

WILL UN ECONOMIC SANCTIONS AGAINST A NUCLEAR NORTH KOREA WORK?

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UN Sanctions Against North Korea Doomed to Fail

On October 9, 2006, North Korea had set off its first nuclear test, becoming the eighth country in history to proclaim that it has joined the club of nuclear weapons states. However, North Korea declared that it had nuclear weapons on February 25, 2005. It was the first public claim by North Korean it actually possessed nuclear weapons. In June 2006, North Korea said it had a stockpile of nuclear weapons and was building more. Thus, not many North Korean observers have been caught off guard about the country's nuclear test on October 9, 2006. In the meantime, the U.S. allies, and the UN have adopted a series of sanctions again North Korea in recent years.

The world recently watched as the United States and North Korea approached the brink of war as their leaders played a dangerous and delicate game of checks and balances. The United States tries to show its muscle, while North Korea tries to show that it cannot be bullied. Since the end of the Korean War, the United States has consistently applied sanctions on North Korea. The U.S. and the UN have done so on numerous occasions in at least twenty-three different years since 1950, in an attempt to destabilize and manipulate the North Korean regime. However, as we have now seen, these sanctions were largely ineffective in stopping the country from developing weapons of mass destruction.

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This round of UN economic sanctions will again undoubtedly fail. What most policy makers do not understand is that North Korea is an unlikely candidate for successful sanctions.[1] First, its relations with China and South Korea sustain North Korea's foreign trade. The continued and expanded trade of North Korea with these two countries will relieve a great deal of the pressure applied by UN sanctions. Second, the status of North Korea as a command economy dilutes the effect of UN sanctions. Third, the two unique principles of North Korea—Confucianism and the concept of self-reliance—function to make the population not so dependent on foreign trade.[2]

South Korea and China will never impose stringent economic sanctions against North Korea for strategic, economic, and social reasons. No economic sanctions would work without the help of China, North Korea's main provider of fuel and food aid. China is highly unlikely to crack down on North Korea any time soon because the last thing it needs is to suddenly have to deal with an influx of North Korean refugees.

Moreover, South Korea does not want to absorb North Korea for the economic cost of unification and the possible social chaos from a massive migration of northerners into the already crowded south. In fact, some analysts believe that South Korea would try to prevent the collapse of North Korea if its regime appears to be teetering. Even if the North Korean regime suddenly collapses, many policy designers favor installing an interim government in Pyongyang until the North can catch up to the level of the South economically.[3]

South Korea is not particularly afraid of a North Korean attack. South Koreans assume that Pyongyang's goal is the survival of the Kim regime, and that the nuclear weapons are designed as a negotiating chip and a deterrent. South Koreans further assume that North Korean leaders know how slim Pyongyang's chances are of winning a real war, and therefore they will not start any large-scale violence unless they feel completely cornered.

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Hence the South would shrink away from any actions, which might destabilize or provoke North Korea such as truly efficient sanctions.[4]

In fact, the use of sanctions that are likely to fail may actually increase costs and risks for coercers to increase the likelihood that the sanctioning state will ultimately resort to force. As shown in the U.S. invasion of Iraq and Afghanistan, policy makers may escalate their tactics in order to rescue their own prestige, their state's international reputation, and rhetoric used to justify sanctions.[5] History will probably repeat itself. From 1990 to 2003, the 13-year UN embargo against Iraq caused at least 1.5 million Iraqis, including 500,000 children, to lose their lives. The embargo contributed to other socioeconomic woes as well. Iraq's per capita income fell from \$6,151 in 1980 to \$883 in 1999. Of course, by now everyone knows the U.S. invaded Iraq in March 2003 to achieve the same goal the 13-year embargo failed to achieve.[6] The war has caused enormous property damage and casualties for tens of thousands of Iraqi civilians. In addition to the decline of the economy through wars and sanctions, the U.S. and Iraq will face a monumental task of reconstruction and development.

