

## **RUSSIA'S RESPONSE TO THE 2002-2003 NORTH KOREAN NUCLEAR CRISIS**

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### **I. Introduction.**

Since he became president of Russia, Vladimir Putin has played an active role on the Korean peninsula, pursuing ties with both North and South Korea. Putin's engagement with both Korean states has contributed to a perception by some that Russia could play an influential role in helping to resolve the second North Korean nuclear crisis that began in October 2002 when a North Korean official admitted that his country has been pursuing a secret uranium enrichment program.

What policy has Russia adopted in response to this crisis and how influential has it been? The short answer is that Moscow has proclaimed its strong opposition to North Korea's possession of nuclear weapons. But it has more in common with Seoul, Beijing and to a certain extent with Tokyo, in its analysis of the roots of the problem and the best strategy to deal with it, than it has with the George W. Bush administration in Washington.

Until recently, Moscow seemed to be playing a negligible role despite its efforts early this year to mediate an end to the crisis and its repeated assertion of its right to be part of any multilateral process. Just recently, at the very end of July 2003, Pyongyang dropped its previous strong opposition to participation in a multilateral meeting and insisted on the inclusion of Russia.

This change in Pyongyang's policy promises to allow Moscow to play a more important role than previously seemed likely. However, Washington, Beijing, Seoul and even Tokyo are likely to have more influence over the outcome than will Moscow. They have more to offer North Korea which is looking for diplomatic recognition and security guarantees from Washington and Tokyo and promises of continued food, energy, and other financial aid to keep the bankrupt Pyongyang regime afloat.

### **II. Brief overview of Russia's past policy.**

One persistent goal of Russia's policy toward the Korean peninsula has been to be accepted as an influential participant in efforts to resolve contentious issues and problems. Moscow wants a seat at the table to have its status as a great power recognized.

In the late Gorbachev period, Soviet leaders believed that their country had a special role to play on the Korean peninsula because it was the only major power that had diplomatic relations with both Koreas. In the early 1990's, after the dissolution of the USSR, there was growing awareness in Moscow that Russia's influence over Korean affairs had declined precipitously. Gorbachev's September 1990 establishment of diplomatic relations with South Korea, and the subsequent decision to end fuel and other subsidies to the North produced a serious estrangement between Moscow and Pyongyang.

North Korean officials were further angered by Russia's decision to reinterpret the 1961 Soviet-Democratic People's Republic of Korea (DPRK) Treaty of Friendship, Cooperation and Mutual Assistance to make it clear that Russia would help defend North Korea only if it were the victim of an unprovoked attack. Before this reinterpretation, Moscow was obliged by the treaty's terms to defend the DPRK at any time it was involved in a war.

Yeltsin's reform-minded, Western oriented government was annoyed by evidence that Pyongyang had backed the August 1991 foiled conservative coup against Gorbachev. There were even suggestions that the early Yeltsin regime was not interested in improving Russian relations with North Korea because they expected the regime soon to collapse.

Growing tensions between Moscow and Pyongyang reduced Russia's importance to Seoul. Whereas the late Gorbachev *rapprochement* with South Korea was motivated on the Soviet side primarily by economic incentives, Seoul primarily was interested in using Moscow as an avenue for influence over Pyongyang. Once it became clear that Russia had lost its influence in North Korea, Seoul was much less interested in Moscow. Another reason for South Korean disenchantment was Russia's failure to begin repaying a U.S. \$1.47 billion debt, money it owed Seoul for a loan extended in the late Gorbachev period. After an initial period of euphoria, South Korea's business community quickly became disenchanted with the prospects for profitable economic ties with Russia and the Russian Far East.

By the time of the first North Korean nuclear crisis in 1993-1994, the limits on Russian influence over the Korean peninsula were clear. Moscow tried to play a role in resolving this crisis by proposing the convening of an eight-party conference comprising representatives of the two Koreas, the United States, China, Japan, Russia, the United Nations (UN) and the International Atomic Energy Agency (IAEA). However, this proposal received a negative reception.

Russia played little or no role in the process leading to the October, 1994, Agreed Framework between the United States and the DPRK. According to the terms of this agreement, North Korea pledged to freeze its nuclear program in return for a promise of external fuel aid and help in building two proliferant resistant light water reactors.

Russia did not become a member of the Korean Energy Development Organization (KEDO), the body established by the United States, the Republic of Korea (ROK), Japan and the European Union (EU) to implement this agreement. KEDO did not accept Russia's offer to provide the light water reactors promised North Korea even though Pyongyang would have preferred Russian reactors to the South Korean reactors it was forced to accept. Not surprisingly, KEDO insisted on South Korean reactors both because Seoul was paying most of the cost and because North Korea would be forced to accept a major South Korean project and South Korean engineers and technicians on its soil.

