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North Korea, Deterrence and Engagement

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and the Jeju Peace Institute (JPI)

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from international and regional perspectives”***

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Zusammenfassung

Nuklearwaffenbesitzende Staaten betrachten Nuklearwaffen als Macht- und Prestigedemonstration sowie als Sicherheitsgarantie. Die realistische Schule sieht im Konzept nuklearer Abschreckung einen Stabilitätsfaktor. Hierin unterscheidet sich Nordkorea (DPRK) nicht von anderen Nuklearwaffenstaaten. Die Konsequenz jedoch ist, dass die DPRK ihre Nuklearwaffen ständig modernisieren und einsatzbarer machen wird. Die institutionalistische Schule hingegen setzt auf die Einbeziehung der DPRK in einen kritischen Dialog, der – wie die Europäische Union (EU) - neben den Sanktionen die Bedeutung des Atomwaffensperrvertrages (NPT) aber auch den Schutz von Menschenrechten hervorhebt. Das entspricht den Erfahrungen der Konferenz über Sicherheit und Kooperation (KSZE) mit den drei Körben während des Kalten Krieges. Liberale Internationalisten sehen in einem Geflecht von wirtschaftlicher Interdependenz und Freihandelszonen ein System von Normen, Standards und Werten entstehen, in das letztlich auch nicht-demokratische Staaten wie China und auch Nordkorea einbezogen werden.

Key Words

Nukleare Abschreckung, Nordkorea (DPRK), Nuklearwaffen, KSZE, Realismus, Institutionalismus, liberaler Internationalismus.

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For states that possess them, nuclear weapons are seen as bestowing prestige and power, as well as providing an insurance policy. The Democratic People's Republic of Korea (DPRK) and other emerging new nuclear weapon states (NWS) are asking the question: If nuclear weapons are good for the big boys, why not for the little boys as well? This view is consistent with the realist school, which maintains that nuclear deterrence creates stability because it supports the idea of balance of power. Kenneth Waltz (2012), for example, argued that Iran should get the nuclear bomb to restore stability to the Middle East. Robert Spalding (2013) observes: "Russia, China, India, Pakistan, Israel, France, Britain and North Korea all treat nuclear weapons as a key component in their nation's strategy, and they are modernizing weapons and/or delivery systems. Nuclear weapons are instruments of peace." However this article argues that a credible nuclear deterrence requires NWS to constantly modernize their nuclear weapons to demonstrate that they are able to use them.

The European Union (EU), on the other hand, takes a mainly liberal institutionalist perspective. An approach that was similar to the one taken by the Conference on Security and Cooperation (CSCE) during the Cold War. The EU supports the policy of critical engagement with the DPRK, which includes political dialogue but also the use of pressure and sanctions contingent on political and security circumstances. Liberal internationalists see a chance to support a rule-based liberal world order. The "Transatlantic Trade and Investment Partnership" (TTIP) together with the "Trans-Pacific Partnership" (TPP) would lower the likelihood of war and also push and pull non-democracies into the new system because they would want to benefit from it.

Deterrence

Deterrence is North Korea's security rationale for possessing nuclear weapons! The DPRK (Democratic People's Republic of Korea) justifies its nuclear-weapons program with the claim that it is threatened by a nuclear or conventional aggression by the US and its allies South Korea and Japan. "Increasing nuclear threat from outside will only compel the DPRK to

bolster up its nuclear deterrent to cope with this”, a DPRK Foreign Ministry spokesman said in October 2013.¹ Domestic reason and international prestige are other important motives.

What is nuclear deterrence? What does it mean? The concept has been developed during the early stages of the Cold War as “Mutual Assured Destruction” (MAD). It is the capacity to inflict maximum damage on an adversary. Although MAD implied that the ability to eliminate the enemy once would be sufficient, as a war fighting strategy it turned out to be ineffective. During the Cold War more and more nuclear weapons alike were considered offensive strike systems. The purpose of nuclear weapons is not only to deter, but also to fight wars.

