In his State of the Union address on January 29, 2002, President George W. Bush announced that as part of its post-September 11 security agenda, the United States would seek to prevent terrorist groups such as al-Qaeda from establishing links with three regimes—North Korea, Iraq, and Iran—that together form an “axis of evil.” These regimes, declared Bush, are intent on acquiring weapons of mass destruction (WMD) with which to threaten the United States and its allies.\footnote{The text is available at http://www.whitehouse.gov/news/releases/2002/01/20020129-11.html.}

Bush’s speech raises two dilemmas for the United States and its Asian allies regarding the Democratic People’s Republic of Korea (DPRK or North Korea).

The first involves understanding the significance of eighteen months of diplomatic initiatives by Pyongyang that began with the normalization of relations with the European Union, followed by a summit with the Republic of Korea (ROK or South Korea) in June 2000, DPRK special envoy Gen. Myong-nok Jo’s visit to Washington in August 2000, and U.S. Secretary of State Madeleine Albright’s trip to Pyongyang in October 2000. The juxtaposition of Bush’s declaration with these initiatives raises more questions than it answers about U.S. perceptions of North Korea’s intentions. Is the DPRK truly on the path to reform following the long period of uncertainty dating back to President Kim Il-sung’s death in 1994? Is North Korea’s current dictator, Kim...
Jong-il, irrational and unpredictable or “very decisive and practical and serious”? Or is he simply “evil”?

The second dilemma involves U.S. policy toward the North Korean regime. Bush’s State of the Union address intimates that the United States may adopt a harder line toward North Korea, an action that would appear to contradict the findings of a comprehensive U.S. policy review issued in June 2001 calling for unconditional talks between Washington and Pyongyang on a range of issues including the DPRK’s nuclear program, its production and export of ballistic missiles, and the conventional military posture on the peninsula. Indeed the policy review’s recommendation of engagement with North Korea ran contrary to remarks made by President Bush on March 7, 2001, criticizing the “sunshine” or engagement policy of South Korean President Kim Dae-jung. These remarks, in turn, disavowed earlier expressions of support by U.S. Secretary of State Colin Powell for continuing bilateral talks begun by the Clinton administration. What then is the Bush administration’s policy toward North Korea given the U.S. leadership’s varied pronouncements? Has the path of engagement pursued by the United States, the ROK, and Japan from 1993 to 2000—aimed at trading economic and political inducements for an end to the development of weapons of mass destruction and the DPRK missile threat—been a success or a failure? What larger international relations theory lies behind U.S. engagement with the DPRK?

At the core of these questions are differing assessments of whether the conditions for effective engagement are present in the DPRK case. U.S., South Korean, and Japanese proponents of engagement along the lines of Kim Dae-jung’s sunshine policy remain hopeful about the potential benefits of dialogue with North Korea. They argue that the regime’s threatening nature derives

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from a classic security dilemma: Abandoned by its Cold War patrons, financially bankrupt, and politically isolated, the DPRK sees its development of nuclear weapons and ballistic missiles as the only way to guarantee the regime’s survival. Engagement in the form of normalized relations, economic carrots, and mutual threat reduction will ease Pyongyang’s sense of insecurity, allowing it to move away from proliferation and toward reform. If Kim Jong-il has already chosen this path, then engagement confirms to him that U.S., South Korean, and Japanese intentions are benign. If he has not yet chosen this path, then it is only a matter of time before the increased benefits in economic aid and reduced isolation convince him to peacefully transform his regime’s character and intentions.5

Skeptics, including high-level officials in the Bush administration such as Deputy Defense Secretary Paul Wolfowitz and National Security Adviser Condoleezza Rice, have little faith in the ultimate success of engagement. They do not deny that Pyongyang’s recent contacts with the outside world reflect a change in diplomatic tactics for the purpose of obtaining the food and economic aid that the regime needs to stay afloat. But, they argue, there is nothing in North Korea’s behavior (e.g., drawdowns in its threatening military posture) to suggest a deeper, more fundamental change in the regime’s intentions. Kim Jong-il still seeks to subvert liberal-democratic South Korea, and his country’s WMD threat, ballistic missiles, and forward-deployed forces represent the worst of his revisionist intent. Hence engagement is at best ill-advised because Pyongyang will not reciprocate and instead will see the U.S., ROK, and Japanese offers of carrots as a sign of weakness. At worst, this perceived weakness

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5. Corollary theories support engagement either because this prevents regime entropy and a costly collapse of North Korea, or because it is the only way to move Pyongyang away from traditional patterns of unpredictably aggressive behavior. I focus on the insecurity thesis because it is the dominant argument and deals most directly with the link between the regime’s intentions and the question of engagement.
could reinforce the position of hard-liners in the North and revive their desire to try once again to overrun the peninsula.6

This article analyzes the policy dilemma confronting the United States and its South Korean and Japanese allies. It agrees with hard-liners who argue that policymakers should not at present assume that there have been major transformations in DPRK intentions. Absent changes in the military situation on the ground, and given the history of DPRK revisionist behavior on the peninsula, it is difficult to assume that the recent tactical warming by Pyongyang is indicative of a larger strategic shift. Such skepticism, however, does not preclude engagement by the United States and its allies. On the contrary, the appropriate policy even for U.S. “hawks” on North Korea remains engagement.

My argument is premised on three points. First, the United States, South Korea, and Japan must maintain their defense and deterrence capabilities against North Korea (i.e., containment). Immoderate debates mistakenly characterize the hawk position as warmongering and the dove position as unilateral U.S. military withdrawal and appeasement. The policy choice is not between these two extremes, but rather how to augment the baseline containment posture. One alternative is containment-plus-isolation (hereinafter referred to as “isolation”) along the lines of U.S. policy during the Cold War, which combined an intimidating military presence with diplomatic ostracism to counter the DPRK’s conventional military threat. Another alternative is containment-plus-coercion (hereinafter referred to as “coercion”), which would supplement conventional deterrence with a counterproliferation effort aimed at rolling back the North’s WMD threat through diplomatic pressure or military action. The most desirable option, I argue, is containment-plus-engagement (hereinafter referred to as “engagement”). This would involve the continuation of a robust

U.S.-ROK military defense posture capable of deterring a second invasion, complemented by conditional diplomatic and economic inducements to curb the proliferation threat and shape North Korean behavior in more cooperative ways.\(^7\)

Second, incorporating insights from preemptive/preventive war and prospect theory, I argue that U.S. hawks should support engagement with Pyongyang not because the regime is crazy, near collapse, or misunderstood, but because engagement can prevent the crystallization of conditions under which Pyongyang could calculate aggression as a “rational” course of action even if a DPRK victory were impossible. Threat-based assessments of North Korea wholly overlook this finding because they fixate on the threat of all-out DPRK invasion or nuclear attack. The former, however, has been deterred successfully for more than a half-century, and the latter begs the question of what logic would compel the North to launch a nuclear attack in the first place. The real danger is that despite the DPRK’s unfavorable military balance, Kim Jong-il could still choose to initiate violence short of all-out war as a wholly rational policy.\(^8\) In this sense, engagement is a form of preventive defense—that is, actions taken by the United States and its allies to prevent the emergence of potentially dangerous and conflictual situations.\(^9\)

Third, engagement remains the only viable policy on the peninsula. Hardliners may view the preventive defense rationale for engaging the DPRK as merely window dressing for appeasement. Indeed they contend that engagement rewards North Korea for its bad behavior and creates moral hazard. They also charge that the policy has no exit strategy. This article argues that engagement would not only provide insight on the degree of change in DPRK intentions, but would also lay the groundwork for punishment if the regime fails to fulfill its obligations. Engagement is not in lieu of an exit strategy. For hawks and doves, it is the default policy.

The North Korean case illuminates the causal mechanisms that prompt states to act preemptively or preventively. Previous works have shown that

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7. The isolation and coercion options (and variations thereof) are discussed in greater detail in the end-games section of the article. I reiterate that I use the term “engagement” in a conditional sense, meaning the use of inducements without abandonment of deterrent measures.

8. The use of preemptive/preventive war theory does not mean that North Korea will again try to overrun the peninsula. The “logic” of preemptive/preventive action is the valuable insight from this body of theory. The “act” need not be war; it could be violent behavior of some other sort (as described below).

both preemptive and preventive behavior is driven by a need to avoid undesirable situations. The literature says little, however, about (1) what causes a state to weigh so heavily in its calculations an unwanted (but still hypothetical) outcome, and (2) why some preemptive/preventive situations result in conflict but others do not. Implicitly, this is an issue of “framing” and its relation to the level of risk that states are willing to accept. This article deduces more specified propositions about the actualization of preventive/preemptive situations.

The North Korean case also underscores a more general foreign policy problem found in the burgeoning literature on theories of influence and reassurance. These theories specify the conditions under which threats or rewards are the more effective policy instrument.10 My analysis of the DPRK case highlights two aspects of this literature: (1) the methodology of threat assessment (regarding the target state) and (2) the unintended consequences of poor or static assessments. Policymakers continue to apply lessons drawn from the Cold War to new threats. Instead they should assess the nature of these threats within the context of the post–Cold War environment and tailor their policies accordingly. Policy formulas that assume static notions of threat based on the Cold War experience are dangerous because the factors that contributed to deterrence and peace in one era could lead to conflict in another.

