LESSONS OF THE AGREED FRAMEWORK FOR USING ENGAGEMENT AS A NONPROLIFERATION TOOL

by Curtis H. Martin

By 1999 the United States had come to a crossroads in its nonproliferation policy toward North Korea, one road leading ahead towards greater mutual accommodation, the other back towards Cold War-style confrontation and containment. In October 1994, the United States and the Democratic People’s Republic of Korea (DPRK) had seemed poised to take the former path when they concluded an agreement pledging to freeze and eventually to end North Korea’s nuclear weapons program. If the North Korean regime complied with the Agreed Framework, it stood to benefit from a wide array of political and economic benefits, while the United States would defuse a serious threat to the military balance in Northeast Asia, strengthen the global nonproliferation regime, and help the DPRK to execute a “soft landing” for its downward-spiraling economic system. In reaching this agreement with one of its most long-standing enemies, the United States had executed a significant paradigm shift in its negotiating strategy with respect to the so-called “rogue” states: a shift toward a greater proportion of “carrots” to “sticks.” As Paul Bracken observed, the Agreed Framework was “an unusual, dangerous, but potentially revolutionary experiment in the laboratory of nonproliferation research.”

Unfortunately, even under the best of conditions the offering of positive sanctions to adversaries to achieve security cooperation is likely to face considerable resistance within both the offering state and the target state. The Agreed Framework has encountered such resistance from the beginning. In an anarchic international system, states prefer to solve their security needs unilaterally, rather than have to depend on others. This can discourage both the offering and the accepting of carrots as a means to security cooperation. Furthermore, foreign policy elites in the offering state are likely to be wary of the security and political risks of “appeasement” and “being played for a sucker.” At the same time, their counterparts in the recipient state are likely to be suspicious of the offering state’s motives, and fearful of selling out their sovereignty.

Although there are still significant pressures both internationally and domestically to see that the Agreed Framework is implemented as is, the international and domestic
political climate at the end of the decade is far less hospitable to that course than in 1994. A tangible sign of that deteriorating support has been the growing resort by the parties to the agreement to what Alexander George calls “positive linkages.” Positive linkages occur when “agreement in one issue-area,” in this case North Korea’s commitment to end its nuclear weapons program, “is coupled with and made contingent upon agreement in another issue-area,” in this case the North’s missile program and technology exports to “terrorist states,” for example.\(^5\) Former Secretary of Defense William Perry’s recent review of US policy toward North Korea, and efforts to explore a comprehensive agreement based on positive linkages among the major security issues, indicate a general downgrading of the perceived utility of the Agreed Framework as a stand-alone agreement.

It is the contention here that along with counterproductive North Korean behavior and major shifts in the international geopolitical landscape since 1994, the growing resort to linkages by all the signatories of the Agreed Framework played a major role in diminishing prospects for implementation. In negotiating the Agreed Framework, the Clinton administration had banked on what George has called the “decomposability” of US-North Korean issues.\(^6\) It did not want progress toward the denuclearization of North Korea to become a hostage to other issues, and so it largely “de-linked” the North’s performance of its nuclear obligations from the overall relationship. As opponents of the agreement have become increasingly alarmed at the North’s general behavior and problems of verification, however, they have pressed for a “linkage” strategy that is in direct conflict with official US policy and is likely, based on past negotiating experience, to provoke a negative reaction in the DPRK.

After presenting a brief account of the background of the Agreed Framework and of its key provisions, this article will examine and weigh the factors that have continued to work in its favor against those that have increasingly undermined it since 1994. It will then conclude with consideration of the lessons of the Agreed Framework for the future of cooperative nonproliferation and other security agreements. The case of the Agreed Framework suggests that because of the strong propensity of adversaries to make linkages, it will be difficult to pursue specific nonproliferation or arms control objectives in isolation from broader security relationships. It also suggests that the absence of a clear, shared sense of priorities both among and within the states pursuing joint nonproliferation goals can thwart reliance on positive sanctions and engagement as strategies to influence other states’ policies.

MOVING TOWARDS “CARROTS”: NEGOTIATING A NUCLEAR ACCORD WITH NORTH KOREA

Until the 1990s, US-DPRK relations were largely determined by Cold War rivalries in Northeast Asia and the United States’ commitments under its security alliances with the Republic of Korea (ROK) and Japan. While the end of the Cold War substantially altered the geopolitical landscape throughout most of the world, the Korean Peninsula continued to be highly militarized, highly unstable, and even, in the view of some, “the last frontier of the Cold War.”\(^7\) However, faced with the realities of unraveling Soviet power and the increasingly unfavorable correlation of forces, the DPRK adopted a strategy of reaching out to its former adversaries, especially the United States.\(^8\) North Korea’s government acceded to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) in 1985, and subsequently undertook low-level contacts with the United States and Japan. Following the collapse of the Soviet Union, the North entered into two important agreements with the South, on reconciliation and on denuclearization of the peninsula, and ratified a nuclear safeguards agreement with the International Atomic Energy Association (IAEA). Militarily ensconced in South Korea since 1950, and now a putative “unipole,” the United States posed the greatest security threat to the DPRK. At the same time, it was the only country with both the “deep pockets” and the “commanding role” to provide the North with the security and economic guarantees it required.\(^9\) This point was driven home by the impact of the 1997 Asian economic crisis on South Korea and Japan.

Incipient engagement was dramatically brought to a halt in 1993 by a lengthy and often tense dispute over the DPRK’s refusal to allow required IAEA “special” inspections that might have revealed that the North possessed an undeclared cache of bomb-grade plutonium. The United States’ near obsession with the prospect of a nuclear-armed North Korea nearly led in June of 1994 to a military confrontation. Ultimately, however, the North used the US obsession as leverage to
bring the United States to the bargaining table. The confrontation was defused when, pursuant to former President Jimmy Carter’s intercession, the United States abandoned its attempt to impose new sanctions and instead agreed to pursue the North’s proposal to swap its nuclear weapons program for a combination of economic and diplomatic benefits. Neither the United States nor its Asian allies were prepared to accept the risks of war on the Korean Peninsula. That calculus has changed little in the ensuing years.

The resulting Agreed Framework of October 1994 addressed many of the issues that had been on the North’s agenda since the end of the Cold War. It included a US pledge not to use nuclear weapons against the North and a pledge to create an international consortium to provide the North with light-water reactors (LWRs) to replace its dual-use (and inefficient) graphite reactors. To compensate the North for “lost” energy production, the United States undertook to ensure that the international consortium would provide supplies of heavy fuel oil until the new reactors were on line. Of particular importance from the North Korean side was the promise, in Article II, of improved economic relations and relaxation of US sanctions.