Deterrence is not simply the threat with mutual destruction, it is destruction organized in a certain sophisticated way. It is the capability to retaliate if attacked or threatened with attack by a nuclear weapon power. Nuclear weapons have to be small enough to cause limited damage. The idea during the Cold War was that after a first nuclear strike the enemy would blink and withdraw. Yet it goes without saying that there is no guarantee how the other side would react under such a circumstance. Therefore, several strategies were developed to control a possible escalation. But there is also an autistic dimension (Senghaas, 1981) to these arms race dynamics. Arms planning was based more on anticipation of what an enemy might plan than on what it had already produced. Technology was another driving force. Theoretically, one could imagine a situation where an enemy would cease to exist without the other side knowing. Under such circumstances, the nuclear arms build-up would continue. In the end, the legacy of the Cold War resulted in nuclear arsenals that could annihilate the world half a hundred times.

One consequence of the reliance on nuclear weapons by nuclear weapon states was nuclear proliferation. Strong non- and counter-proliferation measures and initiatives became necessary, including the “Global Initiative to Combat Nuclear Terrorism” and the “Proliferation Security Initiative” (PSI), which was a series of bilateral agreements that allowed interdiction of suspicious shipments, and it sponsored UN Security Council Resolution 1540, which pro-

¹ The DPRK Foreign Ministry spokesman gave a statement, Bulletin, Embassy of DPR Korea in Vienna, October 27, 2013.

hibits the transfer of WMD and related materials to non-state actors. However, non- and counter-proliferation is not the same as arms control and disarmament.

Realists like Kenneth Waltz strongly believe that nuclear deterrence does work because there was no nuclear war between the United States and the Soviet Union. But in reality we do not know if this is true since you can't prove the negative – why something did not happen. The avoidance of nuclear war between the two Cold War superpowers probably resulted from a combination of political and military factors, such as arms control negotiations, confidence-building measures and cooperation in the Conference on Security and Cooperation in Europe (CSCE) and in other regimes and institutions.

Deterrence does not prevent conventional wars. Nuclear powers were involved in conventional wars. In Korea the Chinese, in Vietnam the Vietcong, and the insurgents in Afghanistan and Iraq were not deterred from fighting a conventional war with the United States. In the Falklands War, Argentina was not afraid to challenge the United Kingdom. Arab states attacked Israel in 1973, even though they already had nuclear weapons. Two nuclear powers, India and Pakistan, went to war in 1999 and Pakistan probably was behind the terrorist attacks on the Indian Parliament in 2001. Moreover, possession of nuclear weapons could encourage conventional strikes. North Korea cannot rely on nuclear weapons to deter a conventional threat.

Deterrence is a combination of two strategies: avoiding war and winning a war in the case the first option fails (Betts, 2013).² In order to be credible as a “peace-keeping strategy” it also has to be a “war-fighting strategy”. This contradiction is in many ways not reconcilable.

North Korea's “nuclear deterrence”

The lessons of mutual nuclear deterrence, in both theory and practice, demonstrate that North Korea's reliance on nuclear deterrence has several problems (Green, 2011; Wickersham, 2011; Krieger, 2011):

² Richard Betts sees deterrence as one strategy for combining two competing goals: countering an enemy and avoiding war.

- Nuclear deterrence is only credible if the adversaries permanently demonstrate that they are serious about using nuclear weapons. This in turn threatens them with self-destruction. In the case of North Korea this means that it will continue to try to miniaturize their warheads and missiles, unless they renounce nuclear deterrence. That might be one reason why North Korea appeared to restart its electric plutonium production reactor. Plutonium is a more desirable bomb fuel for miniaturization. (Hacker, 2013) North Korea is probably developing long-range ballistic missiles and has progressed in producing a warhead small enough to mount on an ICBM. Pyongyang threatened repeatedly to carry out nuclear strikes on South Korea and the United States and deployed missile launchers on its coast.
- North Korea fears a large-scale conventional attack by the USA. This leads necessarily to a nuclear first use doctrine. Therefore North Korea is preparing for a preemptive nuclear strike. North Korea considers its nuclear forces not only as a means to deter a nuclear attack, but also as a means to fight a war. The new strategy would use nuclear weapons in a first strike to prevent a conventional aggression. Consequently, if there were an imminent danger of the DPRK using nuclear weapons, South Korea and its allies would have to launch a pre-preemptive strike. First, South Korea might use the “Korea Air and Missile Defense” to counter a nuclear threat³ and buster-bunker long range missiles to hit underground installations (“Taurus”) but an escalation involving allies with nuclear weapons is possible.
- Deterrence requires specific targeting. Push and pull factors determine nuclear planning. Targeting in this type of nuclear planning is a driving force for the modernization of nuclear weapons. It goes without saying that for all these weapons to be effective, targets have to be identified. Together with an increasing number of nuclear weapons, the number and categories of targets grew throughout the Cold War as well. Strike options must be multiplied. Nuclear infrastructure, the political and military leadership and all kinds of forces have to be targeted. It goes without saying that

