The Asia-Pacific Journal: Japan Focus
In-depth critical analysis of the forces shaping the Asia-Pacific...and the world.

A Russian Role in Resolving the North Korea Problem?

By Georgy Bulychev

Many observers of the 3rd and 4th round of six-party talks in Beijing were surprised with what was labeled "an unreasonable demand" by North Korea for provision of a light-water reactor (LWR). Why did would North Korea not ask for something less controversial and easier-to-implement – such as a gas-powered thermal power station, or for the supply of electricity from South Korea or China? Since progress had been made on so many difficult problems, including Japanese concerns that Pyongyang did not want to discuss at all when the talks started, negotiators were at first disinclined to take the demand seriously, thinking of it just as another tactical maneuver to raise the stakes and prolong the discussion so that the time for real "actions for actions" would be indefinitely postponed.

Pyongyang diplomacy has already attained its minimal goal. As the talks linger on, no one will attack or even too strongly pressure North Korea. Its promise to discard nuclear programs serves as a shield, blocking any referral of the issue to the UN Security Council. But in the meantime its hands are formally free to expand its "nuclear deterrent." It could voluntarily refrain from taking such a step as a demonstration of good will, or use the threat of actually doing so as leverage, or it could produce even more fissile materials to increase the "price" for ultimately conceding them.

Some analysts even suspect the North Koreans might be just pulling Uncle Sam's leg, i.e. that they have no intention whatsoever, despite their declarations, of giving up the status of a self-declared nuclear power and are just procrastinating in the expectation that the US will be the first to lose its temper. Or they speculate that North Korea might be waiting for a future, more forthcoming US administration, or for a sudden international development, as, for example, a crisis in US-China relations that could make their military capabilities very relevant. It is conceivable that some "hawks" in Pyongyang may secretly harbor such ideas, but I am inclined to believe in Kim Jong Il's intention to strike a deal. For the first time since the Korean War he has the real possibility of negotiating an agreement with the archenemy to significantly enhance the security of his country. That would also constitute a moral victory, important to all Koreans, North and South, and it might alter history's assessment of Kim Jong Il.

The DPRK announcement of September 20 that the "US should not even dream of the DPRK's dismantlement of its nuclear deterrent unless the LWR is provided" was a bombshell. It seemed to be a polemical reaction to the US clarification that no LWR construction was on the agenda. Afterwards, however, the DPRK statements became less categorical. On September 27, the KCNA commentary simply stated that the US should "provide light-water reactors to the DPRK as early as possible as evidence proving the former's substantial recognition of the latter's nuclear activity for a peaceful purpose." How should we understand North Korea's clinging so fiercely to the demand to possess nuclear-power generating capacity?

Peter Hayes and his Nautilus colleagues have provided a well-founded analysis of some underlying motives for this adamancy. They write: "Like a pitbull with jaws locked on Chris Hill's leg, the DPRK is determined that the United States will not secure its nuclear disarmament for a mere pile of carrots or lemons. Rather, it seeks a security relationship with the United States, and it will not let go until it achieves this goal. We believe that this is the reason for the DPRK's insistence on continuity with the past¬ that the United States must lead the provision of the LWR."

What is sometimes missed is the nature of North Korean mentality and identity, in particular the Juche idea, which is usually dismissed as sheer propaganda but then pops up quite unexpectedly. I believe the goal of the DPRK possessing its own nuclear power is a strategic matter for Kim Jong Il. As a brainchild of his father, Kim Il Sung, it has become a sacred behest which he cannot but respect. In purely pragmatic terms, Juche also requires that the supreme motivation for any policy be independence and self-reliance. That is what has kept the regime in power for so long. To that end, an independent power-generation ability is indispensable, and nuclear is the only means to achieve it.

Like it or not, we are compelled not only to try to find out and argue about the motives behind North Korea's insistence, but to try to accommodate their demands. It may seem cynical and defeatist to suggest it, but past experience shows that North Koreans will get what they want so desperately in the end, even if it takes new crises and brinkmanship.

Russia understands this logic through its own experience in dealing with DPRK in the 1970s and 1980s. When Kim Il Sung started to press Moscow to provide the DPRK with a nuclear power plant (well before Chernobyl), Moscow was at first amazed. Why would they need such a thing - for prestige only, or because of a sinister design to produce nuclear weapons? Would it really be wise to let the North Koreans, with their rather lax safety record, run the most complicated set of equipment and devices, which even Russian specialists, with the experience of building the first ever commercial power plant, in Beloyarsk, find extremely challenging? How would they repay the credit? Is such huge spending in North Korea politically unavoidable and well motivated? Kim Il Sung himself had to come to the Kremlin – in 1984 for the first time for a decade and a half - to explain. The most compelling reason he gave was Juche – the insistence on having a source of power independent of external supply and using local raw materials. It was a core strategic choice for the country's survival. So Moscow grudgingly agreed.

