

# 11. Responses to proliferation: the North Korean ballistic missile programme

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## I. Introduction

Many governments believe that the spread of ballistic missiles to states and regions where they did not previously exist poses a serious threat to international security. However, there are no strong legal or political norms against the development and production of ballistic missiles. Governments concerned by the implications of missile proliferation must decide how to respond to the development of capabilities that are not illegal. Under these conditions defining a practical response to ballistic missile proliferation has become a difficult and pressing problem for a significant number of governments.

Developments on the Korean peninsula in the 1990s have provided one example of how different types of response—legal, political and military—have been combined in an effort to manage the emergence of a new missile force in the Democratic People's Republic of Korea (North Korea).<sup>1</sup>

In spite of the absence of legal and political norms that focus explicitly on ballistic missile delivery systems, the impact of missile proliferation can be discussed in relation to two other questions.<sup>2</sup>

First, it can be addressed in relation to the use of ballistic missiles to deliver weapons against which there are strong legal and political norms. These norms have been expressed in treaties to which many states have acceded. They are either treaties aimed specifically at the proliferation of weapons, such as the 1968 Treaty on the Non-Proliferation of Nuclear Weapons (Non-Proliferation Treaty, NPT), or comprehensive disarmament treaties, such as the 1972 Biological and Toxin Weapons Convention (BTWC) and the 1993 Chemical Weapons Convention (CWC).

Second, the nature of ballistic missiles can be argued to create a particular kind of security problem that merits attention. According to this argument, regional missile forces are likely to be part of a strategy of deterrence by punishment. Within regional force structures missiles are likely to be relatively

<sup>1</sup> In different locations the approaches taken by affected states and by the international community in general have been different. For a discussion of regional and international responses to missile and other forces in India, Iraq and Pakistan see Anthony, I. and French, E., 'Non-cooperative responses to proliferation: multilateral dimensions', *SIPRI Yearbook 1999: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1999), pp. 667–91.

<sup>2</sup> Discussions of ballistic missile proliferation include Carus, W. S., *Ballistic Missiles in Modern Conflict*, Washington Paper 146 (Center for Strategic and International Studies: Washington, DC, 1991); Nolan, J. E., *Trappings of Power: Ballistic Missiles in the Third World* (Brookings Institution: Washington, DC, 1991); and Karp, A., SIPRI, *Ballistic Missile Proliferation: The Politics and Technics* (Oxford University Press: Oxford, 1996).

scarce. Unlike manned aircraft, missiles are not reusable; missiles can therefore generate a limited number of missions. Initially, regional missile forces are also expected to be relatively inaccurate. Used with high-explosive warheads, inaccurate missiles are unlikely to disrupt the military operations of an adversary. Even when armed with warheads containing biological weapons or chemical agent such missiles would have a limited direct impact on the military operations of an adversary.

For these reasons, missile forces may be concentrated on targets that are large, stationary and of high value to the society of the adversary. Centres of economic activity (such as ports and airfields) as well as population centres are considered likely targets.

The traditional response to threats of this kind has been to deploy countervailing capabilities to provide deterrence against the emerging threat. There may be a strong incentive for a state that feels itself threatened by an adversary missile force to develop a symmetrical capability. The incentive to try to eliminate the risk posed by missiles by attacking them prior to launch may also be high for an adversary that feels itself likely to be subject to attack. This heightens crisis instability by giving both sides in a confrontation an incentive to be the first to use their weapons.<sup>3</sup>

At present there is no effective defence against missile attacks other than pre-emption—although several countries are examining the feasibility of national and theatre missile defence systems. Moreover, the question of whether the further development of missile defences by Russia and the United States can be reconciled with their legal commitments under the 1972 Anti-Ballistic Missile (ABM) Treaty has emerged as a highly controversial and politically charged issue.<sup>4</sup>

After the end of the cold war traditional responses based on deterrence and arms control have been supplemented by a political response that cannot be defined as arms control in the traditional meaning. This new arms control includes the application of sanctions and the offering of incentives that, taken together, are intended to change the behaviour of a proliferator. These measures are not reciprocal, reflecting the asymmetric relationships between the parties involved.

The accelerated development of a family of long-range rocket engines by North Korea in the 1990s has had a significant impact on the threat perceptions of countries in North-East Asia.<sup>5</sup> These rocket engines give North Korea the potential to develop medium-range or even intercontinental ballistic missiles. The rockets may also be used to place payloads (such as satellites) into

<sup>3</sup> The argument that ballistic and cruise missiles represent a particular kind of challenge is outlined in Roche, J., 'Proliferation of tactical aircraft and ballistic and cruise missiles in the developing world', ed. E. Arnett, *The Diffusion of Advanced Weaponry: Technologies, Regional Implications and Responses* (American Association for the Advancement of Science: Washington, DC, 1994).

<sup>4</sup> This issue is discussed in chapter 8 in this volume.

<sup>5</sup> In this chapter North-East Asia includes China (the People's Republic of China and the 'Republic of China' on Taiwan), Japan, the Democratic People's Republic of Korea (North Korea), the Republic of Korea (South Korea) and Russia. These definitions are based on Gill, B., 'North-East Asia and multi-lateral security institutions', *SIPRI Yearbook 1994* (Oxford University Press: Oxford, 1994), pp. 149–68.

space. International concern about the North Korean ballistic missile programme is linked to a residual suspicion that North Korea has a clandestine programme to assemble the material base, production technology and know-how needed to make a nuclear weapon.

In 1985 North Korea joined the NPT. In the context of NPT participation, North Korea committed itself not to develop a nuclear weapon and concluded a bilateral full-scope safeguards agreement with the International Atomic Energy Agency (IAEA). On 1 April 1993 the IAEA Board of Governors reported that North Korea was in non-compliance with its safeguards obligations.<sup>6</sup>

North Korea's refusal to comply with its safeguards agreement, strong circumstantial evidence of an earlier nuclear weapon programme and the ongoing ballistic missile development programme create a serious challenge to regional security in North-East Asia. In response, several states—most notably Japan, the Republic of Korea (South Korea) and the United States—have had to consider what mix of diplomacy, deterrence and defence will best serve their national security interests.

While concerns about the direction of North Korean arms acquisition programmes are long-standing, the North Korean missile development programme has been the focus of much activity since 31 August 1998, when North Korea fired a Taepo Dong I three-stage rocket along a flight path that passed over Japan.<sup>7</sup> In 1999 efforts to freeze or roll back North Korean ballistic missile programmes were undertaken with new urgency.

## II. The North Korean ballistic missile programme

As North Korea is a closed and secretive society authoritative information about the origins (including the motives and intentions of the leadership), scope and scale of its military programmes is in short supply.

One source that examines regional security from a North Korean perspective identifies five primary background elements for military programmes: (a) the increasing diplomatic isolation of North Korea as China and Russia have improved their relations with South Korea; (b) the loss of the strategic guarantee provided by the Soviet Union in conditions where the US–South Korean alliance remains in place; (c) a progressive deterioration in the conventional military balance between North Korea and South Korea; (d) a progressive deterioration in the balance of economic and technological factors that provides the basis for military power; and (e) a combination of domestic economic crisis and external pressure for greater openness and a market economy

<sup>6</sup> IAEA Board of Governors Resolution GOV/2645, 1 Apr. 1993. The effort to prevent North Korea from producing fissile materials that could form a core component of a nuclear weapon is undertaken in the 1994 Agreed Framework. The Agreed Framework is discussed in Kile, S., 'Nuclear arms control and non-proliferation', *SIPRI Yearbook 1999* (note 1), pp. 532–35. The developments in 1999 are discussed in chapter 8 in this volume.

