

North Korea's Nuclear Issue: Security Implications for Asia

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The security environment of Asia is threatened by the nuclear weapons development programme by North Korea. Threats of economic sanctions by denying economic aid and resolutions by the UN Security Council to punish Kim Jong-il regime have only reinforced Pyongyang's resolve to pursue its chosen path. Not only the future of the Six-Party Talks seems uncertain, there seems to have little hope to bring the recalcitrant country to the negotiating table. Pyongyang has chosen its nuclear development program as a bargaining tool to extract more economic assistance as no other country would rejoice if North Korea collapses. If North Korea collapses, the new environment will drastically change the strategic landscape in Asia. It is difficult to predict what the policy options of countries like Taiwan, Japan, South Korea and the US would be. This paper speculates some of these issues.

The nuclear issue in North Korea and unpredictable behaviour of the Kim Jong-il regime in Pyongyang has injected a criticality to the security environment in the East Asian region, which if not resolved, will keep peace always fragile in this part of the world. It is an irony of history that over six decades after the Korean War ended and the world has changed drastically, with the movement for abjuring war as a means to settle disputes obtaining greater acceptability, the two severed wings of what was once one Korea remains divided, with no sign of reunification lurking in the horizon. As the world community continues to grapple with how to eliminate nuclear weapons from the planet, there are some countries determined to negate this by pursuing their own nuclear development programs at the expense of their own economic development. Seen in this perspective, North Korea is a country of concern. The Six Party Talks (SPT) has collapsed for the time being, with Pyongyang walking out without any convincing reasons and its future is uncertain.¹ This article examines North Korea's current strategy and the reason behind choosing such a strategy and the domestic compulsions, if there are any, behind Pyongyang's choosing what it is doing. Based on the analysis, some future scenarios – probable, plausible and wildcard – are being drawn for the next one decade or so.

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A Backdrop

Until mid-1980s, North Korea's broad foreign policy strategy was offensive and objectives were revisionist. First, it sought unification in the 1950s by using force but failed. In the 1960s, its complicity to overthrow the government in South Korea by sending a number of operations did not work either. After that, for over a decade or so, it turned more defensive and worked towards maintaining status quo. In the 1970s, it sought to conclude a peace agreement with the US and encouraged the US to pullout troops from South Korea without giving any guarantee to South Korea's security. This too did not succeed. Even its attempt to assassinate the South Korean President in the 1980s and then unsuccessful attempt to disrupt the Seoul Olympics by bombing a Korean Air civilian passenger plane only demonstrated symptoms of Pyongyang's desperation and signs of belligerence. At a time when South Korean economy was on an upswing, Pyongyang seems to be frustrated with its own economic decline and in desperation chosen a self-destruction path. In the early 1990s, in a sudden reversal in policy, it became defensive during which economic survival became the top priority.²

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South Korea, on its part, tried to keep the North engaged for over a decade until February 2008 when the conservative government of Lee Myung-bak was inaugurated in South Korea. Lee brought a sceptical attitude towards the North, in particular on its denuclearisation programmes. However, wrangling over the timing of the country's removal from the terrorism list and verification derailed negotiations. Though a breakthrough seemed a possibility, only a partial one was possible in October 2008. This was again threatened to be negated as host of other issues got entangled as news came that Kim Jong-il had suffered a stroke in September 2008. A possible leadership transition got embedded in the possible future of the SPT.³

During the Lee administration, South Korea began to review the policy of the predecessor governments of Kim Dae-jung and Roh Moo-hyun, though the 2007 elections was a virtual referendum on the strategy of engagement. Lee's policy towards the North was more progressive and ambitious. His "Vision 3000, Denuclearisation, Openness" plan was an exercise in carrot-and-stick diplomacy, which aimed at the North surrendering its nuclear weapons. In return, the Lee administration outlined a comprehensive package in five major sectors – industry, education, finance, infrastructure, and welfare – aimed at raising per capita income for the North to \$3,000, three times above then existing level.⁵

From the very beginning, Vision 3000 had no slightest chance of being accepted by the North. A country overwhelmingly ideologically tilted, the word “openness” (kaebang) was seen as a cunning imperialistic trick aimed at destroying the North's socialist system. The leadership in the North was aware of the fact that if the peoples are exposed to the information of prosperity in the South, they may as well clamour for the same, leading to restiveness. Therefore, the best option to maintain legitimacy in power was to keep the society closed and tightly controlled. The events of what happened in East Germany and Romania not long ago kept the Kim regime always alert so that a similar fate does not befall on North Korea.