In accordance with the 1985 agreement on the construction of two VVERs (water-to water energy reactors), Russian specialists

carried out a geological survey of the DPRK. They found that there were not many places where a LWR could be constructed, Sinpo being the best (although also not ideal). Subsequently, due to the break-up of the USSR the work was stopped, and Russia was never repaid the credit used for financing the works. Yet the 1985 agreement has never been rescinded, which means that it is still binding. Russia could restart the works any time and hope to get its money back eventually. It would be necessary to revoke the 1993 Presidential Decree prohibiting nuclear cooperation with DPRK until the nuclear issue is resolved, but under the current circumstances it is not impossible.

Alexander Rumyantsev, the head of the Russian Atomic Energy Agency was quick to assert on September 21st that Russia was ready to construct an "Atomic Power Plant" in the DPRK, although it may be that he spoke on his own responsibility. In fact, the issue is not a totally new one for him- North Koreans have long wanted to address it since the thaw in Russia-North Korean political relations in 2000.

What if we presume the LWR construction issue is really on the agenda? As experts see it, neither US or French, let alone Canadian, British or Japanese models are viable – first of all because of the current US strong opposition to the very idea of transferring sensitive US technology to North Korea. South Koreans, who do not exclude the possibility of an eventual construction of a "South Korean type" LWR in the North (but would need US approval for technology transfer) speak about a remote future, when the dismantling of all nuclear programs in DPRK becomes a fact, but that does not help with the questions we face today, and North Koreans remember well what happened with KEDO. That leaves us with either a Chinese or Russian model. I tend to believe North Koreans would not prefer a Chinese to a Russian reactor. They are not particularly eager to become even more strongly tied to China than they are now. This is not what Juche teaches.

There are strong arguments, both economic and political, for the choice of a Russian VVER-type reactor – such as have been constructed in several countries, including China. Why would North Koreans want a more complicated and more difficult to manage model, especially if the price tag would be much higher? In fact North Koreans now prefer buying Russian-made trucks and tractors, rather primitive by international standards, rather then sophisticated Western ones. Russian models are simpler to operate, less demanding and thus more reliable.

However complicated the negotiations in Beijing, no idea should be a priori excluded, and Russia has a case to present.

The 1985 agreement remains in place. All preparatory legal, administrative and design work has already been done. All that is needed is to restart the project. That means a much shorter construction term than any alternative, and a quicker way to demand from North Koreans their implementation of the deal.

Can Russia be a part of the financial arrangements? Not in the event that its model is rejected. But it is not impossible to imagine that, should the Russian model be chosen, Moscow could consider a future-oriented investment in LWR on government credit terms, using the revenues from high-priced oil exports now being channeled into the so called "stabilization fund"(i.e. used to prevent inflation). That might be considered an option especially if other countries were also to bear their share of financing, and if the return of the credit were to be cross-guaranteed by an international framework.

A Russian LWR would cost much less than any alternative. A purely Russian, "turn-key' plant would be the cheapest, of course, but it would still be cheaper even if the companies of all participating countries were to be awarded a share of contracts. US and Japanese companies might be tempted to do those parts of the work that do not involve sensitive technology transfer. Should the project be carried out in the KEDO (Korean Peninsula Energy Development Organization) framework established under the Clinton administration, the US would also retain political control. Finally, the cheaper decision would be good news for taxpayers, and for the politicians who help make it happen.

The technical hurdle of the inadequate North Korean power grid could in that case be easily solved by hooking the LWR to the Russian and then to the South Korean grid. Negotiations to this effect are already underway.

Finally, let me advance a radical proposal.

In the event of the US not yielding and not allowing the construction of a reactor on North Korean soil, why not construct the LWR across the Korean-Russian border, perhaps by KEDO, legally as North Korean property, managed by North Koreans (with Russian technical assistance), automatically connected to the Russian grid and maybe to the Chinese one, with the DPRK able to export excessive energy? All the issues of technical maintenance, IAEA safeguards, verification, and spent fuel disposal, can be solved without any problem by reason of the LWR being on Russian territory, Russia being a legal nuclear power.

Once the process of construction started, the DPRK would have no reason to postpone implementation of its obligations. The problem of "physical confidence building measures" with the DPRK will eventually be solved through further confidence building, not by a concrete edifice in Shinpo, even one painted in stars and stripes.

What about the South Korean reactor that Southerners are desperate to build "in their own backyard?" Such a works could be constructed later in Shinpo, in line with the development of inter-Korean cooperation and in order to satisfy the rising power needs of the fast growing economy. ROK is short of places to construct new reactors anyway. But this could happen independent of the framework of the 6-party talks and on a more solid economic and financial basis.

Georgy Bulychev is Research Director, Center for Contemporary Korean Studies, Russian Institute of Global Economy and International Relations (IMEMO) in Moscow. He wrote this article for Japan Focus. Posted October 2, 2005. Email: gbtomilin@yahoo.com.au. He is the author of "A long-term strategy for North Korea."

Created by Datamomentum