<sup>7</sup> Madeiros, E., 'Report on the Second US–China Conference on Arms Control, Disarmament and Nonproliferation', Center for Nonproliferation Studies, Monterey Institute of International Studies, URL <<http://cns.miis.edu/cns/projects/eanp/conf/uschina2/report.htm>>.

that challenges the socialist system (and with it the position of the current government).<sup>8</sup>

Together, these elements have led North Korea to conclude that a long transition period will be needed before a reunification of Korea could be brought about on terms acceptable to North Korea. Under these conditions the strategy of North Korea has two main elements. First, there is the progressive exclusion of any possible Japanese influence over affairs on the Korean peninsula. Second, the strategy is designed to bring about a military environment on the Korean peninsula that eliminates nuclear, biological and chemical (NBC) weapons and removes the foreign (i.e., US) troop presence.<sup>9</sup>

Within this broad strategic framework the North Korean ballistic missile programme has both a political and a military rationale.

From a political perspective, the medium- and long-range missile programme provides an instrument with which North Korea can try to break the progressive isolation that has resulted from the changes in its relations with its former allies China and Russia. Some analysts believe that this political rationale provides the most important argument in favour of missile development in North Korea.<sup>10</sup>

Given the progressive decay of North Korean conventional armed forces, the ballistic missile programme also provides a bargaining chip that can be included in political discussions. In the absence of a missile programme (and related programmes for NBC weapons) there would be little for other states to discuss with North Korea apart from humanitarian assistance.

From a military perspective, the missile programme has been described as 'the bite of the cornered dog'. The modernization of South Korean air defences and the assistance rendered by the United States in surveillance and target acquisition mean that North Korea can have little confidence in the value of manned aircraft in any conflict.<sup>11</sup> Ballistic missiles represent the only delivery vehicle that North Korea could confidently expect to penetrate existing air defences.

Assuming that South Korean and/or US forces establish air superiority during a conflict, the vulnerability of missile launch sites to air attack suggests a strong incentive for North Korea to use its missile forces in the early stages of any conflict. Meanwhile, since missile forces are unlikely to be available in quantities large enough to disrupt the military operations of South Korean and US forces if armed with conventional warheads, they may be used in a

<sup>8</sup> Pae Sang Hak, 'The Democratic People's Republic of Korea', ed. E. Arnett, SIPRI, *Nuclear Weapons After the Comprehensive Test Ban: Implications for Modernization and Proliferation* (Oxford University Press: Oxford, 1997).

<sup>9</sup> North Korean approaches to arms control are discussed in Joo-Hong Nam, 'How much is enough? The politics of arms control in Korea', *Korean Journal of International Studies*, vol. 21, no. 2 (1990); and Man Won Jee, 'Controlling demand: insecurities, budgets and domestic political factors', *Korean Journal of International Studies*, vol. 24, no. 4 (1993), pp. 431–57.

<sup>10</sup> E.g., Stanley Foundation, *US Relations with North Korea: Prospects for Engagement*, Report of the Thirty-Ninth Strategy for Peace Conference, Warrenton, Va., 29–31 Oct. 1998, URL <<http://www.stanleyfdn.org/CONFRPTS/USFP/SPC98/Nkorea98/report.html>>.

<sup>11</sup> Although North Korea has a small number of modern MiG-29 and MiG-23 combat aircraft, most of its inventory is of earlier generations.

countervalue deterrence strategy armed with non-conventional warheads. If projections that North Korean missiles will soon be able to reach the US mainland prove to be correct, a countervalue strategy may also be applied to the United States as well as South Korea.

The South Korean characterization of the threat posed by North Korean missiles follows this line. According to a recent Ministry of National Defense White Paper:

North Korea's purpose in producing and stockpiling CB weapons and mid- and long-range guided missiles is not only that they conserve resources; they can also be used as a means of strategic threat and negotiation. They can also play a decisive role in military strategy and operations. In using these weapons to attack major cities and strategic targets simultaneously in the South, Pyongyang could maximize the military and psychological effects it has aimed for as well as devastate strategic targets.<sup>12</sup>

### Missiles under development

Open source information about North Korean missile programmes comes mainly from Japan, South Korea and the United States. The data on these programmes in the public domain seem to be a mixture of observed information combined with estimates or projections used to fill gaps in knowledge. Observed information—such as measurements derived from the satellite image of a rocket—has been combined with assumptions about, for example, the weight of the payload, the nature of the fuel used and the efficiency of the rocket engine to produce an estimated firing range. As a result, different estimates can be produced for a given missile depending on the assumptions made.

Reflecting the lack of reliable information, the descriptions of the characteristics of North Korean missiles that are in the public domain have given different specifications for the same engine at different times. The names for North Korean missiles have been assigned to them by Western analysts.

The public information suggests that North Korea began its missile production and development programme in the early 1980s in cooperation with Egypt and Iran.<sup>13</sup> The initial focus was on production of the Scud-B missile (with a range of approximately 300 kilometres). In the late 1980s North Korea is believed to have initiated a new programme to extend the range of the Scud-B to 500–600 km. This missile was designated the Scud-C, which is believed to have entered production in 1991. Both the Scud-B and Scud-C are single-stage missiles. In 1993 another single-stage missile with an estimated range of 1000 km was tested. This missile was designated the Nodong I and may be in

<sup>12</sup> Republic of Korea, Ministry of National Defense, *White Paper, 1998*, URL <[http://www.mnd.go.kr/mndweb/mnden/mnd/m\\_2index.htm](http://www.mnd.go.kr/mndweb/mnden/mnd/m_2index.htm)>.

<sup>13</sup> Gerardi, G. J. and Plotts, J. A., 'An annotated chronology of DPRK missile trade and developments', *Nonproliferation Review*, vol. 2, no. 1 (fall 1994), pp. 65–98; and Wright, D., 'Will North Korea negotiate away its missiles?', *Breakthroughs: MIT Security Studies Program*, vol. 7 no. 1 (spring 1998), pp. 29–36. The Federation of American Scientists provides an overview of North Korean ballistic missile development at URL <<http://www.fas.org/nuke/guide/dprk/missile/index.html>>.

production—although sources differ on exactly when this production began and on its scale.<sup>14</sup> Subsequently, resources seem to have been provided to develop an additional engine with a longer range than that of the Nodong I.<sup>15</sup>

As an element of its missile development programme North Korea seems to be planning to test various combinations of these rocket engines. The range estimates for missiles partly reflect different assumptions about potential alternative configurations of the rocket stages that North Korea has developed. For example, range estimates could be altered depending on whether a missile combined two large rocket stages or one large rocket stage supplemented by several smaller rockets.

