



A Responsible Approach to North Korea

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Kim Jong Un's reckless and illegal nuclear and missile programs pose a serious and growing threat to U.S. national security and the security of U.S. allies. His refusal to abide by U.N. Security Council resolutions has rallied the world against him.

Unfortunately, President Donald Trump is bucking this international consensus with his reckless and contradictory statements. This dynamic is both dangerous and counterproductive; it increases the risk of miscalculation on the Korean Peninsula and squanders an opportunity to press North Korea back into a diplomatic process.

There are no perfect solutions to the challenge North Korea poses. The country has made rapid progress on nuclear weapons that it deems critical to its survival. Yet the United States has deterred and contained North Korea for decades, preventing another devastating war on the peninsula.

To prevent war and get back to diplomacy aimed at addressing North Korea's threats, the United States needs a more responsible approach: aggressive diplomacy with a strong team; active U.S. efforts to reassure allies of America's commitment to their security and to smart deterrence of North Korea; and concrete steps to isolate North Korea from the global economy. This policy approach could reduce the chances of unintended conflict, protect U.S. national security interests, and open a pathway to curb North Korea's nuclear and missile programs.

How did we get here?

Since the end of the Korean War in 1953, the United States and South Korea have successfully deterred North Korea and prevented a full resumption of hostilities. Yet, across administrations, Washington failed to prevent Pyongyang from advancing its illicit nuclear and ballistic missile programs. Through periods of pressure and periods of relative calm and accommodation, North Korean leaders continued to press forward however they could, despite repeated declarations from the U.N. Security Council that

North Korea's actions were violating international law.

However, the lesson of recent decades is instructive: Diplomacy employed hand-in-hand with pressure has been the only policy that has yielded any results. The more the United States relies on pressure alone and ignores diplomacy, the more North Korea has been able to steadily advance its programs.

North Korea's strategy

North Korea's military posture is intended to deter an attack from the United States. The North Korean regime now believes that nuclear weapons are an essential part of that deterrent and, therefore, necessary for regime survival.

The drumbeat of war

North Korea has possessed nuclear weapons since 2006. Its arsenal—including a possible hydrogen bomb tested this year¹—continues to grow, and its ballistic missile technology already can target U.S. allies, bases, and territories in Asia. Given that North Korea's conventional force has long been adequate enough to put the 10 million citizens of Seoul at risk, the growing nuclear threat is but the latest phase of North Korea's deterrence strategy. It is important to be clear eyed about how unlikely it is that North Korea will give up its weapons—ones it sees as the key to survival—without a major change in the status quo.

Advocates of preventive U.S. military strikes on North Korea often claim that the United States must act to prevent North Korea from mastering the technology needed to place a nuclear warhead on an intercontinental ballistic missile (ICBM).² But that approach ignores two realities. First, it will be difficult for a U.S. military strike to eliminate all of North Korea's nuclear weapons and nearly impossible to know with certainty what weapons do remain after a strike. An incomplete strike could be met with a devastating North Korean nuclear counterattack. Second, there are no preventive military options that do not run the risk of sparking a broader war, potentially drawing in China, Russia, and U.S. allies.

Preventive war vs. pre-emptive war

Preventive war involves military action taken to prevent an adversary from achieving a particularly dangerous capability.

Pre-emptive war involves military action taken to pre-empt what is believed to be an adversary's imminent military action.

The United States also cannot overlook the increasing chances that miscalculation may lead to war. In the past, North Korea has shot down U.S. aircraft flying near North Korea, killing U.S. troops.³ In 2010, North Korea sunk the South Korean vessel Cheonan, killing 46 people.⁴ U.S. and South Korean restraint was likely the only factor preventing an escalation of these incidents. Especially with tensions high, even a minor miscalculation by either side could lead to an escalation that may be difficult to control.

As U.S. Secretary of Defense James Mattis recently noted, the costs of conflict would be “catastrophic”⁵ for America and the region. Either an accident or a so-called limited military strike by either side could quickly escalate into an all-out war that results in the deaths of hundreds of thousands, if not millions. According to a new report by the Congressional Research Service, 25 million people on both sides of the border could be affected, including more than 100,000 U.S. citizens.⁶

And it would be impossible to prevent the loss of American lives in a war “over there.”⁷ Any conflict would endanger the lives of 28,500 U.S. troops in South Korea and more than 50,000 in Japan, as well as hundreds of thousands of American civilians living in the region. Additionally, the conflict could potentially turn into a U.S.-China confrontation with broader consequences for regional stability. Likewise, the economic impact of a war with North Korea could affect the entire world, as South Korea alone constitutes 2 percent of global gross domestic product and provides large percentages of the world’s source of components, such as semiconductors and liquid crystal displays.⁸

