### IFS Insights 2/2016



# North Korea in 2016: A new normal? by Ian Bowers

This IFS Insight examines the political and strategic ramifications of North Korea's evolving nuclear and missile programmes.

### Take aways

- North Korea's nuclear and missile programmes will likely continue in the short term.
- Sanctions will only be effective if China agrees to robustly implement them.
- North Korea is once again a divisive issue between the US and China.
- North Korea's actions is driving closer security cooperation between the US, Japan and South Korea.

In the first eight months of 2016, North Korea has repeatedly defied the will of the international community. In a sign of their intransigence, on 5 September North Korea tested 3 ballistic missiles as world leaders met at the G20 summit in China. 4 days later, a fifth nuclear test was performed. By testing nuclear weapons and undertaking an unprecedented series of missile launches, Pyongyang has created a new normal where their belligerent actions on the Korean Peninsula are seemingly unaffected by the international reaction.

While the international community has been unified in its condemnation, a geopolitical split has emerged as to the correct approach to resolving the issue. Attitudes in Washington, Seoul and Tokyo have hardened, and while China has agreed to new sanctions there is far from unanimity in Northeast Asia. In many respects, North Korea's actions have highlighted an increasing split between China, the US and its allies. The likelihood of a resolution to this long-running problem seems increasingly remote.



#### WHAT HAS OCCURRED?

North Korea's fourth nuclear test in early January signalled the start of a new round of heightened tension on the Korean Peninsula. One month later, Pyongyang once again drew the ire of the international community by launching a primitive satellite in to space using rocket technology prohibited by United Nation sanctions. Neither action seemed to represent a substantial advance in weapons technology but indicated that North Korea's WMD and missile programmes were continuing despite all international efforts to bring them to a halt. Early indications following the fifth nuclear test on 9 September suggest a weapon with a larger yield. This highlights the progress the North's nuclear program has seen since Kim Jong-un took power.

North Korea has continued to develop and test missile technology. It is in the process of developing a submarine-launched ballistic missile (SLBM), and has performed 19 ballistic missile test-launches since January 2016. These launches serve both a political and developmental function. They are a tool to signal North Korean displeasure with the actions of the US, South Korea or other members of the international community. They are also used to improve and test missile designs with longer range and heavier payload capacity. As an example, the Musudan IRBM, which with a range of approximately 4,000km could hit targets in Japan and Guam, has been tested six times this year with five failures and one apparent partial success.

#### WHY DOES THIS MATTER?

If and when Pyongyang is successful in marrying its missile technology with its nuclear programme, the Kim regime will have substantially increased its political leverage.

North Korea currently poses a substantial conventional threat to South Korea, and in particular the Seoul Metropolitan Area. While it is unlikely that North Korea would be victorious in a conflict, it does have the capacity to inflict significant damage. A North Korean nuclear weapon would radically increase this ability, but as South Korea is covered by the US nuclear umbrella any use of such technology by Pyongyang would ultimately result in its destruction. The same deterrent logic applies as North Korea gains the ability to target Japan, US facilities in Guam or even the US mainland.

A deployable North Korean nuclear weapon does however alter the strategic calculus. Given the massive potential for destruction, such a capability must always be considered. It raises the stakes in any crisis, makes negotiations more difficult and reduces the US and its allies' strategic leverage over North Korea.

In short, for the Kim regime, a nuclear weapon provides a degree of insurance against the influence of external powers and there are few incentives for Pyongyang to forgo such a useful tool.

#### SANCTIONS

The continued tests have highlighted the lack of available options for the international community. Unable or unwilling to alter North Korean behaviour by force, the primary international response has been to impose further sanctions in the hope that increased economic pressure and resource scarcity will invoke a change in behaviour.

The US, South Korea and Japan have implemented unilateral yet coordinated measures. Washington has strengthened its sanctions regime. The US now has the legal capability to freeze the assets of any North Korean involved in the development of nuclear or missile technology, has frozen North Korean government assets in the US, has banned trade with North Korea and can blacklist anybody found to be in contravention of existing sanctions. In June 2016, the US imposed fresh sanctions aimed at banks or companies which conduct business with North Korea, in an effort to further isolate its access to the international financial system. A month later, in an effort to apply more pressure, President Obama

imposed specific sanctions on Kim Jongun and 14 other North Korean officials for repeated human rights abuses. At the same time, Japan has greatly restricted trade and interactions with North Korea, including the banning of all North Korean flagged vessels from entering Japanese ports.

Although these restrictions are substantial, China is the most important actor in ensuring the efficacy of any international sanctions regime. As North Korea's largest trading partner, only ally and geographic neighbour, China has the capacity to greatly influence North Korea's economy. Despite China's disapproval of North Korea's nuclear programme, Beijing has traditionally been hesitant in applying tough sanctions. This reticence stems from a fear of strategic instability should the North Korean regime collapse. It is also apparent that a reduced economic relationship with North Korea could limit Beijing's (probably overestimated) political leverage.

Following considerable US and South Korean diplomatic engagement, China allowed tough new sanctions to be passed by the UN Security Council on 2 March. However, Beijing has been critical of the further unilateral measures imposed by Washington. For sanctions to be effective, implementation must be enforced. However, suspicions remain about how rigorous China will be in ensuring that the sanctions regime will be obeyed.

## SOUTH KOREA AND A HARDENING OF ATTITUDES

South Korea's response is worthy of special attention due to the implications for inter-Korean relations. Since the January tests and the continued missile launches there has been a noticeable hardening of attitudes in Seoul towards North Korea. Seoul has bolstered its own sanctions regime, targeting specific individuals and companies which support North Korea's nuclear programme. It has also banned any vessel, which has stopped in the preceding 180 days in North Korea, from entering South Korean waters.

