



North Korea: U.S. Relations, Nuclear Diplomacy, and Internal Situation

Emma Chanlett-Avery
Specialist in Asian Affairs

Ian E. Rinehart
Analyst in Asian Affairs

September 13, 2013

Congressional Research Service

7-5700

www.crs.gov

R41259

Summary

North Korea has been among the most vexing and persistent problems in U.S. foreign policy in the post-Cold War period. The United States has never had formal diplomatic relations with the Democratic People's Republic of Korea (the official name for North Korea). Negotiations over North Korea's nuclear weapons program have occupied the past three U.S. administrations, even as some analysts anticipated a collapse of the isolated authoritarian regime. North Korea has been the recipient of well over \$1 billion in U.S. aid and the target of dozens of U.S. sanctions.

This report provides background information on the negotiations over North Korea's nuclear weapons program that began in the early 1990s under the Clinton Administration. As U.S. policy toward Pyongyang evolved through the George W. Bush and Obama presidencies, the negotiations moved from mostly bilateral to the multilateral Six-Party Talks (made up of China, Japan, Russia, North Korea, South Korea, and the United States). Although the negotiations have reached some key agreements that lay out deals for aid and recognition to North Korea in exchange for denuclearization, major problems with implementation have persisted. With Six-Party Talks suspended since 2009, concern about proliferation to other actors has grown.

After Kim Jong-il's death in December 2011, his youngest son, Kim Jong-un, has consolidated his authority as supreme leader. Bilateral agreements with the United States in February 2012 involving the provision of aid and freezing some nuclear activities fell apart after Pyongyang launched a rocket in April 2012. Prospects for further negotiations dimmed further after another, more successful, launch in December 2012 and a third nuclear test in February 2013. In response to new U.N. sanctions, Pyongyang sharply escalated its rhetoric and took a number of provocative steps. The U.S. reaction included muscular displays of its military commitments to defend South Korea and moves to bolster its missile defense capabilities.

North Korea's actions present renewed questions for the Obama Administration. Does the nuclear test, along with a successful missile launch last year, fundamentally change the strategic calculus? Has North Korea's capacity to hurt U.S. interests, up to and including a strike on the United States itself, increased to the point that military options will be considered more carefully? Is returning to the Six-Party Talks, dormant since 2008, still a goal? Relatedly, does the United States need a strategy that relies less on Beijing's willingness to punish Pyongyang? Do North Korea's nuclear advances mean that the policy of "strategic patience" is too risky to continue? More broadly, to what degree should the United States attempt to isolate the regime diplomatically and financially? Should those efforts be balanced with engagement initiatives that continue to push for steps toward denuclearization? Have the North's nuclear and missile tests and attacks on South Korea demonstrated that regime change is the only way to peaceful resolution?

Although the primary focus of U.S. policy toward North Korea is the nuclear weapons program, there are a host of other issues, including Pyongyang's missile programs, illicit activities, violent provocations inflicted upon South Korea, and abysmal human rights record. Modest attempts at engaging North Korea remain suspended along with the nuclear negotiations.

This report will be updated periodically. (This report covers the overall U.S.-North Korea relationship, with an emphasis on nuclear diplomacy. For information on the technical issues involved in North Korea's weapons programs and delivery systems, as well as the steps involved in denuclearization, please see the companion piece to this report, CRS Report RL34256, *North Korea's Nuclear Weapons: Technical Issues*, by Mary Beth D. Nikitin. Please refer to the list at the end of this report for CRS reports focusing on other North Korean issues.)

Contents

| | |
|---|----|
| Latest Developments..... | 1 |
| Introduction..... | 3 |
| Overview of Past U.S. North Korea Policy | 3 |
| Obama Administration North Korea Policy..... | 4 |
| North Korean Behavior 2009-2013 | 6 |
| String of Provocations in 2010 | 6 |
| 2011-2012: Renewed Engagement, “Leap Day Agreement,” and Satellite Launches | 7 |
| 2013: Third Nuclear Test..... | 8 |
| China’s Approach: Strategic or Tactical Change? | 8 |
| Background: History of Nuclear Negotiations | 8 |
| Six-Party Talks | 9 |
| China’s Role | 10 |
| North Korea’s Internal Situation..... | 10 |
| The First Two Years Under Kim Jong-un..... | 11 |
| Leadership and State Institutions..... | 11 |
| Expanding Sphere of Information | 12 |
| Relations with China | 12 |
| Other U.S. Concerns with North Korea..... | 13 |
| North Korea’s Missile Programs | 13 |
| Foreign Connections | 15 |
| Regional Missile Defense Systems..... | 15 |
| North Korea’s Human Rights Record..... | 16 |
| North Korean Refugees..... | 17 |
| The North Korean Human Rights Act..... | 18 |
| North Korea’s Illicit Activities | 19 |
| U.S. Engagement Activities with North Korea..... | 20 |
| U.S. Assistance to North Korea..... | 20 |
| POW-MIA Recovery Operations in North Korea..... | 20 |
| Potential for Establishing a Liaison Office in North Korea..... | 21 |
| Non-Governmental Organizations’ Activities | 21 |
| List of Other CRS Reports on North Korea..... | 22 |
| Archived Reports for Background..... | 22 |

Figures

| | |
|---------------------------------|---|
| Figure 1. Korean Peninsula..... | 2 |
|---------------------------------|---|

Contacts

| | |
|---------------------------------|----|
| Author Contact Information..... | 23 |
| Acknowledgments | 23 |

Latest Developments

In September 2013, U.S. relations with North Korea remain at a standstill. North Korea has refused to release Kenneth Bae, a U.S. citizen accused by Pyongyang of trying to undermine the regime after entering the country in November 2012. The international focus on Syria's use of chemical weapons has amplified concern about North Korea's own arsenal of such materials. Meanwhile, there have been improvements to Pyongyang's relationship with Seoul. The two Koreas agreed to reopen the Kaesong industrial park, which had been closed during the heightened tension earlier in 2013, as well as to other confidence-building measures such as restarting family reunions. Despite this uptick in inter-Korean relations, the path back to the Six-Party Talks¹ to address North Korea's nuclear weapons program appears distant. Even as some analysts think Pyongyang may be signaling a change in approach, U.S. officials remain wary of new leader Kim Jong-un's intentions. In the past, a period of North Korean concessions has usually been followed by another round of belligerency. Analysis of satellite imagery suggests that North Korea may be resuming plutonium production at its Yongbyon facilities.²

Beginning in December 2012, North Korea initiated a string of provocations and unusually hostile threats that dimmed any hopes that Kim Jong-un would lead his country in a new direction. After attempting two satellite launches in 2012—effectively tests of long-range ballistic missile technology—Pyongyang conducted a nuclear test in February 2013 and amplified its rhetoric against South Korea and the United States to include the threat of pre-emptive nuclear strikes. The United States and South Korea then carried out previously scheduled joint military exercises, further raising Pyongyang's ire. The United States sent a B-2 stealth bomber on a practice sortie over South Korea, as well as B-52 bombers and F-22 fighters, underscoring its commitment to protecting South Korea under the U.S. "nuclear umbrella" and responding to any new attack.

The intensity of the exchanges that marked the spring has receded, but the Obama Administration has insisted that North Korea must agree to abandon its nuclear arsenal and take steps toward disarmament before any negotiations commence. Some analysts question whether a gap may materialize between the United States and South Korea if the Park government pursues further overtures to the North. Observers are divided on whether China's apparent willingness to crack down more firmly on the Kim regime in the aftermath of the last nuclear test will endure. Pyongyang appears to be uncomfortable with its dependence on Beijing and is seeking other sources of support, which may be driving its more concessional approach starting in summer 2013.

Significant questions remain for the Obama Administration. Does the nuclear test, along with a successful missile launch last year, fundamentally change the strategic calculus? Has North Korea's capacity to hurt U.S. interests, up to and including a strike on the United States itself, increased to the point that military options will be considered more carefully? Is returning to the Six-Party Talks over North Korea's nuclear program, dormant since 2008, still a goal? Relatedly, does the United States need a strategy that relies less on Beijing's willingness to punish Pyongyang? Do North Korea's advances mean that the Administration's policy of "strategic patience" is too risky to continue?

¹ The Six-Party Talks are multilateral negotiations that include the United States, North Korea, South Korea, China, Russia, and Japan.

² Nick Hansen and Jeffrey Lewis, "North Korea Restarting Its 5MW Reactor," 38North blog, September 11, 2013, <http://38north.org/2013/09/yongbyon091113>.

Figure I. Korean Peninsula



Sources: Prepared by CRS based on ESRI Data and Maps 9.3.1; IHS World Data.

Introduction

An authoritarian country of about 25 million people, North Korea has been among the most vexing and persistent problems in U.S. foreign policy in the post-Cold War period. The United States has never had formal diplomatic relations with the Democratic People's Republic of Korea (DPRK, the official name for North Korea). Negotiations over North Korea's nuclear weapons program have occupied the past three administrations, even as some analysts anticipated a collapse of the diplomatically isolated regime in Pyongyang. North Korea has been both the recipient of billions of dollars of U.S. aid and the target of dozens of U.S. sanctions. Once considered a relic of the Cold War, the divided Korean peninsula has become an arena of more subtle strategic and economic competition among the region's powers.