Russian officials were upset by their country's exclusion from the four-party talks focusing on inter-Korean issues. These talks began in 1996 with the participation of the two Koreas, the United States and China. On numerous occasions, Moscow, sometimes with the backing of Tokyo, proposed expanding the four-party talks to a six-party format that would include Russia and Japan. But this proposal was not accepted.

Starting around 1995-1996, Russia made a serious effort to improve its relations with North Korea in order to regain some of its lost influence on the Korean peninsula. This move to a more balanced policy toward the two Koreas was facilitated by the death of Kim Il-sung in 1994 and his replacement as top North Korean leader, albeit not as president, by his son Kim Jong-il.<sup>1</sup> This policy change was encouraged by the January 1996 appointment of Evgenii Primakov as Russia's Foreign Minister to replace Andrei

Kozyrev. In contrast to his pro-Western predecessor, Primakov supported a more balanced foreign policy with a greater emphasis on establishing and maintaining good relations with states in Asia and the Middle East and with former Soviet states as well as with the United States and its allies.

Moscow agreed to negotiate a new friendship treaty with Pyongyang to replace the 1961 Soviet-North Korean treaty that was allowed to elapse in 1996. In March 1999, Deputy Foreign Minister Grigori Karasin visited Pyongyang and initialed the Treaty of Friendship, Good Neighborliness and Cooperation. In contrast to the 1961 treaty, this new treaty did not include a Russian security guarantee to North Korea. It committed Moscow and Pyongyang only to contact each other in the event of a crisis.<sup>3</sup>

### **III. Putin's Korea policy.**

A new phase in Russian foreign policy began when Vladimir Putin succeeded Boris Yeltsin as Acting President in December 1999 and then in March 2000 as Russia's second elected president. There is significant continuity between the foreign policy conducted by Yeltsin in his second term and Putin's foreign policy. However, Putin's policy often appears to be quite different because his good physical and psychological health enables him to pursue a much more activist foreign policy.

Putin has tried to improve Russia's relations with the United States and West Europe while at the same time actively courting former Soviet states, China and so-called "rogue states" including Iran and North Korea. These states have been courted in part for economic reasons and in part because a multidirectional foreign policy is seen as giving an economically and militarily weak Russia greater perceived importance and leverage in world affairs.

Domestic politics also plays a role. Russia's top leaders, previously Yeltsin and now Putin, may understand that Russian national interests require the maintenance of good relations with the United States, the new post-cold war global hegemon. A high percent of Russia's economic ties are with Europe and the United States. However, a significant portion of the Russian foreign policy elite both within and outside official circles is viscerally anti-Western, retaining attitudes left over from Soviet days. This anti-Western bias at times may affect Russia's policy toward issues such as North Korea.

When all of this is put together, what emerges is a foreign policy that often appears incoherent and even contradictory. Putin's critics have called his foreign policy "all tactics and no strategy". In both the domestic and foreign policy realms, Putin has been described as someone who tries to be all things to all people, as someone who tailors his message to the specific audience at hand.

One reflection of Putin's increased activism is his three summit meetings with Kim Jong-il. The first meeting took place in Pyongyang in July 2000 shortly before Putin's participation in the Okinawa G-8 summit. During this visit, the first ever by a Soviet or Russian head of state, Putin and Kim Jong-il signed the Treaty on Friendship, Good Neighborliness and Cooperation that was negotiated and initialed near the end of Yeltsin's term as president. A second outcome of this meeting was Kim Jong-il's supposed agreement to abandon North Korea's long-range missile program in return for a pledge that another country would launch two or three satellites for the DPRK.

When Putin arrived at the G-8 summit with this promise in hand, the Russian president attracted much more media attention than was warranted by Russia's relatively weak economic position. Subsequently, it was reported that Kim Jong-il was only joking when he offered to give up North Korea's missile program.

This interpretation of Kim's remarks has been disputed in a recent article by Georgi Toloraya, Deputy Director-General of the First Asian Department of Russia's foreign ministry. Toloraya claims that Kim Jong-il informed South Korean journalists in August 2000 that he had told Putin "we will not develop missiles if the US would agree to launch satellites for us." He then mentioned the irony of the situation observing that the US or Japan would never seriously take him up on his offer. According to Toloraya, Kim's use of the word "irony" was later misinterpreted as "joke" by hostile media.<sup>3</sup>

The second summit between Putin and Kim Jong-il took place during the mid-summer of 2001 in Moscow. During this summit and the third summit in August 2002 in Vladivostok, Putin focused on promoting economic projects linking Russia with the Korean peninsula. In particular, he touted a plan to reconnect the railroad between the two Koreas and to link it to the Trans Siberian railroad. Putin hopes to capture a large share of the Asia-Europe freight that would otherwise go to China. Just before he met Kim

Jong-il in Vladivostok, Putin told Russian Far East officials: "If we do not link the railways here, it will be done anyway, in a different place, through the territory of our esteemed and dearly beloved neighbor, the People's Republic of China."<sup>4</sup> Putin went on to warn that "Russia's far east and parts of the trans-Siberian will simply not see those freights".<sup>5</sup> Putin also promoted a project to build a natural gas pipeline from East Siberia through the Korean peninsula.