In the next section, I derive the preemptive/preventive logic for aggression and compare it with two predominant arguments posited today about the DPRK threat. I then explain how North Korea’s framing of the current situation as a losing one increases the likelihood of it succumbing to the logic of striking first. I offer empirical evidence in support of this argument based on past DPRK attempts to use force to disrupt a peaceful status quo—what I term a “coercive bargaining strategy.” Following this, I consider the implications of

this framework for the containment-engagement debate on North Korea and offer the “hawk” rationale for engagement. I conclude by showing how this hawk engagement policy fits within a preventive defense logic for the Korean Peninsula.

The Nature of the DPRK Threat

The conventionally argued threats to peace on the Korean Peninsula have been (1) the “irrationality” of the DPRK and (2) the potential for regime collapse. The first derives from the opacity of the North Korean regime and the perceived recklessness and unpredictability of its leadership. North Korea has done “crazy” things in the past and, despite its weakened state, may do so again given its forward-deployed forces, heavy artillery, long-range missiles, and nuclear-biological-chemical weapons potential. The second argument held sway particularly in the early 1990s, when the DPRK started to register negative economic growth and revealed the extent of its chronic food and energy shortages. These conditions, coupled with questions about the political transition after Kim Il-sung’s death, raised serious concerns about the possibility of a Romania-type regime collapse in North Korea and what this would mean for regional stability.11

As regional and military experts have argued, however, a premeditated all-out North Korean assault on South Korea remains unlikely.12 The U.S. security guarantee to the ROK is firm; Beijing and Moscow no longer support aggression by Pyongyang; and the military balance on the peninsula favors the combined U.S.-ROK forces in terms of both quality and firepower. Thus the conditions that prompted Kim Il-sung to exploit windows of vulnerability in June 1950 are now tightly shut. A renewal of hostilities would no doubt be bloody; in the end, however, it would amount to a U.S.-ROK war-winning exercise in which the regime in Pyongyang would ultimately collapse.

Furthermore, despite the many premature eulogies written about the regime in the early 1990s, the DPRK has been able to “muddle through” largely be-

12. Robert A. Scalapino, North Korea at a Crossroads, Hoover Institution Essays on Public Policy No. 73 (Stanford, Calif.: Stanford University, 1997), pp. 16–17. Although the points of departure for Scalapino’s work and this article are different, they arrive at similar conclusions regarding engagement with the DPRK. Similarly, Michael O’Hanlon contends that initiation of war by North Korea would be an “unwise gamble” or an “act of desperation.” See O’Hanlon, “Stopping a North Korean Invasion: Why Defending South Korea Is Easier Than the Pentagon Thinks,” International Security, Vol. 22, No. 4 (Spring 1998), p. 138.
cause no state (including South Korea) has wanted to deal with the potential consequences of its collapse, especially the huge costs that absorption, for example, would entail. Food aid from China and international relief agencies as well as interim fuel supplies from the United States have kept the regime on “life-support” in a crippled but less ominous state.13

The logic of these counterarguments is powerful. Implicit is the view that the North Korean leadership still values state survival and that U.S.-ROK efforts to convey deterrent threats are understood in Pyongyang. The regime collapse scenario, though plausible, lacks the internal and external conditions necessary to make it highly probable. Moreover, it still leaves unanswered the question of what circumstances or actions by Pyongyang might trigger such an event.

I argue that the North Korea leadership could perceive some use of limited force as a rational, even optimal, choice despite recognition that the DPRK has little chance of winning. The danger is not that the regime would commit suicide knowingly, but that it could regard “lashi ng out” as its only option—the unintended consequence of which (given the likely U.S. and ROK military responses) would be collapse.

The logic of preemption/prevention suggests conditions under which aggression can be seen as rational even if objective factors weigh against victory.14 Although preemption and prevention represent two discrete paths to conflict,15 they are similar in at least three respects. First, they are motivated

15. Most scholars see the time factor as the primary difference between the two. The motivation for preemption is an imminent attack measured in days; for prevention, threats are measured in
more by fear than by a tendency toward aggressive behavior. Belligerent actions are largely the result of reduced opportunity or increased vulnerability created by relative power shifts.\textsuperscript{16}

Second, both are acts of anticipation. The decision to preempt or prevent hinges as much on misperception and images of the adversary as on the objective military situation. Insecurity spirals and reciprocal fears of surprise attack can propel security-seeking states toward conflict even in the absence of aggressive intentions.

Third, both types of belligerency stem from a fundamental assessment that inaction is suboptimal. States perform an expected-utility calculation in which the costs of not acting in a particular situation are higher than the costs of taking action. In a preemptive situation, doing nothing means being the victim of imminent aggression. In a preventive situation, doing nothing means growing inferiority and eventual defeat. In both cases, the expected costs of peace are higher than the potential costs of conflict. Winston Churchill once assessed Japan’s 1941 decision to attack Pearl Harbor as one that “could not be reconciled with reason. . . . But governments and peoples do not always take rational decisions. Sometimes they take mad decisions.”\textsuperscript{17} If any situation, however, is better than the current one, states can rationally choose to fight even when there is little hope of victory.\textsuperscript{18}

Three events—the June 2000 summit between North Korea and South Korea, the U.S.-DPRK dialogue during the Clinton administration, beginning with the visit of former Secretary of Defense William Perry to Pyongyang in June 1999 and ending with Secretary of State Albright’s October 2000 visit, and the DPRK’s normalization of relations with the European Union in 2001—at least temporarily moved the peninsula beyond the decades of confrontation that have defined it. If cooperation begins to wane, however, North Korea could succumb to the preemptive/preventive logic of striking first. Although fears of an imminent South Korean attack are not a salient preemptive/preventive motivation for Pyongyang today, the yawning deficit in capabilities vis-à-vis the South undoubtedly raises concerns in the North of extinction through absorption. Throughout the first three decades of the Cold War, the two regimes faced off as relative equals with each buttressed by security guarantees from its great power patrons. From the early 1960s through the 1970s, North Korea’s gross national product (GNP) per capita and conventional military capabilities rivaled if not surpassed those of its southern counterpart. Parity entitled each regime to privilege its particular vision of unification, which essentially meant domination of one over the other.

By the 1990s, however, a huge gap had emerged between North and South Korea. Annual 8 percent growth in the ROK (before the 1997 Asian financial crisis) versus successive years of 2–3 percent negative growth in the DPRK created a twentyfold difference in the gross domestic products of the two countries. Although Pyongyang continued to cling to juche (an ideology based on self-reliance) and visions of hegemonic unification, even staunch ideologues such as Hwang Jang-yop had to admit that a communist revolution in the South was no longer a viable DPRK objective. Reflecting this change of thinking...

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19. This was not the case during the early Cold War years, as both Koreas adhered to a “unification by force” policy (sŏnggŏng tongil [literally, unification by success] or pukchin tongil [march north]). The threat of ROK-initiated violence decreased under the Third and Fourth Republics when President Park Chung-Hee dropped the pukchin tongil policy for a formula that sought to beat the North on the economic and diplomatic front through export-led growth, heavy/chemical industry development, and an omnidirectional foreign policy. Why North Korea did not preempt during the Cold War is discussed below.


ing, the DPRK Supreme People’s Assembly (1st sess., 10th term) decided to abolish the Unification Committee in 1998. Moreover, propaganda coming out of Pyongyang, though still promoting strict adherence to “revolutionary traditions,” increasingly began to admit that “existing theories” may not be sufficient to deal with the DPRK’s mounting problems. Russian observers note that among the core principles that comprise the juche ideology, emphasis has shifted since 1997 from universal “communicization” to “self-dependency” as the ultimate revolutionary goal. The propaganda also makes clear how North Korea’s national goals have changed. An editorial in the government-run Nodong Sinmun newspaper stated bluntly, “The masses’ independent demands grow higher ceaselessly with the times as the revolution develops. . . . Should the regime fail to strengthen and develop fast enough to meet the masses’ incessantly growing independent demands, the people would turn their back on it and eventually it would collapse.” As one expert noted, “Thirty years ago a very different verdict on the national strategies of the two Koreas might have been rendered. . . . The North Korean goal of enforcing a Socialist unification upon the South was no mere pipe dream.” Now Pyongyang’s end game has changed from seeking hegemonic unification to ensuring basic survival and averting dominance by the South—precisely the type of concerns that can spur preemptive/preventive action.