South Korea made the availability of aid conditional on the North's commitment to resolve the nuclear issue. Thus, the second word in the Vision 3000 was more problematic. North Korea has neither the desire nor the willingness to surrender its nuclear weapons as it wants to keep them both as a deterrent against foreign attack as well as a tool to squeeze more money and aid from the international community. The Kim regime was hamstrung in explaining to its people if it surrenders its only visible achievement of successfully completing its nuclear weapons project. Even a huge bailout package from overseas was never a tempting option. The Vision 3000 saw its quick burial so soon after it took birth.

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laboratories have produced enough plutonium for a few nuclear devices, which will serve its dual political purposes of deterrence and blackmail. While Pyongyang was willing to dismantle the Yongbyon facility for a price to be determined by itself, it was in no way prepared to give up the nukes and plutonium and thereby surrender the fruits of its four-decade long expensive research. Such stance on conditional aid offer meant that Vision 3000 was unacceptable to North Korea.

Even when the US and other powers kept doors open to engage the North in dialogue to denuclearise the country, the economic situation in the North continued to deteriorate. The country experienced acute food shortage with a 1.6 million metric ton grain shortfall. By 2008, the balance between the demand and supply of grain was at its most precarious point since the 1990s famine.⁷

North Korea is highly dependent on the import of fertilizer from the South, much of which came as aid. But when North Korea conducted missile and nuclear tests in October 2006, South Korea suspended fertilizer shipments. As a result, local grain production fell. The problem was accentuated by flood, which continued till 2007. On its part, South Korea showed conciliatory tone and offered developmental assistance on humanitarian aid without conditions. By this time, Pyongyang had already adopted a highly confrontational policy, from which it was unwilling to retreat. The situation in North Korea worsened when world grain prices nearly tripled in the first half of 2008, and soon food grains disappeared from shops and created a panic situation.

Yet, Pyongyang showed defiance by announcing in April 2008 that it would not seek aid from South Korea at all and turned to China for assistance. As China itself was affected by the rise in world grain prices, it restricted export of grain and agricultural inputs to North Korea. The US bailed out temporarily by making a commitment of 500,000 metric tons of grain aid. In view of the deteriorating economic situation in North Korea by the closing months of 2008, South Korea feared a recurrence of famine and therefore, stressed the importance of rapid humanitarian relief. An unstable North Korea is always an unwelcome prospect that no country in East Asia would rejoice.

Nuclear Test of May 2009

Even when the world was grappling with how to economically stabilise the North, Pyongyang surprised the world by conducting an underground nuclear test on 25 May 2009,⁸ the second time in three years when it had successfully conducted a similar test on 9 October 2006. The magnitude of the explosion in North Hamgyong Province, in the northeastern part of the country near the Chinese and Russian borders, was four times greater than the test of 2006. This test came less than two months after North Korea launched a long-range missile – Taepodong-2 – into the Pacific on the same day US President Barack Obama was making a lofty speech in Prague calling on the world to move towards eliminating all nuclear weapons. The test was a dismissive response to Obama's idea.

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This gave a severe jolt to the delicately maintained fragile peace in the Northeast Asia, the significance of which is going to be more far reaching now than ever before for the Asian security. Unless some serious damage-control efforts are made with urgency, the ripple effect of the North Korean action might lead to revisiting policy options in other East Asian countries, such as

Japan, South Korea and Taiwan. If such a scenario develops, security issue in other countries will be re-ordered, leading to possible realignment of power balance in the region.

It may be recalled when Pyongyang launched a long-range rocket on 4 April, it drew condemnation from the United Nations Security Council in the form of a presidential statement.⁹ The test of 25 May defied UNSC Resolution 1718, which was issued after North Korea had conducted its first nuclear explosion in October 2006. Resolution 1718 demanded that Pyongyang must refrain from conducting additional nuclear tests. It also prohibited the movement in or out of North Korea of such weapons and components. The resolution imposed economic sanctions and banned missile development.¹⁰ For its own reason, Pyongyang has preferred to defy the international community and going ahead with what it thinks is in its own interests.¹¹ When UNSC called for further sanctions following its 4 April rocket launch, Pyongyang threatened to retaliate by testing an intercontinental ballistic missile and another nuclear device.¹²

North Korea claims that the test of 25 May would help it to solve “scientific and technological problems arising in further increasing the power of nuclear weapons and steadily developing nuclear weapons”. The test came just one month after it announced that it would restart reprocessing spent nuclear fuel. In fact, when Pyongyang's missile launch of 4 April had resulted in a non-binding presidential statement by the UNSC, the North had reacted by removing International Atomic Energy Agency officials who were monitoring its nuclear programs and speeded up its preparation for the nuclear test. The foreign ministry of North Korea declared the DPRK would never again participate in the SPT.¹³

Reactions

The reactions from major world capitals to Pyongyang's nuclear and missile tests were strong and one of condemnation. US President Barack Obama said Pyongyang's actions were a reckless challenge warranting actions from the international community. European Union foreign policy chief Javier Solana branded the test a “flagrant violation” of a Council resolution which required “¹⁴a firm response”. China, Russia, France and Britain, which with the US are the permanent Security Council members, expressed alarm at the hermit state's test that was as powerful as the US atom bomb dropped on Nagasaki in World War II – in the 10 to 20 kiloton range. The uniform condemnation from around the globe underscored the isolation of the secretive state. Obama said that North Korea's behaviour increases tensions and undermines stability in Northeast Asia and that such provocations will only serve to deepen North Korea's isolation.

