

Policy Report of Peace on the Korean Peninsula

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Additional Note (April 2014)

The report was finalized on December 2013. Since then, various incidents have occurred which have influenced the surrounding situation on the Korean Peninsula. This includes the announcement of the *Unification Bonanza* by President Park Geun-hye, the meeting of separated families from the two Koreas, the ROK-US military exercise *Key Resolve/Foal Eagle*, and the *Ssangyoug*, ballistic missile test by North Korea, the ROK-US-Japan Summit and the ROK-China Summit. However, we note that these events were not grave enough to change the core ideas and points of this report. We publish it without additional editing.

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Abstract

This report focuses on identifying the fundamental nature of the crises on the Korean Peninsula, including the North Korean nuclear issue, and providing substantial and comprehensive solutions. First, this report reviews the previous policies of the South Korean and the U.S. governments, which we believe have been based on unrealistic expectations, prejudices and stereotypes towards North Korea. Second, this report urges both the South Korean and the U.S. governments to base policies towards North Korea on realistic expectations and balanced perspectives. The suggestions in this report have been repeatedly raised by South Korean civil society organizations, who believe the South Korean and the U.S. governments should take anticipatory and active measures to break out of a vicious circle of conflicts and crises on the Korean Peninsula.

Looking back at 20 years of nuclear crises on the Korean Peninsula, the nature of the current aggravated situation is a result of the interactions between South Korea, North Korea and the U.S., rather than simply the unilateral actions of one party. To provide fundamental solutions to the problems on the Korean Peninsula, including the North Korean nuclear issue, both the South Korean and the U.S. governments should realize that it is time to shift their existing paradigm on North Korean policies. The only lesson from the past 20 years, with regard to the North Korean nuclear issue, is that dialogue and negotiation is more effective than sanctions and coercion in changing North Korea's attitude, or at least not worsening the situation. Through the peaceful conversion of the current armistice regime into a permanent peace regime, South Korea and the U.S. can permanently solve the North Korean nuclear issue in a diplomatic and peaceful manner.

Based on this analysis, this report suggests four strategies and novel approaches which develop and modify the existing agreements, in order to achieve peace and denuclearization on the Korean Peninsula. First, the South Korean and U.S. governments should consider the September 19 Joint Statement as the basic policy framework and develop the ideas of the statement based on fundamental, comprehensive and balanced principles. In particular, that the denuclearization of the Korean Peninsula requires the simultaneous establishment of a Nuclear Weapons Free Zone (NWFZ) and a permanent peace regime. Second, while resuming the Six-Party Talks to resolve the nuclear issue, Four-Party Talks amongst South Korea, North Korea, the U.S. and China should be started in order to establish a peace regime. Third, the U.S. government should improve the comprehensive relationship between the U.S. and North Korea at the same time that it resumes the Six-Party Talks. Fourth, stable development of the inter-Korean relationship is an indispensable condition for achieving the denuclearization of the Korean Peninsula and establishing a peace regime.

At the core of the new policy, this report proposes the declaration of peace by four countries (South Korea, North Korea, the U.S. and China) in exchange for North Korea's pledge to eliminate its nuclear capabilities and return to The Treaty on the Non-Proliferation of Nuclear Weapons (NPT). This would be the initial step in a simultaneous exchange of reciprocal actions. This is to first provide North Korea with a transitional status for its return

to the NPT and then later the complete destruction of nuclear weapons, as in the Ukrainian case. In order to build trust, a precondition for open negotiations should be the Four-Parties' declaration of an end to the Korean War and a pledge to transit to a permanent peace regime.

Policy Report of Peace on the Korean Peninsula

The Joint Conference on Peace on the Korean Peninsula

1. Background

Early in 2013, the year of the 60th armistice agreement, the Korean Peninsula was on the brink of another violent crisis. The tensions in the armistice system of the Korean Peninsula were dramatically mounting, the arms race was accelerating, military tensions were heightened and distrust between the two Koreas grew stronger than ever. It is fortunate that these heightened tensions on the Korean Peninsula were eased through the resumption of inter-Korean dialogue, and the reopening of the Gaeseong Industrial Complex. However, such tension has not been resolved and the Korean Peninsula is still stuck in a vicious cycle of conflicts and crises.

For several years, the U.S. and South Korea have concentrated more on imposing sanctions against North Korea rather than solving problems through dialogue. However, the so-called "Strategic Patience," led by the U.S., did not play any effective role in encouraging North Korea to change their attitudes and submit to the sanctions. Meanwhile, North Korea developed their nuclear weapons and missile launching capabilities, which provided the U.S. with greater opportunities to justify its construction of missile defense systems in Asia and its Pivot to Asia policy. As a result, this vicious cycle is trampling any sprouts of peace on the Korean Peninsula.

This report is the result of a cooperative study by academics and civil society representatives in South Korea. The objective of this report is to reflect in the policy making process of all countries, the public opinion of those on the Korean Peninsula, who would become the greatest victims of confrontation and conflict.

