THE AMERICAN ACADEMY OF DIPLOMACY

ISSUES BRIEF

On May 27th 2004, the American Academy of Diplomacy sponsored a conference entitled "Policy Choices in Iran and North Korea" which featured two eminent scholars: Ellen Laipson, the President of the Henry L. Stimson Center, and Don Oberdorfer, Distinguished Journalist in Residence at the School of Advanced International Studies at the Johns Hopkins University. This discussion was chaired by Academy Chairman Joeseph Sisco and moderated by Ambassador Anthony Quainton. The purpose of this program and of an earlier debate between Richard Perle and Richard Holbrooke was to stimulate discussion and enhance understanding of salient issues in US Foreign Policy, with an emphasis on the opportunites provided by diplomacy as well as its limitations. The challenges that North Korea and Iran represent for non-proliferation and counter-terrorism policies are all too evident. The views expressed in these two presentations are those of the authors alone and do not represent the views of the Academy. The series was made possible by a generous grant to the Academy from the Honorable Hushang Ansary.

The Absence of a U.S. Policy towards Iran and its Consequences

Ellen Laipson

Iran remains in the very-hard-to-do box when it comes to developing a coherent and sustainable American foreign policy. U.S.-Iranian relations over the past 25 years have gone from volatile, intense in the immediate aftermath of the revolution, to long periods of inertia and estrangement. Nearly all of the ties that once existed between them—government, military, business and cultural relationships that thrived as recently as the 1970s – have been deconstructed. Painfully few Americans today know or visit Iran. Yet it is essential to accept the premise that Iran is indisputably a pivotal state in the Middle East. It is a natural hegemon in its own immediate neighborhood, a powerful voice in the world of Islam, a potential middle power on the global scene if it uses its oil resources and its leverage and its remarkable human capital wisely, and a real country in a zone of failed or failing states and polities.

For the United States, the sole superpower, to ignore a country with such potential and promise, or to continue to be unable to articulate a coherent policy seems unacceptable. It has been a chronic problem over the past 25 years, but seems particularly acute at present. The US government and the American people simply have trouble getting the U.S. stakes in Iran in focus. We have so long operated with a near-total estrangement from Iran that we have come to see Iran only as a set of problems. We tend to equate Iran with either the weapons of mass destruction (WMD) problem or the terrorism problem or the opposition to the peace process problem. We have lost an ability to think about Iran as a three-dimensional country of great size and natural richness and potential power, and to develop an appropriately complex and multifaceted policy towards the country.

When the Clinton Administration, pressed by a conservative Congress disturbed by new evidence of Ira-

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North Korea in the 'Axis of Evil' – Policy Choices for the United States

Don Oberdorfer

North Korea's nuclear weapons program and its related ballistic missile program were the focus of the concerns that gave rise to that country's inclusion in the "axis of evil." They represent the most immediate and most dangerous weapons proliferation problem facing the United States and the world in what Professor Paul Bracken of Yale has called the "second nuclear age."[1] The first nuclear age was that of the Cold War, dominated by the massive and sophisticated nuclear arsenals of the United States and the Soviet Union. The second nuclear age is in some respects more risky, involving the spread of atomic weapons to countries which are less stable and whose weapons are more likely to be used, including India, Pakistan, potentially Iran, until recently Libya and now especially North Korea.

Today I will provide some background on these North Korean programs and the efforts of the United States and others to curb them. I will also describe policy choices taken or rejected by the Bush administration for dealing with the issues involved.

First, the background facts:

The Koreans are a very old people, going back many centuries beyond the time of Christ. They and their peninsula were suddenly divided by the United States at the end of World War II on what was expected to be a temporary basis to prevent Soviet troops from occupying the entire peninsula. Two rival governments were created by the U.S. and U.S.S.R., an enmity that was cemented in place in the 1950-53 Korean war.

In the half century since then, the Republic of Korea in the south has become a prosperous and democratic country, not without turmoil but with progressive results. The Democratic Peoples Republic of Korea in the north, however, remains a totalitarian nation under the rule of Kim Jong Il, the son of its founding leader, Kim Il Sung. Its state-directed economy has steadily de-

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nian terrorist activities, worked on new sanctions on Iran in the mid-'90s, it was striking how much the U.S. business community, which once had a very strong voice in articulating one set of American interests in Iran, was silent. Major American companies no longer engaged on U.S. policy to Iran, because it was controversial and politically risky, and because they had found alternative markets in the region. Most companies couldn't even remember how much investment and trade they once had with Iran, and so that voice, as one of the American interests in Iran, had virtually disappeared in policy formulation. [1] It left only the government to think about Iran and therefore, Washington has tended to look on Iran as a set of national security problems, not as a more diverse set of interests that could drive a rich and comprehensive policy.