U.S. interests in North Korea encompass crucial security, political, and human rights concerns. Bilateral military alliances with the Republic of Korea (ROK, the official name for South Korea) and Japan obligate the United States to defend these allies from any attack from the North. Tens of thousands of U.S. troops occupying the largest U.S. military bases in the Pacific are stationed within proven striking range of North Korean missiles. An outbreak of conflict on the Korean peninsula or the collapse of the government in Pyongyang would have severe implications for the regional—if not global—economy. Negotiations and diplomacy surrounding North Korea's nuclear weapons program influence U.S. relations with all the major powers in the region and have become a particularly complicating factor for U.S.-China ties.

At the center of this complicated intersection of geostrategic interests is the task of dealing with an isolated authoritarian regime. Unfettered by many of the norms that govern international diplomacy, the leadership in Pyongyang, now headed by its dynastic “Great Successor” Kim Jong-un, is unpredictable and opaque. Little is known about the young, new leader and the policymaking system in Pyongyang. U.S. policymakers face a daunting challenge in navigating a course toward a peaceful resolution of the nuclear issue.

In the long run, the ideal outcome remains, presumably, reunification of the Korean peninsula under stable democratic rule. At this point, however, the road to that result appears fraught with risks. If the Pyongyang regime falls due to internal or external forces, the potential for major strategic consequences (including competition for control of the North's nuclear arsenal) and a massive humanitarian crisis, not to mention long-term economic and social repercussions, loom large. In the interim, policymakers face deep challenges in even defining achievable objectives, let alone reaching them.

Overview of Past U.S. North Korea Policy

Over the past decade, U.S. policy toward North Korea has ranged from direct bilateral engagement to labeling Pyongyang as part of an “axis of evil.” Despite repeated provocations from the North, there is no publicly available evidence that any U.S. administration since 1994 has seriously considered a direct military strike or an explicit policy of regime change due to the threat of a devastating war on the peninsula. Although there have been periodic efforts to negotiate a “grand bargain” that addresses the full range of concerns with Pyongyang's behavior and activities, North Korea's nuclear program has usually been prioritized above North Korea's human rights record, its missile program, and its illicit activities.

Even as the strategic and economic landscape of East Asia has undergone dramatic changes, North Korea has endured as a major U.S. foreign policy challenge. Washington shifted from a primarily bilateral approach for addressing North Korea during the Clinton Administration to a mostly multilateral framework during the Bush Administration. As the chair of the Six-Party

Talks and North Korea's only ally, China's role in dealing with Pyongyang has become more central. North Korea is dependent on China's economic aid and diplomatic support for its survival. (See "China's Role" section below.) Cooperation on North Korea has competed with other U.S. policy priorities with Beijing such as Iran, currency adjustment, climate change, and human rights.

Relations with other countries, particularly Japan and South Korea, also influence U.S. policy toward North Korea. In recent years, Japan's approach to North Korea has been harder-line than that of other Six-Party participants, because of stalled progress on resolving the issue of abducted Japanese citizens. Lee Myung-bak, President of South Korea from 2008 to 2013, was seen as more hawkish on Pyongyang than his recent predecessors, particularly since the sinking of the *Cheonan* in March 2010. President Park Geun-hye has promoted her "trustpolitik" approach to rebuilding inter-Korean relations while remaining vigilant to security threats from the North.

Identifying patterns in North Korean behavior is challenging, as Pyongyang often weaves together different approaches to the outside world. North Korean behavior has vacillated between limited cooperation and overt provocations, including testing several ballistic missiles over the last 15 years and three nuclear devices in 2006, 2009, and 2013. Pyongyang's willingness to negotiate has often appeared to be driven by its internal conditions: food shortages or economic desperation can push North Korea to re-engage in talks, usually to extract more aid from China or, in the past, from South Korea. North Korea has proven skillful at exploiting divisions among the other five parties and taking advantage of political transitions in Washington to stall the nuclear negotiating process.

At the core of the North Korean issue is the question of what Pyongyang's leadership ultimately seeks. As North Korea continues to reject diplomatic solutions to denuclearizing the peninsula, analysts have begun to coalesce around the consensus that Pyongyang is committed to maintaining a minimum number of nuclear weapons as a security guarantor. However, debate rages on the proper strategic response, with options ranging from trying to squeeze the dictatorship to the point of collapse to buying time and trying to prevent proliferation and other severely destabilizing events.

Obama Administration North Korea Policy

In his presidential campaign and inaugural address, President Obama indicated a willingness to engage with "rogue" governments. Even as North Korea carried out a series of provocative acts, the Obama Administration has maintained a policy toward North Korea known as "strategic patience," which essentially waits for North Korea to come back to the negotiating table while maintaining pressure on the regime. The main elements of the policy involve insisting that Pyongyang commit to steps toward denuclearization and mend relations with Seoul as a prelude to returning to the Six-Party Talks; attempting to convince China to take a tougher line on North Korea; and applying pressure on Pyongyang through arms interdictions and sanctions. U.S. officials have stated that, under the right conditions, they seek a comprehensive package deal for North Korea's complete denuclearization in return for normalization of relations and significant aid. This policy has been closely coordinated with South Korea and accompanied by large-scale military exercises designed to demonstrate the strength of the U.S.-ROK alliance.

The Administration has formulated its approach to North Korea against the backdrop of its global nonproliferation agenda. After pledging to work toward a world free of nuclear weapons in an April 2009 speech in Prague, President Obama has taken steps to further that goal, including signing a new nuclear arms reduction treaty with Russia, convening a global leaders' summit to secure stockpiles of nuclear materials, and releasing a Nuclear Posture Review that outlines new

U.S. guidelines on the use of nuclear weapons. In April 2012, South Korea hosted the second Nuclear Security Summit, which drew a sharp contrast with North Korea's destabilizing nuclear program.

The collapse of the denuclearization talks has intensified concerns about proliferation. Critics claim that the "strategic patience" approach has allowed Pyongyang to control the situation and steadily improve its missile and nuclear programs. Because of North Korea's poor economic performance, there is a strong fear that it will sell its nuclear technology to another country or a non-state actor. Evidence of some cooperation with Syria, Libya, and potentially Burma has alarmed national security experts. The Israeli bombing of a nuclear facility in Syria in 2007 raised concern about North Korean collaboration on a nuclear reactor with the Syrians. Despite speculation in the media about Iran-DPRK proliferation, the official position of the U.S. Intelligence Community is that North Korea and Iran are not cooperating on nuclear weapons development.

Despite the overtures for engagement after Obama took office, a series of provocations from Pyongyang halted progress on furthering negotiations. These violations of international law initiated a periodic cycle of action and reaction, in which the United States focused on building consensus at the UNSC and punishing North Korea through enhanced multilateral sanctions. The long-range ballistic missile test conducted by Pyongyang in May 2009 impelled the UNSC to issue a rebuke. North Korea followed the missile test with its second nuclear test in November 2009. In response, the United States coordinated passage of UNSC Resolution 1874, which outlines a series of sanctions to deny financial benefits to the Kim regime. Three years later, this cycle repeated itself: North Korea launched two long-range missiles in 2012, the UNSC responded with rebukes, North Korea tested a nuclear device in February 2013, and the United States again wrangled yet harsher sanctions through the UNSC (Resolutions 2087 and 2094). This approach to discouraging North Korea's provocative acts appears to emphasize the participation and support of China, the country with the greatest leverage on North Korea.

Trilateral coordination of North Korea policy between Washington, Seoul, and Tokyo has been unprecedented, with ministerial-level meetings in 2011 and 2012. The *Cheonan* sinking and Yeonpyeong Island shelling elicited a new round of unilateral American sanctions and drew the United States even closer to its regional allies, South Korea and Japan.³ American and South Korean policies have been closely aligned, with both governments insisting that North Korea demonstrate a serious commitment to implementing the denuclearization aspects of the 2005 Six-Party Talks agreement. U.S.-South Korean cooperation has been underscored by a series of military exercises, as well as symbolic gestures such as the state visits of Presidents Lee Myung-bak and Park Geun-hye.

The major exception to the pattern of mutual recrimination occurred in late 2011, shortly before Kim Jong-il's death, when the Obama Administration launched bilateral discussions with the North Koreans to restart negotiations about denuclearization. After Kim's death, talks stalled, but later resumed and resulted in the "Leap Day Agreement" announced on February 29, 2012. Actually two separate agreements, the deal committed North Korea to a moratorium on nuclear tests, long-range missile launches, and uranium enrichment activities at the Yongbyon nuclear facility, as well as the readmission of International Atomic Energy Agency (IAEA) inspectors. The Obama Administration pledged 240,000 metric tons of "nutritional assistance"⁴ and steps to

³ For more information, see CRS Report R41438, *North Korea: Legislative Basis for U.S. Economic Sanctions*, by Dianne E. Rennack.