For the United States, the deal’s principal strategic importance was in committing the DPRK to freeze, and eventually dismantle, its capacity to produce nuclear weapons. Fulfillment of the agreement would be reciprocal and sequenced, and every effort was made on the US side to increase what Axelrod has called “the shadow of the future.” Delivery of benefits to the North would be made at a series of “checkpoints” over several years, leading ultimately to the dismantling of the North’s nuclear facilities and the disposing of all its spent fuel. The nuclear components of the LWRs would not be provided until after the North had proven that it had come into full compliance with its safeguards agreement with the IAEA … including taking all steps that may be deemed necessary by the IAEA … with regard to verifying the accuracy and completeness of the DPRK’s initial report on all nuclear materials in the DPRK.

In spite of the fact that there were a number of other issues of concern to the US government, the Clinton administration generally attempted to “decouple” the nuclear aspects of the agreement from most of these other issues. An important exception was the requirement that the North would have to “engage in North-South Dialogue” and to “consistently take steps to implement the North-South Joint Declaration on the Denuclearization of the Korean Peninsula.” Senator Charles Robb (D-VA) observed rightly at the time that the Agreed Framework suggested “a fundamental shift away from a long-standing US policy of insuring nuclear deterrence by sanctions and penalty.”

To fulfill the pledges made in the agreement, the administration assembled an international consortium called the Korean Peninsula Economic Development Organization (KEDO). The ability of the United States to shift the financial burden of the agreement to KEDO, and to get North Korea’s subsequent agreement to accept South Korea as the main contractor for the LWRs, was an essential condition of ROK and congressional support. While South Korea (70 percent) and Japan (20 percent) undertook to finance the lion’s share of the $4.6 billion costs of the LWR project, the US government agreed only to pay for, or find funding for, heavy fuel oil deliveries to the North, some KEDO administrative costs, and costs associated with canning the fuel rods—amounting to roughly one percent of the anticipated total package costs at that time. To placate members of Congress even further, the administration promised that the US contribution would not exceed $30 million per year and offered reassurances, not subsequently honored, that “the burden of future [oil] shipments will be borne by the international consortium.”

IMPLEMENTATION: 1994-1999

Implementation of the Agreed Framework has followed a course of repeated ups and downs. This reflects the presence of both favorable and unfavorable factors for eventual success of the agreement. On balance, the unfavorable factors appear to have become the stronger ones, but the favorable factors have so far kept the agreement from unraveling.

Favorable Factors

US government and private sources have continued to assert that the Agreed Framework “appears to have successfully capped North Korea’s nuclear program.” Although the IAEA had serious reservations, discussed below, about the North’s cooperation on several important issues, it expressed confidence in 1998 that operations at the five facilities specified in the Agreed Framework had been frozen.
Encasing and storage of the spent fuel rods was completed, signifying that at least the facilities covered in the Agreed Framework could no longer be used to produce plutonium. North Korea opened Four-Party talks with the South, China, and the United States in December, 1997, on replacing the Korean Armistice with permanent peace arrangements. An agreement in September 1998 pledged continuation of parallel talks, specifically, the Four-Party talks, missile talks with the United States, and discussions of removing the DPRK from the US official list of state sponsors of terrorism. Joint work on repatriation of the remains of US soldiers also continued. One very serious dispute—the status of a construction site at Kumchangri, near Yongbyon—appeared to have been resolved by May 1999 after inspections revealed no current evidence of a revived nuclear program.

Despite often-serious problems, a number of factors have continued to favor implementation. Among these is momentum. The Agreed Framework is one of the Clinton administration’s self-proclaimed success stories. Both the South Korean and US governments have remained committed to the view that the Agreed Framework offers “the best and only means” of avoiding a nuclear-armed North Korea and that the collapse of the Agreed Framework would quickly spark a new political and military crisis on the peninsula. Influential elites in the United States, Japan, and South Korea continue to hold cautiously to the assumption that North Korea’s motives are limited and defensive, and that its behavior can gradually be moderated by progressively greater regional and global interdependence.

Furthermore, the Agreed Framework has developed strong constituencies both within and outside the KEDO governments. President Kim Dae Jung’s and other ROK politicians’ direct appeals to the US Congress to support the Agreed Framework and the South’s “sunshine policy” have made it more awkward (though obviously not impossible) for congressional hard-liners to justify their opposition to engagement. With foreign contractors standing to profit from LWR construction, and with South Korean business interests increasing their presence in the North, the Agreed Framework continues to acquire private, as well as public sector, constituencies. As Victor Gilinsky, former commissioner on the Nuclear Regulatory Commission, predicted of the Agreed Framework in 1994: “We should not imagine that we would be able to turn it off if the North Koreans did not keep their promises. If history is any guide, we would be the hostages.”

While the DPRK has continued to give political and budgetary priority to its armed forces, and while it retains the capacity to act out its rhetorical threat to turn Seoul into a “sea of fire,” it is the North that is in the weaker military position. While the South’s forces continue to grow stronger, the North’s continue to grow relatively weaker. Bracken attests to the disintegration of both the North’s military and its nuclear programs. Many signs point to an economy that either has collapsed or is collapsing. Finally, some of the more dire estimates suggest that, in the midst of famine in parts of the North, as many as two million North Koreans may have died between 1997 and 1998. If anything, the North’s increasingly desperate economic situation convinced many officials that (a) the North had a vital stake in continued engagement, and (b) it was more, not less, likely to lash out if the agreement were to break down.

While the international system has witnessed some dramatic developments since 1994, the fundamental conditions in Northeast Asia can still support engagement. As an impoverished state without friends or economic partners, and subject to an ever more unfavorable regional balance, the DPRK will continue to find “coercive deficiency” an attractive option. Nuclear weapons are at best a partial solution to these problems, though some observers continue to believe that they remain the best available deterrent.

A non-nuclear North Korea remains a top priority of all North Korea’s neighbors in the region as well as the United States. The imprimatur of all the principal actors of the region gives the Agreed Framework a legitimacy that no other option enjoys. These states continue to prefer propping up the DPRK to the alternatives, which they see as carrying far too many risks. There is widespread understanding of the need to promote a “soft landing” for North Korea, even though it is no longer very widely believed that the regime is at risk of imminent collapse.

