack Seoul with artillery shells, or engage in other forms of aggression. Any of these activities short of war would present the United States and South Korea with difficult decisions regarding appropriate responses.

Implementation

We next apply the third criterion—Can any of these approaches be implemented in a regional context?—to the three approaches. We consider the major regional actors, South Korea, China, Japan, and Russia.

*South Korea*⁶

The South Korean government does not want to see the North develop nuclear weapons, nor does it want to see a war on the peninsula. It believes that either would be a disaster. Yet it has not developed a consensus on how to prevent the possibility of the development of a nuclear capability.

Within South Korea, the new civilian government is downplaying this issue to some extent, focusing on domestic concerns and the economy. The ROK government does not appear to be unduly alarmed by the North Korean nuclear program, probably because of the South Korean belief that in the long run North Korea will collapse. The hope is that this collapse occurs peacefully and in the more distant future, so that South Korea does not have to incur the costs of absorbing North Korea soon.

Because it does not have a consensus on a clear approach, the ROK government often reacts to U.S. actions.⁷ For example, when the United States moves toward increasing pressure on the North, the South is afraid such action could lead to instability and perhaps war. It then opposes such action. When the United States moves toward increasing concessions to the North, the South fears such

⁶Based on interviews with South Korean officials in April 1993.

⁷See "Interview with Warren Christopher," *Los Angeles Times*, June 27, 1993, p. M3.

concessions will be ineffective. Such concessions may undermine deterrence and encourage the North's nuclear program to move ahead.

For now, South Korea is unlikely to support increasing the pressure on North Korea because it fears such an approach could lead to instability in the North and possibly to war.⁸ Nevertheless, it is sufficiently ambivalent that it could support a pressure approach if it becomes alarmed over progress in the North's nuclear program.

For now, the ROK would be unlikely to support an attempt to reach a comprehensive settlement with the North because it does not believe such an approach would be effective. However, if the United States pressed for giving major concessions in the context of a comprehensive settlement, the ROK would probably acquiesce, although skeptically. If such an approach were successful, the ROK would breathe a sigh of relief; if unsuccessful, the ROK would be very critical of the United States.

For now, South Korea is most likely to support the current approach.

China

At the moment, the Chinese accept the approach of continuing a dialogue and offering North Korea some concessions. However, China is more in favor of an attempt by the United States to achieve a comprehensive settlement through major concessions.⁹ This Chinese preference is partly because North Korea is a nominal Chinese ally, albeit not a good one. But most important, China is not as convinced as is the United States that North Korea can actually construct a nuclear weapon, at least not in a relatively short time.¹⁰ Thus, China would like to see the United States make major concessions to try to entice North Korea into developing normal relations with all countries in the region, as well as with the United States. Then, according to China, North Korea would have no need for nuclear weapons.

China would not like to see North Korea actually attain a nuclear weapons capability. If the United States made major concessions that did not appear to be working (i.e., did not end the North Korean program), China probably would favor applying somewhat more pressure on North Korea—but it does not want

⁸For a discussion of South Korea's position, see an interview with Han Sung Joo, South Korea's foreign minister, in "The Voice of the New South Korea," *New York Times*, December 28, 1993, p. A4.

⁹See "China Opposes Sanctions for North Korea," *Los Angeles Times*, December 27, 1993, p. A1.

¹⁰Based on interviews with Chinese officials in January 1993.

to be the one to apply the pressure. This is a delicate situation, because China's support is critical for pressure to be most effective. It could veto any United Nations Security Council (UNSC) action and end that avenue for applying pressure. At the very least, the United States would like to get China to abstain from a UNSC vote. If a sanctions resolution passed, even with a Chinese abstention, Chinese action would then be important. If it actively supported the sanctions, it could dramatically increase the political and economic pressure on North Korea.

