North Korea at the crossroad: Where next?

Guest Editors
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  Professor Christoph Bluth
It is really a pleasant surprise to have well written articles on Korean peninsula in the aspect of security and integration at the center of Europe, the continent twice devastated by war but pacified by unprecedented integration. I congratulate CERIS on the publication of North Korea at the crossroad which provides solid analysis and fresh strategy on how to deal with North Korea. This makes it incredibly useful as a reference point not only for academics and journalists, but also for government officials who are actually on the field of tough diplomacy for this matter.

This compilation of articles is very timely, coming as it does soon after the failed North Korean missile launch this past April. North Korea is undoubtedly at the crossroad. On its simple decision to take which road to go, millions of peoples’ lives at stake along with stability of Far East.

Given the enormous economic exposure of European countries to this region, stability of Far East is also a keen matter that needs to be taken care of here in Europe. In this regard, I appreciate those valuable articles submitted by non-Korean authors. More often not, I found that Koreans’ immersion on the North Korean problems prevents them to gaze the matter with maintaining calm state of mind. Foreign analysts, free from emotional entanglement in a place thousand miles away, could see what Koreans could not. Such new perspectives, some are available in this compilation, are highly useful in understanding the multi-layered fabric of the North Korean issues. Diplomats like myself will undoubtedly find it useful, as we need to explore every angle in order to engage successfully in dialogue with our North Korean counterparts.

On reading many contributions in this compilation, I come to the profound question of why North Korea behaves mysteriously. Whenever we hear of ‘yet another irrational act’ of North Korea, we tend to attribute it to its leaders, and then engage in a round of name-calling. This reasoning is both too simple and flawed. We need to consider every possible option and try and understand exactly why leading people in North Korea find logic in these so-called ‘irrational acts’. North Korean leaders seem to act in a manner they deem most suitable to the situation confronting them. I think the best way to make North Korea act and think like we do is to change the situation where North Korea finds itself. There may be several methods for this. This is where the different articles in this compilation can be of real help.

Diplomatic efforts to build up an amicable political environment for reducing North Korea’s suspicion are always under way. That is one of the methods to change the situation. However, armored with extreme xenophobia, North Korea has shown rigid attitude virtually to all goodwill suggested by international society thus far. In addition to outside effort to change, if North Korea could be voluntarily enlightened and adapt their situation of its own volition, that would be better method to change the situation also. Academics, being not bound by national interest, could be better situated than government officials in persuading North Korea. Academia plays a vital part here. The neutral approaches of academics can help North Korea to realize where they are, what happens outside, and how they should change.

In this regard, I reiterate the importance of the articles here presented and appreciate all authors’ time and efforts. I would like to praise also CERIS to organize this timely and influential task.

Mr. Seung-ho KIM
Charge d’Affaires a.i. of the Embassy of the Republic of South Korea in Brussels
North Korea at the crossroads:
Smart power & multilateral diplomacy

Professor Hazel Smith

Director Hazel Smith is Professor of Security and Resilience at Cranfield University, UK. Professor Smith has published extensively on North Korea, including Hungry for Peace: Humanitarian Assistance, International Security and Social Change in North Korea (United States Institute of Peace Press) and Reconstituting Korean Security: A Policy Primer (United Nations University Press).

The Democratic People’s Republic of Korea (the DPRK, commonly known as North Korea) is a nuclear power; its nuclear programme is not overseen by international regulatory agents; its economy is a basket case; its people suffer from perennial food shortages; they do not have guaranteed political and civil rights, including the ability to change and criticise the government. North Korea was created as a state in 1948 as a consequence of the post Second World War ideological division of the world by the then two superpowers, the United States and the Soviet Union. Its people lacked freedom but economic growth took place and social and economic benefits trickled down to the entire population. After the end of the Cold War and the sudden loss of economic subsidies from Communist countries, North Koreans experienced famine in the early to mid 1990s and suffered a decline in standards of living so that many face hunger as a condition of everyday life. The country has always been militarised but it did not start to develop nuclear programmes until the end of the Cold War when the regime realised it could no longer receive guaranteed military protection from the new Russia or China.

Since the so-called ‘first nuclear crisis’ of 1993/1994, the United States, has implemented policies designed to achieve denuclearisation, the promotion of civil and political rights and, ostensibly, humanitarian support for North Korea’s 24 million people. What’s gone wrong? Why has American diplomacy failed to achieve its objectives and what could be done differently?

The Korean Peninsula is at a crossroads. After North Korea’s nuclear tests in 2006 and 2009, the six party talks on North Korea’s nuclear programme stalled and the administration of President Obama has not so far taken any serious initiative to restart the talks. The death of Kim Jong-II in 2011 triggered a succession process whose outlines are not yet clear, despite Kim Jong-Un, Kim Jong-II’s third son, being designated formally as the new leader of North Korea. The North Korean economy is de facto marketised and de jure a command economy, the contradictions of which have resulted in the development of a nationwide, unregulated, primitive free market in which irregular transactions have become the norm and over which the state has little control.


The adoption of a policy of ‘conditional engagement’ by the South Korean government of President Lee Myung-bak, and the events of 2010 including the sinking of the South Korean naval vessel, the Cheonan, and North Korean artillery strikes on the South Korean island of Yeonpyeong resulted in the virtual collapse of inter-Korean relations. The policy of ‘strategic patience’ developed by the United States administration failed to deliver denuclearisation of the Korean peninsula or increased freedoms, including freedom from hunger, to the North Korean population.

The articles in this journal take on these interrelated security dilemmas at a time of transition on the Korean peninsula, North and South. Kim Jong Il, North Korea’s leader from 1994, died in December 2011, to be succeeded by his young and inexperienced son, Kim Jong-Un. South Korea has presidential elections in 2012 and current President Lee Myung-Bak’s is likely to be replaced by a president – either from the Right or the Left – who will take a more pro-active line towards resolving Korean security dilemmas. Park Geun-hye, the current favourite to stand for President for the ruling party, the Grand National Party, and favourite to win the election, met Kim Jong II in North Korea before he died and while no ‘appeaser’, he will be much more likely to engage in substantive talks than ever was the case by the current President. It is also likely that the candidate of the Left will follow an engagement route if elected – attempting to reinvent and revitalize the policies of Kim Dae-Jung and Roh Moo-Hyun in the 2000s which, they argue, made serious progress on denuclearisation, opening up North Korea, and delivering humanitarian support for North Korea’s people.

North Korea is often caricatured as beyond understanding but the reality is that there is a clear, if grim, rationality – in terms of means-ends calculus – behind all of North Korea’s domestic and foreign policy, as outlined by Lankov in his paper in this journal. Getting to grips with this rationality does not mean condoning North Korea’s priorities but instead might save many wasted efforts and help form the foundations for the success in foreign policy towards North Korea that has so far eluded both South Korea and the major powers, including China and Russia, as well as the United States and Japan.

Moon and Bae, argue in this volume that United States policies have failed to achieve their objectives either in making much difference in bringing freedom and reducing poverty for the North Korea population or in terms of achieving denuclearisation on the Korean peninsula. They stress the promise of ‘smart power’ trumpeted by President Obama and Secretary of State Clinton. Smart power is the idea that neither soft nor hard power should form the limits of thinking about tough foreign policy problems. Smart power that uses a judicious mix of soft and hard power can provide a panoply of instrumentation for the savvy foreign policy-maker. The underlying message of the articles in this special issue is that, implicitly or explicitly, for strategic and humanitarian reasons, we need more smart power politics in order to devise smart policies to facilitate transition from autocracy in North Korea.

Historically we have seen an absence of smart power or what could be termed ‘intelligent intervention’ used in relationship to North Korea. We have seen piecemeal interventions using soft power mechanisms, based on promoting economic interdependence in the context of rather long term and vaguely specified goals of eventual North-South unification. These were the predominant instruments used by South Korea through most of the 2000s. We have also seen the use of hard power instruments, such as military manoeuvres and diplomatic and economic sanctions. These hard power instruments have been favoured by the United States, Japan and South Korea (apart from in the brief period of engagement in the 2000s) and have had fairly short term goals designed to ameliorate immediate aspects of North Korea’s foreign policy behaviour.

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Bluth and Yi show that China has been an advocate of soft power methods towards North Korea even though China’s patience has been tested with North Korea’s second nuclear test in 2009. China will remain cautious in its dealings with North Korea but there is every likelihood that it would inch towards smart power policies in the context of its perception of itself as ‘honest broker’ and ‘responsible superpower’ in the Korean crisis, as it understands that the complex Korean security issues have at their core the issue of a resolution of conflict between United States, North Korea and South Korea. China will only participate in smart power politics if these are genuinely multilateral, are coordinated between the major powers involved, and are not used as a pretext or rationale for war or violent interventions in North Korea.

Both Page and Toloroya, from different perspectives, show that Russia is somewhat of an external actor in the Korean peninsula, despite the historic and strategic interest of Russia in North-East Asia. Page notes in his article that Russia reconsidered its policies after the 2009 nuclear test but he is pessimistic about the leadership potential or commitments of Russia to enforce penalties on North Korea. Toloroya argues that multilateral diplomacy is the preferred instrument of Russian governments to deal with North Korea, reinforcing the perspective of most of the contributors to this volume that it is perhaps only within the confines of a multilateral setting involving all concerned parties that smart power could work.

Akutsu demonstrates the sceptical attitude of Japan to change in North Korea while at the same time noting that Japanese policy in the past has taken some bold initiatives, most notably with former President Koizumi’s two visits to Pyongyang.

North Korea-South Korea bilateral relations remain the pivot at the heart of the Korean security crises although Iancu argues that even in South Korea, the North Korean issue is not always top of the agenda, with Lee Myung-Bak’s government and South Korean society perhaps less inclined to see resolving the North Korean issues as much of a priority in the face of competing demands, like economic and environmental policy. Choi looks at the efforts made by those who advocated engagement and shows that while it is appropriate to engage critically with these policies, yet it is hard to find viable alternatives.

Park brings together the central questions addressed by this journal – where next for Korea at this crossroads in time – by analysing the rational and benefits of re-engaging in multilateral diplomacy. Park argues that multilateral diplomatic mechanisms can bring collective security to North-East Asia, can respond effectively to the problems caused by a nuclear North Korea and that these mechanisms are feasible and practicable. In the context of Joseph Nye’s work, multilateral diplomacy can deliver smart power outcomes.

Yoon reinforces the necessity to engage in comprehensive security policy planning and implementation towards the complex North Korean crises by pointing to the failure of historic approaches. Yoon argues that we can understand failed policies as Realist, neo-conservative and functionalist and he argues that these were all partial approaches, in the sense of each addressing only segments of the North Korean problem. Yoon argues for a ‘kind of two-track approach, pursuing a socio-economically oriented policy in addition to a traditional security-oriented policy of denuclearization’.

Bluth concludes the journal with a salutary warning; pointing to the near intractability of the multiple North Korean security problems – from nuclearisation to food insecurity for the population. His warning is apt. ‘The two sides will have to settle for something in-between.’

In fact the fundamentals of diplomacy are about achieving agreements through compromise by peaceful means between adversaries who do not share each other values, ideals or objectives (my emphasis). The very objective of diplomacy is to achieve ‘something in-between’. Fundamental to the idea of diplomacy is not that negotiation means ‘appeasement’, as is the naive but politically dominant view that often emerges from Washington in discussing relations with North Korea. Instead, the use of diplomacy as an instrument of international relations is more a question of Realpolitik, used as a means to pursue the national interest. Kissinger is perhaps the most apt example of a tough statesman who nevertheless never discounted the utility of diplomacy as part of the panoply of foreign policy instruments available to the state. Kissinger and Nixon forging of the grand bargain with Communist China in the 1970s was not the action of ‘appeasers’ but of those determined to achieve multiple United States national interests by the use of all available means.

Paradoxically, both North Korea and its most bitter adversaries share an almost identical image of the country, as hugely powerful with the capacity to threaten the major powers of the world. Despite the empirical vacuity of this understanding – North Korea’s spending on the military comprises a tiny fraction of that spent on the military by all its neighbours including China, Russia, Japan and the United States, North Korea’s portrayal of itself as a military power is used to try to deter the West from attacking the country. North Korea’s opponents on the other hand argue that the regime militarily powerful but is also uniquely mad, bad, irrational and unknowable, such that North Korea provides a permanent military threat to East Asia and America. This latter perspective portrays North Korea as so dangerous and unpredictable that bilateral or multilateral diplomacy as an instrument of conflict resolution could never achieve success and, given North Korea’s unique badness, would also be morally unacceptable. With diplomacy ruled tout court, the only option left is military force.

In fact the country is simple to understand. It is a poor and authoritarian country run by a collective military dictatorship and the top priority of its government is regime survival. There have historically been many countries like this and there are a number of poor and authoritarian countries in the world today that share the same goals of regime survival at any cost. North Korea’s social and economic infrastructure is deteriorating in the same way as is the infrastructure of all the small, non-oil producing Communist states that were formerly propped up by the old Soviet Union and the former Communist system. The social outcomes of the cancellation of external subsidies and poor governance are also fairly similar and these include impoverishment of the former middle classes, reduction in life expectancy and rise in orphans.

A danger of non-engagement is that paralysis ensues along with a vacuum in political initiative and conflict resolution. It is said that nature abhors a vacuum and the same is true for political affairs. Without leadership and initiative from those that have the interest and capacity to engage, the lead will be taken by those who do not share the wider international community’s priority of achieving peaceful transition to freedom and prosperity for North Koreans. The other danger is that the cynics in East Asia (and elsewhere), who remain convinced that the United States refusal to take a more pro-active diplomatic line with North Korea is merely an excuse to build up an offensive strategic posture aimed against China, will find their views shared by a large swathe of East Asian public opinion and elites. The United States recent strategic ‘turn to Asia’ does not reassure all in East Asia of United States benign intentions. The new South Korean government – of the Left or Right - is much more likely to turn to China than the current South Korean administration, fuelled by the economic necessities of market attraction as well as a very strong Korean nationalism that resents anything that can be seen as interference from outside powers, including from its allies the United States.

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This issue analyses the fundamental dilemmas and choices faced by the different parties involved in the future of the Korean peninsula. The issue starts by identifying North Korean priorities and interests before systematically reviewing the priorities and policies of major international players towards North Korea. The issue summarises by evaluating collective security dilemmas of North East Asia in the light of the ongoing Korean stand-off. The combined analysis of the internationally eminent scholars and analysts in this volume indicates that multilateral diplomacy should be the instrument of smart power policies in the Korean peninsula. The national and global interests of all the various parties to conflict, as well as the humanitarian interest of the North Korean people, cannot be met through non-action and only a very small minority consider war or military action a viable alternative. It is incumbent then on the major powers to use the other instruments available to them to secure denuclearisation, peace, freedom and development in the Korean peninsula as a whole.
North Korea: The Logic of Survival

Andrei Lankov

Andrei Lankov was born 26 July 1963 in Leningrad [now St Petersburg]. In 1989 he obtained a PhD in History from Leningrad State University. Andrei Lankov taught Korean history and language at his alma mater, and then in the Australian National University. In 2004, Lankov moved to South Korea and is currently a professor at Kookmin University in Seoul.

It is frequently stated that North Korea’s domestic and international policy is “irrational” and unpredictable. However, this cliché is deadly wrong. The long-time observations of North Korea behaviour show that it is, perhaps, more predictable than the behaviour of the average Western state whose policies much depend on the ever-changing public opinion and vagaries of the electoral politics.

However, this predictability does not constitute a good news for those who want to see a different North Korea, a North Korea which will cease to be a constant source of the tensions in the region, a North Korea whose population will enjoy more affluent and less restrictive lifestyle (if not a full-fledged democracy). Unfortunately, the “North Korean problem” has no short-term solutions. The seemingly “irrational” acts of Pyongyang and its habitual brinksmanship actually are parts of its survival strategy.

This strategy is rational and efficient. It has ensured the survival of the regime against all odds, and one might assume that it will keep the regime afloat for years to come.

Avoiding reforms: surviving domestically

The history of East Asia after the Second World War was, above all, the history of a spectacle economic growth. In 1960-2000 period, the average per capita GDP growth in East Asia reached 4.6% while the same indicator for the world was 2.8%. This remarkable growth was led by mainland China and Vietnam, which in the 1980s introduced a set of the market-oriented reform. In both countries, the Communist Party elite keeps the quasi-Leninist decorum for the sake of domestic stability, but for all practical purposes China and Vietnam switched to the model of a ‘developmental dictatorship’ which was once pioneered by Taiwan and South Korea. This switch brought in record-breaking economic growth, raised a significant part of the population from the abject poverty and also made the political elite rich. This option seems to be irresistibly attractive, so it has been suggested countless times that North Korean leaders should emulate the Chinese success. The North Korean elite are perfectly aware of this success, but still stubbornly refuse to follow China’s lead. This unwillingness is often presented as yet another proof of North Korea’s alleged “irrationality”. However, Pyongyang’s unwillingness to emulate China has rational – indeed, very rational – explanations. North Korean leaders do not resist reform because they are ideologically zealous and blindly believe in the prescriptions of Juche Idea (they do not, and the said idea itself is too nebulous to be a guide to a practical policy anyway). The North Korean leaders do not want reforms because they realize that in the specific conditions of their country such reforms are bad for political stability and, if judged from the ruling elite viewpoint, might actually mean entering a highway to political (and, perhaps, physical) suicide.