We have already experienced in the nearly six decades since the Korean Armistice Agreement, many crises in which agreements between governments became worthless in the blink of an eye. We have also seen that governments make unrealistic decisions that do not substantially contribute to cultivating the permanent peace that all people on the Korean Peninsula desire. This is why civil society should be proactive in preventing conflicts and confrontations and establishing peace on the Korean Peninsula.

This report, therefore, aims to not only reveal the fundamental nature of the crises on the Korean Peninsula, but also provide substantial and comprehensive solutions for the Korean Peninsula, including the North Korea nuclear issue. It is notable that this year marks the 60th year of the armistice agreement and the ROK-U.S. alliance, as well as the 20th year since North Korea withdrew from the NPT, which triggered the nuclear crisis on the Korean Peninsula. This report proceeds from the basic premise that any form of military conflict that

can destroy all living things on the Korean Peninsula, must never be allowed. This premise is a reflection of the will of the majority of people on the Korean Peninsula.

The main purpose of this report is to review the policies of the South Korean and U.S. governments, which have been based on unrealistic expectations, prejudices and stereotypes toward North Korea, and to urge both governments to create policies based on realistic expectations and balanced perspectives.

In addition, it is expected that this report will provide useful suggestions to North Korea itself, as well as the other members of the Six-Party Talks China, Russia and Japan, who can contribute to solving problems on the Korean Peninsula. We also expect that the report will provide a reference to help academics, journalists, NGO activists and those from the general public who are interested in Korean issues, to understand and study the issues involved.

2. Several Problems for Analysis of Crises on the Korean Peninsula

(1) Prejudices Regarding Crises on the Korean Peninsula

To precisely analyze and seek solutions to crises on the Korean Peninsula, it is crucial to have a balanced and objective view on the origin, development and prospects for these problems. However, prejudice and stereotypes against North Korea have deeply influenced the South Korean and the U.S. governments, thus making it difficult to promote balanced and realistic policies towards North Korea.

There are five initial stereotypes and prejudices which make it difficult to establish effective alternative policies towards North Korea, as they prevent a reflective approach to policies on North Korea and ignore core problems. 1) Attempts to locate reasons for North Korean provocations solely within North Korean internal conditions, such as the instability of the Kim regime; 2) Assuming that provocative actions by North Korea are solely a tactic to receive more economic assistance; 3) Complaining that even though China understands its significant influence over North Korea, it does not fulfil its international responsibilities; 4) Believing that responding to North Korea's provocative words and actions with dialogue alone, allows North Korea to take the initiative on issues; and 5) Regarding negotiations with North Korea as a waste of time.

It is hard to say that these perceptions are totally wrong, but these are based on partial and incomplete hypotheses. Firstly, arguments based on the instability of the North Korean regime do not correspond with recent analyses issued by the U.S. intelligence agencies, which reports that Kim Jung-un is quickly stabilizing his control over the regime. Also, this argument cannot explain recovery in the economy and food supplies, or efforts to normalize the country through a cabinet-based system and drastic changes in the military leadership. Also, reinforcing the sanctions and suspending humanitarian assistance had no positive effects on compelling the North Korean leadership to change their attitudes, but only exacerbated the hardships of the North Korean people.

In regards to the Chinese-North Korean relationship, it is obvious that this has changed from blood hood to a normal state relationship. So far, China has played a more effective role in dialogue and negotiation, rather than in the imposition of sanctions and pressuring North Korea. Therefore, the role of China should be reanalyzed.

The so-called “North Korean Pattern” of ‘provocation-dialogues-appeasement-provocation’ seems to have been repeated not just because North Korea fails to keep its word and stop provocative actions, but also because of South Korea and the U.S.’s nonfulfillment and procrastination when it comes to their agreements. Although the U.S. government promised negative security assurance, through the Agreed Framework between the United States of America and the Democratic People's Republic of Korea (Geneva Agreed Framework) in 1994, declassified documents revealed that the U.S. government secretly simulated military exercises using its nuclear weapons against North Korea. It is a well-known fact that the U.S. had no intention of fulfilling the Geneva Agreed Framework from the beginning, due to its expectation that North Korea would collapse soon. The George W. Bush administration also: ignored the U.S.-DPRK Joint Communiqué; suspended all negotiations regarding North Korean missiles, shortly before reaching a settlement; and regarded North Korea as an “Axis of Evil” and a primary target for a preemptive attack. In South Korea, under the Lee Myung-bak administration, absorption unification by South Korea was the basic strategy toward North Korea, as verified by Ministry of Foreign Affairs documents.

It is understandable to regard North Korea as an unreliable counterpart in diplomacy, but this does not mean that direct diplomacy with North Korea is worthless and should be omitted from the list of options. If only the governments of South Korea and the U.S. had put more effort into direct dialogue with North Korea, instead of coercing and imposing sanctions on North Korea, and attempting to persuade China, the situation in the Korean Peninsula would be very different.