The policy dysfunction applies to Tehran as well as Washington. Iran has a parallel problem in developing a coherent policy towards the United States, although the level of interest and knowledge about the United States is stronger than American knowledge about Iran. The mullahs in power worry a lot about what America has in mind for them and often misinterpret US policy, which has not been explained directly to Iranian leaders in many years. They too manage disparate interests vis a vis Washington that make it hard to develop a coherent policy, and the anti-Americanism of the original revolutionary leaders is now matched, paradoxically, with apparently strong pro-American sentiment among Iranian youth and others disaffected with clerical rule. Developing a rational and sustainable America policy in Tehran appears to be as hard as the challenge facing policymakers in Washington.

We can, from a distance, try to analyze the state of the revolution in Iran. It is undoubtedly true that one of the core beliefs of the revolution—that the United States did Iran harm—remains alive. Therefore we need to understand that although revolutionary fervor in the country has diminished, it will be hard to get the group that led the revolution to fully reverse its position. What we are seeing now is mostly tactical change in how Iranians talk about the United States.

We have to bear in mind that the revolution did achieve a tremendous goal in the eyes of most Iranians: it satisfied a deep desire in the Iranian society for genuine independence and an end to any interference by outside powers. Even secular- and reform-minded people would still take pride in this accomplishment.

Moreover, as Shaul Bakhash, one of the most astute Iran watchers in the United States, argues, the institutions that were established in the early years of the revolution have proven to be remarkably durable.[2] Bakhash observed that even the Shah would be jealous of how strong executive authority is in Iran today. These unique, cleric-run institutions have promoted social mobility for their core supporters and have created new elites who constitute a solid political base for the regime. Economic power has shifted to those supporters, with little accountability and considerable room for corruption. In terms of the national institutions, power is concentrated in the hands of the people who still believe in the revolution even if the society below is quite disaffected and fed up.

Another way to think about the U.S.-Iran dynamic is to look at the tremendous asymmetry of power and interest. The United States' foreign policy agenda is global. Iran does not drive our foreign policy decision-makers every day, and the Administration can defend its lack of attention to Iran policy by pointing to all of the acute challenges it has faced particularly since September 11. For Iran, by contrast, the United States looms as a constant cloud, more ominous since American troops arrived to both its eastern frontier (Afghanistan and Pakistan) and to its west, in Iraq. All of Iran's foreign policy actions and decisions have a U.S. dimension, implicit if not explicit.

But strangely, there is a symmetry of grievances: both parties

believe it is up to the other party to set the record straight and to make the moves necessary to establish a base for an improved relationship and for dialogue. Over the last quarter century, both parties have worked to identify what needs to be done since this abrupt divorce, but we have to look at it almost as an "Alphonse and Gaston" type of rapprochement: when one party is ready, the other isn't, and then we switch places in terms of readiness to initiate talks.

The best window of opportunity might have been the late 1990s: Khatami was elected president in 1997 and the Clinton administration declared that it no longer believed in regime change and that the United States respected the Islamic character of the Iranian state. Although a number of very interesting and promising initiatives took place, for still obscure reasons, American and Iranian leaders were not able to create any sustainable momentum to create a new dynamic in the relationship.

It is important to keep in mind that Persia has chronically been a challenge for American diplomats. This is best illustrated by a quote from *Americans in Persia*, a book published in 1946 by The Brookings Institution, which berated U.S. policymaking towards Persia at the time:

"Our failures in Persia may be explained by poor organization, by defective or inadequate informational services, by a lack of coordination among the departments in Washington, by disagreements among officials of the State Department, causing confusion of purpose, delays, compromises or total paralysis, by personal jealousies and intrigues, and by incapacity or laziness."[3]

It may be reassuring to realize that policy towards Iran has always been a struggle, but over the past decade, there has been a lurching and uneven policy process, and little to show for intermittent serious efforts to deal with the enduring and more immediate challenges that Iran poses to U.S. national security.

A decade ago, U.S. foreign policy-makers came to the conclusion that questioning the legitimacy and durability of the revolution was no longer an appropriate policy stance. The revolution had proven durable, and there had to be an effort to engage Iran as a legitimate international actor regardless of the painful rupture in bilateral relations. The Clinton Administration announced its interest in engaging more robustly with Iran, and its desire to take a more flexible approach to the Islamic republic. In an important speech to Iranian-Americans, Secretary Madeleine Albright said that the US recognized Iran's importance, and that "we have no intention or desire to interfere in the country's internal affairs. We recognize that Islam is central to Iran's cultural heritage and perceive no inherent conflict between Islam and the United States."[4]

This approach lasted until 2002, when the U.S. government reintroduced the idea of regime change in Iran as a critical American objective. In his "Axis of Evil" speech, President Bush announced his vision:

