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

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## Summary

North Korea has posed one of the most persistent U.S. foreign policy challenges of the post-Cold War period due to its pursuit of proscribed weapons technology and belligerence toward the United States and its allies. With North Korea's advances in 2016 and 2017 in its nuclear and missile capabilities under 34-year-old leader Kim Jong-un, Pyongyang has evolved from a threat to U.S. interests in East Asia to a potentially direct threat to the U.S. homeland. Efforts to halt North Korea's nuclear weapons program have occupied the past four U.S. Administrations, and North Korea is the target of scores of U.S. and United Nations Security Council sanctions. Although the weapons programs have been the primary focus of U.S. policy toward North Korea, other U.S. concerns include North Korea's illicit activities, such as counterfeiting currency and narcotics trafficking, small-scale armed attacks against South Korea, and egregious human rights violations.

In 2018, the Trump Administration and Kim regime appeared to open a new chapter in the relationship. After months of rising tension and hostile rhetoric from both capitals in 2017, including a significant expansion of U.S. and international sanctions against North Korea, Trump and Kim held a leaders' summit in Singapore in June 2018. The meeting produced an agreement on principles for establishing a positive relationship. The United States agreed to provide security guarantees to North Korea, which committed to "complete denuclearization of the Korean Peninsula." The agreement made no mention of resolving significant differences between the two countries, including the DPRK's ballistic missile program. Trump also said he would suspend annual U.S.-South Korea military exercises, labeling them "provocative," during the coming U.S.-DPRK nuclear negotiations. Trump also expressed a hope of eventually withdrawing the approximately 30,000 U.S. troops stationed in South Korea.

The history of negotiating with the Pyongyang regime suggests a difficult road ahead, as officials try to implement the Singapore agreement, which contains few details on timing, verification mechanisms, or the definition of "denuclearization," challenges that the United States has struggled to implement in the previous four major sets of formal nuclear and missile negotiations with North Korea that were held since the end of the Cold War. During that period, the United States provided over \$1 billion in humanitarian aid and energy assistance. It is unclear how much assistance, if any, the Trump Administration is planning to commit to facilitate the current denuclearization talks.

The Singapore summit, which was partially brokered by South Korean President Moon Jae-in, has reshuffled regional diplomacy. In particular, the Chinese-North Korean relationship, which had cooled significantly in the past several years, appears to be restored, with Beijing offering its backing to Pyongyang and Kim able to deliver some benefits for Chinese interests as well. North Korea and South Korea also have restored more positive relations.

Kim Jong-un appears to have consolidated authority as the supreme leader of North Korea. Kim has ruled brutally, carrying out large-scale purges of senior officials. In 2013, he announced a two-track policy (the *byungjin* line) of simultaneously pursuing economic development and nuclear weapons development. Five years later, after significant advances, including successful tests of long-range missiles that could potentially reach the United States, Kim declared victory on the nuclear front, and announced a new "strategic line" of pursuing economic development. Market-oriented reforms announced in 2014 appear to be producing modest economic growth for many citizens. The economic policy changes, however, remain relatively limited in scope. North Korea is one of the world's poorest countries, and more than a third of the population is believed to live under conditions of chronic food insecurity and undernutrition.

This report will be updated periodically.

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## Introduction

North Korea's threatening behavior; development of proscribed nuclear, chemical, and biological weapons capabilities; and pursuit of a range of illicit activities, including proliferation, has posed one of the most vexing and perpetual problems in U.S. foreign policy in the post-Cold War period. Since North Korea's creation in 1948, the United States has never had formal diplomatic relations with the Democratic People's Republic of Korea (DPRK, the official name for North Korea). Successive U.S. Administrations since the early 1990s have sought to use a combination of negotiations, aid, and bilateral and international sanctions to end North Korea's weapons programs, but have not curbed the DPRK's increasing capabilities.

U.S. interests in North Korea encompass grave security, political, and human rights concerns. Bilateral military alliances with the Republic of Korea (ROK, the official name for South Korea) and Japan obligate the United States to defend these allies from any attack from the North. Tens of thousands of U.S. troops based in South Korea and Japan, as well as tens of thousands of U.S. civilians residing in those countries, are stationed within striking range of North Korean intermediate-range missiles. North Korea's rapid advances in its nuclear and long-range missile capabilities may put the U.S. homeland at risk of a DPRK strike. A conflict on the Korean peninsula or the collapse of the government in Pyongyang would have severe implications for the regional—if not global—economy. Negotiations and diplomacy surrounding North Korea's nuclear weapons program influence U.S. relations with all the major powers in the region, particularly with China and South Korea.

At the center of this complicated intersection of geostrategic interests is the task of dealing with a totalitarian regime that is unfettered by many of the norms that govern international relations. A country of about 25 million people, North Korea was founded by Kim Jong-un's grandfather, Kim Il-sung, on an official philosophy of *juche* (self-reliance) that has led it to resist outside influences, which the regime generally has seen as a potential threat to its rule. The Kim family's near-totalitarian control has helped enable North Korea to resist outside influences, as well as to enter into and then break diplomatic and commercial agreements, to an extent surprising for a relatively small country surrounded by more materially powerful neighbors. Over the past 70 years, the Kims have created one of the world's largest militaries, which acts as a deterrent to outside military intervention and provides Pyongyang with a degree of leverage over foreign powers that has helped the regime extract diplomatic and economic concessions from its neighbors. This same militarization, however—combined with North Korea's often-provocative behavior, opaque policymaking system, and willingness to defy international conventions—also has severely stunted North Korea's economic growth by minimizing its interactions with the outside world.

Despite Kim's apparently solid hold on power and indications that the DPRK economy is strengthening, North Korea's internal situation remains difficult, with most of the population deeply impoverished, and slowly increasing access to information from the outside world potentially could lead to greater public discontent with the regime if growth does not continue.

Congress has both direct and indirect influence on the U.S. policy on North Korea. Through sanctions legislation, Congress has set the terms for U.S. restrictions on trade and engagement with the DPRK, as well as on the President's freedom to ease or lift sanctions against the DPRK. Congress has also passed and repeatedly reauthorized the North Korean Human Rights Act, which calls on the U.S. government to address the DPRK's poor human rights record as well as accept North Korean refugees. Under past nuclear agreements, Congress authorized millions of dollars in energy assistance, at times putting conditions on the provision of aid if it doubted North Korean compliance. In future arrangements, if the United States agrees to provide aid in exchange

for DPRK steps on denuclearization, Congress will need to authorize and appropriate funds, as it presumably would if the Administration sought to normalize diplomatic relations as the June 2018 Singapore agreement implies. In its oversight capacity, Congress has held dozens of hearings with both government and private witnesses that question North Korea's capabilities, intentions, human rights record, sanctions evasion, and linkage with other governments, among other topics.

## **U.S.-DPRK Relations in 2018**

### **Advances in North Korea's Weapons of Mass Destruction Programs**

North Korea's rapid advances in missile and nuclear weapons capabilities in 2016 and 2017 have shifted U.S. policymakers' assessment of the regime's threat to the United States. Although North Korea has presented security challenges to U.S. interests for decades, recent tests have demonstrated that North Korea is nearly if not already capable of striking the continental United States with a nuclear-armed ballistic missile. This acceleration in capability made North Korea a top-line U.S. foreign policy and national security problem, outpacing the Middle East and terrorism in the first 18 months of the Trump Administration.

Pyongyang's threats have increased across several domains: nuclear weapons, long-range missile technology, submarine-based missiles, short-range artillery, and cyberattack capacity.<sup>1</sup> North Korea conducted three nuclear tests between January 2016 and September 2017. The last test, its sixth, was its most powerful to date. Also in 2017, North Korea conducted multiple tests of missiles that some observers assert demonstrate a capability of reaching the continental United States.<sup>2</sup> According to satellite imagery, Pyongyang appears to be developing its submarine-based ballistic missile program that could potentially help it evade U.S. missile defense programs. In December 2017, the Trump Administration publicly blamed North Korea for the cyberattack known as "WannaCry" that crippled computer networks worldwide earlier in the year, demonstrating North Korea's ability to use cyberattacks to disrupt critical operations.

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<sup>1</sup> *2017 Report to Congress on Military and Security Developments Involving the Democratic People's Republic of Korea*, December 15, 2017.

<sup>2</sup> U.S. Congress, Senate Committee on Armed Services, *Hearing to Consider the Nomination of General Joseph F. Dunford, Jr., USMC, for Reappointment to the Grade of General and Reappointment to be Chairman of the Joint Chiefs of Staff*, 115<sup>th</sup> Cong., 1<sup>st</sup> sess., September 26, 2017. Others analysts contend that these tests have not yet in actuality proven that the DPRK has achieved intercontinental ranges with its missiles. Regardless, these developments, combined with the possibility that the regime in Pyongyang has miniaturized a nuclear weapon, suggest that North Korea could now be only one technical step—mastering reentry vehicle technology—away from being able to credibly threaten the continental United States with a nuclear weapon.

**Figure I. Map of the Korean Peninsula**



**Sources:** Production by CRS using data from ESRI, and the U.S. State Department's Office of the Geographer.

**Notes:** The "Cheonan Sinking" refers to the March 2010 sinking of a South Korean naval vessel that killed 46 sailors. Yeonpyeong Island was attacked in November 2010 by North Korean artillery, killing four South Koreans.

\* This map reflects geographic place name policies set forth by the United States Board on Geographic Names pursuant to P.L. 80-242. In applying these policies to the case of the sea separating the Korean Peninsula and the Japanese Archipelago, the Board has determined that the "Sea of Japan" is the appropriate standard name for use in U.S. government publications. The Republic of Korea refers to this body of water as the "East Sea."

## Trump Administration Policy

### 2017: “Maximum Pressure” and Hostile Rhetoric

Initially, the Trump Administration responded by adopting a “maximum pressure” policy that sought to coerce Pyongyang into changing its behavior through economic and diplomatic measures. Many of the elements of the officially stated policy were similar to those employed by the Obama Administration: ratcheting up economic pressure against North Korea, attempting to persuade China—by far North Korea’s most important economic partner—and others to apply more pressure against Pyongyang, and expanding the capabilities of the U.S.-South Korea and U.S.-Japan alliances to counter new North Korean threats. The Administration successfully led the United Nations Security Council (UNSC)—including North Korea’s traditional supporters China and Russia—to pass four new sanctions resolutions that have expanded the requirements for U.N. member states to halt or curtail their military, diplomatic, and economic interaction with the DPRK. Both the Obama and Trump Administrations pushed countries around the globe to significantly cut and/or eliminate their ties to North Korea, often in ways that go beyond UNSC requirements. In a departure from previous Administrations, the Trump Administration emphasized the option of launching a preventive military strike against North Korea.<sup>3</sup>

Over the course of his presidency, to date, Trump and senior members of his Administration have issued seemingly contradictory statements on North Korea, particularly on the questions of U.S. conditions for negotiations, and whether the United States is prepared to launch a preventive strike against North Korea.<sup>4</sup> The shifts in the Administration’s public statements at times have created confusion about U.S. policy.

### 2018: Shift to Diplomacy in Early 2018

In early 2018, following months of outreach by South Korean officials hoping to lower tensions, North Korea accepted an invitation from ROK President Moon Jae-in to attend the 2018 Winter Olympics in PyeongChang, South Korea. Pyongyang sent a high-level delegation, including Kim Jong-un’s sister, providing an opening for warmer North-South relations. Shortly afterward, President Trump accepted an invitation, delivered by ROK officials, to meet with Kim. Before the June 2018 Singapore Summit between Kim and Trump, Kim—having never met with a foreign head of state nor left North Korea since becoming leader—met twice with Moon and twice with Chinese President Xi Jinping to set the stage for the unprecedented meeting between U.S. and DPRK heads of state.

Opinions vary on why Kim adjusted course to launch a “charm offensive” after a series of provocations in the previous years. It was likely a combination of several factors that drove Kim to pursue diplomacy. These factors include (1) harsh rhetoric from the Trump Administration that emphasized military confrontation, (2) the increasingly punishing sanctions that limited the North’s ability to grow its economy, (3) Moon Jae-in’s aggressive outreach to North Korea,

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<sup>3</sup> *Preventive* military attacks are launched in response to less immediate threats, often motivated by the desire to fight sooner rather than later, generally due to an anticipated shift in the military balance, or acquisition of a key capability, by an adversary. In contrast, *preemptive* attacks are based on the belief that the adversary is about to attack, and that striking first is better than allowing the enemy to do so. International law tends to hold that preemptive attacks are an acceptable use of force, as are those that are retaliatory in nature. Justifying preventive attacks legally is a more difficult case to make under extant international law.

<sup>4</sup> For a summary of threats and tests by North Korea and U.S. responses in 2017 and 2018, see Arms Control Association, “Chronology of U.S.-North Korean Nuclear-Missile Diplomacy,” at <https://www.armscontrol.org/factsheets/dprkchron#2017>.



including during the 2018 Winter Olympics, and (4) Kim's confidence that he had secured a limited nuclear deterrent against the United States, providing him with additional leverage. Regardless of what spurred him to action, he found willing counterparts in Moon, Xi, and Trump to respond to his overtures.