³ South Korean Adm. Choi Yun-hee at his parliamentary confirmation hearing to become the chairman of the military's Joint Chiefs of Staff, NTI, Global Security Newswire, October 11, 2013.

North Korea will continue down this road if it keeps relying on its notion of nuclear deterrence.

- The concept of deterrence only works with rational actors. It requires all nuclear powers involved (North Korea but also the US) to rely on each other to respect deterrence and adhere to its principles. Furthermore, they have to communicate with each other and understand each other's signals, which is very difficult to do with the DPRK.
- Deterrence creates hostility and mistrust when North Korea permanently threatens the South and maybe in the future other neighbors and the US.
- The reliance on deterrence by nuclear weapons states causes nuclear proliferation and arms races. This was evident during the Cold War, but it is also true for regional conflicts, such as with India-Pakistan. Deterrence is North Korea's rationale for possessing nuclear weapons, and it could lead to an arms race in North-East Asia. Indeed, mutual deterrence and disarmament are two opposing concepts.
- Deterrence and the reliance on nuclear weapons can create instability and dangerous situations through miscalculations, miscommunication and technical accidents. The film classic "Dr. Strangelove" shows just how such a possibility could have occurred during the Cold War. The dissolution of the bipolar world and the emergence of new nuclear powers might lead to a "multinuclear world" that would multiply such risks and uncertainties. North Korea's nuclear weapons may also be subject to poor safety standards. Since inspectors of the International Atomic Energy Agency (IAEA) are not allowed to enter the DPRK, there is no way to determine the conditions of North Korean nuclear facilities. Without the inspectors of the Agency and its verification mechanisms, the knowledge of nuclear programs in North Korea will remain extremely limited. At the very least, IAEA inspections can sufficiently slow down the process of acquiring nuclear bombs.
- The United States responded to North Korea's nuclear threats by announcing it would field more long-range interceptors in Alaska and by posting additional antimissile systems on Guam. The United States and NATO wanted to build a missile defense system that would help protect the United States and Europe from missiles fired

from the Middle East or North Africa, but Russia strongly opposed this. However, missile defense below the strategic level against North Korea should not be a threat to Russia. Yet, missile defense only works properly outside a system of deterrence.

Engagement and North Korea (DPRK)

The “Non-Proliferation Treaty” (NPT) is based on three mutually reinforcing pillars of non-proliferation, disarmament and peaceful uses of nuclear energy. Especially with reference to North Korea, some observers argue that the NPT is dead. Of course, there are some indications that this argument holds true. Several countries, including India, Pakistan, North Korea and (allegedly) Israel, have developed nuclear weapons outside the treaty’s framework. However, others have returned to the NPT fold, such as South Africa and Libya. Following the breakup of the Soviet Union, Kazakhstan, Ukraine and Belarus redeployed their nuclear weapons to Russia. Fortunately, US President John F. Kennedy’s dire prediction that by the 1980s the world would see around 30 nuclear weapon states has not come true. Yet in terms of numbers, there is no clear picture of how many potential nuclear weapon states exist today.