On February 10, South Korea announced the closure of the Kaesong Industrial Complex (KIC). This was a joint venture and a centrepiece of the Sunshine Policy pursued by South Korea in the late 1990s and early 2000s. South Korean companies developed manufacturing facilities on the northern side of the Demilitarised Zone to be operated by North Korean workers. Previously, the complex has been used as a political football, most notably in 2013, when it was closed for five months during heightened tensions on the peninsula.

What is different in this current round of tension is that Seoul, not Pyongyang, has ordered the closure of the complex, recalling staff and cutting off power and water to the site. The logic behind such an action, as explained by the South Korean government, is that a large percentage of money paid to Pyongyang has been siphoned off to support its missile and nuclear programme.

Following the closure of the KIC, North Korea's military took over the facility. It also cut the military hotline between the two warring states, a not unexpected yet worrying development given its utility in dealing with crises on the peninsula. Given Seoul's assertions as to the use of funds and the probable difficulty of persuading South Korean businesses to return to Kaesong, the ability of this one concrete symbol of inter-Korean cooperation to survive the current crisis seems to be in doubt. There is little prospect of any political or economic engagement between the two sides given the current impasse.

There has also been a noticeable increase in calls within South Korea for an indigenous nuclear weapons programme of their own. The US under Obama or a future Clinton administration would most likely prevent such a development; however, political uncertainty from Washington or continued North Korean provocations will only strengthen this growing movement in Seoul.



## CHINA AND A NEW SOURCE OF TENSION

Despite China agreeing to stronger UN sanctions, North Korea's actions have further exposed a rift between China and the US and its allies over how to denuclearise the peninsula. China has been promoting talks either through the existing six-party dialogue framework or through other forums. The US, South Korea and Japan will not support such a move without a prior commitment from North Korea to halt or even discuss their nuclear programme. This precondition represents a significant barrier to the resumption of talks and will likely remain under the current administrations in Washington and Seoul.

A further implication of these tests is the future deployment of the Terminal High Altitude Area Defence (THAAD) missile defence system on South Korean soil. The US has wanted to station this system in South Korea for a number of years but Seoul had refused primarily due to pressure from Beijing. It has been agreed that THAAD will deployed by the end of 2017 in an area out of range of North Korean artillery. It will be used to protect US and South Korean facilities in the south of the country

While there is some dispute as to the added level of protection THAAD will provide given South Korea's proximity to the North and the multitude of threats it faces, its radar will nevertheless provide much improved coverage over North Korea. It could also allow South Korea to contribute to or be included in a tri-lateral missile defence arrangement with Japan and the US in the future. Currently, there are mixed messages coming out of Seoul regarding this possibility, demonstrating the level of political sensitivity the issue has in South Korea.

The agreement over THAAD has seen the deterioration of relations between South Korea and China. The relationship between the two countries had been increasingly close, largely thanks to the efforts of the President Park in engaging with Xi, Jinping. This occasionally raised eyebrows in the US regarding the future strategic positioning of South Korea. The North's actions alongside China's apparent reticence to sanction its ally has forced South Korea's hand and Seoul is now going all in with Washington in their approach to the problem of North Korea; THAAD is symbolic of this change. China has voiced substantial displeasure over the deployment of THAAD and there are indications that Beijing may retaliate with economic measures or even revert to a more positive attitude towards North Korea.

#### **TRILATERAL COOPERATION**

The opposite has occurred in Seoul's relationship with Tokyo. In the last few months there has been a heightened and more public level of coordination between both the political and military leaderships in both countries. The Park government has decided to move past the historical issues that have plagued relations. This is most evident in the controversial agreement with the Abe government over the issue of the **Comfort Women.** Information sharing has been improved with the US acting as hub through which Japan and South Korea can transfer intelligence and momentum seems to exist to further develop and formalise relations. This has now been operationalised with the South Korean Navy undertaking joint exercises aimed at countering North Korea's missile threat with their Japanese and US counterparts.

Such cooperation makes the strategic picture much clearer for the United States, which in March demonstrated its commitment to its South Korean ally by taking part in the largest ever series of South Korea – US military exercises.

However, the three countries' individual influence over Pyongyang has traditionally been weak and there is little reason to believe that combined this would change. On an operational level, despite improvements, South Korea and Japan remain far apart. Additionally, previous attempts to develop the relationship – most notably following the sinking of the Cheonan in 2010 – fell apart as historical, diplomatic and economic concerns once again came to the fore in Seoul. For China, however, this improvement in trilateral cooperation, no matter how limited, bolsters their fear of US containment. How counterproductive the effect of this fear will be, vis-à-vis North Korea and China's commitment to sanctions, remains to be seen.

#### WHAT NEXT?

At North Korea's 7th Party Congress held in May 2016 Kim, Jong-un indicated that the nuclear and missile programmes would continue. This despite the increasing harshness of the sanctions regime and the coordinated response of the international community. It is this reality that the world needs to accept. Short of a collapse scenario, there is little indication that the current impasse can be resolved. While the upcoming election in the US may provide political cover to change approach, this is unlikely given North Korea's continued belligerence and the political climate in both countries. Prolonged instability punctuated by periods of heightened tension will most likely remain the norm on the Korean Peninsula and the surrounding region for the foreseeable future.



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Director: Sven G. Holtsmark

Norwegian Institute for Defence Studies Kongens gate 4 P.O. Box 890 Sentrum N-0104 OSLO Email: info@ifs.mil.no ifs.forsvaret.no/en

#### **ABOUT THE AUTHOR**

**Ian Bowers** is an associate professor at the IFS/ Centre for Asian Security Studies. His research focuses on South Korean security policy and Asian maritime security.

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