### **The June 2018 Trump-Kim Singapore Summit**

On June 12, 2018, President Trump and Kim met in Singapore to discuss North Korea's nuclear program, building a peace regime on the Korean Peninsula, and the future of U.S. relations with North Korea. Following the summit, Trump and Kim issued a brief joint statement in which Trump "committed to provide security guarantees to the DPRK," and Kim "reaffirmed his firm and unwavering commitment to complete denuclearization of the Korean Peninsula."<sup>5</sup> The Singapore document is shorter on details than previous nuclear agreements with North Korea and acts as a statement of principles in the following four areas:

- **Normalization.** The two sides "commit to establish" new bilateral relations.
- **Peace.** The United States and DPRK agree to work to build "a lasting and stable peace regime."
- **Denuclearization.** North Korea "commits to work toward complete denuclearization of the Korean Peninsula."
- **POW/MIA Remains.** The two sides will work to recover the remains of thousands of U.S. troops unaccounted for during the Korean War.

The agreement made no mention of the DPRK's ballistic missile program. The two sides agreed to conduct follow-on negotiations, to be led on the U.S. side by Secretary of State Mike Pompeo.

In the press conference following the summit, Trump announced that the United States would suspend annual U.S.-South Korea military exercises, which Trump called "war games" and "provocative."<sup>6</sup> He said the move, which was not accompanied by any apparent commensurate move by Pyongyang and reportedly surprised South Korea and U.S. military commanders, would save "a tremendous amount of money."<sup>7</sup> Trump also expressed a hope of eventually withdrawing the approximately 30,000 U.S. troops stationed in South Korea. The week after the summit, the Defense Department announced that the annual U.S.-South Korea "Ulchi Freedom Guardian" exercises scheduled for August would be cancelled.

Many analysts observed that the agreement covered ground that had been included in previous agreements with North Korea, although those agreements were not made by the DPRK leader himself. Supporters of the agreement point out that the suspension of missile and nuclear tests would reduce North Korea's ability to further advance its capability. Critics of the agreement point out the lack of a timeframe or any reference to verification mechanisms for the denuclearization process, as well as the lack of commitment by Kim to dismantle the DPRK's ballistic missile program.<sup>8</sup> The definition of denuclearization, the sequencing of the process of denuclearization, as well as the establishment of a peace regime, and normalization of diplomatic

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<sup>5</sup> The White House, "Joint Statement of President Donald J. Trump of the United States of America and Chairman Kim Jong Un of the Democratic People's Republic of Korea at the Singapore Summit," June 12, 2018.

<sup>6</sup> The White House, "Press Conference by President Trump," June 12, 2018.

<sup>7</sup> A Pentagon analysis cited the cost of the exercise as \$14 million. Many defense analysts have pointed out the possible effect on military readiness to canceling such exercises. See "Ending Exercises Saved \$14 Million," *Wall Street Journal*, July 12, 2018.

<sup>8</sup> Richard N. Haass, "The Singapore Summit's Uncertain Legacy," *Project Syndicate*, June 16, 2018.

ties were left uncertain.<sup>9</sup> Some analysts believe that the regime's attempt to secure a peace treaty ending the Korean War as a precondition for denuclearization talks is a ploy designed to stall for time and gain recognition as a *de jure* nuclear state.<sup>10</sup> Some veterans of previous negotiations with the DPRK caution that North Korea may seek to delay and prolong the process while sanction pressure eases. Although U.S. and international sanctions remain in place, maintaining the political momentum to fully implement existing sanctions is challenging in the midst of an engagement initiative.

## International and U.S. Sanctions

### U.N. Sanctions

U.N. sanctions have been a major tool for imposing costs on North Korea, as they represent the collective will of the international community in holding the regime to account for pursuing weapons programs in violation of its international obligations, and must be implemented by all member states. Led by the United States, the UNSC in 2006 adopted its first resolution requiring member states to impose sanctions against North Korea, following North Korea's first nuclear test in October of that year. The UNSC has responded by passing additional sanctions resolutions—a total of 10 were adopted between 2006 and December 2017—that have expanded the requirements of U.N. member states to halt or curtail their military, diplomatic, and economic interaction with the DPRK. At first, the sanctions primarily targeted arms sales, trade in materials that could assist North Korea's weapons of mass destruction (WMD) programs, North Korean individuals and entities involved in its WMD activities, and transfers of luxury goods to North Korea.

North Korea's fourth nuclear test in January 2016 spurred a marked expansion of U.N. sanctions. Since then, six sanctions resolutions have been adopted, the most recent in December 2017, expanding sanctions to ban many types of financial interactions with North Korean entities, trade in entire industrial sectors (such as imports of DPRK coal, agriculture and agricultural products, seafood, textiles, and *all* weapons and military services), and interactions with North Korea and North Koreans in broad classes of activities (such as joint ventures with North Korean entities and the use of North Korean overseas workers). As a result, nearly all of North Korea's major export items are now banned in international markets. According to customs data published by its trading partners, the value of North Korean exports in 2017 declined by more than 30% compared with 2016.<sup>11</sup>

The Obama and Trump Administrations from early 2016 until at least the spring of 2018 also pushed countries around the globe to significantly cut and/or eliminate their ties to North Korea,

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<sup>9</sup> For example, Trump Administration officials have asserted that North Korean "denuclearization" would include the dismantling of Pyongyang's chemical and biological weapons programs. Testimony of Secretary of State Michael Pompeo, in U.S. Congress, Senate Foreign Relations Committee, *An Update on American Diplomacy to Advance our National Security Strategy*, hearings, 115<sup>th</sup> Cong., 2<sup>nd</sup> sess., July 25, 2018 (Washington, DC: GPO, 2018). It is unclear whether North Korea agrees with this inclusion. Rick Gladstone, "Trump and Kim May Define 'Korea Denuclearization' Quite Differently," *New York Times*, June 10, 2018.

<sup>10</sup> Kim Hoe Ryong and Victor Cha, "Flipping the Script," *Korea JoongAng Daily*, February 29, 2016, at <http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3015600>.

<sup>11</sup> Korea Trade-Investment Promotion Agency (KOTRA) 2018 and 2017 annual publication, *북한 대외무역 동향* (North Korea's Foreign Trade Trends); South Korean Ministry of Unification (for inter-Korean trade); CRS analysis of Global Trade Atlas database.

often in ways that went beyond UNSC requirements. It is unclear to what extent the Trump Administration has continued this aggressive approach since it began its diplomatic outreach to Pyongyang in the spring of 2018.

### **The Scope of UNSC Sanctions Against North Korea**

Since 2006, the UNSC incrementally has expanded sanctions against North Korea.<sup>12</sup> As of July 2018, UNSC sanctions require member states to, among other steps:

#### **Financial Services**

- prohibit providing many financial services to DPRK entities or for the purpose of doing business with DPRK entities;<sup>13</sup>
- end joint ventures with DPRK entities or individuals;

#### **Weapons**

- prohibit trade in weapons and WMD-related goods and technology with the DPRK;

#### **Transportation and Shipping**

- inspect all cargo that is headed to or from North Korea;
- seize, inspect, and impound any ship in its jurisdiction that is suspected of violating UNSC resolutions against North Korea;
- prohibit ship-to-ship transfers of any goods sold to or from North Korea;
- deregister DPRK vessels, as well as deflag and deny entry to designated vessels;
- prohibit registering a vessel in North Korea, using a DPRK flag, providing crew services to DPRK vessels, and the provision of vessels, aircraft, or crew services to the DPRK or anyone engaged in sanctions evasion;
- prohibit granting landing and flyover rights to DPRK aircraft;

#### **North Korean Diplomats**

- expel—and restrict travel to or through their territory of—any foreign national working for a DPRK bank, financial institution, or on behalf of a designated entity or person, or assisting in sanctions evasion;
- reduce DPRK diplomatic staff numbers in their states and expel any DPRK diplomats found to be working on behalf of a designated entity or person, or assisting in sanctions evasion;

#### **Training**

- prohibit member states from providing or receiving military training to or from the DPRK, including the hosting of DPRK military trainers;
- prohibit member states from hosting North Koreans for specialized teaching or training that could contribute to DPRK's WMD programs;

#### **Sectoral Bans**

- ban the sale or transfer to North Korea of condensates and natural gas liquids, aviation fuel, gasoline, jet fuels, and rocket fuels to North Korea;
- ban the sale or transfer to North Korea of industrial machinery, transportation vehicles, electronics, iron, steel, and other metals;
- impose annual caps on sales and transfers of crude oil and refined petroleum products to North Korea;
- prohibit trade in several North Korean mining products, including coal, iron, iron ore, gold, titanium, vanadium, rare earth elements, copper, nickel, silver, zinc, lead, and lead ore;
- prohibit purchases of DPRK food and agricultural products, seafood, textiles, and luxury goods;
- prohibit trade in DPRK-origin statuary; and

<sup>12</sup> UNSC sanctions resolutions against North Korea are UNSC Res 1718 (October 2006); 1874 (June 2009); 2087 (January 2013); 2094 (March 2013); 2270 (March 2016); 2321 (November 2016); 2356 (June 2017); 2371 (August 2017); 2375 (September 2017); and 2397 (December 2017).

<sup>13</sup> These provisions include banning correspondent banking relationships with DPRK banks; prohibiting private and public financing for trade within DPRK; prohibiting the use of financial services to clear funds for DPRK entities; closing existing offices of DPRK banks; and prohibiting the opening of new DPRK bank offices.

### North Korean Overseas Workers

- ban work authorizations for North Koreans and require the repatriation of all North Korean workers by December 2019.

Many of these provisions contain exemptions, most of which are to be decided on a case-by-case basis by the UNSC Sanctions Committee.

## U.S. Sanctions

In addition to leading the sanctions effort in the UNSC, the United States also has imposed its own unilateral sanctions on North Korea in order to exert greater pressure. Presidents George W. Bush, Barack Obama, and Donald Trump have issued a series of executive orders targeting North Korea and North Korean entities. In 2016, the Obama Administration designated North Korea as a jurisdiction of primary money laundering concern, and in 2017, the Trump Administration redesignated North Korea as a state sponsor of terrorism. Since 2015, Congress has passed two North Korea-specific statutes, including the North Korea Sanctions and Policy Enhancement Act of 2016 (P.L. 114-122), and the Korean Interdiction and Modernization of Sanctions Act (Title III of the Countering America's Adversaries Through Sanctions Act [CAATSA]; P.L. 115-44). Collectively, U.S. sanctions have the following consequences for U.S.-North Korea relations:

- trade is limited to food, medicine, and other humanitarian-related goods, all of which require a license;
- financial transactions are prohibited;
- U.S. new investment is prohibited, and the President has new authority to prohibit transactions involving North Korea's transportation, mining, energy, or financial sectors.
- U.S. foreign aid is minimal, emergency in nature, and administered through centrally funded programs to remove any possibility of the government of North Korea benefiting;
- U.S. persons are prohibited from entering into trade and transaction with those North Korean individuals, entities, and vessels designated by the Department of the Treasury's Office of Foreign Assets Control (OFAC);
- foreign financial institutions could become subject to U.S. sanctions for facilitating transactions for designated DPRK entities;
- U.S. persons and entities are prohibited from entering into trade and transactions with Kim Jong-un, the Korean Workers' Party, and others; and
- U.S. travel to North Korea is limited and requires a special validation passport issued by the State Department.

## North Korean Demands and Motivations

Over the years, North Korea's stated demands in negotiating the cessation of its weapons programs have repeatedly changed, and have at times included U.S. recognition of the regime as a nuclear weapons state and a peace treaty with the United States as a prerequisite to denuclearization.<sup>14</sup> Identifying patterns in North Korean behavior is challenging, as Pyongyang

<sup>14</sup> Duyeon Kim, "The Panmunjom Declaration: What It Wasn't Supposed to Be," *The Bulletin of the Atomic Scientists*,

often weaves together different approaches to the outside world. North Korean behavior has vacillated between limited cooperation, including multiple agreements on denuclearization, and overt provocations, including testing several long-range ballistic missiles over the last 20 years and six nuclear devices in 2006, 2009, 2013, 2016, and 2017. Pyongyang's willingness to negotiate has often appeared to be driven by its internal conditions: food shortages or economic desperation can push North Korea to reengage in talks, usually to extract more aid from China or, in the past, from the United States and/or South Korea. North Korea has proven skillful at exploiting divisions among the other five parties and taking advantage of political transitions in Washington to stall the nuclear negotiating process.

The seeming fickleness of North Korea's demands has contributed to debates over the utility of negotiating with North Korea. A small group of analysts argue not only that negotiations are necessary to reduce the chances of conflict, but also that they are feasible, because Kim Jong-un's "real goal is economic development," in the words of one North Korea-watcher.<sup>15</sup> Implied in this vision is the concept of a basic bargain in which North Korea would obtain a more secure relationship with the United States, a formal end to the Korean War, as well as economic benefits and sanctions removal in exchange for nuclear weapons and missile dismantlement. Kim Jong-un's increased emphasis on economic development in 2018, discussed below, is often mentioned as a sign that he has made a decision to denuclearize; without breaking free of North Korea's isolation and obtaining relief from sanctions, it will be difficult for him to achieve his economic goals.

Many analysts believe, however, that the North Korean regime, regardless of inducements, will not voluntarily give up its nuclear weapons capability. After years of observing North Korea's negotiating behavior, many analysts now believe that Pyongyang's demands are tactical moves and that North Korea sees having a nuclear capability as essential to regime survival and has no intention of giving up its nuclear weapons in exchange for aid and recognition.<sup>16</sup>

Pyongyang's frequent statements of its determination to maintain its nuclear weapons program, also have led analysts to doubt the idea that the pledge at the Singapore summit has dramatically shifted its intentions. In April 2010, for instance, North Korea reiterated its demand to be recognized as an official nuclear weapons state and said it would increase and modernize its nuclear deterrent.<sup>17</sup> On April 13, 2012, the same day as a failed rocket launch, the North Korean constitution was revised to describe the country as a "nuclear-armed nation." In March 2013, North Korea declared that its nuclear weapons are "not a bargaining chip" and would not be relinquished even for "billions of dollars."<sup>18</sup> Following the successful test of the Hwasong-15 intercontinental ballistic missile in November 2017, official North Korean news outlets announced that the DPRK had "finally realized the great historic cause of completing the state

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May 1, 2018; and "Analysts Mixed on North's Nuclear Pledge as Condition of Peace Treaty Ahead of Moon-Kim Summit," *Radio Free Asia*, April 25, 2018.