THE ABSENCE OF MITIGATING FACTORS
Many of the theoretical factors that mitigate motivations for striking first are absent in North Korea. For example, states operating with long time horizons (viewing as temporary a disadvantageous position vis-à-vis an adversary) may feel less urgency to act. Internal military buildups or power accretion through new alliances can also reduce the need to deal with greater vulnerability through preemption/prevention. The fall of the Soviet Union, however, invali-

dated Marxist-Leninist notions that socialist regimes would eventually witness capitalist countries collapsing over their own contradictions. Power accretion through internal balancing or alliances is not feasible for North Korea, given the loss of security and economic support from Moscow and Beijing in 1990 and 1992. The North has also been relatively unsuccessful in its attempts to drive a wedge between South Korea and the United States and Japan. The absence of Russia and China as allies also removes impediments to North Korean contemplation of preventive/preemptive action. During the Cold War, the unwritten purpose of alliances on both sides of the demilitarized zone was to restrain the two combatants from dragging the superpowers into another war.\textsuperscript{26} Such constraints no longer exist; as one Chinese official observed, “The North Koreans don’t listen to us . . . They don’t listen to anyone.”\textsuperscript{27}

The prolonged economic crisis that has reduced the ROK’s economic capacity to absorb its Northern rival may marginally raise Pyongyang’s hopes that it can continue to muddle through. The financial downturn notwithstanding, however, any aspirations of closing the gap with the South have been thoroughly erased. If anything, the aggregate effects of negative economic growth, yearly food shortfalls, energy shortages, and an increasingly confident and militarily growing South Korea have shortened the North’s time horizon.\textsuperscript{28} Despite the economic crisis, North Korea’s provocative Taepo-dong missile test over Japan in August 1998, and intense Republican criticism in Washington of the viability of the U.S.-DPRK 1994 nuclear Agreed Framework,\textsuperscript{29} the ROK has

\begin{itemize}
  \item[26.] On the South Korean side, for example, the purpose of the 1969 mission led by Cyrus Vance was to communicate to Seoul that the United States would not support unilateral retaliation by the South in response to a series of North Korean provocations in 1968.
  \item[27.] Interview, high-level Chinese foreign ministry official with Asia portfolio, Washington, D.C., October 10, 1997.
  \item[29.] On August 31, 1998, the DPRK test-fired a three-stage ballistic missile over Japan. Pyongyang justified the provocative and unannounced test as a failed attempt to launch a small satellite (the third stage of the missile that carried the satellite failed to achieve orbit). This did not, however, allay concerns among Japanese, South Koreans, and Americans about unexpected technological leaps in the DPRK ballistic missile program, which could conceivably put all of Japan and parts of the United States (i.e., Alaska) within reach. See Steven Lee Myers, “U.S. Calls North Korean Rocket a Failed Satellite,” \textit{New York Times}, September 15, 1998. The Agreed Framework (signed October 21, 1994) averted a near-war crisis on the Korean Peninsula over the DPRK’s suspected nuclear weapons program. The framework called for the freezing and eventual dismantlement of North Korean nuclear-related facilities at Yongbyon in exchange for interim energy sources and
\end{itemize}
maintained commitments to be the primary financial backer of light-water reactors for North Korea. Also, it is the only source of large-scale aid to help remedy the North’s agricultural deficiencies and chronic food shortages. The atmosphere of rapprochement created between the two Koreas in 2000–01 may assuage some of Pyongyang’s anxieties about this dependence. If relations backslide, however, from Pyongyang’s vantage point the prospect of having to rely on its primary rival for energy and food supplies would render the status quo unbearable. The front-runner opposition party candidate to succeed President Kim Dae-jung in December 2002 already touts a harder line than Kim’s sunshine policy.

In a broader theoretical and historical vein, preemptive/preventive situations have also been ameliorated when the parties involved are liberal democracies, when they want to avoid the reputational costs of being branded the aggressor, and when they have defensive military doctrines. Again, despite the DPRK’s recent diplomatic overtures, longer-term trends in Pyongyang do not hint at any of these conditions. Given North Korea’s past acts of state-sponsored terrorism and truculent international behavior, reputational concerns do not appear to factor into Pyongyang’s policy calculations, effectively removing any additional stigma attached to lashing out or being perceived as the aggressor. Barring some unforeseen internal transformation, North Korea will remain the type of illiberal state that history has shown is not averse to initiating preventive hostilities. And most ominous, the North’s forward deployments of artillery, tanks, and personnel along the demilitarized zone, which have not abated despite the inter-Korean thaw in 2000–01, reflect a preemption-friendly belief in offense having the advantage. Even a benign interpretation of the building of two proliferation-resistant light-water reactors by an international consortium led by the United States, South Korea, and Japan. The text of the U.S.-DPRK Agreed Framework is reproduced in Sigal, Disarming Strangers, pp. 262–264.

32. Past terrorist and rogue acts perpetrated by the North include the blowing up of a civilian South Korean airliner in 1987 (killing more than 200 passengers); assassination attempts against South Korean presidents in 1983 (killing half of the ROK government cabinet ministers in the failed attempt) and in 1972 (killing the wife of the president); commando raids against the ROK presidential compound in 1968; digging of invasion tunnels under the demilitarized zone; and the unprompted ax-murder of American soldiers in the demilitarized zone in 1976.
33. For 2001 testimony on the improvements to and augmentation of the DPRK military posture that have occurred at the same time that Pyongyang has sought détente with Seoul, see statement...
tation of the North’s deployments as defensively intended does not mitigate preemptive/preventive incentives to act. On the contrary, inferior forces deployed offensively are extremely prone to “use them or lose them” motivations if conflict appears imminent.\textsuperscript{34}

Finally, for motivations to strike first to be compelling, there must be a non–status quo outcome envisioned as having a higher utility than doing nothing. The preemption may exaggerate or idealize the utility of this alternative, but one must exist; otherwise, the choice of striking first amounts to suicide. For example, in the Pacific War case, the Japanese non–status quo option was a surprise attack dealing heavy initial losses to the U.S. Pacific Fleet, combined with a quick strike into the Southwest Pacific, that would deter the United States from undertaking a protracted and costly war in Asia. Although this plan was ill conceived, without the belief that this non–status quo outcome carried a higher expected utility than doing nothing, the Japanese attack on Pearl Harbor would have been suicidal.

There has to be a story that North Korea can tell itself as to why the alternative to nonaction is rational. Ominously, one can envision a spectrum of such stories. At one end, Pyongyang could follow a coercive bargaining strategy that derives from the preemptive/preventive logic. This strategy does not advocate all-out preemptive or preventive war. Rather it utilizes deliberate, limited acts of violence to create small crises and then negotiates down from the heightened state of tension to a bargaining outcome more to the North’s advantage than the status quo ex ante. The logic for striking first is essentially one of leveraging a status quo in which Pyongyang does not have a stake.\textsuperscript{35} At the other end of the spectrum, through long-range artillery barrages, missile strikes, or chemical weapons attacks deliberately non-American in target and short of all-out war, the North could seek to hold Seoul hostage with the hope of renegotiating a new status quo. The point is not the objective feasibility of

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\textsuperscript{34} Gen. James Clapper, director of the Defense Intelligence Agency (1991–94) and former chief of intelligence in the Korea and Pacific commands, notes that the North’s forward deployments may reflect a “best defense is a good offense” mentality to compensate for inferiorities in the relative military balance on the peninsula. In other words, the North does not necessarily believe that offense has the advantage but chooses to forward deploy because, as experienced in 1950, it would be incapable of sustaining supply routes with rear-area forces in the face of U.S. bombing runs. Clapper’s analysis as cited in Sigal, Disarming Strangers, p. 21.
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\textsuperscript{35} Examples of past DPRK activity that are consonant with this logic are detailed below.
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such an action but the belief in North Korea that doing something is better than doing nothing—because the latter only promises slow but certain death.

Loss Aversion—The “Double-or-Nothing” Logic

A typical response to the preemptive/preventive logic that I ascribe to North Korea is disbelief on the grounds that the leadership in Pyongyang knows that if it were to initiate aggression on the peninsula, the United States and the ROK would not only retaliate with overwhelming force but seek to destroy the regime itself. Consequently, Kim Jong-il will not strike first. This logic assumes, however, a gains-motivated basis for action that does not account for the more risk-acceptant inclinations of states as their situations deteriorate. As behavioral and decision-making theories applied to international relations have found, choices made by state leaders are not determinable through gains-based utility calculations but rather are context dependent.

Three tenets of prospect theory illuminate the North Korean case. First, how states frame a situation or encode a decision can drastically affect the choices...
they make. For example, if I play golf expecting to shoot ten strokes below my handicap but shoot only five strokes below, I see this as an inferior outcome rather than a positive improvement in my game. On the other hand, if I play with no expectations of a final score and achieve the same five-below-par performance, my assessment of this outcome is substantially different. In both cases, the frame of reference determines the evaluation regardless of the objective equivalence of the two situations.

Second, states are generally averse to material losses (“endowment effect”); they value what they have more than what they can achieve. For this reason, states generally fight to defend territory they already possess more than they would to acquire that same territory. Schoolyard fights break out over the defending of reputations not the increasing of them. The endowment effect was implicit in the domino theory because the motivation to fight in the periphery was to avoid losing a chain of small allies to the enemy rather than seeking new states to bandwagon in one’s favor.38

Third, certain outcomes weigh more heavily in states’ calculations than probable ones (“certainty effect”). This does not mean that states always prefer certain outcomes to uncertain ones, but that their behavior is primarily motivated by the pursuit of certain gains or the avoidance of certain losses.39

Loss aversion and framing can give rise to risk-acceptant behavior entirely different from that based on gains-motivated, expected-utility calculations.40

An illustration of this thesis is gambling. A risky “double-or-nothing” bet looks bad to a gambler with pocketed winnings; this same strategy, however, looks increasingly appealing to one on her last few dollars. In sum, the “decis-


39. As experiments by Kahneman and Tversky have shown, individuals preferred certain gains to uncertain but larger ones (or breaking even), and uncertain losses (or breaking even) to smaller but certain losses. Both of these findings run contrary to the predictions of expected utility theory. Kahneman and Tversky, “Prospect Theory,” pp. 265–269.

