In the field of international security, few connections have been made between the Korean peninsula with the Middle East. Traditional regional studies literature focuses on Korean issues within the Asia Pacific region while proliferation literature focuses more on terrorism and the Middle East. There is a broader dimension to the Korean peninsula, however, when it comes to the issue of proliferation of weapons of mass destruction (WMD), as seen with the recent release of information regarding the September 2007 Israeli air strike on the nuclear reactor in Syria, which had received assistance from North Korea (DPRK; Democratic People’s Republic of Korea). The DPRK’s documented WMD proliferation to rogue states in the Middle East such as Syria and Iran has important strategic implications for Israel and South Korea (ROK; Republic of Korea), which face similar threats from their hostile neighbors. As a corollary, given that Israel and the ROK are both under the U.S. security umbrella, this will in turn have serious strategic ramifications for the United States.

This paper attempts to highlight the link between the nuclear issue on the Korean peninsula with nuclear issues in the Middle East. It focuses on the DPRK-Syria-Iran axis and ramifications for Israel and the ROK specifically and for the United States more broadly. It draws comparative similarities between Israel and the ROK both economically and politically as democracies threatened by totalitarian neighbors. In so doing, it is hoped that this paper will help reframe the debate on the current nuclear stalemate on the Korean peninsula and provide alternative lenses through which to view an old problem and perhaps new road maps for finding our way out of the conundrum. The paper concludes with policy recommendations for the United States and its allies in mitigating the tensions and risks of a nuclear arms race in Asia and the Middle East.

Korean Peninsula and the Middle East

Historical Context of the DPRK-Syria-Iran WMD Link

An article appeared more than a decade ago, in 1997, in Middle East Review of International Affairs, in which the author warned that North Korea, as it was playing a destabilizing role in the Middle East, was perhaps the most important single leak in international antiproliferation efforts. Because radical Middle Eastern regimes face arms embargoes from Western sources of military technology and because China and Russia cannot supply all the Middle East’s needs owing to international pressure, the DPRK fills in the gap as an isolated regime that is by and large impervious to international pressure.

As an isolated regime, the DPRK proliferates WMD to the Middle East in order to generate income, implement the DPRK ideology of juche (self-sufficiency), modernize its military, and prepare for forced reunification with the ROK. As such, the DPRK and Middle East rogue regimes form what Ehud Olmert, prime minister of Israel, called an “axis of evil” with similar methods and goals of regime survival, subjugation of neighbors, and expulsion of U.S. influence in the region. Middle East clients such as Iran often financed the DPRK’s research and development (R&D) for missile and nuclear weapons technology, which they then purchased to expand their arsenals. Because Iran finances most of the DPRK’s arms supplies to Syria, this triangular relationship strengthens the alliance between two of the most dangerous and radical states in the Middle East. Indeed the DPRK’s assistance to its foes makes it the most
dangerous enemy outside of the Middle East vis-à-vis Israel and moderate Arab states such as Saudi Arabia and Kuwait. The new, improved WMD technology is also passed back to the DPRK’s own armed forces, so that this collaboration simultaneously threatens the Middle East and Asia.

**DPRK-Iran WMD Partnership**

The DPRK and Iran established diplomatic ties in 1973, and missile collaboration reportedly began in 1985 through an agreement under which Iran helped underwrite DPRK production of 300-kilometer-range Scud-B missiles in return for receiving the new technology as well as an option to purchase the Scud-Bs once completed. In 1987, Iran reportedly purchased 100 Scud-Bs for use in the 1980–88 Iran-Iraq War.

The relationship expanded in the 1990s with Iran and the DPRK cooperating on joint development of the Iranian Shahab missile series, closely based on the DPRK’s nuclear-capable No-dong missile. North Korea’s No-dong, Taepo-dong 1, and Taepo-dong 2 missiles were the basis for development of Iran’s Shahab 3, Shahab 4, and Shahab 5/6, respectively. More recently, the two states are thought to be collaborating in the development of a nuclear-capable intercontinental ballistic missile, the Taepo-dong 2 and the Iranian Shahab 6, having a 5,000–6,000-kilometer range.

**Proxy testing and nonproliferation issues.** As part of missile collaboration, Iran and the DPRK have reportedly partnered closely on missile flight testing and proxy testing of DPRK systems in Iran and on data exchanges. In September 1999, the DPRK agreed to a moratorium on long-range missile tests, increasing the need for proxy testing of such systems. It accepted this restraint to avoid imposition of U.S. sanctions following the DPRK’s 31 August 1998 test of the long-range Taepo-dong 1 missile that flew over northern Japan into the Pacific, triggering intense international criticism.

Nonetheless, proxy testing in Iran of jointly developed missiles allowed the DPRK after the September 1999 missile test moratorium to avoid sanctions while continuing its missile advances. Up to the DPRK’s September 1999 moratorium on long-range missile testing, press accounts state Iran regularly sent technical teams with missile telemetry and monitoring equipment to DPRK missile launches, and Iranian specialists are believed to have been present for the Taepo-dong 1 missile test in 1998. Given this background, it is not surprising that Iranians were present to observe seven DPRK missile tests that took place on 5 July 2006 that broke the September 1999 moratorium. A *WMD Insight* report in October 2006 noted a Japanese paper indicated 10 Iranians were invited to the tests, and an anonymous South Korean military expert stated he heard “Iranians were stationed at two launch sites along North Korea’s east coast and on a boat in Sea of Japan.”

**Proxy nuclear collaboration to circumvent sanctions.** Numerous public reports, citing U.S. Central Intelligence Agency (CIA), Western, and Israeli intelligence sources, have appeared since 1993 describing elements of DPRK-Iranian collaboration in the development of nuclear capabilities. Nuclear cooperation began at the same time the DPRK negotiated with Iran’s Revolutionary Guard (IRG) for cooperation in developing and manufacturing No-dong missiles in Iran. A 1993 *Economist Foreign Report* cited CIA sources that Iran was helping to finance the DPRK nuclear program in exchange for nuclear technology and equipment, with the goal of developing enriched uranium in the bilateral agreement. Recent information also disclosed that the DPRK had negotiated with Pakistan for Prime Minister Benazir Bhutto to supply DPRK officials with data on developing highly enriched uranium when she visited the DPRK in 1993. The 1993–94 time frame of the initial DPRK-Iran nuclear cooperation and interest in uranium enrichment coincides with and circumvents the 1994 DPRK-U.S. Agreed Framework to halt the DPRK’s plutonium activities at Yongbyon. That is, the DPRK was signing an agreement with Iran on uranium enrichment around the same time frame of signing the Agreed Framework with the United States to halt plutonium production.