UN Secretary-General Ban Ki-moon said he was “deeply worried” by the

development. Japan wanted to seek a new resolution condemning the test at the UNSC. Japan's Prime Minister Taro Aso saw in Pyongyang's action a major challenge to the nuclear non-proliferation regime and a clear violation of the UNSC resolution. In New York, Yukio Takasu, Japan's UN ambassador, met with the Russian ambassador and requested an emergency meeting of the Security Council.¹⁵ The major question was whether Japan and the US could persuade China and Russia to go along with a resolution condemning Pyongyang's latest nuclear test. It may be recalled, due to resistance from China and Russia, the Security Council settled for a toothless president's statement, instead of a stronger resolution, after the North launched a ballistic missile on 5 April.

The reaction from Japan was the strongest. Being the only country in the world which has been a victim of nuclear bomb, to have a nuclear state in its neighbourhood is the most frightening proposition for Japan. The anti-nuclear sentiment is very strong in Japan. The Allied Power-imposed Article 9 of the Constitution prohibits Japan to acquire or export arms or any other military equipment. Japan has successfully conducted its peaceful economic policies, while remaining under the American nuclear umbrella. Therefore, a nuclear North Korea would be disturbing for Japan.

A number of groups in Japan expressed outrage at Pyongyang's action. A number of hibakushas, the victims of the atom bomb still surviving, are the strongest critics of Pyongyang's action. At a time when major powers of the world are working towards reducing nuclear weapons, Pyongyang's actions runs counter to global trends. Since even with underground testing, radiation is leaked, the North Korean public also run risk of being exposed to radiation.

In response to tighter international sanctions for its April rocket launch, North Korea announced that it would no longer be a party to the SPT. Russia reacted by saying that the violation of the Security Council resolution was a serious blow to efforts to control the spread of nuclear weapons and that the SPT was the only solution to the crisis.

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Iran, which strongly denies accusations by the West that it has a covert nuclear weapons program, stated that the Islamic Republic had no missile or nuclear cooperation with North Korea. Iran has stated its official principle of opposing the production, expansion and the use of weapons of mass destruction. The

Korean blast was up to 20 times more powerful than the North's first nuclear test, underscoring the advances in its nuclear program. The US, however, accused North Korea of supplying missile and missile technology to Iran and nuclear technology to Syria. It seems that the nuclear test reflected North Korea's attempt to shift the agenda of any future negotiations to arms control instead of denuclearization.

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It is difficult to disbelieve that North Korea is not in nuclear nexus with Iran, Syria, Pakistan and even Myanmar. In August 2009, for example, a ship shuttling weapons from North Korea to Iran was seized by the United Arab Emirates. The equipment included detonators and ammunitions for rocket-propelled grenade launchers, but no nuclear-related materials. However, this violated Resolution 1874¹⁶ and Iran's purchase of military equipment from North Korea violate UN sanctions imposed against North Korea in response to Pyongyang's test of a nuclear device in May 2009.¹⁷

While major powers were scrambling to find credible response to North Korea's increasingly brazen saber rattling – how to punish the renegade Communist regime without triggering a second all-out war on the Korean peninsula in little more than half a century – a coordinated and effective response by the UNSC became more important. This is because Pyongyang threatened to attack South Korea after Seoul announced that it would join an international effort to stop and search vessels leaving North Korean ports, which were suspected of carrying nuclear technology or materials. Pyongyang further declared that it was no longer bound by the terms of the armistice that ended the 1950-53 Korean War, and that Seoul's participation in the naval cordon sanitaria would amount to a declaration of war. The two Koreans technically remain at war because their three-year conflict ended in a truce, not a peace treaty, in 1953.¹⁸ Seoul responded “sternly” to any provocation by its northern neighbour. Any coherent response by the UN Security Council seems unlikely because Russia and China, two of the five permanent members of the Council with veto powers, might not fully cooperate with the demands from Japan and the US.