40. As Janice Stein notes, the degree of risk that political leaders are willing to incur over pursuing a policy is starkly different depending on the context: “Because people are generally averse to loss, whether an outcome is treated as a gain or a loss has a significant impact on the choice they make. Indeed, when an identical outcome is re-framed as a loss rather than a gain, people reverse their preference and make a different choice.” Stein, “International Co-operation and Loss Avoidance,” p. 14.
sion frame is critical to choice. This frame, in turn, is determined by the identification of a reference point and the coding of decisions in terms of gains or losses.\textsuperscript{41}

**ACTUALIZATION OF PREAMPTIVE/PREVENTIVE SITUATIONS**

Prospect theory specifies the conditions under which preemptive or preventive action can occur among similarly situated states.\textsuperscript{42} There is general agreement that a preemptive or preventive situation is one in which the future occurrence of a situation is deemed unacceptable. The theory is unclear, however, on the causal mechanism that leads some states to act under objective preemptive/preventive conditions. Some scholars have focused on the offense-defense balance as the key determinant, others on hostile images of the adversary, and still others on regime type.\textsuperscript{43} Empirical studies have found, however, that many of these factors are not sufficient to explain why some states strike first.\textsuperscript{44}

By incorporating the framing of choice and decisions, one can deduce more specific propositions about the occurrence of preemption/prevention among...
similarly situated states. As Figure 1 shows, if a state is potentially a target of attack but frames the current situation as a “winning” one, then it will generally be averse to taking preemptive or preventive actions. Even though such actions offer the possibility of larger gains, the motivating factor for nonaction is the threat that such actions pose to current holdings. This incentive for nonaction would be reinforced by beliefs in defense having the advantage (cell 2). If a state is contemplating preemptive/preventive action and frames the situation as “neutral” (i.e., through either discrete or cumulative encoding, it sees the status quo as a nonlosing one), then it is still unlikely to take the risky choice of striking first and jeopardize current holdings. The disincentive to act in this situation is marginally less than if framed in the domain of wins and

Figure 1. Actualization of Preemptive/Preventive Action.

How Do States Frame the Status Quo?

<table>
<thead>
<tr>
<th>Domain of Gains</th>
<th>Neutral</th>
<th>Domain of Losses</th>
</tr>
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<tbody>
<tr>
<td>Preemptive or Preventive Situation with Offense Having the Advantage</td>
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<tr>
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<td>Unlikely (Indeterminate)</td>
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<td>Cell 2</td>
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<td>Very unlikely</td>
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<td>Preemptive or Preventive Situation with Defense Having the Advantage</td>
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45. If offense is perceived to have the advantage under the same conditions (i.e., cell 1), the outcome is indeterminate, although it is unlikely that preemptive action will take place because of the threat that such action would pose to current gains.
thus less determinate. The critical factor determining choice in this situation is the offense-defense balance. If conquest is perceived as easy, then the occurrence of preemption/prevention is more likely (cell 3). If conquest is seen as difficult, then preemption/prevention is unlikely (cell 4).

If a state perceives itself to be the potential target of attack and frames the situation in the domain of losses, then the likelihood of preemptive/preventive action is high (cell 6). Time horizons are short; moreover, loss aversion in a losing situation results in risk-acceptant behavior akin to an “anything-to-stop-the-bleeding” mentality. A state is willing to accept the risk of preemptive/preventive war, which carries with it probable but substantially disastrous losses, to avoid near-certain losses in the present. The incentive to act is exponentially reinforced if offense is perceived to be advantageous (cell 5). Jack Levy rightly points out a problem here regarding relative risk assessments. Whether a risk-acceptant state in the domain of losses sees war or doing nothing as more risky is not easily determinable.  

Although not wholly resolving this problem, I argue that one important criterion is the severity of the domain of losses. If a state sees itself in the domain of losses but hovers just above a subsistence level, then it may be marginally more risk averse (i.e., more likely to choose a minimax strategy) and willing to absorb certain losses provided they do not result in outcomes below the subsistence level. If the state is already below the subsistence level and in the domain of continuing losses, however, loss aversion, risk acceptance, and the incentive to act become acute.

NORTH KOREA’S FRAME OF REFERENCE
A priori indicators by which to designate North Korea’s decisional frame are (1) ideational objectives that legitimate and celebrate national identity, (2) economic and military well-being, (3) standing in the international community, and (4) availability of allies. An important barometer of a changing frame of reference is the perspective on time. If decisional frame indicators have positive values (i.e., the attainment of ideational objectives, satisfactory economic
and military strength, and external support), then a state is in the domain of gains, manifested in among other things long time horizons.

The DPRK’s decisional frame on the Korean Peninsula is a losing one (cells 5 or 6). Kim Jong-il’s reference point could be the status quo, in which case (notwithstanding the slow trickle of external aid) the widening economic gap between North and South would leave him in a rapidly losing situation. Or his reference point could be unification with Northern dominance—in which case the losing situation is more acute. Although North Korea had these same vulnerabilities during the Cold War, the motivation for preventive action was less salient because the situation was not nearly as desperate as it is now.

Throughout the mid-1970s, the U.S. Central Intelligence Agency calculated GNP per capita for the two Koreas as being roughly equal. Pyongyang’s juche ideology had standing in the international community and won it membership in the Nonaligned Movement, while ROK applications were consistently rejected (because of the presence of U.S. forces in Korea). The North had a sizable military, and DPRK infiltration of the South was so extensive that Kim Il-sung confidently stated in 1977 that he could insert units anywhere, anytime (a claim that U.S. military officials in Korea confidentially conceded as true).

In addition, from Pyongyang’s perspective, the ROK hardly resembled the model of stability in the 1960–70s: Its presidents were exiled, overthrown by coup, or assassinated; and its external security guarantees looked, at best, tenuously based on ambivalent actions by successive U.S. administrations from Lyndon Johnson to Jimmy Carter. By contrast, the North’s livelihood was fully

48. Arguably, the influx of food aid and economic assistance in 2000–01 may have moved the regime into cells 3 or 4, where they frame the status quo as neutral. Even if this were the case, any backsliding to the status quo ex ante would heighten the likelihood of DPRK action.
49. For the argument against preventive motivations for North Korean aggression during the Cold War, see David Kang, “Preventive War and North Korea,” Security Studies, Vol. 4, No. 2 (Winter 1994/95), pp. 330–363. Kang argues that if preventive motivations apply to North Korea, then Pyongyang should have attempted to close the window of vulnerability long before the current status quo. I argue below that the Cold War, though at times disadvantageous, was never viewed in the domain of losses, and thus preventive situations were not actualized.
52. Respectively, these were the absence of U.S. retaliatory punishment for the January 1968 Blue House raid and USS Pueblo seizure; the Guam doctrine calling for reduced U.S. military involvement in Asia; President Richard Nixon’s withdrawal of the 7th Infantry Division from Korea; the U.S. withdrawal from Vietnam in 1975 under President Gerald Ford; and the 1977 Carter plan for the withdrawal of all U.S. forces from Korea. See Victor D. Cha, Alignment Despite Antagonism: The United States-Korea-Japan Security Triangle (Stanford, Calif.: Stanford University Press, 1999).
ensured by the security and economic patronage of the Soviet Union and China.

This situation gave rise to impressions in Pyongyang that, with time, North Korea’s gaps with South Korea could be closed. The North’s decisional frame was at worst neutral and, more often than not, in the domain of gains (cells 2–4). Recently released documents from East German archives of confidential discussions between Erich Honecker and Kim Il-sung in December 1977 provide a rare glimpse of Kim’s private views. In these discussions, Kim expressed extreme confidence in the longevity of the DPRK regime. He was not concerned, for example, with the economic gap favoring the South because ROK general-turned-president Park Chung-hee’s unpopular authoritarian rule and President Carter’s conviction, announced in 1977, to withdraw all U.S. forces from the peninsula would eventually lead the South Korean people to choose *juche*. The communization of the Korean Peninsula, the North Korean leader believed, would then lay the conditions for “stimulating the revolution in Japan.” As Don Oberdorfer recounts, Kim was so confident of the South’s eventual demise that there was little the North needed to do to encourage this outcome—for example, choosing not to take advantage of the opportunity created by the assassination of ROK President Park by his chief of intelligence in 1979. DPRK time horizons were long.

Two days after Park’s assassination, Kim Il Sung addressed a military meeting, drawing a stark contrast between South Korea, “one half of our territory . . . under the occupation of the U.S. imperialists and reactionaries, landlords and capitalists,” and the DPRK, where “our people are enjoying a happy life . . . without any worries about food, clothing, medical treatment and education.” Kim announced, “There is no better ‘paradise’ and no better ‘land of perfect bliss’ than our country. . . . While approving the elimination of ‘traitor’ Park Chung-hee, the North Korean leader cautiously told the military assembly, “We must wait and see what change this will bring about in the revolutionary situation in South Korea.”

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In the 1990s, however, the situation changed dramatically. Perceptions in North Korea of the status quo as a losing one became especially apparent between 1989 and 1994. During this period the Soviet Union collapsed; China normalized relations with South Korea; Kim Il-sung died; and the cumulative effects of decaying infrastructure, poor harvests, and energy shortages—manifested in consecutive years of negative economic growth—began to take their toll. German unification had a deep psychological and material impact on North Korean confidence: Honecker had been a confidante and consistent economic supporter. The abandonment of subsidized trade and security patronage by Russia in 1990 and China in 1992 occurred at a time when fuel shortages were undermining military readiness. Western visitors to the Chinese border in 1997 reported increased bartering by local and provincial DPRK authorities, in defiance of the central government’s control and directives. A steady stream of diplomatic defections led Pyongyang to recall twelve ambassadors from foreign missions in 1997–98. And at home, a growing number of public executions of prominent party officials suggested divisions in elite leadership circles.