The existence of a rich and free South Korea is what makes North Korea’s situation so different from that of China or Vietnam. The regime lives next to a country whose people speak the same language and are officially described as “members of our nation”, but who, nonetheless, enjoy a per capita income at least 15 times (some claim even 40 times) higher than that of the North Korean people. This is the world’s largest per capita income difference between two countries which share a land border. To put things in comparison, the East/West income ratio in divided Germany never exceeded 1:3, and even this was enough to have the East Germans overthrow the regime as soon as the fear of the Soviet retribution evaporated.

Reforms worked in Vietnam and China because their situation is different. To put things simply, Chinese reform is possible because there is no prosperous and free South China whose size would be comparable with that of the China of the Communist Party. The prosperity of, for example, Japan or the United States is well known in China, but is not seen by the Chinese population as politically relevant – after all, Japan or the United States are different nations. And, of course, neither Vietnam nor China has a rich “other” to with which to seek unification: Taiwan is too small, and South Vietnam ceased to exist in 1975.

North Korea, being a divided country, faces a completely different challenge. Chinese-style reforms would be impossible without a relaxation of the self-isolation and daily surveillance. Foreign investment and technology are necessary preconditions for growth, and therefore if reform were to be instigated, a large number of North Koreans would be exposed to dangerous knowledge of the outside world, above all, of rich and free South Korea whose prosperity is still not widely known in the North (North Korean leaders go to unprecedented length to minimize the unauthorized contacts of their subjects with the outside world). A considerable relaxation of the regime’s administrative control would be unavoidable as well. His reform-induced relaxation would entail information flowing within the country, and the dissemination of this information, as well as dangerous conclusions drawn from it, would become much easier.

It is doubtful whether the North Korean population would agree to endure a further decade of destitution followed by a couple of decades of relative poverty and back-breaking work if beyond the corner they were to see another Korea – affluent, free, glamorous and attractive. The most obvious solution for the North Koreans would be to remove the current regime and unify with South Korea – on the (partially wrong) assumption that immediately upon unification they will partake in the fabulous prosperity of the South. In other words, in the peculiar situation of North Korea, attempted reforms are likely to lead to a German-style collapse, not to Chinese-style economic boom.

There is another important difference between North Korea and China – and, once again, this difference is created by the existence of the successful South. It is an open secret that the Chinese party officials used the reforms to enrich themselves. The situation in the post-communist countries of the USSR and Eastern Europe is no different: with few exceptions, the political and economic life of those countries is still dominated by the former second-tier party apparatchiks. It might be just a minor exaggeration to describe the collapse of communism as “management buy-out”, as Richard Vinen recently did.8

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8 For details on the ongoing argument over the actual size of North Korean GDP, see I Chong-sok, “Pukhan kukmin sotuk chaepyongka” [Reassessment of the National Income of North Korea], Chongsewa chongchaek, no. 3 (2008): 1–4.

However, North Korea is different again. The North Korean nomenklatura will stand little chance of becoming successful capitalists if the system is overthrown. In all probability, regime collapse will be followed by the unification of the peninsula. In such a case, all important positions in the new economy will be taken by people from South Korea – people with capital, education, experience, and perhaps political support. Capitalism in the post-unification North is to be built not by born-again apparatchiks (as was the case of the former USSR, China and most of East Europe), but rather by the resident managers of the LG and Samsung, as well as assorted carpet-baggers from Seoul. These facts are understood by at least some North Korean bureaucrats, but it seems that majority has another, greater, fear. They know how brutal their rule has been. They are afraid of retribution, so they believe that the collapse of Kim Jong Il’s regime will spell a disaster for them and their families. They are not merely afraid to lose power and access to material privileges, but also afraid to be slaughtered or sent to prisons, to suffer the same fate they have bestowed on their enemies for decades. As a high-level bureaucrat recently told a high-level Western diplomat “Human rights and the like might be a great idea, but if we start explaining it to our people, we will be killed in no time”. It is also not incidental that many visitors of Pyongyang, including the present author, had to answer the same question quietly asked by their minders: “What happened to former East German party and police officials?”

In other words, the North Korean elite understands that it has nothing to gain and much to lose through unification with the South. It is important that their predicament is created by the existence of successful South, not by particular policies followed by a particular Seoul administration. Even if the most pro-North Korean administration imaginable comes to power in Seoul, it will not make South Korea less dangerous. In such a case, which domestic policy will serve the North Korean elite best? The best course of action appears to be a continuation of the policies the current leadership has followed for last two decades. Domestically, the regime’s policy aim has been to keep the North Korean population under control, terrified, compartmentalized and, above all, isolated from the outside world. It also implies attempts to maintain what remains of the centrally planned economy while fighting the spontaneous growth of the private markets which came to dominate the economic life of the country after the 1996-99 famine. Internationally, the safest solution is an aid-maximizing strategy, attempts to squeeze more aid from outside through diplomacy and blackmail. Judged from the point of view of leaders in Pyongyang, this policy has been a success: they remain in control and enjoy a privileged life even today, in 2011, while a vast majority of more liberal and permissive communist regimes have long been overthrown. Keeping the system unchanged and fighting the spontaneous growth of the private economy, the North Korean elite probably forfeit the chances to achieve sustainable economic growth. However, it is the domestic stability, not economic growth which is their major concern.

An impressive confirmation of this reconstruction of Pyongyang inner circle’s logic has emerged recently. In January 2011, journalists of Tokyo Shimbun daily managed to interview Kim Jong Nam, Kim Jong Il’s oldest son who lives overseas and is the only member of the Kim family who occasionally talks to the foreign journalists. His remarks became more frank in recent years, and in January 2001 he described the predicament of his father’s regime in no uncertain terms. He was quoted as saying: “I personally think that reforms and openness are the best way to improve lives of the North Korean people. But if one takes into account the peculiarities of North Korea, one might fear that reforms and openness will bring about system collapse.”

10 Nicholas Eberstadt once aptly described North Korean diplomacy as a “chain of aid-seeking strategems.”
11 Tokyo Shimbun, 2 February 2011.
Going nuclear: survival on the international scene

The nuclear issue might be the major reason why the world pays so much attention to the North, but for Pyongyang decision makers the nuclear programme is merely one of many strategies which they use to achieve their overriding goal of political survival. Like their unwillingness to reform themselves, Pyongyang leaders’ costly decision to go nuclear is rational, reflects the peculiarities of their domestic and international situation and unlikely to ever be reconsidered. The North Korean nuclear programme was conceived essentially with two main goals in mind. First of all, it serves military purposes. Nuclear weapons can be seen as the ultimate deterrent, so North Koreans believe that as long as they have a credible nuclear potential they are unlikely to be attacked by any foreign power, above all by the United States – and after Iraq, Afghanistan and Libya no impartial observer would dismiss fear of such an attack as “paranoid”.

After the Iraq War, North Korean diplomats and politicians frequently tell their foreign interlocutors: “Had Sadam Hussein really had nukes he would probably still be in his palace”. This opinion was further reinforced by events in Libya – after all, Colonel Gadaffi agreed to eliminate his nuclear weapons programme (which was nowhere near achieving a functioning nuclear device), but this did not prevent the outside world from a military intervention when his regime was challenged by the local opposition forces. On March 22, 2011 KCNA, the North Korean official news agency, quoted a spokesman for the DPRK Foreign Ministry as saying: “The present Libyan crisis teaches the international community a serious lesson. It was fully exposed before the world that ‘Libya's nuclear dismantlement’ much touted by the U.S. in the past turned out to be a mode of aggression whereby the latter coaxed the former with such sweet words as ‘guarantee of security’ and ‘improvement of relations’ to disarm itself and then swallowed it up by force.”

Nevertheless, the military significance of the North Korean nuclear programme might be of secondary importance. North Korea does need nuclear weapons as a deterrent, but to a larger extent it needs them as a tool for diplomatic blackmail. Had North Korean nukes not existed, few Washington movers and shakers would care about North Korea at all. Pyongyang decision-makers rightly assume that nukes are their major leverage in dealing with the developed nations – and they have made a great use of this in the last two decades. In these interactions, above all, North Korea needs aid. Pyongyang’s constant need for foreign assistance results from the policy choices we have described above. North Korea cannot reform itself because in a divided nation reforms are likely to trigger regime collapse which, in turn, will bring ruin to the current elite. However, this means that North Korea is stuck with an outdated and grotesquely inefficient economic system which cannot generate significant growth and sometimes cannot even provide for the sheer physical survival of the country’s population. Therefore in order to stay afloat, the North Korean government needs to seek outside aid. This aid helps to keep the inherently inefficient economy afloat, prevent another major famine, and allow the country’s tiny elite to live a reasonably luxurious lifestyle while buying at least some support from the “strategically important” social groups.

It is quite successful in squeezing this aid from largely unsympathetic outside world – largely, thanks to their nuclear weapons programme. Their first major success was the 1994 “Agreed Framework”, which was signed after much sable-rattling and brinksmanship. In accordance with this treaty, North Korea promised to freeze its military nuclear program and accept international monitoring of its nuclear facilities, but in exchange it acquired what it needed most – large quantities of foreign aid.

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According to the data of the World Food Program, throughout the 1995-2009 period (the time when the food crisis was most acute) North Korea received a total of 12.3 million metric tonnes of food aid. Ironically, most of this aid came from countries which were described by the official propaganda as enemies of North Korea – the United States, South Korea and Japan. Of the total of 12.3 million metric tonnes, the US provided 2.4 million tonnes (19.5 per cent), South Korea provided 3.2 million metric tonnes (26 per cent) and Japan provided 1.3 million metric tonnes (10.6 per cent). Of the ostensibly “friendly” countries, only China was a major provider of aid throughout this period, with 3.0 million metric tonnes of food shipped to the North.\(^\text{13}\)

A new success of blackmail diplomacy was achieved in 2007, when the US agreed to restart aid in the aftermath of the 2006 nuclear test. In the recent few years, when the US and South Korean aid was much reduced, the North Korean leaders have been using the same old but efficient strategy: first create a sense of an acute crisis, and then squeeze concessions as a reward for willingness to reduce the tension. The last year ‘provocations’ (an attack on Cheonan warship, shelling of a South Korean island, a demonstration of a large and modern uranium enrichment facility) can be seen as pretty standard North Korean policy measures aimed at the creating the sense of crisis – on assumption that Seoul and Washington will eventually blink. If they do not, the tension-building operations (a.k.a ‘provocations’) are certain to continue.

**Thinking about the future**

So, what does future hold for North Korea? The future is unpredictable by definition, but current trends seemingly indicate that we are going to see more of the same. North Korea is not going to initiate major reforms, it is not going to surrender its nuclear program, and it will refrain from further provocations only as long as Seoul and Washington will be willing to provide it with some aid and/or political concessions.

In recent years some observers expressed hope that the eventual death of Kim Jong Il, which actually occurred in December 2011, would bring regime collapse or dramatic change of policies. It might happen eventually, but a smooth transition is more likely. People in position of power in Pyongyang understand that they should not rock the boat, and the general population is terrified and lacks any organization which might become a nucleus of resistance. As we have seen before, the most rational survival strategy for the North Korean government is to change nothing, to fight spontaneous growth of the black market and continue with diplomatic brinksmanship in order to secure more aid.

However, adherence to these rules doesn’t mean that the system will continue indefinitely. No amount of government efforts can possibly roll the situation back to what it used to be under Kim Il Sung. North Korea is lagging hopelessly behind all its neighbors in terms of both economic performance and individual freedoms (even China looks like a true democracy to the average North Korean). Information is getting inside the country thanks to the development of new media – DVD players, tapes, transistor radios and, increasingly, computers. The growth of illegal private businesses further undermines the regime’s ability to control the population.

Things do not bode well for the long-time future of the regime. It will not survive forever. Nonetheless, its final crisis can be postponed for decades, and it seems that North Korean leaders know how to achieve this goal.

\(^\text{13}\) The World Food Program INTERFAIS database. Available at www.wfp.org/fais
Departing from the relative calm of the progressive decade, inter-Korean relations acutely deteriorated after the advent of the Lee Myung-bak administration in 2008. Beginning with the tragic killing of a South Korean female tourist by a North Korean military guard in July 2008, which virtually stopped the Mt. Geumgang project, the subsequent West Sea naval clash in November 2009, the sinking of the South Korean naval corvette Cheonan on March 26, 2010, and the shelling of Yeonpyong island by North Korea, which led to the death of four including two civilians, on November 23, 2010, these successive events drove inter-Korean relations to the brink of major military conflict escalation. Facing the North’s usual military provocations, the Lee Myung-bak government adopted the strategy of ‘proactive deterrence’ that permitted preemptive attacks on the North upon detection of hostile intent. Nevertheless, North Korea demonstrated military resoluteness in dealing with the South.

Yet this escalation in conventional military postures was merely the latest complication to the conundrum of the Korean peninsula. Of greater concern to the international community was the worsening prospect of resolution to the long-standing North Korean nuclear problem. Amidst the stalling of the Six-Party Talks, North Korea test launched its long-range missile on April 5, 2009 and followed it with a second underground nuclear test on May 25, 2009. The North since declared itself a full-fledged nuclear weapons state. More disturbing was the recent revelation of the existence of its uranium enrichment program. Olli Heinonen, former deputy head of the International Atomic Energy Agency (IAEA), warned that North Korea will acquire a much larger amount of HEU than its current stock of plutonium within three years.

The crisis of peace unfolding in Korea presents complex diplomatic challenges with no ready solutions. What was clear, however, was the critical need for the United States to play a far greater role in mitigating the North Korean crisis and stabilizing peace on the Korean peninsula. The mutual suspicion and hostility between the two Koreas is too entrenched to provide a path forward, while Japan and Russia became marginal in peninsular affairs. Despite China’s potential leverage to positively shape regional dynamics, it complicated the situation by continuing to patronize the North, undercutting multilateral efforts to discipline Pyongyang. Against this backdrop, this article attempts to elucidate the crisis of peace in Korea within the context of United States actions and its policy of strategic patience, as well as offer new alternatives to reverse the persisting stalemate of the Korean peninsula.

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15 See the press interview of the spokesperson of “Committee for the Peaceful Reunification of the Fatherland.” The Korea Central News Agency, September 17, 2010.
Initial Expectations and Missteps of the Obama Administration

Upon the inauguration of the Obama administration in January 2009, high expectations prevailed in South Korea for the future of United States - North Korean relations. President Barack Obama declared his desire to restore the fallen international standing of the United States. He promised a willingness to solve pressing issues through dialogue, even with so called enemies, and made it clear that he would pursue a new world order through international cooperation rather than hegemonic unilaterlalism. He harshly criticized the Bush administration's policy towards North Korea and suggested the adoption of a more prudent approach to address vital challenges, reminiscent of that of the Clinton years, even were it to involve meeting with the then North Korean leader, Kim Jong-il, anytime and anywhere. His commitment to denuclearize North Korea through ‘direct and aggressive diplomacy’ was seen as providing new momentum to the stalled denuclearization talks. The administration demonstrated its new approach by adopting ‘smart power’ as the foundation of its diplomacy. At her Senate confirmation hearing, Hillary Clinton, the newly appointed secretary of state, testified that:

‘I believe that American leadership has been wanting, but is still wanted. We must use what has been called ‘smart power,’ the full range of tools at our disposal — diplomatic, economic, military, political, legal, and cultural — picking the right tool, or combination of tools, for each situation. With smart power, diplomacy will be the vanguard of foreign policy... in the Obama Administration there will be no doubt about the leading role of diplomacy. One need only look to North Korea, Iran, the Middle East, and the Balkans to appreciate the absolute necessity of tough-minded, intelligent diplomacy’.

Many expected this ‘smart power’ approach to produce a breakthrough in the North Korean nuclear stalemate.

However, the Obama administration fell short of its rhetoric with respect to Korea. Given the administration’s preoccupation domestically with the economic crisis and internationally with Iraq, Afghanistan, Iran, and Palestine, it did not take meaningful action, leaving North Korea a low policy priority. Furthermore, the continuing delay in the administration’s review of North Korea policy and in filling key positions responsible for U.S. policies on North Korea exacerbated the problem. Although Secretary Clinton officially announced the appointment of Ambassador Stephen W. Bosworth as special representative for North Korean policy during her visit to Seoul on February 20, 2009, the announcement had little substantive impact. Rather, it was other remarks made during her visit that proved more significant and which provoked the ire of North Korean leadership.