"Our goal is to prevent regimes that sponsor terror from threatening America or our friends and allies with WMD. We know their true nature. Iran aggressively pursues these weapons and exports terror while an unelected few repress the Iranian people's hope for freedom. States like these and their terrorist allies constitute an axis of evil, arming and threatening the peace of the world. These regimes pose a grave and growing danger."[5]

This reintroduction of the concept of regime change has clearly framed the policy debate towards Iran, but it does not constitute a policy *per se*. After the president laid out his idea, no follow up occurred. The United States, therefore, in 2004, still lacks an appropriate declaratory policy that addresses the full range of national interests that are at stake in Iran, a policy that would communicate to Americans and to Iran what the US seeks to achieve and how to move forward in this long-stalled relationship. To develop such a policy, one would seek to revisit, with a fresh look, all aspects of Iran's behavior to determine where the threats and opportunities lie, and consider a range of policy approaches.

Considering ***regime change*** as a policy option requires examining two key questions: first, is it desirable and second, is it feasible?

It might be desirable if Iran had a more open system, a more worldly set of leaders, people less suspicious of the outside world, more willing to discuss their problems publicly and to work more directly with their neighbors for common security

purposes. On the top of all this, and according to polls and elections in recent years, at least a majority of the Iranian society would prefer a different set of leaders and a different government. The analogy with the Soviet Union is worth considering: what we have seen in Iran so far is the Gorbachev but not the Yeltsin. The leadership goals of President Khatemi are to reform the system, not to change it.

No radical reformer has emerged from inside Iran in the past years. Current U.S. policymakers, and those with policy influence who believe that Iran is a grave danger to the United States, have been struggling to imagine the alternative to the current regime. They are looking for partners, interlocutors, agents of change within Iran. The few ideas they have considered have proven unfeasible. At one point, the Bush Administration flirted with the notion that the Mujahedin-e Khalq, an Iranian opposition movement based in Iraq during the Saddam Hussein era, might be a partner, seeing an historic analogy to the Northern Alliance in Afghanistan. It turns out that this option leads nowhere, given the MEK's record as a terrorist, almost cultist organization with no strong base inside Iran to promote change. Now there is speculation that the Bush Administration and its allies in the new Iraqi government might consider trading MEK members in Iraq for al-Qaida prisoners currently in Iran.

The Bush administration also hoped that the student riots in Iran in 2002 reflected a grassroots movement, a new generation that might trigger another revolution, a counterrevolution to the revolution of the '70s. But the prevailing sentiment in the country appears to be an aversion to disorder. According to Iranian experts, even those who do not support the clerics fear the repetition of the period of great chaos and uncertainty that they experienced only a generation ago. In periods of tension, rather than fighting the state forces that are repressing political activity, reform minded people seek compromise with the regime, are willing to back down and avoid more prolonged confrontation. People who are thrown into jail are let out a few months later. This iterative process between the different internal forces precludes the formation of enough momentum or tension to generate political change.

As for feasibility, Iraq should have humbled US policymakers about what it takes to achieve regime change and whether the United States can be the agent of change. Let us just remind ourselves that the United States tried regime change in Iran once: in 1953, the United States supported the Mossadegh coup and the restoration of the shah. A generation of Iranians lived off of that wound. It festered. It became very much part of the national myth and the modern history of Iran, and certainly contributed to some of the intellectual ideas that created the revolution. The United States was the agent of change once. While frustrated youth may wish for an American invasion, one cannot fully grasp how traumatic to the Iranian psyche a new American intervention would be, and it could easily unleash a spontaneous reaction at least as violent as what has occurred in Iraq. Lastly, it is important to remember that Iran is territorially and demographically roughly three times the size of Iraq.[6]

An alternative policy approach is ***containment.*** Anthony Lake, President Clinton's first National Security Adviser, updated a decade ago Kennan's Soviet-era thesis of containment:

"We seek to neutralize, contain, and through selective pressure perhaps eventually transform these states—Iran, Iraq, and North Korea—into constructive members of the international community."[7]

The Clinton administration worked with this concept of containment as its principal paradigm for policy towards Iran. The Administration thought that there were elements of Iranian behavior that were dangerous for the security and stability of the region, and believed that, through a containment strategy, it could prevent Iran from being a destabilizing force. Policymakers assumed that over time Iranians themselves would transform their system, or as in the Soviet model, and let the revolution fall of its own contradictions. The driving assumption was that through isolation and the pressure of sanctions, without the need for external interference, dynamics would change within Iran. Change initiated from within would be seen as more legitimate and enduring than an external intervention.