Although Putin's three summits with Kim Jong-il received more attention, his administration did not neglect relations with South Korea. During a February 2001 summit with then South Korean President Kim Daejung in Seoul, Putin promoted railroad and other economic cooperation projects.

Putin and other Russian officials expressed strong support for Kim Dae Jung's "sunshine policy" aimed at improving relations with the North. One rationale for this policy is an assumption that the sudden collapse of North Korea would place too heavy a burden on the South which would have to absorb the high cost of reforming the North's economy. For this reason, Kim Daejung prefers a long-term, gradual process to allow time for reform of the North's economy and an improvement in relations between the two Koreas. Russian officials and scholars have applauded what they perceive as a process of inter-Korean reconciliation that began during the historic June 2000 summit in Pyongyang between the presidents of the two Koreas.

Russia most likely would not be concerned about reunification of the two Koreas. So long as a reunified Korea is neutral or friendly to Russia, it would not be seen as harmful to Russia's interests. But there is a widespread conviction in Russia that the process of reunification should occur peacefully and gradually.

The railroad and gas pipeline projects promoted by Moscow are seen as means to increase Russian influence on the Korean peninsula and to facilitate the process of *rapprochement* between the two Koreas and the economic integration of the Korean peninsula with Northeast Asia and Eurasia. Another important aim is to support the economic development of the sparsely populated Russian Far East and East Siberia in order to promote Russia's presence in East Asia and to reduce the vulnerability of this region to China.

#### **IV. Russia's response to the 2002-2003 North Korean nuclear crises.**

Putin's more active policy on the Korean peninsula contributed to a perception by some that Russia could play an influential role in helping to resolve the second North Korean nuclear crisis. This crisis began in October 2002 when a high level North Korean official acknowledged the validity of a U.S. allegation that his country had a secret uranium enrichment program. This program was a violation of the October 1994 Agreed Framework between the DPRK and the United States. Although the Agreed Framework's main focus was a freeze on North Korea's plutonium reprocessing program, it contained a clause confirming the validity of the 1992 denuclearization agreement between North and South Korea in which they foreswore uranium enrichment programs. The crisis was escalated by Pyongyang's subsequent renunciation of the Agreed Framework, by its late December 2002 decision to remove the seals and monitoring cameras from its nuclear laboratories and reactors at Yongbyon and to begin to remove 8,000 spent nuclear fuel rods from the casing into which they were placed in 1994, by its expulsion at the end of December of IAEA inspectors from its territory, by its announcement the same month that it intended to restart the plutonium research reactor that was shut down in 1994, by its January 2003 announcement of its intention to withdraw from the Nuclear Nonproliferation Treaty, by its February 2003 announcement that it had reopened its plutonium reprocessing facility, by its April 2003 proclamation, at a trilateral U.S.-PRC-DPRK summit in Beijing, that it already possessed nuclear weapons and had begun to make bomb grade plutonium, and by its July 2003 announcement that it had completed the reprocessing of all of the spent fuel rods by the end of the previous month.<sup>6</sup>

After the crisis began, the Putin administration was asked to help mediate it. During a January 2003 visit to Moscow, South Korea's deputy Foreign Minister, Kim Dang-Kyung, asked Moscow to help mediate the crisis. Kim observed: "Russia has long-standing and unique ties with North Korea and so provides an effective channel for dialogue with Pyongyang."<sup>7</sup> A South Korean military officer visiting the Russian Far East asked for Russia's help to build trust and to promote cooperation between the armed forces of North

and South Korea. At a January 2003 summit with Putin, Japanese Prime Minister Koizumi Junichiro observed that Russia "holds strong influence over North Korea" and "has a perspective on North Korea that Japan does not have".<sup>9</sup> The Director-General of the IAEA, Mohamed ElBaradei, said that Russia could play a leading role as a mediator and applauded Moscow's decision to perform this function.<sup>10</sup>

What policy has Russia adopted in response to this crisis and how influential has it been? To understand Moscow's response to the North Korean nuclear crisis, one needs to understand it within the context of Russia's overall objectives toward Korea. One important goal is to use the North Korean nuclear crisis as an opportunity to restore Russia's great power status by playing an important role in its resolution. Another, arguably even more important, objective is to avoid the outbreak of armed conflict on the Korean peninsula which could create massive instability and threaten the Russian Far East if nuclear radiation or refugees poured over the border. Although Russia's border with North Korea is much shorter than the Chinese-North Korean border, Russian officials still worry about a massive inflow of refugees overland or by boat into the Russian Far East. Another reason Russia wants to help resolve the nuclear crisis is that it impedes the process of inter-Korean reconciliation from which Russia hopes to derive economic benefits.<sup>11</sup> Still another goal is to counter proliferation of weapons of mass destruction.

