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February 12, 2009

“Smart Power: Remaking U.S. Foreign Policy in North Korea”

**Testimony before the
House Committee on Foreign Affairs
Subcommittee on Asia, the Pacific, and the Global Environment**

Hearing on “Smart Power: Remaking U.S. Foreign Policy in North Korea”

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Mr. Chairman, it is an honor to be invited to testify before this subcommittee on how the new administration should formulate its policy toward North Korea. I particularly appreciate the opportunity to put my own comments and recommendations on the record in this setting at a time when the new administration is formulating its policy to deal with North Korea’s nuclear challenge. As you know, this is a vexing issue that has humbled and frustrated both Democratic and Republican administrations during the past two decades. For this reason, it is all the more important for the new administration to design and implement a policy that effectively achieves our critical national security interests and can win bipartisan support on Capitol Hill.

The subcommittee has asked whether “smart power” should be employed to engage North Korea. As defined by Secretary of State Clinton, “smart power” is the use of “the full range of tools at our disposal—diplomatic, economic, military, political, legal and cultural—picking the right tool or combination of tools for each situation.” Thus, the challenge is not whether to use “smart power” but how to identify and utilize the right diplomatic and economic tools alongside existing military might as part of a comprehensive approach to achieving U.S. foreign policy objectives on the Korean peninsula.

What will the application of “smart power” to North Korea *actually mean in practice*? Is the new administration laying the right foundation to be able to effectively utilize all the tools at its disposal effectively in concert with each other? Will it be possible to create conditions for a comprehensive resolution—and not management or postponement—of the multiple challenges posed by North Korea? Whether the Obama administration is able to effectively design and implement a strategy in response to these questions will determine the success or failure of its policy toward North Korea.

The Obama administration in its public statements has thus far identified North Korea as an issue primarily in the context of non-proliferation. But North Korea represents a complex challenge with multiple dimensions, peninsular and regional stability and order, economic development, and humanitarian/human rights. It may not be possible to resolve one issue without touching all the others. A “smart power” approach should employ a comprehensive strategy to address all of these issues.

One reason why the North Korean issue has been defined narrowly by the Obama administration thus far may be that the administration has not yet identified a “point person” who can effectively coordinate all the elements of North Korea policy and its implementation. A “smart

power,” or comprehensive, approach to North Korea will require effective coordination across the government to lead inter-agency coordination, promote coordination with allies and other stakeholders, and negotiate with North Korean counterparts. It will be necessary for the Obama administration to appoint someone who has the capacity to successfully carry out all of these functions.

Given that other special envoys are already doing their work to address major policy challenges in other regions, Asian allies and the North Koreans themselves may be wondering whether the United States will make the North Korean issue a priority or whether it will be allowed to languish. Secretary Clinton’s trip to Japan, South Korea, and China next week may provide some near-term encouragement that this problem is not at the bottom of the in-box and may be an opportunity for her to understand in greater detail the nature of the coordination challenges a special envoy for North Korea is likely to face, but the fact that other envoys are up and running feeds regional perceptions that the United States is not prepared to provide effective and comprehensive leadership to address the North Korea issue.

One-Way Road to Addressing the North Korean Challenge

Past administrations have attempted to present two paths to North Korea to dramatize the need for the North to make a “strategic choice,” with the idea that either rewards will be forthcoming if North Korea chooses the right road or that isolation and sanctions will be imposed if North Korea chooses the wrong road. But this model has failed to mobilize sufficient will on the part of the United States and other parties to back up the assertion that North Korea has reached a decision point and has placed the onus on North Korea to decide while allowing North Korea to harbor false hope that such a choice might be deferred or avoided.

At this stage, a better approach would be to affirm—and seek affirmation from other members of the six party talks—that the principles embodied in the Six Party Joint Statement of September 2005 now represent the *only viable outcome acceptable to all the parties in the region* and that there will be *only one road available* by which to move toward that objective—via the consensus embodied in the six party framework. This is the path that Secretary Clinton rightly affirmed in testimony at her confirmation hearing, a path that will employ bilateral talks in tandem with the six party process. Via these channels, *North Korea should no longer be presented with an opportunity to make a strategic choice, but rather with a situation in which the strategic choice is recognized as a fait accompli and the common task is to implement the consensus that all the parties have already agreed upon.*