It is obvious that fundamental problems on the Korean Peninsula, including provocative attitudes by North Korea, are not caused by unilateral actions by one party, but by the interaction amongst the South Korean, U.S. and North Korean governments. Therefore, it is crucial for the South Korean and U.S. governments to change their existing paradigm on North Korean policies, in order to contribute to providing permanent solutions for the Korean Peninsula, including on the North Korean nuclear issue.

(2) The Most Effective Means to Change the Attitude of North Korea: Dialogue and Negotiation

The only lesson from the past 20 years of North Korean nuclear negotiations is that conversation and negotiation is more effective than sanctions and coercion when attempting to change North Korea’s attitude.

All positive watersheds in the history of the North Korean nuclear issue have been a result of actual dialogue amongst countries. The Clinton administration led North Korea to suspend its decision to pull out of the Nuclear Nonproliferation Treaty (NPT) through several rounds of DPRK-U.S. high-level talks, and the DPRK-U.S. joint statement on 19 July 1993. The Geneva Agreed Framework in 1994 required North Korea to freeze the use of its 5 megawatt

Graphite Moderated Reactor, along with the construction of a 50 megawatt and 200 megawatt Graphite Moderated Reactor. Also, the Bush administration's effort at direct dialogue with North Korea, transformed the Banco Delta Asia sanctions crisis, into agreements on 13 February 2007 and 3 October 2007. These are prime examples of the necessity and effectiveness of direct conversation when dealing with the North Korean nuclear issue.

Conversely, crises such as: the KwangMuoung Song 1, 2, 3 rocket launches by North Korea; the UN Security Council statements condemning the rocket launches; the 2nd and 3rd nuclear test; and the UN Security Council's additional resolutions imposing sanctions on North Korea (Resolution No. 1874, 2087, 2094); happened during period when pressure and sanctions were being imposed on North Korea.

Economic sanctions are not effective in dealing with North Korean nuclear and missile issues. The typical example is the Banco Delta Asia sanctions, which were imposed in the name of punishing North Korea's illegal economic activities, but which were not related to the nuclear or missile issues. However, North Korea considered it as a hostile policy towards North Korea and pushed for a nuclear test. The U.S. understood lifting Banco Delta Asia sanctions was a precondition for solving the North Korean nuclear problem, and lifted sanctions through the U.S. Department of State. In response, North Korea provided a complete declaration of all of its nuclear programs and disabled all of its existing nuclear facilities, including shutting down North Korea's nuclear facilities at Yongbyon.

Dialogue and negotiation has been a more effective approach to make progress on the North Korea nuclear issue, than other approaches. We should face up to the fact that the U.S. government's "Strategic Patience" and the Lee Myung-bak administrations' continual sanctions against North Korea only resulted in North Korea improving its nuclear capabilities, rather than abandoning them. At least, North Korea did not test missiles and nuclear weapons when it was engaged in practical dialogue.

(3) Is it not Possible to Solve the North Korean Nuclear Issue?

As the North Korean nuclear issue is prolonged, and the state's desire to hold nuclear power becomes clearer, some people doubt the possibility of the denuclearization of the Korean Peninsula. In 2012, North Korea officially redefined itself as "a nuclear state," by specifying the word in its constitution, and pushed ahead with the third nuclear test in February 2013. Both engagement polices, such as the Sunshine Policy, and strong arm polices, such as economic sanctions, and diplomatic and military pressure, have failed. As a result, some people think that there are no realistic solutions.

Regardless of whether neighboring countries, including South Korea, acknowledge that North Korea has nuclear power or not, it is inevitable that different approaches are required to solve the North Korean nuclear issue. There are several reasons for North Korea to hold nuclear power: 1) to countervail its inferiority in conventional weapons, to those of the ROK-U.S. alliance; 2) to reinforce its deterrent capabilities against the ROK-U.S. alliance's

preemptive military capabilities; 3) to possess means of coercive diplomacy; 4) to promote its international position; 5) to develop its economy by controlling arms; and 6) to reinforce the legitimacy of its leadership for internal solidarity. Whether one succeeds or fails, in inducing North Korea to permanently abandon its desire for nuclear capabilities, depends on whether South Korea, the U.S. and other involved countries can provide appropriate solutions corresponding to these multiple motives.

In this context, the National Defense Commission of North Korea (NDC)'s suggestion, made on 16 June 2013, to hold DPRK-U.S. high level talks is worthy of notice. The NDC specified how North Korea defines denuclearization and what their requests are in this suggestion. The NDC emphasizes that denuclearization cannot be a precondition for resuming dialogue, but is a common goal that should be achieved together. The NDC also specifies three themes for a main agenda: 1) an easing of strained military relations; 2) converting the current armistice system into a peace system; and 3) establishing a "nuclear free world," as suggested by the U.S. On 3 October 2013, U.S. Secretary of State John Kerry offered a non-aggression agreement between the U.S. and DPRK on the condition of denuclearization. However, the North Korean National Defense Commission issued a statement on 12 October 2013, arguing for: 1) the withdrawal of the condition of denuclearization; 2) the lifting of sanctions on North Korea; and 3) the end to nuclear threats against North Korea.