In fact, U.S. policy toward Iran has always included some form of containment since the revolution. The United States has imposed sanctions and then sometimes removed them for explicit purposes: imposed after the hostage taking in 1979 and partially lifted as part of the Algiers Accord that ended the hostage crisis; imposed due to concerns over proliferation and terrorism, and partially eased to permit more trade and human contact in 2000. Sanctions are one concrete manifestation of the desire to physically contain Iran: to deny it the means to project force beyond its borders and to be a regional aggressor. Sanctions are also intended to provide incentives for changed behavior. For some, a robust containment cum sanctions strategy could create conditions for regime change, although it is usually not expressed in those terms.[8]

Containment as a strategy in the 1990s could be considered at least partly successful, as measured by Iran's inability to achieve its own goals in terms of conventional military modernization. Iran was somewhat preoccupied with its own domestic economic problems, and so containment was sufficient to deter any truly destabilizing activity on Iran's part. Today, the Iranian nuclear challenge makes it clear that a containment strategy alone is no longer sufficient. There is a need for interaction and discussion.

Containment is often the least bad option, but it has serious limitations. It is a holding position, waiting for a policy that can achieve more direct results. Over time, it allows the United States to postpone thinking rigorously about the steps needed to achieve a clear goal. It allows policymakers to delay a more serious consideration of the stakes. It is also likely to fail if it is unilateral;

European allies have joined, sometimes reluctantly, in parts of the containment policy over the past decade, but China and Russia have opted for more engagement, thus weakening the potential impact of containment. The nuclear revelations over the past year, however, have created a closer spirit of cooperation between Washington and Europe on the need to prepare for strong measures should Iran fail to comply with its international obligations with respect to nonproliferation.

There is still a strategic case for containment in Iran because in its isolation, Iranian society is debating all the critical issues, and change from within could well occur. More conservative elements won a major victory in the February 2004 legislative elections, and routed the reformers, but the long-term prospects for a conservative dominance seem thin because the reform impulse inside Iran remains strong at the societal level. Reformers will eventually prevail; does the United States and the international community believe that they have the time to wait for this slow and fitful process of change? Would internal change in favor of reformers actually resolve all the issues of concern to American policymakers?

Engagement of course is at the other end of the spectrum. Over the years, the United States has engaged Iran, but the level of interaction has fluctuated from extremely modest steps to more ambitious moves, and the type of interaction has hinged on the goals pursued by various administrations. The United States talked to Iran during the Iran-Contra period, the two states shared their concerns about the Taliban at the United Nations in New York, and as recently as the first year of the Bush administration, diplomats met in Europe to discuss a range of issues, but those talks were cut off when it appeared that Iran was implicated in a terrorist bombing in Saudi Arabia in spring 2003.

Engagement today includes some interesting track-two diplomacy initiatives with private Iranians, including some who have strong ties to Iranian officials. It is striking that some of these track-two exchanges are including increasingly senior former U.S. officials, as well as current members of Congress. What is not clear is whether this dialogue is happening with people who can influence Khamenei, Iran's supreme leader. They may be people that are closer to the president than to the supreme leader. And it is certainly clear that track-two diplomacy alone would be insufficient to make progress on the nuclear question.

But even engagement might not be enough considering the asymmetry problem outlined before. The United States now issues visas to Iranians: nearly 10,000 Iranians a year get visas to come to the United States. They visit their families, but also study, do business, and visit as tourists. On the other hand, it is still very hard for Americans to get visas, and only a few thousand Americans visit Iran every year. Most of the information we get from Iran comes from journalistic reporting, but even journalists face difficulties in entering and covering Iran. The relationships are not personal, and there is no real U.S. curiosity for Iran. Engagement is therefore restricted.

The goal of engagement has also to be defined. From minimal contacts to a grand bargain, the range of outcomes is wide and diverse. We might very well be at a critical juncture: because it is an election year in the United States, people are increasingly thinking about American options for next year. There are even talks of a grand bargain from the American side. This overture does not seem to resonate on the Iranian side. Nevertheless, the United States should continue to consider all the options because hard choices will be made in the near future. The United States must first determine what matters most with regard to Iran. Many in the think tank community consider that the nuclear issue is taking preeminence over the other issues that divide the two countries, and argue that U.S. policy toward Iran should focus primarily on this issue. Yet, it would be counterproductive to allow a single national security issue to be the content of a new interaction with Iran: the United States should define a more comprehensive approach to Iran that takes into consideration the different U.S. interests.

Engagement under any circumstances has downsides when the country one is dealing with does not share common values or operates from a different concept of the international system and what constitutes cooperation on strategic issues. Engagement also gives the other side a lot of leverage and it, like containment, can sometimes sustain the status quo more than promote positive change. Many Iran watchers believe that the clerics want to own the relationship with the United States, not let the reformers be the only interlocutors of the West. They want to be involved in the engagement process because they think this will legitimize their authority in the eyes of their own people. Ironically, the very clerics who demonized the United States now want to gain domestic support by interacting with the former "Great Satan."