The next reported stage in DPRK-Iranian nuclear cooperation, in 2003 and afterward, appears to have been influenced by the reported joint advancement of the No-dong (Shahab) program in Iran. Increased visits to Iran by DPRK nuclear specialists in 2003 reportedly led to a DPRK-Iran agreement for the DPRK to either initiate or accelerate work with Iranians to develop nuclear warheads that could be fitted on the DPRK No-dong missiles that the DPRK and Iran were jointly developing. Thus, despite the 2007 National Intelligence Estimate stating that Iran in 2003 had halted weaponization of its nuclear program, this was the time that Iran outsourced to the DPRK for proxy development of nuclear warheads. Iran was reported to have offered shipments of oil and natural gas to the DPRK to secure this joint development of nuclear warheads. In March 2006, Reuters reported it had received from a non-U.S. diplomat an intelligence report “that described Iran’s plans to develop nuclear warheads for the Shahab 3 missiles.”
A February 2008 report of the National Council of Resistance of Iran (NCRI) also claimed DPRK-Iranian collaboration in nuclear warheads development at secret sites in Iran. It alleges that the Iranian Defense Ministry has a secret facility at Khojir on the edge of Tehran, code-named B-1-Nori-8500, that is engaged in development of nuclear warheads for intermediate-range ballistic missiles and that DPRK specialists are at this facility. Additionally, European and Israeli defense officials stated in early 2007 that the DPRK and Iran had concluded a new agreement for the DPRK to share data from its October 2006 nuclear test with Iran.

Both the DPRK and Iran received significant clandestine assistance in the late 1980s from the A. Q. Khan nuclear smuggling network. International Atomic Energy Agency (IAEA) inspection reports and other reliable information posit the Khan network secretly shared Pakistan’s high-speed uranium enrichment centrifuges and components with Iran beginning in the late 1980s, and it shared virtually identical technology and equipment with the DPRK beginning in the mid-1990s. As a result, Iran and the DPRK might be developing similar, if not identical, uranium enrichment capabilities and nuclear weapon designs. Given the extensive history of DPRK-Iran cooperation on nuclear-capable missiles and collaboration on re-entry vehicles, they are moving toward nuclear collaboration. An article in the Daily Telegraph in January 2007 stated that the DPRK was helping Iran prepare an underground nuclear test similar to the one Pyongyang carried out in 2006. A senior European defense official informed the Daily Telegraph that the DPRK had invited a team of Iranian nuclear scientists to study the results of the October 2006 underground test to assist Teheran’s own test.

Two other forms of DPRK-Iranian nuclear collaboration include (1) direct DPRK-IRG collaboration to build underground bunkers and tunnels for Iran’s nuclear infrastructure and (2) joint assistance for Syria’s nuclear program. Germany’s Der Spiegel Online cited “intelligence reports seen by Der Spiegel” that DPRK and Iranian scientists were working together at the Syrian reactor site at the time of Israeli bombing. Some of the plutonium production slated for the reactor was to have gone to Iran, which viewed the reactor as a “reserve site” to produce weapons-grade plutonium to supplement Iran’s own highly enriched uranium program.

**DPRK, Syria, Iran WMD Links**

The DPRK and Syria share many similarities. Both regimes are ruled by dictatorial families that have passed power from father to son—the Kim family in the DPRK and the al-Assad family in Syria. Both countries also remain technically at war—the DPRK and the ROK agreed to an armistice in 1953 and Syria and Israel agreed to an armistice in 1949. Pyongyang still aims at seizing and controlling the entire Korean peninsula and the ultimate conclusion of the Korean War, while Damascus still aims at seizing full control of Lebanon and regaining the Golan Heights, occupied by Israel following the Syrian attack in 1967.

The DPRK and Syria established diplomatic relations on 25 July 1966, and DPRK arms supplies to Syria began in the early 1980s. Syria’s nuclear program was launched in the late 1970s for civilian purposes, with Russia providing technology and expertise and China providing a 30-kilowatt miniature neutron source research reactor installed at the Dayr al Hajar Nuclear Research Center near Damascus. DPRK-Syria nuclear cooperation may have begun as early as 1997 with Hafez al-Assad’s regime, and since 2001 there has been cooperation between DPRK nuclear entities and high-level Syrian officials. Construction began on the Syrian nuclear reactor in 2001 and finished in 2007. Syria’s nuclear ambition at this time was corroborated by President Bashar al-Assad, who held secret negotiations with President Mahmoud Ahmadinejad of Iran to secure Tehran’s assistance for a group of Iraqi nuclear scientists who were sent to Damascus before Operation Iraqi Freedom in 2003. Reports indicated a group of about 12 middle-rank Iraqi nuclear scientists and their families were secretly transported to Syria before the collapse of Saddam’s regime; they took with them boxes of compact disks crammed with research data on Saddam’s nuclear program. Attention regarding the DPRK-Syria nuclear nexus resurfaced in the September 2007 Israeli air strike on the Syrian nuclear reactor that had been built with DPRK assistance. The reactor was not configured to produce electricity (no power lines or switching facilities) and was a gas-cooled graphite-moderated reactor similar in technology and configuration to the DPRK’s Yongbyon reactor. Only the DPRK has built this type of reactor during the past 35 years.

Thus we see that Syria and the DPRK share similarities in being internationally isolated, economically backward, and politically oppressive, and their nuclear nexus has implications for the ROK and Israel. The ROK and Israel in turn have commonalities in that both are economically developed, democratically ruled, and dependent on U.S. military support, and share similar threats of “evil from the north.”
ROK and Israel

Common Interests of the ROK and Israel

Israel and the ROK share many similarities, and both have had to fight for their political legitimacy on the international stage. Israel and the ROK also both turned 60 this year, with Israel’s date of birth on 8 May 1948 and the ROK’s date of birth on 15 August 1948. The two countries established diplomatic relations in 1962.