The identified missiles are the Taepo Dong I (which combines the Nodong I, Scud-C and a small third stage into a three-stage missile) and the Taepo Dong II (which is believed to combine two of the new long-range rocket stages into a two-stage missile).<sup>16</sup> The main significance of the Taepo Dong I test conducted in August 1998 was that it demonstrated a capacity to build multiple-stage missiles as opposed to the single-stage Scud and Nodong missiles. Successful stage separation had been considered to be one of the more difficult barriers to the development of long-range missiles by the developing countries.<sup>17</sup>

The Nodong I is believed to have a range of 1000–1300 km. The Taepo Dong I is believed to have a range of 1500–2000 km. The estimated range of the Taepo Dong II has been reported at 4000–6000 km. The North Korean Advisory Group (comprising nine members of the US Congress) produced a report in November 1999 that suggested a potential range of 10 000 km for the Taepo Dong II missile if it flew with a reduced payload or incorporated a smaller third stage.<sup>18</sup>

While pointing out its legal right to develop, produce and export missiles of any type, North Korea has claimed that its long-range rocket stages are space launch vehicles (SLVs). The stated purpose of the launch that took place in

<sup>14</sup> *Defense of Japan, 1998*, White Paper of the Japan Defense Agency, June 1998, p. 43. In testimony to the Japanese Parliament Foreign Minister Masahiko Komura stated that North Korea has 10 Nodong I missiles ready for launch. 'Report: N. Korea deploys missiles', *Newsday*, 30 June 1999, URL <<http://newsday.com/ap/rnmpin11.htm>>. Other sources suggest that the Nodong I is being produced and tested in Iran under the name Shahab III and in Pakistan under the name Ghauri II. US Central Intelligence Agency, National Intelligence Council, *Foreign Missile Developments and the Ballistic Missile Threat to the United States Through 2015*, Sep. 1999, URL <<http://www.cia.gov/cia/publications/nie/nie99msl.html>>.

<sup>15</sup> Vick, C. P., *North Korea Special Weapons Guide: Taep'o-dong 2 (TD-2)*, Federation of American Scientists, URL <<http://www.fas.org/nuke/guide/dprk/missile/td-2.htm>>.

<sup>16</sup> National Intelligence Council (note 14). Some reports also refer to a missile designated Nodong II, which may be an additional missile type or may be an alternative designation for the Taepo Dong I.

<sup>17</sup> Karp (note 2), pp. 132–37. Other design and production problems that a country would need to solve in developing long-range ballistic missiles would be re-entry, guidance and control systems as well as warhead design.

<sup>18</sup> In this way a Taepo Dong II would be able to reach the west coast of the USA. *Does North Korea Pose a Greater Threat to US National Security Than It Did Five Years Ago?*, North Korea Advisory Group, Report to the Speaker presented on 29 Oct. 1999, reproduced in United States Information Service, 'Text: Congressional report on North Korean threat', *Washington File*, 3 Nov. 1999, URL <<http://www.usia.gov/cgi-bin/washfile/display.pl?p=/products/washfile/topic/intrel&f=99110304.epo&t=/products/wasshfile/newsitem.shtml>>.

August 1998 was to place a satellite (the Kwangmyungsun or Bright Star I) into orbit. Moreover, the North Korean space programme is said to include two more Bright Star satellites—suggesting that at least two additional launches can be anticipated.<sup>19</sup>

North Korea claimed that the satellite was launched successfully and began transmitting as anticipated. However, South Korea and the USA have stated that no satellite can be found in the orbit where North Korea claims it has been placed and no transmissions have been intercepted on the frequency on which it is said to transmit.<sup>20</sup>

Analysis of telemetry from the rocket launch has subsequently led South Korea and the USA to conclude that the rocket launch was an attempt to launch a satellite but that the launch failed.<sup>21</sup>

### III. Responses to North Korea's ballistic missile programme

At present there is no regional or subregional forum or organization able to address security issues in a comprehensive manner.<sup>22</sup> Responses to North Korea's ballistic missile programme can be divided into three types: actions by the United Nations, other multilateral political responses and unilateral actions by states.

The IAEA–North Korean safeguards agreement and the work of the IAEA to implement it provided the basis for UN Security Council intervention in the North Korean nuclear programme. In Resolution 825 the Security Council encouraged UN member states to facilitate a solution to the problem of North Korean safeguards non-compliance. In this way the United States could engage in a bilateral dialogue with North Korea that has been expanded to include the issue of ballistic missile proliferation while remaining within a multilateral framework created by Resolution 825.<sup>23</sup>

<sup>19</sup> Kim Ji-ho, 'North Korea brags epochal change on anniversary of missile launch', *Digital Korea Herald*, 2 Sep. 1999, URL <<http://www.korea Herald.co.kr>>.

<sup>20</sup> Lee Sung-yul, 'Missile or satellite, Seoul still worried', *Digital Korea Herald*, 10 Sep. 1998, URL <<http://www.korea Herald.co.kr>>; 'Missile or satellite?', *Korea Newsreview*, 12 Sep. 1998, pp. 4–5, 16; and Volkov, I., 'Beep beep or boom boom?', *Moskovskiy Novosti*, 14 Feb. 1999, in Foreign Broadcast Information Service, *Daily Report—Central Eurasia (FBIS-SOV)*, FBIS SOV-1999-0224, 26 Feb. 1999.

<sup>21</sup> Republic of Korea (note 12), p. 57.

<sup>22</sup> The Association of South-East Asian Nations (ASEAN) Regional Forum (ARF) has apparently played no direct role in addressing the issue of weapon proliferation on the Korean peninsula. North Korea has refused invitations to participate in the ARF. So far, the proposal of a North-East Asian subgroup within the ARF made by South Korea has not been adopted. ASEAN foreign ministers, meeting in Singapore in July 1999, issued a statement that pointed to the risk that missile testing and development could have 'serious consequences for stability in the Korean Peninsula and the region'. Richardson, M., 'Forum in Asia raises the heat on North Korea over missiles', *International Herald Tribune*, 27 July 1999, p. 1. Lists of the members of ASEAN and ARF are given in the glossary in this volume.

<sup>23</sup> UN Security Council Resolution 825, 11 May 1993. North Korea is a party to the BTWC, under which 'weapons, equipment or means of delivery' designed to use biological or toxin weapons for hostile purposes are subject to a comprehensive disarmament obligation. North Korea is strongly suspected of having developed biological weapons. A state party could request assistance from the UN Security Council if it had been harmed, was likely to be harmed or was exposed to danger as a consequence of a North Korean violation of the BTWC. While this provision of the treaty has never been used, discussions are currently under way to try to develop a strengthened enforcement system for the BTWC. See also chapter 9 in this volume. The definition of a chemical weapon in the CWC includes delivery systems.

In practice, however, North Korean ballistic missile programmes have been addressed outside the framework of treaties by those states that feel most threatened by the emerging military capacities. The responses have been based on several elements: diplomacy, denying North Korea the material and technology base to develop missiles, deterrence, developing defensive systems and economic sanctions.

### **Multilateral political responses**

Officials from China, North Korea, South Korea and the USA attend Four-Party Talks. These talks stem from a 1996 proposal put forward by the USA and South Korea and have been under way since 1997. Their objective is to bring a formal end to the hostilities of the Korean War and so help to bring 'lasting peace and stability to the Korean Peninsula and contribute greatly to the peace and stability of the entire region'.<sup>24</sup> These discussions do not directly address 'hard' security issues or arms control.