Conclusion The United States lacks a policy toward Iran. The abundant rhetoric of the current administration does not constitute a policy in itself. What we have is a general sense that Iran remains a threat to U.S. interests through its opposition to the peace process, its nascent nuclear program, and its links to terrorist groups. What we haven't seen so far is a systematic review of policy assumptions that looks at all aspects of current Iranian behavior, including the nature, scope, and specificity of Iranian threats to US interests.

Inertia characterizes the current approach. Iraq remains the main focus of U.S. policymakers, and Afghanistan requires sustained attention too. Some could argue that the U.S. military presence in both Iraq and Afghanistan, Iran's two largest neighbors, suggests a coercive U.S. policy toward Iran. Some Iranians perceive it this way too, and fear that the United States' military posture in the region reflects an aggressive agenda toward Iran that will soon be implemented.

In Tehran, the hardliners want to control any interaction with the West, and engage the United

States from a position of strength. They believe that they need a little time to consolidate their recent electoral victory that they just achieved by essentially setting back the course of Iranian democracy by disqualifying many of the reform-minded candidates.

Although the United States initially disagreed with the European rapprochement, the Europeans have over time conditioned economic and trade inducements to progress on what matters most to the United States. The EU is conditioning a trade and cooperation agreement (TCA) to prerequisites related to terrorism, the nuclear program, human rights, and the peace process.

However, the Europeans came to realize that the Iranians could not satisfy their part of the arrangement. The complex deal put forward by the EU requires Iran to make major changes in its domestic and foreign policies, and Iran cannot meet these conditions. Therefore, the European channel seems to be in a stalemate, with little foreseeable progress. The real question is whether the multilateral track—in other terms, the IAEA—can deliver on the nuclear issue. Iran seems undeterred by the international community's complaints over its nuclear program, and the recent IAEA statement that "deplored" that "Iran's cooperation has not been as full, timely and proactive as it should have been," was sharply rebuked by Iranian national security officials.

Defining a new way of approaching Iran is difficult, but the United States should think hard and look at all the dimensions of the Iranian challenge. First, the United States must determine whether Iranian involvement in Iraq constitutes a problem or an opportunity. Washington thinks of Iran as a predator, but it must be acknowledged that Iran has legitimate political and cultural interests in Iraq and seeks to preserve them. Different parts of the Iranian system maintain good relations with their respective allies within Iraq, and they certainly want a say in the future of the political system in Iraq. The difference between active involvement and subversion or undue influence is thin, but important.

Being overly alarmist could be counterproductive. Iraq's Shia so far display little empathy for Iran's theocratic system, so the danger of seeing Iraq evolving into a Khomeini-like system is small. Still, Iraq's Shia will expect to maintain a very close and friendly relationship with Iran. Whether this relationship is viewed as a threat or as an opportunity to engage Iran and foster regional stability is up to policymakers, and the degree of risk they are willing to bear.

On the Palestinian-Israeli front, although most Iranians today seem to care less about a settlement to the Palestine question than they have in the past, the Palestinian issue remains an existential one for the clerics themselves. Palestine, like the United States, is one of the defining issues of their own belief system.

On the issue of democracy, Iran is clearly ahead of Sunni Arab states in terms of political pluralism, popular participation, and accountability of institutions. That said, the recent legislative elections illustrate the fragility of Iran's embryonic democracy, since many candidates were barred from running by bodies controlled by the conservatives. The results of these elections also show that Iranian leaders are not yet committed to a fully democratic Iran, and this greatly harms the democratization process.

There is a continual opportunity cost to the United States for not developing a more dynamic and effective policy towards Iran, but Americans seem to have lost the ability to understand and define those costs. Meanwhile, Iran is on its own trajectory. It is not nearly as successful a state as some might have hoped but it is a serious country. Its ambitions are not always clear or consistent. It doesn't always control its own national security instruments and often is a negative force in the region.

Most Iranians probably want a more normal relationship with the United States just as most Americans probably support a form of American leadership that is multilateral in its orientation. But this is passive support; it is the passionate, highly motivated minority who often get its way, even if the majority has a different view. U.S.-Iran relations will remain in an awkward phase for quite some time. One should not expect any early success in changing Iran's calculus on its nuclear weapons, and this could well remain the dominant issue with regard to Iran for the coming years. Yet some modest society-to-society engagement will keep some links alive. It will never be an easy relationship. There will be enduring tension between our goals globally and Iran's self-declared destiny to be a regional power.