For the Chinese, the potential effect of a nuclear North Korea on the United States, Japan, South Korea, and Taiwan has sustained their interest in seeing the Agreed Framework implemented. On the other hand the Treaty on Friendship, Co-
operation and Mutual Assistance, which China reaffirmed in 1994 to "entic[e]" the North Koreans to sign the Agreed Framework, still reminds American and South Korean officials of the potential consequences of ignoring China's demands for "peaceful resolution" of the nuclear crisis.

The South Korean Government, particularly since the election of Kim Dae Jung, has remained firmly committed to engagement, although significant rifts continue to divide the foreign policy elite. Given South Korea's recent economic instability, interaction with the North offers potentially profitable opportunities, while a breakdown of order on the peninsula would impose an unbearable burden on the South's resources, if not embroil it in an apocalyptic conflict. Finally, all the major players are aware, as Paul Bracken has observed, that "North Korea dead will drive them apart in unpredictable and potentially conflicting directions."30

Unfavorable Factors

Despite many positive factors, by the end of 1998 the Agreed Framework had "begun to unravel."31 Four broad sets of largely negative factors were responsible: (1) unfavorable changes in the regional and global security context, (2) controversies arising over underlying assumptions or over alleged flaws and omissions in the text, (3) disputes over compliance with specific articles, and (4) increasing resort to cross-issue linkages. Future attempts to use positive sanctions will need to reflect awareness of the impact of these factors, and employ measures to mitigate their corrosive effects.

Changes in the Regional and Global Security Context

In general, the strategic and political context in 1999 was even less hospitable to engagement with North Korea than it had been in 1994. Events both on the Korean Peninsula and in more distant locales have tended to highlight the security dilemma for all the parties to the Agreed Framework. These heightened fears of loss of relative security have in turn made it more difficult to avoid unintended linkages between the issues addressed in the agreement itself and the broader security relationship. As Joel Wit has put it, "events on the ground are rapidly outpacing diplomatic efforts to deal with them."32

Since 1994 the DPRK has continued to engage in a variety of alarming behaviors. Perhaps the most disturbing for the United States and its allies was the August 30, 1998, launch of a three-stage Taepodong missile. Its demonstrated range represented a quantum leap in North Korea's offens[ive] capability and seemed to bolster arguments that the North must be developing an appropriate payload in the form of weapons of mass destruction. The North capitalized on the propaganda value of its achievement, warning its enemies in a broadcast that:

We have a powerful means of offensive[s] enough to crush the aggression forces in any region at one stroke. Vice marshal of the Korean People's Army Jon Jae Son said that "we will take a merciless strike on the enemies [sic] position wherever they may be on the earth and make it a sea of fire.33

DPRK statements pointedly included Okinawa and Guam among the Taepodong's potential targets.

Missiles and missile sales were not the only concern, however. In 1996 and again in 1998, North Korean troops made incursions into the Demilitarized Zone (DMZ) in violation of the armistice agreement. North Korean submarines, one as recently as November 1998, have intruded into ROK waters. In June of 1999, naval vessels from the North and South were involved in prolonged military clashes that resulted in the sinking of a North Korean vessel, and even Japan became involved in a confrontation at sea. At home, the regime continues to spend 25 percent of GNP on defense, and in 1998, it took steps to further strengthen the role of the military.35

Compounding the effect of such behavior, the North has repeatedly threatened to restart its nuclear program. Intelligence agencies have reported suspicious underground sites throughout the DPRK, most prominently at Kumchangri in 1998. The North's weakness, while propelling it to seek outside help, also leads it to use provocation and bellicosity as a survival strategy. Unfortunately, vulnerability may reinforce the view of the DPRK leadership that deliverable weapons of mass destruction provide the best available equalizer. It may actually increase the North's propensity to view offers of aid and increased in-
teraction as devices to speed the col-
lapse of the regime. 
Although ar-
more strongly position to cause mischief. 
At the same time, China remains
wary of a North Korean challenge
that could drive South Korea, Japan,
and the United States closer to-
gether and undermine China’s lon-
term goal of seeing a reduced US
presence in Asia. 
The crisis in US-
China relations, especially the spy
scandal in 1999, also threatened
to create a climate in US domestic
politics that was increasingly hostile
to engagement not only with re-
spect to China, but with respect to
North Korea as well. Congressional
willingness to fund KEDO, already
reluctant and shallow, could be fur-
ther eroded.

In response to the demonstrated
reach of North Korea’s military, Ja-
pan has accelerated its force mod-
erization, dramatically increasing
the level of sophistication and fire-
power. By doing so, however, it has
increased the level of threat felt by
all of its neighbors. 
Implementation of the new Defense Guidelines
and support for a Theater Missile
Defense (TMD), coupled with overt
signs of reviving Japanese national-
ism, provoke the DPRK’s—and oth-
ers’—worst fears of a resurgent
Japan and therefore create disincentives for other powers to restrain
their arms programs. 
While North Korea has been concerned about
growing US-Japanese security coop-
eration and the prospects for TMD,
on the other hand, it must also worry
about Japanese-American friction
and the risks of a more independent
Japan. The United States, for its part,
must take into account Japan’s
changing perspective in formulating
a joint approach toward North Ko-
rea. 
Japanese reluctance to in-
crease its share of funding for KEDO
should be seen in the light of increas-
ing resistance to what many Japa-
nese see as US efforts to dictate
policies to Japan.

Big power rivalry in Northeast
Asia is not just about North Korean
nuclear weapons. It also reflects con-
cerns about the future of Korea. The
demise of the North remains a plau-
sible, though increasingly disputed,
scenario. If the DPRK began to col-
lapse, the diplomatic game in North-
east Asia would focus less on the
North’s nuclear weapons program,
and more on the long-term status of
a united Korea. For the Chinese, this
would be a Korea in its orbit of in-
fluence; for the Japanese, a non-
threatening Korea; for the
Americans, a Korea willing to con-
tinue to defend US interests in the
Western Pacific.

Larger world events have also af-
acted the context of the Agreed
Framework in negative ways. In the
five years since the signing of the
Agreed Framework, the nonprolif-
eration regime has been jolted by
Indian and Pakistani nuclear tests
and by the unraveling of the
UNSCOM regime in Iraq. Asia’s
economy entered a period of pro-
longed instability that threatened
both Japan’s and South Korea’s
pledges to KEDO. Because of its
economic troubles, South Korea was
forced to look for alternative means
of funding. But plans to raise a spe-
cial “KEDO” tax met with stiff in-
ternal opposition. At the same time,
the ROK government pressed the
United States to assume more of the
costs of the LWR project. 
The United States, which could not in-

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crease its contributions for domestic reasons, pressed Japan to increase its contribution to KEDO. Japan’s own financial troubles made any major new aid commitments unpopular.