<sup>15</sup> John Delury, "Instead of Threatening North Korea, Trump Should Try This," *Washington Post*, April 23, 2017.

<sup>16</sup> See, for example, Jonathan D. Pollack, *No Exit: North Korea, Nuclear Weapons, and International Security* (New York: Routledge, 2011); *North Korea: Beyond the Six-Party Talks*, International Crisis Group, Asia Report No. 269, June 16, 2015.

<sup>17</sup> Kim Hyun-wook, "Nuclear Posture Review and Its Implications on the Korean Peninsula," *Council on Foreign Relations Asia Unbound* blog post, May 1, 2010.

<sup>18</sup> Choe Sang-hun, "North Korea Vows to Keep Nuclear Arms and Fix Economy," *New York Times*, March 31, 2013.

nuclear force.”<sup>19</sup> North Korea has also suggested that it will not relinquish its nuclear stockpile until all nuclear weapons are eliminated worldwide.<sup>20</sup>

The multinational military intervention in 2011 in Libya, which abandoned its nuclear weapon program in exchange for the removal of sanctions, may have had the undesirable side effect of reinforcing the perceived value of nuclear arms for regime security. North Korean leaders may believe that, without the security guarantee of nuclear weapons, they are vulnerable to overthrow by a rebellious uprising aided by outside military intervention.

Some observers assert that the 2018 Singapore summit conferred a degree of legitimacy on North Korea as a nuclear state, in that the U.S. President sat down with Kim as he would any other world leader and agreed to the “denuclearization of the Korean Peninsula.”<sup>21</sup> The summit may have satisfied some of North Korea’s past demands: the cancelation of U.S.-ROK military exercises, the easing of sanctions implementation, and the prestige conferred by meeting with other heads of state, including the President of the United States.

## **History of Nuclear Negotiations<sup>22</sup>**

Prior to the Trump Administration’s efforts, the United States engaged in four major sets of formal nuclear and missile negotiations with North Korea: the bilateral Agreed Framework (1994-2002), the bilateral missile negotiations (1996-2000), the multilateral Six-Party Talks (2003-2009), and the bilateral Leap Day Deal (2012). In general, the proposed formula for these negotiations has been for North Korea to halt, and in some cases disable, its nuclear or missile programs in return for economic and diplomatic concessions.

### **Agreed Framework**

In 1986, U.S. intelligence detected the startup of a plutonium production reactor and reprocessing plant at Yongbyon that were not subject to international monitoring as required by the Nuclear Non-Proliferation Treaty (NPT), which North Korea joined in 1985. In the early 1990s, after agreeing to and then obstructing International Atomic Energy Agency (IAEA) inspections of these facilities, North Korea announced its intention to withdraw from the NPT. According to statements by former Clinton Administration officials, a preemptive military strike on the North’s nuclear facilities was seriously considered as the crisis developed. Discussion of sanctions at the UNSC and a diplomatic mission from former President Jimmy Carter persuaded North Korea to engage in negotiations and eventually led to the U.S.-North Korea 1994 Agreed Framework, under which the United States agreed to arrange for North Korea to receive two light water reactor (LWR) nuclear power plants and heavy fuel oil in exchange for North Korea freezing and eventually dismantling its plutonium program under IAEA supervision. The document also outlined a path toward normalization of diplomatic and economic relations as well as security assurances.

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<sup>19</sup> “North Korea Completes its ‘State Nuclear Force’: What Next from the U.S.?” *NKNews*, November 30, 2017.

<sup>20</sup> “DPRK NDC Issues Statement Refuting UNSC Resolution,” Korean Central News Agency (North Korea), January 24, 2013.

<sup>21</sup> Vipin Narang and Ankit Panda, “North Korea Is a Nuclear Power. Get Used to It,” *New York Times*, June 12, 2018; and Victor Cha and Sue Mi Terry, “Assessment of the Singapore Summit,” *CSIS Critical Questions*, June 12, 2018.

<sup>22</sup> For more on the history of U.S.-DPRK nuclear and missile negotiations, see CRS Report R45033, *Nuclear Negotiations with North Korea*, by Emma Chanlett-Avery, Mark E. Manyin, and Mary Beth D. Nikitin.

The Agreed Framework faced multiple reactor construction and funding delays. Still, the fundamentals of the agreement were implemented: North Korea froze its plutonium program, heavy fuel oil was delivered to the North Koreans, and LWR construction commenced. However, North Korea did not comply with commitments to declare all nuclear facilities to the IAEA and put them under safeguards. In 2002, the George W. Bush Administration confronted North Korea about a suspected secret uranium enrichment program, the existence of which the North Koreans denied publicly.<sup>23</sup> As a result, the United States halted heavy fuel oil shipments and construction of the LWRs, which were already well behind schedule. North Korea then expelled IAEA inspectors from the Yongbyon site, announced its withdrawal from the NPT, and restarted its reactor and reprocessing facility after an eight-year freeze.

### **Missile Negotiations**

Separately, in response to congressional pressure due to opposition to the Agreed Framework's terms, the Clinton Administration in 1996 began pursuing a series of negotiations with North Korea that focused on curbing the DPRK's missile program and ending its missile exports, particularly to countries in the Middle East. In September 1999, North Korea agreed to a moratorium on testing long-range missiles in exchange for the partial lifting of U.S. sanctions and a continuation of bilateral talks. Then-Secretary of State Madeleine Albright visited Pyongyang in October 2000 to finalize the terms of a new agreement, under which North Korea would end ballistic missile development and missile exports in exchange for international assistance in launching North Korean satellites. A final agreement proved elusive, however. North Korea maintained its moratorium until July 2006.

### **Six-Party Talks**

Under the George W. Bush Administration, negotiations to resolve the North Korean nuclear issue expanded to include China, South Korea, Japan, and Russia. With China playing host, six rounds of the "Six-Party Talks" from 2003 to 2008 yielded occasional progress, but ultimately failed to resolve the fundamental issue of North Korean nuclear arms. The most promising breakthrough occurred in 2005, with the issuance of a Joint Statement in which North Korea agreed to abandon its nuclear weapons programs in exchange for aid, a U.S. security guarantee, and talks over normalization of relations with the United States. Despite the promise of the statement, the process eventually broke down, primarily due to an inability to come to an agreement on measures to verify North Korea's compliance.

### **Obama Administration's "Strategic Patience" Policy and Leap Day Agreement**

The Obama Administration's policy toward North Korea, often referred to as "strategic patience," was to put pressure on the regime in Pyongyang while insisting that North Korea return to the Six-Party Talks. The main elements of the policy involved insisting that Pyongyang commit to steps toward denuclearization as previously promised in the Six-Party Talks; closely coordinating with treaty allies Japan and South Korea; attempting to convince China to take a tougher line on North Korea; and applying pressure on Pyongyang through arms interdictions and sanctions. U.S. officials stated that, under the right conditions, they would seek a comprehensive package deal for North Korea's complete denuclearization in return for normalization of relations and significant aid, but insisted on a freeze of its nuclear activities and a moratorium on testing before returning

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<sup>23</sup> Material for nuclear weapons can be made from reprocessing plutonium or enriching uranium. The uranium enrichment program provided North Korea with a second pathway for creating nuclear bomb material while its plutonium production facilities were frozen.

to negotiations. This policy was accompanied by large-scale military exercises designed to demonstrate the strength of the U.S.-South Korean alliance.

In addition to multilateral sanctions required by the U.N., the Obama Administration issued several executive orders to implement the U.N. sanctions or to declare additional unilateral sanctions. These included sanctioning entities and individuals involved in the sale and procurement of weapons of mass destruction, as well as those engaging in a number of North Korean illicit activities that help fund the WMD programs and support the regime, including money laundering, arms sales, counterfeiting, narcotics, and luxury goods. Following the November 2014 cyberattack on Sony Pictures Entertainment, which the Federal Bureau of Investigation (FBI) attributed to North Korean hackers, President Obama issued E.O. 13687, enabling the U.S. government to seize the assets of designated DPRK officials and those working on behalf of North Korea.

Despite the overtures for engagement after Obama took office, a series of provocations by Pyongyang halted progress on restarting negotiations. These violations of international law initiated a periodic cycle of action and reaction, in which the United States focused on building consensus at the UNSC and pressuring North Korea through enhanced multilateral sanctions. The major exception to the pattern of mutual recrimination occurred in February 2012, shortly after the death of Kim Jong-il, the previous leader of North Korea and father of Kim Jong-un. The so-called “Leap Day Agreement” committed North Korea to a moratorium on nuclear tests, long-range missile launches, and uranium enrichment activities at the Yongbyon nuclear facility, as well as the readmission of IAEA inspectors. In exchange, the Obama Administration pledged 240,000 metric tons of “nutritional assistance”<sup>24</sup> and steps to increase cultural and people-to-people exchanges with North Korea. North Korea scuttled the deal only two months later by launching a long-range rocket, followed by a third nuclear test in February 2013.

## China’s Role

The U.S. policy of putting economic and diplomatic pressure on North Korea depends heavily on China. In addition to being North Korea’s largest trading partner by far—accounting for over 90% of North Korea’s total trade since 2015—China also provides food and energy aid that is an essential lifeline for the regime and is one of Pyongyang’s few diplomatic partners. Although not supportive of Pyongyang’s nuclear goals—as seen in its voting for increasingly restrictive UNSC sanctions—China’s overriding priority appears to be to maintain stability on the Korean Peninsula, and therefore to prevent the collapse of North Korea. Analysts assess that Beijing fears the destabilizing effects of a humanitarian crisis, significant refugee flows over its borders, and the uncertainty of how other nations, particularly the United States, would assert themselves on the peninsula in the event of a power vacuum. China also sees strategic value in having North Korea as a “buffer” between China and democratic, U.S.-allied South Korea.

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<sup>24</sup> The United States maintains that its food aid policy follows three criteria: demonstrated need, severity of need compared to other countries, and satisfactory monitoring systems to ensure food is reaching the most vulnerable. Strong concerns about diversion of aid to the North Korean military and elite exist, although assistance provided in 2008-2009 had operated under an expanded system of monitoring and access negotiated by the Bush Administration. Obama Administration officials were reportedly divided on whether to authorize new humanitarian assistance for North Korea in 2011 and 2012, but ultimately decided to offer 240,000 metric tons of food aid as a confidence-building measure within the Leap Day Agreement. Several Members of Congress have spoken out against the provision of any assistance to Pyongyang because of concerns about supporting the regime.



Beijing often has been an obstacle to U.S. policy goals with regard to North Korea. Imposing harsher punishments on North Korea in international fora, such as the U.N., is frequently hindered by China's seat on the UNSC, where Beijing often waters down U.S. efforts to punish North Korea. Chinese companies often have been found to violate sanctions against North Korea, and the Chinese government's enforcement of sanctions has been uneven, with authorities often turning a blind eye to violations.<sup>25</sup> However, according to a number of indicators China in 2017 significantly increased its enforcement of UNSC sanctions, perhaps to convince the United States not to follow through on the Trump Administration's threats of a military strike against North Korea. Additionally, Chinese trade with and aid to North Korea is presumed to be a fraction of what it might be if Beijing decided to fully support North Korea, likely due in part to Beijing's desire to appear to the international community as a responsible leader instead of an enabler of a rogue regime. This assumption is a key factor driving the U.S. and South Korean approach, which seeks to avoid pushing China to a place where it feels compelled to provide more diplomatic and economic assistance to North Korea.

Relations between Beijing and Pyongyang suffered after Kim Jong-un's rise to power in 2011. Beijing appeared displeased with Kim Jong-un, particularly after he executed his uncle Jang Song-taek in 2013, who had been the chief interlocutor with China. Chinese President Xi Jinping had several summits with former South Korean President Park Geun-hye, as well as with current President Moon, without meeting with Kim. In addition, an increasing number of Chinese academics called for a reappraisal of China's friendly ties with North Korea, citing the material and reputational costs to China. Chinese public opinion also seemed to turn against North Korea: two-thirds of 8,000 respondents on a Weibo (a Twitter-like Chinese social media platform) poll indicated that they favored a U.S. preemptive airstrike on North Korea's nuclear sites. Content ridiculing Pyongyang's leadership was regularly deleted by state censors.<sup>26</sup> In 2017, China agreed to increasingly stringent UNSC sanctions resolutions and to an unprecedented degree appeared to be implementing these measures.

Trump and Kim's aggressive pursuit of a diplomatic opening in 2018 appeared to restore some of the previous closeness of the North Korea-China relationship. After Trump agreed to meet the North Korean leader, Kim traveled outside North Korea for the first time to Beijing, a move that suggested he was seeking to reaffirm a close relationship with China ahead of the meeting. (He traveled to China again in May.) Having achieved some results that China likely perceives as victories—the deescalation of hostilities, the turn to diplomacy and, notably, the cancellation of U.S.-South Korean military exercises that have long irked Beijing—Kim likely has new goodwill and leverage in his relationship with Beijing.