⁴ The United States maintains that its food aid policy follows three criteria: demonstrated need, severity of need (continued...)

increase cultural and people-to-people exchanges with North Korea. Administration officials characterized the deal as modest in scope and cautioned that a return to the multilateral Six-Party talks would still be months away, at best. North Korea scuttled the deal only two months later by launching a long-range rocket. This episode raises questions about North Korea as a negotiating partner. Is North Korea negotiating in good faith? Are there factions within the North Korean government that will undermine any deal?

North Korean Behavior 2009-2013

Since President Obama took office, North Korea has emphasized two main demands: that it be recognized as a nuclear weapons state and that a peace treaty with the United States must be a prerequisite to denuclearization. The former demand presents a diplomatic and semantic dilemma: despite repeatedly acknowledging that North Korea has produced nuclear weapons, U.S. officials have insisted that this situation is “unacceptable.” According to statements from Pyongyang, the latter demand is an issue of building trust between the United States and North Korea.

After years of observing North Korea’s negotiating behavior, many analysts believe that such demands are simply tactical moves by Pyongyang and that North Korea has no intention of giving up its nuclear weapons in exchange for aid and recognition. The Western intervention in Libya, which abandoned its nuclear weapon program in exchange for the removal of sanctions, had the undesirable side effect of reinforcing the perceived value of nuclear arms for regime security. In April 2010, North Korea reiterated its demand to be recognized as an official nuclear weapons state and said it would increase and modernize its nuclear deterrent. On April 13, 2012, the same day as the failed rocket launch, the North Korean constitution was revised to describe the country as a “nuclear-armed nation.” In March 2013, North Korea declared that its nuclear weapons are “not a bargaining chip” and would not be relinquished even for “billions of dollars.”⁵

String of Provocations in 2010

Expectations of an impending return to multilateral negotiations were altered by the dramatic sinking of the South Korean navy corvette *Cheonan* on March 26, taking the lives of all 46 sailors on board. A multinational investigation team led by South Korea determined that the ship was sunk by a torpedo from a North Korean submarine. The Obama Administration expressed staunch support for Seoul and embarked on a series of military exercises to demonstrate its commitment. According to some analysts, the torpedo attack may have been an effort to bolster Kim Jong-il’s credibility as a strong leader confronting the South, and therefore his authority to select his son, Kim Jong-un, as successor.⁶

(...continued)

compared to other countries, and satisfactory monitoring systems to ensure food is reaching the most vulnerable. Strong concerns about diversion of aid to the North Korean military and elite exist, although assistance provided in 2008-2009 had operated under an improved system of monitoring and access negotiated by the Bush Administration. Obama Administration officials were reportedly divided on whether to authorize new humanitarian assistance for North Korea in 2012, but ultimately decided to offer 240,000 metric tons of food aid as a confidence building measure within the Leap Day Agreement. Several Members of Congress have spoken out against the provision of any assistance to Pyongyang because of concerns about supporting the regime.

⁵ Choe Sang-hun, “North Korea Vows to Keep Nuclear Arms and Fix Economy,” *New York Times*, March 31, 2013.

⁶ “U.S. Implicates North Korean Leader in Attack,” *New York Times*. May 22, 2010.

After the *Cheonan* incident, Pyongyang initiated further provocations. In November, North Korea invited a group of U.S. nuclear experts to the Yongbyon nuclear complex to reveal early construction of an experimental light-water reactor and a small gas centrifuge uranium enrichment facility. The revelations of possible progress toward another path to a nuclear weapon prompted speculation that North Korea was attempting to strengthen its bargaining position if the talks resumed. Further, the sophistication of the uranium enrichment plant took many observers by surprise and renewed concerns about Pyongyang's capabilities and deftness in avoiding sanctions to develop its nuclear programs.

On November 23, shortly after announcing its new nuclear facilities, North Korea fired over 170 artillery rounds toward Yeonpyeong Island in the Yellow Sea, killing two South Korean marines and two civilians, injuring many more and damaging multiple structures. The artillery attack, which the North said was a response to South Korean military exercises, was the first since the Korean War to strike South Korean territory directly and inflict civilian casualties. Again, the U.S. military joined the ROK for military exercises, this time deploying the USS *George Washington* aircraft carrier to the Yellow Sea.

2011-2012: Renewed Engagement, "Leap Day Agreement," and Satellite Launches

In early 2011, Pyongyang appeared to be re-launching a diplomatic offensive and ceased to initiate more provocations, presumably to secure new economic assistance and food aid. Pyongyang welcomed foreign delegations, including the Elders group led by former U.S. President Jimmy Carter and a U.S. team led by Human Rights Envoy Robert King. Leader Kim Jong-il visited China four times in his last 20 months with his itineraries heavy on stops that showcase Chinese economic development. China had urged Kim to embrace economic reform for years; some analysts saw the repeated trips as an indication that he sought further aid and support from Beijing, as well as perhaps to secure support for his successor. Although rhetoric toward South Korea remained harsh, Pyongyang engaged in some initial North-South dialogue sessions.

A series of U.S.-DPRK bilateral meetings in late 2011 and early 2012 led to the February 29, 2012, "Leap Day Agreement," which held out the promise of diplomatic progress. U.S. negotiators verbally warned their North Korean counterparts that any missile testing, including under the guise of a peaceful satellite launch, would violate the terms of the agreement, but this message was not received or was ignored by Pyongyang. In response to the March 2012 announcement that North Korea would launch a satellite to honor the 100th anniversary of the birth of Kim Il-sung, the United States declared the agreement to be nullified. In April 2012, a Taepodong-2 missile (called Unha-3 by North Korea) took off from a launch site in western North Korea, but it failed roughly 90 seconds into its flight and fell into the Yellow Sea.⁷ (See "North Korea's Missile Programs" section below.)

In a break from past precedent, North Korea followed the failed rocket launch with another launch eight months later, in December 2012, and this time succeeded in putting what it called an "earth observation satellite" into orbit. This fourth launch of a Taepodong-2 missile again earned Pyongyang near-universal condemnation, including an unusually pointed statement of "regret" from an official Chinese spokesperson. The scientific community believes that the satellite is

⁷ NORAD and USNORTHCOM Acknowledge Missile Launch, NORAD News, April 12, 2012, Peterson Air Force Base, Colorado.

likely not following the intended orbit nor is it transmitting information back to Earth, but it will remain in orbit for at least several years.⁸

2013: Third Nuclear Test

On February 12, 2013, North Korea conducted its third nuclear test.⁹ Pyongyang had threatened to do so since early 2013. North Korean authorities proclaimed that the test used a “miniaturized lighter nuclear device with greater explosive force.” Nuclear experts have not been able to determine the explosive force of the nuclear weapon, nor whether it used uranium or plutonium, but the seismic magnitude of the test indicates that the North Koreans appear to be closer to their objective. Many analysts believe that North Korea’s goal is to develop a nuclear warhead small enough to mount on their medium- and long-range ballistic missiles. The missile tests conducted in 2012 under the guise of satellite launches displayed the increasing capability of Pyongyang’s long-range missile program, although the tests fell short of demonstrating the ability to strike distant targets accurately.

After the February 12 test, the United Nations Security Council (UNSC) passed a resolution that condemned the test and imposed a new round of sanctions on North Korea. It is significant that China assented to the new sanctions, which tighten existing restrictions on North Korean banking and commerce and add enforcement measures. The resolution particularly targeted cash transfers that are believed to fund North Korea’s weapons programs and luxury items favored by the ruling elite.

China’s Approach: Strategic or Tactical Change?

Some observers have expressed hope that new Chinese leader Xi Jinping may be reconsidering China’s North Korea policy. China’s willingness to sign on to the 2013 U.N. Security Council resolution reportedly conveyed Beijing’s frustration with Pyongyang. Enhancing the effectiveness of the existing sanctions relies almost entirely on Chinese enforcement. China accounts for roughly 60% of North Korea’s trade and in the past has taken a minimalist approach to implementing sanctions. However, despite China’s agreement on the new restrictions, subsequent statements by Chinese leaders indicated that they had not altered their fundamental stance toward North Korea. To Beijing, a collapse of the Pyongyang government conjures a dire scenario: a destabilizing flood of refugees across its border and the possibility of a U.S.-allied united Korean Peninsula.

Background: History of Nuclear Negotiations

North Korea’s nuclear weapons programs have concerned the United States for nearly three decades. In the 1980s, U.S. intelligence detected new construction of a nuclear reactor at Yongbyon. In the early 1990s, after agreeing to and then obstructing IAEA inspections, North Korea announced its intention to withdraw from the Nuclear Non-Proliferation Treaty (NPT). According to statements by former Clinton Administration officials, a pre-emptive military strike on the North’s nuclear facilities was seriously considered as the crisis developed. Discussion of sanctions at the United Nations Security Council and a diplomatic mission from former President

⁸ “Crippled N. Korean probe Could Orbit for Years,” *Korea Herald*, December 18, 2012; William Broad and Choe Sang-hun, “Astronomers Say North Korea Satellite Is Most Likely Dead,” *New York Times*, December 17, 2012.

⁹ For details on the test, please see CRS Report RL34256, *North Korea’s Nuclear Weapons: Technical Issues*, by Mary Beth D. Nikitin.