North Korea left the NPT in 2003. It accused the Bush administration of having violated the agreed framework concluded in 1994 with the Clinton administration. Under this framework, North Korea initially agreed to halt and eventually dismantle its production of nuclear weapons-grade material, which would be verified by the International Atomic Energy Agency (IAEA). In return the US promised to supply large shipments of fuel oil and construct two light-water nuclear power reactors. After leaving the NPT, North Korea tested three nuclear devices and several long-range missiles. Since then, neither the six-party negotiations among the U.S., China, Russia, Japan, South Korea and North Korea nor coercive sanctions have persuaded North Korea to abandon its nuclear ambitions. (Lankov, 2009) Russia and China have already adopted United Nations Security Council resolutions to impose sanctions: 1718 (2006), 1874 (2009) and 2087 (2013) all following DPRK nuclear tests.

This is how the DPRK can be reengaged in negotiations. In several speeches, US president Barack Obama has laid out a different approach to diplomacy. As early as his speech in Berlin

during the election campaign in July 2008, he stressed that “partnership and cooperation among nations” offered the only way to protect “common security.”⁴ On several occasions he embraced “a new era of engagement based on mutual interest and mutual respect.”⁵ In his inaugural address, Obama offered to “extend a hand if you are willing to unclench your fist.”⁶

There is some misunderstanding about the concept of engagement on the part of the US right-wing opposition as well as in regimes such as Iran and North Korea. In contrast to Obama’s predecessor who refrained from talking with adversaries, engagement involves talking to hostile regimes—but not yielding to them. Direct talk is not necessarily nice talk. Engagement is involvement, not appeasement. It is a start, not a goal. It is a means, not an end in itself. It is a process, not a destination. It is a sign of strength, not weakness.

Engagement diplomacy offers all participants a chance to come closer to a solution. It is not about victory; it is about problem solving. It requires reciprocity. However, if there is no visible progress, the fierce opposition to this strategy among the hawks on both sides will gain momentum.

A policy of engagement, however, does not offer a solution to the nuclear issue as yet; it is a process. North Korea missed a historic chance to seize this opportunity and to build confidence. As mistrust deepened, more severe sanctions could follow and gain in legitimacy. It is up to the DPRK to keep the window open. And it should think about its future relations with the US and the West. Thus it is important to keep North Korea engaged to reduce the likelihood of confrontation and support an environment conducive to exchange and interaction. Engagement goes beyond simply talking. It includes a lively exchange of cultural, humanitarian, economic and academic programs.

⁴ Senator Barack Obama in Berlin, Germany, *The New York Times*, April 24, 2008.

⁵ For example, inter alia, Obama’s speech to the United Nations General Assembly, *The New York Times*, September 24, 2009.

⁶ Obama’s speech on his inauguration as 44th president, *The Associated Press*, Jan. 20, 2009.

EU

The EU has three key interests regarding the DPRK: regional peace and stability, denuclearization/non-proliferation and human rights. The EU's policy is balanced between a firm stance on non-proliferation (defending global non-proliferation/the NPT is a key EU objective) and advancing human rights. However, the human rights situation in DPRK remains bleak.

In its policy approach to DPRK, the EU uses various instruments at its disposal, but its general approach can be described as a form of critical engagement⁷: regular political dialogue, development assistance programs (e.g. European Commission food security programs as well as a small number of other operations) on one hand, and diplomatic pressure and sanctions on the other.

In the context of its policy of critical engagement with the DPRK, the EU remains open to political dialogue with the DPRK, timing being contingent upon political and security circumstances.

The human rights situation remains an issue of great concern. In the light of the gravity and chronic nature of the violations of the Democratic People's Republic of Korea and the persistent refusal of its authorities to cooperate with the UN Special Rapporteur, the EU, together with Japan, presented a resolution concerning the establishment of a Commission of Inquiry to investigate the grave and persistent violations of human rights in the DPRK, which was unanimously adopted by the UN Human Rights Council on 21 March 2013.⁸

EU restrictive measures against DPRK were introduced to implement UNSC Resolutions and include further additional EU autonomous measures. The measures are targeted at the nuclear and ballistic missile programs of the DPRK. Measures include prohibitions on the export and import of arms and goods and technology that could contribute to the DPRK's nuclear-related, ballistic missiles related or other weapons of mass destruction-related programs.