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<sup>25</sup> Derek Grossman, "China's Reluctance on Sanctions Enforcement in North Korea," Rand Corporation, January 3, 2018; U.S.-China Economic and Security Review Commission, *2017 Annual Report to Congress*, November 15, 2017, pp. 333-338; Kent Boydston, "How Good is China at Sanctions Enforcement?" Peterson Institute for International Economics, May 5, 2017, at <https://piie.com/blogs/north-korea-witness-transformation/how-good-china-sanctions-enforcement>.

<sup>26</sup> Jane Perlez and Choe Sang Hun, "China Struggles for Balance in Response to North Korea's Boldness," *New York Times*, February 7, 2016, at <http://www.nytimes.com/2016/02/08/world/asia/china-struggles-for-balance-in-response-to-north-koreas-boldness.html>.

# North Korea's Internal Situation

## Kim Jong-un's Political Position

Kim Jong-un is the third generation of the Kim family to rule North Korea. His grandfather, Kim Il-sung, North Korea's first ruler, reigned from 1948 until his death in 1994. His father, Kim Jong-il, ruled for nearly 17 years until his death in December 2011, when Kim Jong-un was believed to be in his late 20s.

Although much uncertainty remains about the Pyongyang regime and its priorities given the opaque nature of the state, Kim Jong-un's bold emergence on the global stage in 2018 may be revealing. For many North Korea watchers, Kim's confidence in asserting himself on the world diplomatic stage reinforces the impression that he has consolidated power at the apex of the North Korean regime. Some analysts credit Kim with successfully pursuing a plan to both ensure the survival of his regime but also build up his country's struggling economy. Kim has promoted a two-track policy (the so-called *byungjin* line) of economic development and nuclear weapons development, explicitly rejecting the efforts of external forces to make North Korea choose between one or the other. Having achieved what some observers call a "limited nuclear deterrent," Kim has pursued better economic opportunities by launching a "charm offensive" to restore better relations with South Korea and China. In addition, Kim has achieved at least a temporary breakthrough with the United States and therefore staved off more punishing sanctions.

Initially, some observers held out hope that the young, European-educated Kim could emerge as a political reformer, but his behavior has not borne out these hopes. In fact, his ruthless drive to consolidate power demonstrates a keen desire to keep the dynastic dictatorship intact. Since he became supreme leader in late 2011, Kim has demonstrated a brutal hand in leading North Korea. He has carried out a series of purges of senior-level officials, including the execution of Jang Song-taek, his uncle by marriage, in 2013. In February 2017, Kim's half-brother Kim Jong-nam was killed at the Kuala Lumpur airport in Malaysia by two assassins using the nerve agent VX; the attack was widely believed to have been authorized by Kim Jong-un.<sup>27</sup> South Korean intelligence sources say that over 300 senior military and civilian officials were replaced in Kim's first four years in office.<sup>28</sup>

Kim Jong-un has displayed a different style of ruling than his father, who generally was considered aloof and remote, gave few public speeches, and attempted to severely limit access to outside influences. Kim has allowed Western influences, such as clothing styles and Disney characters, to be displayed in the public sphere, and he is informal in his frequent public appearances. In a stark change from his father's era, Kim Jong-un's wife was introduced to the North Korean public, although the couple's offspring (they are believed to have three children) remain hidden from the public.<sup>29</sup> Analysts depict these stylistic changes as Kim attempting to seem young and modern and to conjure associations with the "man of the people" image cultivated by his grandfather Kim Il-Sung, the revered founder of North Korea.

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<sup>27</sup> Jung H. Pak, "The Education of Kim Jong-un," Brookings Institution, February 2017.

<sup>28</sup> "North Korea Executes Minister by Anti-aircraft Fire, Says Seoul," *Financial Times*, May 13, 2015.

<sup>29</sup> "The Mysterious Lives of the 3 Kids Who Are Believed to be Kim Jong Un's," *Business Insider*, June 13, 2018.

## North Korea Economic Conditions

North Korea is one of the world's poorest countries, with an estimated per capita GDP of under \$2,000, about 5% of South Korea's level.<sup>30</sup> North Korea is also one of the world's most centrally planned economies. Under Kim, a series of economic policy changes appear to have spurred economic growth and lifted the living standards—including access to a wider array of consumer products—for a sizable portion of ordinary North Koreans.<sup>31</sup> Increased domestic production, from the loosening of restrictions, along with sanctions-evasion activities, may help to explain how North Korea appears to have weathered the steady tightening of international sanctions since early 2016, in particular the dramatic decline in North Korea's exports from 2016 to 2017, when international sanctions became much stricter.

Under Kim's changes, market principles have been permitted, in a limited manner, to govern some sectors of North Korean business, industry, and agriculture.<sup>32</sup> The government has at least partially legalized consumer and business-to-business markets, both of which formerly had a quasi-legal existence, leading to an expansion not only in the number and size of markets but also the ancillary services—such as distribution systems—that enable their operations.<sup>33</sup> In his speeches and public factory visits, Kim often emphasizes domestic manufacturing, calling for a shift in consumption from imported to domestically produced goods.<sup>34</sup> The marketization process has been facilitated by international trade with China, which since 2016 has accounted for over 90% of North Korea's trade.<sup>35</sup>

North Korea's agricultural liberalization moves, along with more favorable planting conditions, appear to have contributed to much larger harvests since 2010 than previous decades. In another sign of increased stability in food production, North Korean food prices generally appear to have been stable since around 2012.<sup>36</sup> However, even as the elite and those with access to hard currency appear to be faring better, the food security situation for many North Koreans remains tenuous. The United Nations Resident Coordinator for North Korea estimates that over 10 million North Koreans, or over 40% of the population, "continue to suffer from food insecurity and undernutrition."<sup>37</sup>

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<sup>30</sup> Central Intelligence Agency, *World Factbook*, June 18, 2018.

<sup>31</sup> The Bank of Korea, using comparisons with South Korean prices and value added ratios, estimates that North Korea's GDP grew by 3.9% in 2016. The previous eight years, according to the Bank of Korea's calculations, annual changes in North Korea's GDP ranged from a low of -1.1% to a high of 1.3%. Bank of Korea, "Gross Domestic Product Estimates for North Korea in 2017," July 22, 2017. See also Andrei Lankov, "Why Unconditional Economic Aid Won't Change – Or Help – North Korea," *NKNews*, June 6, 2018. As mentioned above, the Bank of Korea estimates that in 2017 North Korea's economy contracted by 3.5%.

<sup>32</sup> For example, in the cities, the changes permitted managers to set salaries and hire or fire workers. In the countryside, in an effort to increase production incentives, agricultural policy changes allowed farmers to keep a larger portion of their harvest, relaxed the system of fixed rations, and reduced the size of farming collectives to individual households.

<sup>33</sup> In Ho Park, *The Creation of the North Korean Market System*, Daily NK, Seoul, South Korea, 2017.

<sup>34</sup> Benjamin Katzeff Silberstein, "The North Korean Economy in June 2018: An Overview," *NKNews*, July 9, 2018.

<sup>35</sup> In 2016, then-South Korean President Park Geun-hye shut down the Kaesong Industrial Complex (KIC), an industrial park located in North Korea in which more than 100 South Korean companies employed over 50,000 North Korean workers. At its peak in 2014 and 2015, the KIC appears to have accounted for approximately 20% to 30% of North Korea's estimated total exports.

<sup>36</sup> Benjamin Katzeff Silberstein, "Between Sanctions, Drought and Tensions: How Bad is North Korea's Food Situation?" *38North.org*, November 14, 2017.

<sup>37</sup> UN Resident Coordinator for DPR Korea, *DPR Korea Needs and Priorities 2018*, March 2018, <https://reliefweb.int/report/democratic-peoples-republic-korea/dpr-korea-needs-and-priorities-march-2018>.

Analysts debate the extent to which Kim's changes can be considered "reforms" because it is unclear whether they are as sweeping as those adopted in the past by socialist countries that made a more definitive break from past economic policies. North Korea's penal code, for instance, expressly prohibits private enterprise.<sup>38</sup> There is conflicting evidence of the government's willingness to tolerate marketization, particularly if it increases the spread of foreign ideas that the communist party feels could threaten its grip on power. Periodically, reports emerge of official crackdowns in various localities against market activity.<sup>39</sup>

Many North Koreans have limited access to health care and face significant food shortages. The regime claims it provides universal health care, but most of the country's hospitals are in a dismal state.<sup>40</sup> In Pyongyang, health facilities are better than in the rest of the country, but only the elite have access to those facilities. The regime decides where families can live depending on their degree of loyalty to the state, and it tightly controls who can reside in and enter the capital. As a result, few people can get quality medical care, and many North Koreans cannot afford the necessary medications or bribes for their doctors.<sup>41</sup>

## Increasing Access to Information Inside North Korea

Pyongyang appears to be slowly losing its ability to fully control information flows from the outside world into North Korea. Surveys of North Korean defectors reveal that some within North Korea are growing increasingly wary of government propaganda and turning to outside sources of news.<sup>42</sup> The North Korean government tries to prevent its citizens from listening to foreign broadcasts. It often attempts to jam foreign stations, including VOA, RFA, and the BBC.<sup>43</sup> The government also alters radios to prevent them from receiving outside broadcasts, but defectors report that some citizens have illegal radios—or legal ones that have been modified—to receive foreign programs.<sup>44</sup> According to a 2015 survey of North Korean defectors, 29% of them listened to foreign broadcasts while they were in North Korea.<sup>45</sup>

After a short-lived attempt in 2004, North Korea in 2009 restarted a mobile phone network, in cooperation with the Egyptian telecommunications firm Orascom. The mobile network reportedly had over 3 million subscribers in 2017.<sup>46</sup> The regime has allowed increased mobile-phone use, perhaps because it provides better surveillance opportunities. Some reports suggest that North Korean cadres consume foreign media, and that some are even involved in smuggling and selling

<sup>38</sup> Peter Ward, "Just How Planned Is the North Korean Industrial Economy?," *NKPro*, May 3, 2018.

<sup>39</sup> See, for instance, Kim Yoo Jin, "North Koreans Protest Unfair Market Crackdowns," *DailyNK*, July 3, 2018.

<sup>40</sup> "The Dire Reality of "Universal Health Care" in North Korea," *Daily NK*, June 2, 2015; Samuel Ramani, "North Korea's Public Health Campaign," *The Diplomat*, June 21, 2016.

<sup>41</sup> U.S. Department of State, *Democratic People's Republic of Korea 2016 Human Rights Report*, March 3, 2017, p. 11; Steven Borowiec, "After Leaving North Korea, Writers Are Penning Stories about Their Home," *LA Times*, July 29, 2015.

<sup>42</sup> Marcus Noland, "Pyongyang Tipping Point," *Wall Street Journal* op-ed, April 12, 2010.

<sup>43</sup> Leo Byrne, "BBC Launches Korean Language Service Covering North Korea," *NKNews*, September 25, 2017; "The Air around North Korea Is Getting Crowded," *The Economist*, October 5, 2017; "North Korea Steps Up Jamming," *Radio Free Asia*, December 19, 2012.

<sup>44</sup> Nat Kretchun, Catherine Lee, and Seamus Tuohy, "Compromising Connectivity," *Intermedia*, 2017, p. 11.

<sup>45</sup> About 14% of those defectors said they listened daily; 46% said they listened weekly. Nat Kretchun, Catherine Lee, and Seamus Tuohy, "Compromising Connectivity," *Intermedia*, 2017, pp. 10, 11.

<sup>46</sup> Koryolink Cellphone Service Will Continue Operations in North Korea: Orascom," *NK News*, December 21, 2017.

operations.<sup>47</sup> Although illegal to purchase and operate, Chinese cellphones can be used near the border to make international calls.

Although phone conversations in North Korea are monitored, the spread of cell phones likely enables faster and wider dissemination of information. A paper published by the Harvard University Belfer Center in 2015 argues that a campaign to spread information about the outside world within North Korea could produce positive changes in the political system there.<sup>48</sup> In the 2015 survey of North Koreans, 28% of respondents reported that they owned domestic mobile phones—and 15% of them said they used their phones to access “sensitive media content.”<sup>49</sup> Increased access to information could be “the Achilles Heel of the Kim” regime, according to Thae Yong-ho, who served as North Korean deputy ambassador to Britain until his defection in 2016. For decades, the regime has indoctrinated its citizens—using plays, movies, and books—to instill a sense of loyalty to the Kim family and portray the outside world as economically, culturally, and militarily inferior to North Korea. Outside sources of information could inform the people about the reality of their living conditions and encourage them to question their regime.<sup>50</sup>

## North Korean Security Threats

### North Korea’s Military Capabilities

North Korea fields one of the largest militaries in the world, estimated at 1.28 million personnel in uniform, with another 600,000 in reserves.<sup>51</sup> Defense spending may account for as much as 24% of the DPRK’s national income, on a purchasing power parity basis.<sup>52</sup> The North Korean military has deployed approximately 70% of its ground forces and 50% of its air and naval forces within 100 kilometers of the demilitarized zone (DMZ) border, allowing it to rapidly deploy for full-scale conflict with South Korea.<sup>53</sup>

North Korea does not have the resources to modernize its entire military, and the U.S. intelligence community has assessed that North Korea is developing its WMD capabilities to offset deficiencies in its conventional forces.<sup>54</sup> In particular, North Korea has made the development of nuclear weapons and long-range ballistic missiles a top priority. North Korea also has a large stockpile of chemical weapons and may have biological weapons as well. Analysts assess that in recent years Pyongyang has developed the ability to conduct offensive cyber operations, and the U.S. intelligence community assesses North Korea is among the four countries that “will pose the

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<sup>47</sup> Lee Sang Yong, “Hallyu’s Hooks Deep into North Korean Society,” *Daily NK*, April 29, 2016, at <http://www.dailynk.com/english/read.php?num=13873&catId=nk01500>.