On numerous occasions, Putin has expressed strong condemnation of North Korea's nuclear program. He has called on Pyongyang to abandon it. When Putin met with China's outgoing president Jiang Zemin in Beijing in early December 2002, their summit statement expressed the importance of preserving "the non-nuclear status of the Korean peninsula and the regime of non-proliferation of weapons of mass destruction".<sup>12</sup> At their January 2003 summit, Putin and Japanese Prime Minister Koizumi expressed "disappointment and profound concern" regarding Pyongyang's decision to withdraw from the Nuclear Nonproliferation Treaty. When Pyongyang announced in January 2003 that it was withdrawing from the Nuclear Non-Proliferation Treaty, the Russian Foreign Ministry issued a statement expressing "deep concern".<sup>13</sup> At the June 2003 G-8 summit in Evian, France, Putin joined the other G-8 leaders in urging North Korea "to visibly,



verifiably and irreversibly dismantle any nuclear weapons programs.

The Putin regime's strong opposition to North Korea's nuclear program is not just rhetoric. It reflects a consistent position dating back to the late Soviet period. In 1965, the USSR exported a two-megawatt IRT-2000 research reactor to North Korea and trained North Korean nuclear scientists, thereby enabling Pyongyang to start a nuclear program. By the 1980s, however, Moscow insisted that Pyongyang sign the Nuclear Nonproliferation Treaty (NPT) before it would agree to further cooperation with North Korea. After 1985, when Pyongyang signed this treaty, the USSR agreed to build a nuclear power station in North Korea. However, when Pyongyang announced its intention to withdraw from the NPT, Moscow froze nuclear cooperation with the North and refused to ship the VVER-440 reactors intended for use in the nuclear power station.<sup>15</sup>

U.S. intelligence officials recently reported that in the early 1990s, Russia's Foreign Intelligence Service cooperated with the U.S. Central Intelligence Agency (C.I.A.) to monitor North Korea's nuclear program. According to a January 2003 *New York Times* report, Russian intelligence officials agreed to install U.S. equipment in Russia's Pyongyang embassy to detect North Korean efforts to reprocess nuclear fuel and turn it into plutonium. The validity of this report was denied by Boris Labusov, a spokesperson for Russia's Foreign Intelligence Service. In an interview with the Interfax News Agency, Labusov said that the report was "inconsistent with reality".<sup>16</sup> Labusov's denial is not all that credible. It is possible that Russia's intelligence service cooperated with the C.I.A. but now does not want its cooperation made public.

Moscow has placed restrictions on the transfer of nuclear technology and nuclear weapons materiel to North Korea. Weapons scientists have been stopped from boarding flights to Pyongyang or encouraged to return home from North Korea. Illegal weapons exports have been seized at the border.

Despite these restrictions, some Russian nuclear scientists are believed to be working in North Korea and some restricted arms and weapons materiel have reached North Korea from Russia. There is a danger that North Korean nationals working in the criminalized Russian Far East could become involved in smuggling nuclear materiel or technology.<sup>17</sup> Russian companies reportedly

have been among the suppliers of North Korea's nuclear program. But U.S. officials believe that the technology provided by them is less crucial than technology provided by Pakistan.<sup>18</sup>

Russian officials have expressed doubts that North Korea possesses any usable nuclear weapons. According to Mikhail Titarenko, Director of the Russian Academy Sciences' Institute of Far Eastern Studies, neither Russia nor the United States has reliable information that North Korea has nuclear weapons. Although North Korea has uranium and plutonium, it lacks the technology to build a bomb. Even if Pyongyang has two nuclear shells as the United States claims, Titarenko argues that this does not mean that North Korea has nuclear weapons because it has not carried out any nuclear tests.<sup>19</sup> Russia's Minister of Atomic Energy, Aleksandr Rumyantsev, on more than one occasion, has expressed doubts that Pyongyang possesses any nuclear weapons.<sup>20</sup>