KEDO talks to resolve the problem dragged on for months during 1998. As a result, the DPRK government became “increasingly worried about differences between Seoul and Tokyo over sharing the cost of the reactors” and about delays in congressional approval of US funding for fuel oil. It responded to these problems by temporarily suspending the canning of the fuel rods (which was virtually completed by that time) and resuming maintenance work on the closed reactors.

The Asian economic crisis has affected the Framework indirectly in yet other ways. First, it has muted pressures inside South Korea for unification, pressures that have been one of the great irritants in North-South relations. As long as the South’s economy is in crisis or stagnant, and as long as the North’s economy looks to be a potential sinkhole, unification seems much less urgent. President Kim publicly declared that unification was not on his agenda, and that his administration would be concerned with internal South Korean matters. From the North’s perspective, Kim’s pledge that the South does not seek to absorb the North must seem more credible than it would have two years ago when the South was riding high.

The Indian and Pakistani nuclear tests could affect North Korea’s calculus in a number of ways. The North has argued strenuously that it should not be treated as an “exception” when it comes to sovereign rights of self-defense. Indeed, because of Pakistan’s close relations with the North, fears have grown that the two countries might collaborate in missile and warhead development. President Kim Dae Jung thought that the impact would be no more than “psychological.” But other sources speculated that North Korea’s missile launch in August 1998 had been encouraged by the United States’ weak response to the nuclear tests.

The failure of US intelligence to warn of the nuclear tests had important implications for US efforts to verify North Korean compliance with its nonproliferation obligations. At the very least the failure to foresee these tests strengthened the conviction of US congressional skeptics that “what we don’t know about the North” was a serious obstacle to continuing engagement. It is also possible that increased vigilance by US intelligence in the wake of the nuclear tests contributed to their zeal to report on North Korea’s suspect activities at Kumchangri.

Ongoing crises in Iraq and Yugoslavia have also framed the context of United States-North Korean relations. Certainly the West has seen each of these confrontations as a test of credibility with important security consequences outside the respective regions. North Korea had hoped that a stalemate in Kosovo would weaken the United States and compel it to make concessions favorable to the North. On the other hand, the successful NATO campaign reportedly convinced the North Koreans that the United States was prepared to attack the DPRK. This may make the DPRK somewhat less willing to prolong brinkmanship behavior in future disputes.

The Structure and Language of the Agreement

Many subsequent problems of implementation were connected either to the basic assumptions underlying the agreement, or to alleged flaws and omissions in the text. While there has continued to be support in the administration and Congress for the optimistic view of North Korea’s intentions and performance, another view is that the Agreed Framework is fatally flawed. In the eyes of critics, the Agreed Framework was “a high risk gamble,” “appeasement,” and “buying off the bad guys.” Members of Congress decried “using taxpayer dollars to provide economic assistance to North Korea—a country responsible for a major war.” One of the most serious criticisms of the Agreed Framework was that it seemed to encourage the very behaviors it purported to control. According to a former member of the Nuclear Regulatory Commission, the worst aspect of the agreement was that it “left the United States subject to continued blackmail” by North Korea. Certainly North Korea’s repeated insistence upon cash or food aid in exchange for attending meetings or complying with other US demands have lent credence to this fear.

An even greater concern has been that other would-be proliferators, observing the largesse shown to the DPRK, could blackmail the United States by initiating, or seeming to initiate, weapons of mass destruction programs of their own to use as bargaining chips. It is too soon to say how widespread such a practice might become. For skeptics, however, beefed-up military deterrence, acceleration of the arms race, and
if necessary, military preemption would be better ways to deal with North Korea than negotiation or rewards.\textsuperscript{56}

When it came to the text itself, generality and ambiguity, while helping to make agreement possible and allowing all sides some needed wiggle room, inevitably invited disputes over implementation. These disputes will occur even among allies, but they are likely to be more intense where the overall relation is hostile and lacks a track record on which to base a modicum of trust. In neglecting to clarify what steps constituted “improved relations” or exactly when the parties were obliged to take them, in failing to clarify precisely how fuel oil shipments to North Korea would be paid for, and in neglecting to address vital questions with respect to how and when the record of North Korea’s “nuclear past” was to be verified, the Agreed Framework invited discord.

The lengthy time-frame for implementation was designed in part to facilitate confidence-building. However, in many ways it has had the opposite effect. The decision to back-load many of the agreement’s major rewards meant that gratification would be delayed for both sides. Such an arrangement actually encouraged impatience and suspicion, as delays called into question whether the anticipated payoffs would ever come. The shadow of the future seemed too nebulous to encourage cooperation. As negotiated, the agreement failed to foresee major bottlenecks that were almost certain to push the completion date back by as much as several years. For example, the IAEA’s final inspections concerning the DPRK’s nuclear declaration have alone been estimated to require as much as two years.\textsuperscript{57} Furthermore, as will be discussed below, the long time-frame for implementation subjected the Agreed Framework to unexpected and destabilizing events not always directly linked to the issues addressed explicitly in the agreement.

Diffusion of responsibility inherent in the KEDO coalition may have brought important benefits, but it undercut implementation as well. The Agreed Framework was signed by the United States and the DPRK alone, even though Japan and South Korea were to pay most of the costs. The United States had responsibility but not control. This situation meant that South Korean or Japanese actions over which the United States might have little influence could constrain US diplomacy, or even sabotage the agreement. North Korea was able to capitalize upon President Kim Dae Jung’s call in June 1998 for an end to US sanctions to threaten resumption of its nuclear program and continued missile exports if the United States did not quickly end sanctions.\textsuperscript{58}

Again in 1998, Japan brought implementation to a halt by suspending its contributions to KEDO following North Korea’s missile launch over Japan. All it took to bring the process to a halt was for any one of the four KEDO principals to impose a moratorium on its cooperation. The differential perceptions and stakes of each member were bound to create friction among the trio of United States-Japan-South Korea as well as between them and North Korea. This danger was illustrated by the strained US-South Korea relations that followed the 1996 intrusion by a North Korean submarine into South Korea’s coastal region.