Jimmy Carter diffused the tension and eventually led to the 1994 Agreed Framework, an agreement between the United States and North Korea that essentially would have provided two light water reactors (LWRs) and heavy fuel oil to North Korea in exchange for a freeze of its plutonium program. The document also outlined a path toward normalization of diplomatic relations.

Beset by problems from the start, the agreement faced multiple delays in funding from the U.S. side and a lack of compliance by the North Koreans. Still, the fundamentals of the agreement were implemented: North Korea froze its plutonium program, heavy fuel oil was delivered to the North Koreans, and LWR construction commenced. In 2002, U.S. officials confronted North Korea about a suspected uranium enrichment program, dealing a further blow to the agreement. With these new concerns, construction of the LWRs made minimal progress, and the project was suspended in 2003. After North Korea expelled inspectors from the Yongbyon site and announced its withdrawal from the NPT, the project was officially terminated in January 2006.

Six-Party Talks

Under the George W. Bush Administration, the negotiations to resolve the North Korean nuclear issue expanded to include China, South Korea, Japan, and Russia. With China playing host, six rounds of the “Six-Party Talks” from 2003-2007 yielded occasional incremental progress, but ultimately failed to resolve the fundamental issue of North Korean nuclear arms. The most promising breakthrough occurred in 2005, with the issuance of a Joint Statement in which North Korea agreed to abandon its nuclear weapons programs in exchange for aid, a U.S. security guarantee, and normalization of relations with the United States. Some observers described the agreement as “Agreed Framework Plus.” Despite the promise of the statement, the process eventually broke down due to complications over the release of North Korean assets from a bank in Macau and then degenerated further with North Korea’s test of a nuclear device in October 2006.¹⁰

In February 2007, Six-Party Talks negotiators announced an agreement that would provide economic and diplomatic benefits to North Korea in exchange for a freeze and disablement of Pyongyang’s nuclear facilities. This was followed by an October 2007 agreement that more specifically laid out the implementation plans, including the disablement of the Yongbyon facility, a North Korean declaration of its nuclear programs, and a U.S. promise to lift economic sanctions on North Korea and remove North Korea from the U.S. list of state sponsors of terrorism. Under the leadership of Assistant Secretary of State for East Asia and Pacific Affairs Christopher Hill, the Bush Administration pushed ahead for a deal, including removing North Korea from the terrorism list in October 2008.¹¹ Disagreements over the verification protocol between Washington and Pyongyang stalled the process until the U.S. presidential election in November 2008, though North Korea did demolish portions of its Yongbyon facility.

Multilateral negotiations on North Korea’s nuclear program have not been held since December 2008. Pyongyang’s continued belligerent actions, its vituperative rhetoric toward South Korean politicians, and most importantly its failure to fulfill obligations undertaken in previous agreements has halted efforts to restart the Six-Party Talks.

¹⁰ For more details on problems with implementation and verification, see CRS Report RL33590, *North Korea’s Nuclear Weapons Development and Diplomacy*, by Larry A. Niksch.

¹¹ For more information on the terrorism list removal, see CRS Report RL30613, *North Korea: Back on the Terrorism List?* by Mark E. Manyin.

China's Role

As host of the Six-Party Talks and as North Korea's chief benefactor, China plays a crucial role in the negotiations. Beijing's decision to host the talks marked China's most significant foray onto the international diplomatic stage and was counted as a significant achievement by the Bush Administration. Formation of the six-nation forum, initiated by the Bush Administration in 2003 and continued under the Obama Administration, confirms the critical importance of China's role in U.S. policy toward North Korea. The United States depends on Beijing's leverage to relay messages to the North Koreans, push Pyongyang for concessions and attendance at the negotiations, and, on some occasions, punish the North for its actions. In addition, China's permanent seat on the UNSC ensures its influence on any U.N. action directed at North Korea.

In addition to being North Korea's largest trading partner by far, China also provides considerable concessional assistance. The large amount of food and energy aid that China supplies is an essential lifeline for the regime in Pyongyang, especially after the cessation of most aid from South Korea under the Lee Administration. It is clear that Beijing cannot control Pyongyang's behavior—particularly in the cases of provocative nuclear tests and missile launches—but even temporary cessation of economic and energy aid is significant for North Korea. In September 2006, Chinese trade statistics reflected a temporary cut-off in oil exports to North Korea, in a period which followed several provocative missile tests by Pyongyang. Although Beijing did not label the reduction as a punishment, some analysts saw the move as a reflection of China's displeasure with the North's actions.¹² In instances when the international community wishes to condemn Pyongyang's behavior, such as the sanctions imposed in UNSC Resolution 1874, Beijing's willingness to punish the regime largely determines how acutely North Korea is affected. Recent moves to curtail the activities of North Korean financial institutions may be an indicator that China is more willing to punish North Korea.

China is rhetorically committed to the goal of denuclearization, but its overriding priority is to prevent the collapse of North Korea.¹³ Beijing fears the destabilizing effects of a humanitarian crisis, significant refugee flows over its borders, and the uncertainty of how other nations, particularly the United States, would assert themselves on the peninsula in the event of a power vacuum. While focusing on its own economic development, China favors the maintenance of regional stability over all other concerns. China is expanding economic ties and supporting joint industrial projects between China's northeastern provinces and North Korea's northern border region. Chinese firms and individuals have made significant capital investments in North Korea. Many Chinese leaders also see strategic value in having North Korea as a "buffer" between it and the democratic, U.S.-allied South Korea.

North Korea's Internal Situation

Kim Jong-un appears to have consolidated power at the apex of the North Korean regime, though uncertainty remains about the regime's priorities. So far, the Kim regime has been promoting a two-track policy of economic development and nuclear weapons development, explicitly rejecting the efforts of external forces to make North Korea choose between one or the other. Some observers hold out hope that the young, European-educated Kim could emerge as a reformer, but most analysts conclude that the North's outdated ideology and closed political

¹² "China Cut Off Exports of Oil to North Korea," *New York Times*. October 30, 2006.

¹³ For background information, please see CRS Report R41043, *China-North Korea Relations*, by Dick K. Nanto and Mark E. Manyin.

system make reforms risky, ineffective, and reversible. Kim's novice status likely makes him more beholden to established interests in the elite; this insecurity may have contributed to the decision to test long-range missiles and a nuclear device as a means to bolster his authority and prestige.

The First Two Years Under Kim Jong-un

Kim Jong-un has displayed a different style of ruling than his father while hewing closely to the policies established before his succession¹⁴ as supreme leader. Kim has allowed Western influences, such as Disney characters and clothing styles, to be displayed in the public sphere, and he is informal in his frequent public appearances, at times embracing citizens—especially youths. In a stark change from his father's era, Kim Jong-un's wife was introduced to the North Korean public. Analysts depict these stylistic changes as an attempt to make Kim seem young and modern and to conjure associations with the revered Kim Il-sung's "man of the people" image.

Rhetoric from the Kim Jong-un regime has emphasized improving the quality of life for North Korean citizens, but reforms designed to achieve that stated goal have been slow to emerge. A focus on improving amusement parks has been one visible outcome. The range of modern amenities available to the privileged residents of Pyongyang has expanded to include items like modified smartphones and European cosmetics—luxuries unheard of outside the uppermost elite just years ago. Reportedly, a new policy to shrink the size of agricultural collectives and increase farmers' incentives was introduced in pilot projects.¹⁵ Expectations that the regime would pursue this "Chinese-style" agricultural reform on a national basis have proven incorrect. Meanwhile, there are signs that inflation has become a serious problem for North Korea.¹⁶

Leadership and State Institutions

When Kim first came to power, many observers predicted that he would rule with the aid of regents coming from his father's inner circle, especially Kim Jong-il's brother-in-law Jang Song-taek. It is possible that a collective leadership makes national policy decisions while promoting Kim Jong-un as the visible figurehead of the regime. However, many analysts point to personnel decisions that seem to portray a strategy to concentrate power in Kim Jong-un's hands and sideline influential military leaders: four of the highest-ranking generals in the Korean People's Army (KPA) were stripped of their ranks in 2012.¹⁷ In addition to the purges, a civilian party functionary was appointed to director of the KPA's important General Political Department. South

¹⁴ Formal evidence of the selection of Kim Jong-un first emerged in 2010, when he was appointed as a four-star general as well as a vice-chairman of the Central Military Commission, a powerful organ of the Korean Workers Party (KWP). In the weeks after Kim Jong-il's death in December 2011, the younger Kim was named "Supreme Commander" of the Korean People's Army and was described by official state organs as the nation's "sole national leader." In April 2012, the Supreme People's Assembly awarded him the chairmanship of the National Defense Commission. These steps completed Kim Jong-un's public sweep of all major power centers—party, military, and state—in North Korea. Even as Kim consolidated his authority, there were loud reminders that his power stemmed from the dynastic succession process embraced by the regime. The late Kim Jong-il was named "Eternal General Secretary" of the KWP and "Permanent Chairman" of the National Defense Commission. Analysts point out that the expectation of intense loyalty to his father and grandfather restrains Kim Jong-un's power, particularly in terms of undertaking any serious reforms that might run counter to the ideology set out by his predecessors.