<sup>48</sup> Jieun Baek, “Hack and Frack North Korea: How Information Campaigns Can Liberate the Hermit Kingdom,” Harvard University, Belfer Center for Science and International Affairs, April 2015.

<sup>49</sup> The 2015 BBG Survey included a sample size of 350 people—they were refugees, travelers, and/or recent defectors.

<sup>50</sup> Carol Morello, “Soaps and Dramas May Achieve Change in North Korea More than Military Force, Defector Says,” *Washington Post*, November 1, 2013; U.S. Department of State, *Democratic People’s Republic of Korea 2016 Human Rights Report*, March 3, 2017, p. 16.

<sup>51</sup> *The Military Balance 2018* (London, UK: International Institute for Strategic Studies, 2018), p. 265.

<sup>52</sup> James Hackett and Mark Fitzpatrick, *The Conventional Military Balance on the Korean Peninsula*, IISS, June 2018.

<sup>53</sup> U.S. Department of Defense, *2017 Report to Congress on Military and Security Developments Involving the Democratic People’s Republic of Korea*, December 15, 2017, p. 9.

<sup>54</sup> James Clapper, Statement for the Record on the Worldwide Threat Assessment of the U.S. Intelligence Community for the Senate Select Committee on Intelligence, 2015.

greatest cyber threats to the United States” in 2018.<sup>55</sup> A 2014 Defense White Paper from South Korea’s Defense Ministry asserts that North Korea has 6,000 cyber warfare troops.<sup>56</sup> The sections below describe what is known from open sources about these programs.

### **North Korea’s Conventional Military Forces**

North Korea’s conventional military capabilities have atrophied significantly since 1990, due to antiquated weapons systems and inadequate training, but North Korea could still inflict enormous damage on Seoul with artillery and rocket attacks.<sup>57</sup> Security experts agree that, if there were a war on the Korean Peninsula, the United States and South Korea would prevail, but at great cost.<sup>58</sup> Analysts estimate that North Korean artillery forces, fortified in thousands of underground facilities, could fire thousands of artillery rounds at metropolitan Seoul in the first hour of a war.<sup>59</sup> Most North Korean major combat equipment is old and inferior to the modern systems of the U.S. and ROK militaries. With few exceptions, North Korean tanks, fighter aircraft, armored personnel carriers, and some ships are based on Soviet designs from the 1950s-1970s.

To compensate for its obsolete traditional forces, in recent years North Korea has sought to improve its asymmetric capabilities, such as unmanned aerial vehicles (UAVs), offensive cyber operations, special operations forces, GPS jamming, stealth and infiltration, and electromagnetic pulse.<sup>60</sup> In recent years, North Korea also has made some advancements in the following areas: long-range artillery, tanks, armored vehicles, infantry weapons, unmanned aerial vehicles, surface-to-air missiles, ballistic missile-capable submarines, and special operations forces.<sup>61</sup> In the maritime domain, North Korea constructed two new helicopter-carrier corvettes and may be developing a new, larger model of submarine (perhaps to launch ballistic missiles).

The North Korean military suffers from institutional weaknesses that would mitigate its effectiveness in a major conflict. Because of the totalitarian government system, the North Korean military’s command and control structure is highly centralized and allows no independent actions. North Korean war plans are believed to be highly “scripted” and inflexible in operational and tactical terms, and mid-level officers do not have the training and authority to act on their

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<sup>55</sup> Lee Yong-jong and Sarah Kim, “Cyberwarfare is North’s New Priority, Experts Say,” *Korea JoongAng Daily*, November 14, 2013; and Daniel R. Coats, *Worldwide Threat Assessment of the U.S. Intelligence Community*, Office of the Director of National Intelligence, February 13, 2018, p. 5.

<sup>56</sup> Republic of Korea Ministry of National Defense, “2014 Defense White Paper,” p. 27, at [http://www.mnd.go.kr/user/mnd\\_eng/upload/pblicitn/PBLICTNEBOOK\\_201506161156164570.pdf](http://www.mnd.go.kr/user/mnd_eng/upload/pblicitn/PBLICTNEBOOK_201506161156164570.pdf).

<sup>57</sup> U.S. Department of Defense, *Military and Security Developments Involving the Democratic People’s Republic of Korea 2013*, Washington, DC, February 2014, p. 8.

<sup>58</sup> *North Korean Security Challenges: A Net Assessment* (London: The International Institute for Strategic Studies, 2011), p. 47.

<sup>59</sup> IISS (2011), pp. 52-53. Even if the DPRK uses only its conventional munitions (which most analysts believe would be unlikely given North Korea’s arsenal of WMD capabilities), some estimates range from tens to hundreds of thousands of dead in the first days of fighting, given that DPRK artillery is thought by some to be capable of firing 10,000 rounds per minute at Seoul. For more, see CRS Report R44994, *The North Korean Nuclear Challenge: Military Options and Issues for Congress*, coordinated by Kathleen J. McInnis.

<sup>60</sup> Republic of Korea Ministry of National Defense, “2014 Defense White Paper,” p. 54, at [http://www.mnd.go.kr/user/mnd\\_eng/upload/pblicitn/PBLICTNEBOOK\\_201506161156164570.pdf](http://www.mnd.go.kr/user/mnd_eng/upload/pblicitn/PBLICTNEBOOK_201506161156164570.pdf); and Department of Defense, “Military and Security Developments Involving the Democratic People’s Republic of Korea,” at [http://www.defense.gov/Portals/1/Documents/pubs/Report\\_to\\_Congress\\_on\\_Military\\_and\\_Security\\_Developments\\_Involving\\_the\\_DPRK.pdf](http://www.defense.gov/Portals/1/Documents/pubs/Report_to_Congress_on_Military_and_Security_Developments_Involving_the_DPRK.pdf).

<sup>61</sup> U.S. Department of Defense, *2017 Report to Congress on Military and Security Developments Involving the Democratic People’s Republic of Korea*, December 15, 2017, pp. 11-13.

own initiative.<sup>62</sup> The country's general resource scarcity affects military readiness in several ways: lack of fuel prevents pilots from conducting adequate flight training, logistical shortages could prevent troops from traveling as ordered, lack of spare parts could reduce the availability of equipment, and food shortages will likely reduce the endurance of North Korean forces in combat, among other effects.

## Nuclear Weapons<sup>63</sup>

U.S. analysts remain concerned about the pace and success of North Korea's nuclear weapons development. In the past, the U.S. intelligence community has characterized the purpose of North Korean nuclear weapons as intended for "deterrence, international prestige, and coercive diplomacy."<sup>64</sup> While the United States is in talks with North Korea about abandoning its nuclear weapons program, or "denuclearization," the intelligence community has expressed skepticism of Pyongyang's willingness to carry out that goal. In its most recent assessment to Congress, the DNI said in March 2018 that "Pyongyang's commitment to possessing nuclear weapons and fielding capable long-range missiles, all while repeatedly stating that nuclear weapons are the basis for its survival, suggests that the regime does not intend to negotiate them away."<sup>65</sup> North Korean Foreign Ministry official Choe Son Hui said in October 2017 that the North Korean nuclear arsenal is meant to deter attack from the United States and that keeping its weapons is "a matter of life and death for us."<sup>66</sup>

North Korea in public statements has indicated it was building its nuclear force with an emphasis on developing "smaller, lighter, and more diversified" warheads, signaling a move to produce and deploy nuclear weapons. North Korea has tested nuclear explosive devices six times since 2006, including a hydrogen bomb (or two-stage thermonuclear warhead with a higher yield than previously tested devices) in September 2017 that it said it was perfecting for delivery on an intercontinental ballistic missile. According to U.S. and international estimates, each test produced underground blasts that were progressively higher in magnitude and estimated yield. In early 2018, North Korea announced that it had achieved its goals and would no longer conduct nuclear tests and would close down its test site.<sup>67</sup> However, fissile material production and related facilities have not been shuttered.

The North Korean nuclear program began in the late 1950s with cooperation agreements with the Soviet Union on a nuclear research program near Yongbyon. Its first research reactor began operation in 1967. North Korea used indigenous expertise and foreign procurements to build a small (5MW(e)) nuclear reactor at Yongbyon. It was capable of producing about 6 kilograms (kg) of plutonium per year and began operating in 1986.<sup>68</sup> Later that year, U.S. satellites detected high explosives testing and a new plant to separate plutonium from the reactor's spent fuel (a chemical

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<sup>62</sup> IISS (2011), p. 54.

<sup>63</sup> For more, see CRS Report RL34256, *North Korea's Nuclear Weapons: Technical Issues*, by Mary Beth D. Nikitin.

<sup>64</sup> James Clapper, Statement for the Record on the Worldwide Threat Assessment of the U.S. Intelligence Community for the Senate Select Committee on Intelligence, 2016.

<sup>65</sup> Daniel Coats, Statement for the Record on the Worldwide Threat Assessment of the U.S. Intelligence Community, March 6, 2018.

<sup>66</sup> Leo Byrne, "N. Korea 'Not Planning Negotiations over Nuclear Weapons,'" *NKNews*, October 20, 2017.

<sup>67</sup> Soyoung Kim and Cynthia Kim, "North Korea says will Stop Nuclear Tests, Scrap Test Site," Reuters, April 20, 2018, at <https://www.reuters.com/article/us-northkorea-missiles/north-korea-says-will-stop-nuclear-tests-scrap-test-site-idUSKBN1HR37J>.

<sup>68</sup> 5 MW(e) is a power rating for the reactor, indicating that it produces 5 million watts of electricity per day (a very small reactor). Reactors are also described in terms of million watts of heat (MW thermal).

reprocessing plant). Over the past two decades, the reactor and reprocessing facility have been alternately operational and frozen under safeguards put in place as the result of the 1994 Agreed Framework and again in 2007, under the Six Party Talks. Since the Six Party Talks' collapse in 2008, North Korea has restarted its 5MW(e) reactor and its reprocessing plant, has openly built a uranium enrichment plant for an alternative source of weapons material, and is constructing a new experimental light water reactor. It is generally estimated in open sources that North Korea had produced between 30 and 40 kilograms of separated plutonium, enough for at least half a dozen nuclear weapons.

While North Korea's weapons program was plutonium-based from the start, intelligence emerged in the late 1990s pointing to a second route to a bomb using highly enriched uranium (HEU). North Korea openly acknowledged a uranium enrichment program in 2009, but has said its purpose is the production of fuel for nuclear power.<sup>69</sup> In November 2010, North Korea showed visiting American experts early construction of a 100 MWT light-water reactor and a newly built gas centrifuge uranium enrichment plant, both at the Yongbyon site. The North Koreans claimed the enrichment plant was operational, but this has not been independently confirmed. U.S. officials have said that it is likely other clandestine enrichment facilities exist. Open-source reports, citing U.S. government sources, in July 2018 identified one such site at Kangson.<sup>70</sup>

It is difficult to estimate warhead and material stockpiles due to lack of transparency and uncertainty about weapons design. U.S. official statements have not given warhead total estimates, but recent scholarly analyses give low, medium, and high scenarios for the amount of fissile material North Korea could produce by 2020, and therefore the potential number of nuclear warheads. If production estimates are correct, the low-end estimate for that study was 20 warheads by 2020, with a maximum of 100 warheads by 2020.<sup>71</sup>

## **Ballistic Missiles<sup>72</sup>**

North Korea places a high priority on the continued development of its ballistic missile technology. Despite international condemnation and prohibitions in UNSC resolutions, since Kim Jong-un came to power in 2011 North Korea has conducted over 80 ballistic missile test launches, apparently aimed at increasing the range of its offensive weapons and improving its ability to evade or defeat U.S. missile defense systems. In 2016, North Korea conducted 26 ballistic missile flight tests on a variety of platforms. In 2017, North Korea test launched 18 ballistic missiles (with five failures), including two launches in July and another in November that many ascribe as ICBM tests (intercontinental ballistic missiles). North Korea also has an arsenal of approximately 700 Soviet-designed short-range ballistic missiles, according to unofficial estimates, although the inaccuracy of these antiquated missiles obviates their military effectiveness.<sup>73</sup>

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<sup>69</sup> Enrichment (as well as reprocessing) technology can be used to produce material for nuclear weapons or fuel for power reactors.

<sup>70</sup> Ankit Panda, "Exclusive: Revealing Kangson, North Korea's First Covert Uranium Enrichment Site," *Diplomat*, July 13, 2018, at <https://thediplomat.com/2018/07/exclusive-revealing-kangson-north-koreas-first-covert-uranium-enrichment-site/>.

<sup>71</sup> David Albright, "Future Directions in the DPRK'S Nuclear Weapons Program: Three Scenarios for 2020," February 2015, <http://38North.org/2015/02/dalbright022615/>.

<sup>72</sup> For more, see CRS In Focus IF10472, *North Korea's Nuclear and Ballistic Missile Programs*, by Steven A. Hildreth and Mary Beth D. Nikitin.

<sup>73</sup> *North Korean Security Challenges: A Net Assessment* (London: International Institute for Strategic Studies, 2011), pp. 144-146.