It seems from this suggestion that North Korea requires more than what it prescribed in the inter-Korean Joint Declaration of the Denuclearization of the Korean Peninsula in 1992 and the Geneva Agreed Framework in 1994. North Korea requires not only the establishment of a peace system on the Korean Peninsula and normalization of DPRK-U.S. diplomatic relations, but also a Nuclear Weapon Free Zone (NWFZ) on the Korean Peninsula. This means that North Korea requires the U.S. to retract its nuclear umbrella policy toward South Korea. Given that the past Bush administration's stipulated doctrine of the preemptive use of nuclear weapons against North Korea, this is an expected result. Since 11 September 2001, the Bush administration declared that against rogue states, such as Iraq and North Korea, the U.S. has the right to launch a preemptive attack. In the case of Iraq, the U.S. did just so, despite Iraq not possessing nuclear weapons. In addition, the South Korean and the U.S. governments maintained a "Strategic Patience" posture and established an "Extended Deterrence Policy Committee" (EDPC), to enhance the effectiveness of extended deterrence. This drove the North Korean leadership to propose the NWFZ as a condition for discarding its nuclear weapons.

It is not unreasonable for North Korea to require the U.S. to stop nuclear delivering exercises on the Korean Peninsula, as a precondition for discarding its nuclear weapons. Establishing the NWFZ has continuously been proposed by policy makers and civil movements who are seeking a nuclear free world. Therefore, if earnest efforts are to be made to actually discard nuclear weapons in North Korea, through a reasonable and peaceful change in current conditions, it is possible to solve North Korean nuclear issue in a diplomatic and peaceful manner. The past failures are not only because of North Korea, but also because South Korea and the U.S. tried to solve the North Korea nuclear issue without making changes to the current conditions.

3. A Critical Assessment of the Current Policies of the South Korean and U.S. Governments

The South Korean and U.S. governments have considered how they should respond to North Korea's provocative actions, and deal with the North Korean nuclear issue. The options on their table have been as follows: 1) the reinforcement of sanctions; 2) the expansion of deterrence and missile defense capabilities; 3) the maintenance of the status quo through containment; 4) South Korea's nuclear armament and the re-deployment of U.S. strategic nuclear weapons; and 5) the use of force for overthrowing the Kim regime. Under no circumstances can the three latter options be considered real options.

(1) Maintenance and Reinforcement of Sanctions against North Korea

Sanctions practically failed to not only change North Korea's provocative attitudes, but also to induce North Korea to abandon its development of missile and nuclear capabilities. Nevertheless, this option is still regarded as a panacea for the North Korean nuclear issue. The logic that sanctions are the price North Korea pays for its provocative actions, leads to the view that dialogue with North Korea is a reward for its provocative actions. Advocates for reinforcing sanctions ascribe the failure of sanctions to China's hesitance or "looseness" over sanctions.

The 20 years of history surrounding the North Korean nuclear issue provides a different lesson, in that the greater the sanctions imposed on North Korea, the greater the provocative actions and words Pyongyang responds with. The North Korean leadership regards economic hardship caused by sanctions as the price they have to pay for protecting their security and sovereignty, and the leadership and its society are getting accustomed to sanctions by inventing multiple means for overcoming this hardship. However, for the South Korean and U.S. governments, imposing sanctions becomes an objective in itself of policy towards North Korea.

Both governments are propagating the notion that, "if North Korea shows its sincerity towards denuclearization through substantive actions, we are willing to have conversations with Pyongyang." However, this attitude does not sound sincere; instead, it sounds like political rhetoric, because denuclearization of the Korean Peninsula is a common goal that all countries involved can only achieve through dialogue. A goal cannot be a precondition for a means. Both governments should lift some sanctions as a symbol of their sincerity first. After this negotiations should begin with North Korea over whether or not to lift other sanctions, in order to prevent its provocative actions, including further progress in its nuclear weapons program. To achieve this, countries should immediately start dialogue without preconditions.

(2) Expanding Deterrence Capabilities against North Korea and Reinforcing Missile Defense

Expanding deterrence capabilities is one of the two pillars of current policy towards North Korea; another pillar is to impose and reinforce sanctions. Deterrence capabilities against North Korea are reinforced in multiple ways. First, the South Korean government adopted an

“active deterrence strategy,” a strategy that once South Korea senses any symptom of North Korea’s use of nuclear weapons, it will preemptively attack the target location for a preventive purpose. In this context, South Korea accelerates the establishment of a preemptive defense operation system, the so-called “Kill Chain.” The U.S. government is also committed to maintaining and reinforcing the extended deterrence that consists of a nuclear umbrella, conventional weapons, and a Missile Defense (MD) system. Furthermore, South Korea, the U.S. and Japan accelerated the establishment of a MD system between the three countries. Thus, they increased the number and intensity of joint military exercises.