With the exception of her views on North Korea’s highly enriched uranium program, the stance presented by Secretary Clinton during her visit was largely indistinguishable from that of the Bush administration. The similarity was apparent both in the tone and substance of her remarks, which included such phrases as ‘the complete and verifiable denuclearization of the Korean peninsula’, and developing ‘a global strategic alliance that rests upon shared commitments and common values – democracy, human rights, market economies, and the pursuit of peace’. Secretary Clinton put explicit emphasis on the ‘tyranny and poverty’ in North Korea and warned that ‘North Korea’s relations with the US will not improve until it engages in dialogue with South Korea’.

Clinton also made it clear that North Korea ‘cannot improve its relationship with the United States while insulting South Korean leadership and refusing dialogue with the South’, despite the natural support the United States should provide to its South Korean ally. Secretary Clinton’s apparent lack of care and deliberation in her language appeared needlessly provocative. It also could have been misconstrued as reflecting a concrete U.S. policy toward the North that at the time was not yet finalized.

**Poor Timing and the Strategy of Patience**

The initial apathy of the Obama administration proved especially unfortunate in that North Korea had high expectations of the new administration and hoped to positively engage it sooner rather than later. However, it grew impatient at the prolonged diversion of U.S. policy attention. North Korea’s rocket launch on April 5, 2009 is commonly viewed as its attempt to strengthen not only its domestic positioning through a display of ‘a strong, prosperous, and great nation (Gangsungdaeguk)’. Another, less understood motivation behind the launching was to test the Obama administration’s true intentions toward, and perception of, North Korea.

An analysis of North Korean behavior before and after the rocket launch corroborates this argument. For instance, the lengths to which North Korea went to fully comply with international regulations and procedures when it launched the rocket in April 2009 were altogether remarkable compared to its previous rocket tests. In launching Taepodong 1 on August 31, 1998, for example, North Korea let the world know four days after the test launch. It made a similar announcement one day after the launch in the case of Taepodong 2 in July 2006. This time, however, North Korea notified the International Maritime Organization of the expected launch time and flight trajectory almost one month before the launch. Significantly, it explicitly declared that the projectile was a research satellite for science and telecommunications purposes and voluntarily signed six international treaties and agreements related to the peaceful use of outer space. This is noteworthy in that North Korea seems to have deliberately identified and exploited an unfortunate but nevertheless legitimate loophole in United Nations Security Council Resolution 1718. It knew there were no concrete regulations concerning satellite activity as opposed to ballistic missiles and related technology. By using the launch as proof of its normal behavior, through its compliance with international rules and procedures, North Korea structured a calculated test to determine the Obama administration’s willingness to recognize the North in the context of a normal international state.

Unfortunately, the plan never had a chance at success, as a misjudgment in timing doomed any hope of traction and altered the trajectory of bilateral engagement. The North launched the rocket only a few hours before President Obama’s historic Prague speech on a ‘nuclear free world’. It was later revealed that Obama himself had to make last minute revisions to his speech to denounce North Korea’s behavior. He inserted a new phrase in the text: ‘With this provocative act, North Korea has ignored its international obligations, rejected unequivocal calls for restraint, and further isolated itself from the community of nation… Rules must be binding. Violations must be punished. Words must mean something.’

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20 This was confirmed by a senior North Korean official met by one of the authors in Beijing in May 2009.
President Obama regarded the rocket as a missile and accused the North of violating UN Security Council Resolution 1718. Without further apparent consideration, North Korea's claim that it launched a satellite as part of its commitment to the peaceful use of space was rejected outright and the act was interpreted as a provocation which threatened the United States and neighboring allies.

That was the beginning of the new hard-line policy of ‘strategic patience’ that ‘advocates refusing to engage or negotiate with North Korea unless there is a shift in Pyongyang’s belligerence’. The shift also included as a pre-condition efforts by North Korea to improve relations with South Korea. The Obama administration made it clear that it would not make any concessions in order to bring North Korea back to the Six-Party Talks, as had been done in the past, effectively conveying to the North that the U.S. would no longer concede to habitual North Korean threats and blackmail. At the request of Japan, South Korea, and the United States, the United Nations Security Council adopted a president’s statement denouncing North Korea’s behavior, and the United States enacted sanctions on the North. Behind the shift was immense pressure from South Korea and Japan calling for immediate punitive action against North Korea. This was a dramatic contrast to the past decade, when South Korea served as a counterweight to hard-line US policy under the Bush administration.

North Korea responded in kind to the tough stance. It declared its withdrawal from the Six-Party Talks, expelled inspectors from the International Atomic Energy Agency, and formally announced the recommencement of reprocessing of spent fuel rods. Then, on April 29, North Korea announced that unless the UN Security Council issued an apology, it would conduct a second nuclear test, test launch an intercontinental ballistic missile and build a light-water reactor by securing lowly-enriched uranium. With no apology forthcoming, North Korea carried out a second nuclear test on May 25, 2009 as announced, and appeared determined to act of its own accord, following its own timetable.

In a press conference in Paris on June 6, President Obama responded with the suggestion that there were limits to U.S. diplomatic patience and he defined North Korea's moves as ‘extraordinarily provocative’. He declared that ‘North Korea will not find security and respect through threats and illegal weapons’. Defense Secretary Robert M. Gates reaffirmed the position by saying ‘I’m tired of buying the same horse twice’. Increasingly, such sentiments were concretized into a series of policies. On June 12, 2009, the United States and Japan directed the unanimous passage of ‘Resolution 1874’ through the United Nations Security Council, which imposed tough sanctions on North Korea. The U.S. adopted additional harsh bilateral economic and financial sanctions against North Korea. It also obtained support for international cooperation through the Proliferation Security Initiative to search North Korean vessels on the high seas with the aim of stopping traffic in weapons of mass destruction. The United States had provided the North with $1.2 billion in aid since 1995, of which 60 percent was allocated for food assistance and 40 percent for energy assistance but another action taken was to suspend humanitarian aid to North Korea. In addition, after North Korea’s sinking of the Cheonan, the Obama administration froze North Korean assets in the United States through use of the International Emergency Economic Powers Act, as enshrined in Executive Order 13551.

References:
The policy of strategic patience was conducted with a full-court press on North Korea. Its underlying assumption was clear: The United States would essentially wait for North Korea to come back to the table while maintaining pressure through economic sanctions and arms interdictions. The corresponding hope was that North Korea was too fragile and desperate to continue unruly, rogue behavior. Unfortunately, the North did not come back to the table. It rebranded the policy as a ‘waiting strategy’ based on wishful thinking about the coming collapse of North Korea. The North accused the U.S. of ‘choosing to evade dialogue and negotiation in the name of ‘strategic patience’ by hoping that we would surrender to sanctions’. As Pyongyang predicted, sanctions proved ineffective. Thanks to patronage from China, it managed to cope with bilateral and multilateral sanctions. In fact, the more pain it suffered, the more provocative and erratic its actions became, underscored by the second nuclear test and the revelation of a uranium enrichment facility. North Korean watchers began to worry that the country would be able to develop nuclear warheads to arm intercontinental missiles capable of crossing the Pacific within five years. Secretary Gates warned in early 2011 that North Korea’s development of nuclear weapons and missiles ‘is becoming a direct threat to the United States and we have to take that into account’. South Korea complemented the ‘strategic patience’ policy with its own more aggressive policy of ‘denial and containment’. Concurrent with its international provocations, North Korea became increasingly defiant in its reaction to the South. Rather than improving ties with the South, inter-Korean tensions rose to their worst level since the Korean War, after the North’s deadly attacks against a South Korean warship and an inhabited island.

Overall, the policy of ‘strategic patience’ flopped. The North did not cave in to pressure and return to the negotiating table. Moreover, it is very unlikely that North Korea, having once declared itself in possession of nuclear weapons, will capitulate going forward. Historically, no country that has actually possessed nuclear weapons, as opposed to merely the capability to produce them, has ever surrendered to external pressure and made such compromises. Ongoing bouts of political instability, food shortages and economic decline have yet to make the North yield to American demands. Additionally, a strategy of patience based on isolation and containment was prone to failure no matter how much patience is exercised, because time only favored the North. Continuing patience simply allowed the North to build up its capacities for weapons of mass destruction and escalate the tension on the Korean peninsula. Strategic patience ends up being a ‘strategic blunder’. James Goodby and Donald Gross lamented that ‘strategic patience tends to support the status quo rather than encourage change’. Critique also came from the conservative camp, with John Bolton arguing that ‘strategic patience is a thoroughly inadequate response to North Korea and has been from its inception’.

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35 Joel Witt and Jenny Town, ‘Strategic Patience Is Strategic Blunder’, Foreign Policy, June 16, 2011.
As a result of the strategic patience policy, the United States relegated itself to a back seat in the Korean crisis without a policy framework that could generate positive initiatives. This reactionary course also resulted in the impression that the United States had become captive to South Korea in dealing with North Korea. This passive approach hardly befits its standing as a world leader whose role is to ensure peace and security of the Korean Peninsula and the Northeast Asian region.

**What to Be Done?**

What then should be done? The Obama administration should bring back ‘smartness’ in its policy and conduct on North Korea. As Hillary Clinton noted, smartness can be restored when ‘a marriage of principles and pragmatism, not rigid ideology, and facts and evidence, not emotion or prejudice’ dictate foreign policy.\(^{38}\) Importantly, ‘smart power’ refers to flexibility in engaging in international affairs. But in its “strategic patience” with North Korea, such flexibility has been notably absent. While the benefits of strategic patience still remain ethereal, the high costs are readily apparent. Ultimately, the true exercise of ‘smart power,’ and with it any hope for an immediate progress in resolving the North Korean quandary, requires engagement.

The Obama administration needs to apply greater empathy in evaluating the situation from North Korea’s perspective. It needs to acknowledge North Korea’s position and identity, from which it can accordingly create and coordinate a more appropriate and targeted stance against North Korea. Washington needs to listen not only to functional experts who specialize in the non-proliferation of weapons of mass destruction, but also to area specialists in North Korean affairs. It should be more exacting when distinguishing between the assessments of genuine specialists and those of amateur generalists so prevalent in Washington. As Kurt Campbell, Assistant Secretary of State for East Asian and Pacific affairs, argues, North Korea is ‘a very, very hard target, probably the hardest target we face in the global arena’.\(^{39}\)

However, engaging with North Korea should be non-conditional. As with President Lee Myung-bak, President Obama has taken the conditional position, as evidenced by his statement: ‘And I want to reiterate that along with our South Korean and international partners, the United States is prepared to provide economic assistance to North Korea and help it integrate into the international community, provided that North Korea meets its obligations’.\(^{40}\)

Such conditionality will not bring the North back to the negotiation table. Given the consequences of the status quo, it is critical that the U.S. meet North Korea without any preconditions and address a moratorium on missile tests and nuclear tests.\(^{41}\) In view of this, Kim Gye-gwan’s visit to New York and two meetings with U.S. Special Envoy Steve Bosworth in late July are positive development. In reevaluating its position on preconditions, the U.S. should also be prepared to nudge Seoul towards a more moderated stance toward the North. While alliances remain important, the U.S. cannot allow South Korean actions to dictate American policy on North Korea. Only with a more balanced and dynamic posture will the Obama administration be able to deliberate on a peace system for the Korean peninsula and a viable regional security cooperation architecture, both of which are vital to resolving the North Korean nuclear problem.

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Finally, the stalled Six-Party Talks process should be resumed without further delay, since it is the only viable mechanism through which the North Korean nuclear menace can be addressed. Thus, U.S. bilateral talks with North Korea should be linked to the resumption of the Six-Party Talks process. The September 19 Joint Statement still serves as the best guideline to resolve the North Korean nuclear quagmire, while the February 13 Agreement presents the most workable action program. Often overlooked is the fact that when the Six-Party Talks were working, North Korea did not show any deviant behavior.

It is time for the United States to talk to Pyongyang. Even while the current United States Political landscape is paralyzed with rampant bipartisanship and the fragility of its economy warrants close attention, the U.S. cannot afford to continue kicking the proverbial North Korean can down the road. With Washington already gearing up for the next Presidential election cycle, North Korean policy is once again at risk of being ignored, and this time the cost of delay may be irreversible.
China and the Future of the Korean Peninsula

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North Korea’s geopolitical position is at the centre of an asymmetric relationship with two major powers in the region, China and the United States. While in terms of regional security the relationship with the United States has received the most attention because the United States has taken on the responsibility to challenge North Korea with regard to its nuclear programme and other aspects of military security on the Korean Peninsula, China has assumed the burden of preventing North Korea’s economic collapse. China has played a key role in dealing with the North Korean nuclear crisis by initiating and convening successive rounds of the Six Party Talks in Beijing. Any resolution of the nuclear issue will involve China as an indispensable contributor and guarantor in the negotiation and implementation process. While China has facilitated diplomatic interaction with North Korea, the other parties, notably the United States and South Korea do not accept the image of China as a neutral facilitator. Instead they believe that China is pursuing its own geopolitical agenda. At the same time there is frustration that despite North Korea’s economic dependency on China, Beijing has not used this leverage to induce North Korea to give up its nuclear programme or restrain it from engaging in military provocations and threats.

China’s active role emerged at the time when China is constructing a new image of ‘responsible great power’ following China’s rise. A guidance of Chinese new foreign policy stresses that “the relations with big countries are the key, the neighbouring areas are the primacy, the developing countries are the foundations, and the multilateral diplomacy is the main arena.” The North Korean nuclear issue seems to cover every aspect. Effectively managing the crisis has become a test for China to achieve the goals of protecting China’s national interests and at the same time becoming a ‘responsible stakeholder’.

42Li, Baojun and Xu Zhengyuan (2006) ‘Lengzhanhou zhongguo fuzeren daguo shengfen de goujian’. [China’s identity construction as a responsible big power after the Cold War], Jiaoxue yu Yanjiu [Teaching and Research], no. 1.
43‘Daguo shi guanjian, zhoubian shi shuoyao, fanzhangzhong guojia shi jichu, duobian waijiao shi zhongyao wutai’. See ‘Xinjieduan de zhongguo waijiao’ [China’s new diplomacy in the new phase], Liaowang. 22 October 2007.

* This article was drafted in her personal capacity and does not represent the views of the organization for which she works.
China’s perception of North Korea

The conventional perceptions of China’s relations with North Korea are reflected in two descriptions – the comrade and brotherhood friendship fortified by blood, and the metaphor of the closeness of ‘lips and teeth’. The first description refers to the historical connections such as the battlefield cooperation between China and North Korea against Japanese colonisation in the first half of the 20th century, the cooperation during the 1950-1953 Korean War, a de facto military alliance formed in 1961 as well as the shared socialist ideology during the cold war. The metaphor of ‘lips and teeth’ describes the geopolitical significance of the Korean Peninsula to China. Learning from history that Japan invaded China through Korea in the early 20th century and that US forces approached the Chinese border in the 1950s, Chinese leaders tend to view the Korean Peninsula as a key bulwark against hostile external, a strategic backyard and its natural sphere of influence. Some Chinese scholars have argued that because of China’s economic and strategic centre of gravity being moved southward as well as the changed nature of contemporary war with the decisive role of naval and air forces, the eastern coastal line would be the primary target if any attack on China occurred. From this point of view, the strategic importance of North Korea has declined as the effect of a buffer zone for China’s northeast land and the possibility of a springboard used by a third country are both reduced. Nevertheless, due to the geographic proximity of the two countries as ‘lips and teeth’, North Korea is still strategically important to China’s core national interests of stability, security and prosperity. Therefore, this strategic view remains popular in the decision-making and academic circles in China today. While the second view has been slightly adjusted, the first has been gradually replaced by a third view, which sees the North Korea a troublesome neighbour, an isolated and backward country, stubbornly sticking to the ideology doctrines which China has discarded, and worst of all, that it has created the long-standing nuclear crisis which could threaten China’s most fundamental economic and security interests.