The U.S. intelligence community has said that the prime objective of North Korea's nuclear weapons program is to develop a nuclear warhead that is "miniaturized" or sufficiently small to be mounted on long-range ballistic missiles, but assessments of progress differ. Miniaturization may require additional nuclear and missile tests. Perhaps the most acute near-term threat to other nations is from the medium-range Nodong missile, which could reach all of the Korean Peninsula and some of mainland Japan, including some U.S. military bases.<sup>74</sup> Some experts for years have assessed that North Korea likely has the capability to mount a nuclear warhead on the Nodong missile.<sup>75</sup>

A December 2015 Department of Defense (DOD) report identifies two hypothetical ICBMs on which North Korea could mount a nuclear warhead and deliver it to the continental United States: the KN-08 and the Taepodong-2. North Korea has publicly displayed what are widely considered mock-ups or engineering models of the KN-08 and KN-14 ICBMs. In 2016, the intelligence community assessed that "North Korea has already taken initial steps toward fielding this [ICBM] system, although the system has not been flight-tested." In July 2017, the DPRK conducted what most have now assessed to be two ICBM tests. A December 2017 Department of Defense report recognized these tests but also said that additional testing may be required.<sup>76</sup>

North Korea has demonstrated limited but growing success in its medium-range ballistic missile (MRBM) program and its submarine-launched ballistic missile (SLBM) test program. Moreover, North Korea appears to be moving slowly toward solid rocket motors for its ballistic missiles. Solid fuel is a chemically more stable option that also allows for reduced reaction and reload times. Successful tests of the Pukguksong-2 (KN-15) solid fuel MRBM in 2017 led North Korea to announce it would now mass-produce those missiles.

A recent focus in North Korea's ballistic missile test program appears to be directed at developing a capability to defeat or degrade the effectiveness of missile defenses, such as Patriot, Aegis Ballistic Missile Defense (BMD), and the Terminal High-Altitude Area Defense (THAAD) missile defense system, all of which are deployed in the region. Some of the 2016 missile tests were lofted to much higher altitudes and shorter ranges than an optimal ballistic trajectory. On reentry, a warhead from such a launch would come in at a much steeper angle of attack and at much faster speed to its intended target, making it potentially more difficult to intercept with missile defenses. North Korea demonstrated in 2017 the ability to launch a salvo attack with more than one missile launched in relatively short order. This is consistent with a possible goal of being able to conduct large ballistic missile attacks with large raid sizes, a capability that could make it more challenging for a missile defense system to destroy each incoming warhead. Finally, North Korea's progress with SLBMs might suggest an effort to counter land-based THAAD missile defenses by launching attacks from positions at sea that are outside the THAAD system's radar field of view, but not necessarily outside the capabilities of Aegis BMD systems deployed in the region.

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<sup>74</sup> U.S. Department of Defense, *2000 Report to Congress: Military Situation on the Korean Peninsula*, September 12, 2000, at <https://archive.defense.gov/news/Sep2000/korea09122000.html>.

<sup>75</sup> David Albright, "North Korean Miniaturization," US-Korea Institute at SAIS, February 22, 2013.

<sup>76</sup> "ICBMs are extremely complex systems that require multiple flight tests to identify and correct design or manufacturing defects. ICBM trajectories impart significant structural and thermal stresses on the reentry vehicle (RV), requiring repeated testing to ensure that the RV will survive and that the warhead will operate as designed." U.S. Department of Defense, *Report to Congress on Military and Security Developments Involving the Democratic People's Republic of Korea*, December 2017, <https://media.defense.gov/2018/May/22/2001920587/-1/-1/1/REPORT-TO-CONGRESS-MILITARY-AND-SECURITY-DEVELOPMENTS-INVOLVING-THE-DEMOCRATIC-PEOPLES-REPUBLIC-OF-KOREA-2017.PDF>.

In the past, the United States has attempted to negotiate limits to North Korea's missile program. After its first long-range missile test in 1998, North Korea and the United States held several rounds of talks on a moratorium on long-range missile tests in exchange for the Clinton Administration's pledge to lift certain economic sanctions. Although Kim Jong-il made promises to Secretary of State Madeleine Albright, negotiators could not conclude a deal. These negotiations were abandoned at the start of the Bush Administration, which placed a higher priority on the North Korean nuclear program. Ballistic missiles were not on the agenda in the Six-Party Talks. In 2006, UNSC Resolution 1718 barred North Korea from conducting missile-related activities. North Korea flouted this resolution with its April 2009 test launch. The UNSC then responded with Resolution 1874, which further increased restrictions on the DPRK ballistic missile program. The 2012 Leap Day Agreement included a moratorium on ballistic missile tests, which North Korea claimed excludes satellite launches. Recent talks have not specifically included references to missiles.

## Chemical and Biological Weapons

North Korea has active biological and chemical weapons programs, according to U.S. official reports. According to 2015 congressional testimony by Curtis Scaparrotti, then Commander of U.S. Forces Korea, North Korea has "one of the world's largest chemical weapons stockpiles."<sup>77</sup> North Korea is widely reported to possess a large arsenal of chemical weapons, including mustard, phosgene, and sarin gas. Open-source reporting estimates that North Korea has approximately 12 facilities where raw chemicals, precursors, and weapon agents are produced and/or stored, as well as six major storage depots for chemical weapons.<sup>78</sup> North Korea is estimated to have a chemical weapon production capability up to 4,500 metric tons during a typical year and 12,000 tons during a period of crisis, with a current inventory of 2,500 to 5,000 tons, according to the South Korean Ministry of National Defense.<sup>79</sup> A RAND analysis says that "one ton of the chemical weapon sarin could cause tens of thousands of fatalities" and that if North Korea at some point decides to attack one or more of its neighbors with chemical weapons, South Korea and Japan would be "the most likely targets."<sup>80</sup> North Korea is not a signatory to the Chemical Weapons Convention (CWC), which bans the use and stockpiling of chemical weapons. North Korea's apparent use of VX nerve agent to assassinate Kim's older brother, Kim Jong Nam, in a Malaysian airport in March 2017 focused attention on the North Korean chemical stockpile.

North Korea is suspected of maintaining an ongoing biological weapons production capability. The U.S. intelligence community continues to judge that North Korea has a "longstanding [biological weapons] capability and biotechnology infrastructure" to support such a capability, and "has a munitions production capacity that could be used to weaponize biological agents."<sup>81</sup>

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<sup>77</sup> Statement of Gen. Curtis M. Scaparrotti, then Commander of U.S. Forces Korea, Before the Senate Armed Services Committee, April 16, 2015.

<sup>78</sup> "North Korea," *NTI*, June 2018, <http://www.nti.org/learn/countries/north-korea/>.

<sup>79</sup> Ministry of National Defense, Republic of Korea, *2010 Defense White Paper*, December 2010.

<sup>80</sup> Bennett, Bruce W. "N.K WMDs Carry Catastrophic Potential," *The RAND Blog*, November 19, 2014.

<sup>81</sup> Office of the Director of National Intelligence, *Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 January to 31 December 2010*, [http://www.dni.gov/reports/20110208\\_report\\_wmd.pdf](http://www.dni.gov/reports/20110208_report_wmd.pdf); Daniel Coats, "Worldwide Threat Assessment of the U.S. Intelligence Community, Statement for the Record" Office of the Director of Intelligence, March 6, 2018.

South Korea's Ministry of National Defense estimated in 2012 that the DPRK possesses anthrax and smallpox, among other weapons agents.<sup>82</sup>

## Foreign Connections

North Korea's proliferation of WMD and missile-related technology and expertise is another serious concern for the United States. Pyongyang has sold missile parts and/or technology to several countries, including Egypt, Iran, Libya, Burma, Pakistan, Syria, United Arab Emirates, and Yemen.<sup>83</sup> Sales of missiles and telemetric information from missile tests have been a key source of hard currency for the Kim regime. North Korea assisted Syria with building a nuclear reactor, destroyed by Israel in 2007, that may have been part of a Syrian nuclear weapons program, according to U.S. official accounts.<sup>84</sup> The U.N. Panel of Experts has reported transfers of chemical weapons-related materials to Syria by North Korea.

North Korea and Iran have cooperated on the technical aspects of missile development since the 1980s, exchanging information and components.<sup>85</sup> Reportedly, scientific advisors from Iran's ballistic missile research centers were seen in North Korea leading up to the December 2012 launch and may have been a factor in its success.<sup>86</sup> There are also signs that China has assisted the North Korean missile program, whether directly or through tacit approval of trade in sensitive materials. According to a U.N. panel of experts, a Chinese company sold heavy transport vehicles to North Korea, which the latter appeared to convert into missile transport-erector-launchers showcased in a military parade in April 2012.<sup>87</sup>

## North Korea's Illicit Activities

The North Korean regime engages in a number of illicit activities aimed at earning hard currency to support the Kim regime and its weapons programs, among other goals, and uses a global network of official and commercial entities to support and protect these enterprises.

## Narcotics Production and Distribution

The North Korean regime has been involved in the production and trafficking of illicit drugs, counterfeit currency, cigarettes, and pharmaceuticals.<sup>88</sup> In general, the United States has not prioritized countering these illicit activities, but they are a source of foreign currency for the

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<sup>82</sup> "North Korea," *NTI*. April, 2015. <http://www.nti.org/country-profiles/north-korea/>.

<sup>83</sup> *Jane's Sentinel Security Assessment—China and Northeast Asia*, January 22, 2010 and IISS (2011), pp. 180-181.

<sup>84</sup> For more, see CRS Report R43480, *Iran-North Korea-Syria Ballistic Missile and Nuclear Cooperation*, coordinated by Paul K. Kerr.

<sup>85</sup> For more information, see CRS Report R42849, *Iran's Ballistic Missile and Space Launch Programs*, by Steven A. Hildreth.

<sup>86</sup> Javier Serrat, "North Korea, Iran Highlight Proliferation Risks of Knowledge Transfers," *World Politics Review*, December 10, 2012, <http://www.worldpoliticsreview.com/articles/12554/north-korea-iran-highlight-proliferation-risks-of-knowledge-transfers>; John S. Park, "The Leap in North Korea's Ballistic Missile Program: The Iran Factor," National Bureau of Asian Research, December 19, 2012, <http://www.nbr.org/publications/element.aspx?id=638>.

<sup>87</sup> Panel of Experts Established Pursuant to Security Council Resolution 1874, *Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)*, April 11, 2013, pp. 26-27.

<sup>88</sup> For more information, see CRS Report RL33885, *North Korean Crime-for-Profit Activities*, by Liana W. Rosen and Dick K. Nanto.

regime. One North Korean agency, known as Office 39, reportedly oversees many of the country's illicit dealings—which may generate between \$500 million and \$1 billion per year.<sup>89</sup>

The regime produces methamphetamine and it supplies international smuggling networks. In 2013, Thai authorities arrested several individuals who allegedly were conspiring to smuggle 100 kg of North Korean-origin methamphetamines into the United States.<sup>90</sup> The DPRK reportedly ramped up its production of illegal narcotics around August 2017—perhaps because tighter sanctions have made it more difficult for the regime to obtain foreign currency—but that is difficult to verify.<sup>91</sup> Indeed, it is not always clear who is directing North Korea's illicit activities—in other words, if those activities are being conducted by some state authority or by local criminal gangs.<sup>92</sup>

## Arms Dealing

North Korea has emerged as a provider of cheap Cold War-era weapons, and it has sold arms and equipment to several states, especially to those in the Middle East and North Africa. In August 2016, authorities seized the *Jie Shun* outside of the Suez Canal, and found over 30,000 rocket-propelled grenades in the vessel. The authorities were acting on a U.S. tip, and the shipment was allegedly destined for the Egyptian military.<sup>93</sup> North Korea also has cooperated with Iran and Syria. It has developed ballistic missiles with Iran, and it has shipped weapons and equipment, such as protective chemical suits, to Syria.

## Money Laundering

The North Korean regime often relies on front companies—or companies acting on its behalf—so it can mask its illicit dealings and access the international financial system. These companies often are based in China, and some of the business partnerships are set up with the assistance of North Korean diplomats. The companies keep the regime's earnings in overseas bank accounts. They do not repatriate the funds to North Korea, thereby allowing the money to remain in the international financial system, where it is harder to track. In one case, a Chinese company used over 20 front companies—some of which were established in the British Virgin Islands and Hong Kong—to conduct transactions in U.S. dollars for a sanctioned North Korean bank.<sup>94</sup>

Increasingly, the U.S. government has been sanctioning companies working on behalf of the North Korean regime. In November 2017, the U.S. Treasury Department banned a Chinese bank from the U.S. financial system. The bank, Bank of Dandong, reportedly acted “as a conduit for

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<sup>89</sup> Joseph V. Micallef, “How North Korea Uses Slave Labor Exports to Circumvent Sanctions,” *Military.com*, July 10, 2017.

<sup>90</sup> Sari Horwitz, “5 Extradited in Plot to Import North Korean Meth to U.S.,” *Washington Post*, November 20, 2013.

<sup>91</sup> Julian Ryall, “North Korea ‘Ramps Up Manufacture of Illegal Drugs’ Amid Sanctions,” *Deutsche Welle*, August 21, 2017; Brendon Hong, “Kim Jong-un Breaking Bad: The Secret World of North Korean Meth,” *The Daily Beast*, February 7, 2016.

<sup>92</sup> Marcus Noland, “North Korean Illicit Activities,” *Peterson Institute for International Economics*, March 11, 2013.

<sup>93</sup> Joby Warrick, “A North Korean Ship was Seized off Egypt with a Huge Cache of Weapons Destined for a Surprising Buyer,” *Washington Post*, October 1, 2017.