The two countries are twins in many respects:

- Occupy relatively small territories surrounded by larger powers;
- Experienced political turmoil, conflicts, and wars;
- Remain technically at war with the DPRK and with Syria; both have a signed armistice but no treaty;
- Overcame a lack of natural resources by emphasizing human capital;
- Focus on high-technology industries;
- Enjoy a higher GDP per capita than their neighbors: Israel, $28,800; ROK, $24,600;32
- Are on the verge of being declared “developed countries,” joining the UK, France, Germany, the United States if leading equity index providers decide to reclassify their emerging markets as “developed.”33

Both countries have been exchanging technology innovation with each other; the Samsung Group and the LG Group have established research institutes in Israel. Areas of exchanges include the fields of information technology, renewable energy, and water treatment technologies.34 On 25 September 2008, the ROK established direct flights to Israel via Korean Air in order to enhance these increasing trade links.35

Cooperation is also expanding in the defense sector. The ROK’s Defense Acquisition Program Administration (DAPA) said in August 2008 that Korea and Israel will hold a new round of defense talks and increase cooperation between their defense industries.36 As one of the world’s largest weapons manufacturers, Israel’s defense exports topped more than $4.4 billion in 2006, but the ROK is fast catching up in the international defense market. The ROK expects to export more than $1 billion worth of defense articles in 2008 for the first time in history; in 2007 it sold some $850 million worth of defense goods, according to the country’s arms procurement office.

ROK-Israel bilateral relations have not always been smooth, however, and they have gone through a great metamorphosis since the establishment of bilateral relations.

History of ROK-Israel Bilateral Relations

The ROK’s relationship to the Middle East has been one marked by oil diplomacy. Before official bilateral relations were established in 1962, the ROK’s approach to the Middle East was one of competition with the DPRK for recognition and influence.

Israel officially recognized the ROK on 9 July 1961. At the same time, the ROK was negotiating diplomatic ties with Morocco, Jordan, Saudi Arabia, and Tunisia. The DPRK exploited the South’s establishing ties with Israel to forge full diplomatic relations with seven Middle Eastern Arab countries within that year, while the ROK took five years to set up relations with only five Middle Eastern Arab states.37

The ROK’s policy toward Israel was constrained because of its dependency on Arab oil, and it decided for the sake of energy security to indicate to Arab countries that its ties with Israel were less than full and, citing budgetary constraints, that it would not open an embassy in Israel. During the 1973 and 1979 oil crises, the ROK reiterated its support for Arab states and began intensive activities in the area of infrastructure in Middle East oil-producing countries. In the 1970s, the number of ROK workers in Arab countries reached 100,000. From 1976 to 1982, ROK corporations signed contracts with Arab countries for a total value of $55.8 billion.38 The ROK tried to improve its standing with the Middle East vis-à-vis the DPRK, and it expended great efforts to convince Arab countries of the Middle East to set up diplomatic missions in Seoul. In response, in 1978, Foreign Minister Moshe Dayan, citing budgetary reasons, decided to close the Israeli embassy in Seoul. Although ROK diplomatic ties with Israel were not severed, the activities of the relationship were now conducted through Tokyo, where Israel’s ambassador to Japan served as nonresident ambassador to the ROK.39

The closing of the Seoul embassy caused grievous political and economic harm to Israel because during the period of the oil crisis the ROK had become the world’s 11th largest economy. The ROK exploited Israel’s blunder and refused to let Israel reopen its embassy. ROK companies refused to sell merchandise, including automobiles, to Israel even when this did not violate Arab boycott regulations.
This tense relationship continued until the outbreak of the first Gulf War and the Madrid Conference in 1991, which opened the political process between Israel and Arabs. That same year, both Koreas became UN members. The United States pressed the ROK to improve relations with Israel, so on 7 November 1991 the ROK approved the reopening of the Israeli embassy, which took place in January 1992. The ROK embassy in Tel Aviv opened in December 1993.

The bilateral relationship improved as economic ties increased. Today, the ROK and Israel are cooperating in not only commerce but also security. Both are democracies and face neighbors that bear deep historical grievances against them. The DPRK’s nuclear proliferation to Syria and Iran and Iran’s financing of the DPRK’s nuclear program and testing simultaneously threaten Israel and the ROK. Because both are strategically important U.S. allies and rely on Washington for their security umbrella, the DPRK-Syria-Iran nuclear nexus has strategic implications for the ROK and Israel as well as for U.S. alliance relations in the Middle East and East Asia region.

**Implications of DPRK-Syria-Iran Nuclear Nexus**

**Nuclear Proliferation in the Middle East and Far East**

If Iran becomes a nuclear state, Saudi Arabia and Egypt will likely strive to become nuclear states as well, opening a floodgate of nuclear proliferation in the Middle East. In 2003, *The Guardian* reported that Saudi Arabia, which had been receiving Pakistani help in its nuclear programs, had launched a strategic security review to go nuclear. Egypt, which also fears Islamic fundamentalism by the Muslim Brotherhood within its own state, was aware of this nuclear cooperation. Thus, these two other regional hegemons fear a nuclear Iran, and if Iran is successful in becoming a nuclear state it would have a negative spillover on the region—Saudi Arabia, Egypt, and Turkey could all go nuclear. In January 2005 the IAEA reported that Egypt was attempting clandestine nuclear activities. On 10 December 2006, the Gulf Cooperation Council member countries declared at a summit that they could acquire nuclear technology for peaceful purposes.

Iran has a weak economic case for developing nuclear power and a uranium enrichment facility because of its vast oil and gas reserves, lack of uranium deposits, the fact that other countries with reactors purchase nuclear fuel, and the fact that Russia has offered to supply nuclear fuel to Iran. In addition, Iran is an active promoter of terrorist groups—Hamas, Hezbollah, al Qaeda, and Iraqi insurgents. Iran is a threat to regional stability and to moderate regimes friendly to the United States such as Saudi Arabia and Jordan, which is a U.S. as well as an Israeli ally. In response to Iran’s nuclear ambition, Egypt, Saudi Arabia, Jordan, Turkey, and Algeria have all responded with an interest in their own “civil” nuclear programs. If Iran acquires a nuclear capability, it may not only spur proliferation in the Middle East but also proliferate its nuclear technology to its terrorist client organizations and result in grave damage to the Nuclear Non-Proliferation Treaty (NPT) regime.