Consequences of Failure for UN Sanctions Against North Korea

The U.S. invasion of Iraq in March 2003 shifted its major foreign policy focus from North Korea and Iran to the Iraq War. The U.S. began six-party talks to resolve the North Korean nuclear program since early 2003, but it has never explicitly expressed its policy goals. Thus, the only consistency in the U.S. policy is its ambiguity. President Bush set a hardliner's foreign policy agenda for his second term by examining coercive options against Iran and North Korea at the top of his to-do list. However, many people believe that he should have a different approach in dealing with countries developing weapons of mass destruction. Ashton Carter, a former Defense Department official who helped set Clinton administration policy on North Korea, warned that in addition to the possibility that North Korea might sell or trade plutonium [7]:

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1. Loose nukes could fall into the hands of “warlords of factions” if the North Korean regime suddenly collapsed.
2. The prospect of war on the peninsula could rise if North Korea has a moderate-size nuclear arsenal instead of only one or two bombs it is believed to possess now.
3. Other developing nations would follow North Korean’s example.

Carter’s 2003 warnings have become increasingly prophetic as time passes. Before Bush took office in January 2001 for his first term, North Korean experts believed that the number of nuclear weapons owned by the country ranged from nothing to one or two, but as early as 2004, some observers said that North Korea had as many as ten nuclear weapons.[8] On July 4, 2006, North Korea launched a long-range Taepodong-2 missile in an apparently unsuccessful test that failed in flight. North Korea also tested seven smaller missiles. Because North Korea became the eighth member of the world’s acknowledged nuclear powers on October 4, 2006, the country has not only enough bombs to deter a war, but also some to sell to other countries or even terrorist groups.

North Korea has repeatedly refuted the U.S. demand that it dismantles its nuclear program before any deal can be reached. The ICG recommends that the United States changes tack and put a comprehensive offer on the table that lays out exactly what benefits North Korea stands to gain in exchange for giving up its nuclear program and weapons. This recommendation is consistent with those suggested by North Korean experts for the last few years.[9]

Time is not an ally for the United States. The passage of the Iraq War freezes up many U.S. military resources and deters the Bush administration’s attention span from the Korean peninsula.

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U.S. Policy Options on a Nuclear North Korea

The Korean nuclear standoff has become a high-stakes game, which poses greater threats than those posed by Iraq. North Korea sits in the heart of northeast Asia amid some of the world's largest and fastest growing economies, which are alarmed by the prospect of war or the collapse of an improvised regime. Some critics of the Bush administration charge that "the American combination of stonewalling and coercion toward North Korea caused a breakdown in diplomatic progress, divided the United States from its regional allies, and led to at least a temporary acceleration of North Korean nuclear activity." [10] What the Bush administration does not understand is that dialogue is the only viable way to resolve the North's nuclear issue peacefully.

According to U.S. think tanks and policy analysts, the U.S. has four options to deal with a nuclear North Korea: 1) give economic aid and a security assurance if North Korea dismantles its nuclear program; 2) use a military strike against North Korean nuclear facilities; 3) let North Korea develop nuclear weapons; and 4) starve the North Korean regime of money. We will describe some details of these four options below. [11]

First, the United States could hand out economic aid and a security assurance if North Korea dismantles its nuclear program. Former President Bill Clinton tried this approach in 1994. That pact collapsed after the North violated the deal and pocketed handouts, blaming Washington for not fulfilling its obligations.

Second, the United States could use a military strike against North Korean nuclear facilities. This could trigger a full-scale war, with missile attacks, radioactive fallout, economic turmoil, and massive refugee flows. U.S. troops in Japan and Korea could become nuclear hostages.

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Third, the United States could let North Korea develop nuclear weapons. If we allow North Korea to have nuclear weapons, we should also accept the fact that North Korea may export nuclear weapons. This could spark an arms race if South Korea, Japan, and Taiwan become nuclear powers to defend themselves.

Fourth, the United States could attempt to starve the North Korean regime of money, slapping sanctions and embargoes on the ground that the North is an outlaw of the non-proliferation treaty. In addition, the United States could block the country's hard cash from illicit trade and cut off food aid. This is likely to worsen a massive humanitarian crisis in an economically isolated nation.

If the U.S. hopes that North Korea would either collapse or give up its nuclear weapons because of a U.S. policy of strangulation, the odds of success seem remote. North Korea has already survived for fifteen years in a state of ongoing decline. Moreover, the U.S. strangulation policy may in effect increase the odds that it will sell nuclear weapons to the highest bidder to rescue its ailing economy. That would be the worst of all policy options for the Washington. The U.S. strategy to force North Korea to dismantle its nuclear programs may not work either. More than six years have already passed since the Bush administration demanded North Korea to give up its nuclear programs. If North Korea is driven into a corner, it may conclude that it has no other choice but to develop missiles and nuclear weapons so as not to share Saddam Hussein's fate.[12]

What Is the Best Option?