45 Jian Chen, Mao’s China, Chapel Hill, NC, Chapel Hill Press 2001
47 Limin Lin, ‘Chaohe weiji guanli yu zhongguo de waijiao juece’ [the management on the North Korean nuclear crisis and China’s foreign policy choices], Xiandai Guoji Guanxi (Contemporary International Relations), no. 8, 2006.
48 China and North Korea have lost their ideological affinity. They are apart in their different views on socialism. North Korea’s socialism is what China has given up three decades ago. Chinese Communist Party sees its political legitimacy no longer relying on the existences of other socialism in the world. Its ruling status more and more dependent on what they are able to deliver. In contrast, North Korea has moved from the orthodox Marxist Leninism backward toward ‘feudalism’, becoming a ‘post-modern dictator [ship]’ Bruce Cumings, Bruce (2004) North Korea: Another Country, (New York, NY, The New Press 2004. A diplomatic dilemma that North Korea has created for China has been the North Korean asylum seekers. See International Crisis Group, ‘Perilous Journeys: The Plight of North Koreans in China and Beyond’ Asia Report No 122, 2006.
Since the collapse of the former Soviet Union in 1991, North Korea has relied heavily on China’s economic support in a variety of forms such as direct government-to-government aid, subsidized trade and private barter transactions, to ensure the survival of the isolated regime.\(^{50}\) As the largest source of foreign aid to North Korea, China has provided nearly half of the total food import in North Korea and been almost the sole supplier of crude oil to North Korea, for between 300,000 and one million tons annually.\(^{51}\) China’s trade with North Korea reached around $3.4 billion in 2010, which accounts for roughly 40 per cent of the DPRK’s trade, double that of South Korea (prior to 2010) and more than six times that of Japan.\(^{52}\)

Although bilateral relations have been sustained by Chinese political and diplomatic support, essential economic assistance and limited military cooperation,\(^ {53}\) they became less close due to the establishment of the diplomatic relations between China and the Republic of Korea (ROK) in 1992 and China’s equal distance diplomacy toward two Koreas since then. North Korea not only denounced China’s betrayal of its one-Korea (pro-Pyongyang) policy (as well as socialism) for more than three decades, but also resented the fact that China recognized the South without requiring the United States to do the same for the North.\(^ {54}\) However, ‘this [PRC-ROK] relationship has become extremely important to Beijing as well as to Seoul, and the PRC is not about to sacrifice it to placate Pyongyang in any way’.\(^ {55}\)

Regarding the nuclear programme, on the one hand, China seems to understand North Korea’s concerns, in particular in defending its security against the United States.\(^ {56}\) North Korea has long been vulnerable to the US nuclear presence based in East Asia and the Pacific, and this sense of vulnerability was heightened significantly after the collapse of the Soviet Union and the China-South Korea reconciliation, which removed the nuclear umbrella over North Korea (even though US nuclear weapons were removed from South Korean territory). Therefore, following these events, Pyongyang started to accelerate its nuclear programme. Later, the Bush administration not only listed the DPRK as one of the ‘rogue states’ and a member of the ‘axis of evil’, but also mentioned North Korea as one of seven countries as ‘targets for pre-emptive strike’ (interpreted by North Koreans as potentially a nuclear strike)\(^ {57}\) and even once deployed nuclear weapons in South Korea.\(^ {58}\) With a deep sense of isolation and insecurity, North Korea remains bent on expanding its military strength, especially nuclear weapons and long-range ballistic missiles, in spite of the fact that the country suffers from severe economic difficulties.\(^ {59}\)


\(^{53}\)Andrew Scobell, *China and North Korea: From Comrades-in Arms to Allies at Arm’s Length*, Crisle, PA, Strategic Studies Institute 2004.


\(^{57}\)In March 2003 when US President Bush officially hinted at the possibility of the US use of force against the DPRK, North Korea had believed that Washington would be very likely to make a policy and to mount pre-emptive strikes at the DPRK. Nodong Sinmun Party daily comments: ‘they are a revelation of the US scheme for a pre-emptive attack on the DPRK, and a dangerous war outburst that drives the situation on the Korean Peninsula to the brink of war’. KCNA News Agency (Pyongyang), 20 March 2003.


\(^{59}\)Zhang and Brown, ‘Policies toward North Korea’.
On the other hand, however, many Chinese experts believe that North Korea’s quest for nuclear weapons has become China’s gravest near-term security threat and the North Korea’s provocative behaviour, not the United States, ignited the second nuclear crisis.  

**Policy goals**

China seems to have several foreign policy priorities. The first is the threat to China’s domestic economic development and stability. In the past quarter century the Chinese government has gained domestic legitimacy and international confidence through sustained rapid economic growth. The fourth generation of leaders have officially proclaimed the maintenance of a ‘well-off society’ (xiaokang shehui) and a ‘harmonized society’ (hexie shehui) as the single greatest challenge in the years ahead. The primary concern over North Korean situation refers to the immediate impact of the political change and the prospect of economic collapse in North Korea on China’s own domestic development. The three provinces that border North Korea, Jilin, Liaoning and Heilongjiang, have been suffering from very high rates of unemployment, stagnating traditional heavy industries, and low economic growth. The refugees flooding in from North Korea in a time of regime collapse will exaggerate the economic difficulties in North China.

Secondly, North Korea’s nuclear programme threatens regional stability in Northeast Asia. Not only does China want to prevent the nuclear blackmail from North Korea, but it also wants to avoid providing a justification for other regional states, such as Japan, South Korea and Taiwan, to start a nuclear arm race, since China is already surrounded by three nuclear powers – Russia, India, Pakistan. China sees the North Korean nuclear programme as a serious destabilising factor, wrecking the regional security balance in Northeast Asia and complicating China’s security environment. The worst scenario for China is that North Korea’s nuclear programme might trigger a military conflict on the Korean Peninsula. As a conflict in Korean Peninsula will be very likely to result in the engagement of US force and an increase in the American military presence, China feels its own security interests to be critically threatened. Therefore, China has highlighted its commitment to a nuclear-free Korean peninsula.

China has made great efforts to create a favourable international environment that promotes domestic development. Such a conflict at the doorstep will have profound economic consequences and curb economic growth by interrupted international trade and financial investment. After China has resolved or cooled down the border disputes with Central Asian countries and Southeast Asian countries, although there are still frictions between China and Japan, it seems that North Korea stands out as a particular dangerous and, the most importantly, imminent regional threat to China’s both economic and security interests.

Thirdly, a China-friendly Korean peninsula serves China’s core interests. The two-Korea status quo policy is popular with Chinese, as long as China is able to maintain both Pyongyang and Seoul within its circle of influence. Although China officially supports Korean unification in a gradual approach, China does not want to see a unified Korea emerge under US domination. A long-term view might be that the North Korean nuclear crisis offers an opportunity of fundamentally addressing this country’s structural problems and re-occurring crisis.

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61Since 2001, China has resolved border disputes with Russia, Kazakhstan, Kyrgyzstan and Tajikistan. In the South a code of conduct for the South China Sea has developed. China has signed an agreement with the Philippines and Vietnam for joint surveying.
A solution to current nuclear stalemate will be expected to involve a comprehensive arrangement, a great bargain plan, which is able to impact upon other sectors of North Korea and its long-existed concern towards outside. In other words, the nuclear crisis offers a chance for China to increase its influence over North Korea and adjusts its traditional relations with and approach to the North.

The last, but not least consideration, is the Sino-US relationship. As the US remains the single superpower in the world, the Sino-US relationship is one of the decisive factors influencing China’s foreign policy and security policy. China and the US have disagreements over several issue areas like bilateral trade, currency revaluation, intellectual property, human rights and Taiwan. The North Korean nuclear crisis has become a primary focal point in Sino-US relationship in the field of international security. Indeed China has regarded the North Korean nuclear issue as part of Sino-US relations. The fact that the Special Office on the North Korean Nuclear Issue of the Ministry of Foreign Affairs, which is in charge of issues of the North Korean nuclear issue and the Six Party Talks, are entirely staffed with American specialists, in stead of Korean experts, and that the Chinese ambassador appointed to Pyongyang in 2006, Liu Xiaoming, was also an American expert. These indicated that China views this issue from the angle of Sino-US relations. On the one side, China’s proactive role in the Six Party Talks and its perceived influence on North Korea is one of the few checks on American anti-China sentiment and provides impetus for a closer Sino-US strategic relationship. The ongoing process of the Six Party Talks itself was evidence of strengthened cooperation between the United States and China. The crisis created an opportunity to expand the basis for China-US security cooperation, which loomed large after 9/11, and allowed the two countries to make efforts to achieve strategic cooperation. For this reason, the Secretary of State Colin Powell claimed in 2004 that the US-PRC relationship was the ‘best ever’.

However, the North Korean nuclear crisis may further complicate Sino-US relationship. It has been rather difficult to coordinate the stances of the two countries on North Korea. As China prioritises the stability of Korean peninsula and the US presses for the denuclearisation, North Korea itself could become a wedge issue further dividing the two countries, especially as the Six Party talks seem to have run into an irresolvable impasse. Fundamentally different from the Bush administration’s unilateralist, preventative war strategy and their determination of shaping the world by force, or threat of force, China has adopted a multilateral, cooperation approach to build cooperative institutions among different states in order to achieve solutions to common security problem. The US has pursued a ‘counter-proliferation’, a coercive-diplomacy strategy designed to use international pressure to force such countries as Iran and North Korea to give up their potential nuclear weapons capacity, while China rejects this approach in favour of a more conventional ‘arms control’ or ‘non-proliferation’ approach. Meanwhile, North Korea crisis may give Beijing leverage in Washington on the peaceful resolution of Taiwan issue which has been China’s enduring core national interest as well as the most sensitive factor in China-US relations. China would have to consider the Korean situation from a geopolitics perspective if the US strengthens military relations with Taiwan.

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63 Telephone interview with Chinese official, the Information Department, Ministry of Foreign Affairs, 9 Oct. 2007.
Before the North Korean nuclear test, there was a debate about China’s ‘top priority’ of policy towards North Korea nuclear crisis. A Chinese scholar Shi Yinhong has argued that the following constituted the worst scenarios for China: North Korean nuclear blackmail directed at China; Japan going nuclear; and a war between the US and the DPRK. China’s declaratory policy did accord high priority to preventing North Korea from going nuclear by diplomatic means. Some have argued that China’s greatest priority has been peace and stability on the Korean peninsula, because China views the threat from North Korea more as a potential failed state and humanitarian disaster than a rogue state with solid nuclear capability. Therefore, while a nuclear-free Korean peninsula is important, the survival of the North Korean regime and reform of North Korea are China’s greatest challenge and prime objective. From China’s perspective, the North Korean nuclear issue is about more than nuclear proliferation, and it involves many complex issues: national security, geopolitical interests, relations with US, and potentially the leadership in Northeast Asia. China is trying gradually to normalise the North Korean economy, with the long-term goal of a reformed, China-friendly North Korea. As a matter of fact, these priorities can never be separated from one another, nor pursued independently. It is unlikely that China will tolerate an unfriendly new regime with American or South Korean military presence along its border as one of the outcomes of denuclearising Korean Peninsula. Similarly, the long-running nuclear crisis will undoubtedly deepen the isolation of this regime, reduce the chance of its attracting more economic support and increase the possibility of its collapse, which will then grow into greater threats to regional security and stability.

**Renewed Confrontation and North Korea’s Leadership Succession**

North Korea ended its missile test moratorium in July 2006 and then tested a nuclear device in October 2006 which not only removed any previous doubt that North Korea was capable of producing nuclear devices but also led the diplomatic endeavour to resolve the crisis to a new phase. The missile launches were made in the midst of a new, concerted effort by Beijing to get the Six Party Talks, which had stalled since November 2005, back on track. China engaged in a new round of quiet diplomacy to seek common ground among the parties and to revive the Talks since May 2006, including meetings with the Foreign Ministers of Japan, ROK, Russia and with the Assistant Secretary of State of the U.S. The key decision makers in Beijing – Foreign Minister Li Zhaoxing, State Councillor Tang Jiaxuan, and Premier Wen Jiabao – all received the DPRK Foreign Minister Paek Nam-sun in Beijing in late May and early June. On 1st June 2006, President Hu Jintao personally called President Bush to urge the U.S. to accept North Korea’s invitation for Assistant Secretary Hill to Pyongyang for talks to resume the fifth round of the talks. China was eager to show the world that it is a responsible power through mediating the regional crisis. The missile and nuclear tests seemed to have brought all of the efforts to naught. Pyongyang’s tests have been described as a ‘deliberate slap in China’s face’ because China had publicly warned North Korea not to conduct any nuclear test.

66Shi Yinhong, ‘How to understand and deal with the DPRK nuclear crisis’ *Hong Kong Da Gong Bao*, January 15, 2003.
68The most notable message was Chinese Premier Wen Jiabao’s public statement at the end of June DPRK nuclear test ‘fifty-fifty’, *Kyodo News Agency*, 1 June 2005.
The statement of the Chinese government responding to the test was prompt and harshly worded: the test has a ‘negative impact’ (fumiande yinxiang) on relations across the Yalu River and the test was ‘stubbornly defiant’ (‘hanran’) which has only been ever used on few extreme cases such as Japanese Prime Minister’s visit to the Yasukumi Shrine and the U.S. bombing Chinese Embassy in Belgrade.\(^6^9\) The tests also forced China to adjust its diplomacy in the United Nations. Instead of protecting North Korea from sanctions in the international community, China chose to distance itself from North Korea’s violation of international norms. Unlike during the first and the second crisis when China objected economic sanctions against the DPRK, China voted on two UN Security Council resolutions (1695 and 1718),\(^7^0\) but ruling out the use of force. On 5\(^{th}\) October 2006, as the DPRK announced its nuclear test, Chinese Ambassador to the U.N., Wang Guangya, told reporters, ‘on this issue, everybody is unanimous … No one is going to protect them’.\(^7^1\)

In addition to the implementation of the UN resolutions, China seemed to use more coercive measures than before. China cut off the crude oil export to North Korea for the whole month of September 2006 when Pyongyang showed signs of preparing for its first nuclear test.\(^7^2\) Inspections on the cargos from North Korea were carried out at the Chinese border. Chinese government gave instructions to Chinese banks to stop financial transactions with North Korea, which meant to cut Pyongyang’s vital supply of hard currency and restrain North Korea’s ability to conduct foreign trade.\(^7^3\) China stopped investment in North Korea for three months after the test and closed three customs offices in Northeast China that handle trade with North Korea. The Chinese government also issued an order to halt a tourist train service as well as suspend regular flight service to Pyongyang.\(^7^5\)

On the military front, additional troops were sent to the China-North Korean border in mid July 2006. This was officially reported as part of a ‘routine military exercise’ to reinforce the border and carry out missile drills in Changbai Mountains.\(^7^6\) Nevertheless, this movement has been interpreted as intensifying preparation for and enhancing China’s ability to react to a contingency involving North Korea.\(^7^7\)

When both Western and Chinese analysts saw the disappointment, embarrassment and anger in China’s new movement following the nuclear tests, they predicted that a ‘once unthinkable harder line’ has become more likely because China was ‘running out of choices’, which might include halting the supply of oil and food to the DPRK and therefore bring China’s policy closer to the US.\(^7^8\) However, China’s policy has not followed this logic, but largely showed a rather restrained position. China has never believed that China’s sanctions will force Kim Jong-il to simply kowtow China and to stop working on the second nuclear test.

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\(^{70}\)These movements led to a UN Security Council resolution (1695) of imposing sanctions of missile-related materials to North Korea and a resolution (1718) of imposing weapons and financial sanctions on North Korea. Resolution 1718 demands that North Korea eliminate all its nuclear weapons, weapons of mass destruction and ballistic missiles. It allows nations to inspect cargo moving in and out of North Korea to check for non-conventional weapons but is not backed by the threat of force.

\(^{71}\)See Anna Fifield, ‘New UN leader to tackle N. Korea’, *Financial Times*, 5\(^{th}\) October 2006.

\(^{72}\)Tim Johnson, ‘North Korea to return to nuclear arms talks’, The Lexington Herald Leader, 1 November 2006; ‘North Korea talks: Does Pyongyang want to give up its nukes or merely ease the international pressure?’, *The Washington Post*, 1 November 2006.

\(^{73}\)‘China sending tougher signal to Pyongyang’, *The Houston Chronicle*, 21 October 2006.

\(^{74}\)Except in some low-budget mining development, see ‘China reportedly makes little investment in North Korea since nuclear test’, Yonhap News Agency (Seoul), 2 February 2007.

\(^{75}\)‘China to halt North Korea-bound tourist train service’, Yonhap news agency, Seoul, 20 October 2006.

\(^{76}\)Qiu Yongzheng, ‘Who is fabricating rumours about the PLA’, Elite Reference, 6 August 2006.


Chinese officials ‘were clear that Beijing did not and will not stop fuel and food donations, because North Korea will only ‘grow stronger’ if pressured’, and not to mention the negative effects on the population in the DPRK. From China’s own experience of being sanctioned and of exerting pressures on Pyongyang, sanctions would only push the regime to find another way out. ‘The more sanctions against North Korea, the more hostile North Korea would be towards China’. Moreover, comprehensive economic sanctions would either cut off the connections between Beijing and Pyongyang and cause China to completely lose its long-term influence on the DPRK, or induce a regime collapse. From this perspective, a hard-line and confrontational policy would very likely exact a high price in relation to China’s crucial geopolitical interests without solving the problem at all. As Liu Jianchao, the state spokesman said ‘we will comply with the Security Council resolution, but China’s aim is not for sanctions’. China’s aim is to keep the North back away from the nuclear brink and re-join the talks. China had to swallow its anger and continue to play its role of mediator in a new scenario.