Likewise, a nuclear DPRK in the Far East would risk a nuclear domino effect vis-à-vis Japan, the ROK, and Taiwan, which would then likely choose to take the nuclear path, the latter two having previously attempted to develop nuclear weapons. In the case of Japan, the requisite nuclear technology currently used for civilian purposes could produce nuclear weapons very quickly. China is especially concerned about the negative externalities of a nuclear DPRK on China’s economic development, the remilitarization of Japan, the revision of Japan’s nuclear policy, closer U.S.-Japan security relations, and the future of the Korean peninsula, which indirectly reduces its regional posture and influence. Thus, a nuclear DPRK would undoubtedly transform the regional security architecture and shape of the U.S.-ROK and U.S.-Japan alliances.

**U.S. Alliance Relations and the East Asian Regional Security Architecture**

Given the current nuclear stalemate over the DPRK and the erratic and perennial yo-yo process of nuclearizing-denuclearizing by the Kim Jong-il regime in order to extract constant economic concessions, some pundits have argued for the role of a Northeast Asian regional security organization for conflict resolution. Southeast Asia has a regional security forum in the ASEAN Regional Forum (ARF), yet Northeast Asia lacks an equivalent group. Ideas have ranged from NATO global partnership, to institutionalizing the six-party talks, to strengthening the Asia-Pacific Economic Cooperation (APEC). But whatever the end product of the regional institution would look like, it would most likely include Russia in addition to the traditional Northeast Asian stakeholders of China, Japan, and both Koreas.

Russia has been steadily making inroads into the Asia Pacific region during the past decade and will continue to do so, given the dynamic economic growth of the region and the energy needs of China, Japan, and the ROK. Russia is especially interested in using its traditional ties with the DPRK on the Korean peninsula as a bridgehead.
into the Asia Pacific economy. In so doing, it hopes to enlarge its influence into the Association of Southeast Asian Nations (ASEAN), APEC, and the Asia-Europe Meeting (ASEM) and have market access for its energy resources, high-tech weapons, and nuclear technology. Russia is especially interested in developing Siberia and the Russian Far East (RFE) region and building the Trans-Siberian Railway to connect with the Trans-Korea Railway, thereby forming an Iron Silk Road that connects East Asia with Europe. This plan was first proposed after the Russia-DPRK summit in August 2001; Prime Minister Vladimir Putin of Russia saw that providing energy assistance could help to achieve economic development and reform in the DPRK, thereby creating a stable environment and market for Russia’s exports.

Because the DPRK has an interest in the Iron Silk Road, this project has been quickly embraced by both Koreas and provides a fertile basis on which to engage the DPRK and build consensus and cooperation within the region. Moreover, given the ROK’s and Japan’s similar energy mix profile coupled with the existing U.S.-ROK and U.S.-Japan alliances, the energy issue has become a robust common denominator on which to build a Northeast Asian security organization. Using energy projects as part of a larger regional economic security building process would enhance regional integration as well as positive spillovers to the security sector. The successful Shanghai Cooperation Organization (SCO) is one such example of an institution driven by energy security issues and spilling over to the security sector of its member states. After border disputes were resolved while the SCO was still the Shanghai Five, it subsequently moved on and expanded cooperation in other areas of interest in energy and security. Similarly, Northeast Asia’s current geopolitical landscape of energy exporters and importers, territorial disputes in the Kuril and Senkaku islands, and the unresolved nuclear stalemate may also be more effectively ironed out within an institutional framework of a Northeast Asia energy security organization.

U.S.-Israel Alliance and Middle East Regional Security

In the Middle East, the U.S.-Israel alliance is increasingly strained in the face of a nuclear Iran. Currently Israel lacks confidence in the U.S. commitment in the Middle East and robust U.S. responses to WMD threats—a perception shared by Japan and the ROK regarding U.S. East Asia regional commitment and response to the DPRK nuclear crisis. Because the United States is already mired in two wars—in Iraq and Afghanistan—it is currently reluctant to act and prefers to address the Iranian issue when a new administration is in place in 2009. Even though the United States has been resigned to a policy of deterrence in dealing with a nuclear DPRK and a nuclear Iran, Israel in contrast is adamant in its policy of prevention because a nuclear Iran presents Israel with an existential threat. The Israelis are unconvinced that traditional deterrence—whether through the prospect of successful conventional defense or nuclear retaliation—will work against the current Ahmadinejad regime that has within it a significant messianic, even apocalyptic element. Thus, if the U.S. commitment to deterrence is seen by the Israelis as a substitute for prevention, the U.S. commitment to deterrence is itself likely to spur Israelis to consider independent action. Indeed, there has been talk among Israeli policymakers of perhaps conducting an air strike on Iran’s Natanz nuclear reactor between November 2008 and January 2009.

Policy Recommendation

Intelligence Sharing

Barry Rubin, in his 1997 article regarding the DPRK proliferation threat to the Middle East and East Asia, lamented a lack of any coherent Western strategy to address this threat. In 1993, facing the threat of DPRK-Syria-Iran missile cooperation, Shai Feldman of Tel Aviv University argued that “the only way to prevent the missile deliverance from North Korea to Syria and Iran is by intelligence sharing and cooperation between Israel, the United States, Japan and Korea.” Thus, in the early 1990s, Israel was already calling for cooperation among the United States, Israel, Japan, and the ROK to counter the axis of evil of the DPRK, Iran, Syria, and indirectly their clients, Hezbollah and Hamas.

Indeed, intelligence sharing and dialogue are important for the United States and its allies the ROK, Japan, and Israel. Because of the DPRK’s continual defiance of the international community and duplicitous efforts to circumvent sanctions and test and develop WMD via proxies such as Iran and Syria, it is important for the ROK and Israel to share their intelligence about the DPRK, Syria, and Iran in order to uncover their clandestine activities and collaborative efforts. For too long the DPRK and Iran have exploited the lack of intelligence sharing and lack of dialogue about the nuclear link between the Korean peninsula and the Middle East. The ROK and Israel are beginning to engage in dialogue and strengthen intelligence sharing about the DPRK-Syria-Iran link as well as the Hezbollah and Hamas link.