Both Russia and China have land borders with North Korea and both are extremely careful not to precipitate any major conflagration and instead opt for sustained dialogue by engaging North Korea. China more than Russia, would be more worried of the fallout of any possible military conflict, perhaps with the use of nuclear weapons, as it fears chaos over the border that could spill on to its own territory. This factor itself severely limits any strong measures by the UN Security Council. China has long seen the North as a strategic buffer against

the extension of US forces up to its border.¹⁹ Beijing's policy makers are juggling concerns about potential instability in North Korea, its weakened sway there and fears of a regional confrontation over Pyongyang's nuclear arms program.

What are then the options? Tighter financial squeeze on the North could be one option. But then, years of poverty and sanctions have not really prevented the North from developing the nuclear capacity, which it sees as the bargaining chip with the US and its allies. Nations for years have tried a mix of huge aid pledges and tough economic sanctions to persuade impoverished North Korea to give up its nuclear weapons program. The only real alternative seems to be to restart the stalled six-nation talks involving Japan, Russia, China, the US and the two Koreas.

India too reacted to the nuclear test by North Korea as a "development of serious concern". Soon after assuming office as Defence Minister on his second term, A.K. Antony said the security scenario around India was becoming more and more challenging. In response to the emerging security challenges, India is putting its eggs in many baskets and its relations do not remain one or two-country centric. India has defence cooperation with 45 countries, including the US, the UK, Russia, France, Germany, Israel and China and has joint exercises with more than 12 countries.²⁰

Crisis in Leadership

The North Korean belligerency probably reflects a succession crisis for the regime. Asian as well as Western security experts believe that Kim Jong-il is in poor and declining health after a reported stroke in August 2008. His days are seen to be numbered. Therefore, Kim is relying on hard-line generals to prepare for succession, reportedly to one of his three sons. Pyongyang is experiencing a peculiar truism that successive shipments of food, oil and other economic aid, followed by threats of economic sanctions, have created a situation in which belligerent acts such as that of 5 April and 25 May have often elicited more offers of economic aid.²¹

It may be recalled Kim Jong-il inherited power when his father, North Korean founder Kim Il-sung, died in 1994. In doing so, he established the first dynasty in the communist world. The test could be explained in part by North Korea's

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desire to look tough during a delicate transition from Kim's leadership to that of his son. It is believed Kim's brother-in-law, Jang Seong-taek, is being groomed as a "regent" for Kim family interests to possibly pave the way for the Korean leader's third son, Kim Jong-un, to take power.

If Kim Jong-un is really selected to succeed his father, then the man who will have his finger on Pyongyang's atomic devices is almost a complete unknown. His Western education is no guarantee that he would be more reasonable. The expectations of Bashar al-Assad, a UK-trained ophthalmologist, becoming President of Syria and transforming Syria is before us as an example how the existing political structures do not allow drastic alteration of policies.²² The junior Kim will struggle to impose his authority on a rigidly hierarchical North Korea run by a military in charge of a million-strong army. For the Kim dynasty to survive into a third generation, the support of the armed forces leadership is essential. The nuclear test and the missiles show of strength may be above all deliberate signals by Kim of his commitment to the military.

Kim Jong-un was favoured over his two older brothers because the older brothers had tarnished their reputation. Kim Jong-nam, the oldest, 38, is a well-known face at the gambling tables of Macao and incurred his father's wrath by trying to get to Disneyland in Japan on a forged Dominican passport. He was detained at Japan's Narita Airport and sent back home. Moreover, the relationship between Kim Jong-il and his mother was seen as improper. The middle son, Kim Jong-chol, is remarkable only for inviting Eric Clapton, the rock guitarist, to play in the reclusive state.

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North Korea experts believe Kim heightened tensions, including detonating a nuclear device, as a show of internal strength aimed at deterring challengers to the succession. According to South Korea's security services, North Korea's parliament, military and embassies all received instructions on 25 May 2009 to swear allegiance to Kim Jong-un. If Kim's health deteriorates further but still survives till 2012, it is possible that his son will be formally anointed in 2012, the 100th anniversary of his father's birth. However, if the senior Kim suddenly drops dead or had another stroke, it is unclear if the military would accept the young Kim as their leader. The absence of a successor has been one of North Korea's biggest strategic weaknesses. Kim Jong-il was styled heir apparent for more than a decade before Kim Il-sung died in 1994. The second atomic test was a perfect set-piece for the third boy to play

his major political role.

Should the senior Kim suddenly die, it is not clear how the junior Kim will handle the affairs of the state. Since the risks of infighting the nuclear-armed state would be all but real, the junior Kim would have to rely on a politburo of party and army officials. It is unlikely he can ever become a “Dear Leader” like his father Kim Jong-il or “Great Leader” like his grandfather Kim Il-sung. Kim Il-sung, the nation's founder, is celebrated for his guerilla battles against the Japanese in Manchuria in the 1930s and Kim Jong-un cannot be compared to him by any standard. Moreover, the cult system cannot go on through the third generation. For the cult system to be established, three things are necessary – power, personality and policy and it is hard to expect the three Ps from a 20-something old Kim Jong-un.