Therefore, after a period of isolation by withholding economic assistance to and freezing financial transactions with the DPRK, China sought to restore top-level dialogue with Kim Jong-il and to restore its influence with North Korea. China’s short-term goal is to lessen the tensions and to prevent the crisis from further escalation, just as what China was doing in 2003. Within three weeks of the nuclear test, Chinese special envoy Tang Jiaxuan visited Washington, Moscow and Pyongyang and China brought North Korea and the United States back to the negotiation table after over a year of stalemate. In particular, Tang’s meeting with Kim Jong-il discouraged a second nuclear test which was widely believed to be a possibility at the time.

A changed policy?

There are different views on the extent to which the nuclear test changed China’s policy. One view is that the missile and nuclear tests did not fundamentally change the relationship between Beijing and Pyongyang because the bottom line of China’s policy toward North Korea is still regime survival. The policy goals discussed above, especially those regarding regime survival and economic stability, remain unchanged. For example, after Pyongyang agreed to return to the Six Party Talks, China firmly stated that Beijing is not going to cut off oil or food aid to the DPRK. Nevertheless, the nuclear test and the February Agreement did affect the development of China’s policy. First of all, the clarification effects of the test have not been limited to the fact of Pyongyang’s nuclear ability. For a long time the situation that other countries were concerned about Pyongyang’s nuclear ability, which nevertheless China had seriously doubted, offered China the chance of maintaining the outside perception of China’s capability of keeping the DPRK under control. The nuclear test has reflected China’s limited influence on North Korea’s behaviour and weakened the expectation from other countries that China might be able to prevent North Korea from going nuclear.

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79. U.S. visitors say China has not, will not cut off aid to North Korea as pressure’, Yonhap (South Korea), 16 November 2006.
Second, if before the nuclear tests China had perceived the crisis was largely an issue between the US and North Korea and try to mediate between them through multilateral and bilateral means, after the crisis China started to regard the nuclear issue as a problem of itself.\textsuperscript{83} From imposing the coercive measures to rapidly reviving the Six Party Talks, it seems that China no longer merely wanted the North Korea to attend the Talks, but is willing and trying to put an end to its nuclear programme.

Third, there has been a subtle change in China’s overall stance and its policy priority toward the crisis. Since 2002, China’s official stance toward the DPRK nuclear programme has been: (1) peace and stability in the Korean Peninsula; (2) resolve the crisis through diplomatic and political means; (3) denuclearisation of the Korean peninsula.\textsuperscript{84} If China had downplayed the aim of ‘denuclearisation’ under the previous ambiguous circumstances and stressed the priority of stability and regime survival, a nuclear North Korea has forced China to adjust the sequence of its policy aims and to pursue the goal of denuclearisation because the nuclear presence has become the primary threat of instability and peace in Northeast Asia. Immediately after the nuclear tests, therefore, the Foreign Ministry Spokesman Liu Jianchao said, the ‘number one priority’ is ‘denuclearising the Korean Peninsula’\textsuperscript{85}.

Chinese officials claim that China has always had a genuine interest in preserving the global non-proliferation regime and is willing to make more efforts on the North Korean nuclear disarmament.\textsuperscript{86} It was reported that before the nuclear tests China had intercepted a shipment of chemicals that could have been used in the separation process separating weapons grade plutonium.\textsuperscript{87} Critics see that although nuclear proliferation is a concern in general, it has never been China’s top priority, whether before the nuclear tests or after. However, what matters is not whether the nuclear issue is the number one priority, but the nuclear tests have severely increased the China’s stakes on the issue, and therefore, failure to resolve the North Korean nuclear issue raises it to a higher priority.

The succession crisis

The illness of Kim Jong-il in 2008 precipitated a crisis of succession in North Korea. Kim had up to this point neglected the need to prepare for a succession, but his mounting health problems made it an urgent priority. The preparation of his son Kim Jong-eun for the leadership took place in a time of renewed tension with the United States and South Korea. This was in part due to a decision to consolidate the nuclear deterrent and abandon the multilateral process of the Six Party Talks, and a response to the abandonment of the policy of engagement by the Lee Myung-bak administration in Seoul. North Korea’s increasingly belligerent behaviour was widely interpreted as a way for the young Kim to establish his credentials with respect to North Korea’s military elite.

\textsuperscript{83}Yongnian Zheng, ‘Chaoxian wenti: zhongguo zhanliu de zhuanbian?’ [The North Korean issue: a change in China’s strategy?], Lianhe Zaobao, 1 August 2006

\textsuperscript{84}The three propositions of China’s stance on the North Korean nuclear issues, stated by Tang Jiaxuan, the Foreign Minister of PRC, on the Foreign Ministers Meeting of the Security Council on anti-terrorism, 20 January, 2003.

\textsuperscript{85}‘Liu Jianchao: Zhongguo congulai weitong Chaoxian jinxingguo renhe xingshide he hezuo’ [China ha snever engaged in any nuclear cooperation in nay form with north Korea], Beijing Renninwang, 10 October 2006, from http://world.people.com.cn/GB/8212/9491/57325/4901987.html

\textsuperscript{86}Telephone interview with Chinese official, the Information Department, Ministry of Foreign Affairs, 9 Oct. 2007.

\textsuperscript{87}Christopher Twomey, ‘China policy towards North Korea and its implications for the United States: Balancing competing concerns’, Strategic Insights, 5 (7), 2006
The apparent failure of the Six Party process and the increasingly confrontational atmosphere which culminated in the Cheonan incident in 2010 was a serious test for China’s North Korea policy. The South Korean government fully expected that China, confronted with the evidence of the international investigation which concluded that the Cheonan was sunk by a North Korean torpedo, would acknowledge the outcome and join in the condemnation of the DPRK. President Obama likewise dropped clear hints that the United States expected China to come out against North Korea but the Chinese told the Americans that even if China believed Pyongyang was responsible for the Cheonan, there would be no point in saying so. The South Koreans did little to hide their monumental anger against the Chinese, and the joint naval exercises conducted in response to the incident also sent a signal to China, although the US and the ROK relented from their original plan to hold the exercises in the Yellow Sea. But China held steadfast to its policy because it perceived Seoul’s reaction to the Cheonan incident as a precursor to an excessive reaction that could result in a dangerous rise in tension. For Beijing, the Cheonan controversy was an embarrassment that it wanted to overcome as quickly as possible. Providing diplomatic cover for Pyongyang came with a price – Kim had to agree to return to the Six Party talks after all. However, the artillery attacks on the South Korean island of Yeonpyeong on 23 November 2010 increased tensions to a new level and created a further obstacle for the resumption of talks.

As a result of the fact that the United States adopted a policy of “strategic patience” with regard to North Korea and South Korea cut off all economic relations with North Korea in response to the Cheonan (except for the Gaseong industrial complex), the DPRK had become almost exclusively dependent on China. Kim Jong-il went on several visits to China in order to obtain greater economic support (which failed to materialise at the level requested) and China’s support for the leadership transition. The response to the Cheonan incident and the support for the leadership succession was a strong indication that Beijing continued to give priority to the stability of the North Korean regime. This was confirmed by Hu Jintao’s message of condolence after Kim Jong-il suddenly died on 17 November 2011, in which Hu emphasized the unwavering friendship between China and the DPRK.

**Conclusion**

In its efforts to become a ‘responsible great power’, China has taken the great challenge to defuse tensions and to channel into the peaceful dialogues. The Six Party Talks have been the primary diplomatic forum to resolve the North Korean nuclear crisis and China has been a dominant force in creating and sustaining this process. China will not consider the extremity of a complete set of economic sanctions, which most of the western observers believe constitute the real influence of China on North Korea and also the most effective, because such sanctions would greatly increase the likelihood of political collapse, civil war, and a renewal of international hostility on the Korean peninsula. This also explains why China has refused to publicly support the idea of using coercive measures such as shutting down the oil pipeline which would have pleased the US. It has been due to the same reason that China traded no oil with North Korea in September 2006 according to Chinese trade data but China officially denied that China had imposed oil sanctions to North Korea.

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88 Based on interviews with US State Department officials in June 2011  
China does not want to use these measures in the first place and if it has to, it uses them quietly and does not want to capture the American attention and anticipation that China will use them in the future. In the meantime, these measures were all used suddenly at sensitive timings so that China is able to send clear signals to Pyongyang: we can but we really don’t want to, so you had better not force us to. Therefore, China prefers economic incentives or small steps of coerce to bring the North Korea to the talking process. Although there have been some policy adjustment responding to the North Korean nuclear tests, including using more coercive measures, China has kept the measure of sanctions at a minimal level and stressed dialogue and negotiation in which China plays an active role. In the meantime, although China still maintains multiple goals towards this issue, denuclearisation has attracted China’s greater attention than before.

In some respects China is facing the same dilemma as all of the other states involved in the Korean peninsula, namely that there is no evident alternative to the status quo. Although in the West there is a view that China could force Pyongyang to radically alter cause, this is not evident to the Chinese leadership. For the time being the judgement in Beijing prevails that political stability on the Korean peninsula is paramount. China’s vision for the future of the DPRK is one of economic reform along the lines that China pursued itself after Mao and it would not want to see unification on Seoul’s terms. But as long Pyongyang resists change, from Beijing’s perspective the status quo is the least bad option.
Russia’s North-East Asian priorities: Where does North Korea fit?

Georgy Toloraya

Georgy Toloraya is a professional diplomat (rank of minister) with decades-long experience in Korean affairs, having served two postings in North Korea (1977-80 and 1984-7), then in South Korea as a Deputy chief of the Russian Embassy (1993-8) and later as the senior Russian Foreign Ministry official (Deputy Director-General) in charge of the Korean Peninsula (1998-2003). He is the director of Korean research at the Institute of Economics of the Russian Academy of Sciences. Prof. Toloraya graduated from MGIMO (Moscow University of International Relations) in 1978, earning a Doctor of Economy degree in 1984 and a Full Professor degree in Oriental studies in 2002.

The Korean situation has long been a thorn in Russia’s side: the crisis along Russia’s Eastern borders, has continued for decades and constitutes a constant, if not immediate, threat to the stability of Russian Far East. This crisis is also a very major obstacle to Russia’s economic plans in North-East Asia, including its potential multilateral energy and infrastructure projects. Contrary to the expectations of some, the collapse of world communism led to a worsening of the Korean crisis because of the revived nuclear ambitions of the DPRK, which sees its ‘nuclear deterrent’ as the only means of survival. That severely affects Russia’s non-proliferation interests and could lead even to a nuclear arms race in a sensitive North East Asian neighborhood. Russian views on the causes of the conflict are, however, not one-dimensional. Moscow’s view is that it is not only North Korea but also its adversaries that should look for compromise. It also is concerned that the real aim of Western powers is not coexistence but the collapse of North Korea and its absorption by the South.

Russia’s approach to relations with DPRK should be taken in the context of its overall Asian policy. Some Russian strategists argue the Asia-Pacific is the next most dynamic area of the world and Russia as a Europacific country should turn to the East for national survival. In July 2010 President Medvedev convened a State Council meeting in Khabarovsk that discussed measures Russia should take to strengthen its position in Asia and the Pacific and the meeting concluded by adopting a special programme to implement those suggestions. China is the most important target of Russia’s political-military and economic activity in the region but it is not the only concern.

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92 M.Krupyanko and L.Areshidze, USA and East Asia-The struggle for a ‘New Order’ (Moscow: International Relations Publishers, 2010), p.289
Russia’s North-East Asian priorities: Where does North Korea fit?

Relations with Japan provide a ‘difficult case’ for Russia and will remain so for years to come. ASEAN countries are important for creation of a regional security architecture although so far the prospects of economic cooperation with ASEAN have not been bright. By contrast, the border region of Northeast Asia is where Russia still matters and where it has real economic interests. The Korean peninsula is important to Russia as it provides the gateway to the Pacific, and relations with Pyongyang are the leverage which lets Moscow make the difference in regional affairs.

The first priority for in Northeast Asia is stability and regional development in order to create optimal conditions for Russia’s own deeper integration into the regional, international and globalised division of labour. Northeast Asian stability and development is also important for the economic prosperity and security of the Russian Far East to prevent its ‘distancing’ from the federal center. Finally Northeast Asia is important for the Russian strategy of advance into Asia and the Pacific, proclaimed in July 2010. Prevention of any conflict or increase of tension in Korea is therefore an imperative that is accentuated by the importance of the Asia Pacific in Russia’s foreign policy as exemplified by Russia’s hosting of the APEC summit.

Is there a real chance for the crisis on the Korean Peninsula to explode? How great is the threat of a full-scale military conflict on the peninsula? Is the scenario that is widely discussed in the West really possible - namely an ‘uncontrollable’ development in which North Korea collapses leading to spontaneous reunification of North and South Korea under the aegis of the South? How might the domestic political situation develop in North Korea taking into consideration that the process of leadership succession has started? How should the issue of North Korea’s nuclear potential be addressed? Is the nuclear issue the most important one or does the problem stem from a conflict aimed at mutual annihilation between two political entities and two elites? Is there a real threat of the use of nuclear weapons use in a military conflict or the proliferation of technologies for weapons of mass destruction? Given the current situation, how should the powers involved in Korean affairs, including Russia, shape their relations with North Korean leaders?

The most important of these issues is the future of North Korea. Recent hopes (especially in South Korea) for a spontaneous or forced regime change and early unification as a result of internal instability and external pressure have proved to be more or less groundless. We cannot however completely rule out this type of scenario based on a political crisis (which, incidentally, the West is actively striving to provoke).

Russian experts believe that unification via absorption could bring about very negative consequences, not only for the Korean nation but for the entire region as well. There could be a civil war as some of the proponents of Juche nationalism would take up arms against the ‘occupiers and compradors’. The new authorities will encounter not just guerilla warfare of the type seen in Afghanistan but also face a full blown civil war with the possible use of Weapons of mass destruction, and not only on the Korean peninsula.

Another possible scenario in the wake of political crisis is active intervention by China, which in a crisis situation could attempt to install a pro-China government in part of or all of North Korea. Such a development would certainly not be in Russia’s interests.

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94 Meeting on the Social and Economic Development of the Far East and Cooperation with Asia and the Pacific Countries, chaired by President Dmitry Medvedev, Khabarovsk, 02.07.2010 http://kremlin.ru/transcripts/8234
Russia’s North-East Asian priorities: Were does North Korea fit?

An important development in North Korea, however, is that the hereditary transition scheme seems to be more or less on track. Kim Jong-Un has considerably strengthened his position. In the case of Kim Jong Il’s death, the son will most likely manage to perform the tasks needed for orderly power transition as the practical management of state affairs will remain in the hands of the same tried and true state elite, albeit with an evolutionary change of generations.

It is true that even with a smooth transfer of power problems are possible. The new elite that will inevitably replace the older generation could be substantially less competent and possibly more aggressive. A polarization is also possible in the new elite, particularly as attempts are made to ‘modernize’ the system. Reforms that do not first of all resolve the issue of external security also come with the threat of disrupting the balance of the political system.

On the whole however the probability of a collapse of the North Korean regime has not significantly increased, particularly because of China’s support of North Korea. In any case the power will remain in the hands of the extensive Kim clan and their inner circle. No ‘Arab spring’ should be expected in North Korea. Due to the restricted access to information and education system, there is no alternative power base. There are no grounds to believe a domestic opposition movement will arise in North Korea – all dissident activities are cruelly suppressed and the conditions for its formation are absent.

Depending on the development of the international situation, there are two possible paths.

If there is a continuation of the nuclear crisis, international sanctions and strengthening of measures to isolation the country, North Korea will preserve is isolation and continue a policy of confrontation with the outside world, based on its unique experience of long existing in isolation of various degrees of severity. The credo is not to change anything. Such a stagnant option is least dangerous for the country’s elite.

If there is a return to constructive negotiations and a policy of engagement, then gradual economic reforms aimed at an evolutionary transformation of North Korea becomes a possibility. Theoretically the Chinese model is quite applicable to North Korea. The North Korean government’s slant on the Chinese model would be an adjustment in favor of the preservation of isolation so as to prevent political unrest while at the same time allowing the development of market mechanism. Permitting market mechanisms is not difficult as it simply means acknowledging North Korean’s current economic realities.

Russia genuinely hopes for denuclearization of the Korean peninsula, however elusive that goal might seem. For Russia it is important that the Korean Peninsula should be free of weapons of mass destruction (WMD), that the DPRK should obey the Nuclear Non-Proliferation Treaty rules, that it should return to International Atomic Energy Agency (IAEA) rules and that verification and guarantees of denuclearization should be based on international law. A nuclear arms race in the region and globally, could change the balance of power in a manner detrimental to Russian interests. However the idea of ‘denuclearization first, rewards later’ is not seen in Russia as realistic and some experts suspect this approach is just a cover for promoting the hidden agenda of undermining the North Korean regime. Russian experts see North Korean denuclearization as only one of the tasks in the comprehensive settlement to the decades-old Korean security problem and not an end in itself.

