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Policy Memo

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RE: Envisioning a Future Multilateral Security Mechanism for Northeast Asia:
What's at Stake for the US?

Even with the six-party talks currently facing an impasse over issues related to the Democratic Peoples' Republic of Korea (DPRK) meeting its declaration obligations, the Stanley Foundation and the University of California Institute on Global Conflict and Cooperation (IGCC) convened a workshop on February 12, 2008, to explore the way forward for a future multilateral security and peace mechanism in Northeast Asia and the near-, medium-, and long-term implications for the United States. This workshop built on an earlier IGCC-Stanley Foundation meeting on envisioning the future security and peace mechanism for Northeast Asia held in November 2007 in Moscow.

Policy Recommendations

- The six-party talks has provided a stable forum accepted by all of its members, and an evolutionary approach that gradually transforms the organizational setup of the six-party talks into a permanent multilateral security regime that is more practical and more likely to succeed than developing a new and fully articulated institution from scratch.
- Holding bilateral and multilateral meetings of experts as well as an annual review meeting that would set out specific future steps for cooperation on issues such as military confidence- and security-building measures can play a key catalytic role in creating a formal mechanism.
- A high-profile gathering of foreign ministers or leaders to sign a founding document of core principles should mark the transition from the six-party talks to a permanent multilateral security regime.
- A central objective of any security and peace mechanism for Northeast Asia should be to integrate North Korea into the regional economy, with special emphasis on the clear organizational gap in the six-party talks process of the absence of a forum for military and defense officials given the importance of getting the Korean Peoples' Army's (KPA) support for economic reform and opening up is critical to the integration of North Korea into the global economy.

Latest Developments in the Six-Party Talks

The workshop began with a discussion of the current situation surrounding the six-party talks, focusing in particular on the protracted negotiations over North Korea's willingness to provide a complete and comprehensive declaration of its nuclear activities as set out in Phase 2. While Pyongyang is ready to make a full declaration of its plutonium program and has cooperated in the disablement of nuclear facilities at Yongbyon, it has been less forthcoming on its highly enriched uranium program and of suspected transfers of nuclear weapons-related technology and know-how to other states.

It was noted that the US insistence on full disclosure was not shared by other members of the six-party talks, who were willing to grant some leeway to North Korea in order to move on to Phase 3, which would address the dismantlement and abandonment of North Korea's nuclear weapons capabilities along with numerous other related issues such as the normalization of US-DPRK relations, the parallel drawing up of a separate peace treaty for the Korean peninsula and the establishment of a permanent Northeast Asia Peace and Security Mechanism (NAPSM). But concerns were raised that the window of opportunity to promulgate this regional security mechanism could be stalled by domestic political calendars in several countries, particularly the US presidential election.

Discussion concluded with a general consensus that the six-party talks has provided a stable forum accepted by all of its members and, although it may be occasionally stalled by domestic politics, it will continue to remain the only viable multilateral dialogue for Northeast Asia.

Institutional Design Issues

Workshop participants agreed that an evolutionary approach that gradually transforms the organizational setup of the six-party talks into a permanent multilateral security regime is more practical and more likely to succeed than designing a new, elaborate organizational edifice weighed down by a permanent secretariat. It was pointed out that the member governments of the six-party talks have formed common habits of dialogue and cooperation and have already accepted the value of a multilateral process.

The February 2007 agreement established five working groups that operate on parallel tracks:

- Denuclearization of the Korean peninsula led by China
- Normalization of DPRK-US relations
- Normalization of DPRK-Japan relations
- Economy and Energy Cooperation headed by the Republic of Korea
- Northeast Asia Peace and Security Mechanism led by Russia

By giving each country the responsibility for a group, this arrangement has created stakeholders in the process. The frequent meetings of delegation heads provide overall leadership and coordination.

The drawing up of a set of principles to guide the future work of the NAPSM is an immediate priority. Possible principles could include promising not to use or threaten to use force against members; enhancing of transparency in military affairs; willingness to cooperate in developing the energy and transportation infrastructure in Northeast Asia; working to improve human welfare for all the people in the region; developing greater cultural and historical awareness; encouraging the freer movement of people, information, and ideas across borders; and promoting of adherence to international human rights standards.

There was discussion on how to strengthen and improve the work of the NAPSM working group. One idea touted was to encourage the holding of bilateral and multilateral meetings of experts held under the auspices of the working group as well as an annual review meeting that would set out specific future steps for cooperation on issues such as military confidence- and security-building measures.

Participants agreed that the six-party talks is adaptable to meeting changing regional priorities. The NAPSM would focus initially on dealing with the denuclearization of the DPRK and normalization of its relations with the United States and Japan. But over time, its agenda could expand beyond the Korea peninsula to the management of major power relations and prevention of regional conflicts. The Energy and Economic Working Group would transition from its present focus on providing heavy fuel oil and equivalents to the DPRK to discussions of broader forms of cooperation on energy, economic development, trade, investment, and the problems of environmental and global climate change.