Such actions were unheard of during the Cold War; moreover, similar instances have increased dramatically since the early 1990s. As one expert observed: “By 1993, North Korea was a country without a national strategy. To be more precise, it had a national strategy—the same one it always had—but this was almost completely irrelevant to the problems at hand. The pressing problem at hand was regime survival.” Noted Korea specialist Bruce Cumings put it more graphically: “Kim Il Sung’s death came amid dire war threats [from the West] and inaugurated an unending stream of calamities: floods in 1995 and 1996, drought in 1997, even a tidal wave killing hundreds as August ended. . . . Pyongyang is in a triage mode right now, helping where it can, denying when it must . . . . This crisis is terrible, by far the worst since the Korean war.”

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59. ROK National Assembly reports found that more of the defectors in the 1990s were former government officials, and that the increase since 1993 did not include the unreported numbers (estimated between 2,000–3,000 annually) defecting through Russia and China. See Kyodo Newswire, September 18, 1998, cited in Narushige Michishita, “Two Alliances after Peace on the Korean Peninsula,” Asia-Pacific Research Center working paper, Stanford University, May 7, 1999.
60. Eberstadt, “‘National Strategy’ in North and South Korea,” p. 14, 24.
Signs of the status quo viewed in the domain of losses are abundant. First, there is outright acknowledgment in DPRK statements that the status quo is substantially worse than at any previous time. Statements talk about “returning” to economic levels of the past (and then growing beyond these levels).\textsuperscript{62}

Second, themes of change and reform have proliferated in North Korean propaganda; whereas in 1997 Kim Jong-il’s speeches carried messages of continuity (e.g., maintaining certain “revolutionary traditions”), increasingly these are couched in conditional language that “reserv[es] the right for creative development” as the North experiences the “trials and tribulations in our construction of socialism.”\textsuperscript{63} Recent statements also sound more desperate. As Nodong Sinmun declared in a 2001 New Year’s editorial, “The most important task to be accomplished with priority, precisely, is to effect fundamental innovations in the ideological viewpoint of people and their way of thinking, struggle ethos, and work attitude in such a way that meets the requirements of the new century. . . . It is impossible to advance the revolution even a step further if we should get complacent with our past achievements or be enslaved to outdated ideas and stick to the outmoded style and attitude in our work.”\textsuperscript{64}

Third, anecdotal evidence reinforces the notion that the status quo is a losing one. Highlighting Kim Jong-il’s formal power ascension and the DPRK’s fiftieth anniversary celebrations in September 1998 was the rebroadcasting of a speech by Kim Il-sung, symbolizing how celebration of the present and future could only be made with reference to better times in the past. Then, in 1999 South Korean intelligence officials reported the existence of a massive population relocation plan in North Korea designed to expel hundreds of thousands of jobless, homeless, and hungry people who had migrated to Pyongyang in recent years. The five-year population relocation plan, covering some 2 million citizens, was ostensibly designed to create a larger agricultural workforce, but it primarily sought to prevent urban unrest in the capital city.\textsuperscript{65} A year earlier, U.S. congressional groups visiting North Korea estimated that 1 million people

\textsuperscript{62} Kim, “The Sagacious Leadership That Keeps Strengthening the People’s Regime,” p. 2.
\textsuperscript{65} “Pyongyang Residents Ordered to Relocate,” Chosun Ilbo, April 2, 1999; and “N. Korea Relocating 2 Million People,” Associated Press, April 2, 1999.
had died from starvation since the early 1990s. The food rationing policy reflects North Korea's increasingly short time horizons: The very young and very old are the last priorities. Former DPRK ideologue Hwang Jang-yop's characterization is perhaps the most accurate and ominous: "It's like a land of darkness there. Most people think it's too painful to go on. They even think if it takes a war to bring change they are willing to start a war."

EVIDENCE OF DPRK PREEMPTIVE/PREVENTIVE LOGIC: COERCIVE BARGAINING
Hostile coercive bargaining behavior by the DPRK during the 1990s reflects the logic of preemptive/preventive action. Dissatisfied with the status quo, Pyongyang engages in limited disruptive acts that are not severe enough to start a war but are dangerous enough to attract attention and precipitate a crisis. These deliberate pinpricks put Washington, Seoul, and Tokyo in the awkward position of wanting to respond punitively but feeling constrained by better judgment against provoking a larger, costly conflict. As a result, the allies denounce the misbehavior but still come to the negotiating table hoping to reduce tensions. From Pyongyang's perspective, the provocation is designed not to produce a military victory but to initiate a coercive bargaining process that results in an outcome more to its advantage than the status quo ex ante.

The naval altercation on the west coast of the peninsula in June 1999 fits this pattern. Several North Korean patrol boats violated South Korean waters, prompting the ROK navy to ram the trespassers and initiate a firefight that left twenty to thirty North Koreans dead. This constituted one of the largest losses of life in an altercation between the two since the 1953 armistice and was a clear demonstration of the ROK's superior naval combat capabilities and training. What grabbed the headlines were the military clash itself and the loss of life. Few stopped to ask why the North would undertake such an action in the first place. Why provoke a naval clash that it had no chance of winning? Did the DPRK underestimate the ROK's naval capabilities and resolve? Or was the West Sea altercation another example of DPRK irrationality and unpredictability? This otherwise puzzling behavior is fully consonant with the logic of preemptive/preventive action. The DPRK provocation was designed to extort concessions from a fearful ROK and its foreign patrons with regard to the

Northern Limitation Line (NLL), the maritime boundary between South and North Korea. In effect, the calculation was to initiate a military act—albeit an unwinnable one—with the ultimate purpose of making the NLL an issue for negotiation, which had not been the case with the status quo ex ante.

Other acts of DPRK belligerence conform to the pattern of coercive bargaining. For example, in 1995 North Korea undertook a number of actions in the militarily sensitive Joint Security Area (JSA) at the truce village of Panmunjom that were in violation of the armistice. These included unannounced troop maneuvers well beyond the mutually agreed number into the JSA, removal of uniform arm bands designating the forces allowed into the area, and violations of the maximum arms limitations (i.e., nothing beyond side arms). In August 1998 the North test-fired a ballistic missile (Taepo-dong 1) over the Sea of Japan. Pyongyang claimed this to be a failed satellite launch, but it was interpreted by the United States as an attempt to demonstrate a three-stage missile capability beyond what many intelligence analysts had previously predicted was possible.

The JSA incursions and Taepo-dong missile test were provocative and unsolicited actions, yet they seemed devoid of a clear strategic calculation. In each case, the events were not part of a chain of escalating tensions but were isolated, almost random incidents. This puzzling behavior is explainable by the logic of preemptive/preventive action and coercive bargaining. In each case, Pyongyang sought to disrupt a status quo that it had deemed highly unfavorable with the purpose of renegotiating a new status quo to its advantage. In the JSA case, this had to do with an attempt to debilitate the Military Armistice Commission (MAC) and draw the United States into direct bilateral negotiations on a peace treaty, excluding the ROK. In the ballistic missile case, the purpose was, in part, to overturn an emerging consensus among experts that

69. The United Nations Command unilaterally declared the Northern Limitation Line after the 1950–53 Korean War, and for the United States and ROK, the NLL represents the de facto maritime border. The DPRK does not recognize the line and claims as its own the resource- and fish-rich waters less than twelve miles from its western coast, which are also less than twelve miles from South Korean–owned islands in the West Sea.
70. Myers, “U.S. Calls North Korean Rocket a Failed Satellite.”
71. The point here is not to deny that these acts took place in a general context of tensions, but that they were significantly more provocative than might have been predicted. In this sense, these acts were aberrations that are not easily explainable.
72. The North had been very dissatisfied with the larger role transferred to the South Koreans from the Americans in the MAC, which is the primary negotiation body for the armistice. To disrupt this transfer, the North undertook clear armistice violations that it then refused to discuss in the MAC, with the purpose of forcing the United States into direct dialogue.
the DPRK could not build missiles more advanced than its short-range No-
dong class, and therefore that it would eventually hit a revenue ceiling on mis-
sile sales to the Middle East and South Asia, as buyers would want products
more sophisticated than those that North Korea could produce. The Taepo-
dong test revealed the North’s potential to manufacture three-stage missiles
using solid-fuel propellants, and thus indicated a technological leap beyond all
expert expectations. The missile test, in effect, disrupted the status quo by
drawing attention to North Korea’s more advanced ballistic missile program
as a new issue of negotiation for Pyongyang.73

One can imagine other, more grave, examples of North Korean coercive
bargaining. The DPRK could lob several artillery shells into a Southern city,
creating chaos among the population. It could launch a chemically armed
short-range missile on a Southern port (deliberately non-American in target),
resulting in capital flight and plummeting stock market prices. It could
infiltrate three suicide terrorist bombers into major ROK cities (e.g., Seoul, Pu-
san, and Kwangju) and demand that the government concede on some issue or
face the consequences. Each provocation is too minor to prompt all-out war
but serious enough to create an incentive for Washington and Seoul to give
ground in order to negotiate a peaceful resolution to the resulting crisis.