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Russia’s North-East Asian priorities: Where does North Korea fit?

What could really affect Russia’s interests is not the current nuclear status of North Korea, but a further expansion of North Korean nuclear programs involving improvement of their nuclear weapons and means of delivery. The consequence of such an expansion could endanger Russia’s national security, mostly because of an intensified regional response, which would in turn require counter-measures from Russia. The possibility of North Korea’s WMD technologies falling into terrorists’ hands should also not be completely discarded. Russia’s interest in preventing such developments coincides therefore with those of the United States, Japan, and South Korea.

The full denuclearization of North Korea under the current rules of the game seems to be unattainable. North Korea’s view is that the Western intervention in Libya was only possible after Gaddafi voluntarily had ended his nuclear weapons’ program in a deal with the West and this has strengthened North Korea’s determination to retain the ‘nuclear deterrent’. For Russia the more viable option is to rein in the nuclear potential of the DPRK and to manage the risks, while tacitly agreeing to the temporary preservation of the current status quo.

Russian policy is to promote the creation of a multilateral mechanism for guaranteeing security in Northeast Asia in order to provide a new peace regime for the Korean peninsula. Russia has consistently argued that that the Korean issue should be solved through the multiparty diplomacy. Russia introduced the concept of Six Party Talks in 1994 and was instrumental in establishing the Six Party Talks in 2003 as well as the ‘package deal’ of September 19, 2005 that, in a nutshell, offered 'peace and aid for nukes'.

The international processes that involve all the major powers should not be regarded as a ‘zero-sum game’. The idea of a regional cold-war era-like division on Korean affairs is of no appeal to Moscow. A ‘concert of powers’ is more attractive to Russian foreign policy-makers. The Russian view is that such a concert of powers could be founded on and through the multi-party mechanism of nuclear talks.

From the conceptual point of view, for Russia the most desired outcome is national reconciliation and the peaceful coexistence of two Korean states, as part of a process to an eventual unification of Korea over a long period of time. A unified Korea that seeks to maintain friendly, neighborly and cooperative relations with Russia does not contradict Russia’s core interests. This may be in contrast to other neighboring countries that, unlike Russia, have historical disputes with Korea. At the same time, the prospects for a united Korea in the foreseeable future are quite low.

In 1990s Russia’s relations with North Korea had sharply deteriorated as Pyongyang thought a newly democratic Russia had joined the camp of its adversaries and aspired to eliminate the regime. As a result Russia was sidelined from Korean issues and her national interests in Northeast Asia were jeopardized. President Putin however took measures to restore relations in order to promote Russian national interest. The breakthrough visit of President Putin to Pyongyang in July 2000 as well as return visits of Kim Jong II to Russia in 2001 and 2002 laid the foundations for a new type of relationship, based on good neighborhood and cooperation. Improvements in the relationship with the DPRK resulted in the reinstatement of Russian leverage vis-à-vis any Korean settlement at little political, military or economic expenses.

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Russian experts noted that none of the goals set by the West and South Korea and backed up by the politics of pressure were ever achieved. Over the decades these goals included regime collapse or transformation to a point of soft landing, denuclearization, improvement in human rights, liberalization, and reducing the danger of a North Korean attack. On the contrary, DPRK became a de-facto nuclear weapon state, solidified its regime, implemented its policy of hereditary succession, gained a diplomatic edge over its adversaries, enlisted Chinese support and, finally, resorted to a demonstrative use of force that received no substantial counter-reaction.  

The Russian view is that Russian policy on the Korean Peninsula should ‘stand on both legs’. Russia would work with the West but it would also strengthen bilateral relations with Pyongyang. These policies were threatened in the 2009-2010 stage of the continuing Korean crisis as Pyongyang’s pursuit of a nuclear and missile capabilities, its border provocations, including the military clashes and incidents on the tense North-South border in the Yellow Sea, stretched the Kremlin’s patience and gave rise to a less lenient approach to the DPRK’s adventurism. The ‘Reset’ of relations with the United States that was high on Russia’s foreign policy agenda might also have prompted less weight given to good relations with Pyongyang. Russia was keen to secure closer cooperation with Washington in vital security areas, especially in strategic arms limitation and counter-proliferation activities.  

After the cooling down of relations in 2009–2010, however, Russia took active measures to restore its positions in North Korea. A number of economic projects, including debt rescheduling, bilateral and trilateral projects were discussed. Russia provided food aid to Pyongyang in 2011, both bilaterally and through international organizations. The food aid to North Korea was the largest amount of aid that Russia had donated in decades. It was a conspicuous gesture against the background of refusal of the United States and South Korea to provide humanitarian aid to the DPRK.  

The culmination of these Russian policies was the August 2011 Ulan-Ude Medvedev–Kim Jong Il summit. Why would Kim bother take the train and go this far? One answer is that Russia is a non-communist country, a member of United Nations Security Council and the G-8 and influential in world affairs. Russia is therefore, for North Korea, a ‘window to the West’. On a more personal note, Kim Jong Il (who, incidentally, was born in the Russian Far East) seems to harbor nostalgic feelings for this Northern country and has repeatedly expressed his desire to travel across Russia more often.  

The security issues on the Korean peninsula, including the North-South confrontation and the nuclear issue, were central to the agenda of the 2011 summit. Russia’s demand that North Korea resume the diplomatic process on denuclearization of the Korean peninsula met with a positive response. In March 2011, when Russian vice-minister of foreign affairs, Alexey Borodavkin, visited Pyongyang, North Korea publicly declared its readiness to adhere to the Six Party Basic Agreement, to discuss its uranium enrichment program, to consider a moratorium on its nuclear and missile activities and to accept inspectors on its nuclear programme.  

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101 The Medvedev administration view is that North Korean nuclear ambitions are a global challenge and should be dealt with sternly. These views are closer to the approach of US administration than was the case previously. See ‘Joint Press-conference of Russian President D. Medvedev and USA President B. Obama’, [http://www.ln.mid.ru/Brp_4.nsf/ab/58DC80824084D8FDC35275EC02720BD?OpenDocument](http://www.ln.mid.ru/Brp_4.nsf/ab/58DC80824084D8FDC35275EC02720BD?OpenDocument).  
102 KCNA, ‘The Russian side expressed its stand that the six-party talks should be resumed at an early date to settle the nuclear issue on the Korean Peninsula in a political and diplomatic manner. It pointed out that it is important to take constructive measures such as DPRK’s moratorium on nuclear test and ballistic missile launch, access of IAEA experts to uranium enrichment facilities in the Nyongbyon area and discussion of the issue of uranium enrichment at the six-party talks. The DPRK side expressed its stand that it can go out to the six-party talks without any precondition, it is not opposed to the discussion of the above-said issue at the six-party talks and if the talks are resumed, other issues raised by the Russian side can be also discussed and settled in the course of implementing the September 19 Joint Statement calling for the denuclearization of the whole Korean Peninsula on the principle of simultaneous action.’ KCNA, Pyongyang, March 15 2011, reproduced on [http://www.kcna.co.jp/item/2011/201103/news15/20110315-21ee.html](http://www.kcna.co.jp/item/2011/201103/news15/20110315-21ee.html).
This time it was Kim Jong Il who declared North Korea was ready to resume Six party talks without any conditions and was prepared for a moratorium for nuclear tests and production of nuclear materials, something the world had requested her for so long. He later repeated this in China.

The response to the signal from Pyongyang from South Korea and the United States was to say that North Korea’s statements were ‘inadequate’. The United States and South Korea were lukewarm in their response, repeatedly stating ‘that was not enough’. Their position was that talks should only take place after North Korea meets conditions in order to demonstrate North Korea’s ‘sincerity’.

Goodwill needs to be shown on all sides and North Korea has already made some moves towards reinstating the diplomatic process. ‘Prior denuclearization’, especially taking into account the lessons that Kim Jong II has drawn from the fate of Gadaffi, is a fantasy. One hope is that bilateral contacts with the United States and the Republic of Korea may take place that, in accordance with the Chinese initiated three-stage plan, may lead to the resumption of the Six Party Talks. Russia has a tangible stake in the Korean peace process and, together with China, should try to persuade both Seoul and Washington to resume the diplomatic process, however far the end goal might seem. Probably there should be a broader agenda in the Six Party Talks. If the participants only concentrate only on North Korean ‘denuclearization’, the talks will be fruitless. The issues of North Korean security guarantees and the establishment of a peace and security regime will need to be addressed so that the freezing of missile and nuclear activities can first of all take place, to be followed by reductions in WMD potential.

The most widely discussed item of the summit agenda was the gas pipeline to supply Russian natural gas from Sakhalin to South Korea through the territory of the North. It remains to be seen if Seoul will allow gas supply to their country to transit the North and that would certainly entail considerably improvement in inter-Korean relations. North Korea is not however necessarily going to behave like Ukraine, which blocked the transit of gas to Europe in a dispute about payment. If the North Korean leadership gives Moscow guarantees of an uninterrupted pipe-line these promises are likely to be upheld. The pipeline would bring profit and much-needed energy for North Korea so ‘turning off the valve’ would be self-destructive. Any gas from Russia is also difficult to use as a political weapon against the South as it is unlikely that it will supply more than ten per cent of the market. In the eventuality that the gas supply ended or was suspended, South Korea could easily obtain the fuel from other suppliers. Such an eventuality would anyhow engage a Russian response. Should North Korea use more gas than its quota or block supplies to the South, Russia would have to compensate South Korea.

Discussions also took place about a Trans-Korean railroad connection. This project is more tangible as the pilot part from Khasan to Rajin, which has already been undertaken by a Russian state-owned company, is nearing completion. This project, along with a number of proposed projects were discussed in very concrete terms in Pyongyang after Kim’s visit to Russia, at a meeting of Intergovernmental commission on economic and technical cooperation, headed by Cabinet ministers.

In summary, Russia is trying to play an ‘honest broker’ role between the various protagonists. This is quite unlike the United States and China, both of which have only one client. Russia strives to improve North-South relations by concrete economic cooperation, among other things and to facilitate a diplomatic solution to the security crisis.

104 http://news.yahoo.com/s/nm/20110315/wl_nm/us_korea_north_uranium_1
105 http://news.yahoo.com/s/nm/20110315/wl_nm/us_korea_north_uranium_1
106 http://www.atimes.com/atimes/Korea/MH23Dg01.html
Russia’s Northeast Asian Priorities: Where Does North Korea Fit in?

Dr. Tim Page

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In the post-Soviet period, two priorities have consistently informed Russian foreign and security policy in Northeast Asia. Firstly, based on the recognition of the failure of Soviet economic autarchy, Russia has sought to integrate the Russian Far East (RFE) into the region economically. Secondly, Russia has aimed to play a role in the dynamics of regional security, given regional security outcomes will have a direct impact on its own security. While these priorities have remained constant since 1991, the role of North Korea (the Democratic People’s Republic of Korea, DPRK) in Russia’s regional strategy has changed dramatically. After abandoning its extensive Soviet-era ties with the regime in the early 1990s, Russia divested a considerable amount of political capital, particularly during the previous decade, in rebuilding and strengthening its relationship with the DPRK. As part of its revised policy towards North Korea, Russia tended to support the regime’s position on the disarmament of its nuclear and missile programmes at the Six-Party Talks forum and in its role as a permanent member of the UN Security Council (UNSC). Russian policy towards North Korea is primarily designed to satisfy the demands of actors within Russian domestic politics, who argue that Russia should use its ties with the DPRK to assert its great power status (derzhavnost) and balance against US power in Northeast Asia.

Contemporary Russian policy towards North Korea and the Korean security situation is not compatible with its broader priorities in Northeast Asia. Economically and politically, Russia stands to gain little from its relationship with the regime. North Korea has consistently refused to repay around $7 billion in loans incurred during the Soviet-era, and the volume of Russian-North Korean trade consequently remains at a very low level. Importantly, by joining with China in offering qualified support to the North Korean regime at the UNSC and the now defunct Six-Party Talks, Russia helped create a situation where North Korea is able to act with relative impunity. Yet the instability generated by DPRK behaviour— including the second 2009 nuclear test, its likely involvement in the sinking of the Cheonan and the shelling of the Island of Yeonpyeong, among many other things, is categorically not in Russia’s interests with respect of its security in Northeast Asia.

As Moscow has found to its cost many times in the past and even though contemporary Russian policy towards the DPRK has many powerful supporters within Russia, North Korea has been a less than a reliable friend. The DPRK’s interests rarely coincide with and often directly harm Russia’s broader regional priorities in Northeast Asia.

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107 Throughout Russian and Soviet history, Russia’s Far East has tended to be used as a ‘resource vassal’ for the more populous regions of the Russian Empire/the USSR. As a result, foreign investment in the RFE was minimal throughout both periods and the regional economy was heavily reliant on state subsidisation, particularly in the Soviet era. This was reflected in the fact that only 12% of industry in the RFE was privately owned at the end of the perestroika reforms, a much lower proportion than that for the rest of Russia. See Mark Valencia, The Russian Far East in Transition: Opportunities for Regional Economic Cooperation, Westview Press, USA, 1995, p.79
To a significant extent, Russia’s present policy of maintaining and strengthening its bilateral relationship with North Korea is a product of the domestic backlash generated by the decision to abandon relations with the regime in the early 1990s, as well as the US decision to review and subsequently to deploy ballistic missile defence (BMD) systems in Europe. Russia’s decision to pursue an exclusively pro-South Korean strategy during the early 1990s had few supporters domestically and a large number of vociferous opponents. At the time Russia’s policy reflected the fact that the DPRK did not serve any function in Russia’s broader objectives in Northeast Asia. North Korea’s economic collapse following the withdrawal of Soviet economic assistance meant that the badly needed investment in the RFE could not come from the DPRK, and Russia was also deeply troubled because of suspicions surrounding the DPRK’s nuclear programme, causing security tensions for Russia.108 In this period, Russian policy was subject to almost universal condemnation in the Russian media and from leading figures in Russian politics. Aside from betraying a former socialist ally, they argued, Russia’s pro-South Korean strategy had caused Russia to lose a vital source of influence and leverage over the United States. In the words of one observer, Russian policy was akin to the story of the man who removed one of his eyes ‘in order to see better with the other’.109 For this group of actors, which collectively came to be known as the ‘North Korean lobby’, Russian strategy on the peninsula had caused Russia to lose influence and relevance in Northeast Asia.110 This view seemed to be evidenced by Russia’s ‘marginalisation’ during the first North Korean nuclear crisis between March 1993 and November 1994.

Although Russia made tentative steps to improve its relationship with the DPRK in response to domestic pressure, it remained unclear precisely what broader purpose this would or could serve in terms of Russia’s objectives in Northeast Asia and internationally. As South Korea had recently been identified as the state with which Russia shared a ‘common understanding of the main values of world civilisation’ the, albeit minor, improvements in Russian-DPRK relations were viewed with suspicion in Seoul.111 On more than one occasion, these improvements threatened to harm Russia’s relationship with South Korea, which was, and remains, vastly more important for Russia economically than the DPRK.112 Perhaps more importantly, while those associated with the ‘North Korean lobby’ had argued that Russia should use its ties with North Korea to gain leverage and influence over the United States, it was difficult to envisage how this would translate into practice after the end of the Cold War.

108 Throughout the Cold War, the USSR had effectively bankrolled the North Korean regime for ideological reasons and to counter the apparent threat posed by the US-Japanese-South Korean security alliance (the USSR and the DPRK had signed a mutual defence pact in 1961). It was also felt, as Yeltsin put it, that the removal of Russian technical and scientific assistance would make it ‘impossible’ for North Korea to develop nuclear weapons. Alexei Pushkov, ‘Yeltsin brings some answers and new questions from trip to Seoul’, Moscow News, 29th November 1992


110 See e.g. Konstantin Preobrazhensky, ‘North Korean Lobby in Russia’, International Analyst Network, November 2003


112 In 1996, for example, the South Korean Consul in Vladivostok, Choi Duk-gun, was murdered in the stairwell of his apartment, most likely by North Korean agents, which led to a downturn in Russian-ROK relations when Russia avoided explicitly accusing North Korea of the crime. See e.g. Nobuo Miyamoto, Yizhou Wang and Hun Joo-park, ‘New Threats: Dangers and Vulnerabilities in Russia’s Far East’, in Gilbert Rozman, Mikhail Nosov & Koji Watanabe (eds), Russia and East Asia: The 21st Century Security Environment, (New York: M. E. Sharpe, 1998), p. 205
Objectives and policies became clearer as a result of the North Korean Taepodong-1 missile test in August 1998. Whereas Russia viewed the Taepodong-1 test as part of a North Korean strategy designed to attract United States attention with the aim of receiving material compensation for any future disarmament, the test caused considerable alarm in the United States and reignited the debate over ballistic missile defence (BMD) in the Republican dominated Congress. In 1999, President Clinton announced a review into the feasibility of BMD in early 1999, with a view toward the possible deployment of BMD systems after 2001. The domestic debate in Russia over BMD and the apparent threat it poses to the strategic balance of power has since focused on the role that Russian policy towards North Korea can play in gaining leverage and influence over US policy on BMD. Given the Russian view of North Korea's motivations for the Taepodong test, commentators and members of the elite began to argue that Russia could use its ties with the regime to either persuade the United States that the missile programme did not pose a threat to security, or persuade the DPRK to abandon the programme. Combined with the general lack of enthusiasm for BMD among US allies, there was a sense in which, as Alexei Portansky put it, the 'current situation in the world around missile defence plays into Moscow’s hands, and it would be criminal not to take advantage of it'.