The six-party talks have established a pattern of frequent consultations among policy-level officials who have direct and comprehensive responsibility for their government's policies toward Northeast Asia. An important way to head off conflicts is to institutionalize regular and frequent consultations of these regional officials.

Having foreign ministers or even heads of state assemble from time to time was seen as valuable, and participants recommended that a high-profile gathering of foreign ministers or leaders to sign a founding document of core principles should mark the transition from the six-party talks to a permanent multilateral security regime. But one participant cautioned against following the example of the Asia-Pacific Economic Community (APEC) in which highly ambitious goals were established at the outset, including having an annual gathering of heads of states, which has subsequently led to few concrete achievements.

Military Issues

A clear organizational gap in the six-party talks process is the absence of a forum for military and defense officials to introduce confidence- and security-building measures for reducing threat perceptions and preventing arms races. Workshop participants agreed that having a specialized defense working group is crucial along with the participation of the DPRK's Korean People's Army.

Several multilateral military mechanisms already in operation were put forward as possible models to promote military cooperation and confidence building in Northeast

Asia. They included the Shanghai Cooperation Organization and the North Pacific Coast Guard Forum (NPCGF). The NPCGF has been a little known success story in areas of growing importance such as human and drug trafficking, fisheries enforcement, and maritime domain awareness, and it already includes five of the six-party talks members (not including the DPRK) along with Canada.

Participants agreed that getting the KPA's support for economic reform and opening up is critical to the integration of North Korea into the global economy. One way to achieve this goal is to seek to convert the militarized portions of the North Korean economy for civilian use. This would involve transferring major segments of the KPA into economic reconstruction work and realigning the North Korean heavy sector to focus on civilian production. This conversion and demilitarization process was an important dimension in China's economic reforms and opening up in the 1980s and provided a crucial linkage between changing intentions (the lowering of threat perceptions) and the downsizing in military capabilities (budgets and forces).

Economic Issues

It was stressed that a central objective of any security and peace mechanism for Northeast Asia should be to integrate North Korea into the regional economy for a number of reasons. First, regional economic integration creates valued economic assets, physical infrastructure and trade in a potential war zone that could create cross-cutting pressures on a North Korean military strategy that has emphasized forward-deployed conventional forces. Second, increased economic integration could in principle generate broader economic stakes in political cooperation, although this effect should not be exaggerated. Third, increased economic integration is likely to be the *sine qua non* of a successful economic transformation of North Korea. Finally, there are the purely humanitarian objectives of engagement.

A number of caveats were also pointed out. First, it is unlikely that multilateral economic diplomacy can move ahead of the more difficult discussions of security. This is because closer economic integration, including foreign investment, is unlikely to occur if the nuclear question and broader security issues are not moving toward resolution. Second, it is important to avoid a top-down planning approach to multilateral economic cooperation and to quietly emphasize the significance of reform.

Third, a core objective of any strategy of multilateral engagement is ultimately to engage the private sector through trade, foreign direct investment, and private capital flows. If the ultimate goal is to push North Korea into the direction of embracing a market-oriented economy, the participation of foreign firms means that projects are subject to the market test of profitability. Fourth, it is important not to duplicate at the regional level what might be more effectively managed through existing multilateral institutions such as the World Bank, the International Monetary Fund and the Asian Development Bank. Finally, each of the governments involved in the six-party talks will pursue their own foreign economic policies toward the DPRK regardless of multilateral arrangements that are developed.

The US Role

With the upcoming presidential election this November, there is considerable uncertainty about future US policy toward the six-party talks. Given that it is highly likely that the next US administration—Democratic or Republican—will have less domestic political space than the current one on this set of issues, some participants believed that the best opportunity for a deal at the six-party talks needs to be ratified by the current administration and Congress. The chances are poor that a new president and a new Congress would be willing and able to start from scratch if the six-party process does not result in significant equities and gain some considerable degree of traction over the balance of this year.

The analysis and recommendations included in this Policy Memo do not necessarily reflect the view of the Stanley Foundation or any of the conference participants, but rather draw upon the major strands of discussion put forward in the meeting.

For further information, please contact Michael Schiffer, Keith Porter, or Kristin McHugh at the Stanley Foundation, 563-264-1500.

About The Stanley Foundation

The Stanley Foundation seeks a secure peace with freedom and justice, built on world citizenship and effective global governance. It brings fresh voices, original ideas, and lasting solutions to debates on global and regional problems. The foundation is a non-partisan, private operating foundation, located in Muscatine, Iowa, that focuses on peace and security issues and advocates principled multilateralism. The foundation frequently collaborates with other organizations. It does not make grants. Online at www.stanleyfoundation.org.

About the University of California Institute on Global Conflict and Cooperation

The Institute on Global Conflict and Cooperation is a multicampus research unit of the University of California, established in 1983 to conduct original research and inform public policy debate on the means of attenuating conflict and establishing cooperation in international relations. Online at <http://igcc.ucsd.edu/>.