¹⁵ Sang Yong Lee, "6.28 Agriculture Policy on the Back Foot," *Daily NK*, November 12, 2012.

¹⁶ Marcus Noland, "The Return of Macroeconomic Instability," North Korea: Witness to Transformation blog, Peterson Institute for International Economics, September 11, 2012, <http://www.piie.com/blogs/nk/?p=7418>.

¹⁷ Alexandre Mansourov, "Part III: Overhauling the Legacy Government," 38 North blog, US-Korea Institute at SAIS, December 21, 2012, <http://38north.org/2012/12/amansourov122112/>.

Korean media have cited sources that say Kim is elevating the internal security apparatus as well as those organizations in charge of propaganda.¹⁸

The appointments of Kim Jong-un and others to high-level party positions have led some analysts to posit that the KWP may be gaining in stature over the military establishment. The emphasis on the Central Military Commission, the tool through which the Party controls the military, may indicate that the regime is moving away from the concentrated power in the National Defense Commission established by Kim Jong-il and instead returning to a Party-centric order, as was the case under Kim Il-sung. The KWP Central Committee convened a plenary meeting on March 31, 2013, at which Kim Jong-un delivered a major policy address to top officials. The *songun*, or “Military First,” policy appears to have remained in place, but Kim Jong-un appears to have focused on rebuilding many party institutions to establish an alternative power center.¹⁹

Expanding Sphere of Information

The North Korean regime remains extraordinarily opaque, but a trickle of news works its way out through defectors and other channels. These forms of grass-roots information gathering, along with the public availability of high-quality satellite imagery, have democratized the business of intelligence on North Korea. In 2011, the Associated Press became the first Western news agency to open a bureau in Pyongyang, though its reporters are subject to severe restrictions. North Korea invited international journalists to observe the so-called satellite launch in April 2012. Previously, South Korean intelligence services had generally provided the bulk of information known about the North.

Pyongyang appears to be slowly losing its ability to control information flows from the outside world into North Korea, which may explain the regime’s unprecedented public acknowledgement of the failed launch in April 2012. Surveys of North Korean defectors reveal that some within North Korea are growing increasingly wary of government propaganda and turning to outside sources of news, especially foreign radio broadcasts, which are officially illegal.²⁰ After a short-lived attempt in 2004, North Korea in 2009 restarted a mobile phone network, in cooperation with the Egyptian telecommunications firm Orascom.²¹ The mobile network reportedly has over two million subscribers, and foreigners using mobile phones in North Korea can now make international calls.

Relations with China

China and North Korea continue to develop their highly complementary trade and investment ties, though several contradictions hamper deeper engagement. North Korea needs foreign capital to improve its infrastructure, exploit natural resources, and create productive export industries, but the multitude of corrupt and self-serving actors within the North Korean system has led to poor results for Chinese investors.²² China is by far North Korea’s largest trading partner (57% of

¹⁸ Luke Herman, “Two Kims. Two Paths,” NK News.Org, October 22, 2012, http://www.nknews.org/2012/two_paths_two_kim/.

¹⁹ Stephan Haggard and Luke Herman, “Information—and Disinformation—on the North Korean Political Scene,” North Korea: Witness to Transformation blog, Peterson Institution for International Economics. December 18, 2012, <http://www.piie.com/blogs/nk/?p=8631>.

²⁰ Marcus Noland, “Pyongyang Tipping Point,” *Wall Street Journal* op-ed. April 12, 2010.

²¹ Peter Nesbitt, “North Koreans Have Cell Phones: Why Cell Phones Won’t Lead to Revolution and Why They Strengthen the Regime,” *Joint U.S.-Korea Academic Studies: Emerging Voices*, vol. 22 (2011).

²² David Stinson, “Chinese Company ‘Shanghaied’ in North Korea,” *Confucianism and Trade Imbalances*, August 11, (continued...)

all trade in 2011), but North Korea fears dependence on China and exposure to subversive information from China's relatively open society. Despite the obstacles, the two countries are creating or revamping several Special Economic Zones in northern North Korea to facilitate deeper economic linkages.²³

Analysts have noted deepening links between the KWP and the Chinese Communist Party (CCP). Some analysts have identified Beijing's pursuit of economic cooperation with North Korea—including the provision of capital and development of natural resources within North Korea—as channeled through the CCP International Liaison Department, that is, through party-to-party engagement.²⁴ The apparent increase in the KWP's power in Pyongyang's decision-making process could augment this political and economic relationship.

Both sides have some reservations about becoming too interlinked: Beijing faces condemnation from the international community and deterioration of relations with an important trade partner in South Korea for defending North Korea, and Pyongyang seeks to avoid complete dependence on China to preserve its autonomy. For the time being, both capitals appear to have calculated that their strategic interests—or, in the case of Pyongyang, survival—depend on the other. However, since 2010 an increasing number of Chinese academics are calling for a reappraisal of China's friendly ties with North Korea, in light of the material and reputational costs to China. The rhetorical emphasis by Chinese leaders on denuclearization of the Korean Peninsula—even in meetings with North Korean officials—provides evidence that Beijing may be preparing to hold Pyongyang accountable for its pursuit of nuclear weapons.

Other U.S. Concerns with North Korea

North Korea's Missile Programs²⁵

Despite international condemnation and UNSCR prohibitions, North Korea twice in 2012 launched long-range rockets carrying ostensible satellite payloads, demonstrating the importance that Pyongyang places on continued development of ballistic missiles.²⁶ North Korea has an arsenal of approximately 700 Soviet-designed short-range ballistic missiles, according to unofficial estimates, although the inaccuracy of these antiquated missiles obviates their military effectiveness.²⁷ A U.S. government report said in 2013 that North Korea has deployed small numbers of medium- and intermediate-range ballistic missiles (unofficial estimate: about 100 and fewer than 30, respectively) that could reach Japan and U.S. bases there, but these missiles have

(...continued)

2012, <http://theartofeconomicwar.wordpress.com/2012/08/11/chinese-company-shanghaied-in-north-korea/>.

²³ Jung-A Yang, "Report: North to Designate 3 More SEZs," *Daily NK*, September 23, 2012.

²⁴ John Park, "On the Issues: North Korea's Leadership Succession: The China Factor," United States Institute of Peace, September 28, 2010.

²⁵ For more information, see CRS Report RS21473, *North Korean Ballistic Missile Threat to the United States*, by Steven A. Hildreth.

²⁶ North Korea claims that the purpose of these rocket launches is to place a satellite in orbit, and thus it is entitled to develop space launch vehicles as a peaceful use of space. However, long-range ballistic missiles and space-launch vehicles use similar technology, and, because of this overlap, the UNSC acted to prohibit any North Korean use of rocket technology in Resolutions 1718 and 1874.

²⁷ *North Korean Security Challenges: A Net Assessment* (London: The International Institute for Strategic Studies, 2011), pp. 144-146.

never been flight-tested.²⁸ North Korea has made slow progress toward developing a reliable long-range ballistic missile; the December 2012 launch was the first successful space launch after four consecutive failures in 1998, 2006, 2009, and April 2012.

After its first long-range missile test in 1998, North Korea agreed to a moratorium on long-range missile tests in exchange for the Clinton Administration's pledge to lift certain economic sanctions. This deal was later abandoned during the Bush Administration, which placed a higher priority on the North Korean nuclear program. Ballistic missiles have not been on the agenda in the Six-Party Talks. In 2006, UNSC Resolution 1718 barred North Korea from conducting missile-related activities. North Korea flouted this resolution with its April 2009 test launch. The UNSC then responded with Resolution 1874, which further increased restrictions on the DPRK ballistic missile program. The 2012 Leap Day Agreement included a moratorium on ballistic missile tests, which North Korea claimed excludes satellite launches.

North Korea's inconsistent progress toward developing a long-range missile calls into question the long-standing U.S. National Intelligence Estimate that North Korea could successfully test an inter-continental ballistic missile (ICBM) by 2015.²⁹ The author of a 2012 RAND technical report on the North Korean nuclear missile threat asserts that the Unha-3 rocket, which successfully lifted an estimated 100 kg satellite payload into orbit in December 2012, is incapable of carrying a nuclear warhead at inter-continental range. "If [North Koreans] wanted an ICBM, they have to develop a new rocket, using different technology. This would take a very long time, require a lot of work, and cost a lot of money."³⁰ A net assessment by the International Institute for Strategic Studies concluded in 2011 that a future North Korean ICBM "would almost certainly have to undergo an extensive flight-test program that includes at least a dozen, if not two dozen, launches and extends over three to five years."³¹ Such a program would make North Korean intentions obvious to the world. Others argue that North Korea might take a radically different approach and accept one successful test as sufficient for declaring operational capability.

The potential ability of North Korea to miniaturize a nuclear warhead and mate it to a ballistic missile, especially an ICBM, is a key concern of the United States. The official position of the Director of National Intelligence is that "North Korea has not yet demonstrated the full range of capabilities necessary for a nuclear armed missile."³² Experts at the Institute for Science and International Security assess that, "North Korea likely has the capability to mount a plutonium-based nuclear warhead on the shorter range [800-mile] Nodong missile" already.³³ A top North Korean general reportedly told his fellow officials in 2012 that their long-range missiles could hit

²⁸ National Air and Space Intelligence Center, *Ballistic and Cruise Missile Threat*, NASIC-1031-0985-13, Wright-Patterson Air Force Base, OH, June 2013, p. 17, and IISS (2011), pp. 131-135, 141-145.

