

NORTH KOREAN SECURITY CHALLENGES

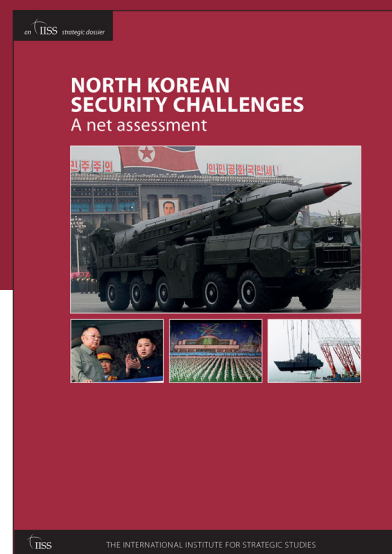
A net assessment

Launch statement

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The immediate security challenges posed by North Korea are formidable. On the military front, these include nearly the full array of weapons of mass destruction: a plutonium-based nuclear weapons program now supplemented by uranium enrichment; the world's third largest chemical weapons arsenal, possibly biological weapons and a range of ballistic missiles that may be able to deliver these weapons to South Korea and Japan. The threat from these weapons is not just direct. The concern that North Korea would transfer nuclear weapons technology to other rogue states or terrorists for financial profit or barter is not fanciful; it has been threatened.

North Korea's lethal attacks in 2010 on a South Korean warship and a populated island were vivid reminders of the conventional military threats posed by North Korea and the potential for resumed conflict on the Korean Peninsula. Despite economic impoverishment and an inability to feed its people, North Korea remains highly armed, determined to seize advantage through asymmetric capabilities, and ready to fire first. North Korea remains the most militarised country on earth. Its Korean People's Army is the world's fourth largest; its expanded special forces are the biggest anywhere. Although a long economic decline and enhanced capabilities in South Korea make any option to invade seem less credible today than in the past, the North has many ways to inflict harm and sow terror without invading. Electronic warfare is among the other forms of asymmetric capabilities that make Seoul feel vulnerable.

Meanwhile North Korea has engaged in diverse forms of state-sponsored crime, including the kidnapping of foreign nationals, trafficking in narcotics and many other forms of contraband, and the counterfeiting of foreign currency. This criminality and the refugee flows, human trafficking and other complications arising from the regime's systematic mistreatment of its own people pose additional security

challenges, both direct and indirect, for North Korea's neighbours and the wider international community. It is a moot point whether the Kim regime is more of a menace to its own subjects or the wider world. Its provocative behaviour increases the risk that eventually somebody, whether within or outside, will be goaded to retaliate.

The threats that North Korea presents to the outside world are inextricably linked to its domestic situation. The leadership's hyper-militarism, decades of mismanagement and refusal of reform have impoverished the country. Without foreign assistance and a structural overhaul, the North has no realistic prospect of sustainable development. With political control and regime protection its overriding concerns, however, the leadership has been unwilling to undertake the bold structural reforms and transparency measures necessary to resuscitate the economy, or to give up its nuclear-weapons programme in exchange for the foreign assistance and trade that could rescue the nation from its poverty. Instead, Kim Jong-il has turned to the military, designating a 'military first' (*songun*) policy as the regime's guiding ideology.

Yet the collapse of the public food distribution system in the mid-1990s, the growth of private markets and increased knowledge of the outside world have led North Korean society to start fracturing. A traditional communist class structure based on political standards is changing to one determined by income, and as more North Koreans become involved in market activities the greater the income disparities that emerge. The magnitude and pace of social change in North Korea is often overestimated, but the direction of it is indisputable.

The dynastic succession now beginning to unfold in Pyongyang and the uncertainties this entails exacerbate the potential for conflict. Kim Jong-il's precise health remains unclear. He appears to have largely recovered from his stroke in

summer 2008. Last year's sudden acceleration of the transition of power is convincing evidence, however, that his longevity is an issue of concern. The succession so far appears to be going smoothly. However, his designated successor, third son Kim Jong-un, will face severe disadvantages because of his lack of experience, his fragile power base, the political constraints on economic reform and the military's role in politics. In almost all respects, the external and internal conditions are less favourable for this second generation succession than for the first dynastic transfer after the death of regime founder Kim Il-sung in 1994. This could make North Korea an even more dangerous nation, more inclined to engage in further military provocations, to cling to its weapons of mass destruction and to offer them for sale to any would-be buyer. The Kim family will have to rely heavily on physical power exercised by the military and the state-security apparatus in order to ensure a successful succession. In pursuit of the goal of becoming a 'strong and prosperous great nation' by 2012, the centennial of the founding father's birth, such military capabilities are all that the regime can summon.

NUCLEAR AND MISSILE CAPABILITIES

North Korea has enough plutonium for a handful of nuclear weapons. How much plutonium and how many weapons are impossible to estimate accurately except within broad ranges: enough for 4–12 bombs, although most likely fewer than ten. It cannot be confidently said that North Korea has developed reliable, deliverable nuclear weapons. Nevertheless, it will eventually be able to develop a warhead capable of fitting on a ballistic missile with satisfactory re-entry technology, especially if it conducts further nuclear tests to refine its weapon design.