Deterrence against North Korea is not unnecessary, but we still need to consider several things when reinforcing deterrence against North Korea. As the military capabilities of the ROK-U.S. alliance are vastly superior to those of North Korea, South Korea and the U.S. have sufficient deterrence against North Korea’s armed provocations. The South Korean government spends about 30 billion dollars on its annual military budget, which is almost twice as much as the annual GDP of North Korea (about 15 billion dollars) and ten times that of its military expenditures. In terms of the efficiency of weapon systems and the performance of military exercises, those of North Korea cannot be compared with those of the ROK-U.S. alliance.

Enhancing deterrence against North Korea with armed protest is likely to cause an accidental armed conflict and war. In addition, if an arms race is continued, to enhance deterrence capability against North Korea, solving the North Korea nuclear issue will be more difficult. We should realize that the motivation and strategic background of Pyongyang’s decision to develop nuclear weapons capabilities, is to countervail its conventional military inferiority to the ROK-U.S. alliance.

Establishing a MD system has several problems, besides technological limitations and the controversy over cost-effectiveness. Despite the U.S. argument that a MD system would discourage North Korea from developing its nuclear and missile capabilities, because it would lower their usefulness, the reality is just the opposite. In addition, a MD system aggravates strategic distrust between the U.S. and China and, thus, discourages China from playing a constructive role. Some in the U.S. argue that a MD system would arouse China’s security concerns, by which Beijing would be impelled to participate in imposing pressure and sanctions on North Korea. Therefore, they insist that the U.S. should reinforce the role and capacity of the ROK-U.S. alliance and the U.S.-Japan alliance and also accelerate military cooperation between both alliances. However, this type of coercive diplomacy raises concerns that the U.S. is using North Korea threats as a justification for its “Pivot to Asia” policy or “Rebalancing” strategy, whose actual purpose is to monitor China. In addition, as the U.S. requires South Korea to participate in a MD system and sign a General Security of Military Information Agreement with Japan, this would arouse criticism of the U.S. in Korea.

(3) Maintaining the Status Quo on the Peninsula

The South Korean and U.S. governments are pressing North Korea: diplomatically, they isolate North Korea by suggesting strict preconditions for resuming dialogues; economically,

they put considerable effort into imposing multiple forms of sanctions on North Korea while hesitating to provide humanitarian assistance; and militarily, they focus on reinforcing deterrent and retaliatory capabilities. These policies seem to maintain the status quo of the current armistice system on the Korean Peninsula and compel North Korea to change itself, by imposing pressure and responding with passive dialogue.

However, maintaining the status quo on the Korean Peninsula cannot be a realistic option, due to two extremely negative possibilities: 1) the possibility of a recurrence of the Korean War; and 2) Enhanced North Korean nuclear capabilities. Despite the low likelihood of the intentional initiation of a full-scale war, the probability of accidental military clashes and their escalation is increasing. In terms of this scenario, North Korea will be able to risk provocative action to incapacitate the current armistice system due to its nuclear weapons. The possibility of this scenario increases due to the South Korean government's newly issued defense plan, which states it will retaliate against any provocative North Korean actions by striking not only its origin, but also its supporting forces and headquarters. The possibility seems to have grown due to the U.S.' position that it will conduct large scale conventional military and nuclear delivery exercises in order to discourage arguments supporting nuclear armament in South Korea and threats from North Korea, as in Spring 2013.

The second possibility is enhanced North Korean nuclear capability. It is estimated that North Korea currently possesses five to ten nuclear weapons and its nuclear program would be able to produce three or more nuclear weapons every year if North Korea makes its uranium enrichment facilities and 5 megawatt Graphite Moderated Reactor fully operational. If North Korea begins to produce plutonium with a new light-water research reactor of 30 megawatt capacity, its nuclear capabilities would be significantly improved. To make matters worse, within a few years, North Korea would be able to load nuclear warheads onto its missiles.

The enhancement of North Korea's nuclear capabilities: 1) encourages its military adventurism; 2) increases the possibility of conflicts with the ROK-U.S. alliance's 'expansive or proactive deterrence' strategy; 3) raises the possibility of entering a new war; and 4) encourages Japan and South Korea to advocate for their own nuclear armament. In addition, it will increase the probability of proliferation of the North Korean nuclear program. Expanding North Korea's nuclear capabilities makes North Korea more likely to export its nuclear program to other countries, such as Iran or non-state actors, in order to pressure the U.S. or to gain economic benefits. The more these possible scenarios become a reality, the more difficult it is to maintain the status quo on the Korean Peninsula, namely stable control of the current armistice system.