⁷ There is no EU Delegation in Pyongyang but the EU is represented, on a six-months rotating basis, by one of the seven EU Member States present there.

⁸ EU-factsheet, *The EU and the Democratic People's Republic of Korea*, Brussels, 29 April 2013.

The EU and the UN have also taken additional measures (in sectors including trade, transport and finances). The EU last strengthened its measures on 22 April 2013, giving effect to the measures of UN Security Council resolution 2094 (2013).⁹

Is the CSCE a precedent? During the Cold War it adopted a liberal institutionalist approach to bring about behavioral and social change under communism. It might work again. The CSCE process was based on three 'baskets': questions relating to security, cooperation in the fields of economics, science, technology and the environment, and cooperation in humanitarian and other fields. Paragraph 25 of the Revised Guidelines of the EU's Foreign and Security Policy in East Asia (adopted in June 2012) concerns itself with these mechanisms: "The EU should share our own experience of regional peace and security mechanisms (including for example, the OSCE¹⁰), and should be willing to cooperate in the context of broader East Asia peace and security mechanisms as they evolve." In EU terms, East Asia includes ASEAN countries. (Ueta, 2013) The principles of a multilateral process could also be applied to a mix of bi- and multi-lateral relations in East Asia.

North Korea is not an easy test case. After several incidents since 2010 taking the CSCE approach and even any resumption of the stalled six-party talks seem to be remote. The March 2010 sinking of a South Korean naval vessel, for which North Korea appears to be responsible, killed 46 sailors. The international community condemned the incident. Subsequently, North Korea threatened with all-out war. In November 2010 the DPRK revealed a uranium enrichment facility besides its plutonium-based program. Amid this claim North Korean military shot dozens of artillery onto a South Korean populated island near their disputed western border. Kim Jong-un expanded North Korea's program and conducted a successful space launch. The restart of the plutonium reactor, which had been abandoned because of the 1994 Framework Agreement, now complicates negotiations. (Hacker, 2013) All these hostilities make an engagement policy of all the six powers involved all the more necessary to stop North Korea's nuclear program.

⁹ EU-factsheet, *The EU and the Democratic People's Republic of Korea*, Brussels, 29 April 2013.

¹⁰ The "Organization on Security and Cooperation" (OSCE) is the successor organization of the "Conference on Security and Cooperation" (CSCE).

A first confidence building measure would be to start talks about a peace treaty to replace the armistice that came after the Korean War. A military intervention is not a good option to stop North Korea's nuclear activities. It would inflict massive human suffering not only in the North but also on South Korea.

A first step would be a freeze of North Korea's nuclear program. The suspension of the production of nuclear weapons material has to be verified by special inspections by the IAEA, which would strengthen the NPT provisions. This should be accompanied by a moratorium on testing nuclear weapons.¹¹ The end of missile tests, including space launch vehicles, should follow this. However, the USA and the EU should keep this dual-track combination of diplomacy and sanctions. The US and the EU should not give up on the effort of disarmament, which is an indispensable part of the NPT. It is the only way to convince states to support non-proliferation initiatives although North Korea will not give up its nuclear program immediately. Finally, there is no quick fix. Patience is an essential prerequisite for engagement.

Pyongyang should go back to its promise during the six party talks of 2005 – involving the US, China, Russia, Japan, South Korea and the DPRK - to denuclearize. The spokesman of the DPRK Foreign Ministry does not exclude the “denuclearization of the Korean Peninsula, the invariable aim of the policy of the DPRK government” as long as it “does not mean unilateral nuclear dismantlement on the part of the DPRK side.”¹² A conference on “Nuclear Weapon Free Zone North-East Asia” similar to the efforts in the Middle East could be considered. A combination of “negative security assurances” could be a confidence-building measure. “Negative security assurances” would remove all non-nuclear weapon states (NWS) from the target list. Nuclear weapon states should commit themselves to “negative security assurances.” This is the guarantee not to use nuclear weapons against non-nuclear weapon states. Eventually a denuclearized Korean peninsula in the framework of a “Nuclear Weapon Free Zone” (NWFZ) would also be more stable than an extended deterrence of the US or an autonomous South Korean deterrence against the North Korean nuclear threat. “Negative se-

¹¹ Similar suggestions have been made by Bosworth and Gallucci (2013).