Pyongyang has made frequent references to using its nuclear weapons, which are portrayed as essential to deterring an attack. But the weapons largely serve a political purpose. Any actual North Korea offensive use of nuclear weapons would lead to its annihilation. North Korea perceives its nuclear weapons as a way of ensuring its prestige and influence on the international stage and of bolstering the regime's internal legitimacy; the only way to compensate for economic deficiencies. The regime no longer refers to the possibility of relinquishing its nuclear assets in return for political and economic concessions. It has said that it will only feel no need to retain its nuclear weapons once the American 'nuclear threat is removed and South Korea is cleared of its nuclear umbrella'. Given that the first of these conditions is highly subjective and the second is very unlikely (as it would require the end of the US–South Korea alliance), it appears that Pyongyang perceives its nuclear weapons as a permanent feature.

The missile programme serves a similar political purpose. North Korea has established one of the world's largest ballistic-missile arsenals, exported such missiles to many

countries, and conducted provocative tests of longer-range systems and space launchers that could be converted into long-range missiles.

It is very likely, however, that North Korea has historically relied on foreign sources for its supply of *Hwasong*, *Nodong*, *Musudan* and KN-02 missiles. If unsanctioned supply channels have been shut down or sufficiently attenuated, then North Korea may no longer be able to export missiles in large numbers. It would also be unable to expand its missile forces appreciably.

Despite Pyongyang's limited indigenous production capabilities, it continues to show considerable interest in developing a satellite-launch capability, as well as longer-range ballistic missiles, possibly including an ICBM. North Korea has the wherewithal to develop these systems if it so decides. Future space launchers and long-range missiles will be founded on technologies available to North Korea, primarily legacy engines and components from the former Soviet Union. Although many of these technologies are considered obsolete elsewhere in the world, they can be configured to create the range–payload envelope that North Korea apparently seeks. Such systems will take time to develop and will require an ambitious flight-test programme, which should provide the world at least five years of warning before they become combat ready. Moreover, the systems will have limited strategic capabilities for the foreseeable future, will not be fielded in large numbers and will likely have poor performance accuracy and reliability.

Surprises are always possible. North Korean leaders might be willing to accept tremendous risk and deploy a missile before it is fully developed. Prematurely fielding missiles such as the *Musudan* will not provide North Korea with a reliable capability. But if the unproven systems are deployed in ways that can be detected by Pyongyang's adversaries, they may have value for political and deterrence purposes.

FOUR CRISES

With the DPRK under more pressure than ever before, the possibility that the regime might begin to unravel cannot be ignored. The Kim regime has long defied predictions of its collapse. It has survived major challenges, including a change of leadership, a catastrophic famine and the demise of its major sponsor. Amidst all this, it successfully defied the world to become a nuclear power. Yet the crises which now beset North Korea are multiple and acute. The regime may be on the cusp of drastic change.

The current crisis has four aspects, all interlinked. Politically, successions are the Achilles' heel of dictatorships. Kim Il-sung knew this, and prepared his son's rise to power meticulously over three decades. Kim Jong-il, by contrast, was very tardy in anointing a son of his own as heir. The sooner he dies, the less likely that his son's succession will go smoothly.

Table 5: The Military Balance on the Korean Peninsula

	North Korea	South Korea (and US forces)
Defence expenditure	\$8.2 billion (2008)	\$25 billion (2010)
Percentage of GDP	22–24%	2.6%
Ground forces		
Active troops	1.2 million	655,000 (+ 28,000)
Reserves and paramilitaries	5–7.7 million	3 million
Tanks	4,100	2,400 (+50)
Armoured personnel carriers	2,500	2,600 (+110)
Field artillery pieces ¹	8,500	5,200 (+16)
Multiple rocket launchers	5,100	200 (+40)
Mortars	7,500	6000
Air defence guns	11,000	300
Air forces		
Combat aircraft	820 (max 620 serviceable)	460 (+90)
Helicopters	300	680 (+120)
Naval forces		
Principle surface combatants ²	3	19
Patrol and coastal combatants ³	383+	111
Submarines ⁴	70	23
Hovercraft	135	5
Landing ships and craft	130	41

¹ With calibre 122mm or more

² Combat vessels with a full-load displacement greater than 1,500 tonnes

³ Combat vessels (including corvettes) with a full-load displacement of 1,500 tonnes or less

⁴ Including all types and displacements

North Korea's second crisis is economic, and has multiple dimensions. The 'great leap backwards' of the past 20 years has left the state, and most North Koreans, poorer than in 1989 when Soviet aid kept it afloat. Specific tension points include a potential inability to feed even the military, or the relatively privileged capital city. The rash official pledge to create a 'strong and prosperous nation' by 2012 may rebound to haunt the regime. More generally, an impoverished and increasingly disenchanted populace, which has become more aware by various means that in South Korea and even China others live much better, may not put up with such misery and oppression indefinitely.