A second aspect of the divided authority problem was a simple consequence of separation of powers under the US Constitution. Even while relying on executive authority to conclude the Framework Agreement, the president would be dependent on congressional good will—a slender reed for President Clinton—to proceed with important aspects of implementation. This was not just a problem of funding fuel oil deliveries. More important was the fact that significant aspects of the US pledge in Article II to “move toward full normalization of political and economic relations” were beyond the control of the president. Most sanctions in force against North Korea, such as the Trading With the Enemy Act, were embedded in the law of the land. Only Congress could lift them.

While there have been many criticisms of the Agreed Framework as naïve or too generous, it has also been argued that the agreement was too narrowly conceived. This was the essential import of President Kim Dae Jung’s call in 1998 for a “package deal” in which the United States would normalize diplomatic ties and ease sanctions in return for the North’s agreement to forgo both nuclear weapons and missile threats. Andrew Mack and many others have proposed similar deals that would carefully specify the quid pro quos for concessions covering a wide range of issues.\textsuperscript{59}

Conflicts over Compliance

The United States and its allies have concerns focusing on three issues: first, North Korea’s lack of cooperation in preserving the evidence that would eventually be required to verify its 1992 declaration on its holdings of plutonium; second,
the continued fear that the North had never fully halted, or might restart, its nuclear program; and third, North Korea’s failure to “consistently take steps to implement the North-South Joint Declaration on the Denuclearization of the Korean Peninsula” and to “engage in North-South dialogue.”

The first compliance issue concerned the North’s level of cooperation with the IAEA in discharging its verification procedures. The IAEA conceded that the North’s position was “consistent with the time-frames established in the Agreed Framework.” It warned, however, that, “unless the parties reach an early agreement on obtaining information about North Korea’s nuclear program and on the measures required to preserve it, any future possibility of verifying North Korea’s nuclear statement might be lost.” The North’s unwillingness to accept IAEA recommendations with respect to discharging its five-megawatt reactor in 1994, its unwillingness to allow environmental “swipe” samples, and its refusal to allow the IAEA to “ensure that North Korea is not removing or altering the composition of the waste at the reprocessing facility,” have all compromised the ability of the IAEA to verify the correctness and completeness of the North’s 1992 declaration on its holdings of nuclear materials.

The second compliance issue of concern to the United States and its allies was whether the North retained undetected capacity to restart its nuclear program at sites other than the reactors and reprocessing facilities directly covered in the agreement. Congress explicitly linked continued KEDO funding to a presidential finding that “North Korea is not actively pursuing the acquisition or development of a nuclear capability other than the light-water reactors provided for by the 1994 Agreed Framework between the United States and North Korea.”

The IAEA had complained that the North had not been cooperative about identifying and locating nuclear reactor components outside sites specified in the agreement. Even administration officials had privately acknowledged that by 1994 the North already had enough plutonium for one or two bombs, and some sources strongly hinted that North Korea had “at least one other suspected nuclear site” not covered by the Agreed Framework.

The most serious controversy over North Korea’s compliance in this regard arose in 1998 with the possibility that it was constructing a new facility of undetermined purpose at Kumchangri. There was even evidence that the administration was preparing to consider preemptive military action if the North failed to cooperate with efforts to inspect the facility. The resolution of the dispute over Kumchangri in May of 1999 averted a certain breakdown of the Agreed Framework.

The third compliance issue was the absence of progress in North-South dialogue, to which US support for the Agreed Framework was linked. The administration made clear its understanding that, “without cooperation between North and South...the Framework will eventually break down.” While dialogue was a sine qua non for both the ROK and the United States, the “dialogue” clause was bound to meet resistance from the North, which still hoped to use the Agreed Framework as a wedge to divide the ROK and the United States. Repeatedly, negotiations broke down or were strained over North-South issues, such as the clash in the West Sea in 1999. Numerous sense of the Congress resolutions and appropriations bills linked US fulfillment of the terms of the Agreed Framework to “significant progress toward implementation of the North-South Joint Declaration.”

Many of the opponents of engagement have continued to hold important leadership positions on key committees responsible for implementation of the Agreed Framework, while at the same time the State Department’s Korea team has undergone major personnel shifts. These congressional opponents of engagement have been the principal sponsors of legislation monitoring implementation and funding of the Agreed Framework. Foreign policy, including relations with North Korea, has become increasingly partisan since 1994, but it is important to note that skepticism of the Agreed Framework has been bipartisan. Democrats have been cosponsors of several Agreed Framework-related bills and amendments, and the congressional delegation to North Korea in 1998 was bipartisan. A divided US intelligence community, some members of which strongly oppose the administration’s policies, has also weakened the engagement policy since its inception. Despite reassurance by Robert Gallucci that the DPRK had undertaken not to build a new enrichment facility, General James Clapper of the DIA has testified that the North would “continue its nuclear weapons program despite any agreement it signs to the contrary.”
From 1994 through 1999, Congress has used its power of the purse to force delays in fuel deliveries to the North. Due to congressional reluctance to fund KEDO fully, and the unwillingness of other states to make up the difference, KEDO had run up debts as high as $50 million by 1998. Congress’s actions were spurred by the North’s provocative behavior and fears that fuel oil was being diverted to military purposes, but the funding issue at times became hostage to “unintended linkages,” such as the 1996 budget battle and government shutdown. 

Up to 1998, congressionally mandated conditions on KEDO aid had always allowed the president a national security waiver to use reprogrammed funds to help cover KEDO expenses. The North Korea Security Enhancement Act, introduced by House International Relations Committee Chair Benjamin Gilman (R-NY) in May of 1999, would have removed the president’s national security waiver, giving Congress unchallenged control of KEDO funding. At the same time Congress was attempting to squeeze the purse strings, domestic politics in both Japan and South Korea, Asia’s financial crisis, and a series of North Korean provocations undermined those countries’ willingness and ability to meet, let alone increase, their financial obligations to KEDO. 

While the United States and its allies worried about the DPRK’s compliance, the DPRK government had its own concerns as well. From the North Korean side, concerns over implementation have focused on delays in KEDO deliveries of fuel oil, progress in construction of the LWRs, and the failure of the US government to “move towards full normalization of political and economic relations” as specified in Article II. North Korea has made clear that it considers US funding delays a potential “agreement breaker.” In 1998, North Korean diplomats repeated to former US Ambassador Donald Gregg their continuing displeasure over delays in fuel deliveries and the disappointing slow pace of improvement in relations with Washington. 