Israel has invested heavily in its intelligence apparatus, especially for satellites to gather intelligence on radicals and WMD, warplanes capable of destroying WMD on
the ground, and missile defense systems such as the Arrow 2, which is able to shoot down attacking missiles.\textsuperscript{53} Israel has signed numerous high-technology cooperation agreements with the ROK and Japan, especially in space research with Japan;\textsuperscript{64} also, Israel is cooperating with India to launch Israeli spy satellites.\textsuperscript{65} Israel is strengthening intelligence sharing with the ROK, Japan, and the United States. When Prime Minister Olmert visited Japan in February 2008, he and the Japanese defense minister, Shigeru Ishiba, agreed to a cooperative arrangement between their respective countries’ intelligence establishments.\textsuperscript{66} Japan’s focus on technical intelligence rather than human intelligence corresponds well with Israel’s focus on high-technology and space research and is a fertile area for collaboration. Similarly, Israel is collaborating with the ROK on many high-technology ventures.

However, intelligence sharing among the quartet of the United States, the ROK, Japan, and Israel has a current glitch in that there is a lack of trust in the United States regarding Japan’s national ability to safeguard intelligence.\textsuperscript{67} Japan does not have a domestic law to protect classified information,\textsuperscript{68} a fact that led to the Armitage report of 2000 recommending steps to improve U.S.-Japan intelligence cooperation and to support the effort on the part of Japanese leaders to “win public and political support for new law to protect classified information.”\textsuperscript{69}

Before World War II, Japan had stern penalties for leaking state secrets. It had a legal apparatus such as the Military Secrets Protection Law and the National Defense Security Law mandating a “sentence of death, life in prison, or three years or more imprisonment.” These laws were abolished in the postwar period, however, and since then Japan has not had any systematic spy prevention law for blocking the leakage of state secrets.\textsuperscript{70} Understandably the lack of legal protection and proven insensitivity of some officials and politicians have contributed to a long-standing reluctance among U.S. intelligence officials to share truly sensitive information with Japan. And the lack of domestic protection for classified information would be an obstacle to deeper reception of intelligence from Israel, the United States, and the ROK. Another report (this one by Armitage and Joseph S. Nye) in 2007 recommended steps to build trust and confidence in the alliance relationship and improve intelligence sharing to more effectively address nuclear and missile proliferation.\textsuperscript{71}

**Strengthening the U.S.-ROK, U.S.-Japan, and U.S.-Israel Alliances**

In addition to intelligence sharing among the quartet, there needs to be high-level discussion between the United States and the allies under its security umbrella.

---

**U.S.-ROK alliance.** The U.S.-ROK alliance has gone through much transformation during past years. After a low point in 2002 when President Roh Moo-hyun, with his anti-U.S. stance, was elected just weeks after U.S. soldiers were acquitted on charges of criminal negligence in the killing of two schoolgirls in a traffic accident, the 2007 election of President Lee Myung-bak with his belief in the U.S.-ROK alliance marks a new beginning for both countries. President Lee places a high priority on strengthening the U.S.-ROK alliance and reviving trilateral coordination with Japan, with a policy platform of economic growth and energy interest-based alliance relations.\textsuperscript{72}

As such it is important that both the ROK and the United States ratify the U.S.-Korea Free Trade Agreement, which would be the next biggest free trade agreement after the North American Free Trade Agreement. Both sides should also expand cooperation in the energy sector, with the Iron Silk Road as a catalyst for regional integration.

In addition, the ROK should join the U.S.-led Proliferation Security Initiative (PSI) to monitor DPRK air and maritime shipments and interdict suspicious shipments.\textsuperscript{73} The ROK is understandably sensitive to the DPRK’s viewing this as an irritant in their bilateral relations, but, as demonstrated by Israeli tracking of a DPRK vessel and the discovery of nuclear shipments to Syria in September 2007, monitoring DPRK shipments is a vital component of dealing with the DPRK nuclear issue. Under the new Lee administration in the ROK, there is an opportunity for the ROK to join in the PSI.

**U.S.-Japan alliance.** The DPRK nuclear issue has caused some rift in the U.S.-Japan alliance, especially over Japan’s linking of the DPRK denuclearization process with the abductee issue. In 2007 Japanese officials repeatedly warned of short-term damage to U.S.-Japan relations if the Bush administration continued to dismiss the importance Japan places on the abduction issue and removed the DPRK from the State Department’s list of state sponsors of terrorism without substantive progress on the kidnapping issue.\textsuperscript{75} The U.S. ambassador, J. Thomas Schieffler, had been expressing such concerns since October 2007 in the face of a sizable number of members of Japan’s Diet voicing opposition to this move as well as the Japanese press and a majority of public opinion opposing such a U.S. action.\textsuperscript{76}

As such, the United States and Japan need to have high-level dialogue to voice concerns, resolve differences, and compromise if necessary. An alliance relationship should be based on trust and shared values such as freedom, de-
mocracy, and justice; and there needs to be room for compromise even if there are disagreements, especially over an issue that is extremely important to one partner. The 11 October 2008 unilateral move by the United States to remove the DPRK from the terrorism list without properly consulting Japan sets a bad precedent for building trust in alliance relations. The pattern of persistent unilateral U.S. actions that are only later reported to allies may inadvertently reinforce Japan’s consideration that it, too, can take independent action and perhaps pursue the nuclear path and revise its military posture in order to pursue its own national interests. Similarly, just as the DPRK nuclear issue and disagreement over threat perception are creating a rift in the U.S.-Japan alliance, so too are divergent threat perception and priorities causing a rift in the U.S.-Israel alliance over Iran’s nuclearization.