Iran has a destiny in the region and possibly beyond. It could develop a role as part of a group of countries that could include Brazil, Nigeria, Turkey, Indonesia, pivotal states who operate at just below the tier of the great powers that have global reach. Iran will almost certainly have more clout in the future in international organizations, will be able to prey on its neighbors, and will be able to achieve some level of local or regional hegemony.

We should try to get to a place where we can define Iran not only in terms of its negatives, which are formidable, but also its promise and its potential. We'll never return to the partnership of the shah's days and we should be clear in our minds that that would no longer be desirable. Between that and what we have today there's lots of room for creative diplomatic work.

Notes

1 When a U.S. oil company, Conoco, sought US government support for a new energy relationship with Iran, the reaction was so strongly negative that it led to new restrictions on trade and sent a chilling signal to the US business community.

2 Shaul Bakhash, "The 25th anniversary of Iran's Islamic Revolution: Looking back and ahead," Remarks at the Washington Institute for Near East Policy, February 27, 2004 [Available at www.washingtoninstitute.org]

3 Arthur C. Millspaugh, *Americans in Persia* (Washington, DC: The

Brookings Institution, 1946), 49-50, as cited in James Bill, *The Eagle and the Lion* (New Haven and London: Yale University Press, 1988).

4 Secretary of State Madeleine Albright, "American-Iranian Relations," Remarks before the American-Iranian Council, March 17, 2000 [available at www.american-iranian.org/beta/publications.php?Perspective=1&PerspectiveID=46]

5 President Bush, "State of the Union 2002" [available at www.whitehouse.gov/news/releases/2002/01/20020129-11.html]

6 Iran is more than three and a half times the size of Iraq, and its population more than two and a half times larger than Iraq's.

7 Anthony Lake, "Confronting Backlash States" *Foreign Affairs*, March/April 1994

8 For a history of US sanctions towards Iran, see Meghan O'Sullivan, *Shrewd Sanctions: Statecraft and State Sponsors of Terrorism (*Washington, D.C.: Brookings Institution Press, 2003), pp. 50-51.

About the Author

Ms. Laipson is president and CEO of the Henry L. Stimson Center in Washington, DC. Her previous positions include: Vice Chair of the National Intelligence Council (NIC) 1997-2002, Acting Assistant Director of Central Intelligence for Analysis and Production 2001-2002, Special Assistant to the US Permanent Representative to the United Nations 1995-1997, Director of Near East and South Asian Affairs, National Secuirty Council 1993-1995, National Intelligence Officer for Near East and South Asia 1990-1993, and Member, Policy Planning Staff, Department of State 1986-1987. She is a member of the Council on Foreign Relations, and serves on the boards of the Asia Foundation and the Education and Employment Foundation.

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clined, especially since the demise of the Soviet Union and the death of Kim Il Sung in 1994.

It is estimated that as many as a million of the 22 million North Koreans, possibly even more, died of starvation or starvation-related illnesses in the latter 1990s. In July 2002, Kim Jong Il decreed a wide ranging shift toward a monetized and marketized economy, changes whose full impact is yet uncertain.

The DPRK has one of the world's largest armies – estimated at more than 1 million troops, most of them poised near the dividing line with the South. Beyond this, North Korea has sought nuclear weapons for many decades, especially since China exploded its first nuclear device in 1964. A serious North Korean effort to produce plutonium from irradiated nuclear fuel rods dates back to the 1970s. The U.S. and North Korea almost came to blows over this program in 1993-94.

The nuclear tension diminished sharply after the conclusion of the 1994 Agreed Framework with the United States which froze the plutonium production works at Yongbyon north of the North Korean capital and placed that facility and the irradiated fuel firmly under U.N. inspection. The accord was opposed by Congressional Republicans, who came to power in both House and Senate the month after the agreement was signed, but they permitted implementation to go forward each year, lest they be accused of fomenting a renewed nuclear crisis in Northeast Asia.

The North Korean ballistic missile program, which is based on Soviet technology, goes back to the 1960s. In the fall of 2000, the final months of the Clinton administration, Secretary of State Albright led serious negotiations with Kim Jong Il aimed at stopping further production, deployment and sales abroad of DPRK long-range missiles. However, time ran out before an agreement was concluded.

All that is prologue to the current situation.

The Bush administration came to power very reluctant to deal directly with Pyongyang. From the start it was divided into warring internal factions on the subject of North Korea negotiations and to a great degree it remains divided. Secretary of State Powell was publicly rebuffed by the White House in his third month in office when he mistakenly said the new administration would continue the missile negotiations that the Clinton administration had advanced. In January 2002, four months after the spectacular Al Qaeda attacks of the previous September 11, President Bush named North Korea as part of the "axis of evil" in his State of the Union address. We know now from Bob Woodward's new book, Plan of Attack, that the phrase "axis of hatred" arose from the pen of speechwriter David Frum, that it was changed to "axis of evil" by chief presidential speechwriter Michael Gerson, and that North Korea and Iran were added to the original target, Iraq, by Condoleezza Rice and Stephen Hadley in order not to give away the planning for war with Iraq, which even then was underway.[2]

Bush approved the phrase and the inclusion of North Korea and Iran as well as Iraq in the "axis of evil," but there is no sign of more extensive foreign policy consideration of the declaration or of its potential consequences.