Finally, while there is considerable debate over military options, there is little or no talk of what happens the day after a war starts. There is the potential for a collapse of the North Korean state, the consequences of which could include millions of refugees streaming into China and South Korea; nuclear weapons potentially no longer safeguarded by anyone; and a scramble involving the United States, South Korea, and China all rushing to fill the vacuum. In this regard, the United States needs to learn the lessons of its past wars, including in the Iraq War, where the aftermath proved catastrophic, as well as in the Korean and Vietnam wars, where China and Russia supported U.S. enemies. Potential ongoing and near-term U.S. collaboration with China on North Korea could quickly evaporate or turn to confrontation if China views a conflict as the result of America’s mismanagement rather than North Korea’s aggression.

A more responsible approach: Aggressive diplomacy, active reassurance and smart deterrence, and economic isolation

There are no easy solutions to the North Korean problem. But there is a responsible way forward. A carefully calibrated and well-implemented strategy that includes reassuring allies, deterring North Korea, and cutting off North Korea’s illicit finances can help maintain stability and open a pathway toward curbing North Korea’s weapons programs.

Aggressive diplomacy

The crisis with North Korea will not end without diplomacy. And yet, President Trump has made clear his disdain for any diplomatic approach. Trump has publicly said that his own secretary of state is “wasting his time” by talking about diplomacy with North Korea.⁹ This is a recipe for failure.

Instead, President Trump should be actively pursuing talks that could lead North Korea back to the negotiating table; only dialogue backed by resolve and military capability have the potential for significant progress on North Korea. A diplomatic process should proceed in three phases. It should:

- De-escalate tensions and open channels of communication
- Shift the dynamic away from cycles of escalation and toward a process that curbs North Korea's destabilizing behavior
- Address the longer-term security situation on the Korean peninsula

Step 1: De-escalate tensions

The United States and North Korea maintain very limited diplomatic channels. They include the so-called New York channel—North Korea's mission to the United Nations, used mostly for relaying messages to and from Pyongyang—and through the Swedish embassy in Pyongyang, which is the U.S. protecting power (the provider of services for U.S. citizens in North Korea). The lack of a regular, high-level dialogue leaves both sides with limited means to reduce misunderstandings that, in a crisis, could turn into miscalculations that could spark conflict. The United States should talk to North Korea regularly, not just when tensions are low.

The United States should:

- **Appoint an envoy that has White House backing.** The United States needs a senior, full-time envoy to North Korea, empowered by the president to pursue diplomacy and manage pressure (William Perry and Chris Hill are examples of empowered past envoys). The envoy should work in partnership with envoys from South Korea and Japan; communicate regularly with leaders in China and Russia; and offer a direct, regular channel with the appropriate counterparts in North Korea. A presidential envoy would signal the United States' willingness to resolve issues diplomatically and put North Korea on the defensive.
- **Put in place essential diplomatic personnel to execute U.S. strategy.** The Trump administration does not have the personnel in place necessary to implement its own strategy on North Korea. There is currently no ambassador to South Korea, no assistant secretary of state for East Asia, and, while recently nominated, no assistant secretary of defense for Asian and Pacific security affairs. While capable career officials currently fill these roles, they are hobbled by both the sense that they are keeping their seats warm for a political successor as well as uncertainty among counterparts about their relevance to this White House. The president needs to field a strong team imbued with his authority, and the endorsement of the U.S. Senate, to navigate the United States through this and any future crisis.
- **Establish a military hotline.** The United States should offer a crisis communication channel between the United States, South Korea, and North Korea. A military-to-military hotline could ensure that in moments of crisis—such as a missile test, the shooting down of a plane, or an incident along the Demilitarized Zone (DMZ)—the militaries can immediately and authoritatively talk to one another to discuss any miscommunications or accidents and determine ways to de-escalate.

Step 2: Step-by-step confidence building measures

North Korea will not come to the negotiating table ready to surrender its nuclear and missile programs. The United States should be prepared to suggest a roadmap of confidence building steps that North Korea could take, along with reciprocal actions that the United States and its allies would be willing to take in response.

The United States should:

- **Establish a diplomatic process.** The first step could be for the United States to establish a process for diplomatic talks, including setting a regular schedule of engagements, a scope of discussion, and a structure.
- **Develop asks of North Korea.** The United States and its allies should develop a list of asks of North Korea, short of overall denuclearization. The first steps could be small, such as a time-limited freeze on missile and nuclear tests and programs. Other issues to consider could include steps to verifiably curb North Korean proliferation of weapons, missile technology, its chemical weapons programs, or the release of unjustly held foreigners or political prisoners.
- **Develop incentives for progress.** Likewise, the United States and its allies need to determine what actions they are willing to take to incentivize progress. These should be measures that provide something that North Korea views as valuable yet remain easily reversed if no progress is made. This could include scheduling pauses or imposing geographical limits on some U.S. military exercises or operations, partial sanctions relief, or providing certain kinds of humanitarian or economic assistance.