**U.S.-Israel alliance.** Given the disagreement between the United States and Israel and resolutions of deterrence vs. preemption, it is important to strengthen dialogue at the highest level. Iran is a test case for the U.S.-Israeli alliance as the DPRK is a test case for the U.S.-ROK and U.S.-Japan alliances. The Joint Political Military Group (JPMG) within the U.S.-Israel bilateral strategic forum already exists, but more needs to be done. Steps need to be taken to build confidence between United States and Israel, especially Israel’s perception of U.S. reluctance to become embroiled further in a third Middle East conflict and respond robustly to Middle East security challenges. One way is to bring Israel in as a full partner in planning discussions regarding initiatives of the United Nations Security Council, U.S.-EU forums, and U.S.-Arab forums as well as to include Israel in discussions regarding coercive options (such as embargoes on Iran’s sale of oil or import of refined petroleum products) and preventive military options.

**Coordinate Policies in the Energy Sector**

**Diversify oil supplies from the Middle East.** There needs to be robust discussion among the United States and its allies in the Middle East as well as in East Asia on energy issues because East Asia is the biggest export market for Iran—with Japan, China, and the ROK among its top five trading partners. These top East Asian trading partners provide the export earnings for Iran, which, in turn, invests in its own nuclear program via the DPRK’s R&D of nuclear technologies. As such, East Asian countries could perhaps adopt the path of the United States and Israel, which do not import oil from Iran and obtain oil supplies from elsewhere. Israel, especially, is a good model for how to reduce oil dependency on the Middle East because, despite facing a boycott by Arab states and, thus, being without Middle East oil, Israel’s per capita income is $28,000 in a resource-poor country of seven million people. Israelis have relied on human capital, technology, and innovation, much like the ROK and Japan. Thus, Israel may be a good example of acquiring oil from outside the Middle East while still maintaining economic growth, as it imports oil from Norway, Mexico, Colombia, Egypt, and increasingly Russia and the Caspian region, especially Kazakhstan.

Despite the pro-U.S. policy of Japan’s Koizumi government and public reservations about nuclear proliferation, in February 2004 Japan signed a $2 billion deal to develop oil fields in Azadegan, Iran. It reflected Japan’s continuing traditional oil diplomacy and ignoring U.S. requests that its allies act to thwart the nuclear empowerment of dangerous countries. However, in 2006 Japan relinquished its controlling interest in the Azadegan oil field and reduced its stakes from 75 percent to 10 percent in the face of Iran’s increasing belligerence in its nuclear ambitions. Steadily, Japan is diversifying its oil suppliers to other regions such as Africa, Russia, Central Asia, the Caspian Sea area, Mexico, and Indonesia. In fact, Japan seems to be following Israel’s footsteps in oil diversification. Japan has proposed an Asian international economic agency for collective oil stocks and reserve management, and Japan and the ROK are employing similar energy strategies for diversifying energy sources to liquefied natural gas and nuclear energy and moving away from Middle East suppliers, especially Iran.

Because Iran’s oil revenues are financing the DPRK’s nuclear R&D efforts, the United States and its allies need to sever this link and target Iran’s energy sector with sanctions. Iran’s gross revenue from oil is $150 million per day, and Iran’s oil export revenues constitute 85 percent of Iran’s total export earnings and 40–50 percent of its government budget. Despite having 10 percent of the world’s oil reserves and ranking second as an OPEC exporter, Iran would suffer from a ban on shipping refined petroleum products (for example, gasoline and automotive oils) to Iran, making this an effective sanction. Iran is a major crude oil exporter, but it lacks sufficient domestic refining capabilities and thus imports about 40 percent of its refined gasoline products. A ban on the import of refined petroleum products coupled with a ban on Iran’s crude oil exports might be effective in denying export earnings and would arrest Iran’s nuclear technologies and arms procurement from the DPRK and Russia. Thus, despite its threats to close down the Strait of Hormuz, the Iranian regime desperately needs income from crude oil export earnings to survive.
The East Asian allies of the United States need to cooperate on the Iran issue as well as on the DPRK issue because the two are inexorably linked. UN Security Council sanctions against Iran have been ineffective because East Asian states continue to conduct trade and business as usual with Iran, thereby rendering the sanctions ineffective. In 2006, for example, the top countries receiving Iran’s oil exports were Japan, China, Italy, and the ROK (Table 1).

### Table 1: Top Buyers of Iranian Oil

<table>
<thead>
<tr>
<th>Country</th>
<th>Rank</th>
<th>U.S. dollars (billions)</th>
<th>Percentage of Iran’s total exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>1</td>
<td>10.7</td>
<td>~17.0</td>
</tr>
<tr>
<td>China</td>
<td>2</td>
<td>7.1</td>
<td>8.3</td>
</tr>
<tr>
<td>Italy</td>
<td>3</td>
<td>3.8</td>
<td>6.0</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>4</td>
<td>3.7</td>
<td>5.8</td>
</tr>
</tbody>
</table>

Japan, receiving almost 17 percent, surpasses China in terms of supplying Iran with earnings from its exported oil—earnings that Iran uses to finance the DPRK nuclear R&D that in turn threatens East Asian regional stability. Japan’s top oil suppliers in 2006 were Saudi Arabia (30 percent of imports), the United Arab Emirates (25.4 percent), and Iran (11.5 percent). However, Japan has steadily been decreasing its oil imports from Iran (Qatar may be replacing Iran as Japan’s number three supplier of oil) and also diversifying its energy mix in expanding liquefied natural gas imports from Qatar as well as Russia.

Establish a Northeast Asian energy security organization. Because Russian and Northeast Asian energy relations are complementary, both Koreas are enthusiastic about building the Iron Silk Road. As such, a Northeast Asian regional security institution may be driven by the issue of energy security because all actors have a confluence of interests as opposed to the six-party talks in which different actors have divergent interests and have arrived at a stalemate. Focusing on RFE projects allows Russia to become a potential regional player in the Northeast Asian community while Northeast Asian states diversify energy sources away from the unstable Middle East and to new markets. The insurance premium and high shipping costs in the face of the Iran nuclear crisis in the Middle East is rendering the RFE more attractive because using Northeast Asian energy avoids the choke points of the Strait of Hormuz and Strait of Malacca as the energy supply is closer to home.