The United States, because of its system of military alliances, is accustomed to discussing issues of mutual concern with Japan and South Korea. Officials from Japan, South Korea and the USA meet regularly in a Trilateral Coordination and Oversight Group. At these meetings the United States can brief the other states on developments in the US–North Korean channel while all of the countries can inform about and coordinate their policies regarding North Korea. In addition, there are regular meetings at the political level between these three countries.<sup>25</sup> However, these countries do not pursue a harmonized strategy towards North Korea, and there are important differences between their respective national approaches.

Concern about the implications of North Korean weapon proliferation has stimulated a variety of less customary ad hoc contacts and discussions among countries in North-East Asia.

In August 1999 defence ministers from South Korea and China held their first ever talks with the specific intention of discussing security and stability on the Korean peninsula.<sup>26</sup> In June 1999 the South Korean Minister of Defense proposed closer cooperation between the armed forces of South Korea and Japan.<sup>27</sup> China and Japan have held regular bilateral discussions for a number of years, including on issues related to security. In July 1999 Japanese Prime Minister Keizo Obuchi and Minister for Foreign Affairs Masahiko Koumura met their Chinese counterparts in Beijing. The discussions included an

However, although North Korea is strongly suspected of having chemical weapons, it has not signed the CWC.

<sup>24</sup> Described at US State Department, 'Four-Party Talks on the Korean peninsula, 1997–98', URL <[http://www.state.gov/www/regions/eap/korea\\_4party\\_talks\\_1997.html](http://www.state.gov/www/regions/eap/korea_4party_talks_1997.html)>.

<sup>25</sup> The foreign ministers met in Sep. 1998, after the North Korean rocket launch, and met again in Singapore on 27 July 1999. The heads of state and government met during the Auckland Asia–Pacific Economic Cooperation (APEC) leaders meeting in Sep. 1999.

<sup>26</sup> 'South Korea, China to hold first-ever defense ministers talks', *Inside China Today*, 19 Aug. 1999, URL <<http://www.insidechina.com/features.php?id=86461>>.

<sup>27</sup> 'Defense Minister urges cooperation between ROK, Japan armed forces', *Digital Korea Herald*, 3 June 1999, URL <[http://www.koreaherald.co.kr/t\\_news/1999/03/\\_01/19990306\\_0128.html](http://www.koreaherald.co.kr/t_news/1999/03/_01/19990306_0128.html)>.

exchange of views on the Korean peninsula, with the question of possible additional missile tests by North Korea raised specifically.<sup>28</sup>

The Group of Eight (G8) heads of state and government discussed the question of how to respond to the development of ballistic missiles by North Korea at their summit meeting in Cologne in June 1999. While undertaking to examine 'further individual and collective means of addressing this problem', the summit meeting did not elaborate any specific strategy.<sup>29</sup>

## National responses

### *The United States*

The United States has been the primary actor seeking to address the negative consequences of North Korean weapon development and production programmes. Issues related to weapon proliferation are discussed by the USA and North Korea bilaterally rather than in the framework of the Four-Party Talks.

One important objective of the USA is to curtail North Korea's efforts to develop, deploy and sell long-range missiles. The United States has mixed coercive and cooperative elements in an effort to achieve this objective. It has made clear to North Korea that normalization of relations and a peace agreement cannot be concluded without resolving the question of North Korean nuclear and missile capabilities.<sup>30</sup>

Since 1996 North Korea and the USA have discussed both 'vertical' ballistic missile proliferation (i.e., the development of missiles by North Korea) and 'horizontal' proliferation (i.e., the transfer of missiles or related technologies to other countries by North Korea).

In September 1999 North Korea and the USA reached an agreement by which North Korea would suspend the development and testing of its long-range ballistic missile programme. The agreement, which is not public, is discussed below.

In exchange for the suspension the United States agreed to ease unilateral sanctions maintained against North Korea in the framework of US national law—specifically, the Trading with the Enemy Act (TEA) of 1917. The USA and North Korea are technically still at war and under the TEA the US president may, during time of war, investigate, regulate or prohibit a wide range of financial transactions.<sup>31</sup> Under this authority an embargo was established in 1950 on financial transactions between North Korea and any US citizen or permanent resident, wherever they live in the world, all people and organiza-

<sup>28</sup> Ministry of Foreign Affairs of Japan, 'Results of the visit to the People's Republic of China and Mongolia by Prime Minister Keizo Obuchi', Press Conference by the Press Secretary, 13 July 1999, URL <<http://www.mofa.go.jp/announce/press/1999/7/713.html#2>>.

<sup>29</sup> 'G8 Communiqué Köln 1999: Final', 20 June 1999. Documentation on the G8 is available at G8 Information Centre, University of Toronto, Canada, URL <<http://www.g7.utoronto.ca/>>. A list of the G8 members is given in the glossary in this volume.

<sup>30</sup> Lee Hun-kyung, 'Inter-Korean relations in aftermath of Perry Report', *Korea Focus*, vol. 7, no. 4 (July/Aug. 1999).

<sup>31</sup> United States Code Title 50. War and National Defense, Trading With The Enemy Act of 1917, Act 6 Oct. 1917, ch. 106, 40 stat. 411.

tions physically located in the USA and all branches, subsidiaries and controlled affiliates of any US organization throughout the world.<sup>32</sup>

The United States maintained comprehensive sanctions against North Korea from 1950 to 1989, when a ban against academic, cultural and sporting contacts was relaxed. Sanctions were modified in 1989 to permit the transfer of US humanitarian assistance to North Korea. In 1994 there was a further easing of sanctions to permit the implementation of the 1994 US–North Korean Agreed Framework.<sup>33</sup>

In September 1999 the sanctions regime was modified again to remove the ban on exports and imports of US and North Korean consumer goods and to ease restrictions on US investment in North Korea. In addition, direct and personal commercial transactions between US and North Korean legal persons (including companies) were permitted and US commercial carriers were no longer prohibited from calling at North Korean ports and airports under the TEA.<sup>34</sup>

The decision to ease sanctions was taken in the overall context of the comprehensive review of US policy towards North Korea that was completed in 1999.<sup>35</sup> This review, undertaken by former Secretary of Defense William J. Perry at the request of the president, concluded that there was a need to revise the US approach towards North Korea. Having concluded that the status quo was not acceptable from the US perspective, the review evaluated alternative approaches to managing bilateral relations with North Korea.

The Perry Report recommended against undermining the Government of North Korea and determined that accelerated democratic reform in North Korea was desirable but unlikely in the short term. In discussions with Perry and his team North Korea offered to cease missile exports in exchange for compensation for earnings that could have been anticipated from missile sales. The report recommended against ‘buying’ changes in North Korean policy as this path was felt to create an incentive for North Korea to engage in provocative behaviour in pursuit of financial rewards.

The main recommendation of the report was that ‘the U.S. should be prepared to establish more normal diplomatic relations with the DPRK and join in the ROK’s policy of engagement and peaceful coexistence’. The United States would maintain its existing policy of deterrence and the existing size and structure of forces in the region and on the Korean peninsula.

The practical effect of easing sanctions under the TEA is mitigated by the fact that North Korea is subject to several US laws with overlapping authority.

<sup>32</sup> Office of Foreign Assets Control, *An Overview of the Foreign Assets Control Regulations as they Relate to North Korea: Title 31 Part 500 of the US Code of Federal Regulations* (US Department of the Treasury: Washington, DC, 23 Feb. 1999).

<sup>33</sup> Agreed Framework of 21 October 1994 between the United States of America and the Democratic People’s Republic of Korea, IAEA document INFCIRC/457, 2 Nov. 1994.