In conclusion, the current situation based on the armistice system is likely to make the Korean Peninsula more unstable, so as to make the system unsustainable. Therefore, the 'Strategic Patience' of the Obama administration and the 'Korean Peninsula Trust-Building Process' of the Park Geun-hye administration, while likely to maintain the status quo on the Korean Peninsula in the long term, should be closely reconsidered. Without conversion of

the current armistice system to a peace system, it will be impossible to permanently solve the North Korean nuclear issue, because this mechanism is the fundamental cause of the crises on the Korea Peninsula. Therefore, newly issued policies toward North Korea should be based on active and peaceful efforts to change the status quo that is the peaceful conversion from the current armistice system to a permanent peace system.

4. New Approach to Denuclearization and Permanent Peace in the Korean Peninsula

In establishing new policies for denuclearization and permanent peace on the Korean Peninsula, the first step is to follow and maintain the direction of the erstwhile agreements and develop their content. Namely: the Joint Declaration on the Denuclearization of the Korean Peninsula in 1992; the U.S.-DPRK Joint Communiqué in 2000; the September 19th Joint Statement of the Fourth Round of the Six-Party Talks in 2005; and the October 4th Joint Declaration of the Inter-Korean Summit in 2007. In particular, the South Korean and U.S. governments should pay attention to the position that the September 19th Joint Statement took, because the statement handles the North Korean nuclear issue in a comprehensive fashion. It specifies the necessity of solving the North Korean nuclear issue, improving U.S.-DPRK and Japan-DPRK relations, and establishing a permanent peace-security system in Northeast Asia by all participating states in the talks.

In proposing policy alternatives, this report develops and modifies the contents of these existing agreements in accordance with the changed situation. The policy alternatives proposed in this report consist of four parts: (1) four approaches for implementing a productive policy towards North Korea; (2) a simultaneous exchange model of reciprocal action as the initial step in building innovative mutual trust; (3) strategies for managing the transitional process for a permanent peace regime; and (4) strategies for establishing a Nuclear Weapon Free Zone (NWFZ) and a permanent peace regime in the Korean peninsula as the ultimate goal.

(1) Four Approaches for a Productive Policy towards North Korea

First, the South Korean and U.S. governments should consider the September 19th Joint Statement as a basic premise and develop the ideas of the statement into a fundamental, comprehensive and balanced principle in dealing with the North Korea nuclear issue. The denuclearization of the Korean Peninsula stipulated in the statement should be formalized and developed into the establishment of NWFZ on the Korean Peninsula. Even though the statement approached the nuclear issue by separating denuclearization of the Korean Peninsula from the establishment of a NWFZ on the Korean Peninsula, the new policy should approach the issues by regarding these separate goals as goals that we should simultaneously achieve. In new rounds of dialogue, we should comprehensively discuss the issue of delivery vehicles (rockets), which are not included in the statement, and economic cooperation in the statement.

Second, South Korea and the U.S. should start Four-Party Talks between South Korea, North

Korea, the U.S. and China to discuss a peace treaty for establishing a permanent peace system on the Korean Peninsula, while resuming the Six-Party Talks to resolve the nuclear issue. The issue of a peace system is a mutually-agreed term of the September 19th Joint Statement in 2005. South Korea, North Korea, the U.S. and China should, therefore, regard the initiation of Four-Party Talks for discussing a peace system as fulfilling one of the principles of the Joint Statement while resuming the Six-Party Talks. In order to make smooth progress in the Four-Party Talks, in regard to the discussion of a peace system, we need to refer to the previous Four-Party Talks that South Korea and the U.S. simultaneously proposed to North Korea and carried forward in 1996. If South Korea, the U.S., and China begin to consult with North Korea based on the agendas and main issues that were discussed in the previous rounds of the talks in 1996, they will be able to create a favorable atmosphere for resolving the nuclear issue.

Third, the U.S. Government should resume bilateral and direct dialogue with North Korea about improving the comprehensive relationship between the U.S. and North Korea at the same time that it resumes the Six-Party Talks. The direct talks between the two governments should aim to normalize their diplomatic relations. First of all, the U.S. should institutionalize a conversation in which the U.S. and North Korea gradually discuss a range of items from lifting economic sanctions to ending their hostile relations. In these rounds of talks, the U.S. needs to reaffirm its promise that the U.S. president will visit North Korea, which was agreed and stipulated in the US-DPRK Joint Communiqué in 2000.

Fourth, stable improvement of the inter-Korean relationship is an indispensable condition for achieving the denuclearization of the Korean Peninsula and establishing a peace system. The South Korean government should not force North Korea to abandon its nuclear capabilities before resuming inter-Korean cooperation, because this attitude does not help Seoul solve the nuclear issue and improve inter-Korean relations, but simply motivates North Korea to reinforce its nuclear capabilities and exacerbates inter-Korean relations. A favorable and stable inter-Korean relationship is essential for facilitating the process of solving the North Korean nuclear issue and peace on the Korean Peninsula. In this context, the South Korean government should put considerable effort into improving the current worsening inter-Korean relationship. This can be done by carrying out cooperative measures, such as the resumption of humanitarian assistance (e.g., food and fertilizer), restarting Mt. Kumgang tours, and lifting the May 24th sanctions. Furthermore, Seoul should respect and acknowledge mutually agreed terms (e.g., the Inter-Korean Basic Agreement, the June 15th Joint Declaration of the Inter-Korean Summit in 2000, and the October 4th Joint Declaration of the Inter-Korean Summit in 2007) and consult responsibly and positively with Pyongyang about how to ease tensions and establish peace in the Yellow Sea.