Issue Linkages

As noted, the Clinton administration had hoped to treat the freezing and dismantling of North Korea’s nuclear weapons program in isolation from other security and political issues. For a variety of reasons both domestic and diplomatic, linkage strategies in the past had achieved only a spotty record of success. Accordingly, the administration largely eschewed using the nuclear issue as a “lever” on issues such as accounting for MIAs, support for terrorism, chemical and biological weapons, political and economic reform, or the North’s long-range missile program and missile exports. It held to the view that the Agreed Framework might lead the way to progress on these other fronts, but it would not be held hostage to it. 

Persuaded that North Korea’s compliance (itself problematic) with the denuclearization obligations could not stand apart from its overall behavior, congressional leaders increasingly pressed for “positive linkages” between KEDO funding and North Korean good behavior on the full range of outstanding issues, not just North-South dialogue. While North Korea might have frozen its nuclear program, the Defense Department reported in 1996 that the North maintained both a chemical and biological warfare capability. More alarming in the short run was North Korea’s development and export of missiles and missile technology. Congressional legislation linked support to a number of issues that were not within the scope of the agreement: reducing DPRK conventional forces along the Demilitarized Zone, and “prohibiting...deployment of an intermediate range ballistic missile system” and export of weapons of mass destruction or their technology and components. Such conditions were intended, as Foreign Affairs Committee Chair Douglas Bereuter (R-NE) said, to “keep their feet to the fire,” but by the end of 1998, they increasingly portended the possibility of a funding cutoff. 

After the North’s violations of the DMZ in 1996, the Senate considered an amendment to the foreign operations appropriations bill that would have held up additional funds for KEDO until the Secretary of State had certified “that North Korea has not violated the military armistice agreement of 1953 during the preceding nine months.” In 1998, the US government imposed new sanctions on North Korea following Pakistan’s test of a missile thought to have been supplied by North Korea. Despite the start of Four-Party talks in April, the North’s continued bellicosity confirmed critics’ belief that the North’s participation in such talks was purely tactical and intended to buy time. A submarine incident in June 1998, immediately following President Kim’s visit to the United States, abruptly undercut his appeal to the United States to end sanctions against North Korea. “In light of these incidents,” said Sena-
tor Frank Murkowski (R-AK), “I don’t know how we could possibly consider easing sanctions against North Korea.”\textsuperscript{76} North Korea may have had legitimate reasons to protest delays in implementing the Agreed Framework, and it did succeed in getting the United States government to reiterate its commitments in September 1998, but the net effect of the North’s actions was to inflict grave damage on the engagement process.

Aside from the question of the North’s compliance with specific terms of the agreement, the issue that threatened to do the most damage to the Agreed Framework was North Korea’s long-range missile program. The Department of Defense had confirmed that the North had a “broad based missile industry.”\textsuperscript{77} The conclusion by the Rumsfeld Commission that North Korea was far closer to developing an effective long-range missile than had previously been believed was pointedly validated by the North’s test flight of the Taepodong over Japan at the end of August 1998. A second test, which the North was preparing for the following year, would almost certainly have led to the collapse of the Agreed Framework, whatever the preference of the Clinton administration.

North Korea’s export of missile components was well known even before North Korea publicly admitted to them in 1998. In the spring of 1997, the US government imposed new sanctions on North Korea under the Arms Export Control Act after a Pakistani missile launch was linked to North Korea. Following the dramatic events of August 1998, Congress tied KEDO funding to presidential certification that North Korea was not providing ballistic missile technology to any “terrorist government.” In the case of the missile issue, however, the administration joined Congress in making its own linkages. US officials linked removal of sanctions to progress in the Four-Party talks and “changes in North Korean attitudes on the other issues of concern, including the missile area.”\textsuperscript{78} The official government position had thus moved some further distance away from its original “de-linkage” strategy.

It did not help the Agreed Framework that after 1995 the issue of funding for KEDO became entangled with the issue of humanitarian aid that arose as a consequence of North Korea’s famine. There is a sense in which the famine worked in favor of implementation. Because of the severity of North Korea’s crisis, the outside world “was ineluctably drawn to subsidizing the Northern system.”\textsuperscript{79} By 1995, North Korea was benefiting not only from the nuclear Agreed Framework, but from substantial humanitarian assistance as well. After holding back on humanitarian assistance at first, the US government had by 1999 contributed more than $100 million in food aid for the North to the World Food Program (compared to some $80 million for fuel oil and $49 million for canning the fuel rods).

Despite public assertions to the contrary, the administration does appear to have used food aid as an incentive. A major pledge of aid was made at the time the North agreed to attend a preliminary meeting of the Four-Party talks, and the US government delivered a major shipment of food on the eve of its first inspection of the suspected nuclear site in May 1999. The DPRK was presumably ambivalent about receiving foreign assistance that undermined its claims to “Juche” (self-reliance). As the North found itself in a “tightening vice,” however, it was forced to meet the demands of its donors and KEDO partners.\textsuperscript{80}

While having some positive effects, food aid only served to stiffen congressional resistance to funding for KEDO. Critics of the administration believed that “American food aid has become a bribe for North Korea to attend meetings that create the impression US diplomacy is working.”\textsuperscript{81} Furthermore, the magnitude of total US aid to the North (it was the leading aid recipient in Asia in 1998) undermined the argument made in 1994 that the bulk of North Korea’s rewards were not to be realized until it had completed its Framework obligations. Congress pressed the administration to take all precautions against potential diversion or hoarding of food deliveries and to ensure verification.

In the best of circumstances, it is difficult to sustain a de-linkage strategy in view of the tendency in adversarial relationships to view specific negotiations in the context of the overall relationship.\textsuperscript{82} In the absence of strong presidential leadership and intergovernmental discipline, it is even more difficult.\textsuperscript{83} Like President Carter, whose perceived weakness in facing the Soviet challenge defeated his attempts to de-link SALT II from other issues, President Clinton’s perceived weakness in security affairs has seriously undercut his own de-linkage strategy.\textsuperscript{84} The difficulty of sustaining the “de-coupling” of disparate issues eventually persuaded the Clinton administration in 1999 to meet
the linkage issue head on and to seek a grand bargain with the North Koreans and the other states of Northeast Asia, incorporating many of the issues formerly “peripheral” to the Agreed Framework.

It was not the US government alone that attempted to link fulfillment of the Agreed Framework to performance on other fronts. From the beginning, North Korea attempted to link the nuclear issues covered in the agreement with the issues of replacing the 1953 armistice with a new peace arrangement and arranging the withdrawal of US forces from Korea. This helps to explain the North’s unilateral withdrawal from the Military Armistice Commission, its repeated intrusions into the DMZ, and its impatience, shown in a variety of ways, with the slow pace of improvement in bilateral US-DPRK relations.