<sup>34</sup> US State Department, ‘Further easing of sanctions against North Korea’, *Fact Sheet*, 17 Sep. 1999, URL <[http://www.state.gov/www/regions/eap/fs-nkorea\\_sanacs\\_990917.html](http://www.state.gov/www/regions/eap/fs-nkorea_sanacs_990917.html)>.

<sup>35</sup> ‘Review of United States policy toward North Korea: findings and recommendations’, Unclassified Report by Dr William J. Perry, US North Korea Policy Coordinator and Special Advisor to the President and the Secretary of State, Washington, DC, 12 Oct. 1999, URL <[http://www.state.gov/www/regions/eap/991012\\_northkorea\\_rpt.html](http://www.state.gov/www/regions/eap/991012_northkorea_rpt.html)>.

Many transactions no longer prohibited under the TEA after September 1999 remained prohibited by other US legislation. In particular, US laws related to terrorism and missile proliferation have a bearing on North Korea. The Antiterrorism and Effective Death Penalty Act of 1996 prohibits all financial transactions by US legal persons with any state designated a terrorism-supporting nation in the 1979 Export Administration Act (a list that includes North Korea).<sup>36</sup>

Although the Perry Report recommended changes in US policy, the responsibility for translating this recommendation into specific decisions rested primarily with the State Department. While Perry was given to understand that a change in US policy would lead to the suspension of missile testing, his report also recommended against a policy of offering direct economic incentives.

The US decision to ease sanctions was made after a meeting between officials in Berlin on 7–12 September 1999. It is not clear from public reports exactly what was said at this meeting, but it appears that North Korea agreed to suspend missile launches while US–North Korean normalization talks are under way.<sup>37</sup>

It is also not clear whether a direct link was made between the suspension of missile launches and the modification of US sanctions that was announced shortly afterwards or whether these developments should be seen as indirectly linked—part of the overall progress towards normalization.

US Secretary of State Madeleine Albright and Perry addressed the issue of North Korean missile development in a joint press briefing shortly after the Berlin meeting. Albright described the outcome of the agreement as ‘the first positive step towards the suspension of testing’. Perry referred to ‘an agreement for suspension of testing’.<sup>38</sup>

US National Security Adviser Sandy Berger stated that the agreement was for ‘a temporary ban’ on North Korea’s missile programme while talks continue about a permanent end to the programme.<sup>39</sup> Berger presented the agreement as part of a process of normalization of relations between North Korea, and Japan, South Korea and the USA.

After being briefed on the outcome of the talks Japanese Prime Minister Keizo Obuchi suggested that North Korea had not made precise commitments related to a particular missile type or range or a particular type of activity. Instead, a commitment had been made not to take actions that would interfere

<sup>36</sup> Department of the Treasury, ‘Testimony of Richard Newcomb, Director, Treasury Office of Foreign Assets Control before the House of Representatives Judiciary Sub-Committee on Crime’, Press Release, no. RR-1742 (10 June 1997), URL <<http://www.treas.gov/press/release/pr1742.htm>>.

<sup>37</sup> Ministry of Foreign Affairs of Japan, ‘Press Conference by the Press Secretary, 28 Sep. 1999’, URL <<http://www.mofa.go.jp/announce/press/1999/9/928.html>>.

<sup>38</sup> US State Department, Secretary of State Madeleine K. Albright and Dr William Perry, ‘Press briefing on US relations with North Korea’, Washington, DC, 17 Sep. 1999, URL <<http://secretary.state.gov/www/statements/1999/990917a.html>>.

<sup>39</sup> Reuters, ‘Berger says US gave little to Korea for missile ban’, 20 Sep. 1999, URL <<http://www.cnn.com>>. The Sep. Berlin meeting was one of the regular series of meetings between US officials and officials from North Korea. The US delegation was led by Ambassador Charles Kartman, who is the Special Envoy for the Korean Peace Talks as well as the US representative to the Korean Peninsula Energy Development Organization (KEDO).

with the positive atmosphere in US–North Korean talks. Obuchi described this as ‘a step toward North Korea freezing a missile launch’ not ‘as a sign that the North has abandoned a launch completely’.<sup>40</sup>

This ambiguity led to some criticism of the agreement. First, it was unclear, perhaps even in Pyongyang, what kinds of space research North Korea could undertake without being considered by the United States to be in breach of its undertaking.<sup>41</sup> As noted above, the logic of the North Korean space programme as described in official statements would suggest that additional rocket launches are likely. Second, how would the USA and other concerned countries respond in the event of additional rocket launches presented as satellite launch attempts?<sup>42</sup>

In parallel with its diplomatic efforts to freeze and then roll back North Korean missile programmes, the United States has also continued to advocate the development of theatre missile defences (TMD) and exploration of the feasibility of a limited national missile defence (NMD) system.<sup>43</sup> Advocates of an NMD system for the USA tend to refer to the North Korean Taepo Dong II programme as the primary justification for the development of such a system.<sup>44</sup>

### *Japan*

The deployment of the Nodong I missile from the mid-1990s already placed targets in Japan within reach of North Korean missiles. However, when North Korea launched a longer range multiple-stage Taepo Dong I missile over Japan in August 1998 without prior warning, the reaction was severe. The Japanese Government had earlier made an official communication to North Korea that a missile test with a range that could reach targets in Japan would have a serious negative impact on their bilateral relations. Although the rocket landed in international waters, the fact that an explicit statement had been ignored contributed to the shock expressed by the Japanese Government that a

<sup>40</sup> Holland, S., ‘N. Korea appears to agree to missile freeze’, Reuters, 13 Sep. 1999, URL <[http://dailynews.yahoo.com/h/nm/19990913/ts/korea\\_usa\\_4.html](http://dailynews.yahoo.com/h/nm/19990913/ts/korea_usa_4.html)>.

<sup>41</sup> Gertz, B., ‘North Korea continues to develop missiles’, *Washington Times* (Internet edn), 28 Oct. 1999, URL <<http://www.washtimes.com/investiga/investiga1.html>>. Some also criticized the overall approach of economic incentives to modify North Korean behaviour. The former head of the State Department office responsible for counter-terrorism observed: ‘they threaten us and we keep paying them off’. Associated Press, ‘Easing of sanctions against North Korea called extortion’, 19 Sep. 1999, URL <<http://www.spokane.net/stories/1999/Sep/19/S636713.asp>>.

<sup>42</sup> US officials have not specified the steps that they would take in the event of a resumption of testing. US Secretary of Defense William Cohen has referred to the ‘serious implications’ such a step would entail. Whitesides, J., ‘Cohen: N. Korea missile to have serious implications’, Reuters, Yahoo News, 26 July 1999, URL <<http://dailynews.yahoo.com/headlines/ts/story.html?s=v/nm/19990726/ts>>.

<sup>43</sup> The background to the US debate on missile defence is described in Arnett, E., ‘Military research and development’, *SIPRI Yearbook 1998: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1998), pp. 275–88. For additional information on recent developments in the US debate see chapter 8 in this volume.