Fitting North Korea in:

Between 2000 and 2002, during the first two years of Putin's presidency, much of Russian policy towards the DPRK can be understood as an effort to capitalise on the Russian-North Korean relationship in order to gain leverage over US policy on BMD. At the same time, one of Putin's foreign policy priorities concerned the need to regain a degree of balance between its relations with states in the West and in Asia. These relations were known as the 'eastern and western vectors' of Russian foreign and security policy. Rebalancing was to be achieved by realising the potential of the 'Eurasian' nature of the Russian state and its ability to act as a cultural and land 'bridge' between the European and Asian continents. This policy led to renewed attention on a project to promote the inter-Korean Railway (IKR) as a prior step to linking the inter-Korean railway to the trans-Siberian Railway. North Korea’s cooperation would clearly be vital if the project was to be realised.

114 According to this argument, BMD is principally aimed at weakening Russia by giving the United States the ability to intercept Russian ballistic missiles. However, there are major problems with this claim, not least the inability of BMD systems to deal with multiple Russian missile launches simultaneously and the fact that Russia has developed its own missile, the Topol-M, which is designed to evade and destroy BMD systems. For a more balanced, and hence rare, Russian discussion of this issue, see Yevgeny Primakov, ‘Another Confrontation?’ Moscow News, 2 March 2007
Putin and Kim Jong-il held three, historically unprecedented summit meetings in Pyongyang (2000), Moscow (2001) and Vladivostok (2002). In each of these meetings, both states declared their joint opposition to BMD on the grounds that the North Korean missile programme did not pose a threat to international or regional security. Indeed, during the first meeting in Pyongyang, Putin claimed that the regime had agreed to abandon the missile programme in exchange for ‘booster rockets’ that could be used for space exploration, leading the US to announce that it might rethink its policy on BMD if this could be confirmed. While this was only a temporary diplomatic coup for Russia-Kim later referred to his comments on the missile programme as a ‘joke’- a series of agreements were, nevertheless, reached during these summits. It was agreed that preliminary work should begin on the IKR-TSR project and that a number of other joint ventures should be initiated. Russia thus decided to raise the status of its relationship with the DPRK to a qualitatively new level, based on what Putin described as the ‘traditional, friendly relations’ between the two states. Part of this renewed relationship was the April 2001 wide-ranging agreement on Russian-North Korean military cooperation. Russia agreed to take part in the modernisation of North Korea’s armed forces. In the years that followed, the regime received around $10 million per annum in Russian-made spare parts for its Soviet-era equipment.

The Second Nuclear Crisis and the Failure of Russian Policy, 2002-2011

Despite Putin’s lack of success in using North Korea to gain leverage over BMD, the Putin-Kim summits were, on the whole, received favourably in the Russian media and among certain sections of domestic Russian politics. At minimum, it appeared that progress would be made on the IKR-TSR project, which has the potential to be extremely lucrative for Russia. Russia has spent tens of millions of dollars on the IKR-TSR project. Both this and other large-scale projects between Russia and North Korea are unlikely to be realised, however, while the second nuclear crisis, which began in response to allegations surrounding the existence of a highly enriched uranium (HEU) programme in the DPRK, is ongoing.

Russian policy toward the nuclear crisis involved trying to strike a difficult balance between the perceived need to hold a close, cooperative relationship with the DPRK, consistent with the demands of prominent domestic political actors, and the broader, and more pressing need for an improvement in the Northeast Asian security situation. Russia has consequently sought to avoid an escalation of the crisis through undue pressure on the regime. Through membership of the Six-Party Talks between 2003 and 2008, Russia aimed to facilitate dialogue between the United States and North Korea and tended to support the DPRK’s demands concerning its future disarmament. Early in the crisis, Russia worked closely with China in preventing the adoption of United Nations resolutions on the HEU programme in April and June 2003.

117 Putin was the first head of state and the first Russian leader to visit North Korea (Kosygin was the highest ranking figure to visit the DPRK during the Soviet era).
120 Xinhua News Agency, ‘Russia-DPRK sign agreement on military cooperation’, 27 April 2001
122 It has been estimated that the IKR-TSR project would reduce the time involved in shipping commodities from Asia to Europe from around one month to 12 days, while generating between $1-2 billion in profits for Russia annually. See Igor Ivanov, ‘Russian and North Korean railway ministers sign rail link agreement’, Izvestiya, 16th August 2001
Russian-Chinese cooperation continued in the Six-Party Talks, in which both states supported North Korea’s demands for compensation in the form of energy assistance, among other things. Russia and China also supported a phased programme of denuclearisation, as opposed to the earlier United States insistence that complete, verifiable and irreversible disarmament (CVID) would have to take place prior to any material compensation being granted. The Russian-Chinese position combined with the difficulties of the United States in pursuing its own objectives unopposed contributed to the substance of agreements designed to resolve the crisis, such as the September 2005 agreement and the February 2007 ‘Action-Plan’. Russia played a vital part in the latter agreement and its most significant role in the crisis to date by agreeing to transfer North Korean funds that had been deposited in the Banco Delta Asia and had previously been previously frozen by the United States. This was because North Korea had made its acceptance of the 2007 Action-Plan contingent on the repatriation of these funds.124

Even after both agreements collapsed and North Korea escalated the crisis by test-firing further missiles and detonating nuclear devices in 2006 and 2009 respectively, Russia’s conciliatory approach extended to its diplomacy at the UN. Russia’s stance on the missile tests however differed significantly from its position on the nuclear tests as it argued that the missile programme did not constitute a security threat. For this reason, Russia (and China) prevented the adoption of a resolution under Chapter VII in response to the 2006 missile tests. In recognition of Russian and Chinese opposition, no resolution was even tabled in response to the missile tests in 2009. Conversely, Russia reacted quickly in unequivocally condemning North Korea’s nuclear tests that, in Putin’s words, caused ‘huge damage to the process of nuclear non-proliferation’.125 Yet though Russia clearly regards this behaviour as unacceptable, it nonetheless tried to limit the severity of punitive measures imposed by the UN. In 2006, for example, while the UNSC Resolution was passed under Chapter VII of the Charter, Russian and Chinese opposition ensured that it was worded in such a way as to rule out the use of force to ensure compliance. Similarly, the fact that the 2009 UNSC Resolution 1874 did not rule out the transfer of light weaponry to the regime, known as the ‘Kalashnikov clause’, was a direct concession to Russian demands.126

For a brief period after the 2009 nuclear test it appeared that Russia had finally run out of patience with the regime and that it would revise its policy towards the DPRK, which had largely been driven by domestic politics and the erroneous belief that Russia could use its ties with North Korea to persuade the US to abandon the BMD issue. Russia’s reaction to the March 2010 sinking of the Cheonan and North Korea’s shelling of the Island of Yeonpyeong however indicated that Russia’s policy still remained conciliatory towards North Korea. The South Korean-led international report into the Cheonan incident claims for example, on the basis of compelling evidence, that a North Korean torpedo sank the Cheonan. Russia’s report into the event by contrast claims that the hull of the Cheonan was torn in half by a sea-mine.127 While Russia responded to the December 2010 shelling of Yeonpyeong by stating that the ‘only next step is a conflict’, it failed to condemn North Korea unequivocally and was, arguably, more critical of United States and South Korean behaviour and the pressure both states have placed on the regime.128

124 The September 2005 agreement collapsed after the United States froze around $25 million in North Korean finances at the BDA owing to suspicions that the money was connected to money laundering and other illegal activities. While the US had already agreed to release the money when the February 2007 agreement was reached, the Bank of China, which the US had hoped would handle the transfer, refused to do so given the previous accusations concerning where the money had originated. Russia eventually agreed to handle the transfer once it had received written guarantees from the US administration that it would not face sanctions for doing so. Japan Economic Newswire, ‘N Korea says financial row resolved, ready to implement deal’, 24 June 2007
125 Xinhua News Agency, ‘Russia condemns nuclear test’, 9 October 2006
126 Dmitri Gornostayev, ‘North Korea’s nuclear reaction to UN resolution’, Kommersant, 17 June 2009
127 Gus Lubin, ‘Surprise: Russia declares North Korea innocent in Cheonan sinking’, The Business Insider, 27 July 2010
128 Deputy Foreign Minister Alexei Borodavkin in Andrew Osborn, ‘North and South Korea on the brink of war, Russian diplomat warns’, The Telegraph, 24 September 2010
As a result, and as is the case with the North Korean nuclear and missile programmes, the international community was unable to condemn the DPRK’s behaviour in a univocal manner. The divisions this created between the main actors in the Korean security situation serve to strengthen North Korea’s resolve by creating a situation where the regime is able to undertake provocative actions with little fear of consequences in terms of international isolation. Thus, Russian policy towards North Korea — and the divisions it has created between the main actors involved in the Korean security situation — can only serve to strengthen the regime’s resolve by allowing it to undertake provocative actions with little fear of the consequences, and the recent summit meeting between Kim Jong-il and outgoing-President Medvedev on 24 August 2011 (as this brief overview of Russian-North Korean relations goes to press) has simply perpetuated this situation. As had been the case in the previous, Putin-Kim summits, the two leaders discussed various energy and infrastructure projects, yet it remains hard to see how these can ever be completed for as long as the security crisis continues, and, despite Kim’s announcement that the DPRK is willing to re-engage in the Six-Party Talks process, the prospects of the crisis being resolved peacefully in the immediate future still seem to be extremely remote. After all, the basic problem underlying the Korean security crisis, as Christoph Bluth has remarked elsewhere, is not the DPRK’s lack of security or energy, but the nature of the regime itself. And as its existence depends, on a fundamental level, upon whatever material and political support it can attract (particularly from China and Russia), it is highly unlikely that Russia’s continued support of the DPRK, as reflected in the Kim-Medvedev meeting, will lead to any major breakthrough in this regard, despite it being very much in Russia’s interest for the crisis to come to an end sooner rather than later.

**The Future of Russia’s North Korean Policy**

In the context of Russia’s broader priorities in Northeast Asia, its policy toward the DPRK is paradoxical at best and nonsensical at worst. Since the mid-1990s, the annual value of Russian-North Korean trade has rarely exceeded $20 million, whereas Russia’s trade with South Korea is worth billions of dollars. Russian-North Korean relations are viewed with suspicion in Seoul and they are likely to be counterproductive in attracting further South Korean investment into the Russian economy and the economy of the RFE. Russia has not had success in using its relationship with the regime to gain leverage over US policy on BMD, and the distinction Moscow makes between the missile and nuclear programmes, borders on the absurd. It is self-evidently the case that the missile programme poses an equal threat to security as the North Korean nuclear programme, given that the DPRK’s possession of a viable nuclear weapon necessarily depends on progress in terms of missile technology and warheads. Yet in basing its diplomacy on this distinction, Russia must clearly share in some of the responsibility for the failure of the international community to adopt a unanimous stance toward North Korea, which could ultimately help bring the crisis to an end.

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129 These include a project to build a gas pipeline from Siberia through the DPRK to South Korea, as well as a scheme to increase the level of Russian-North Korean military cooperation (which is likely to involve joint Russian-North Korean military exercises and Russian involvement in the training of North Korean military personnel). For a further discussion of the recent Kim-Medvedev summit than space and time permits in this overview, see Stephen J. Blank, ‘Behind the Scenes with Kim and Dmitry’, 38North, 27 November 2011 (http://38north.org/2011/10/sblank101811/).

Hypothetically, Russia could play a part in breaking the current impasse over the nuclear crisis by distancing itself from the DPRK and placing further pressure on the regime, which would leave China as North Korea’s only major international ally and sponsor. However, in view of the current political situation in Russia and the political consensus that emerged over the need to use North Korea to balance against the United States in Northeast Asia, this is unlikely to happen. Almost all Russian analysis of the Korean situation starts from the premise that the United States is seeking to undermine Russia and marginalise its status as an actor in Northeast Asia. Yet while couched in realist language, the dominant, zero-sum interpretation of the current crisis has little basis in reality, and the policy upon which it is based is neither particularly rational and nor is it realistic. Unless and until this changes, Russia can be expected to continue offering support to the North Korean regime, further perpetuating the divisions among regional actors in the Korean security crisis and limiting the extent of any pressure on the DPRK that will almost certainly be required if the crisis is to be resolved peacefully.
Kim Jong Il died in December 2011 and his third son, Jong Eun, is the successor as leader of North Korea. This development conveyed the impression that North Korea has reached a crossroads, raising the question of which way the regime will go. So far it seems however the North Korea’s belligerence has grown, while the regime’s dialogue approach to South Korea and the United States, and its reliance on China and expectations of Russia have continued unaltered. Domestically, North Korea celebrated its sixty-third birthday, and it is reported that in Pyongyang a ‘construction rush’ is going on in anticipation of 2012, which is the hundredth anniversary of Kim Il Sung’s birthday. North Korea decided that in that year they will ‘open the gate of a strong and prosperous great power (kangsungtaeguk)’.

The test-launch of a Taepodong II missile, a second nuclear test in 2009 and continued proliferation caused global security concerns but the 2010 Chonnan and Yeongpyeong incidents convinced Han Min-gu, Chairman of South Korea’s Joint Chiefs of Staff, that North Korea’s is now shifting away from WMD and rhetorical threat to military adventurism aimed at civilians on South Korean soil. In light of his succession, Kim Jong Eun may need to accumulate ‘military achievements’ to prove himself a reliable ‘dear leader’ of the future North Korea. At the same time, North Korea continued making its customary conciliatory gestures. It tried to resume talks with the United States and South Korea. It tried to secure foreign investment, as well as food and other assistance from China and Russia. It signalled through China and Russia its ‘willingness’ to resume the Six Party Talks.

As for North Korea’s dealings with Japan, there is little to report perhaps because of the Japanese political situation. Since 2009, the national leadership changed so frequently that North Korea has found few opportunities to seize. Yoshihiko Noda, the sixth prime minister in the past five years, in his statement of intent in the Diet on September 13, reported that he would continue with the Pyongyang Declaration, signed by Prime Minister Junichiro Koizumi and Kim Jong Il on September 17, 2002. This statement however gives little indication of the nuance of Japan’s policy toward North Korea as Prime Minister Noda also accepted the ‘National Defence Programme Guidelines for FY 2011 and beyond’. The Guidelines stated that Japan would continue to maintain and improve the credibility of the United States extended deterrence policy, which has the nuclear deterrent as a vital element and that Japan would work in close cooperation with the United States. This security policy doctrine recognised that North Korea’s military activities, including nuclear and missile issues, were immediate and grave destabilising factors to regional security.

In this paper, the terms ‘North Korea’ and ‘the DPRK’ are used interchangeably.

Yukihiro Sakurai, ‘Construction rush in Pyongyang: Kim Jong Eun is becoming more present’ Kyodo, September 3, 2011


Ibid., p. 4.
From a security point of view, there was no indication that North Korea had abandoned its belligerent policy or reconsidered its policy of military build-up. Japan was aware that the succession process consolidated the regime’s existing military-first policy. Japan tried to intensify security cooperation with the United States and South Korea but as there was no need of significant change to the policy of ‘dialogue and deterrence’, Japan’s view was that an appropriate response was to remain on the alert to possible further attacks from North Korea.

In this paper, I will review Japan’s security policy toward North Korea and recent developments on the Korean Peninsula. My conclusion is that, given that the North Korean regime is likely to remain as belligerent as ever while maintaining a nuclear ‘deterrent’ at least for the foreseeable future, Japan’s policy toward the regime will be more of the same.

**Japan’s Security Policy Towards North Korea: Engagement and Deterrence**

Japan’s policy toward North Korea was officially characterised as a ‘dialogue and deterrence’. The objective was to achieve a ‘comprehensive solution of the North Korean abduction, nuclear, and missile issues’. On 17 September 2002, then Prime Minister Koizumi took a bold step to engage bilaterally with North Korea by directly visiting Pyongyang and meeting with Kim Jong Il. But when for the first time Kim admitted officially that from the 1970s North Korean agents had abducted Japanese civilians, the abduction issue became the major stumbling block to the promotion of normalisation between the two countries. As North Korea’s belligerence increased over the past three years, the deterrence part of Japan’s policy toward North Korea became more apparent. More specifically, Japan focused on denial deterrence capabilities. This involved ballistic missile defense and maritime security and full cooperation with the United States, Japan’s only formal ally. Japan also focused on punitive deterrence in the form of restrictions on non-military trade and financial sanctions. In response to the North’s long-range ballistic missile launch on April 5 and nuclear test on May 25 2009, policy proposals from the Prime Minister’s security advisory group and major political parties reveal a mounting consensus among Japanese policy-makers in favour of strengthening Japan’s punitive deterrence capabilities in a restrained manner.