If Kim Jong-il falls, the most likely scenario will be a politburo system centered on senior military and party officials. This is an ideal scenario for power struggle. At the moment, Kim Jong-il is testing loyalty, screening people to see who is really dedicated. In the event of his sudden death, Kim Jong-un would have little immediate weight. In contrast, his father Kim Jong-il had been active in politics for 30 years before the death of his father Kim Il-sung. The transfer of power will be smooth if it is done during when Kim Jong-il is alive. But after his death, the likely scenario will be a collective leadership backed by the military with Kim Jong-un as a titular leader.²³ Whoever takes over, it is unlikely that there will be a sudden softening of North Korea's tough outlook towards South Korea or the rest of the world.²⁴

Even when debate on the succession issue was intensified in the first half of 2009, the situation suddenly changed unexpectedly by August and all indoctrination activities were ordered to be stopped. The decision about a successor was put on hold. Though it is not possible to find out the reason, some guesses are possible.

There can be two views: The Dear Leader recovered from ailing health and is now in perfect health and therefore a decision about a successor can wait. The other view is that Kim Jong-il does not want to continue with the tradition of hereditary rule at all, knowing perfectly well that the system is too fragile to be sustainable for long and that it will soon implode.²⁵ Kim might not like his family men to be at the helm when the system collapses. If, however, the junior Kim is indeed chosen as the successor, he is likely to remain as an obedient puppet, easily manipulated by the old guard. These are speculations at the moment.

Various Scenarios

The strategic realities of the Korean peninsula seem not to have changed much

as in early 1950s. The 10 million people in South stand well within the North Korean artillery range, less than 40 miles south of a narrow demilitarised zone left by a war that no peace treaty has ever formally ended, and where nearly two million highly armed troops stand virtually face to face. What are then the possible scenarios in this fluid situation?

North Korea could heighten the tensions in the region by adopting the following measures. First: carry out more nuclear tests. Though its technical skills have improved, it still needs to make its weapons small enough to be mounted on a warhead. Some experts, however, say that North has already created nuclear warheads for medium-range Nodong missiles that could strike

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South Korea and Japan, and has stockpiles of medium-and-short-range missiles.²⁶ Second: it could test-fire a long-range ballistic missile capable of striking the United States. On 4 April 2009, it fired a rocket over Japanese airspace which it said was carrying a satellite but this was seen as a cover for a long-range missile test. Third: its troops could pick up a gunfight on the border with South Korea since tensions are already high.

North Korea seems to be putting maximum pressure on the US for direct, high-level negotiations resulting in a grand deal that would, include aid, concessions and a normalisation of ties.

The nuclear test seems to be North Korea's marketing strategy. For a while, Pyongyang detained two American journalists for "hostile acts" and later released when former President Bill Clinton personally flew to Pyongyang.²⁷ The idea was to up the ante of tensions to extract some concession in the form of economic aid. The xenophobic nation has demonstrated that it does not tolerate intruders. In 1996, an intoxicated American who swam naked across a river from China into North Korea was held for three months on espionage charges before his release was negotiated by Bill Richardson of New Mexico.²⁸

North Korea has been reprocessing spent fuel rods to produce weapons-grade plutonium at its central nuclear complex at Yongbyon since the 1980s. It is believed to have enough weaponised plutonium for at least half a dozen nuclear warheads.²⁹ Although no one knows for sure how many warheads the regime has fabricated or even where they are, North Korea has now detonated two of them.

It launched a Taepodong long-range missile in 2006 that fell into the sea 40 seconds after launch. The Taepodong-2 launched on 5 April 2009 was more successful, travelling 2,000 miles over Japan and falling into the Pacific Ocean,

though it did not have the range to reach US territory. Eventually, however, this missile might be able to go as far as the Hawaiian Islands, Alaska, or even the US West Coast³⁰. The main intention of the North seems to create instability in the region.

North Korea has sold its missile technology to Iran, Yemen, and Syria.³¹ Pakistan's Abdul Qadeer Khan has admitted to having provided regimes around the world, including North Korea, with nuclear information. It is suspected that North has shared its nuclear know-how and imported technology and material from Khan's network. Pyongyang has focused on the possibility of export as a means of acquiring foreign currency. It is widely believed that a nuclear reactor recently constructed in Syria and destroyed by Israeli airstrikes in October 2008 was built with assistance from North Korea. There is also information that Pyongyang is providing small research reactor to Myanmar. Though the likelihood of Pyongyang providing nuclear assistance or devices to non-state terrorist groups like Al Qaeda is less probable, the risk of non-state actors getting their hands on North Korea's nuclear material or technology is a concern. This is because, North Korea has made it known that it is willing to sell anything to anybody as it is desperate to earn revenue because of the pathetic economic situation.