<sup>94</sup> Nicole Einbinder, “How North Korea Uses Front Companies to Help Evade Sanctions,” *PBS Frontline*, October 3, 2017; U.S. Department of Justice, Office of Public Affairs, “Four Chinese Nationals and China-Based Company Charged with Using Front Companies to Evade U.S. Sanctions Targeting North Korea's Nuclear Weapons and Ballistic Missile Programs,” press release, September 26, 2017.

illicit North Korean financial activity.”<sup>95</sup> Previously, in September 2005, the Treasury Department identified Banco Delta Asia, located in Macau, as a bank that distributed North Korean counterfeit currency, and helped to launder money for the country’s criminal enterprises. The Department ordered that \$24 million in North Korean accounts with the bank be frozen. The North Koreans, in response, boycotted the then-ongoing Six-Party Talks for several months until the funds were returned.<sup>96</sup>

## North Korea’s Human Rights Record

Although the nuclear issue has dominated interactions with Pyongyang, past Administrations have drawn attention to North Korea’s abysmal human rights record. Congress has passed bills and held multiple hearings on the topic.

The plight of most North Koreans is dire. The State Department’s annual human rights reports and reports from private organizations have portrayed a little-changing pattern of extreme human rights abuses by the North Korean regime over many years.<sup>97</sup> The reports stress a total denial of political, civil, and religious liberties and say that no dissent or criticism of leadership is allowed. Freedoms of speech, the press, and assembly do not exist. There is no independent judiciary, and citizens do not have the right to choose their own government. Reports also document the extensive ideological indoctrination of North Korean citizens.

Severe physical abuse is meted out to citizens who violate laws and restrictions. Multiple reports have described a system of prison camps (*kwanliso*), often portrayed as concentration camps, that house roughly 100,000 political prisoners, including family members who are considered guilty by association.<sup>98</sup> There reportedly are four *kwanliso* camps in the country plus one complex that remains as a holdover from an earlier camp that was closed. Each camp contains 5,000 to 50,000 political prisoners.<sup>99</sup> Reports from survivors and escapees from the camps indicate that conditions are extremely harsh and that many do not survive. According to a Commission of Inquiry (COI) established in 2013 by the United Nations Human Rights Council to investigate North Korea’s human rights violations, close to 400,000 prisoners perished while in captivity during the 31-year period.<sup>100</sup> Reports cite starvation, disease, executions, and torture of prisoners as a frequent practice. (Conditions for nonpolitical prisoners in local-level “collection centers” and “labor training centers” are hardly better.) The number of political prisoners in North Korea appears to have declined in recent years, likely as a result of high mortality rates in the camps.<sup>101</sup>

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<sup>95</sup> Don Weinland, “US Bars Chinese Bank Linked to North Korea Weapons Programme,” November 3, 2017.

<sup>96</sup> David Lague and Donald Greenleesjan, “Squeeze on Banco Delta Asia Hit North Korea Where It Hurt - Asia - Pacific - International Herald Tribune,” *New York Times*, January 18, 2007.

<sup>97</sup> U.S. Department of State, *Democratic People’s Republic of Korea 2016 Human Rights Report*, March 3, 2017.

<sup>98</sup> *Ibid.*

<sup>99</sup> According to the U.S. State Department, there reportedly are six categories of prison camps in North Korea. They are: *kwanliso* (political penal-labor camps), *kyohwaso* (correctional or re-education centers), *kyoyangso* (labor-reform centers), *jipkyulso* (collection centers for low level criminals), *rodong danryeondae* (labor-training centers), and *kuryujang* or *kamok* (interrogation facilities or jails). U.S. Department of State, *Democratic People’s Republic of Korea 2016 Human Rights Report*, March 3, 2017.

<sup>100</sup> *Report of the Detailed Findings of the Commission of Inquiry on Human Rights in the DPRK*, UN Doc. A/HRC/25/CRP.1, February 7, 2014, paragraph 781, footnote 1169, p. 245.

<sup>101</sup> David Hawk, “North Korea’s Hidden Gulag: Interpreting Reports of Changes in the Prison Camps,” Committee for Human Rights in North Korea, Washington, DC, August 27, 2013.

## Human Rights Diplomacy at the United Nations

For years, the United Nations has been the central forum calling attention to human rights violations in North Korea. In 2004, the U.N. created a new position, known as the Special Rapporteur on the situation of human rights in the Democratic People's Republic of Korea, to report on the country's human rights conditions. In 2013, the U.N. Human Rights Council established the Commission of Inquiry (COI) to investigate "the systematic, widespread and grave violations of human rights in the Democratic People's Republic of Korea ... with a view to ensuring full accountability, in particular where these violations may amount to crimes against humanity."<sup>102</sup> For the next year, the commission conducted public hearings to collect information and shed light on the inhumane conditions in the country. In its final report, the COI stated that the North Korean regime had committed "crimes against humanity" and that the UNSC "should refer the situation in the Democratic People's Republic of Korea to the International Criminal Court" (ICC).<sup>103</sup> In 2014, the U.N. General Assembly voted overwhelmingly for a resolution, recommending that the UNSC refer North Korea to the ICC. However, no further action has been taken—allegedly because China and Russia are resistant to bringing the measure to a vote in the UNSC.<sup>104</sup> In March 2017, the U.N. Human Rights Council adopted a resolution establishing a repository to archive evidence detailing the country's human rights violations. That evidence could be used to prosecute North Korean officials in the future.<sup>105</sup>

## North Korean Refugees

For two decades, food shortages, persecution, human rights abuses, and increasing awareness of better conditions in the outside world have prompted tens of thousands of North Koreans to flee to neighboring China, where they are forced to evade Chinese security forces and often become victims of further abuse, neglect, and lack of protection. If repatriated, they risk harsh punishment or execution. (See below section.) The United Nations High Commissioner for Refugees (UNHCR) has not been given access to conduct a systematic survey. Reports indicate that many women and children are the victims of human trafficking, particularly women lured to China seeking a better life but forced into marriage or prostitution.<sup>106</sup>

Some of the refugees who escape to China make their way to Southeast Asia, where they may seek passage to a third country, usually South Korea. Under the South Korean constitution, all North Korean defectors receive South Korean citizenship, and over 30,000 North Koreans have resettled in the South.<sup>107</sup> In recent years, the number of defectors has declined. In 2017, 1,127

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<sup>102</sup> United Nations Human Rights, Office of the High Commissioner, "UN Commission Report Places Spotlight on Human Rights in North Korea," press release, February 17, 2014, at <http://www.ohchr.org/EN/NewsEvents/Pages/ReportPlacesSpotlightOnHRInNorthKorea.aspx>.

<sup>103</sup> United Nations Human Rights Council, *Report of the Commission of Inquiry on Human Rights in the Democratic People's Republic of Korea*, February 7, 2014, pp. 4, 6, 20.

<sup>104</sup> Brian Padden, "South Korea Urges UN to Refer DPRK Leaders to ICC," *Voice of America*, February 28, 2017; Agatha Kratz, "North Korea: A Role for the EU on Human Rights," *European Council on Foreign Relations*, January 6, 2016.

<sup>105</sup> Stephanie Nebehay, "North Korea Crimes to be Documented for Prosecution Someday - U.N.," Reuters, March 24, 2017.

<sup>106</sup> U.S. Department of State, *Trafficking in Persons Report 2013—Korea, Democratic People's Republic of*, June 19, 2013, at <http://www.state.gov/j/tip/rls/tiprpt/2013>.

<sup>107</sup> U.S. Department of State, *Democratic People's Republic of Korea 2016 Human Rights Report*, March 3, 2017, p. 16; Vanessa Sauter, "Does Trump's North Korea Travel Ban Actually Ban Any North Koreans?" *Lawfare*, September 26, 2017.

North Koreans came to South Korea—a 21% decrease from 2016, and the lowest number since Kim Jung-un came to power in 2011, possibly due to tightened border patrols.<sup>108</sup>

A small wave of elite defections in 2016, including a senior intelligence officer and a senior diplomat, highlighted the changing demographic profile of North Korean defectors.<sup>109</sup> While the annual number of defectors has decreased since Kim Jong-un came to power in 2011, the number of defectors with good *songbun* (social status based on family background and political loyalty) has ticked up. This changing profile may reflect increased border security, making it harder for the less fortunate to escape. In addition, since the late 2000s, diplomats have become more responsible for earning foreign currency and procuring illicit goods for the regime.<sup>110</sup> If unable to produce, some may fear returning to North Korea and choose instead to defect. If caught, the elite defectors are likely to be locked away in political prison camps or executed.

### China's Policy on Repatriation of North Koreans

Many North Koreans have fled to China where there reportedly are between 50,000 and 200,000 escapees in hiding.<sup>111</sup> The February 2014 U.N. Commission of Inquiry implicated China for its “rigorous policy” of repatriating North Korea defectors back to their country. The COI’s chair, Michael Kirby, suggested that Chinese officials could be “aiding and abetting crimes against humanity.”<sup>112</sup> In response, China’s representative to the U.N. Human Rights Council said that the COI report was “divorced from reality.”<sup>113</sup>

For decades—and particularly since the 1990s, when a severe famine hit North Korea—China has been actively cooperating with the North Korean regime to find, arrest, and repatriate North Korean political refugees back to their home country. According to a 2017 Human Rights Watch report, China “appears to have intensified its crackdown on groups of North Koreans,” and redoubled its efforts to repatriate border crossers.<sup>114</sup> China’s repatriation policy for North Korean defectors contravenes the 1951 U.N. Refugee Convention, which China has signed. Instead of treating North Korean defectors as political refugees and granting them asylum, the Chinese government labels them as “illegal economic migrants” and deports them.<sup>115</sup> China’s policy is based on the Mutual Cooperation Protocol for the Work of Maintaining National Security and Social Order and the Border Areas between North Korea and China (signed in 1986 and revised in 1998), which is essentially a repatriation treaty for illegal border crossers.<sup>116</sup> Assisting the

<sup>108</sup> Richard Skretteberg, “Ten Things You Should Know about Refugees from North Korea,” *Norwegian Refugee Council*, February 16, 2018.

<sup>109</sup> “Meaning of High Level DPRK Diplomat’s Defection,” Center for Strategic and International Studies, August 17, 2016, at <http://beyondparallel.csis.org/defection-signals-nk-elite-discontent/>.

<sup>110</sup> John Park and Jim Walsh, *Stopping North Korea, Inc.: Sanctions Effectiveness and Unintended Consequences*, MIT Security Studies Program, 2016.

<sup>111</sup> Richard Skretteberg, “Ten Things You Should Know About Refugees from North Korea,” *Norwegian Refugee Council*, February 16, 2018.

<sup>112</sup> United Nations Human Rights Council, *Report of the Commission of Inquiry on Human Rights in the Democratic People’s Republic of Korea*, February 7, 2014, p. 9; Roberta Cohen, “China’s Forced Repatriation of North Korean Refugees Incurs United Nations Censure,” Brookings, July 7, 2014.

<sup>113</sup> Madison Park, “China, North Korea Slam U.N. Human Rights Report as ‘Divorced from Reality,’” CNN, March 18, 2014.

<sup>114</sup> Phil Robertson, “North Korean Refugees Trapped by China’s Expanding Dragnet,” Human Rights Watch, September 18, 2017.

<sup>115</sup> “N. Korean Refugees Caught in China,” *The Japan Times*, November 18, 2013.

<sup>116</sup> Gabriel Auteri, “Legal Roadblocks Hinder North Korean Migrants’ Efforts to Escape Oppressive Conditions,”

refugees in any way is also illegal in China.<sup>117</sup> If the political refugees are able to reach foreign embassies and consulates, Beijing has been willing to let the defectors leave the country.<sup>118</sup>

North Korean defectors face imprisonment, torture, and even executions once back home, but Beijing has maintained its policy of repatriation partially to maintain China-North Korea ties on an even keel. According to a Chinese official, the North Korean regime treats the refugee issue as seriously as the Chinese governments treats the issue of Taiwan.<sup>119</sup> Therefore, Beijing is cautious in dealing with the issue. The Chinese government also fears that allowing refugees into China might open the floodgate of North Korean defections, destabilize its northeastern provinces socially and politically, or eventually cause the North Korean regime's collapse, which many Chinese analysts see as detrimental to China's interests.<sup>120</sup>

## **The North Korean Human Rights Act**

In 2004, Congress passed—and then-President George W. Bush signed—the North Korean Human Rights Act (P.L. 108-333). The act (also referred to as the NKHRA) authorized new funds to support human rights efforts and improve the flow of information in North Korea. The NKHRA included a “Sense of Congress,” calling for U.S. nonhumanitarian assistance to be linked to human rights improvements in the country. It also required the President to appoint a “Special Envoy on Human Rights in North Korea”—a position which former Secretary of State Rex Tillerson reportedly decided to end and fold into the responsibilities of the Under Secretary of State for Civilian Security, Democracy, and Human Rights.<sup>121</sup> Under the NKHRA, North Koreans may apply for asylum in the United States, and the State Department is required to facilitate the submission of their applications.

Congress reauthorized the NKHRA (P.L. 110-346) in 2008, 2012, and 2018, tweaking the language at each turn. After being disappointed by the slow implementation after its initial passage, Congress reauthorized the act and required additional reporting on efforts to resettle North Korean refugees in the United States and enhanced efforts to process North Korean refugees in third countries. The 2018 reauthorization bill, H.R. 2061, emphasized increasing freedom of information into North Korea, including by distributing media devices and additional instructions for the Broadcasting Board of Governors on radio broadcasts. On July 20, 2018, President Trump signed the bill into law (P.L. 115-198).

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Human Rights Brief, March 7, 2013.