<sup>44</sup> E.g., the presentation of Senator Thad Cochran to the Twelfth Multinational Conference on Theater Missile Defense, Edinburgh, Scotland, 1 June 1999, reproduced as ‘Responding to an escalating threat’, *Comparative Strategy*, vol. 18, no. 4 (1999). Cochran was the sponsor of the National Missile Defense Act that was approved by the Congress in May 1999 and subsequently signed into law by President Bill Clinton.

launch would be conducted without prior notice into an area where commercial shipping and aircraft were operating.<sup>45</sup>

The reactions outlined by Japanese officials stressed diplomatic responses to the launch as well as certain measures that could be considered sanctions.<sup>46</sup> Although Japan had already suspended both normalization talks and humanitarian assistance to North Korea before August 1998, it was announced that possible modifications to these policies would be postponed. In addition, Japanese members of the Korean Peninsula Energy Development Organization (KEDO) suspended their participation in the organization, effectively suspending its activities.<sup>47</sup>

The suspension of Japanese support for KEDO seemed to threaten the implementation of the 1994 US–North Korean Agreed Framework, intended to eliminate the risk that North Korea would develop and deploy nuclear weapons. The collapse of the Agreed Framework would in turn increase the risk of a crisis involving North Korea and the United States.<sup>48</sup>

Public reaction in Japanese newspapers and from some parliamentarians made reference to military responses, including the need for Japan to develop an effective independent deterrent to a North Korean missile attack.<sup>49</sup>

Japan has consistently referred to the August 1998 launch of the Taepo Dong I missile as a missile test, rejecting the idea that it might have been the launch of an SLV. The presence of North Korean fishing boats in the area where the missile landed was considered to undermine North Korea's assertion that the rocket firing was a satellite launch as these boats were assumed to be equipped with instruments to monitor the test.<sup>50</sup>

Although aware in general terms that a launch was being prepared, Japan did not have the technical means to monitor North Korean launch sites. The USA provided Japan with information about the time, date and trajectory of the missile launch.<sup>51</sup>

Japanese officials referred to the need to continue technical studies of a ballistic missile defence (BMD) system, to expedite the development of a

<sup>45</sup> Ministry of Foreign Affairs of Japan, 'Comment by Chief Cabinet Secretary Hiromu Nonaka on North Korea's test missile launch', 31 Aug. 1998, URL <<http://www.mofa.go.jp/announce/announce/1998/8/831.htm>>. The rocket launch was one of several events that led to deteriorating relations between Japan and North Korea. Others included incursions by North Korean ships into Japanese territorial waters and flights by North Korean combat aircraft close to Japanese airspace.

<sup>46</sup> The Japanese Defense Agency apparently stated that if a North Korean missile attack on Japan were known to be imminent, there was no legal barrier to a pre-emptive attack on the launch facility. Agence France Presse, 'North Korea warns of "thousand-fold retaliation"', 9 Mar. 1999, URL <<http://www.defense-aerospace.com/afp/defense/990309054207.4zq83omd.html>>.

<sup>47</sup> Ministry of Foreign Affairs of Japan, 'Announcement by the Chief Cabinet Secretary on Japan's immediate response to North Korea's missile launch', 1 Sep. 1998, URL <<http://www.mofa.go.jp/announce/announce/1998/9/901-2.html>>.

<sup>48</sup> In 1994 the USA began to prepare for a military operation on the Korean peninsula prior to the negotiation of the Agreed Framework.

<sup>49</sup> A summary of public Japanese responses is contained in United States Information Agency, 'North Korea's missile test: foreign media reaction', *Daily Digest*, Washington, DC, 3 Sep. 1998.

<sup>50</sup> Ministry of Foreign Affairs of Japan, 'Press conference by the Press Secretary', 4 Sep. 1999, URL <<http://www.mofa.go.jp/announce/press/1998/9/904.htm>>.

<sup>51</sup> Ministry of Foreign Affairs of Japan, 'Press conference by the Press Secretary', 1 Sep. 1998, URL <<http://www.mofa.go.jp/announce/press/1998/9/901.html>>.

Japanese satellite surveillance capability and to explore the use of non-military satellite images by government agencies.<sup>52</sup> In March 1999 the Japanese Government diverted 960 million yen from the defence budget into a fund to support participation in BMD research along with partners in the USA. In August 1999 Japan and the United States agreed the programme outline for cooperative research on ballistic missile technologies.<sup>53</sup> The Japan Defense Agency earmarked 11.3 billion yen in 1999 to develop a military satellite that is planned to be launched in 2002.<sup>54</sup>

In 1999 Japanese officials continued to discuss North Korea's missile programmes with counterparts in South Korea and the USA.

In November 1999 the Japanese Government restored civil charter flights to Pyongyang that had been suspended after the missile launch in August 1998—citing the risk to civil aviation from unannounced launches.<sup>55</sup> In December 1999, in the light of the statements made by North Korea about the suspension of missile launch activities during the US–North Korean talks, the Japanese Government decided to consider the question of whether normalization talks and humanitarian assistance, including food aid, would be restored with North Korea.<sup>56</sup>

### *South Korea*

The North Korean long-range ballistic missile development programme does not add to the defence dilemma of South Korea directly. North Korea has produced Scud-C missiles with a range sufficient to reach targets throughout South Korea since the early 1990s.

In 1999 the possibility that North Korea was continuing to develop facilities that could contribute to a covert nuclear weapon programme in spite of the Agreed Framework was of greater concern in South Korea than the development of additional ballistic missile delivery systems.<sup>57</sup> However, external responses to the North Korean missile programmes are of concern to South Korea because they have the potential to disturb current policy initiatives supported by Seoul and to complicate relations between Japan, South Korea and the USA. Therefore, ballistic missile proliferation and how to respond to it are

<sup>52</sup> Ministry of Foreign Affairs of Japan (note 47).

<sup>53</sup> Ministry of Foreign Affairs of Japan, 'Exchange of notes concerning a program for cooperative research on ballistic missile technologies based on the Mutual Defense Assistance Agreement between Japan and the United States of America', Press Release, 16 Aug. 1999, URL <<http://www.infojapan.org/announce/announce/1999/8/816.html>>.

<sup>54</sup> Jun Kwan-woo, 'Pyongyang inadvertently helps Tokyo's military build-up', *Digital Korea Herald*, 3 Apr. 1999, URL <<http://www.koreaherald.co.kr>>.

<sup>55</sup> Ministry of Foreign Affairs of Japan, 'Announcement by Chief Cabinet Secretary Mikio Aoki on the resumption of chartered flights between Japan and North Korea', 2 Nov. 1999, URL <<http://www.mofa.go.jp/announce/announce/1999/11/1102-2.html>>.

<sup>56</sup> Ministry of Foreign Affairs of Japan, 'Announcement by Chief Cabinet Secretary Mikio Aoki on policies vis-à-vis North Korea', 14 Dec. 1999, URL <<http://www.mofa.go.jp/announce/announce/1999/12/1214.html>>.

<sup>57</sup> Suspicions about continued covert North Korean nuclear weapon development activity in 1999 are discussed in chapter 8 in this volume.

both controversial and important in the internal political process in South Korea.