Two points deserve emphasis with regard to the logic of coercive bargaining.
First, this is undoubtedly a provocative and dangerous strategy that raises the
risks of escalation; however, it is also a rational strategy if the DPRK views in-
action under the status quo as unacceptable. Second, a strong U.S.-ROK de-
fense posture, while deterring a second DPRK invasion, does not sufficiently
address this alternate threat. Robust containment does not assuage the pre-
emptive/preventive logic of coercive bargaining; indeed it may actually pro-
mote it. Like the gambler down on his luck, the more North Korea frames the
current situation as a losing one, the more appealing the double-or-nothing
option becomes. Such a calculation would be based not on winning but on
avoiding further loss.

THE SUNSHINE POLICY AND THE DPRK’S DECISIONAL FRAME
Critics might concede the applicability of this analysis to North Korea for the
past fifty years, but argue that it lacks relevance given the diplomatic overtures

73. The issue here is not to determine whether these strategies are successful (in the JSA case, the
DPRK strategy was not, but in the Taepo-dong case, it was), but to show that there is a calculation
that sees the disruption of the status quo with an act of violence as rational.
of 2000–01. During this period, Kim Dae-jung’s sunshine policy for engaging North Korea with economic carrots and political dialogue provided the context in which Kim Jong-il agreed to hold the first inter-Korea summit in Pyongyang in June 2000, followed by agreements on family reunions, economic cooperation, and infrastructure rejuvenation. For the first time since the death of Kim Il-sung, Pyongyang ventured beyond its traditional Cold War orbit of allies, establishing diplomatic relations with the European Union. In addition, Kim Jong-il received guarantees for the supply of food and medical aid as well as economic assistance from international and nongovernmental organizations. In the aftermath of the summit, Kim entertained the prospect of normalized political relations with the United States and Japan, and with this, the potential for large amounts of economic assistance from Tokyo and international financial institutions. Critics might therefore contend that North Korea favors the current status quo in ways that render irrelevant the logic of preemptive action. The regime has secured a level of subsistence from the outside through opening narrow diplomatic channels. And it looks at such gains in absolute rather than relative terms vis-à-vis the gap with the South, hence reducing anxieties about increasing inferiority.

The DPRK is clearly better situated today than it was between 1989 and 1998. To argue that this new status quo is permanent, however, is highly questionable. First, although famine-like conditions have abated, the absence of large-scale agricultural reforms means that the mere symptoms rather than the underlying causes of the food shortages are being treated with the inflow of food assistance. In addition, the long-term reliability of these food supplies


75. See Harrison, “The Missiles of North Korea”; and Harrison, “Promoting a Soft Landing.”

76. Perhaps the two primary indicators of this are the improving food situation and Pyongyang’s reduced diplomatic isolation. According to the World Food Programme (WFP), food shortages across the provinces are less acute than they were in 1997–98. *WFP DPR Korea Update*, February 25, 2001, distributed by the WFP, Pyongyang. Moreover, the economy has stopped its free fall, and the regime appears to have made a stable political transition after Kim Il Sung’s death. See Doug Struck, “N. Korea Back from the Brink,” *Washington Post*, September 5, 2000.

77. In addition, because 20 percent of North Korea’s counties are still inaccessible and Pyongyang has not allowed an international nutritional survey since 1998, there still is no reasonably accurate sense of how much the situation has improved. See *WFP DPR Korea Update*, February 25, 2001.
is highly susceptible to donor fatigue. Alternatively, such assistance could be
given lower priority because of the emergence of more pressing needs else-
where (e.g., Afghanistan following the U.S. ouster of the Taliban regime). Sec-
ond, the attention and goodwill showered on the North in 2000–01 have their
limits. In particular, the provision of assistance from the ROK, the United
States, and Japan has not been met with meaningful reciprocal responses from
Pyongyang; this in turn has increased domestic political pressure in Seoul,
Washington, and Tokyo to cut off support. Finally, the combination of eco-
nomic rationality in the South and the complete absence of internationally
compliant legal institutions in the North implies that the initial inflow of hard
currency and other economic carrots is far from reliable. Thus, what is appar-
ent in North Korea is not a new status quo but an improvement of its internal
and external positions. This incremental change is welcome, but it is also
highly contingent and thus vulnerable to backsliding.

Arguably, an important change connected with how the DPRK frames the
status quo is the decreased likelihood of absorption as a scenario for unifica-
tion. If absorption is irrelevant as a potential outcome, this would ameliorate
DPRK visions of the status quo as unbearable and reduce incentives for risk-
taking behavior.

Again a distinction must be made between permanent changes to the status
quo and temporary variations from it. Although transient material conditions
(i.e., the DPRK’s improved situation and the ROK’s economic difficulties)
might favor a no-absorption outcome, what matters from a DPRK decisional
frame is the longer history of the ROK’s stated intentions. Currently, these are
enunciated in the no-absorption (or no-unification) pledge of Kim Dae-jung’s
sunshine policy. But this policy is as much an aberration as it is distinct in the
history of South Korean unification policy, which since the establishment of the
republic in 1948 has touted unification (with southern dominance) as the ideal
outcome. It is difficult to assume from a DPRK perspective that the current
South Korean president’s view would be the norm for any succeeding
administration.

78. This statement came officially during Kim’s “Berlin Declaration,” March 10, 2000. See Kong-
dan Oh, “North Korea’s Engagement: Implications for South Korea,” in National Intelligence
Council and Library of Congress, North Korea’s Engagement: Perspectives, Outlook, and Implications,
“Hawk” Engagement

Contrary to the conventional logic, North Korea has rational reasons for choosing to violate the peace even if defeat is likely. Understanding the North Korean threat in terms of this logic highlights the misdirected focus of the DPRK engagement debate in Washington and Seoul. Hawks and doves oppose or support engagement based on their judgments about whether the North seeks to subvert the South or the degree to which it seeks reform. Instead the criteria for choice should be the capacity of any strategy to circumvent situations in which the North (1) sees the status quo as an unbearable and losing, (2) perceives an attack on it (or extinction) as imminent, or (3) believes that coercive bargaining behavior is better than doing nothing.

In this light, coercion or isolation strategies are not appealing as complements to basic deterrence/defense postures toward the DPRK. Noncommunication, threats, and intimidation only exacerbate preemptive/preventive situations by increasing the North’s sense of vulnerability, pushing the leadership further into framing the status quo in the domain of losses, and raising the costs of peace. On the other hand, engagement (i.e., containment-plus-engagement) ameliorates preemptive/preventive situations. While maintaining necessary deterrent measures, it lengthens time horizons, reduces the threat of imminent attack, lowers the costs of the status quo, and can help to change Pyongyang’s frame of reference. Recent work on theories of influence concur with this basic point: “When the continuation of the status quo portends losses and is perceived as costly for a given state A, logically another state B can decrease the incentives for A to attack by adding to the value of that status quo, promising rewards for peaceful relations.”

DPRK behavior from 1989 to 1992 and from 1998 to 1999 validates this reasoning. In the former instance, the conditions for preemptive/preventive action were acute. In the space of four years, North Korea’s worldview fundamentally changed. Statements by the DPRK leadership during this period

79. Davis, Threats and Promises, p. 5.
80. The Cold War ended; the Soviet Union abandoned the North when it normalized relations with the South in 1990; China took similar actions only two years later; and the economic gap with rival South Korea had become clearly insurmountable as the DPRK economy began to register negative growth rates for the first time. Although the North’s economy had already showed signs of distress prior to 1989, the collapse of the communist bloc and termination of patron aid by Moscow and Beijing exponentially worsened the situation. For example, DPRK petroleum imports from the Soviet Union dropped by more than half between 1988 (3.4 million tons) and 1992 (1.5 million tons) after Moscow terminated subsidized sales. Similarly, DPRK overall trade, three-fifths of which was with Warsaw Pact countries, contracted by nearly 33 percent between 1988 and 1991 after hard-currency terms of customs settlement became required for most transactions. See Hy-
recognized the monumental significance of the Cold War’s end and a status quo in the domain of losses. Yet despite this dire situation (cells 5 or 6), North Korea did not lash out. This nonevent stemmed from engagement initiatives launched by the United States and the ROK. During the same period, the United States opened a low-level direct dialogue with North Korea in Beijing (started in October 1988) that yielded eighteen meetings through 1991. More important, in September 1991 the first Bush administration issued directives leading to the withdrawal of nuclear weapons from the Korean Peninsula and canceled the annual major U.S.-ROK joint military exercise (Team Spirit). In addition, South Korea initiated engagement with the North as part of its Nordpolitik (Northern diplomacy) under the Roh Tae-woo government. This resulted in a major set of inter-Korean agreements in 1992 on political reconciliation and denuclearization. U.S. and ROK engagement was therefore critical to preventing the actualization of a dangerous preemptive/preventive situation.