However, Chinese influence is more likely to be applied privately and indirectly. When China ended its policy of vetoing South Korean membership in the UN, North Korea immediately applied for UN membership. North Korea simply could not survive long without Chinese political and economic support. It is hoped that China could be persuaded to privately increase its pressure on North Korea.

*Japan*¹¹

The Japanese have placed their security in the hands of the United States since the end of World War II. Solidarity with the United States has been key to their security. So far, Japan's objectives in this situation with North Korea have been about the same as those of the United States because Japan considers a nuclear-armed North Korea to be a serious threat. The Japanese are also concerned with the North Korean development of an intermediate-range ballistic missile program. So far, Japan has supported the current U.S. approach to solving this problem. It does not favor increasing the pressure, at least for now,¹² nor would it favor making major concessions in an attempt to reach a comprehensive settlement.

What Japan wants is an effective U.S. approach. If the Japanese perceive that the United States is not satisfactorily addressing the problem of eliminating North Korea's nuclear program, they could react by either demanding that the United States take stronger action or deciding to take action themselves and develop their own nuclear weapons program.

¹¹Based on interviews with Japanese officials in January 1993.

¹²See "Japan Rejects Sanctions on North Korea in Nuclear Dispute," *Los Angeles Times*, December 29, 1993, p. A4.

Russia¹³

The Russians also have interests affected by the North Korean nuclear weapons program. Because of their problem with Ukrainian nuclear weapons, Russia probably values fostering international nonproliferation even more highly than does the United States and would not want to see a precedent set that could undermine its effort to eliminate Ukrainian nuclear weapons. But it would probably follow the U.S. lead on the matter if such action did not appear to undermine the NPT. A radical-right government might not change its position on the issue but would be likely to oppose the U.S. lead.

Summary

In summary, none of the three approaches appears likely to be effective, to have an acceptable downside risk, and to be implementable in the region. Continuing the dialogue with North Korea and offering graduated incentives is supported by all regional parties, but it has not been effective in eliminating the North Korean nuclear program and seems likely not to be effective.

Trying to negotiate a comprehensive settlement through major concessions could be effective if North Korea wants to bargain and the conditions meet its price. But it is not known whether North Korea even has a price. It may have decided that possessing nuclear weapons is more valuable than anything it could get in a trade. Even if it has a price, it has no incentive to accept such a deal and substantial incentive to wait for a better offer and try to develop nuclear weapons in the meantime. An attempt at a comprehensive settlement could perhaps be implemented, although not without opposition from U.S. regional partners, particularly South Korea and Japan. The downside risk of this approach is that it could set a precedent that could undermine U.S. international nonproliferation policy. In addition, implementation could allow North Korea to survive into the indefinite future—an outcome not in the U.S. interest.

A pressure approach could be effective but is opposed for now by both China and South Korea. Their support would be important to effectively implement such a policy. Even if effective, implementing such an approach has a serious downside risk: North Korea could respond with aggression, possibly including war.

¹³Based on interviews with Russian officials in January 1993.

Thus, as Table 1 shows, none of the three approaches alone would appear to meet the criteria put forward here. All suffer from at least one major shortcoming.

Table 1
Summary of Approaches

Approach	Effective?	Low Downside Risk?	Implementable?
Current	No	Maybe	Yes
Comprehensive settlement	No	Maybe	Maybe
Pressure	Yes	No	No

6. Composite Approaches

Even though no single approach appears to meet the criteria put forward in Section 4, combining some of these approaches may increase the chances of overcoming some of the shortcomings of each approach alone. For this reason, we next consider two composite approaches—the current approach plus the pressure approach and the comprehensive settlement approach plus the pressure approach.

Current Approach plus Pressure

Let us consider first adding a component of pressure to the current approach. This could be done by continuing the dialogue with North Korea, making no more concessions or only minor ones, and setting a deadline for North Korean compliance with full-scope IAEA inspections. When the deadline passed, action would be taken. Such action would be multilateral. It would include all regional actors, if possible, and would use the vehicle of a UNSC resolution, if possible.