Simultaneously, the United States should deepen coordination with allies and partners in northeast Asia to foreclose any perceived North Korean alternative paths that might allow Pyongyang to sidestep negotiations or to arrive at the conclusion that there is a viable path for the North to survive as a nuclear weapons state. These coordination measures will be necessary to underscore to Pyongyang that there is now only one path available that will assure North Korea’s viability in the long-run. Such a discussion will require effective coordination of diplomatic, economic, and other instruments with the objectives of a) preventing North Korean defection from the principles collectively laid out by the six parties, especially by addressing

specific gaps that North Korea might exploit to avoid moving forward in implementing its obligations under the Joint Statement, b) ensuring that economic and other instruments are effectively coordinated to encourage North Korea to become more integrated with its Asian neighbors, c) lay the ground work for collective pressure by taking concrete, concerted actions to underscore that North Korea's survival depends on its willingness to move forward on the path toward denuclearization and the DPRK's normalization of diplomatic relations with the United States and Japan, d) establish a deeper understanding regarding how various parties would respond in order to limit the negative impact of North Korean instability and to enhance possibilities for coordinated action if the DPRK were to persist as a source of nuclear threat to the region and the world.

A comprehensive, "smart power," approach would be utilized to implement the principles that have already been recognized and agreed to by the six parties, including North Korea. The most recent articulation of North Korea's commitment to denuclearization was made by Kim Jong Il during his meetings with CCP international liaison head Wang Jiarui on January 21-23, 2009.

As long as North Korea's public commitment to the denuclearization of the Korean peninsula as outlined in the six party joint statement remains in place, the administration should affirm its commitment to achieving normal diplomatic relations with a denuclearized North Korea in accordance with the principles embodied in the six party talks joint statement. It is urgently necessary for the administration to clarify the linkage between diplomatic normalization and denuclearization since the DPRK foreign ministry has asserted in January that its nuclear weapons status and prospects for diplomatic normalization are two different issues that have no connection with each other.

Having affirmed that the six party framework remains in place as the basis for regional consensus that all the parties are committed to fulfill, the United States should pursue direct talks with North Korea to review the status of the February 13, and October 3, 2007, implementing agreements and to determine how the United States and DPRK can move forward toward the twin objectives of denuclearization and normalization of diplomatic relations under the six party framework.

Unfortunately, there is significant unfinished business resulting from the failure of the six party talks to establish a proper mechanism for verifying the DPRK's limited declaration of its nuclear facilities, programs, and materials, in addition to the failure to address adequately North Korea's alleged enriched uranium and proliferation activities. There are also questions about whether the DPRK is fully committed to the "action for action" principle outlined as the basis for moving forward in the six party talks, given apparent failures of the DPRK to fully live up to its obligations under the February 13 and October 3rd implementing agreements despite the United States having implemented corresponding actions in full.

If these issues had been resolved in the waning days of the Bush administration, it might have been much easier for the Obama administration to open a new chapter in relations with the DPRK at an early stage. Now, the Obama administration will inherit the task of determining how to ensure effective implementation of "Phase II" obligations instead of focusing solely on how to take the next steps toward implementation of the September 2005 Joint Statement. These

are issues that will require time and extensive direct negotiations—supported by active consultations with other members of the six party talks—to resolve.

Elements of A Comprehensive “Smart Power” Approach to North Korea

Assuming that North Korea maintains its readiness to fulfill the principles agreed to as part of the September 2005 Six Party Talks Joint Statement, there are four elements of smart power as described by the CSIS Commission on Smart Power that deserve further elaboration and application to U.S. policy toward North Korea: a) strengthening U.S. alliances and partnerships by aligning them with the objectives of the six party talks, b) international development strategy, c) public diplomacy—especially exchanges and training with North Koreans, and d) promotion of North Korea’s economic integration into Northeast Asia.

a) Aligning U.S. Alliances and Partnerships with the Objectives of the Six Party Talks

A special challenge of U.S. strategy in dealing with North Korea is how to strengthen a coordinated approach, especially in light of DPRK attempts to take advantage of gaps among the other parties in order to preserve its own flexibility and deny the objectives of the other parties. A “smart power” approach emphasizes the need to draw in allies, partners, and institutions more effectively in support of U.S. diplomatic objectives. Strengthened coordination of priorities with each of the other participants in the six party framework is necessary to more effectively limit North Korea’s alternatives to the one-way approach outlined above.

- 1) South Korea—Effective coordination with South Korea is essential to the pursuit of a workable policy designed to provide inducements for North Korea to engage diplomatically with the international community while also limiting North Korea’s alternatives to giving up its nuclear program. The Lee Myung Bak administration has positioned itself as a partner that is willing to cooperate closely with the United States on the North Korean nuclear issue by conditioning its own development assistance program for North Korea on North Korea’s willingness to abandon its nuclear weapons program. Moreover, the Lee Myung Bak administration appears willing to engage in more active trilateral coordination among the United States, Japan, and South Korea.