¹² The DPRK Foreign Ministry spokesman gave a statement, Bulletin, Embassy of DPR Korea in Vienna, October 27, 2013.

curity assurances” include the promise by NWS not to threaten or use nuclear weapons against members of the zone. Extended deterrence means a commitment not to threaten or to use such weapons against a state that possesses nuclear weapons.

North Korea is the world’s most egregious human rights abuser and holds large numbers of its population in prison. Lifting some sanctions has to be linked to human rights improvements. This could at least bring relief for some North Korean citizens. An entire dismantlement of North Korea’s nuclear program might not be achievable by lifting these sanctions.

Economic Engagement

Is Obama’s approach of “engaging” partners, competitors, and potential rivals the right approach? It goes without saying that economic ties can stabilize relations and prevent bloc building. As to the US-EU relations, mutual investments of European and American companies in the US and in Europe generate approximately ten million jobs. The US and Europe account for 50 percent of the global production and 40 percent of the global trade (Neuss, 2009). The mutual direct investment is almost 60 percent of the overall investment.

However, Europe is economically engaged in Asia as well. Europe is China’s first and India’s second largest trading partner. China also has become the biggest investor in Germany. For the Association of Southeast Asian Nations (ASEAN), Europe is also the most important commercial address. The EU is beginning to negotiate free trade areas with various Asian countries (Leonard/Kundnani, 2013). It goes without saying that East Asia is important for Europe and that any conflict would have a significant global economic impact (Bond, 2013). The Republic of Korea is the world's 15th largest economy and Europe's 9th largest trading partner. Japan is the European Union's 7th and China the EU's second largest trading partner. Today, the two partners are highly interdependent. Between 2002 and 2012, total EU-China trade has quadrupled. However, the EU’s trade deficit with China, for example, is the Union’s greatest bilateral deficit with any one country over the same time period. The quantity and quality of two-way investment flows is also growing. China accounts for about 2-3% of overall European investments abroad, while Europe represents 5-6% of China’s outward Foreign Direct Investment (FDI). To address these and other issues, the EU-27 and China

launched the High-Level Economic and Trade Dialogue (HED) in Beijing in April 2008. Meanwhile, the 'strategic partnership' launched in 2003 has also become highly institutionalized: alongside an annual EU-China summit and the HED, there is also a EU-China High-Level Strategic Dialogue. Economic factors will continue to form the backbone of the EU-China relationship. A bilateral Free Trade Agreement (FTA) could become reality in the next few years, leading to further economic growth and job creation (Casarini, 2013).

Close military ties do not influence trade deals. The FTA between the United States and South Korea does not contain more favorable terms to Washington than the FTA between South Korea and the EU, which was negotiated at the same time. Both agreements are comprehensive and contain roughly similar terms across a wide variety of sectors. While the United States did earn better terms in areas such as vegetable products and transportation, the EU received better terms on automotive safety protocols, chemicals, machinery, and electronics. These differences are primarily a function of European and American priorities, not US military leverage (Drezner, 2013).

US president Barack Obama formally endorsed a free trade partnership between the United States and the European Union in his State of the Union Address in February 2013. Such an agreement is not only about stimulating trade and investment, creating jobs, eliminating tariffs but also about the future of the world. Liberal internationalists see a chance to support a rule-based liberal world order. The TTIP could provide a further stable basis for market economies and liberal democracies to strengthen their global influence. Such a transatlantic partnership could help to spread their standards to emerging powers. It could complement and reinforce the multilateral system, and contribute to the development of global rules (Hormats, 2013). Liberal internationalists argue that down the road the TTIP has the potential to create new international standards, common bonds and shared values.¹³ On the one hand, it would pull non-democracies into the new system because they would want to benefit from the access of the new market. On the other hand, they would want to adopt it