Obstacles remain, however, over the use of oil from the RFE: the building of pipelines, mistrust and regional instability, territorial disputes over the Kuril Islands that could interrupt supplies, and the unresolved DPRK nuclear issue. Added to this is Russia’s increasing resource nationalism, which deters foreign investment. Given this, it is important to bring both energy importers and exporters into a multilateral framework to resolve territorial disputes; this would include China, Japan, and the DPRK as well as Russia, the energy exporter. The experience of the past suggests that any attempts to enhance energy security by focusing on one side inadvertently become adversarial and unsustainable toward the end. In contrast, multilateral cooperative frameworks involving both exporters and importers—such as the energy programs and trade protocols of the Council for Mutual Economic Assistance, the Caribbean’s San Jose Pact, and the ASEAN Council on Petroleum and its Petroleum Sharing Agreement—prove more advantageous by reinforcing stability and economic development. Again, the SCO provides a good model for a Northeast Asian energy security organization in which cooperation in the energy sector spills over to the security sector and, as such, might address the DPRK nuclear issue more effectively.

**Conclusion**

Tackling the DPRK-Syria-Iran nuclear axis of evil is vital for international security. A nuclear DPRK is not an East Asian regional problem any more than a nuclear Iran is a Middle Eastern regional problem. Both have dire global ramifications in terms of WMD proliferation to their client states of Hezbollah, Hamas, Iraqi insurgents, al Qaeda, and others that threaten U.S. troops, U.S. global interests, and U.S. national security as well as Europe and other regions. Great challenges also present great opportunities at such a time as this, and this is a unique opportunity for the United States and its allies to finally work through their differences, strengthen their alliances, build a coalition of like-minded states with values of freedom and democracy, and stand together in a global partnership as a bulwark against the rogue regimes and terrorism of this present age.

---

**Endnotes**

all inhabitants of the land.” This analysis is extended here and also applies a biblical prophecy from Revelation 16:12: “And the sixth angel poured out his vial upon the great river Euphrates; and the water thereof was dried up, that the way of the kings of the east might be prepared.”

1 Barry Rubin, “North Korea’s Threat to the Middle East and the Middle East’s Threat to Asia,” Middle East Review of International Affairs, 1997, http://meria.idc.ac.il/books/brkorea.html.


3 Israeli Prime Minister Ehud Olmert visited Tokyo in February 2008 and stressed the need for Israel-Japan cooperation in containing nuclear proliferation by an “axis of evil.” He stated, “My judgement is that there is an axis of evil, which combines North Korea, Iran, Syria, Hezbollah, and Hamas, . . . all these countries and organizations which are joining forces together in order to upset the balance to develop non-conventional weapons to threaten the moderate conference . . . Israel seeks stronger ties with Japan to fight nuclear threat,” Middle East News, 28 February 2008.

4 Rubin, “North Korea’s Threat to the Middle East and the Middle East’s Threat to Asia,” 2.

5 Israel felt so threatened by DPRK assistance of Iran’s military capability that in 1992 and 1993 Israel had covert contacts with the DPRK, whereby Prime Minister Yitzhak Rabin and Foreign Minister Shimon Peres offered to invest in the DPRK in exchange for a moratorium on selling the No-dong missile to Iran. See Ha’aretz, 16–18 August 1997, and Ma’ariv, 14 April 1995.


7 Ibid.

8 The Shahab 5 and 6 are thought to be in development and have not been tested; see Kline, “Special Report: Challenges of Iranian Missile Proliferation,” 2.


17 The National Intelligence Estimate in 2007 highlighted that Iran appeared to have suspended the third element of a nuclear program—weaponization—in 2003 owing to international pressure and scrutiny; see “Strengthening the Partnership: How to Deepen U.S.-Israel Cooperation on the Iranian Nuclear Challenge,” Washington Institute for Near East Policy, June 2008.


23 Coughlin, “North Korea Helping Iran with Nuclear Testing.”


26 Shichor, “Evil from the North,” 74.

27 Ibid., 77.

28 Ibid., 79.


31 “Background Briefing with Senior U.S. Officials on Syria’s Covert Nuclear Reactor and North Koreans Involvement.”


34 The Israelis are innovative in the high-technology sector. The USB flash drive, for personal computers, was an Israeli creation. It was invented by an Israeli company, founded by Dov Moran, called M-Systems, that initially branded it “DiskOnKey.” ICQ, an instant messaging computer program, was also created in Israel. Kim Se-jeong, “Israel, Korea Twins in Many Respects,” Korea Times, 1 June 2008.


37 Yu Myung-hwan, ambassador of South Korea to Israel (lecture at the Hebrew University of Jerusalem, 11 January 2005, 26).
The international economy, in contrast with the inward-looking incentives provided by access to U.S. markets, and the U.S. security orientation, its desire to achieve economic growth, the economic goal of achieving economic growth. Similarly, the ROK embarked it had acquired basic capabilities. However, Taiwan eventually deterred from further pursuing that path because the ROK government’s outward orientation, its desire to achieve economic growth, the economic incentives provided by access to U.S. markets, and the U.S. security umbrella. As developmental states integrated into the international economy, in contrast with the inward-looking rentier states characteristic of the DPRK and Middle East states, Taiwan and the ROK chose the path of nuclearization and economic growth because the opportunity costs of pursuing the nuclear path outweighed the benefits of integrating into the international economy. A rentier state is largely a single-sector economy, usually based on petroleum, from which the government receives almost all its export incomes and revenues. The rentier petrole-state model in the Middle East and Africa are not well integrated in the international economy and are usually characterized by corrupt and suppressive regimes that are not accountable to their citizens because they do not depend on them for tax revenues. In contrast, a developmental state model characteristic of the East Asian emerging economies is outward looking and steadily integrating into the international economy and expanding various sectors of trade in its domestic economy. For further explanations of the link between rentier state models and oppressive regimes, see Etel Solingen, Nuclear Logics: Contrasting Paths in East Asia and the Middle East (Princeton: Princeton University Press, 2007), 85, 100, 296–97; Christina Y. Lin, “The Rise of Africa in the International Geopolitical Landscape—A U.S. Energy Perspective,” Institut für Strategie-Politik-Sicherheits- und Wirtschaftsberatung (ISPSW)/ETH Zurich, 7 November 2007, 4–5; Thomas Kraemer, “Addicted to Oil: Implications of America’s Oil Policy” (Carlisle, Pa.: U.S. Army War College, Strategic Studies Institute, May 2006), 5.