North Korea’s strategy of marginalizing South Korea while engaging with the United States (*tongmi bongnam*) is designed to open fissures between the United States and South Korea, but if the United States and South Korea continue to work together closely on a joint strategy for addressing the North Korean nuclear issue, such a strategy on the part of the North is unlikely to yield much success. The United States should take special care to ensure that South Korea is not marginalized by North Korea’s wedge-driving strategy.

- 2) Japan—A major challenge in dealing with Japan is to provide sufficient assurance that North Korea will not be accepted as a de facto nuclear weapons state or to defer addressing the issue of abductions indefinitely. Equally as important, the U.S.-Japan alliance has been hurt by suspicions that the United States has shown too much flexibility

in dealing with North Korea and that North Korea is on the verge of being accepted as a nuclear weapons state.

The United States must reassure Japan that it will not accept North Korea as a nuclear weapons state and must continue to impress upon North Korea that it will be necessary to resolve the abduction issue in the course of reaching a comprehensive settlement on the Korean peninsula. Japan will benefit from being brought into a more intensive coordination process with South Korea to allay any anxieties allies might have about U.S. bilateral diplomatic engagement with North Korea. Japan must also continue to be involved in the process, but should be encouraged to support tangible steps toward denuclearization as necessary first steps in a process that will also eventually require North Korea to address the abduction issue as a part of diplomatic normalization between Japan and the DPRK.

- 3) PRC—China’s concerns about stability and suspicions about U.S. strategic intentions persist despite China’s willingness to serve as a diplomatic liaison and host for the six party talks. Chinese views of North Korea’s willingness to give up nuclear weapons have shifted following North Korea’s nuclear test, opening up new possibilities for China to utilize limited forms of pressure in combination with incentives as instruments to encourage North Korea to move toward denuclearization.

Chinese analysts believe that U.S.-China coordination is essential to signal to North Korea that its nuclear weapons status is not acceptable. In addition, close consultation will be necessary to increase the level of U.S.-China trust necessary to build the types of cooperation that would more effectively utilize pressure as an instrument by which to convince North Korea to give up its nuclear program. Meanwhile, North Korea seeks to play on Chinese anxieties by seeking a strategic bilateral relationship with the United States. The United States must conduct bilateral talks with North Korea with sufficient transparency that such anxieties do not inhibit U.S.-China coordination in dealing with North Korea.

- 4) Russia—Russia has participated in six party talks, but has not played a decisive role in those talks. Nonetheless, Russia is well-positioned as a potential spoiler, especially when there is tension in the U.S.-Russian relationship. An improved U.S.-Russian relationship might provide a sufficient basis for securing Russian cooperation in both the cases of Iran and North Korea. Russia is also positioned to play a constructive role in verification of North Korea’s denuclearization, given its extensive experience on issues and processes related to nuclear arms reduction.

b) International development assistance and North Korea

The United States has underutilized international development assistance as a tool for influencing North Korea, choosing instead to allow humanitarian assistance to North Korea in response to North Korea’s systemic crisis. But the use of humanitarian assistance has proven burdensome and ineffective because the DPRK has imposed obstacles on the unfettered access by monitors within North Korea and assistance to North Korea continues to be beset by concerns

about diversion. Moreover, long-term provision of humanitarian assistance has taught the North Koreans exactly the opposite lessons in their interaction with the international community than those they should be encouraged to learn. The net result has been anything but “smart”: it has promoted North Korean dependency on international welfare rather than encouraging them to learn how to work for themselves.

The United States should consider tying certain forms of development assistance to the denuclearization process as a means by which to encourage North Korea’s reform and opening up. Small-scale development assistance projects, if properly targeted, might enable North Koreans to learn how to help themselves rather than relying on international assistance and would assist in building North Korea’s own internal capacity and infrastructure to meet its own needs rather than waiting for help from outside. Funding for small-scale, community-based projects outside of Pyongyang that attempt to focus on certain concrete aspects of knowledge-sharing and treatment in the areas of public health, sanitation, and promotion of entrepreneurship at the local level might serve as catalysts that would reinforce trends toward de facto local autonomy and decentralization. Such efforts should be cast as pilot projects and aim to promote work in regional areas rather than with central government authorities. Such capacity building projects would require enhanced levels of partnership and technical interaction with foreigners while also promoting and delivering local capacity for self-help. This type of project might be gradually expanded in tandem with progress in North Korea’s denuclearization.