In the summer of 2002, the Bush administration prepared to send Jim Kelly, Assistant Secretary of State for East Asian and Pacific Affairs, to Pyongyang to present a "bold proposal" calling for very extensive North Korean concessions in return for extensive U.S. benefits. But before Kelly departed, U.S. intelligence agencies obtained solid evidence that, as long rumored, North Korea was working to create nuclear weapons via a secret program utilizing highly enriched uranium, based on materials and technology supplied by Pakistan. Kelly and his delegation flew to Pyongyang in early October 2002 to confront the North Koreans and declare that the United States would not deal with them substantively until they got rid of the highly enriched uranium (HeU) program.

To Kelly's surprise, the North Koreans said they were entitled to have a nuclear weapons program and indicated that they wanted to engage Kelly on the subject. Under instructions from Washington not to negotiate, Kelly left for home instead.

Former U.S. Ambassador to South Korea Donald Gregg and I were in Pyongyang in early November, exactly one month later, talking to the same people that Kelly had seen. They were anxious to engage Washington on the nuclear issue, telling us they would "clear U.S. concerns" if the United States would recognize their sovereignty, not hinder their economic programs and negotiate a non-aggression treaty to assure their security. Gregg and I believed there was a substantial chance to terminate the HeU project via negotiations if approached at high levels. On our return, we met privately with very senior White House and State Department officials and recommended engaging North Korea on the issue.

In a first important policy choice, the administration decided to exert pressure intended to force Pyongyang to give up the HeU program rather than engage in negotiations. Despite the misgivings of our Asian allies, the U.S. cut off the heavy fuel oil being delivered to North Korea under the 1994 agreement and sought U.N. condemnation of North Korea. The administration argued that the United States should not reward bad behavior. In response, the North Koreans ended the freeze on its plutonium program that had been in effect for eight years. In rapid succession they restarted their previously-frozen nuclear reactor, removed the seals and hooded the surveillance cameras placed by U.N. inspectors to monitor 8,000 irradiated fuel rods containing plutonium, moved the fuel rods to their reprocessing plant to extract the plutonium, expelled the U.N. inspectors and announced that North Korea had left the treaty against proliferation of nuclear weapons, the first signatory nation ever to do so.

U.S. intelligence had previously estimated that prior to the Agreed Framework North Korea might have hidden enough plutonium to create one or two nuclear weapons. Last summer North Korean officials said they had successfully extracted the plutonium from all 8,000 fuel rods. Nobody here is sure whether this is true, but if so the plutonium could provide the raw material for perhaps five or six more nuclear weapons. A month ago, in late April, the *Washington Post* reported that the U.S. intelligence was preparing to raise the official estimate of North Korea's holdings from one or possibly two to at least eight nuclear weapons.[3] Such an increase would be an important change from a minimal nuclear deterrent to enough weapons for a war-fighting capability and the basis for the potential to transfer some nuclear weapons material or even nuclear weapons abroad. This week the *New York Times* reported that North Korea may have provided Libya with nearly two tons of uranium hexafluoride, a form of uranium that can be later enriched to weapons grade through the kind of project provided to North Korea and Libya by Pakistan.[4] Neither of these press stories has yet been officially confirmed.

As the dimensions of North Korea's resumed nuclear production program emerged, the administration faced a second policy choice: how to deal with it. The decision was to avoid bilateral US-DPRK negotiations as both politically unpalatable – how does one deal with an entity officially described as evil? – and potentially ineffective, because of the possibility that North Korea would cheat on any agreement reached with the U.S. alone, as it did with the Agreed Framework. The administration relied instead on multilateral negotiations in hopes that an organized array of North Korea's neighbors would have a greater impact on Pyongyang. Under the leadership of China, North Korea was pressured and bribed into participating in two rounds of six-party talks in Beijing last August and this February involving North Korea and its neighbors, South Korea, Japan, China and Russia as well as the United States. Lower-level representatives of the six parties met as a working group in Beijing earlier this month. China is currently seeking to organize a second working group meeting in coming weeks before another full-scale round of the six-party talks that is expected to be held by the end of June.

Under pressure from China and others, Secretary Powell obtained permission from President Bush last July to engage North Korea directly and bilaterally on the edges of the six-party talks, and Bush later told Powell that he would be in charge of these negotiations.