South Korea has supported the diplomatic initiatives of the USA that are themselves to a degree stimulated by the 'sunshine policy' of the government of President Kim Dae-Jung.<sup>58</sup> The logic of the sunshine policy is that engagement of North Korea based on non-interference in domestic political affairs and economic assistance will, over time, produce greater benefits than a policy of confrontation.<sup>59</sup> While South Korea has invested in modernizing its air defences, it has not initiated an NMD programme. Nor has South Korea shown any interest in bilateral cooperation with the United States in the TMD area.<sup>60</sup>

In the interim, the policy of South Korea is based on deterrence by denial as well as diplomacy. Together with the active assistance of US forces stationed in South Korea the South Korean armed forces are tasked with defeating any military action that might be launched from North Korea. The modernization of the South Korean armed forces includes reductions in active service manpower and the introduction of advanced weapon systems.

In the 1990s an internal debate continued in South Korea about the utility of developing a ballistic missile that would give the option of responding in kind to a North Korean missile attack and so strengthen deterrence. At present South Korea is constrained by a bilateral agreement with the USA not to develop missiles with a range longer than 180 km.<sup>61</sup>

South Korea is already developing a significant lead in air power through modernization plans based on manned combat aircraft. The modernization of the South Korean Air Force, together with the difficulty that North Korea is experiencing with its own air defence modernization, is likely to provide South Korea with both air superiority and ground-attack options without a new missile programme. The United States has argued that a South Korean missile programme could stimulate further missile proliferation and introduce an irritant into relations with the USA without any meaningful gain in military capability. A missile force could also undermine public support for the current South Korean defence policy if it appeared that a strategy of denial was changing to a strategy based on punishment through countervalue strikes.

<sup>58</sup> The basic elements of the programme are described in an article by the president: Kim Dae-Jung, 'Seeking to prevent a North Korean missile test', *International Herald Tribune*, 30 Aug. 1999. See also the discussion in the Republic of Korea, Ministry of National Defense, *White Paper, 1999*, URL <[http://www.mnd.go.kr/mnden/sub\\_menu/w\\_book/1999/index.html](http://www.mnd.go.kr/mnden/sub_menu/w_book/1999/index.html)>.

<sup>59</sup> A similar logic underpins the approach suggested in the Perry Report (note 35).

<sup>60</sup> 'Seoul reaffirms no plan to join US-led theater missile defense plan', *Digital Korea Herald*, 4 May 1999, URL <<http://www.koreaherald.co.kr>>; and 'Kim calls for military cooperation with Moscow', *Digital Korea Herald*, 6 Sep. 1999, URL <<http://www.koreaherald.co.kr>>.

<sup>61</sup> Originally, the 1979 bilateral agreement restricted the range of South Korean missiles to 180 km. South Korea and the USA have agreed in principle that South Korea may develop missiles with a range of up to 300 km, but this agreement has never been operationalized. President Kim Dae-Jung has asked the USA to revise the agreement to permit the development of missiles with a range of up to 500 km. Kim Tae-woo, 'The North's missile threat calls for reinforced defense capability', *Korea Focus*, vol. 7, no. 4 (July/Aug. 1999), pp. 105–108.

An element that is present in the discussion in China and South Korea is concern that Japanese reactions to North Korea's missile programme may undermine the foundations of regional security in North-East Asia.

*China*

The security situation on the Korean peninsula has created a series of dilemmas for China, whose main interest is stability. The August 1998 North Korean missile test and the prospect of additional tests in 1999 had significant negative potential from a Chinese perspective.

A crisis between North Korea and the United States would raise the question of what steps China could be expected to take in the framework of its 1961 Treaty of Friendship, Cooperation and Mutual Assistance with North Korea.<sup>62</sup> Such a crisis could have a negative impact on US–Chinese relations.

China has supported the denuclearization of the Korean peninsula since the early 1990s, including the elimination of nuclear-weapon delivery systems.<sup>63</sup> The development by North Korea of missile systems with a long enough range to reach targets in Japan and, potentially, the USA stimulates the discussion and development of missile defence capabilities. Most Chinese analysts believe that the TMD systems under discussion in North-East Asia are in reality aimed at Chinese missile forces, with North Korean missile programmes providing no more than a pretext.<sup>64</sup>

The existence of programmes of concern in North Korea adds substance to the arguments advanced by the USA that missile defences are legitimate and necessary.<sup>65</sup> North Korean programmes have also created public pressure in Japan to proceed with wider defence modernization, including BMD cooperation, which China does not welcome.

Of particular concern to China is the possibility that these developments could converge to lead to the development of a US–Japanese TMD architecture that would be extended (albeit not explicitly) over the airspace of Taiwan. China has used ballistic missile test firings as one element of its overall policy aimed at bringing Taiwan under a single political authority.

At the same time, the recent developments have underlined that China has limited influence in North Korea. Apart from a general resistance to initiatives that can be interpreted as interference in the domestic affairs of other states, China has seen a reduction in bilateral trade with North Korea.<sup>66</sup>

China also has limited interest in multilateral engagement in conflict resolution or arms control on the Korean peninsula. During the nuclear crisis of

<sup>62</sup> 'Chronological review, 1945–1998', *A Handbook on North Korea* (Naewoe Press: Seoul, 1998), p. 138.

<sup>63</sup> In addition, the domestic economic crisis in North Korea has contributed to a steady increase in cross-border refugees as well as an increase in smuggling. China has a stronger interest in economic development in North Korea than in diversion of resources into military programmes.

<sup>64</sup> Ding, A. S., 'China's attitude towards missile defense', Paper presented to the Sixteenth Sino-European Conference, Queens' College, Cambridge, 1–3 Sep. 1999.

<sup>65</sup> From a Chinese perspective the 'worst case' would be the extension of a TMD system to include the airspace over Taiwan. The Taiwanese Minister of Defence has identified missile defence as the first priority for future procurement. CNN Custom News, 'Defence Minister Tang talks about threat from China', 30 Aug. 1999, URL <<http://www.cnn.com>>.

<sup>66</sup> Bilateral trade is said to have declined by over 37% from 1997 to 1998 with a further decline of over 50% predicted for 1998 and 1999. CNN Custom News, 'Analysis: Chinese influence over North Korea wanes', 8 Mar. 1999, URL <<http://www.cnn.com>>.

1993–94 China saw a risk that multilateral engagement would provide an additional legitimate legal basis for a long-term US regional military presence.<sup>67</sup>

The current arrangements, by which the United States takes the main responsibility for managing the security implications of North Korean ballistic missile development under the umbrella of a general authorization from the United Nations, are probably the best available from the Chinese perspective.

### *Russia*

The revision of first Soviet and then Russian policy towards North Korea to a large extent created the conditions under which the North Korean leadership accelerated the ballistic missile programme.<sup>68</sup> In conditions where the Soviet Union offered a credible security guarantee and provided the material means for continuous force modernization, ballistic missiles played a much less central role in North Korean military planning.

After 1995 Russia indicated a willingness to enter into limited cooperation with North Korea. In August 1995 Russia offered North Korea a draft Treaty of Friendship to replace that of 1961, but without a clause on mutual military assistance.<sup>69</sup>

Although questions have periodically been raised about whether or not Russia, a participating state in the Missile Technology Control Regime (MTCR),<sup>70</sup> supports ballistic missile programmes in states such as Iran, there have been no public reports of Russian involvement in North Korean ballistic missile programmes.

Russian statements have underlined three elements of Russia's regional security policy. First, the statements emphasize the importance of normalization of relations on the Korean peninsula.

