North Korea's Immunity to Outside Pressure: Part II

Marcus Noland, explaining why sanctions have not worked against North Korea, doubts that Russia and China will line up to make them any more effective after the missile launch.

Steve Weisman: Marcus Noland, deputy director of the Peterson Institute for International Economics, is here with me, Steve Weisman, to discuss the successful launch by North Korea of a ballistic missile and apparently a satellite. We've just been talking about the implications for North Korea's march toward nuclear weapons capability. Now let me ask you, Marc, what can the West, and Japan, China and South Korea, do to reverse or stop this?

Marcus Noland: One of the reasons I described in the first part of the interview is this being a very bad trajectory that we're on, is not only are the North Koreans making progress with both the nuclear and missile spheres, but the rest of the world really seems to have very little ability to slow them down. I think we have to start out with the proposition that North Korea appears to be a country that is remarkably insensitive to either rewards or punishments. It really seems to march to its own drummer, and it seems to have made the development of this particular military capability absolutely a central political objective. I think it's clear to say that whatever we're doing now is simply not sufficient to deter them.

What is going to happen is that this will go to the United Nations Security Council. The North Korean firing of this missile is already prohibited under two separate U.N. resolutions. One was passed in 2006 in response to a nuclear test. The second one was passed in 2009 in response to a previous missile test. There's no question that they're not allowed to do this under these resolutions.

The penalties for doing this under these resolutions are sanctions. There are two types of sanctions. One type of sanction is on luxury goods with the idea that you punish the elite for this bad behavior. The other set of sanctions is directly on the missile and nuclear industries.

In the case of the luxury sanctions, analysis that we have done – which is up on the Peterson website on our blog, Witness the Transformation – is that China has done absolutely nothing to enforce the luxury sanctions. We estimate that somewhere between $100 million and $250 million worth of luxury goods from China entered North Korea last year. The South Korean government has produced estimates even higher, $300 million. China has never published a list of sanctioned goods. It has tried to block the publication of the reports of the U.N. Sanctions Committee on this effort and so on. So China effectively acts as North Korea's lawyer within the Sanctions Committee in the U.N.

With the regard to the second set of sanctions, the ones directly on the nuclear program, the missile program, the way it works is this: the U.N. tries to sanction individual companies, individuals and so on involved in proliferation. What happens is that intelligence agencies of each government come up with a list of these individuals and entities. That then is subject to a debate within each government, because the intelligence community generally doesn't want to show all their cards because it might reveal some of their methods.

So after you've had this internal debate, you go up to New York with your list and our list is somewhat different than the Japanese list, which in turn is somewhat different from the South Korean list. Then everybody argues about how much evidence there really is, that each of these entities is really involved in proliferation. What has happened in the past is the Chinese basically try to block. So you end up with very narrow lists.

What will probably [happen] in response to this latest episode is that China will be backed into a corner. There will be marginal broadening of the list. Then here's the real issue--that is, where you could really tell if countries are serious or not, is the implementation or enforcement.

Right now under the U.N. resolutions we have to get the permission of the government that gave the flag to the vessel that we suspect is carrying prohibitive materials to board that vessel. We are not allowed to simply stop vessels on the high seas and inspect them.

Steve Weisman: When you say we, you mean the United States?

Marcus Noland: No anybody, any country -- the United States, Australia, Japan, South Korea, whoever wants to do this. Under the sanction resolution, if there's suspected material, typically the way it works is they contact a port-of-call, say Singapore and they say, "We believe that this ship is carrying these missile parts or these nuclear parts." Then you contact the government of which the ship is flagged, which may well be Belize or some other completely obscure country. You get permission, you board the ship, you see what you have.

There are provisions under the U.N. charter under which you can actually forcibly seize ships on the high seas. The Chinese and Russians have never been willing to go along with this. I doubt they'll go along with it this time, but that's just the kind of indicator of how non-rigorous the enforcement of even the existing sanctions are.

Steve Weisman: There's new leadership that's taken over in China. Is there any sign that China would be more cooperative after this test?

Marcus Noland: I'm not an expert on China, but my impression is that the relative inexperience of the new leadership actually pushes the other direction; that they will be reliant on the existing bureaucracies, and the existing bureaucracies have shown no willingness to crack down very hard on North Korea.

Indeed there is an argument out there that China in fact not only is disinterested in enforcing these sanctions, but is actually acting as an enabler of the North Korean nuclear missile programs and fosters or facilitates cooperation with Pakistan and Iran in the context of China's geopolitical rivalries with both the United States and India.

You mentioned China. We also have elections coming up in South Korea and Japan. In Japan, this event will certainly strengthen the right and will certainly strengthen voices within Japan that say we should be more of a normal country, that we should have more of a normal defense capability.

In South Korea, interestingly enough, the launch may not have a big impact on the election next week. A friend of mine in Seoul made the following analogy: he said, "Look, if some marines in Afghanistan hit an IED and are killed, this makes the newspapers in the United States, but it probably doesn't influence a lot of votes." It's not the primary issue in the

campaign. Most people already have decided that the appropriate response is either to be more harsh or to be more appeasing and this event will simply reinforce their preexisting beliefs and their preexisting voting patterns. So it's unlikely to swing the election.

Steve Weisman: Where is the election going in South Korea?

Marcus Noland: I think the election in South Korea is very hard to predict for a host of reasons. The problem that pollsters have in South Korea with cell phone users and not getting an accurate assessment of who is actually going to turn out to the polls is more severe there than it is here in the United States, so they tend to be surprised.

The other thing is the leading candidate, Park Geun-hye is a woman. There may well be a Bradley effect [of people not telling the truth to pollsters] in which people either tell pollsters they're going to vote for Park Geun-hye, but when they get to the polling booth, vote for a male candidate or in this case it would be Moon Jae-in. Or it could even work the other way. There could be women from sort of Moon Jae-in's supporter families or neighborhoods or towns, who tell the pollsters, "I'm voting for Moon," but when they get in the voting booth, they pull the lever for Park. In theory she's in the lead, according to the polls, but I think one has to evaluate these polls with a certain amount of skepticism.

Steve Weisman: Is the very next step going to the U.N. again? Or is there anything we can look for in the next week or two?

Marcus Noland: I think that we'll go to the U.N. and we probably will not get a lot of satisfaction there. Then the real issue is: do the United States and other like-minded countries pursue more unilateral type action? We have something called PSI, the Proliferation Security Initiative. I would expect that if the U.N. doesn't act with any degree of force, then we are likely to see PSI or PSI type initiatives from coalitions of the willing to be stepped up.

Steve Weisman: There are, what, a couple dozen countries that have signed up to that initiative?

Marcus Noland: Yes, there are quite a few countries that have signed up for it.

Steve Weisman: And they take it upon themselves to at least assert the right to intercept sea traffic and air traffic.

Marcus Noland: Yes, and there have been seizures in Southeast Asia because basically, North Korea cannot get its goods to Pakistan and Iran very easily without either overflying China or making a stop somewhere, whether it be Singapore or Thailand and the authorities there have cooperated.

The real issue with respect to going down this road is the election in South Korea. If the Conservative party wins the election, South Korea will continue to participate. If the Progressive party wins the election, I would not be surprised if South Korea either effectively stops participating, if not actually formally withdraws.

Steve Weisman: Thank you, Marc.

Marcus Noland: Thank you.