While agreeing that North Korea currently does not possess nuclear weapons, Russia's intelligence community has offered a somewhat different assessment. Reportedly, Russia's intelligence community believes that Pyongyang may have one or two nuclear devices ready for detonation and that North Korea may test a device by the end of this year (2003).<sup>21</sup>

Russian officials have suggested that North Korea does not present a grave danger to the world. At the late October 2002 APEC (Asia Pacific Economic Cooperation) meeting in Cabo San Lucas, Mexico, Russian Prime Minister M. Kasyanov, who was attending in place of Putin, stated: "We do not have any evidence and proof that North Korea holds any threat."<sup>22</sup> Yevgeny Volk, director of the Heritage Foundation's Moscow branch, told AFP in January 2003, that in his view, Pyongyang's decision to expel IAEA monitors and to restart its Yongbyon nuclear complex was a bluff designed to extract large-scale Western aid.<sup>23</sup> In a June 2003 interview with the BBC, Putin remarked: "North Korea is now in such a state that I do not have any reasons to believe that this country has any aggressive intentions."<sup>24</sup>

Some Russian officials have been inclined to blame Bush administration policy for the crisis with Pyongyang. Referring to Washington's new doctrine of military preemption and Bush's January 2002 speech designating North Korea as part of an "axis of evil", Russia's Deputy Foreign Minister Georgi Mamedov suggested that "such statements may aggravate the situation and don't facilitate

constructive solution of the nonproliferation issues". Some Russian officials believe that Washington is partly to blame because of its slow implementation of commitments made in the October 1994 Agreed Framework.<sup>26</sup> Russia's Atomic Energy Minister, Aleksandr Rumyantsev, blamed the deterioration of relations between Washington and Pyongyang on KEDO's failure to build the two promised light water reactors.<sup>27</sup>

Some Russian sources suggest that the tough policy of the Bush administration has increased the incentive for North Korea to acquire nuclear weapons. Russian intelligence officials reportedly believe that officials in Pyongyang are tempted to test a nuclear device, because if they do so the United States will not dare to

attack North Korea the way it attacked Iraq.<sup>28</sup> Yevgeniy Bazhanov, vice-principal of the Russian Foreign Ministry's Diplomatic Academy, has argued that harsh U.S. treatment increases the incentive for North Korea to acquire nuclear weapons.<sup>29</sup>

Russian officials have opposed the use of force to resolve the crisis. They have expressed strong support for a peaceful, negotiated solution, a position backed by China and South Korea, two of North Korea's other neighbors.<sup>30</sup>

Moscow has opposed the imposition of economic sanctions. Russian officials believe that sanctions could destabilize North Korea with negative effects on the region. Sanctions may even lead to war. When the IAEA Board of Governors voted in February 2003 to refer the Korean nuclear question to the UN Security Council, Moscow abstained although Beijing supported the resolution.

Subsequently, both Moscow and Beijing have opposed UN Security Council consideration of the Korean nuclear crisis. They have done their best to delay this process. When the Security Council considered the Korean problem in April 2003, the resolution proposed by Washington was watered down in large part due to resistance by China and Russia.<sup>31</sup> In July 2003, Moscow along with Beijing and Seoul again resisted efforts by the U.S., Britain and France to bring the North Korean issue before the U.N. Security Council. Russia's deputy permanent representative to the United Nations, Gennadi Gatloy, argued that it was "premature" to bring the North Korean issue before the Security Council.<sup>32</sup> There have been hints, however, that Russia may drop its opposition to sanctions if North Korea develops nuclear weapons.<sup>33</sup>

Russian observers argue that a harsh approach to North

Korea is likely to backfire. They have urged the adoption of a conciliatory approach. In a January 2003 interview, Deputy Foreign Minister Losyukov warned against speaking "in the language of ultimatums and strict demands". He advocated a more "delicate" approach.<sup>34</sup> Perceiving a harsh approach as counterproductive, Bazhanov maintained that dialogue, moves toward diplomatic recognition of North Korea and development of links with it would promote North Korean reform and opening up to the outside world and would reduce the incentive for Pyongyang to acquire nuclear weapons.<sup>35</sup>

Putin and other Russian officials and policy analysts have stressed the importance of providing Pyongyang with security guarantees. During his June 20, 2003, press conference, Putin affirmed his support for a nuclear-free Korean peninsula and then stated:

We think that this matter should be settled through negotiations that take into account the legitimate interests and concerns of North Korea. We should not back North Korea into a corner and aggravate the situation. If North Korea has concerns over its security and is worried that someone might try to attack it, then we should provide it with security guarantees.<sup>36</sup> Moscow's call for security guarantees has been backed by Beijing and Seoul.

Russia has tried to play a mediating role in the crisis. So far, its efforts have not been successful. In January 2003 Russian Deputy Foreign Minister Aleksandr Losyukov visited Pyongyang and held six hours of talks with Kim Jong-il. However, these talks did not produce any significant positive result.