²⁹ David Wright, "Questions About the Unha-3 Failure," *38 North*, May 2012, <http://38north.org/2012/05/dwright050412>.

National Intelligence Council, *Foreign Missile Developments and the Ballistic Missile Threat to the United States Through 2015* (unclassified summary), September 1999, http://www.dni.gov/files/documents/Foreign%20Missile%20Developments_1999.pdf.

³⁰ Evan Ramstad, "After First Glance, North Korea's Missiles Not As Fearsome," *Wall Street Journal*, December 13, 2012, <http://blogs.wsj.com/korearealtime/2012/12/13/after-first-glance-north-koreas-missiles-not-as-fearsome/>.

³¹ IISS (2011), p. 155.

³² James Clapper, "DNI Statement on North Korea's Nuclear Capability," Office of the Director of National Intelligence, Press Release, April 11, 2013.

³³ David Albright, "North Korean Miniaturization," US-Korea Institute at SAIS, February 22, 2013, <http://38north.org/2013/02/albright021313>.

the United States with nuclear weapons,³⁴ but there is no clear evidence that Pyongyang has developed a warhead capable of surviving re-entry at ICBM range.

Foreign Connections

North Korea's proliferation of missile technology and expertise is another serious concern for the United States. Pyongyang has sold missile parts and/or technology to several countries, including Egypt, Iran, Libya, Myanmar, Pakistan, Syria, United Arab Emirates, and Yemen.³⁵ Sales of missiles and telemetric information from missile tests have been a key source of hard currency for the Kim regime.

North Korea and Iran have cooperated on the technical aspects of missile development since the 1980s, exchanging information and components.³⁶ Reportedly, scientific advisors from Iran's ballistic missile research centers were seen in North Korea leading up to the December 2012 launch and may have been a factor in its success.³⁷ There are also signs that China may be assisting the North Korean missile program, whether directly or through tacit approval of trade in sensitive materials. Heavy transport vehicles from Chinese entities were apparently sold to North Korea and used to showcase missiles in a military parade in April 2012, prompting a U.N. investigation of sanctions violations.³⁸

Regional Missile Defense Systems³⁹

During the 2009 and 2012 North Korean long-range missile tests, U.S. and allied forces reportedly made ready and available a number of ballistic missile defense (BMD) systems, in addition to the intelligence gathering capabilities sent into the region. Japan deployed Patriot interceptor batteries around Tokyo and on its southwestern islands, in the event of an errant missile or debris headed toward Japanese territory.⁴⁰ Aegis BMD ships deployed to the area as well. In response to the heightened tensions in April 2013, the U.S. military accelerated deployment of a ground-based Theater High Altitude Air Defense (THAAD) BMD system to Guam, two years ahead of schedule.

As part of the efforts by the United States and its allies to change China's strategic thinking about North Korea, the BMD deployments may have had powerful symbolic value. Chinese media made the Patriot deployments a major part of their coverage of the April 2012 launch.⁴¹ A subtext

³⁴ "Ex-N. Korea Army Chief: Rockets Could Be Used to Transport Nukes," *Korean Broadcasting System*, December 11, 2012, http://english.kbs.co.kr/News/News/News_view.html?page=1&No=95239&id=Po.

³⁵ *Jane's Sentinel Security Assessment—China and Northeast Asia*, January 22, 2010 and IISS (2011), p. 180-181.

³⁶ For more information, see CRS Report R42849, *Iran's Ballistic Missile and Space Launch Programs*, by Steven A. Hildreth.

³⁷ Javier Serrat, "North Korea, Iran Highlight Proliferation Risks of Knowledge Transfers," *World Politics Review*, December 10, 2012, <http://www.worldpoliticsreview.com/articles/12554/north-korea-iran-highlight-proliferation-risks-of-knowledge-transfers>.

John S. Park, "The Leap in North Korea's Ballistic Missile Program: The Iran Factor," National Bureau of Asian Research, December 19, 2012, <http://www.nbr.org/publications/element.aspx?id=638>.

³⁸ Peter Enav, "Experts: North Korea Missile Carrier Likely from China," *Associated Press*, April 19, 2012.

³⁹ For more information, see CRS Report R43116, *Ballistic Missile Defense in the Asia-Pacific Region: Cooperation and Opposition*, by Ian E. Rinehart, Steven A. Hildreth, and Susan V. Lawrence.

⁴⁰ For both 2012 launches, the North Korean rocket trajectory was to have taken it in the upper atmosphere above two small Japanese islands in the Ryukyu island chain.

⁴¹ "朝鲜宣布发射卫星引发世界关注 (The DPRK's Announcement of a Satellite Launch Triggers the World's (continued...))

to those reports was that North Korea's actions are feeding military developments in Asia that are not in China's interests. Many observers, particularly in the United States and Japan, argue that continued North Korean ballistic missile development increases the need to bolster regional BMD capabilities and cooperation.

North Korea's Human Rights Record

Although the nuclear issue has dominated negotiations with Pyongyang, U.S. officials periodically voice concerns about North Korea's abysmal human rights record. Congress has passed bills and held hearings to draw attention to this problem and seek a resolution. The plight of most North Koreans is dire. The State Department's annual human rights reports and reports from private organizations have portrayed a little-changing pattern of extreme human rights abuses by the North Korean regime over many years.⁴² The reports stress a total denial of political, civil, and religious liberties and say that no dissent or criticism of leadership is allowed. Freedoms of speech, the press, and assembly do not exist. There is no independent judiciary, and citizens do not have the right to choose their own government. Reports also document the extensive ideological indoctrination of North Korean citizens.

Severe physical abuse is meted out to citizens who violate laws and restrictions. Multiple reports have described a system of prison camps (*kwan-li-so*) that house roughly 100,000 political prisoners, including family members who are considered guilty by association.⁴³ Reports from survivors and escapees from the camps indicate that conditions are extremely harsh and that many do not survive. Reports cite starvation, disease, executions, and torture of prisoners as a frequent practice. (Conditions for non-political prisoners in local-level "collection centers" and "labor training centers" are hardly better.) The number of political prisoners in North Korea appears to have declined in recent years, likely as a result of high mortality rates in the camps.⁴⁴

A 2011 study of DPRK defectors indicates that in recent years many North Koreans have been arrested for what would earlier have been deemed ordinary economic activities.⁴⁵ North Korea criminalizes market activities, seeing them as a challenge to the state. Its penal system targets low-level or misdemeanor crimes such as unsanctioned trading and violations of travel permits.

In addition to the extreme curtailment of rights, many North Koreans face limited access to health care and significant food shortages. In a recent survey, the World Food Program identified urgent hunger needs for 3.5 million citizens in North Korea, out of a total population of 24 million. UNICEF has reported that each year some 40,000 North Korean children under five became "acutely malnourished," with 25,000 needing hospital treatment. The food security situation

(...continued)

Attention)," People's Daily Online, webpage, April 2012, <http://world.people.com.cn/GB/8212/191606/240872/index.html>.

⁴² See U.S. Department of State, 2011 Country Report on Human Rights Practices: Democratic People's Republic of Korea, May 24, 2012, available at <http://www.state.gov/documents/organization/186491.pdf>; and Amnesty International Annual Report 2011—North Korea, available at <http://www.unhcr.org/refworld/country,COI,,,PRK,4562d8cf2,4dce154c3c,0.html>.

⁴³ David Hawk, "North Korea's Hidden Gulag: Interpreting Reports of Changes in the Prison Camps," Committee for Human Rights in North Korea, Washington, DC, August 27, 2013.

⁴⁴ *Ibid.*, pp. 33-37.

⁴⁵ Stephen Haggard and Marcus Noland, *Witness to Transformation: Refugee Insights into North Korea* (Washington, DC: Peterson Institute for International Economics, 2011).

improved slightly from 2011 to 2012, but 28% of the population reportedly suffers from stunting.⁴⁶

During the past decade, the United Nations has been an important forum to recognize human rights violations in North Korea. Since 2004, the U.N. Human Rights Council has annually renewed the mandate of the Special Rapporteur on the human rights situation in North Korea. Member states have also addressed the issue through annual resolutions in the U.N. General Assembly. The most recent Assembly resolution, which was adopted by consensus in December 2012, expresses “deep concern at the significant deterioration of the human rights situation” in the country.