Step 3: Addressing long-term security on the Korean Peninsula

With tensions high, it is difficult to imagine how a real discussion about the biggest issues—denuclearization, the structure of security guarantees on the peninsula, and a peace treaty—might happen. Nevertheless, the United States and its allies should plan for some paths to get to that end. These discussions should be conducted first and foremost with South Korea and Japan and, subsequently, with China. Understanding each nation's interests, primary security concerns, and red lines will be important grounding for positions in renewed negotiations.

Active reassurance and smart deterrence

Any U.S. strategy must work hand-in-glove with active U.S. reassurance of allies and smart deterrence of North Korea, which can buttress the chances for successful diplomacy. Likewise, if poorly executed, messaged, or coordinated, U.S. deterrence and reassurance moves can be counterproductive.

Be a reliable ally

The strength of U.S. alliances cannot be measured by the number of U.S. troops deployed or the number of joint military exercises conducted; at its core, alliance strength is measured by shared values and the level of trust and coordination between the governments. To reassure allies, the United States needs to coordinate policy and messaging closely with Seoul and Tokyo, including through more regular trilateral meetings between the United States, Japan, and South Korea. Further, the most important thing the United States must do at this moment is to reassure its allies that North Korea cannot decouple the United States from its security commitments to its allies, which is a primary goal of North Korea. Any official U.S. statements that suggest the United States is willing to sacrifice the well-being of the region for its own interests or to protect the U.S. homeland could be fatal to our alliances in both Asia and around the world. The Trump administration should also continue and deepen extended deterrence dialogues with both South Korea and Japan.

Prioritize risk reduction

The U.S. military needs to conduct regular exercises and operations to ensure the readiness of its forces as well as to reassure its allies. But strategic context also matters, and with growing tensions, some operations and exercises could increase the risks of miscalculation. The recent flight of a U.S. B-1 bomber as well as U.S. and South Korean fighters in international airspace far north of the DMZ is one example of such an operation that could be perceived differently in the context of heightened rhetoric.¹⁰ The combination of escalating U.S. operations and rhetoric is a dangerous mix. It is well established that the United States has this kind of capability, so the U.S. Department of Defense (DoD) needs to consider how it weighs the risks of miscalculation against its readiness and reassurance requirements.

Strengthen regional ballistic missile defense and homeland defense

In 2016, the United States and South Korea agreed to forward deploy a U.S. Terminal High Altitude Area Defense (THAAD) unit to South Korea. The United States and allies should review regional missile defense to ensure that capabilities match the growing North Korean threat. As part of this review, the United States should consider whether an additional THAAD unit is necessary for protection of the Korean Peninsula as well as what additional regional ballistic missile defense (BMD) capabilities are needed to support Japan and Guam. China will likely oppose any of these steps, but there is strategic value in the United States making clear that the growing North Korean threat will continue to lead to U.S. and alliance decisions necessary to protect our citizens. Furthermore, the Trump administration should build on the efforts of the Obama administration to strengthen U.S. homeland defense— including potentially increasing the number of Ground-Based Interceptors and testing them under more realistic conditions. While the United States should not be overconfident in missile defense as a solution, it is worth making smart investments.

Address Seoul's vulnerability to North Korean rocket attacks

The United States and South Korea should accelerate efforts to address Seoul's vulnerability to North Korean short-range rocket attacks. Much progress has been made in recent years to improve alliance capabilities in this regard, but the DoD and South Korea's Ministry of National Defense should form a special working group to accelerate a joint action plan. The United States and South Korea also should strengthen joint cooperative steps to improve chemical and bioweapon preparedness and response, as North Korea may use chemical weapons early in any conflict.

Improve regional conventional deterrence

The United States, South Korea, and Japan also need to focus on strengthening conventional deterrence as part of a broader spectrum of deterrence. The South Korean military remains far superior conventionally compared to North Korea, but that picture is evolving as North Korea updates its arsenal. The Trump administration took an important step in this regard recently by lifting payload limits on South Korean missiles.¹¹ The United States should also be looking for ways to enable Japan to play a larger role in conventional deterrence, including being supportive of Japan acquiring relevant offensive strike capabilities.