(2) Initial Simultaneous Action Plan: North Korea's Return to NPT and Pledges to Destroy Nuclear Weapons, and a Four-Party Declaration of Peace

The existing piece meal approaches are not suitable to deal with the current reinforced nuclear capabilities of North Korea. What is important now is to create a stable frame of mutual trust between the countries involved in order to resume productive negotiations. For

this, initial simultaneous action plans are required. This report proposes an initial simultaneous action plan as being the declaration of peace by four countries (South Korea, North Korea, the U.S. and China) and North Korea's return to the NPT. Through this action we can create a favorable atmosphere and a stable frame of mutual trust for stepping forward to denuclearization, the comprehensive improvement of relationships, and the establishment of a peace regime on the Korean Peninsula.

North Korea's Commitment to Return to the NPT and Eliminate its Nuclear Program

In order to take the first step in a simultaneous initial action plan, the countries involved should try to create opportunities for building mutual trust. This can be done by complimenting, and making up the shortcomings in, the Leap Day Agreement in 2012, through high-level talks between the U.S.-DPRK or multilateral talks such as the Six-Party Talks. The main topic for complementing the Leap Day Agreement is that North Korea shows its sincerity towards eliminating its nuclear weapons program with concrete measures, and the U.S. immediately starts Four-Party Talks to discuss a permanent peace system.

Concrete actions that North Korea should take in the simultaneous initial action plans are pledging to destroy its existing nuclear weapons and nuclear weapons program, and returning to the NPT and IAEA safeguard as its transitional status. Even if North Korea does not complete eliminating all its nuclear capabilities at the point of return to the NPT, the pledging process clarifies and formalizes its status and its ultimate goal to be a non-nuclear power. This is the highest measure that North Korea can take at this stage in order to show its sincerity towards eliminating its nuclear capabilities.

To become a NPT member again, North Korea is not required to eliminate its nuclear capabilities before returning to the NPT. The NPT does not have this kind of legal requirement, and there are several precedents. After the collapse of the Soviet Union in December 1991, Ukraine, Kazakhstan, and Belarus inherited a large number of nuclear weapons from the Soviet Union, but they were able to become NPT members without eliminating these nuclear weapons. They completed the elimination of their nuclear weapons around three years after signing the NPT.

North Korea is the only country which develops nuclear weapons after withdrawing from the NPT. Thus, if South Korea and the U.S. get North Korea to return to the NPT and eliminate its nuclear weapon programs within the NPT system, the North Korean case can be an historical precedent that contributes to enhancing a global nonproliferation regime. In particular, North Korea's return to the NPT would have positive effects on solving the Iranian nuclear issue.

Four-Party Declaration of Peace: South Korea, North Korea, the U.S. and China

A Four-Party declaration of peace on the Korean Peninsula is a reciprocal measure that the other three countries except North Korea should simultaneously carry out when North Korea returns to the NPT. The process for establishing a permanent peace system on the Korean Peninsula, our ultimate goal, requires a transitional goal as a temporary measure, namely

the end of the current armistice system. A Four-Party declaration of peace is a symbolic, but substantive measure in the process to end the ongoing war on the Korean Peninsula and converting the current armistice system into a permanent peace system.

At this point, it is necessary to closely review the issue of fulfilling the pre-existing declaration on the end of the war on the Korean Peninsula. In 2007, South Korea, North Korea, and the U.S. briefly discussed how to declare an end to the Korean War and how to design a transitional regime for managing the time between declaring an end to the war, to signing a peace treaty. The Four-Party declaration that this report suggests, maintains the initial motive of the discussions in 2007 and develops the motive into a specific process of converting the current armistice system into a permanent peace system based on the signing of a peace treaty among these four countries.

(3) Management of Transitional Process for a Permanent Peace System

The Four-Party declaration of peace is a pledge to convert the current armistice system into a permanent peace system on the Korean Peninsula. Thus, it is necessary to devise a transitional peace regime that substitutes for the current armistice system in order to manage the transitional period between the Four-Party declaration of peace and the eventual establishment of a permanent peace system based on a peace treaty. To devise a transitional peace management regime, reference is needed to changes in existing international mechanisms on and around the Korean Peninsula, from rules for managing an armistice process to rules for managing the war termination process. A regime for the management of war termination, or a war termination regime, is not only one of the constituent parts of a peace treaty, as a steppingstone toward a permanent peace regime, but also a transitional regime for managing the period until the signing of a peace treaty and the bringing of the treaty into effect. To this end, South Korea, North Korea, and the U.S. should consult on how they make this transitional peace management regime fully operational, by focusing more on the issues on which they can easily agree rather than on the issues that require considerable time to discuss and solve.