Led by Japan and the European Union, the U.N. Human Rights Council established for the first time in March 2013 a commission to investigate “the systematic, widespread and grave violations of human rights in the Democratic People’s Republic of Korea ... with a view to ensuring full accountability, in particular where these violations may amount to crimes against humanity.” As of August 2013, the Commission of Inquiry has conducted public hearings in South Korea and Japan to collect information and shed light on the inhumane conditions in North Korea. The head of the commission stated that the final report would “not be just another U.N. document.”⁴⁷

North Korean Refugees

For two decades, food shortages, persecution, and human rights abuses have prompted perhaps hundreds of thousands of North Koreans to flee to neighboring China, where they are forced to evade Chinese security forces and often become victims of further abuse, neglect, and lack of protection. There is little reliable information on the size and composition of the North Korean population located in China. Estimates range up to 300,000. The United Nations High Commissioner for Refugees (UNHCR) has not been given access to conduct a systematic survey. Reports indicate that many women and children are the victims of human trafficking, particularly women lured to China seeking a better life but forced into marriage or prostitution.⁴⁸ Some of the refugees who escape to China make their way to Southeast Asia or Mongolia, where they may seek passage to a third country, usually South Korea. If repatriated, they risk harsh punishment or execution.

On January 1, 2013, Congress passed the North Korean Child Welfare Act of 2012 (H.R. 1464) to address the humanitarian challenges faced by North Korean refugee children and the children of one North Korean parent living outside North Korea. The bill requires the Department of State to brief Congress on its efforts to advocate for these children, potentially including adoption of eligible children; develop a strategy to address the many challenges of adoption by American parents; encourage other countries to resolve the issue of statelessness for these children, where that is a problem; and to work with the South Korean government on these issues. One target of the bill appears to be the children of Chinese fathers and North Korean mothers, children who in some cases are denied citizenship papers and are thus *de jure* stateless.⁴⁹ The bill also seeks a

⁴⁶ UNICEF, “DPRK National Nutrition Survey Released,” December 13, 2012, http://www.unicef.org/media/media_66756.html.

⁴⁷ Jonathan Cheng, “U.N. Presses North Korea on Rights Violations; Panel Urges Pyongyang to Present Evidence to Rebut Defectors’ Claims,” *Wall Street Journal*, August 27, 2013.

⁴⁸ United States Department of State, Trafficking in Persons Report 2013—Korea, Democratic People’s Republic of, June 19, 2013, available at <http://www.state.gov/j/tip/rls/tiprpt/2013>.

⁴⁹ Committee for Human Rights in North Korea, *Lives for Sale: Personal Accounts of Women Fleeing North Korea to China*, Washington, DC, 2009.

solution to the extremely difficult problem of establishing the eligibility for adoption of refugee or stateless North Korean children with no documentation and no recourse to civil authorities.

The North Korean Human Rights Act

In 2004, the 108th Congress passed, and President George W. Bush signed, the North Korean Human Rights Act (H.R. 4011; P.L. 108-333). Among its chief goals are the promotion and protection of human rights in North Korea and the creation of a “durable humanitarian” option for its refugees. The North Korean Human Rights Act (NKHRA) authorized new funds to support human rights efforts and improve the flow of information, and required the President to appoint a Special Envoy on human rights in North Korea. Under the NKHRA, North Koreans may apply for asylum in the United States, and the State Department is required to facilitate the submission of their applications. The bill required that all non-humanitarian assistance must be linked to improvements in human rights, but provided a waiver if the President deems the aid to be in the interest of national security.

In 2008, Congress reauthorized NKHRA through 2012 under P.L. 110-346 with the requirement for additional reporting on U.S. efforts to resettle North Korean refugees in the United States. In August 2012, Congress approved the extension of the act (P.L. 112-172) through 2017. A “Sense of the Congress” included in the bill calls on China to desist in its forcible repatriation of North Korean refugees and instructs U.S. diplomats to enhance efforts to resettle North Korean refugees from third countries. The 2012 NKHRA reauthorization maintained funding at the original levels of \$2 million annually to support human rights and democracy programs and \$2 million annually to promote freedom of information programs for North Koreans, but reduced appropriated funding to resettle North Korean refugees from \$20 million to \$5 million annually, reflecting the actual outlays of the program.

Implementation

Relatively few North Korean refugees have resettled in the United States. According to the State Department, as of December 2012, 149 North Korean refugees have been resettled in the United States.⁵⁰ The Government Accountability Office (GAO) reports that in spite of the U.S. government’s efforts to expand resettlements, rates did not improve from 2006-2008.⁵¹ Several U.S. agencies were involved in working with other countries to resettle such refugees, but North Korean applicants face hurdles. Some host countries delay the granting of exit permissions or limit contacts with U.S. officials. Other host governments are reluctant to antagonize Pyongyang by admitting North Korean refugees and prefer to avoid making their countries known as a reliable transit points. Another challenge is educating the North Korean refugee population about the potential to resettle in the United States, many of whom may not be aware of the program.

Under the NKHRA, Congress authorized \$2 million annually to promote freedom of information programs for North Koreans. It called on the Broadcasting Board of Governors (BBG) to “facilitate the unhindered dissemination of information in North Korea” by increasing Korean-language broadcasts of Radio Free Asia (RFA) and Voice of America (VOA).⁵² A modest amount

⁵⁰ CRS e-mail correspondence with U.S. Department of State, December 31, 2012.

⁵¹ U.S. Government Accountability Office, *Humanitarian Assistance: Status of North Korean Refugee Resettlement and Asylum in the United States*, GAO-10-691, June 24, 2010, available at <http://www.gao.gov>.

⁵² Broadcast content includes news briefs, particularly news about the Korean Peninsula; interviews with North Korean defectors; and international commentary on events occurring in North Korea. The BBG cites a Peterson Institute for International Economics survey in which North Korean defectors interviewed in China and South Korea indicated that (continued...)

has been appropriated to support independent radio broadcasters. The BBG currently broadcasts to North Korea 10 hours per day using two medium wave frequencies and multiple shortwave frequencies. RFA has also reached out to an increasing number of cell phone users in North Korea, including by introducing an iPhone app to listen to RFA.⁵³ Although all North Korean radios are altered by the government to prevent outside broadcasts, defectors report that many citizens have illegal radios that receive the programs. There have also been efforts in the past by the U.S. and South Korean governments to smuggle in radios in order to allow information to penetrate the closed country.

North Korea's Illicit Activities

Strong indications exist that the North Korean regime has been involved in the production and trafficking of illicit drugs, as well as of counterfeit currency, cigarettes, and pharmaceuticals.⁵⁴ North Korean crime-for-profit activities have reportedly brought in important foreign currency resources, although recent reports indicate that the scale of these activities has shrunk since the 2000s.⁵⁵ U.S. policy during the first term of the Bush Administration highlighted these activities, but they have generally been relegated since to a lower level of priority compared to other issues.

In September 2005, the U.S. Treasury Department identified Banco Delta Asia, located in Macau, as a bank that distributed North Korean counterfeit currency and allowed for money laundering for North Korean criminal enterprises. The Treasury Department ordered the freezing of \$24 million in North Korean accounts with the bank. This action prompted many other banks to freeze North Korean accounts and derailed potential progress on the September 2005 Six-Party Talks agreement. After lengthy negotiations and complicated arrangements, in June 2007 the Bush Administration agreed to allow the release of the \$24 million from Banco Delta Asia accounts and ceased its campaign to pressure foreign governments and banks to avoid doing business with North Korea. The UNSC has renewed efforts to pressure Pyongyang through the restriction of illicit activities and financial access following the 2009 and 2012 nuclear tests.

(...continued)

they had listened to foreign media including RFA. RFA broadcasts five hours a day. VOA broadcasts five hours a day with three of those hours in prime-time from a medium-wave transmitter in South Korea aimed at North Korea. VOA also broadcasts from stations in Thailand; the Philippines; and from leased stations in Russia and eastern Mongolia. In January 2009, the BBG began broadcasting to North Korea from a leased medium-wave facility in South Korea. The BBG added leased transmission capability to bolster medium-wave service into North Korea in January 2010. RFA broadcasts from stations in Tinian (Northern Marianas) and Saipan, and leased stations in Russia and Mongolia.

⁵³ Broadcasting Board of Governors FY2013 Budget Request, <http://www.bbg.gov/wp-content/media/2012/02/FY-2013-BBG-Congressional-Budget-Request-FINAL-2-9-12-Small.pdf>.

⁵⁴ For more information, see CRS Report RL33885, *North Korean Crime-for-Profit Activities*, by Liana Sun Wyler and Dick K. Nanto.

⁵⁵ Marcus Noland, "North Korea Illicit Activities," North Korea: Witness to Transformation blog, Peterson Institute for International Economics, March 11, 2013, <http://www.piie.com/blogs/nk/?p=9650>.

U.S. Engagement Activities with North Korea

U.S. Assistance to North Korea⁵⁶

Since 1995, the United States has provided North Korea with over \$1.2 billion in assistance, of which about 60% has paid for food aid and about 40% for energy assistance. The United States has not provided any aid to North Korea since early 2009; the United States provided all of its share of pledged heavy fuel oil by December 2008. Energy assistance was tied to progress in the Six-Party Talks, which broke down in 2009. From 2007 to April 2009, the United States also provided technical assistance to North Korea to help in the nuclear disablement process. In 2008, Congress took legislative steps to legally enable the President to give expanded assistance for this purpose. However, following North Korea's actions in the spring of 2009 when it test-fired a missile, tested a nuclear device, halted denuclearization activities, and expelled nuclear inspectors, Congress explicitly rejected the Obama Administration's requests for funds to supplement existing resources in the event of a breakthrough in the Six-Party Talks.