Moscow's ability to mediate the crisis is impeded by Pyongyang's desire to deal directly with Washington and not through a mediator. Losyukov tried to assuage North Korean sensitivities by avoiding the use of the word "mediator". Instead, he affirmed that the aim of his mission was to "promote dialogue between the United States and North Korea".<sup>37</sup>

Another barrier is Russian ignorance about Pyongyang's aims and about what is happening inside North Korea. In January 2003, Vladimir Tkachenko, director of the Russian Academy of Science's Center for Korean Studies told *Agence France-Presse (AFP)*: Pyongyang does not consult with us, we are absolutely in the dark. We don't know what North Korea wants, it's a very isolated country and we have no idea what they are doing in these

nuclear installations.

Tkachenko's remarks and similar comments by other Russian policy analysts reflect the limits on their ability to analyze North Korean capabilities and intentions.

Russia's leverage over Pyongyang is limited by its inability to provide the large scale economic assistance needed to help the North Korean regime survive.<sup>39</sup> Russia's annual bilateral trade with North Korea now is approximately U.S.\$115 million, far less than North Korea's annual trade with South Korea or China. In recent years, China, the United States, South Korea, and Japan have provided most of the food aid sent to North Korea.

Until this past fall, the United States, under the terms of the Agreed Framework, provided North Korea annually with 500 metric tons of fuel oil. In October 2002, KEDO members decided to stop these shipments in retaliation for North Korea's cheating on its obligations under the Agreed Framework. At a KEDO meeting in October 2002, representatives of the United States, South Korea, Japan and the EU decided to allow the October fuel oil shipment to go through but stopped future shipments.

By many accounts, Beijing has been the main provider of fuel and food assistance to North Korea. China continues to provide North Korea with fuel oil, but the exact amount is not made public. Perhaps to pressure Pyongyang to agree to attend a trilateral U.S.-China-North Korea meeting in Beijing in April, China on a pretext cut off these fuel oil shipments for a few days in March.

Japan also is a much more important current and prospective source of funding for North Korea than is Russia. Remittances sent by Koreans living in Japan have been a major source of funding for North Korea. Recently, Japan has taken some steps to reduce this transfer of funds. But substantial sums continue to flow, much of it in illegal transfers from pachinko parlors and credit unions associated with Japan's Korean community. Pyongyang considers Japan to be an attractive prospective source of official credits and private investment.<sup>40</sup>

Another reason for the failure of Losyukov's mediation effort is that he presented a package proposal with terms that were unacceptable to Washington. According to Toloraya, the proposal envisaged about a dozen synchronized steps. Initially, North Korea would freeze its nuclear program in return for U.S. readiness to resume fuel deliveries. In the next stage, Pyongyang and

Washington would discuss the current status of the Agreed Framework and decide what to do with it. Subsequently, North Korea and the United States would exchange lists of concerns and demands. Possibly with the help of Russia and China and perhaps also of South Korea and Japan, Washington and Pyongyang would decide what was reasonable and what was not, what was worth pursuing now and what should be left to the future. The bottom line, according to Toloraya, was that Pyongyang would have to renounce nuclear weapons and return to the Nuclear Non-Proliferation Treaty and Washington would have to give firm guarantees that it would not infringe on North Korea's sovereignty and security.<sup>41</sup>

Losyukov's proposal was perceived in Washington as too favorable to North Korea. Washington was demanding the complete, irreversible, and verifiable dismantlement of North Korea's nuclear program and also an end to its missile program and a reduction in its conventional forces. The Bush administration was insisting that these demands be met before it would consider extending security guarantees or other benefits to Pyongyang.<sup>42</sup>

Losyukov's open ended mediation proposal came under fire in Russia as well. Vladimir Lukin, a Duma deputy and former ambassador to Washington, suggested in an analytical program on Russian television that if this package proposal were accepted, the lessons to rogue states could be very dangerous. Lukin warned that it could set off a chain reaction by states trying to solve their problems by blackmailing big countries.<sup>43</sup> A June 2003 article in *Kommersant* warned that Russia's talk about multilateral guarantees sent the wrong signal to Pyongyang, encouraging it to intensify its nuclear blackmail.<sup>44</sup>

In the months after Losyukov's failed mediation effort, it appeared that Russia was going to play a very minor role in resolving the North Korean nuclear crisis. In April 2003, Beijing hosted trilateral talks among the United States, North Korea and China to discuss the nuclear crisis. The trilateral format allowed Washington to pretend that Pyongyang had conceded to its demand for multilateral, rather than bilateral talks. A statement by China's Ambassador to Beijing in advance of the talks indicating that his country would play the role of host, referee or middleman<sup>45</sup> was intended to assuage Pyongyang, which previously had insisted that it would agree only to bilateral talks with Washington.