If Kim Jong-il really is planning to pass on power to his youngest son, his promotion of the “militarist first” policy can be seen in that light. The current nuclear and missile programs represent an effort to assert his own authority before his death.

Such a possibility unfolds a scenario in which North Korea might precipitate a nuclear arm race. Japan and Taiwan are believed to be well on their way to acquiring all the expertise needed to develop nuclear devices of their own. They both have nuclear power plants. Experienced scientists and engineers in the field will plunge into action by casting aside restraints by enabling their countries go nuclear militarily in the event that North Korea emerges as a nuclear power. It will also be difficult to restrain South Korea from reviewing its policy options and the US persuasion might not work in that case.

Domestic considerations could be a factor in North Korea's tests of nukes and missiles. If Kim Jong-il really is planning to pass on power to his youngest son, his promotion of the “militarist first” policy can be seen in that light. The current nuclear and missile programs represent an effort to assert his own authority before his death. Also, Kim may have a goal of securing North Korea's status as a global nuclear power by 2012 – the 100th anniversary of the birth of his father, Kim Il-sung.

Plausible Scenarios

It transpires that the issue of resolving the North Korean nuclear issue is one of the most difficult issues that the leaders of major powers are facing. Though negotiations, both at bilateral and multilateral levels, have been made, these have failed at different stages and levels. In view of the unpredictability nature of the negotiation process, it becomes next to impossible to make a long-term projection. Yet, both optimistic and pessimistic scenarios may be attempted based on past experiences.

Pyongyang's one-on-one-off strategy to the US peace overtures only confounds analysts, the latest being in the wake of envoy Stephen Bosworth's three-day trip to Pyongyang in December 2009. Despite the various possible scenarios drawn, what are then the plausible scenarios?

If differences are ironed out, talks shall resume in Beijing any time. North Korea might respond rather positively as an extended period of isolation would mean more damage to its already broken economy that has already grown weaker due to fresh UN sanctions to punish it for its nuclear test in May 2009.

Scenario No.1

Setting Date for Talks: The US will convince other six-party states – China, Japan, South Korea and Russia - on the conditions that Pyongyang puts and this move will facilitate North Korea's return to the SPT. If differences are ironed out, talks shall resume in Beijing any time. North Korea might respond rather positively as an extended period of isolation would mean more damage to its already broken economy that has already grown weaker due to fresh UN sanctions to punish it for its nuclear test in May 2009.

Scenario No. 2

Resuming the Agreement: The US and other SPT members will convince the North to again implement a deal to take apart its aging Yongbyon nuclear plant that makes plutonium for weapons and to allow international inspectors back into the country. A pragmatic upper limit for the next deal may be the complete elimination of Yongbyon. This would leave Kim with a small stockpile of plutonium that experts say could enable Kim to make as many eight

nuclear weapons but it would keep in place, for now, his nascent program to enrich uranium for weapons.

According to experts, North Korea is several years away from having a full-scale program to enrich uranium. Such a program offers advantages because it can be done away from the prying eyes of spy satellites and the North has ample supplies of natural uranium to supply it. A resumption of the SPT with this limited agenda would be possible in that case.

Scenario No. 3

Negotiations drag on without final agreement: This scenario reflects the current situation that takes a step forward and a step back. This will see periodic achievement and periodic setbacks. The momentum will keep going but the gains would remain invisible. All countries will pursue “hedging strategies” in the event that talks will collapse. While North Korea will continue to pursue its nuclear activities, other countries' hedging strategies would consist of diplomatic maneuvers.

As regards the US, it will take on board Japan, South Korea and China in dealing with the North and to work through the United Nations. While South Korea will render more economic assistance to the North to see that Pyongyang's economy does not deteriorates further, Japan will achieve limited success on the issue of Japanese abductees. China's role would be to see that negotiations do not reach any stalemate.

Scenario No. 4

Negotiations collapse: Under this scenario, negotiations would not collapse suddenly but slowly fade out. This scenario could be the outcome of Scenario No. 3 where the US would be unwilling to continue on talks indefinitely. In this scenario, both sides withdraw temporarily to review their stances.

In this scenario, if negotiations collapse, while the US efforts would be to contain North Korea, Pyongyang would work further to build up its nuclear arsenal. There will be containment “hedging strategies” by all sides. Both South Korea and Japan will look at improving their own strike capabilities such as deploying cruise missiles and possibly utilising missile defense systems. China will seek diplomatic strategies in order to avoid instability on the Korean peninsula.