Fully operationalize trilateral defense cooperation

In recent years, the United States, South Korea, and Japan have made great strides in increasing the scope and pace of trilateral military cooperation, including on information sharing, regular consultations, and undertaking phased operational cooperation. While politically challenging, the United States focus should now be on cementing full trilateral operational cooperation. This could start with regularizing reciprocal exchanges of South Korean and Japanese military personnel in bilateral military exercises. Ideally, the three sides would conclude a trilateral General Security of Information Agreement (GSOMIA) so that classified operational information could be more easily shared, making trilateral cooperation more operationally useful.

Stop talking about preventive military strikes

The Trump administration should refrain from publicly discussing the inevitability of a military strike to prevent North Korea from fully fielding a nuclear-capable ICBM. This kind of messaging only serves to embolden the North Korean regime internally, and over time—if not acted upon—only undermines American credibility and deterrence efforts. Furthermore, these threats alienate U.S. allies when they are made without consultation and could lead them to believe that the United States is willing to sacrifice them in a war.

Isolating North Korea from the global economy

Economic pressure is the best lever the United States has for increasing the costs Pyongyang bears for maintaining its current weapons trajectory. We do not know if sanctions pressure can push Kim Jong Un to talk. What we do know, however, is that sanctions can increase Kim Jong Un's incentives to negotiate; give the United States more tools to work with in a potential future negotiation; and reduce the regime's ability to source foreign technology components for its nuclear and missile programs.¹² A targeted sanctions strategy that effectively isolates North Korea from the global economy will weaken North Korea's position and put the United States in a stronger position for either diplomacy or containment.

North Korea is not a hermit kingdom. It is more dependent on international trade and financial transfers today than at any point in the nation's history, and that creates vulnerabilities the international community has only recently begun to exploit.¹³ North Korea has been under U.N. sanctions since 2006. However, until 2017, those sanctions did not aim for broad economic isolation. Where restrictions did exist, some nations—most notably China—failed to implement them, providing North Korea with multiple options for sanction evasion.¹⁴ In fact, North Korea's international trade grew around 5 percent in 2016, and according to Bank of Korea estimates, the nation's gross domestic product grew around 4 percent.¹⁵ Kim Jong Un has adapted to pre-2017 U.N. restrictions by opening up for private commerce and by allowing political and business elites to profit from innovative commercial strategies and financial transactions. This approach circumvents sanctions, generates growth, and brings in foreign technologies, including technologies that support the regime's weapons programs.

Going forward, the United States should leverage a more targeted sanction strategy to force Pyongyang to choose between weapons advancements and growth. In addition to targeting new vulnerabilities and aiming for broad economic isolation, those sanctions will need to move on a quicker timeline than they have in the last decade, making clear the immediate costs of noncompliance. And sanctions must come with a diplomatic off-ramp, making clear—to Kim Jong Un and the elites who will face particularly great financial loss under a tightened sanction regime—that relief is possible if North Korea agrees to certain steps.

Systematically dismantle North Korea's international trading networks

North Korea runs overseas transactions through a series of front companies. North Korea's most valuable front companies are those with a presence in licit markets, including the U.S. financial market.¹⁶ Those companies are highly vulnerable to unilateral U.S. sanctions that cut off their access to U.S. dollar transactions. The United States is now targeting some of these firms with unilateral sanctions.¹⁷ Targeting should be expanded in order to block the full array of North Korea's financial gateways.

Seize North Korean assets

North Korean elites are amassing wealth in foreign currency, including U.S. dollar holdings in international banks. The United States should leverage U.S. civil forfeiture law to lock down those holdings.¹⁸ Blocking North Korean access to foreign currency will apply targeted financial pressure on the nation's elites; make it harder for the regime to source goods overseas; and potentially destabilize North Korea's domestic currency.

Stop giving China the benefit of doubt

For years, China has allowed North Korea to run prohibited goods across its borders in blatant violation of sanctions.¹⁹ The United States has levied sanctions against some Chinese entities but is holding back from taking broad action against China. The United States needs to present China with a road map of actions that it will take against Chinese entities that facilitate illicit North Korean trade. The United States—in collaboration with multilateral partners—should also demand that China provide transparent data on nonsanctioned China-North Korea trade. Crude oil appears to be North Korea's largest import from China, but China stopped reporting crude oil shipments in 2014.²⁰ As North Korea's largest trade gateway, China bears responsibility for reporting on cross-border trade flows in order to support sanctions monitoring and enforcement. If China is not forthcoming about trade data, the United States should ramp up secondary sanctions against China accordingly.

Conclusion

The threat from North Korea is serious and growing. President Trump's main response, however, has been to dismiss the one tactic that can help address the challenge—diplomacy. While strengthening deterrence and ramping up sanctions, the United States and its allies should work quickly to offer diplomacy with North Korea on our terms. A carefully calibrated strategy that employs deterrence and sanctions to back up diplomacy can de-escalate tensions and make room for progress.

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