South Korea had first invoked linkages when it suspended all cooperation with KEDO following the submarine incident in the fall of 1996. Subsequent intrusions, while they did not lead the South to implement suspensions, fanned domestic pressure on the new Kim government to do so.

Of all the major members of KEDO, Japan had been the least likely to link the Agreed Framework to other issues. This changed in 1998, with the launch of the Taepodong missile over Japanese territory. The Japanese response was unusually sharp. The government immediately suspended its work on the LWR project, delayed announcement of a recently negotiated agreement to increase its contribution to KEDO to $1 billion as requested by the United States and South Korea, and cut off food aid.

“If a Taepodong missile is launched again,” said Keizo Takemi, “it will be very difficult for the Japanese government to carry out the KEDO process.” Though no further tests had been conducted through August of 1999, US intelligence revealed in June that the North was preparing its launch site. Even the fear of such an event, let alone its realization, threatened to undermine the Agreed Framework.

CONCLUSIONS

Many of the conditions that brought about the Agreed Framework in 1994 continue to exert pressure towards compliance on all sides. The North continues to face a deteriorating correlation of forces, and its failed economy would appear to increase its need for foreign economic assistance. At the same time, KEDO members’ fear of war on the one hand, and of North Korea’s collapse on the other, have inhibited consideration of a return to a strategy of strength. On the political side, the current governments of the United States, Japan, and South Korea continue to have a political stake in the viability of the Agreed Framework, while private sector constituencies have emerged in the form of contractors and businesses that stand to gain from implementation.

On balance, however, the forces working to undermine the agreement have been gathering strength and have all but rendered it a dead letter. From the point of view of the United States, ROK, and Japan, it is North Korea’s behavior that has posed the greatest threat to the Agreed Framework. Time and again, the North has exhibited behaviors that have called into question its commitment to engagement and led to suspicions that it may even be preparing a strategic breakout. These behaviors, while they have often gained short-term concessions, have contributed to delays in implementation and have strengthened the hand of opponents. Changes in geopolitical realities outside the Korean Peninsula since 1994 also threaten the Agreed Framework by altering how the concerned states calculate how the Agreed Framework contributes to or undermines their interests.

While the text of the Agreed Framework was tailored to facilitate implementation on the North Korean side, its fabric was laced with loopholes and omissions that have led to chronic problems. Ambiguity left wide latitude for differing interpretations, while a long time-frame for implementation rendered the agreement vulnerable to events “on the ground” in Korea and elsewhere. More important, the core objective of denuclearizing North Korea was inherently a verification nightmare. Even if the DPRK’s cooperation at all the sites named in the agreement could have been verified, the continued reports of a possible secret and parallel complex of nuclear weapons-related sites challenges the core assumptions of the Agreed Framework. Settlement of the damaging dispute over the caves at Kumchangri was insufficient to dispel widespread fears of North Korea’s intentions, and as the experience with Iraq had previously shown, an opaque society can be quite successful at concealing its nuclear weapons program.

To make North Korean compliance more likely, the Clinton administration deliberately sought to “decouple” the North’s nuclear
weapons program from other political and security issues. It soon found, however, that it could not keep these “cross-issue” linkages at bay. Congress increasingly sought to re-couple the North’s implementation of the Agreed Framework to its performance in other issue areas such as missile development, arms exports, and observance of the Armistice. With respect to linkage, Congress and the administration have been increasingly working at cross-purposes.

Eventually however, the administration appears to have concluded that the Agreed Framework could no longer survive as a stand-alone agreement. Pressed by Congress’s growing disenchantment and its independent initiatives and by South Korean calls for lifting sanctions, the administration concluded that to save the goals of the Agreed Framework, it would have to make explicit many of the linkages that it had formerly eschewed. Reports suggest that former Defense Secretary Perry’s long-anticipated report on US policy toward the DPRK recommend the adoption of just such a strategy. Thus, the administration announced it would ease sanctions so long as North Korea reciprocates with restraint on other issues such as missile exports.

It is not clear, however, that such a policy shift can succeed. The DPRK, fearful for its military security and political survival, obsessed by perceived threats to its ideological purity, and increasingly doubtful of US motives, would have to be convinced that any scheme proposed by Mr. Perry was not merely a bundle of new “poison carrots” aimed at undermining the regime. Even if such a proposal were initially acceptable to the North, congressional leaders would have to be convinced that any expanded engagement would not be just bigger and more expensive “appeasement.” Congress’s price for accepting a comprehensive deal just might be “more sticks,” which the North would resist. If in the end critics are correct that the North was never sincere about “opening up” to the outside world, and if they are correct that it sought only time to fortify itself with weapons of mass destruction, it is hard to imagine what carrot would revise the North’s calculations and still be acceptable to South Korea, Japan, and the United States.

What lessons can be drawn from the experience to date of the Agreed Framework? Many aspects of the security situation in Northeast Asia are unique—the divided Korean Peninsula and the close proximity of three rival great powers, among other things. Great caution is therefore in order in attempting to apply either positive or negative lessons to attempts to promote nonproliferation in other rogue states. However, in a world in which the high cost of using force acts as a deterrent to its use and the effectiveness of sanctions has increasingly been called into question, the use of incentives as an influence strategy will continue to receive consideration. For such strategies to be implemented successfully, they will have to overcome many of the obstacles that are illustrated by the Agreed Framework and the small number of other cases where engagement has been used to achieve cooperative security objectives among adversaries.

First, the experience with the Agreed Framework illustrates that distrust is a powerful force. It is inherently difficult to defend giving rewards to states whose overall behavior continues to pose a security threat. Both the DPRK and the ROK (together with its allies) continue to feel threatened by the military might and the perceived intentions of the other. As long as policymakers act on the assumptions of the security dilemma, they will resist policies that appear to strengthen adversaries. Ironically, the recipient state may also oppose the proffered incentives out of fear that they represent an attempt at subversion. This fear will appear to be validated when, for political reasons, the offering country has to “sell” the offering of rewards to domestic audiences precisely as such an attempt.

Second, while diplomatic considerations may press toward de-linkage, domestic political considerations may press toward increasing linkage. Although de-linkage, prolonged implementation, and confidence-building may be desirable means of breaking out of the security dilemma, they are difficult to sustain in the face of domestic pressures to restrain the adversary’s overall behavior. It is difficult to sell the argument that an adversary’s “partial” restraint (especially if even that cannot be verified) justifies giving it rewards, if its general behavior continues to present a threat. Unless the whole relationship can be transformed, it will be politically difficult to isolate specific areas of security cooperation from domestic attack.