North Korea's third crisis is external: its relations with the outside world. The Kim regime has long played the role of provocateur on many fronts: first to South Korea, and latterly to the wider region and world with its nuclear and missile threats. In the past there was method in this: militant mendicancy enabled North Korea to blow hot and cold, raising tensions and then in effect angling to be paid to stop. But this approach depends on the willingness of others to play the game, and all interlocutors have tired of it. Such brinkmanship is also risky. It could have led to a second Korean war in 1994, while the two attacks on South Korea in 2010 make it almost impossible for President Lee Myung-bak not to strike back hard if Pyongyang is rash enough to attack it again.

The fourth crisis facing the DPRK is more existential. In the context of a divided nation, North Korea has always falsely portrayed itself as the guardian of Korean nationalism and the rightful, legitimate heir of the true Korean spirit. Today this lie faces fresh challenges at home. In practice, the North has surrendered its vaunted *juche* philosophy of 'independence' since it depends crucially on Chinese aid and political support. Meanwhile, for citizens the myth is wearing thin; the poverty and oppression of everyday life makes the official line that they have 'nothing to envy' ring hollow.

UNIFICATION SCENARIOS

In light of these multiple crises, Korean unification is no longer purely hypothetical. One cannot, of course, rule out a continuation of the status quo. North Korea's collapse has been confidently forecast by many experts for over 20 years. But the fact that against all odds and expectations North Korea is still defiantly there, almost a generation after communist regimes elsewhere either collapsed or embraced a different economic model, should make any analyst cautious about making further predictions about the Kims' demise. On the other hand, the ferment in the Arab world this year is a reminder that no regime lasts forever.

We postulate four broad scenarios to unification. The optimal one is a soft landing, whereby over time North Korea

stops doing the things which make it a menace. If the Kims do finally come in from the cold, it could lead to reconciliation and maybe to a peaceful and gradual integration. However, the Kim regime shows no sign of fundamental change; certain negative behavioural patterns may now be hard-wired. Even if the regime does accept a more liberalised economy, it is very unlikely to give up its nuclear weapons.

A second positive scenario is German-style reunification by absorption and a voluntary or peaceful collapse of the Kim regime. This is also extremely unlikely. So militant and militarised is North Korea that it seems unimaginable for it to crumble peacefully.

A third scenario is unification through North Korean collapse the hard way. Unless the Kim regime does a U-turn, it is increasingly likely that North Korea's accumulating contradictions will sooner or later unleash a contingency of some kind. This would probably be an internal challenge, although any further provocation against South Korea risks provoking strong military retaliation, which could trigger further events or spiral out of control.

North Korea's possession of nuclear weapons further complicates an intricate and dangerous situation in the event of a disputatious collapse. The nightmare scenario would be if ROK intervention in the North, perhaps including its US ally in an urgent quest for 'loose nukes' were perceived as hostile by Beijing, leading to a direct military confrontation between two superpowers. It is vital, if politically difficult, that the ROK, the US and China plan trilaterally and discreetly in advance to prevent this.

A DPRK collapse, with conflict leading the ROK to intervene, is similar to a fourth scenario of reunification through war. This is often assumed to be unthinkable. There is little doubt that the South would win such a war – our chapter on the military balance explains why – but a full-scale conflict

in the age of missiles and WMD could lay waste to the whole peninsula again for a generation. Yet complacency seems ill-advised. Actions can be misperceived and tensions escalate. North Korea's two attacks last year were a dangerous and perhaps desperate escalation of brinkmanship. If Pyongyang tries it again, it would be politically all but impossible for any ROK President not to retaliate forcibly.

For completeness, it is also necessary to consider another possible outcome on the peninsula: that North Korea may succeed in maintaining its regime sheltering under the wing of China. Most unification discourse assumes that South Korea is bound to inherit the North. It is important to think through the implications for reunification if China is determined, as it seems to be, to sustain North Korea 'as is'. China seems to have made a strategic decision that a unified Korea under Seoul leadership and allied to the US goes fundamentally against its interests. Since mid-2010 Chinese policy has moved sharply and visibly to prop up the Kim Jong-il regime and strengthen ties at all levels, from endorsing Kim Jong-un's succession to de facto diplomatic support for the North's acts of aggression. Beijing has both the financial and the military muscle to protect the Kim regime and keep it afloat. In a word, it has both the motive and the means.

Hence, unwelcome though this may be in Seoul, a plausible alternative scenario for North Korea's future is that it may increasingly become a de facto satellite of China. This is not what Pyongyang would have wanted, but does it have any alternative? If it is a matter of regime survival the Kims are in no position to resist Chinese patronage. If North Korea thus moves into China's orbit, this will pose complex challenges for South Korea. There is no need and no chance that China would in any way formally annex or occupy the DPRK. But a client state is another matter.