Khaiitous, “Egypt and Saudi Arabia’s Policies toward Iran’s Nuclear Program”; Richard Weitz, “The Korean Pivot: Challenges and Opportunities from Evolving Chinese-Russian and U.S.-Japanese Security Ties,” in On Korea (Korea Economic Institute) 1 (21 February 2008): 194. www.keia.org/Publications/OnKorea/2008/08Weitz.pdf. Admittedly Japan, the ROK, and Taiwan were able to enjoy the U.S. security umbrella during the postwar period and focus on economic development. However, given the current East Asian perception of declining U.S. influence and interest in the East Asian region owing to U.S. Middle East commitments and its global war on terrorism, the perception of a declining U.S. security guarantee may pivot the three countries to seek the nuclear path once more despite their outward-looking regimes and integration in the international economy.


Funabashi, The Peninsula Question, 179.


The energy mix of both the ROK and Japan consists of roughly 47–48 percent oil, 21–24 percent coal, 12–13 percent gas, 14–16 percent nuclear, 3 percent other sources; see Ann van Veenstra, “Establishing Energy Cooperation in Northeast Asia: Implications from the Experiences of the European Union,” Institute of Energy Economics, Japan, April 2008, 6.

The limits of U.S. military power are evidenced by the recent Russian invasion of Georgia. Although Georgia contributed 2,000 troops in support of the U.S. effort in Iraq and President Mikheil Saakashvili supports the George W. Bush administration’s efforts to spread “freedom and democracy,” no Western country came to Georgia’s aid when it was invaded, despite Georgia being an ally.
56 Freilich, “Agenda: Iran—Speaking about the Unspeakable.
57 Ibid., 3.
58 Independent action by Israel was carried out in 1981 when Israel conducted an air strike against the Iraqi nuclear reactor at Osirak, and in the September 2007 air strike dubbed “Operation Orchard” against the DPRK-assisted Syrian nuclear reactor. Israel Defense Forces also have two options for the worst-case scenario of WMD attacks: the Masada option and the Samson option. Masada was an ancient fortress taken by the Romans following a three-year siege after Jerusalem was destroyed in A.D. 70. Just before they were overrun, all the defending Jews along with their wives and children committed suicide rather than be captured and enslaved. The biblical Samson in the book of Judges, chapter 16 verse 30, killed his enemies as well as himself when he pulled down the Philistine temple. In the first days of the Yom Kippur War, General Moshe Dayan and Prime Minister Golda Meir almost used the Samson option when it appeared that they were going to be overrun. Dayan gave the code for its use when he told Meir, “Arm the doomsday weapons, the Third Temple is about to fall.” See Hal Lindsey, “The Samson Option (Israel-Syria War Imminent?),” World Net Daily, 14 July 2007; Seymour Hersh, *The Samson Option: Israel’s Nuclear Arsenal and American Foreign Policy* (New York: Random House, 1991).
59 Author’s notes (notes from conference, Maranatha 3: Mideast Crisis, session “Israel’s Response,” Costa Mesa, California, 29–30 August 2008). In a secret agreement between Israel and Georgia, two military airfields in southern Georgia had been earmarked for the use of Israeli fighter-bombers in the event of preemptive attacks against Iranian nuclear installations; this would reduce the distance Israeli fighter-bombers would have to fly to hit Iranian targets. However, these airstrips were destroyed during the Russian invasion of Georgia in August 2008; Arnaud de Borchgrave, “Israel of the Caucasus,” *Middle East Times*, 9 September 2008.
60 Rubin, “North Korea’s Threat to the Middle East and the Middle East’s Threat to Asia.”
61 “There is potential for cooperation between South Korea and Israel against North Korea,” reported *Ha’aretz* on 14 July 1997; quotation cited in Ibid., 16.
62 Amir Tsarfati, former vice governor of Jericho and current captain in the Israeli Army Reserve, conversation with author, Costa Mesa, California, 29 August 2008. The Israeli intelligence agency, Mossad, has also been informing the ROK of the DPRK’s sponsorship of terrorist organizations such as Hamas and Hezbollah. In 2007 Professor Moon Chung-in of Yonsei University, formerly a close adviser of President Roh Moo-hyun, cited Mossad sources for the DPRK’s supply of missile components that greatly improved the effectiveness of Hezbollah’s missile strikes into Israel in 2006; see Moon Chung-in, “The Syrian Nuke Connection,” *JoongAng Ilbo*, 26 November 2007.
67 Funabashi, *The Peninsula Question*, 82.
70 Kotani, “Current State of Intelligence and Intelligence Issues in Japan.”
74 Myung Jin Kim, “South Korea—North Korea Relations: Influence of the PSI on North Korea,” *Strategic Insights*, 5, no. 7 (August 2006).
This is not to say Northeast Asia should view Russia as a complete replacement for its Middle East sources of energy: a concentration in any one main supplier is risky, and Russia has demonstrated its resolve in weaponizing energy by its cutting off of gas supplies to Belarus, Ukraine, and the Czech Republic. Northeast Asia should diversify its sources away from the Middle East and toward Russia as well as continue to diversify its suppliers among Africa, the Caspian Sea area, Central Asia, Latin America, Indonesia, and Malaysia. The key is diversification of geographic energy suppliers as well as energy sources (oil, liquefied natural gas, nuclear energy, renewables).


KEI Editorial Board

Editor-in-Chief: James M. Lister
Contract Editor: Mary Marik
Assistant Editors: Nicole M. Finnemann
                Arthur N. Taylor

The Korea Economic Institute is registered under the Foreign Agents Registration Act as an agent of the Korea Institute for International Economic Policy, a public corporation established by the Government of the Republic of Korea. This material is filed with the Department of Justice, where the required registration statement is available for public inspection. Registration does not indicate U.S. Government approval of the contents of this document.

KEI is not engaged in the practice of law, does not render legal services, and is not a lobbying organization.

The views expressed in this publication are those of the author. While this publication is part of the overall program of the Korea Economic Institute, as endorsed by its Board of Directors and Advisory Council, its contents do not necessarily reflect the views of individual members of the Board or the Advisory Council.

Copyright © 2008 by the Korea Economic Institute of America.
Printed in the United States of America.
All Rights Reserved.