¹³ However, the more detailed rules and standards might be very different. There are profound differences in agriculture policies such as disputes on genetically modified products, in labor laws, minimum wages or economic policies on deficit spending. Additionally, critics would say such a US-EU accord would exclude poorer nations and a global trade agreement involving more countries would be more desirable in this regard. Also, it would undermine the regulatory work of the World Trade Organization (WTO).

further as they become increasingly dependent on it. Any country may join if it accepts the norms and principles. The US and Europe would create an economic and politically unifying force that would integrate the new emerging actors such as China, India, Brazil, Russia and other established economic powers (Hormats, 2013). Turkey has expressed its interest to participate in the TTIP and Brazil wants to revive an old trade-pact with Europe.¹⁴ The agreement would support efforts for similar deals with Asia and the Pacific such as the multi-lateral Trans-Pacific Partnership (TPP) or the bilateral free trade agreement with Korea (KORUS) and Vietnam. The US is also working with Canada, Mexico, Peru and Chile on the eastern shore of the Pacific to negotiate the TPP with trading partners in East Asia (Kurata, 2013). South Korea's proposed free trade agreements with China and/or Japan are an additional step in this regard. South Korea's interest in the TPP and Japan's entry into the negotiations could also have security implications as well.

Geo-strategists and realists would argue that on a grand strategic level closer US – European ties, the TTIP and improved cooperation of the US with Asian-Pacific states would enhance the West's leverage with China (Barker, 2013). It would push back China's autocratic capitalist model that could dominate the world order as Robert Kagan (2012) and others fear. TTIP and TPP eventually might either isolate or integrate it. The deal would enable the US together with Europe to set global rules to maintain their control over the global economic governance. The US and Europe would not only consolidate their status as the leading economies but build a political bloc of liberal democracies. The argument also holds for North Korea. There is some rationale (both theoretic and empirical) that increased trade will lower the likelihood of war between these states. South Korea must take care, however, that these trade regimes truly raise the mutual benefits of all participating countries. (Kim, 2013)

One must remain aware that economic interdependence is by no means sufficient for achieving political rapprochement to solve common problems. Realists even argue that interdependence is a cause of conflict because it increases vulnerability. Before World War I, mutual trade relations among the war fighting parties were stronger than trade relations

¹⁴ *The Economist* (2013) A transatlantic TTIPing-point: An historic trade pact between America and Europe needs saving. 27 April.

between the US and Europe today. On the other hand, the Anglo-American economic relations declined before the war, while critical rapprochement occurred (Kupchan, 2010a, b).¹⁵

Conclusion

Like all nuclear weapon states the DPRK justifies its nuclear weapon arsenal with the concept of deterrence. In the case of North Korea it means that it will continue to try to miniaturize and modernize their warheads and missiles. This leads to a first use doctrine of nuclear weapons. Moreover, deterrence does not prevent conventional wars. Obama's policy of engagement does not offer a solution to the North Korean nuclear issue as yet.

In the context of its policy of critical engagement with the DPRK, the EU remains open to political dialogue. The EU has three key interests: regional peace and stability, denuclearization/non-proliferation and human rights.

The CSCE could be a precedent. The CSCE process was based on three 'baskets': questions relating to security, cooperation in the fields of economics, science, technology and the environment, and cooperation in humanitarian and other fields. However after several incidents since 2010, taking the CSCE approach or attempting any resumption of the stalled six-party talks seem to be remote. A military intervention is not a good option either. There is some rationale that trade decreases the likelihood of war. The multilateral TPP, the bilateral free trade agreement with Korea and Vietnam, and the proposed free trade agreements of South Korea with China and/or Japan are additional steps in this regard.

This article looked at three theoretical approaches, realism, liberal institutionalism, and liberal internationalism. It concludes that a political strategy to create a stable North Korean peninsula has to go beyond nuclear deterrence that is based on the realist notion of balance of power.

¹⁵ However, crises among the highly interdependent European powers in the decades leading up to the war were generally resolved without bloodshed. Among the less interdependent powers of Eastern Europe, crises regularly escalated to militarized violence (Gratzke, 2012).

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