Arguably, the recommendations made by former Secretary of Defense Perry following a major review of North Korea policy in 1999 had a similar effect on DPRK behavior. In December 1998, North Korea had undertaken a series of limited hostile acts to disrupt the status quo (the most prominent of these actions, as described earlier, were the JSA maneuvers, missile tests, and sea incursions). All were somewhat successful from a coercive-bargaining vantage point because they put new issues/bargaining chips on the table for negotiation. But with the Perry review’s recommendations for the United States to pursue engagement with North Korea—thus holding open the possible inflow of financial aid, humanitarian assistance, and political normalization—the DPRK refrained from further limited hostile acts. Perry’s recommendations for

81. For a selection of these statements, see Eberstadt, The End of North Korea, pp. 83–84.
82. The larger nuclear withdrawal directive, applied to South Korea, covered about forty W-33 artillery shells and sixty B-61 gravity bombs for U.S. F-16s based in South Korea. On this and other points, see Sigal, Disarming Strangers, p. 30.
engagement moved the DPRK out of the domain of losses and into a situation where it had a stake in the status quo.

These illustrations suggest important lessons for U.S. policy on North Korea. Public statements by Bush administration officials on the DPRK have varied widely, starting with skepticism voiced in early 2001 about U.S.-DPRK missile talks, the Agreed Framework, and Kim Dae-jung’s sunshine policy. This gave way to the June 2001 comprehensive policy review that recommended engagement with the North, but was quickly overshadowed by Bush’s State of the Union address in January 2002 and the Seoul summit in February, which intimated at best little U.S. interest in engagement.\(^85\) In light of the argument above, the Bush administration’s own policy review conclusions reached in June 2001 appear to be the most prudent. The president is justified in viewing the DPRK regime as “evil,” but this attitude is not a substitute for policy. Abandoning any form of engagement runs the risk of pushing Pyongyang’s decisional frame back to the logic of preemption and away from that created by the Perry policy review (i.e., toward cells 5 and 6 instead of cells 3 and 4).

**Engagement as the Exit Strategy**

The lesson learned by the Clinton administration and then by the second Bush administration is that the “default” prescription for North Korea remains engagement. This is hardly a dove’s recommendation in policy terms. The logic of preemption, prevention, and engagement flows deductively from rational deterrence theory.\(^86\) The alternatives—containment-plus-isolation or containment-plus-coercion—only increase North Korea’s rational incentives for engaging in hostilities even though victory is unlikely. Engagement carries its own risks and moral hazard, but these are far fewer than the costs that would be incurred by a coercion/isolation strategy that backfired and led to war.

In the end, perhaps the strongest argument against engagement is normative. The North Korean regime’s starving of children, the selling of daughters for cattle, and other untold acts are anathema to every value that the United States cherishes.\(^87\) Moreover, engagement would send the wrong message to North Korea and other “rogue” nations, reinforcing their views that the West is weak. Undoubtedly, seeking accommodation with rogue regimes is morally

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\(^85\) For these statements, see nn. 1, 3.


repugnant. But regimes such as North Korea’s should be regarded not as moral deviants to be reprimanded but as security problems to be solved. Those who do not accept this assessment seem willing to risk war as the price of pursuing a more “moral” foreign policy. If the objective is achieving peaceful change and solving the security problem, however, then the issue becomes one of explaining how engagement can be an acceptable alternative even to those who favor isolation or coercion. There are at least four arguments in support of such a position.

First, engagement should be the desired strategy for hawks today because it is the best way to build a coalition for punishment tomorrow. A necessary condition for coercing North Korea is the formation of a regional consensus that every opportunity to resolve the problem in a nonconfrontational manner has been exhausted. Without this consensus, implementing any form of coercion that actually puts pressure on the regime will not work. When the DPRK refused to comply with international inspections of its nuclear facilities in 1994 and the United States sought sanctions against it, there was resistance not only from China (which could veto a resolution for sanctions in the Security Council) but also from U.S. allies (i.e., Japan, which was reluctant to curb remittances to the North from resident North Korean organizations) to proceeding prematurely to a coercive policy.

Engagement that puts North Korea on notice that it could be facing its last chance for cooperation is the most effective way to build a coalition for punishment. In this sense, many of the Bush transition team’s initial criticisms of the Agreed Framework were misplaced. The critics argued that the framework reflected an open-ended appeasement policy that rewarded bad behavior, assumed (rather than verified) cooperative DPRK intentions, and lacked any clear exit strategy. Bush officials soon realized, however, that any unilateral revision of the framework would not elicit support among U.S. allies (and China) if Pyongyang balked. Good-faith efforts by the United States, in close consultation with the ROK and Japan, to implement the Agreed Framework’s original terms are simultaneously building a coalition for action (e.g., holding out the prospect of sanctions) if the North does not uphold its end of the agreement. Such reasoning was reflected in a 1999 North Korea policy review led by now-Deputy Secretary of State Richard Armitage: “Diplomacy strengthens the ability to build and sustain a coalition if North Korea does not cooperate. . . . The failure of enhanced diplomacy should be demonstrably

88. For observations on the unwillingness of the United States to view itself as capable of negotiating with pariah states, see Sigal, Disarming Strangers.
attributable to Pyongyang.” Rather than being devoid of an exit strategy, engagement and the Agreed Framework are, in effect, the exit strategy.

Second, today’s carrots are tomorrow’s most effective sticks. Sticks will work only if North Korea has a stake in the status quo. Continuing to impose a decades-old embargo is unlikely to elicit positive change in DPRK behavior. Lifting sanctions, however, letting the North gain what it can from opportunities thus made available, and then using the threat of sanctions if Pyongyang fails to live up to its commitments is more likely to achieve positive results. This dynamic could explain DPRK behavior following the June 1999 detention on alleged spy charges of an ROK citizen who was visiting a new inter-Korean joint tourist venture at Kumgang Mountain in North Korea. The ROK retaliated by suspending further tours. Conducted by the ROK conglomerate Hyundai, this project represented a new and substantial source of hard currency for the North that was hardly worth losing over the propaganda value of capturing a South Korean “spy.” Pyongyang authorities released the tourist almost sheepishly after soliciting a token confession. The Hyundai tour, formerly the carrot, had become an effective stick in influencing North Korean behavior.

Third, should hawks seek the destruction of the North Korean regime and unification of the peninsula, engagement strategies offer the best preparation. Proponents of Cold War–era containment-plus-isolation fixate on discouraging and, if necessary, repelling a Northern invasion; they fail to consider what the United States should do after the North is defeated. Containment-plus-isolation is therefore a status quo policy that does nothing to penetrate the opaqueness of the DPRK regime and applies a simple but intimidating logic to tame it. Engagement, on the other hand, compels more proactive thinking about unification. It does not treat the North Korean state like a black box, as isolation strategies do. Rather it promotes dialogue and information exchanges to increase transparency and reduce the eventual start-up costs of unification.

Where engagement might have the greatest payoff is with the North Korean populace. After the DPRK regime is gone, Northerners will not view Southerners as their saviors and elder brethren. To argue otherwise underestimates the degree of enmity, noncontact, distrust, and bloodshed between the two re-

gimes—a situation that does not augur well for social integration. A policy of hard-line coercion and isolation that drove the Pyongyang leadership into the ground would also alienate and frighten the Northern populace, reinforcing decades of DPRK demonization of the United States and the ROK. Engagement would convey a more compassionate image of Americans and South Koreans. As President Bush stated during the 2002 summit in Seoul, though despising the despotic regime in Pyongyang, the United States has “great sympathy and empathy for the North Korean people. We want them to have food. And at the same time, we want them to have freedom.” Engagement in the form of food aid, for example, would mean empty sacks of wheat, rice, and flour scattered around North Korea and imprinted with “USA,” “ROK,” and “GOJ” (Government of Japan). Such visible reminders could help to unravel half a century of negative indoctrination in the North and lay the foundation for the Southern polity and people to emerge as credible recipients of popular Northern loyalty after the DPRK state collapses. To hawks, non-dialogue and hostility might seem the most direct route to absorption of the North, but engagement takes into consideration the most important factor in any successful unification exercise—the North Korean population—and thus better equips hawks for fulfilling their objective.

Finally, engagement should even be amenable to hawks who support national missile defense (NMD). The Bush administration’s enthusiasm for NMD, critics argue, is wholly at odds with U.S. engagement of North Korea: How can the administration credibly propose engagement with one of the primary targets of its missile defense system? NMD advocates respond by proclaiming that their enthusiasm would be unchanged by the disappearance of the DPRK missile threat. There is a better answer. Supporting missile defense can actually strengthen the credibility and success of engagement strategies vis-à-vis the DPRK. If engagement is most effective when it (1) is undergirded by robust defense capabilities and (2) communicates to the target that engagement is the choice of the strong and not the expediency of the weak, then supporting missile defense is one way of effecting an enhanced engagement strategy on the Korean Peninsula. Such a strategy would remain firmly com-

91. For a discussion of problems encountered by North Korean defectors trying to assimilate into Southern society, see Young-chul Chang, Tāngsindúlí ká取出 chāluântsōyo? [Are you that much better than me?] (Seoul: Sahoe p’yông on, 1997).
93. In this regard, the 1999 Armitage report was clear: “One cannot expect North Korea to take U.S. diplomacy seriously unless we demonstrate unambiguously that the United States is pre-
mitted to pushing Pyongyang further into the domain of gains, but it would also neutralize the most likely source of coercive bargaining by the DPRK—the missile threat.