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Scenario No. 5

Crushing the caveats: North Korea has a precondition. This means talks on a formal peace treaty should begin and this should ultimately replace the armistice that ended the 1950-53 Korean War. This should be followed by resumption of aid, and recognition of North Korea as a nuclear arms state. Though previous agreements aim to address the current format, North Korea still has the option to scuttle the talks.

China, the North's biggest benefactor and closest thing Pyongyang can claim as a major ally, is seen as being able to exert the most pressure on the state and may choose to use its influence to push it back to talks by Beijing. The US Treasury may intervene and through its action stifle North's international finance, thereby enhancing its leverage on Pyongyang.

Scenario No. 6

Denuclearisation agreement reached: The most optimistic scenario is that international community will accept the truth of living with a nuclear North Korea but within the agreed framework of dialogue process. This negotiation process will make North Korea see reason on the merit of denuclearisation, though this process will be painfully slow and arduous. Economic incentive will play a major role in this process.

In this scenario, the US would provide extended deterrence to North Korea, though it has in principle opposed such a US policy towards Japan and South Korea. However, if North Korea were to denuclearise, a peace agreement could be possible in the Korean peninsula. This would help the North improve its relations with other countries, particularly Japan. In the environment that would emerge as positive, the US could redefine its extended deterrence vis-à-vis North Korea.

Scenario No. 7

Breakdown: Nuclear weapons are the defining achievement of Kim's military-first rule and, according to experts, his grip on power depends on keeping them. The inevitability of a breakdown cannot be prevented.

Scenario No. 8

Return to Provocations and tensions: When Pyongyang does not show inflexibility from its position, talks will ultimately breakdown. This would mean that North Korea would revert to a pattern to increase tension in East Asia, which is responsible for one-sixth of the global economy, through missile launches, skirmishes with the South, nuclear threats and even another nuclear

test. A North Korean strike on South Korea or Japan would be a suicide step for Kim. Such an action would be met by an overwhelming military assault from the US and its allies.³²

Wildcard Scenario

North Korea collapses: This is the worst-case scenario. The greatest threat from this scenario when North Korea collapses, where does Pyongyang's stockpile of Weapons of Mass Destruction (WMDs) go and who controls these? If lesson from Iraq is any guide, finding out the exact location where the WMDs are stored would be the real problem. There is no information available about the location of the North's stockpile, facilities beyond the Yongbyon nuclear complex. At the moment, North's nuclear infrastructure is kept under extreme control and therefore there is no possibility of any unintentional nuclear leakage to potential proliferators - countries or terrorist groups - outside the country. However, if an internal power struggle erupts, or if the central authority disintegrates, the possibility for leakage of know-how, nuclear technology, fissionable materials or even weapons could dramatically increase.³³ In this kind of end-scenario, prior planning will not work. "Planning policies based on an expected collapse of North Korea are unlikely to succeed."³⁴

In this scenario, in view of Kim Jong-il's failing health, the leadership transition to his youngest son will not be smooth and lead to disintegration of the central government. Many factions will emerge and instability will follow, leading to eventual disintegration.

The collapse may also be triggered by external factors: Apart from denial of external economic assistance, the generational change and growth of markets may fuel discontent, which the North Korean regime might find difficult to manage. The contagion theory popularized after the demise of the Soviet Union that rocked the Eastern European allies did not reach North Korea as Pyongyang was able to avoid the pitfall because of limited economic reforms in the early 1990s, such as the establishment of farmers' markets. This time, Pyongyang, sitting in a veritable volcano, will not be able to withstand the irresistible forces that would be unleashed by the failing economy and rising expectations of the people. Food shortages will fuel discontentment.

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The impact of North's demise would be huge on its neighbours. South Korea will launch almost immediately on the process of political consolidation of the newly unified Korean state. There could be resistance from the North Korean army or special operation units. Seoul would also have to cope with the massive humanitarian dislocations that could spill over to its territory. The US will back South Korea in this process of unification and foster greater stability in the region.

China's interests would clash that of South Korea and the US. Because of strategic consideration, China would oppose if the US ties to establish bases in the North Korean territory or station troops in proximity to its borders. Beijing might also try to seize territory when political instability occurs, though may not try to fill the political vacuum all by itself. China might not lose any opportunity not to extend its influence in the region and seek UN intervention just to deny South Korea any extra advantage and thereby prevent unification. Like South Korea, China will also be wary of refugee problems as an exodus of North Korean refugees into its territory will radically increase the number of ethnic North Koreans, who later may demand autonomy from China's central government. China's main interest would be to have some economic control in northern part of Korea in cross-border trade and investment, particularly in major infrastructure projects.