Although Russian officials were disappointed that their

country was excluded from these talks, they said that the fact that talks were taking place was more important than the format. It is likely that their expression of support was sincere.

Unfortunately, the Beijing talks did not produce a positive result. A North Korean representative announced in the middle of the talks that his country already possessed nuclear weapons and might test or export them. This announcement upset Beijing, which had convened the talks with the aim of persuading Pyongyang to renounce its nuclear program.

In the spring and early summer of 2003, Russian comments on the nuclear crisis reflected a heightened sense of urgency. There was growing concern that the seemingly unbridgeable gap between the North Korean and U.S. positions might lead to war. Losyukov announced that civil defense officials in the Russian Far East had been ordered to make emergency preparations in case hostilities broke out on the Korean peninsula and radioactive fallout or refugees spilled over onto Russian territory.<sup>46</sup>

In this period, there was a concerted effort by China, Russia and other countries to bring North Korea back to the bargaining table. There was speculation about what form the negotiations would take. At least publicly, North Korea still was insisting that it would agree only to bilateral talks with the United States. Washington was holding out for a multilateral format.

Until the end of July, the most frequent speculation was that a new round of trilateral talks would be held in Beijing with the participation of the United States, North Korea, and China. When U.S. officials spoke about their preference for multilateral talks with more than three participants, they usually mentioned their desire to include South Korea and Japan and sometimes added "and possibly Russia."

It thus seemed likely that the next round of talks on the North Korean nuclear crisis and possibly future rounds might exclude Russia. This perception changed dramatically in late July when North Korea's Ambassador to Moscow, Pak Ui Chun, said that Pyongyang had agreed to multilateral talks to discuss the crisis with the participation of six countries including North Korea, the United States, China, South Korea, Japan and Russia.<sup>47</sup>

One can only speculate as to why Pyongyang agreed to multilateral talks and insisted on the inclusion of Russia. The unexpectedly fast U.S. victory in Iraq and North Korea's

deteriorating economic situation may have alarmed its leaders. Pyongyang may have insisted on Russia's inclusion in the talks to make it more likely that there would be one more country supporting its position on contentious issues. Pyongyang may feel more affinity with the Putin administration than with Beijing. It recently was reported that Pyongyang initially proposed holding the six-party talks in Moscow, not Beijing. However, the Putin administration refused out of concern that accepting Pyongyang's proposal could hurt Russia's relations with China.<sup>8</sup>

In the weeks leading up to the six-party talks, the Putin administration tried to facilitate efforts to find a solution to the crisis. Russia persuaded Seoul and Pyongyang to send representatives to Moscow for talks. When they arrived there, the representatives of South and North Korea agreed to meet with Russian officials separately. But there were no three-party talks.<sup>49</sup>

Moscow and Beijing stressed the importance of providing Pyongyang with security guarantees.<sup>50</sup> Russia and China offered to provide their own guarantees of North Korea's security. But Pyongyang rebuffed their offer, insisting that it would be satisfied only by a security guarantee from the United States. Washington refused Pyongyang's demand that it sign a nonaggression treaty to be approved by the Senate. But U.S. Secretary of State Colin Powell suggested that if Pyongyang agreed to the complete, verifiable and irreversible dismantlement of its nuclear program, Washington might be willing to provide it with some written security guarantees, albeit not in the form of a treaty.

The limits of Russian influence in Pyongyang were made clear when North Korea refused to send an observer to large scale military exercises off Russia's Pacific coast. Shortly before the six-party talks began, Russia conducted these exercises with the participation of naval forces from South Korea and Japan in some of the drills. U.S. forces were supposed to participate as well, but bad weather delayed their arrival.

These exercises were planned long before the six-party talks were scheduled. But the very fact that these exercises were taking place with the planned participation of South Korean, Japanese and U.S. forces showed how far Russia had moved away from its cold war alliance with North Korea and toward improving relations with the militaries of three former adversaries.

When the six-party talks were held in Beijing in late



August, 2003, the stark differences between the U.S. and North Korean positions were highlighted. Pyongyang proposed a package settlement that envisaged North Korean dismantlement of its nuclear program but only after Washington provided security guarantees and economic assistance. Washington reiterated its demand for the complete, irreversible and verifiable dismantlement of North Korea's nuclear program. Bush administration officials hinted that some reward might be offered to North Korea if it took these steps. But they were unwilling to promise anything concrete to avoid the appearance that they were succumbing to blackmail.