Nevertheless, opponents of bilateral negotiations in the Vice President's office, the Department of Defense and some in Powell's own State Department have worked to limit sharply the flexibility of State's representatives at the talks. So far the talks have made little substantive progress, although administration officials are pleased with the process that is underway, and express confidence that in time it will bear fruit, if the five other parties continue to press North Korea strongly.

There are two serious problems with this: first, that North Korea continues to manufacture irradiated fuel rods and potentially can create more plutonium and, even more potentially serious, also get its new uranium enrichment facilities up and running while negotiations drag on.

Second, that the determination of the other principal parties is uncertain and subject to change.

China, which is considered the most important party among the neighbors, provides much of the energy and a good deal of the food that keeps North Korea afloat. Should China exert very strong pressure, North Korea would surely take notice. However, China is a historic ally of North Korea and has a strong national interest in maintaining that country as a buffer. It also fears a collapse in the North, which could send millions of poverty-stricken refugees across China's porous northeastern border. Thus there are limits to what China is likely to do, unless Pyongyang takes actions that provoke its big neighbor.

South Korea is in the midst of a generational and political change of fundamental importance, from the conservatives who have dominated the country's politics since the Korean war to a new generation which predominantly has little or no sense of threat from the North. An election last month brought to office a National Assembly majority more tolerant of North Korea and more leery of U.S. leadership than in the past. President Roh Moo Hyun has so far maintained close ties with Washington, but he is also mindful of the progressive views of his constituency.

Japan, which has hewed closest to the U.S. policy line on North Korea, is in transition on the subject. Prime Minister Junichiro Koizumi flew to Pyongyang last weekend to meet Kim Jong Il and bring back with him five children of Japanese citizens who had been kidnapped to North Korea in the 1970s and 1980s. North Korea has become a key factor in Japanese politics as the first real enemy since World War II due to its ballistic missiles and its nuclear weapons potential and also due to intense internal debate on the abductions issue,. A reassessment of Japanese policy is likely following Upper House elections in July.

Russia, the other nation in the six-party talks, is considered less important to the negotiations than the others. U.S. officials do not consider Moscow reliable on North Korean issues.

In another key policy choice the administration has pursued a maximum objective regarding the North Korean nuclear program – a demand for "complete, verifiable, irreversible disarmament," known by the acronym CVID. It has been loathe even to discuss interim arrangements with North Korea or, until recently, with its allies at the bargaining table.

Part of the original rationale of the six party talks was that North Korea's neighbors could exert pressures on that hermit kingdom to moderate its positions. This has happened to some degree, but the collegial pressures have also ensnared Washington in a web of relationships that tends to moderate hard-line U.S. positions. Prior to the last round of six party talks in February, for example, the administration permitted South Korea to propose a temporary freeze, rather than a complete abandonment, of the North Korean nuclear program – something that Washington had fiercely opposed in the past – and even permitted Seoul to propose to resume the supply to North Korea of the heavy fuel oil that Washington dramatically cut off in late 2002. A bureaucratic battle in Washington preceded the decision not to object to these South Korean proposals. While they broke new ground, the proposals were of much less interest to the North than would have been the case had they come directly from the United States.

While the talks continue, North Korea continues to increase and probably to improve its nuclear holdings. Although the administration has so far managed to treat the nuclear developments in a low-key, non-crisis manner, the next U.S. president, whether George W. Bush or John Kerry, is likely to be forced to deal much more seriously with the issue next year. By then North Korea may be a widely acknowledged nuclear weapons power, with important repercussions of that fact in Northeast Asia. Among the broad policy choices then available to the United States will be (1) a sharp increase in the exertion of military and economic pressure on the North, something that could court the danger of war, revolution or collapse, and would be difficult to arrange unless Pyongyang severely antagonizes its neighbors; (2) containment of a nuclear North Korea, with diplomatic efforts to limit further expansion of its nuclear forces and to obtain a North Korea commitment not to transfer materials or weapons abroad, or (3) a much more serious bilateral and multilateral effort to negotiate a freeze on the North Korean program, followed by as much verifiable dismantlement as can be arranged. None of these choices would be easy and all have severe problems.

Taking a strong and effective position to counter the Asian edge of the "axis of evil," it turns out, is much more easily said than done.

Notes

1 Paul Bracken, "The Structure of the Second Nuclear Age," in Foreign Policy Research Institute, www.fpri.org, September 25, 2003.

2 Bob Woodward, *Plan of Attack*, Simon & Schuster, 2004, pp. 85-92.

3 Glenn Kessler, "N. Korea Nuclear Estimate to Rise," *Washington Post*, April 28, 2004.

4 David E. Sanger and William J. Broad, "Evidence is Cited Linking Koreans to Libya Uranium," *New York Times*, May 23, 2004.

About the Author

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