There are various technical issues related to the type of NMD system (e.g., boost-phase intercept, antimissile barges in the Sea of Japan) that might best handle the DPRK missile threat with the fewest negative consequences. The point, however, is that a policy that simultaneously supports missile defense and engagement with North Korea is not illogical. Deploying NMD systems alone as a stopgap measure at best deals imperfectly with the missile threat and does little else to resolve the peninsula’s tensions. Utilizing engagement to get at the deeper problem of transforming DPRK preferences and intentions is always subject to future acts of brinkmanship. The dilemma is apparent in Kim Jong-il’s self-declared 1999 moratorium on missile testing due to expire at the end of 2002. Offered in tacit exchange for an additional lifting of some U.S. economic sanctions, the moratorium could be seen as the fruit of a successful engagement strategy. But what prevents the North from rescinding its moratorium? Very little. Linking the NMD and engagement discussions is perhaps the answer. Such a mix distinguishes engagement as a policy of the strong—one that cannot possibly be interpreted as appeasement or capitulation by Pyongyang or critics in Washington and Seoul. At the same time, it avoids the pitfalls of nondialogue strategies, which do little to solve proliferation problems presented by the North Korean regime.

**Whither Coercion?**
The argument laid out in this article for hawk engagement of North Korea has clear implications for U.S. policy (see Table 1). First, if engagement is not an open-ended policy that places blind faith in the DPRK’s ability to reform but instead comprises an exit strategy that builds a coalition for punishment, then one can expect the United States to speed up the engagement process. Pyongyang has rejected the Bush administration’s offers to resume talks on the grounds that the United States is unilaterally setting the agenda; however, once a U.S.-DPRK agenda is set and negotiations begin, the United States will push for shorter (rather than longer) time lines. The reason has largely to do with the basic assumptions behind hawk engagement. If one accepts, as South Korea’s sunshine policy does, that as a result of food aid, economic assistance,

and normalized relations, North Korea will eventually cease to be a threat, then time pressures are not acute. If, however, one has less faith in this outcome and sees engagement as an instrument to reveal the DPRK’s true, unchanged intentions, then “outing” the DPRK sooner rather than later is in U.S. nonproliferation interests.

Second, if the DPRK reverts to brinkmanship tactics and bad, “attention-getting” behavior, then the likely U.S. response will be a punitive one. Contrary

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94. The premium on time was clearly expressed in President Bush’s January 2002 State of the Union speech with regard to Iran, Iraq, and North Korea: “States like these, and their terrorist allies, constitute an axis of evil, arming to threaten the peace of the world. By seeking weapons of mass destruction, these regimes pose a grave and growing danger. . . . In any of these cases, the price of indifference would be catastrophic. . . . Time is not on our side. I will not wait on events, while dangers gather. I will not stand by, as peril draws closer and closer.” Go to http://www.whitehouse.gov/news/releases/2002/01/20020129-11.html.

95. If North Korean experts are correct in their assessment that Pyongyang is most belligerent when it is ignored, then a constellation of forces suggests conditions conducive to such a prediction in 2002-03. With the United States distracted by the war on terrorism, Japan disinterested in normalization talks with North Korea (frozen since December 2000), and South Korea inwardly focused in a presidential election year, there is little reason for Pyongyang not to attempt some form of coercion. This could take the form of a declaration to renege on its missile-testing moratorium (which was premised on the continuation of dialogue with the United States). On DPRK negotiating tactics, see Scott Snyder, Negotiating on the Edge: North Korean Negotiating Behavior (Washington,
to the ROK’s sunshine policy, which emphasizes patience and allows for unrequited cooperation by the target state, the hawkish brand of engagement would be much less likely to tolerate bad DPRK behavior. The Perry and Armitage reviews each recommended an alternative coercive path to engagement. Hawks are less likely to give Pyongyang the benefit of the doubt on any questionable behavior and would shift with greater alacrity to the alternative path. Some may see this as finally giving U.S. policy some backbone. Others may see it as unnecessarily increasing the risks of escalation. Yet this is the nature of hawk engagement.

Third, if engagement fails to move North Korea toward peaceful reform and nonproliferation, then one can posit a range of coercive options that the United States and its allies could pursue against the DPRK regime. None of these options are desirable, but they comprise the end game of hawk engagement. At the least desirable end of the spectrum is “true coercion”: Here the policy imperative would be to expose the North’s intention to proliferate despite the carrots offered to it, make clear to allies and regional powers that the United States had exhausted all efforts at cooperation, and rally the coalition to coerce the regime—through force and economic sanctions—into nonproliferation compliance and/or collapse. Responses might include preemptive action, massive retaliatory strikes (in response to a DPRK missile launch or artillery barrage), the establishment of food distribution centers near DPRK shores and borders, and guarantees of safe haven for refugees. Implicit in this view is the conviction that early unification of the peninsula should be considered an investment in the future. A more desirable albeit less likely option is to “stand down” the North Koreans: The imperative here would be to utilize engagement to “out” the regime and then intimidate it with a strong show of U.S. and allied resolve. Unlike the coercion option, which includes regime termination, this alternative does not rule out the DPRK state’s continued decrepit existence minus the proliferation threat. Implicit in this view is the belief that war is not the likely outcome of engagement’s failure, because Pyongyang will concede before this point is ever reached. The stand-down option, although more desirable because it avoids war, is also unrealistic because the North is not likely
to be passive if it believes that it has nothing to lose. A third option—"malign neglect"—would isolate and contain the regime. Once engagement has been proven to be a failure, this strategy would rally the United States and its allies to contain the regime’s military threat by intercepting vessels suspected of carrying nuclear- or missile-related materials in or out of the country. Washington, Seoul, and Tokyo would guarantee safe haven for all DPRK refugees and offer financial incentives to Russia and China to do the same. The United States and the ROK might also undertake a risky reorientation of their military posture on the peninsula, focusing more on long-range, deep-strike capabilities and betting that the DPRK would respond by scaling back forward deployments in defense of Pyongyang.

If the DPRK is intent on improving relations with the United States and avoiding any of the scenarios above, then the burden of proof is on Pyongyang to provide quid pro quos that prove the skeptics wrong. The North Korean leadership can ask a lot in return, but it must offer real rather than potential quid pro quos. Hawks are not impressed with what sunshine policy advocates point to as the fruits of engagement, because the North has thus far not conceded anything that it truly values. Arguably, the U.S.-DPRK missile negotiations at the end of 2000 entailed “potential” rather than real North Korean quid pro quos for U.S. compensation (i.e., cuts in future intermediate-range ballistic missile exports, production, and testing but not in existing deployments of No-dong missiles). In addition, Pyongyang’s signing on to several recent United Nations antiterrorism conventions (one of which prohibits the financing of terrorist networks) has not convinced the skeptics of a change in North Korean intentions. Hawks saw this as a cost-free gesture motivated by situational imperatives rather than genuine dispositional desires. As quid pro quos, they mean little to the North and therefore provide no credible indicator of DPRK intentions to engage.

Japan and the ROK must make clear to the DPRK the imperative to move beyond “smile summity.” Seoul can do so in its secret talks with Pyongyang. Tokyo can help to expedite current processes of engagement, the outcome of

97. This is risky because the DPRK’s response might also be to forward deploy even more aggressively. See Sokolski, Planning for a Peaceful Korea, chap. 1.

98. Arguably, this explains the Bush administration’s inclusion of conventional military force reductions on the U.S.-DPRK agenda. Given relatively less attention in either the 1994 Agreed Framework or the 1999 Perry review, the DPRK’s forward-deployed forces—artillery and other systems—are the heart of the North’s military posture and therefore represent quid pro quos that it truly values.
which would either validate or undercut hawkish skepticism about the North. The provision of technical assistance to the International Atomic Energy Association for its North Korean inspections would be a step in this direction. Finally, to facilitate coordination among Seoul, Tokyo, and Washington, the United States must clarify its “red line” position on DPRK bad behavior. Agreement on this would not only prepare a coalition for punitive action but also make engagement more credible.

**Conclusion**

The United States, South Korea, and Japan must avoid viewing North Korean actions through a Cold War lens. The Korean Peninsula remains one of the last bastions of the bipolar conflict, yet the internal and external circumstances of the ROK and the DPRK have changed dramatically since 1950. Despite this, there is a stickiness inherent in decades of Cold War thinking. Policymakers in Washington and Seoul fall into the trap of relying on familiar policy templates to understand the nature of the North Korean threat. Fitting threats to policies rather than policies to threats in this manner is dangerous, because a strategy that brought peace in one era could bring war in another.

In the case of North Korea, the most prudent strategy is one that adheres to a preventive defense logic of engagement. U.S., South Korean, and Japanese policy should be directed at preventing situations in which North Korea perceives the status quo to be unbearable and therefore sees belligerence and coercive bargaining as a rational option even if there is little hope of victory. Isolation or coercion only exacerbates the North’s double-or-nothing motives for striking first. Engagement, on the other hand, reduces such incentives by giving Pyongyang a stake in the status quo and increasing the benefits of peace (all the while allowing the United States and its allies to maintain their robust deterrence capabilities). The preventive defense logic of engagement does not assume that DPRK preferences toward peace have changed. Engagement offers the DPRK opportunities to prove to the world that it seeks integration; but if this fails, the United States, the ROK, and Japan, through these unsuccessful entreaties, are also tacitly building a coalition for punishment. In this sense, engagement does not operate without a net. It is the exit strategy.