At the talks, Russia adopted a position that suggested the need for compromise by both Pyongyang and Washington. Russia's representative, Losyukov, called for denuclearization of the Korean peninsula. At the same time, he stressed the need for the U.S. to provide security guarantees and financial aid as a condition for North Korea's agreement to dismantle its nuclear program.

Losyukov claimed that North Korea's delegate at the six-party conference had announced that his country did not possess nuclear weapons and had "no plans to develop them". This assertion was disputed by delegates from the United States, South Korea and Japan who said that North Korea's delegate, Deputy Foreign Minister Kim Yong-il, had made no such statement.<sup>51</sup>

Since the talks, the Bush administration has relaxed its previously rigid policy toward North Korea. Bush administration officials have suggested that they would be willing to offer some concessions to Pyongyang before it completely and verifiably abandons its nuclear program. There is speculation that this new position reflects the growing influence of Secretary of State Colin Powell and other moderates within the sharply divided Bush administration. Bush administration hard liners have been losing influence, in part because the U.S. has been facing unprecedented military and political problems in its occupation of Iraq.

In the case of policy toward the Korean peninsula, outside pressure may have contributed to the change in the U.S. position. Washington failed to gain external support for its hard line position, not only from Moscow but even more importantly from Seoul and Beijing. Washington pushed to convene multilateral talks with the expectation that they would persuade Pyongyang to make a concession. As it has turned out, the six-party talks also have put pressure on Washington.

After the six-party talks, Putin urged North Korea not to take any provocative steps that might aggravate the crisis. This message was in a personal letter from Putin that Konstantin Pulikovskiy, Putin's representative in the Russian Far East, delivered to Kim Jong-il.<sup>32</sup>

So far, Pyongyang has not tested a nuclear weapon, despite speculation that a test might be held on September 9, 2003, the fifty-fifth anniversary of the regime's founding. Pyongyang has agreed to participate in a new round of six-party talks.

#### **V. Prospects and conclusions.**

Before the outbreak of the North Korean nuclear crisis, the Putin regime was pursuing a contradictory foreign policy. Putin was pushing to improve Russia's relations with the United States and West Europe, while at the same time courting Pyongyang and other so-called rogue states.

In the case of North Korea, Putin was able to get away with this policy while this issue was not at the center of global attention. However, once the North Korean nuclear crisis erupted, there was a risk that U.S.-Russian relations would be badly damaged if Moscow opposed the Bush administration's hard line position. Some analysts expressed concern that Moscow's failure to support Washington would further hurt the post September 11 U.S.-Russian *rapprochement* that already was badly undermined by Moscow's opposition to the U.S. war in Iraq.

Although Moscow has adopted a position toward the North Korean nuclear crisis that is substantially different from that of Washington, the damage to U.S.-Russian relations so far has been limited. Moscow has opposed economic sanctions. It has encouraged the United States to offer security guarantees and financial aid to North Korea as a condition for its renunciation of nuclear weapons. But it has not been alone in advocating these views. Beijing and Seoul have opposed the Bush administration's hard line position. Their opposition has been more critical in pushing the Bush administration to adopt a more flexible policy.

It is hard to gauge Russia's ability to influence Pyongyang. Pyongyang has advocated Moscow's participation in the six-party talks, giving Moscow a seat at the table and an opportunity to reaffirm its great power status. However, it is doubtful that Pyongyang is willing to listen to Moscow on issues where it feels its survival is at stake. Putin and other Russian leaders have made it

clear that they are opposed to North Korea's development of nuclear weapons. If North Korean leaders strongly believe that they need nuclear weapons, not only as a bargaining chip but also as a deterrent, then they are not likely to abandon their nuclear program. At the very least, Pyongyang will want to preserve some ambiguity so it will resist Washington's demands for a complete and verifiable end to its nuclear program.

If the North Korean nuclear crisis is peacefully resolved and the process of interKorean reconciliation regains momentum, Moscow could reap significant economic and strategic benefits. The nuclear crisis is not the only obstacle to the expansion of economic ties between the two Koreas and Russia. But it is a major impediment. Without resolution of the crisis, the gas pipeline and railroad projects proposed by Moscow will not be implemented. With a resolution, these projects stand a better chance of going forward, although they still will have to overcome a number of serious obstacles. If these projects are successfully implemented, they could help develop the Russian Far East, making it less vulnerable to outside domination by China or any other country.

If the nuclear crisis is not peacefully resolved, Russia's interests will suffer. There will be an increased chance of instability and armed conflict in a neighboring country. If Pyongyang develops nuclear weapons, there will be a greater incentive for Japan and South Korea to do the same.

Russia thus has a large stake in the outcome of the North Korean nuclear crisis. But its ability to influence Washington and Pyongyang is at best limited.

## Notes

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