In this approach, the United States would not wait for a regional consensus to form. Even though South Korea and China are currently opposed to increasing the pressure on North Korea, the United States has not yet exercised strong leadership and applied pressure to its allies. By contrast, when the United States identified the threat posed by Saddam Hussein to be a threat to its vital interests, it galvanized world support for U.S. actions. Likewise, if the United States were to forcefully identify this situation as a threat to its vital interests and to regional security, it would be far more likely to galvanize support for increasing the pressure on North Korea.

Nevertheless, the United States would have to be prepared to act with less-than-full support from other regional parties or even alone, if necessary. The United States would try to get Chinese support for a UNSC resolution. But even if China did not vote for UNSC sanctions, it would be helpful if the Chinese at least abstained from the vote and allowed the resolution to pass. With a UN resolution, the United States could likely get Japan to cut off the flow of hard currency from Koreans living in Japan. Even if the United States could not persuade China to actively support sanctions, the passing of the sanctions would further isolate North Korea and increase the pressure on the regime.

If forced to act entirely alone, the United States has few economic levers to pull, but it could increase the military pressure on North Korea by conducting exercises in the region and increasing the U.S. military presence in South Korea. As suggested above, these actions could include reinforcing South Korean air and missile defenses.

The consequences of these actions are difficult to predict, but they would demonstrate to all how seriously the United States considers the matter. Other nations could not easily ignore such actions, actions that would increase the pressure on friendly governments to support U.S. policy.

Adding a component of pressure to the current approach would be more likely to end the North Korean nuclear weapons program than the current approach alone for three reasons.

First, North Korea would be more likely to accept the current offer because its calculations of possible gain and loss would be different if it has to consider the possibility of loss. It would no longer be able to hold out for a continually increasing price and would be more likely to decide that a sure gain is better than a possible serious loss.

Second, even if the pressure portion of the approach is implemented, this approach could be more effective than the current approach alone because it increases the likelihood of at least crippling the North Korean nuclear program and perhaps causing a North Korean collapse before the program is successful. This approach does not accept the possibility of living with one or two North Korean nuclear weapons and would require full-scope IAEA inspections as the only acceptable outcome.

Third, but perhaps most important, such an approach would be likely to help accomplish both the U.S. objective of fostering regional nonproliferation *and* a second and equally important objective—fostering international nonproliferation. This dual outcome would result because the concessions offered to North Korea so far have been relatively modest and demonstrate that the United States has been reasonable—willing to “go the extra mile”—in responding to North Korean concerns. But the United States will not compromise its principles. After clearly identifying the intransigence of North Korea, the United States will have acted. Such an approach would send a signal to the rest of the world that complying with their international obligations is in their own best interest and would strengthen the U.S. effort at fostering international nonproliferation.

The downside risk of this composite approach—the possibility of precipitating North Korean aggression or war—increases, at least in the short term. With the United States threatening to apply pressure or actually applying pressure, North Korea is more likely to respond with aggression. Improving the likelihood of furthering two U.S. objectives, regional nonproliferation and international nonproliferation, is, to some extent, in conflict with the third objective, promoting regional stability. However, even if regional stability is determined to be very important, one must weigh this increased short-term risk with the possible long-term risk of an aggressive North Korea armed with nuclear weapons—even if only one or two weapons.

Comprehensive Settlement plus Pressure

Consider next the possibility of combining a comprehensive settlement approach with a pressure approach. In this composite approach, North Korea would be offered a large package of incentives, including the lifting of the trade embargo and technical and economic assistance. Not only would Team Spirit be canceled, but assurances would be given to North Korea that the United States would not participate in military action against it. Most important, relations between North Korea and others in the region would be normalized. But, as with the previous composite approach, North Korea would also be given a deadline for complying with the full-scope IAEA inspections. Again, the United States would try to generate support from others in the region and would try to move through UN-supported sanctions; however, it would be prepared to act with less-than-full support from the other regional actors or alone, if necessary.