As regards Japan, it will feel threatened by the possibility of China establishing a stronger position of influence on the Korean peninsula or the possibility that a unified Korea could “go nuclear”. Debates in Japan to exercise the nuclear option may be intensified and willy-nilly Japan might move towards becoming a “normal” state.

Even when North Korea has gone on conducting nuclear tests much to the consternation of its neighbours, Beijing has not denied its old ally with goods varying from fuel to fertilizer, corn to cosmetics, shoes, clothing and electronics.

Conclusion

None of the major players having stake in North Korea and Asian security – the United States, Japan and China - would opt for North Korea to collapse. North Korea's political and economic systems are unsustainable. Its aggressive behaviour is alienating all potential friends and making things worse. The 'enemies' of North Korea are as much afraid of its collapse as its leaders are. No one seems to be prepared for what would happen if North Korea really collapses but if it does happen, things would be more difficult to manage, let alone solve. Ignoring things would be as dangerous as delaying to address the issue. South Korea is not prepared for a regime collapse because it would unleash a torrent of refugees and saddle Seoul with colossal

reunification costs, as the continuing domestic costs of German unification attest.

China's role in reigning North Korea seems to be critical to addressing the North Korean conundrum. Barack Obama and his aides ought to enlist Beijing's influence on Pyongyang. Obama is already saddled with the problem of enlisting Beijing's support to grapple with other major challenges such as climate change and the global financial crisis.

The relationship between North Korea and China is a product of history and geography. The 850-mile border with China is North Korea's main connection to the outside world, given that the DMZ in Panmunjam bordering South Korea is as fortified as ever. Virtually all flights in and out of North Korea pass through China. Even when North Korea has gone on conducting nuclear tests much to the consternation of its neighbours, Beijing has not denied its old ally with goods varying from fuel to fertilizer, corn to cosmetics, shoes, clothing and electronics. In fact, Beijing's support to Pyongyang has quadrupled since 2004. China is in fact playing a two-faced game – supporting the US-led effort to stop weapon proliferation while propping up Kim's regime.

Under American pressure, Beijing did cut off oil supplies to North Korea in 2003 and 2006-07 to ratchet up pressure. It also cooperated by scrutinising bank accounts when the US Treasury went after Macao-based Banco Delta Asia in 2007 in reaction to North Korea's improper use of the international banking system.

The regime founded by Kim Il-sung after World War II was largely a creation of Moscow, but it was China that entered the Korean War in support of North Korea. It has become North Korea's leading patron since the Soviet Union's collapse. China's influence in North Korea has further deepened after the conservative government assumed office in South Korea in 2008.

Unless China with its long border, extensive trade and provision of key items such as fuel toughens its stance, the North Korean issue is unlikely to be resolved.

Beijing might be much worried about the possible repercussion if North Korea collapses. Sudden withdrawal of aid might precipitate a possible collapse, sending refugees across the border and leaving its weapons up for grabs. Though China might not be much worried that it could itself be the target of North Korea's weapons, its more realistic concern may be the North Korean threat will set off a military build up in Japan, South Korea and Taiwan. Such a scenario would endanger what Chinas would value most – stability.

Those who hold this argument are of the view that North Korea's aim in developing nuclear weapons is mainly political: avoiding the collapse of the regime and maintaining the status quo of a Korean peninsula divided at the 38th parallel. This school of thought believes that Pyongyang might opt for a strategic decision to abandon its nuclear program when it judges that survival of the regime is secured.³⁵ The other view is that notwithstanding the political aim of securing an assurance for regime survival, extracting economic aid and maintaining status quo with the aim of making North Korea a nuclear weapon state would be the real goal.³⁶

Kim Jong-il seems to be aware of the Chinese tolerance of his effort towards regime stability and his process of consolidating the position of his son, Kim Jong-un, to eventually to succeed him. But if the Chinese continue to give leeway to Pyongyang and its nuclear development program, it could ignite an arms race among Japan, South Korea, China and possibly even Taiwan. Of these four, only China possesses nuclear weapons. At the moment, the following possible options seems to be viable: conduct fresh exercise of the PSI aimed at North Korea to interdict shipments of suspect materials, revive financial sanctions of the sort the Bush deployed to freeze North Korean funds in the Macao-based Banco Delta Asia bank, and full implementation of the United Nations Security Council Resolution 1718 which called for the cut-off of trade in luxury goods to North Korea and a range of other sanctions designed to hit the regime. Unless China with its long border, extensive trade and provision of key items such as fuel toughens its stance, the North Korean issue is unlikely to be resolved. At the same time, Obama ought to persevere in pursuing his strategic dialogue with Beijing. In the ultimate analysis, political solution seems to be the only desirable approach as military strike will complicate and undermine Asian security. Therefore, all stakeholders ought to invigorate their efforts to exercise their political options with a view to maintain peace and stability in the Asian region.



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