Oddly enough, the United States, North Korea, and many North Korean experts believe that the U.S. should hand out economic aid and a security assurance if North Korea dismantles its nuclear program to settle the nuclear deadlock. The problem is that the United States and North Korea have been key enemies since the Korean War (1950-1953) and thus do not trust each other. Washington demands that North Korea destroy all its nuclear weapons in

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a complete, verifiable, and irreversible way before substantial rewards are delivered. Pyongyang, however, insists that only if the U.S. first provides economic assistance and a security guarantee, it would then dismantle its nuclear weapons gradually.[13]

Of course, there is no guarantee that any negotiated strategy with the unpredictable regime will work, but only a serious proposal from the United States will put the other parties (South Korea, Japan, China, and Russia) in a position to increase pressure on North Korea in case a reasonable deal would be rejected. “There will be no agreement on coercive measures unless the U.S. lays out a detailed plan of what North Korea can expect by way of economic assistance and security guarantees.”[14] North Korea is only likely to accept a combination of economic and security inducements backed by the threat of coercive measures, such as sanctions. China, Russia, and South Korea, however, are extremely reluctant to impose sanctions on North Korea.

A military strike on the nuclear plant might eliminate the North Korean plutonium reprocessing capacity. The U.S. stealth aircraft in South Korea and heavy bombers in Guam sustain the specter of this option. Such a strike would risk a North Korean counterattack that could devastate South Korea, subject Japan to missile attacks, and even trigger a broader regional war involving China.

Thus, “dialogue” is the only viable way to resolve the North Korean nuclear issue peacefully. Greater China (China, Taiwan, and Hong Kong), Japan, and South Korea are countries the U.S. cannot afford to ignore because they possess more than half of the world’s total foreign reserves and comprise three of the world’s ten largest economies.

U.S. policy of engagement and reconciliation with North Korea will make it possible to alleviate tensions on the Korean peninsula as well as accelerate North Korean internal reform. Just as the United States won the Cold War against the Soviet Union without

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armed conflict, the solution to the crisis on the Korean peninsula should also be engagement and reconciliation, not further disruption.

NOTES

[1] VanWagenen, P., "US Economic Sanctions –Non Traditional Success Against North Korea," *Law and Policy in International Business*, Fall 2000, pp. 239-261.

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[3] Schuman, M., "Reunification: Is There Life after Kim?" *Time* (Asia edition), August 25, 2003.

[4] "South Korea and the Sanctions," *International Herald Tribune*, October 25, 2006.

[5] George Lopez and David Cortright, "Containing Iraq: Sanctions Worked" *Foreign Affairs* (July/August 2004), pp. 90-103.

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[9] Cha, V.D. & D.C. Kang, *Nuclear North Korea*, Columbia University Press, Washington, DC, 2003; O'Hanlon, M. & Mochizuki, M., *Crisis on the Korean Peninsula*, McGraw-Hill, New York, 2003; Noland, M., *Avoiding the Apocalypse: The Future of Two Koreas*, Institute for International Economics, Washington DC, 2000; Lee, J.H. & Moon, C.I., "The North Korean Nuclear Crisis Revisited: The Case for a Negotiated Settlement," *Security Dialogue*, June 2003, pp. 135-151; and others.

[10] O'Hanlon, M. & Mochizuki, M., *Crisis on the Korean Peninsula*, McGraw-Hill, New York, 2003, p. viii.

[11] Bray, M., "North Korea: What Are the Options?" CNN.com, December 10, 2003, at www.cnn.com.

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[12] O'Hanlon, M. & Mochizuki, M., *Crisis on the Korean Peninsula*, McGraw-Hill, New York, 2003, pp. 4-5.

[13] Oh, K. & Hassig, R.C., "North Korea's Nuclear Politics," *Current History*, September 2004, pp. 273-279.

[14] International Crisis Group (ICG), "North Korea: Where Next for the Nuclear Talks?" www.icg.org, November 15, 2004, p.3.

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