The war termination regime should be operated by both South and North Korean governments instead of the armistice system that is operated by United Nations Command (UNC). This war termination regime will manage a transitional period until a permanent peace system is established with a peace treaty. Even though the four countries, South Korea, North Korea, the U.S., and China, should discuss and agree to the Four-Party declaration of peace, South Korea, North Korea, and the U.S., which significantly stations its troops on the Korean Peninsula, should be the countries directly involved in operating organizations that manage a transitional peace period under the war termination regime.

The transitional peace management organization should integrate the existing functions of the Military Armistice Commission (MAC) of the Korean War Armistice Agreement and mutually agreed functions of a South-North Joint Military Commission (SNJMC) of the Inter-Korean Basic Agreement. The organization should function as an organization of two Korean governments for the management of the Demilitarized Zone (DMZ) and as an organization of

the two Korean and the U.S governments for fulfilling mutually agreed measures to reduce mutual threats. Specifically, it is appropriate that building military trust within the organization should be discussed at the 'South and North Korea Joint Military Commission' with the U.S. as a guarantor.

(4) The Ultimate Goal: Signing of the Peace Treaty and Establishment of a Nuclear Weapon Free Zone on the Korean Peninsula

The Peace Treaty on the Korean Peninsula

The institutional completion of the establishment of a permanent peace system, is the conversion of the current unstable armistice system into a permanent peace system. Durability of institutions depends on whether or not peace is substantially achieved in the region. Therefore, the signing of the Korean Peninsula peace treaty should correspond to negotiations on the denuclearization of the Korean Peninsula, the normalization of DPRK-U.S. relations, and the establishment of a Northeast Asian peace cooperative regime.

The main contents of a peace treaty are as follows: First, a demarcation line should be decided. These lines should be decided as mutual non-aggression lines in the sea, air and land. In particular, maritime a demarcation line in the West Sea should be solved in a way that satisfies both countries by implementing a 'Special Zone of Peace and Cooperation in the West Sea,' which was agreed to by both Koreas.

Second, based on trust-building measures in military field, substantive and specific arms control and reduction should be fulfilled by those countries directly involved in the peace treaty. In this arms control and reduction program, the countries directly involved should be able to discuss, fulfill and verify whether or not they abide by mutually agreed terms in order to guarantee and maintain military stability on the Korean Peninsula.

Third, it must not be allowed that an existing military treaty with foreign countries violates the motives and purposes of the peace treaty. However, foreign troops stationed on the Korean Peninsula should be allowed on the premise that they agree to, guarantee and abide by the motives, purposes, and contents of the peace treaty. The issue of U.S. Forces in Korea (USFK) is an issue between South Korea and the U.S. based on the ROK-U.S. Mutual Defense Agreement. Since the process of signing the peace treaty, however, requires the countries directly involved, including South Korea and the U.S., to participate in comprehensive arms control and reduction to decrease mutual threats. South Korea and the U.S. would be able to decide how to reduce the number of USFK forces and how to reduce or abolish ROK-U.S. joint military exercises in order to succeed in establishing a permanent peace system.

Fourth, the management and supervision of a permanent peace system can be carried out by converting the transitional peace management organizations, which South Korea, North Korea, and the U.S. participate in and operate, into an inter-Korea peace management organization. Once the countries sign the peace treaty, UNC's mission on the Korean Peninsula should be terminated and then disbanded.

Establishment of a Nuclear Weapon Free Zone on the Korean Peninsula

Reflecting future-oriented values, the South Korean and U.S. governments should pursue the denuclearization of the Korean Peninsula towards the establishment of a NWFZ. The South-North Joint Declaration on the Denuclearization of the Korean Peninsula in 1991 stipulated the mutually agreed basic goals in solving the nuclear issue. However, the Joint Declaration did not specify what mandatory terms nuclear powers involved are required to fulfill in terms of denuclearization of the Korean Peninsula while NWFZ in other regions do.

Given this reality, overall measures to solve the nuclear issue on the Korean Peninsula should include permanent denuclearization of the Korean Peninsula, negative security assurances from the U.S. towards North Korea, and actions of other nuclear powers in regards to the NWFZ. Specifically, nuclear powers should provide negative security assurances towards North Korea and prohibit themselves from deploying or stationing or transporting any nuclear delivery vehicles on the Korean Peninsula. In addition, the U.S. should officially and permanently withdraw its commitment of a nuclear umbrella for South Korea once North Korea eliminates its nuclear programs.

All these measures for the establishment of a NWFZ on the Korean Peninsula should develop into the establishment of a NWFZ in Northeast Asia. These way future nuclear crises can be avoided and countries in Northeast Asia could revitalize work towards a regional peace-security system that currently ran out of ideas. It will also foster the goal of a 'nuclear weapon free world,' which is a vision of the Obama administration and a desire of all people.