Second, Russia stresses the need for a broader security system in North-East Asia to replace the existing architecture based on alliances. Russian Minister of Defence Igor Sergeyev, while visiting South Korea in September 1999, noted the lack of political integration in North-East Asia and pointed out that alliances always cause concern in third states.<sup>71</sup>

Third, Russia has supported the good-faith participation of all states in existing arms control and disarmament treaties. In particular, Minister of Defence Sergeyev stressed the need to respect the provisions of the ABM Treaty. In

<sup>67</sup> The crisis is discussed in Kile (note 6).

<sup>68</sup> The evolving Soviet/Russian policy is described in Ivanov, V., 'Russia in Northeast Asia: is it making a comeback?', *Peace Forum* (Seoul), no. 25 (winter 1997/98); Ko Jae-nam, 'Russia's role in regional cooperation in Northeast Asia', *Korea Focus*, vol. 7, no. 4 (1999); and Fedorovsky, A. N., 'Russian policy and interests on the Korean peninsula', ed. G. Chufirin, SIPRI, *Russia and Asia-Pacific Security: Proceedings of the Conference on Russia and Asia-Pacific Security, Tokyo, 19–21 Feb. 1999* (Stockholm International Peace Research Institute: Solna, Sweden, Oct. 1999).

<sup>69</sup> The Treaty of Friendship was signed in Pyongyang on 9 Feb. 2000 and subsequently ratified in the Russian and North Korean parliaments on 9 and 12 Apr. 2000, respectively. Interfax, 12 Apr. 2000, in 'Moscow welcomes ratification of treaty with North Korea', FBIS-SOV-2000-0412, 13 Apr. 2000.

<sup>70</sup> The MTCR is discussed in appendix 11A in this volume.

<sup>71</sup> 'Stability in Northeast Asia meets Russia's interests: minister', ITAR-TASS, 2 Sep. 1999, reproduced at URL <<http://www.cnn.com>>.

addition, he supported the idea of developing 'a global system of control over non-proliferation of missiles and missile technologies'.

### *The European Union*

France and the United Kingdom have been engaged in issues related to the non-compliance of North Korea with its IAEA safeguards agreement because of their status as UN Security Council permanent members. However, individual member states of the European Union (EU) have not been closely engaged in developments on the Korean peninsula. Ten of the 15 EU member states do not recognize North Korea and have no diplomatic links with it.

Following the August 1998 rocket launch from North Korea the EU Presidency issued a statement on behalf of the EU that expressed 'grave concern at this test which undermines the efforts to enhance peace and security on the Korean Peninsula' and called on North Korea 'to refrain from any further testing and to exercise utmost restraint in its missile development and export activities. The European Union urges North Korea to join international non-proliferation efforts'.<sup>72</sup>

The EU opened an informal political dialogue with North Korea in December 1998 by which officials from the EU troika have conducted meetings with officials from North Korea.<sup>73</sup> The EU has donated humanitarian aid (consisting of medical supplies and technical assistance in the agricultural sector) and the European Atomic Energy Community (Euratom) is part of KEDO.<sup>74</sup>

## IV. Conclusions

The absence of a global legal and normative framework within which to address the perceived threat posed by the long-range ballistic missile programmes of North Korea did not mean that no remedial political action could be taken by concerned states. It is an open question whether the developments in 1999 have contributed to a political norm against ballistic missile proliferation.

Existing talks between North Korea and the USA taking place under the umbrella of a UN Security Council resolution were expanded in 1996 to include ballistic missile proliferation. This flexible approach mirrors that elsewhere in the post-cold war international system with the USA playing a

<sup>72</sup> European Union, 'Common foreign and security policy (11/23)', *Bulletin EU*, no. 9-1998, URL <<http://europa.eu.int/abc/doc/off/bull/en/9809/p103011.htm>>.

<sup>73</sup> The troika consists of the state holding the presidency of the EU together with the immediate past president and the succeeding president. The political dialogue was initiated to demonstrate support for the Four-Party Talks and after consultation with South Korea. The EU has defined a new policy to govern relations with South Korea. European Union, Directorate of Trade, URL <<http://europa.eu.int/comm/dg01/korea1a.htm>>.

<sup>74</sup> The EU provides KEDO with ECU 15 million each year through Euratom (which is a member of the Executive Board of KEDO).

leadership role, coordinating its policies with concerned states through informal arrangements.

In spite of the fact that all of the major powers that have an active interest in developments on the Korean peninsula favour stability, it has not been possible to eliminate the risk that North Korea will acquire NBC weapons along with ballistic missile delivery systems.<sup>75</sup> While none of the approaches tried has succeeded completely in this regard, a temporary freeze on missile testing appears to have been achieved in September 1999.

In spite of their agreement on the overall objective of preventing further development and, if possible, rolling-back North Korean ballistic missile programmes, there are differences in emphasis among these major powers on the specific approach.

Only the United States strongly favours the development of defensive systems to counter a North Korean missile force. Japan has offered lukewarm support in the form of a limited financial commitment to the further development of advanced air defence systems (such as the shipborne AEGIS/Standard system) that were already under way. South Korea has not supported the development of defensive systems while China and Russia have strongly opposed this approach.

Only South Korea strongly favours the development of broadly symmetrical capabilities to counter North Korean missiles in kind. However, Japan already has a highly developed capacity to design and produce SLVs. This would provide a platform from which ballistic missiles could be developed should a political decision be taken to do so. Recently, Japan has heavily increased its investment in space programmes. China, Russia and the USA all oppose the development of new and additional regional missile forces.

Japan and South Korea have both indicated that they are interested in increasing their investment in airborne and space-based surveillance and monitoring systems. This would reduce the dependence on the United States for basic information about developments in North Korea. In Japan in particular the public shock at the unexpected and undetected North Korean missile launch in August 1998 has created a political momentum behind increased funding of an independent satellite surveillance capability.

None of the major powers in the region believes that the North Korean Government is likely to collapse or be replaced in the short term. In their general approach to managing political relations with North Korea, these powers have de-emphasized the role of sanctions and coercion. South Korea has adopted a policy of engagement and patient diplomacy that has been supported by the USA. Neither China nor Russia employs sanctions against North Korea—except in so far as both support the application of export controls to prevent transfers of missiles or missile-related technologies to North Korea. At the same time, the United States maintains a very strong, if no longer total, sanctions regime against North Korea. The recent US decisions offer the pros-

<sup>75</sup> Since the policy of the EU is essentially declaratory (and to some extent economic) it is excluded from consideration here.

pect of future relaxation but this is both reversible and highly conditional. Japan has applied sanctions in 1999 and, although they were lifted in December, it is highly likely that they would be imposed again in case of further missile tests.

Given that all of the states have decided to work with the existing government in Pyongyang, they have similar views about the desirability of normalizing relations to facilitate communication and dialogue. However, North Korea has resisted joining any multilateral forum other than the Four-Party Talks.<sup>76</sup>

The temporary freeze on missile testing notwithstanding, it is likely that North Korea will launch missiles in future as part of its SLV programme. The international response to such launches—in particular in Japan—is not known. Therefore, it seems very likely that enhancing stability and security on the Korean peninsula will remain an important issue in the foreseeable future.

<sup>76</sup> North Korea has participated sporadically in the non-governmental Council for Security Cooperation in the Asia Pacific (CSCAP) meetings as well as participating in the initial meeting of the non-governmental Northeast Asia Cooperation Dialogue (NEACD). A list of the CSCAP members is given in the glossary in this volume.