U.S. food aid, which officially is not linked to diplomatic developments, ended in early 2009 due to disagreements with Pyongyang over monitoring and access. In 2011, North Korea issued appeals to the international community for additional support. The abrogated Leap Day Agreement would have provided 240,000 metric tons of food and nutritional aid intended for young children, pregnant mothers, and the elderly..

POW-MIA Recovery Operations in North Korea

In 1994, North Korea invited the U.S. government to conduct joint investigations to recover the remains of thousands of U.S. servicemen unaccounted for during the Korean War. The United Nations Military Command (U.N. Command) and the Korean People's Army conducted 33 joint investigations from 1996-2005 for these prisoners of war-missing in action (POW-MIAs). In operations known as "joint field activities" (JFAs), U.S. specialists recovered 229 sets of remains and successfully identified 78 of those. On May 25, 2005, the Department of Defense announced that it would suspend all JFAs, citing the "uncertain environment created by North Korea's unwillingness to participate in the Six-Party Talks," its declarations regarding its intentions to develop nuclear weapons, its withdrawal from the NPT, and the payments of millions of dollars in cash to the KPA for its help in recovering the remains.⁵⁷

Talks between the United States and North Korea on the joint recovery program resumed in 2011 and led to an agreement in October 2011. In January 2012, the Department of Defense announced that it was preparing a mission to return to North Korea in early 2012. However, Pyongyang's determination to launch a rocket in contravention of the "Leap Day Agreement" and UNSC resolutions cast doubt on the credibility of North Korean commitments, and the Department of Defense suspended the joint mission in March 2012.⁵⁸ The United States has not undertaken any JFAs with the KPA since May 2005. The Department of Defense has said that the recovery of the

⁵⁶ For more, see CRS Report R40095, *Foreign Assistance to North Korea*, by Mark E. Manyin and Mary Beth D. Nikitin.

⁵⁷ "U.S. Halts Search for Its War Dead in North Korea," *New York Times*. May 26, 2005.

⁵⁸ Jim Garamone, "U.S. Suspends MIA Search in North Korea," *American Forces Press Service*, March 21, 2012. <http://www.defense.gov/news/newsarticle.aspx?id=67639>.

remains of missing U.S. soldiers is an enduring priority goal of the United States and that it is committed to achieving the fullest possible accounting for POW-MIAs from the Korean War.

Potential for Establishing a Liaison Office in North Korea

One prospective step for engagement would be the establishment of a liaison office in Pyongyang. This issue has waxed and waned over the past 16 years. The Clinton Administration, as part of the 1994 U.S.-North Korea Agreed Framework, outlined the possibility of full normalization of political and economic relations. Under the Agreed Framework, the United States and North Korea would open a liaison office in each other's capital "following resolution of consular and other technical issues through expert level discussions."⁵⁹ Eventually, the relationship would have been upgraded to "bilateral relations [at] the Ambassadorial level." Under the Bush Administration, Ambassador Christopher Hill reportedly discussed an exchange of liaison offices. This did not lead to an offer of full diplomatic relations pursuant to negotiations in the Six-Party Talks. In December 2009, following Ambassador Stephen Bosworth's first visit as Special Envoy to Pyongyang, press speculation ran high that the United States would offer relations at the level of liaison offices. The Obama Administration quickly dispelled these expectations, flatly rejecting claims that Bosworth had carried a message offering liaison offices.⁶⁰

Non-Governmental Organizations' Activities

Since the famines in North Korea of the mid-1990s, the largest proportion of aid has come from government contributions to emergency relief programs administered by international relief organizations. However, some non-governmental organizations (NGOs) are playing smaller roles in capacity building and people-to-people exchanges, in areas such as agriculture, health, informal diplomacy, information science, and education. Despite turbulent relations between the U.S. and DPRK governments, many NGOs are able to maintain good working relationships with their North Korean counterparts and continue to operate through periods of tension.

The aims of such NGOs are as diverse as the institutions themselves. Some illustrative cases include NGO "joint ventures" between academic NGOs and those engaged in informal diplomacy. Several religious organizations with programs around the world are active in North Korea on a small scale. These religious NGOs generally have a humanitarian philosophy and aim to provide aid to the more vulnerable sectors of the North Korean population. Most of these organizations have an ancillary goal of promoting peaceful relations with North Korea through stronger people-to-people ties. The following is a small sample of NGO activities in North Korea.

- In 2008, the Nuclear Threat Initiative, Stanford Medical School, and Christian Friends of Korea identified multiple-drug-resistant tuberculosis as a serious health problem in North Korea. By providing North Korean scientists with the scientific equipment, generators, and other supplies to furnish a national tuberculosis reference laboratory, they hoped to enable North Korean researchers and physicians to take on this bacterial threat.⁶¹ In 2010, North Korea health representatives signed a \$19 million grant agreement with the Global Fund to

⁵⁹ 1994 US-DPRK Agreed Framework at <http://www.kedo.org/pdfs/AgreedFramework.pdf>.

⁶⁰ "U.S. Has Not Proposed Setting Up Liaison Office in Pyongyang Next Year: White House," *Yonhap*, December 19, 2009 (Lexis-Nexis).

⁶¹ "New Tuberculosis Lab Hailed as Breakthrough in Health Diplomacy," *Science*, March 12, 2010. pp. 1312-1313.

- Fight AIDS, Tuberculosis, and Malaria to support procurement of laboratory supplies and vaccines over a two-year period.
- In 2007, the U.S.-DPRK Scientific Engagement Consortium formed to explore collaborative science activities between the United States and North Korea in subjects such as agriculture and information technology. American and North Korean scientists have organized several conferences, roughly biennially, to share their research and develop collaboration in areas such as academic exchanges, English language education for specialists, and digital science libraries.⁶²
 - The American Friends Service Committee and the Mennonite Central Committee run small-scale sustainable agriculture projects. These two NGOs, among others, take the approach of “training the trainers” to spread improved agricultural practices among North Korean farmers.
 - Mercy Corps is one of several NGOs providing assistance and supplies to medical clinics in North Korea. Mercy Corps reports, “The health system is unable to provide for the needs of common citizens, medicine is in short supply, and electricity is rarely available for the most simple, let alone complicated, procedures.”⁶³

List of Other CRS Reports on North Korea

CRS Report RL34256, *North Korea's Nuclear Weapons: Technical Issues*, by Mary Beth D. Nikitin

CRS Report R41481, *U.S.-South Korea Relations*, coordinated by Mark E. Manyin

CRS Report R42126, *Kim Jong-il's Death: Implications for North Korea's Stability and U.S. Policy*, by Mark E. Manyin

CRS Report R40095, *Foreign Assistance to North Korea*, by Mark E. Manyin and Mary Beth D. Nikitin

CRS Report R41438, *North Korea: Legislative Basis for U.S. Economic Sanctions*, by Dianne E. Rennack

CRS Report R41160, *North Korea's 2009 Nuclear Test: Containment, Monitoring, Implications*, by Jonathan E. Medalia

CRS Report R43116, *Ballistic Missile Defense in the Asia-Pacific Region: Cooperation and Opposition*, by Ian E. Rinehart, Steven A. Hildreth, and Susan V. Lawrence

Archived Reports for Background

CRS Report R40684, *North Korea's Second Nuclear Test: Implications of U.N. Security Council Resolution 1874*, coordinated by Mary Beth D. Nikitin and Mark E. Manyin

CRS Report RL30613, *North Korea: Back on the Terrorism List?*, by Mark E. Manyin

⁶² Cathy Campbell, “A Consortium Model for Science Engagement: Lessons from the U.S.-DPRK Experience,” *Science and Diplomacy*, June 2012.

⁶³ “North Korea,” Mercy Corps website. Accessed on September 4, 2013, at <http://www.mercycorps.org/north-korea>.

CRS Report RL32493, *North Korea: Economic Leverage and Policy Analysis*, by Dick K. Nanto and Emma Chanlett-Avery

CRS Report RL33567, *Korea-U.S. Relations: Issues for Congress*, by Larry A. Niksch

CRS Report RL33590, *North Korea's Nuclear Weapons Development and Diplomacy*, by Larry A. Niksch

CRS Report RS22973, *Congress and U.S. Policy on North Korean Human Rights and Refugees: Recent Legislation and Implementation*, by Emma Chanlett-Avery

CRS Report RL33324, *North Korean Counterfeiting of U.S. Currency*, by Dick K. Nanto

CRS Report RL31696, *North Korea: Economic Sanctions Prior to Removal from Terrorism Designation*, by Dianne E. Rennack

CRS Report R41043, *China-North Korea Relations*, by Dick K. Nanto and Mark E. Manyin

CRS Report RS21473, *North Korean Ballistic Missile Threat to the United States*, by Steven A. Hildreth

Author Contact Information

Emma Chanlett-Avery
Specialist in Asian Affairs
echanlettavery@crs.loc.gov, 7-7748

Ian E. Rinehart
Analyst in Asian Affairs
irinehart@crs.loc.gov, 7-0345

Acknowledgments

Mi Ae Taylor, formerly a Research Associate in Asian Affairs, contributed to the preparation of this report.