Where such a transformation cannot be demonstrated to have taken place, Congress can and will create linkages to other aspects of the state-to-state relationship. It will do this
despite an administration’s best efforts to keep implementation out of the hands of the legislative branch. Nixon, Ford, and Carter all found their de-linkage strategies toward the USSR undermined by Congress, and Clinton has gone down the same path with respect to North Korea. While such linkages may satisfy domestic critics, they are likely to decrease the chances of compliance by the target state.

Third, the shadow of the future can be overwhelmed by the glare of the present. The rush of world events can shift the geopolitical balance in such a way that carefully constructed diplomatic arrangements lose their appeal. A great risk of prolonged implementation is that so much can go wrong, not just with meeting timetables and clarifying “violations,” but with the wider relationship among the principals. Unforeseen events may create unintended linkages, and as noted above, these in turn may be transformed into explicit linkages. For this reason, agreements in which payoffs are exchanged over a prolonged period, or deliberately postponed to the future, will be increasingly subject to external shocks. Support for economic sanctions can be sustained over a relatively long period of time because the sanctioning state often perceives them to carry minimal costs. Support for positive sanctions, on the other hand, will be likely to erode over time as their costs mount. However, the gains of an accelerated timetable for implementing positive sanctions will have to be weighed against lost opportunities gradually to build confidence.

Fourth, pressures for burden sharing in the United States have in recent years become politically irresistible. Congress insists on such arrangements whether it is for military intervention or diplomatic solutions. However, reliance upon a coalition of states to decrease domestic resistance to the costs of positive sanctions will have its own drawbacks. Such agreements will become a hostage to the domestic politics and conflicting interests of each of the coalition partners. From the perspective of the United States, such burden-sharing arrangements surrender a measure of diplomatic control in exchange for greater domestic legitimacy.

Fifth, because they are normally held in suspicion, engagement strategies may require a high degree of domestic consensus. Where there is a lack of a clear, shared set of priorities, centrifugal political forces are likely to undermine the careful balancing act that is required. A divided administration or high levels of executive-congressional discord will make it especially difficult to sustain either positive incentives or de-linkage. The case of the Agreed Framework confirms expectations that the absence of a clear, common sense of priorities both among and within the states pursuing joint nonproliferation goals will thwart reliance on engagement to achieve limited arms control or nonproliferation goals with adversaries.

In the final analysis, the Agreed Framework did not bring enough verifiable benefits soon enough, and of sufficient value, to forestall the inevitable corrosive effects of mistrust, domestic divisions, chronic crises of implementation, and a changing geopolitical environment. Future efforts to employ engagement strategies to achieve specific agreements on nonproliferation or arms control will have to address the problems encountered in attempting to persuade the DPRK to give up the potential benefits of weapons of mass destruction and the means of delivering them.

1 An earlier draft of this article was presented at the Annual Meeting of the International Studies Association, Washington, DC, February 17-20, 1999.
2 Paul Bracken, “How to Think about Korean Unification,” *Orbis* 42 (Summer 1998), p. 409. An analogous strategy has been pursued with respect to the Newly Independent States of the former Soviet Union. Since 1991, the United States has relied principally upon “cooperative threat reduction” in inducing those states to abandon or reduce their nuclear stockpiles and weapons. Unlike North Korea, however, these states are described, officially at least, as “partners” rather than enemies.
9 The claim of compensation was based on electrical output that had yet to materialize. Only one of three nuclear plants had been completed, and it had not been connected to a power grid. Some experts believe that nuclear plants of any kind were totally unsuited to the North’s real energy needs, and that its interest in them was a subterfuge to buy time to pursue its clandestine nuclear program. Chuck Downs, Over the Line: North Korea’s Negotiating Strategy (Washington, DC: American Enterprise Institute, 1999), pp. 251, 275.
12 General Accounting Office, Nuclear Nonproliferation: Difficulties in Accomplishing IAEA’s Activities in North Korea, GAO/RCED-98-210 (Washington, DC: General Accounting Office, July 1998). The unanswered question was whether the North had already extracted enough plutonium to make nuclear weapons. The United States had hoped to give a higher priority to veriﬁcation of North Korea’s nuclear past—the amount of plutonium it had previously extracted—but had to delay that objective in order to get the North to agree to the freeze on its program. While the American willingness to defer on this issue was critical to concluding the negotiations, many South Koreans and Japanese saw it as undermining the US security pledge. See Byung-joon Ahn, “The Man Who Would Be Kim,” Foreign Affairs 73 (November-December 1994), pp. 94-108.
14 Costs to the United States were estimated at between $200 and $300 million over ten years for storage of nuclear fuel and for heavy fuel oil. Wit estimates that the United States will ultimately have to pay up to $60 million per year for fuel oil, with a total contribution to all KEDO activities approaching $1 billion. Joel Wit, “The Korean Peninsula Energy Development Organization: Achievements and Challenges,” The Nonproliferation Review 6 (Winter 1999), p. 67.
24 Park, “Turbulent Relations,” p. 32.
25 Though the North has good reason not to take the desperate actions feared by its neighbors, the North has done nothing in its public statements to discourage its image as “paranoid survivalists.” Edward A. Olsen. “The Arms Race on the Korean Peninsula,” Asian Survey 26 (August 1996), pp. 851-867.
26 Downs, Over the Line, p. 248.
33 “Nobody Can Slander DPRK’s Missile Policy,” Korea Central News Agency, June 16, 1998, <http://www.kcna.co.jp/item/9806/news06/16.htm#2>. Although the value of DPRK arms sales has declined in the past ten years, the North is believed to sell arms to Iran, Syria, and Libya. Sally Harris, “The North Korean Crisis: The Domestic and International Efforts to Keep the Country Afloat,” Asian Journal of Political Science 5 (December 1997), p. 83. In 1999, India accosted a North Korean ship that was believed to be carrying missile parts to Pakistan.
34 Harris, “The North Korean Crisis,” pp. 81-82.
42 A beneficial accounting effect of the Asian crisis was that the fall in the value of the South Korean won in effect reduced the cost estimates for the LWR project from $5.2 billion to $4.65 billion. “Talks Break Up over Reactor Cost Sharing,” Korea Herald, June 4, 1998, <http://www.koreaherald.co.kr/hk0604/m0604104.html>.

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