Adding pressure to a comprehensive settlement approach would increase the likelihood of North Korea's accepting this offer: The North Korean calculation of gain and loss would be quite different with the possibility of loss. Because much more would be offered in the comprehensive settlement approach than in the current offer, it is more likely that North Korea would accept this higher offer when facing the possibility of the loss that refusal of this offer would bring.

Because this approach maximizes the chance of North Korea's acceptance, it would maximize the chance of ending the North Korean nuclear program and helping to accomplish the objective of fostering regional nonproliferation. And because the chance of North Korean acceptance of the concessions contained in this approach is higher than that with the current approach plus pressure (because the value of the concessions is higher), this approach is more likely to be accepted than the current approach plus pressure. Therefore, the downside risk of aggression or war, while still present, is perhaps lower than with the other

composite approach. Nevertheless, because pressure is a component of this approach, the downside risk of precipitating North Korean aggression or war remains.

This composite approach would have two other downside risks. First is the possibility of undermining the integrity of the NPT by setting an example for the rest of the world. If North Korea is seen to have extracted enormous concessions from the United States before living up to its obligations under the NPT, it could create a precedent for others in the world, convincing them of the value of a nuclear weapons program, even one that is never actually developed. In the future, the United States could be faced with buying off many other potential proliferators.

The second downside risk is that even if this composite approach is successful, North Korea would be propped up—an outcome not in the United States' interest.

7. Conclusions

The United States has to make a difficult decision regarding the North Korean nuclear program. No approach seems likely to accomplish all U.S. objectives, at least not in the short term, and the United States must decide which objectives are most important.

Continuing the current approach could help promote regional stability, at least in the short term. But this approach is not likely to eliminate the North Korean nuclear weapons program, and it gives North Korea no incentive to voluntarily eliminate it. Justifying the approach by betting on the imminent collapse of North Korea is risky. At best, the current approach could reinstitute regular IAEA inspections, which would limit the ability of North Korea to expand its nuclear weapons capability beyond one or two weapons. Such an approach may avoid provoking North Korea and precipitating North Korean aggression in the short term, but it increases the possibility of having to face the same problem in the future with a nuclear-armed North Korea. Such a prospect is alarming, even if North Korea has only one or two nuclear weapons.

Continuing the current approach plus applying pressure by giving North Korea a deadline for accepting full-scope IAEA inspections could be more effective at ending the North Korean program. Such a deadline would give North Korea more incentive to accept the current offer and comply. If pressure were applied, it could at least cripple the North Korean nuclear program and perhaps collapse the regime as well. But pressure would also increase the possibility of precipitating North Korean aggression. While obviously not desirable, such aggression would be likely to provoke a response, leading ultimately to the collapse of the current regime. The net result would be that the United States would have helped to accomplish two of its three major objectives—fostering regional nonproliferation and international nonproliferation—but at a very serious cost.

Alternatively, North Korea could be offered the possibility of a comprehensive settlement combined with a deadline for acceptance of and agreement to full-scope IAEA inspections. Pressure could be applied if it did not meet the deadline. Such an approach would be more likely to be accepted than the current offer because it is more generous and carries a potential cost to North Korea, not just a gain.

This approach could have the greatest likelihood of helping to foster regional nonproliferation. But the concessions offered could well serve to undermine U.S. efforts at fostering international nonproliferation. In addition, such an approach could prop up North Korea into the indefinite future—an outcome not in the interest of the United States. Finally, such an approach would still have the downside risk of possibly precipitating a war.

Developing the best approach to this problem involves making difficult choices. The United States must realize that it is unlikely to accomplish all its objectives, at least not in the short term. The current approach could well have the effect of failing to accomplish any U.S. objectives. The United States must decide on its priorities and act accordingly.