<sup>117</sup> George W. Bush Institute, “Infographic: North Korea’s Refugees,” *Freedom Square*, July 30, 2014.

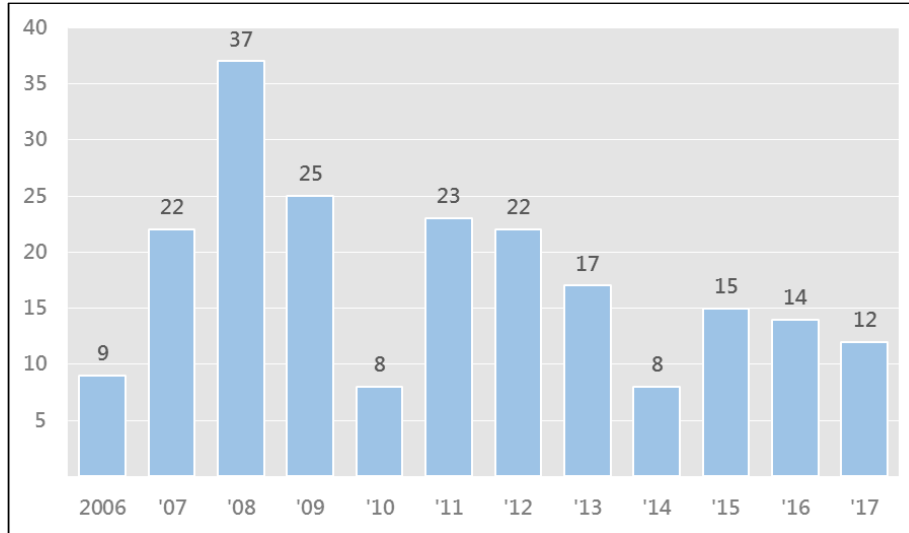
<sup>118</sup> Roberta Cohen, “China’s Forced Repatriation of North Korean Refugees Incurs United Nations Censure,” *International Journal of Korean Studies*, Summer/Fall 2014.

<sup>119</sup> Sokeel J. Park, “Divided Over North Korean Refugees,” *ISN*, March 1, 2012.

<sup>120</sup> Roberta Cohen, “China’s Forced Repatriation of North Korean Refugees Incurs United Nations Censure,” *International Journal of Korean Studies*, Summer/Fall 2014.

<sup>121</sup> Josh Rogin, “Tillerson Scraps Full-time North Korean Human Rights Envoy,” *Washington Post*, August 31, 2017.



**Figure 2. North Koreans Resettled in the United States Since 2006**

**Source:** U.S. Refugee Processing Center (RPC). Data accessed February 2018.

**Notes:** Between 2001 and 2005, no North Korean refugees were resettled in the United States, according to the RPC.

## North Korean Overseas Labor

In recent years, analysts have called attention to North Korea’s overseas workers—in particular the laborers’ working conditions and how the regime uses these workers to generate hard currency. The State Department’s annual *Trafficking in Persons Report* has consistently cited North Korea’s overseas-labor program, and in 2017, the Department said that “many North Korean laborers sent by the government to work abroad under bilateral contracts with foreign governments ... face conditions of forced labor.”<sup>122</sup> The working conditions of overseas laborers vary, but some workers are said to be living and working under exploitative conditions—akin to “state-sponsored slavery.”<sup>123</sup> The workers’ families remain in North Korea and government minders keep watch over the workers while they are abroad.<sup>124</sup> The laborers toil between 12 and 16 hours per day—and sometimes 20 hours per day.<sup>125</sup> The North Korean regime reportedly takes between 30% and 80% of its overseas workers’ earnings—contributing between \$200 million and \$2 billion to the regime’s coffers each year and helping to prop up the country’s economy.<sup>126</sup>

North Korea’s overseas-labor program has a decades-long history. The country first began sending its laborers to Russia in 1967, to Africa in the 1970s, and to the Middle East in the early

<sup>122</sup> U.S. State Department, *Trafficking in Persons Report*, June 2017.

<sup>123</sup> Pete Pattison, “North Koreans working as ‘state-sponsored slaves’ in Qatar,” *The Guardian*, November 7, 2014.

<sup>124</sup> Jason Aldag, “How North Korea takes a cut from its workers abroad,” *Washington Post*, November 1, 2017; Peter S. Goodman, Choe Sang-Hun and Joanna Berendt, “Even in Poland, Workers’ Wages Flow to North Korea,” *New York Times*, December 31, 2017.

<sup>125</sup> U.S. Department of State, *Democratic People’s Republic of Korea 2016 Human Rights Report*, March 3, 2017, p. 26.

<sup>126</sup> Peter S. Goodman, Choe Sang-Hun and Joanna Berendt, “Even in Poland, Workers’ Wages Flow to North Korea,” *New York Times*, December 31, 2017; Jason Aldag, “How North Korea takes a cut from its workers abroad,” *Washington Post*, November 1, 2017; Stephanie Nebehay, “U.N. Expert to Probe Conditions of North Korean Workers Abroad,” *Reuters*, 16 March 2015.

1990s.<sup>127</sup> According to the State Department, there are about 50,000 to 80,000 North Koreans working overseas—most of them in Russia and China, but 25 other countries allegedly employ these laborers as well (see **Figure 3**).<sup>128</sup>

**Figure 3. Countries with DPRK Workers in 2018**



**Source:** Departments of Treasury, State, and Homeland Security, “North Korea Sanctions & Enforcement Actions Advisory,” July 23, 2018.

The Trump Administration has pressured foreign governments to expel North Korean laborers, pushing a UNSC resolution in December 2017 that requires all member countries to send workers home by 2019. Moreover, Congress passed the Countering America’s Adversaries Through Sanctions Act (P.L. 115-44), which became law in August 2017. It largely prohibits North Korean-produced goods from entering the United States, and it stipulates that any foreign person or company that uses North Korean labor—“which is presumed to be forced labor”—may be sanctioned.<sup>129</sup>

<sup>127</sup> Chang-Hoon Shin and Myong-Hyun Go, *Beyond the UN COI Report on Human Rights in North Korea*, November 2014, p. 21.

<sup>128</sup> U.S. Department of State, *Democratic People’s Republic of Korea 2016 Human Rights Report*, March 3, 2017, p. 26; Shin and Go, *Beyond the UN COI Report on Human Rights in North Korea*, November 2014, p. 21.

<sup>129</sup> U.S. State Department, *U.S. Government Efforts To Advance Business and Human Rights in 2017*, November 27, 2017, at <https://www.state.gov/j/drl/rls/fs/2017/275861.htm>; U.S. Customs and Border Protection, “CBP Combats Modern-Day Slavery with the Passage of the Countering America’s Adversaries through Sanctions Act,” press release, November 7, 2017, at <https://www.cbp.gov/newsroom/national-media-release/cbp-combats-modern-day-slavery-passage-countering-america-s>.

## U.S. Engagement Activities with North Korea

### Official U.S. Assistance to North Korea<sup>130</sup>

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

U.S. food aid ended in early 2009 due to disagreements with Pyongyang over monitoring of and access to the assistance. Since then, North Korea periodically has issued appeals to the international community for additional support. The abrogated Leap Day Agreement would have provided 240,000 metric tons of food and nutritional aid intended for young children, pregnant mothers, and the elderly.

### POW-MIA Recovery Operations in North Korea

According to the U.S. Defense POW/MIA Accounting Agency (DPAA), nearly 7,700 U.S. personnel who fought during the Korean War are “unaccounted-for,” approximately 5,300 of whom are believed to have been “lost in Korea.”<sup>131</sup> From 1990 to 1992, North Korean officials directly engaged with Members of Congress—especially Senator Bob Smith, then co-chairman of the Senate Select Committee on Prisoners of War and Missing in Action Affairs—to discuss the recovery of U.S. prisoners of war-missing in action (POW-MIAs) in North Korea.<sup>132</sup> In 1996, after a series of difficult negotiations, North Korea and the United States agreed to conduct joint investigations to recover the remains of thousands of U.S. servicemen unaccounted for during the Korean War. The U.S. military and the Korean People's Army conducted 33 joint investigations from 1996 to 2005 for these POW-MIAs. In operations known as “joint field activities” (JFAs), U.S. specialists recovered 229 sets of remains and have successfully identified 107 of those.<sup>133</sup>

Operations in North Korea and negotiations over the terms of the program remained plagued with difficulties, however.<sup>134</sup> On May 25, 2005, DOD announced that it would suspend all JFAs, citing

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<sup>130</sup> For more, see CRS Report R40095, *Foreign Assistance to North Korea*, by Mark E. Manyin and Mary Beth D. Nikitin.

<sup>131</sup> Defense POW/MIA Accounting Agency, “Progress on Korean War Personnel Accounting,” June 18, 2018.

<sup>132</sup> C. Kenneth Quinones, “The US-DPRK 1994 Agreed Framework and the US Army's Return to North Korea,” in Rudiger Frank, James Hoare, et al., editors, *Korea Yearbook Volume 2: Politics, Economy and Society* (Leiden: Koninklijke Brill NV, 2008).

<sup>133</sup> Separately, from 1990 to 1994, North Korea unilaterally handed over 208 boxes of remains, some of them commingled. U.S. specialists have identified 104 soldiers from those remains so far.

<sup>134</sup> For examples, see Dan Lamothe and Paul Sonne, “For the U.S., a Frustrating History of Recovering Human Remains in North Korea,” *Washington Post*, July 4, 2018; and Andrew Jeong, “U.S. Is Beholden to North Korea for Return of War Remains,” *Wall Street Journal*, June 21, 2018.

the “uncertain environment created by North Korea’s unwillingness to participate in the Six-Party Talks,” its declarations regarding its intentions to develop nuclear weapons, its withdrawal from the NPT, and concerns about the safety of U.S. members of the search teams.<sup>135</sup> Between 1996 and 2005, DOD’s Prisoner of War/Missing Personnel Office (DPMO) provided the North Korean military with over \$20 million for assistance in recovering the suspected remains.<sup>136</sup>

Talks between the United States and North Korea on the joint recovery program resumed in 2011 and led to an agreement in October 2011. In January 2012, DOD announced that it was preparing a mission to return to North Korea in early 2012. However, Pyongyang’s announcement that it would launch a rocket in contravention of the “Leap Day Agreement” and UNSC resolutions cast doubt on the credibility of North Korean commitments, and DOD suspended the joint mission in March 2012.<sup>137</sup> The United States has not undertaken any JFAs with the KPA since May 2005. In October 2014, North Korean state media warned that the remains of U.S. POW-MIAs were in danger of being damaged or displaced by construction activities and floods, a warning that most likely conveyed Pyongyang’s desire to return to broader bilateral negotiations with Washington.<sup>138</sup> The Department of Defense has said that the recovery of the remains of missing U.S. soldiers is an enduring priority of the United States and that it is committed to achieving the fullest possible accounting for POW-MIAs from the Korean War.

Most recently, Trump and Kim at the June 2018 Singapore summit committed “to recovering POW/MIA remains, including the immediate repatriation of those already identified.”<sup>139</sup> According to Trump, this was a last-minute addition to the summit’s agenda.<sup>140</sup> In late July, North Korea turned over 55 cases of remains to the United Nations Command, which in turn handed them to the U.S. military for repatriation and for the DPAA’s examination of the contents. Reportedly, among the factors contributing to North Korea’s delay in transferring the remains was North Korea’s request for payment. According to the *Washington Post*, the United States has a policy of not paying for the repatriation of remains.<sup>141</sup>

## Nongovernmental Organizations’ Activities

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

<sup>135</sup> “U.S. Halts Search for Its War Dead in North Korea,” *New York Times*, May 26, 2005.

<sup>136</sup> April 2005 email correspondence between CRS and with DPMO.

<sup>137</sup> Jim Garamone, “U.S. Suspends MIA Search in North Korea,” American Forces Press Service, March 21, 2012, <http://www.defense.gov/news/newsarticle.aspx?id=67639>.

<sup>138</sup> Choe Sang-hun, “North Korea Says G.I.s’ Remains May Vanish,” *New York Times*, October 13, 2014.

<sup>139</sup> White House, “Joint Statement of President Donald J. Trump of the United States of America and Chairman Kim Jong Un of the Democratic People’s Republic of Korea at the Singapore Summit,” joint statement, June 12, 2018, at <https://www.whitehouse.gov/briefings-statements/joint-statement-president-donald-j-trump-united-states-america-chairman-kim-jong-un-democratic-peoples-republic-korea-singapore-summit/>.

<sup>140</sup> White House, “Press Conference by President Trump,” press conference transcript, Capella Hotel, Singapore, June 12, 2018, at <https://www.whitehouse.gov/briefings-statements/press-conference-president-trump/>.

<sup>141</sup> Adam Taylor and Dan Lamothe, “U.S. Military Takes Possession of Remains that North Korea Says Belong to Americans Who Died in the Korean War,” *Washington Post*, July 27, 2018.

themselves. Some illustrative cases include NGO “joint ventures” between academic NGOs and those engaged in informal diplomacy. Several religious organizations with programs around the world are active in North Korea on a small scale. These religious NGOs generally have a humanitarian philosophy and aim to provide aid to the more vulnerable sectors of the North Korean population. Most of these organizations have an ancillary goal of promoting peaceful relations with North Korea through stronger people-to-people ties. Many NGOs have said that their DPRK operations have been hampered since 2016 by tighter U.S. and international sanctions and the general restrictions the Trump Administration imposed in 2017 on U.S. citizens traveling to North Korea, notwithstanding the exceptions for humanitarian work included in all of these measures.

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