c) Public Diplomacy, Exchanges, and Training for North Koreans

The U.S. government has often utilized a tit-for-tat or punishment approach to the question of visas for North Koreans to come to the United States, but a “smart power” approach suggests that the widest possible exposure of North Koreans to the United States might facilitate changes in North Korea, regardless of progress in diplomatic talks. Without widespread exposure to the United States and the international community, North Korea’s capacity to undertake successful reforms will not exist, regardless of whether the leadership decides that it wants to pursue such a course. While the U.S. government should continue to thoroughly conduct background checks on DPRK applicants for U.S. visas, visa approvals for technical exchanges should be delinked from diplomatic progress in U.S.-DPRK relations.

Participants in such exchanges are likely to become advocates for greater interaction with the outside world. Even if the North Korean leadership continues to sponsor North Korean visits abroad primarily for the purpose of resource extraction, it is in the interest of the United States to promote longer stays that allow deeper understanding of the United States and the international community by technical experts. If North Korean reform and opening is to be sustainable and if it is to be supported by the outside world, it will be necessary for North Koreans to come to the United States in sufficient numbers and to stay long enough that they are exposed not only to the the surface concepts but also the significance and organizational structure underlying those concepts, which are generally in direct opposition to the concepts underlying the structure of North Korean society.

d) Promotion of North Korea’s economic integration into Northeast Asia

Although there has been a debate among American experts over whether or not South Korea's Kaesong Industrial Zone has had an impact on North Korean society, the best argument in favor of its influence on North Korean society is that the North Korean side has worked so hard to restrict the "flies and mosquitos" of reform that have come in together with the project itself by reducing the number of South Koreans at the complex to the bare minimum necessary to keep things running, and through the imposition of additional restrictions on communications equipment and newspapers allowed into the zone. This suggests that the Kaesong project deserves more credit for projecting influence beyond the zone itself than many American critics have been willing to admit.

A "smart power" strategy for promoting North Korea's economic integration into Northeast Asia would continue to promote market influences in North Korea. In this respect, China's private sector-led engagement appears to be more reform-inducing than South Korea's government-led model, which has thus far been contained to the Kaesong Industrial Zone and Kungang tourist projects. The United States is unlikely to engage directly in economic reform efforts, but the United States should consider a policy of encouraging the DPRK to begin technical discussions with the IMF and World Bank in advance of membership at an early stage—with the explicit condition that U.S. support for North Korea's membership itself would not be possible until North Korea's nuclear issue is resolved.

Such technical discussions themselves will be very challenging for the DPRK, since membership in IFIs is conditioned on levels of disclosure and transparency that may be difficult for North Korean authorities to meet. So there is no political reason not to promote early technical discussions of international standards for monitoring and reporting fiscal and monetary information to the international community, since it will probably take the North Koreans time to adjust their own system to be able to fully meet IFI requirements. Nonetheless, the initiation of such discussions can also be seen as a tangible expression of intent on the part of the international community to integrate North Korea into the global economy and to eventually provide North Korea with the assistance necessary to support macroeconomic stability in North Korea.

Conclusion

A "smart power" approach to North Korea is unlikely to consist solely of direct, high-level efforts to build "trust" with North Korea, but it will consist of robust engagement with North Korea across a wide range of new areas that have heretofore been limited by political constraints. It also does not mean the abandonment of hard power, the basis upon which the mission of deterrence against potential North Korean aggression has been carried out for decades. Instead, it means the development of a comprehensive approach to North Korea that integrates and coordinates efforts to resolve a wide range of difficult diplomatic and political challenges into a single approach.

North Korea's nuclear program, its role as a destabilizing regional influence, and its failure to meet international standards of governance require a coordinated inter-agency response and a coordinated regional response involving specific inputs and contributions from all of North

Korea's neighbors. It will mean reaching out a hand to provide new incentives for North Korea to overcome political obstacles and become more integrated with the outside world, but it will also involve a strategy that includes collective action led by participants in the six party process and that will entail concrete steps to foreclose and deny North Korean efforts to seek an alternative path to the one that has already gained regional support and consensus within the existing six party framework.

The promise of "smart power" is that it will attempt to pursue these steps simultaneously, offering new benefits while also imposing new constraints on North Korea in an attempt to move a denuclearized DPRK toward integration on the only terms that will ultimately be acceptable to the international community.