Japan’s policy toward North Korea is summarized in Table 1 and Japan’s response to North Korea’s belligerent and provocative actions is summarized in Table 2.

**Table 1 Framework for Japan’s policy response to the DPRK’s belligerence**

<table>
<thead>
<tr>
<th>Dialogue</th>
<th>Deterrence</th>
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<tbody>
<tr>
<td>Bilateral: Japan-DPRK talks</td>
<td>Denial: BMD, PSI and economic/financial sanctions</td>
</tr>
<tr>
<td>Multilateral: Six Party Talks</td>
<td>Punitive: Reliance on and cooperation with the US (Japan-US alliance)</td>
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### Table 2 Japan’s Response to DPRK Provocations

<table>
<thead>
<tr>
<th>DPRK Provocations</th>
<th>Japan’s Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 1993: DPRK test-launches a Rodong missile</td>
<td>December 12: Japan begins talks on MD cooperation with the US</td>
</tr>
<tr>
<td>October 1994: US-DPRK Agreed Framework</td>
<td>Late 1994: Japan begins consultations with the US on Japan’s remittance to the DPRK, dispatching JMSDF minesweepers in case of blockage against the DPRK</td>
</tr>
<tr>
<td>August 1998: DPRK test-launches a Taepodong I</td>
<td>September 1998: Japan stops its food aid to the DPRK and financial contribution to the Korean Peninsula Energy Development Organisation (KEDO), and freezes chartered civilian aircraft to DPRK</td>
</tr>
<tr>
<td></td>
<td>December 1998: Japan agrees to launch joint research on MD with the US in a view to introduce four information satellites by 2002</td>
</tr>
<tr>
<td>March 1999: DPRK spy ship infiltrates Japanese waters off the Noto Peninsula</td>
<td>JMSDF is ordered to take defensive action on the seas for the first time</td>
</tr>
<tr>
<td></td>
<td>August 1999: Japan and the US sign an MOU on joint defense research</td>
</tr>
<tr>
<td>December 2001: DPRK spy ship infiltrates Japanese waters off Kyushu and sank itself</td>
<td>Japan Maritime Agency exchanges fire with the DPRK spy ship</td>
</tr>
<tr>
<td>September 2002: Japan-DPRK Joint Declaration</td>
<td>October 2002: At Japan-US Defense Ministerial Meeting (Ishiba-Rumsfeld), Ishiba states, ‘We will conduct research on BMD for future joint development and deployment’.</td>
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<tr>
<td>December 2002: DPRK announces resumption of its nuclear facility and construction of related facilities</td>
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<td>August 2003 The Six Party Talks</td>
<td>May 2003: Japan-US Summit Meeting (Koizumi-Bush) on Acceleration of MD and Japan’s Participation in PSI</td>
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<td>August 2003: JDA makes the first-ever request for BMD-Related Budget</td>
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<td>December 2003: Japan decides to introduce BMD System</td>
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<td>December 2004: Japan issued a new Defense Policy Guideline and Mid-Term Defense Programme</td>
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<td>Japan and the US Singed MOU on BMD</td>
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<td>July 2005: Japan Revised the SDF Law for BMD</td>
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<td>October 2005: Japan-US 2 Plus 2 Joint Statement Emphasising the Importance of cooperation on BMD, decided on Joint Development of Advanced SM-3 Missiles</td>
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<td>October 2006: DPRK Announced that it conducted an underground nuclear test</td>
<td>August 2006: UNSC Resolution 1695</td>
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<td>October 2006: UNSC Resolution 1718, Japan Begins its own sanctions on the DPRK</td>
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<td>March 2007: Japan Deployed PAC-3 System at Iruma</td>
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<td>December 2007: Japan Test-Launched SM-3: Kongo</td>
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<td>September 2008: Japan Test-Launched PAC-3</td>
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<td>November 2008: Japan Test-Launched SM-3: Chokai</td>
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<td>April 2009: DPRK launched a Taepodong II</td>
<td>June 2009 Japan Joined UNSC Resolution 1874</td>
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<td>May 2009: DPRK conducted its second nuclear test</td>
<td>Japan Issues its own economic sanctions on North Korea</td>
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<tr>
<td>July 2009: DPRK launched seven short and medium range ballistic missiles</td>
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136 The last cell has been added for this paper.
Table 2 shows that Japan’s policy response to North Korean provocations has been reactive. The only proactive and bilateral diplomacy took place when Prime Minister Junichiro Koizumi visited Pyongyang. Kim Jong Il’s confession to the kidnapping by North Korean agents of Japanese civilians infuriated the Japanese however and resulted in further strained relations between the two countries. The continuation of North Korea’s offensive actions, including the launch of Taepodong II and its direct attacks on South Korea served to reinforce Japan’s deterrence approach.

**A Japanese view of developments since 2008:**

**the reinforcement of military-first politics**

The last round of the Six Party Talks was held in 2008. Kim Jong Il was reportedly ill and the succession preparation process began. The regime also test-launched another long-range ballistic missile, or rocket, in the Pacific Ocean and it is reasonable to conclude that the post-Kim Jong Il regime will likely be another ‘military-first’ regime reliant on increased nuclear and missile capabilities.

**Kim Jong Il and the Succession Process**

Kim Jong Il reportedly suffered a stroke in August 2008, raising questions about the stability of his regime. Scholars and experts in the United States, South Korea, and Japan intensified studies of scenario’s that included regime collapse and a post-Kim Jong Il North Korea. Before he died however, Kim Jong Il concentrated on guiding the succession process. In 2010 the first-ever public appearance of Kim Jong Il’s third son, in a military parade, and the presence of a Chinese representative seemed to be meant as a sign of official ‘approval’ or ‘acceptance’ from China, however reluctant China may have been to formally accept the son as a political leader of North Korea. Notwithstanding the succession process, following his apparent return to health, Kim Jong Il tightened his grip on the regime. The succession process therefore looked more like the consolidation of the Kim Jong Il regime rather than the introduction of a successor regime. It seems reasonable to continue to assume that the status quo will obtain for the foreseeable future.

**China’s stance**

China continued to provide assistance to North Korea, whatever belligerent action it took. Even after China agreed to United Nations Security Council Resolution 1784 in 2009, Chinese Premier Wen Jiabao met with Kim Jong Il and signed a series of economic, technical, and other agreements with North Korea. Diplomatic reasons aside, China’s geo-strategic interests necessitated maintaining direct access to the regime core in Pyongyang, monopolising critical intelligence and securing direct access to critical facilities such as North Korea’s north-eastern ports.
What to do? More of the same

Given the likely maintenance of the status quo, Japan’s future policy path looks like being one ‘more of the same’. Some issues will arise and these are outlined below.

Japan-US-ROK security cooperation

More direct cooperation between South Korea and Japan is desirable, but the tendency to politicise disagreements creates obstacles to improving cooperation. A trilateral forum, with the United States in a central, leading position, would be an ideal option if this could be attained. Japan would want to align its policies more closely with those of the US and South Korea. An extended deterrence policy committee already exists, bringing together representatives of the United States and South Korea, and Japan could help strengthen the power of United States extended deterrence in the region.

Another possibility is the revival of the Trilateral Policy Coordination and Oversight Group (TCOG) among the US, South Korea, and Japan. The common goal among the six parties is to denuclearise the Korean Peninsula, while the shared goal among the United States, the ROK, and Japan is to denuclearise North Korea. North Korea wants to ensure that United States nuclear weapons will not be used against it and that the ROK will not obtain nuclear capabilities. It is unclear what China and Russia mean by ‘denuclearisation of the Korean Peninsula’ but in theory and from a purely geostrategic point of view both could live with their nuclear neighbour. China and Russia may only reluctantly accept a nuclear North Korea but as long as its nuclear ballistic missiles were not aimed at them China and Russia may be able to tolerate such a development. In this context, strengthening security cooperation between the United States and Japan and South Korea, its two allies, should be prioritised.

Finally, a more robust examination of the missile issue should be done within the framework of the Six Party Talks. The talks were originally focused on the North Korean nuclear issue, but the Joint Statement of 19 September 2005 broadened their scope considerably. Adding the missile issue to the agenda is therefore reasonable. Doing so would be perfectly consistent with the Pyongyang Declaration, which designates the missile issue as a major mutual concern. Although Japan sees the DPRK’s launch of ballistic missiles in 2006 and 2009 as a violation of the Declaration, the Declaration continues to provide a legitimate diplomatic basis for Japan’s efforts to reduce the DPRK’s missile threat.

The collapse scenario

According to press reports in January 2007, the Japanese government analyzed a number of scenarios that dealt with Pyongyang’s collapse. According to these reports, the government forecast a rise in the number of refugees to around 100,000–150,000, and its principal concern, from the standpoint of national security, was that of disguised refugees. The actual number of those refugees is debatable but how to deal with refugees should also be discussed by the United States South Korea, and Japan. It seems unlikely that China and Russia would join such a discussion. At a minimum, there is a need for Japan to further examine ways to deal with the refugee problem.
Conclusion

There was no indication that North Korea abandoned a belligerent policy and slowed down or abandoned the pursuit of a military build-up. The succession process consolidated military-first politics. In response, Japan was keen to strengthen its security cooperation with the United States and South Korea, although there was no fundamental change to its policy of ‘dialogue and deterrence’. It is likely that Japan will maintain its policy and continue to be alert against possible attacks from North Korea in the future.

On the ‘dialogue’ side, Japan might reciprocate the DPRK’s non-confrontational approach based on the Pyongyang Declaration. As long however that Pyongyang remains unforthcoming regarding investigation into the questions of the abductions and the matter is seen as a grave national sovereignty issue in Tokyo, an opportunity to implement the ‘dialogue’ side of the policy is unlikely to arise.

References


Although initially intended as temporary, the division of the Korean Peninsula became one of the hot zones during the Cold War and is nowadays the last remnant of the clash of ideologies that dominated the latter half of the twentieth century. The first and only attempt of forced unification resulted in the Korean War that shattered the people’s hopes for a peaceful reunification and encouraged the two regimes to reach the extremes of opposition in the political field as well as to compete in the economic field. However, the perspectives of reunification of the two countries evolved significantly since the transition to democracy in the Republic of Korea (hereafter Korea) in the 1990s and even more since the introduction of the ‘sunshine policy’ by the Kim Dae Jung administration. The policy of engagement was launched with the aim of bringing the Koreas closer to unification but, arguably, appeared to have become a goal in itself in the last years of President Roh Moo Hyun. Since the change of administration in Seoul in 2008 and the beginning of the leadership transition in the Democratic Party’s Republic of Korea (henceforth DPRK or North Korea) that triggered unprecedented military aggressions, this topic has disappeared from the national agendas and from most discussions on the Koreas.

However, there are strong reasons to put this topic back on public agendas. From a political perspective, this would potentially enhance security in the region. From an economic perspective, both sides of the Peninsula complement each other, the North bringing a sizeable and young workforce along with raw materials, while the South has a service oriented economy with an aging population. Furthermore, the Korean Peninsula has had a common history, culture and political system for over a thousand years, and its divide happened, arguably only because of an error made in the twentieth century. Nonetheless, since the acknowledgement of historical responsibility for division has proved to be elusive, the mending of old wounds will still involve bilateral processes, supported at the multi-lateral level, and in particular by the powers that determined the Peninsula’s separation. The Six Party Talks involve all major actors concerned and historically responsible for division and should be, thus, the framework for promoting reunification.


The Six Party Talks

After reinforcing an image as the main security threat in East Asia, North Korea surprised in 2011 with its engaged diplomacy for reviving the Six-Party Talks. This process of diplomacy, created to negotiate an end to North Korea’s nuclear program, had been brought to a standstill when the reclusive communist state withdrew from negotiations in 2009, conducted a second nuclear test explosion in 2010 and engaged in several acts of aggression against South Korea in 2010. In 2011 however North Korea called for the resumption of the Six-party talks without preconditions and conducted a series of high-level visits to support its cause, including one to Washington in July 2011. With the notable exception of Japan, all other actors engaged in the Talks namely South Korea, the United States, Russia and China held meetings, at different levels, with North Korean envoys. The North Korean leader, Kim Jong Il, crossed the North Korean frontier three times in 2011 to visit China and Russia for economic and political reasons, seeking support for his country’s initiative to restart the talks.

South Korea and the United States put forward preconditions for talks. The preconditions included, on the side of the United States, an IAEA-monitored moratorium on nuclear weapon-related activities that was agreed more than seventeen years ago. On the side of South Korea, the precondition is an acknowledgement by the DPRK of its responsibility for the provocations of 2010 including the sinking of a South Korean warship and the shelling of Yeonpyeong Island, incidents that led to the death of fifty people. It is unlikely the United States and South Korea would accept the resumption of the Six Party Talks without a response to the conditions set, despite the fact that China supports North Korea’s initiative. Judging by the situation and the past events, this North Korean initiative may well therefore prove to be another diplomatic failure that will not solve the nuclear problem on the Korean Peninsula nor bring more security to Northeast Asia. An alternative should be considered resolve the Korean deadlock and this paper argues that reunification is still a viable solution and is necessary for the future of the Korean Peninsula.

Reunification no longer on the agenda

Looking at the state of inter-Korean relations and at the economic and political advancements of both North and South Korea it is justified to consider imminent reunification as unachievable. Arguably absorbed by a new national vision of “Low Carbon, Green Growth”, the Lee Myung-bak administration is less focused on relations with its northern neighbour and consequently, gives less importance to the reunification issue. On the other side of the frontier, North Korea is struggling with a bottom-up marketization process and trying to manage a dangerous leadership transition.

143 Ibid.
Indifference of governments

There has been a serious deterioration in North-South relations since 2008, when Lee Myung-bak became president in South Korea. The inter-Korean relationship started deteriorating with the closure of the Mount Geumgang project and, following the sinking of the naval corvette Cheonan, economic relations were severed and exchange and cooperation continued but the South Korean work force was reduced from March 2010.\(^{144}\) In short, besides the meetings of the North and South nuclear envoys in Bali on the sidelines of the ASEAN meeting, in July 2011, and in Beijing in October 2011, which led to “constructive” talks, the two sides have not been in contact.\(^ {145}\)

In 2008, the Lee Myung-bak administration adopted a national vision that announced a fundamental change in the functioning of the economy.\(^ {146}\) The aim was to become a low-carbon economy. This would be a complex process requiring public, private and social efforts and public and private investments scheduled to take place over six decades.\(^ {147}\) In the Green Growth National Strategy, created and implemented with the purpose of putting in practice the first steps of this economic transformation, there were only two projects involving North Korea, in forestry and disaster management. After the 2010 incidents between the two Koreas, South Korea was forced to pursue its green projects through the intermediary of international organizations.\(^ {148}\) Accordingly, Korea’s new vision of the future was less focused on achieving reunification and was not designed to provide channels of cooperation between the two Koreas.

Reunification is also not on the agenda in the northern communist state. The DPRK is absorbed by complex internal issues involving a hard to legitimate hereditary succession process that is not yet secured and a degrading central economy gradually marginalized by a de facto marketisation.\(^ {149}\) On top of these two issues comes its nuclear program that made the country highly unpopular in the international community. Since the illness and eventual death of Kim Jong II in 2011, North Korea faces the risk of a violent power struggle.\(^ {150}\) Kim Jong Un, the named successor, is known for his lack of experience in military issues and his very young age that some argue is hard to reconcile with the deeply grounded Confucian society of North Korea which gives precedence to experience.\(^ {151}\) Moreover, the poor economic outlook weakens the attempted feudal-style hereditary succession because of decreased popular support for Kim Jong II.\(^ {152}\) Consequently, the DPRK is too focused on its internal issues to be thinking about reunification, as the future of the Kim dynasty is at stake.

\(^{150}\) Lee, D.S., _Leadership Transition and North Korean Belligerence_, p. 5.
\(^{151}\) Ibid.
\(^{152}\) Lee, D.S., _Leadership Transition and North Korean Belligerence_, p. 6.
Unappealing options

The lack of interest in reunification of the North and South Korean administrations exemplify a trend in their respective societies. More than half a century after the Korean War, the division is becoming understood as less of a wrong and reunification less of a necessity. In fact reunification is currently associated more with negative consequences and is thus perceived, arguably, as an undesirable option. There are several reasons why reunification has become an unappealing option in Korea. The cost of reunification is the first factor. North Korea’s GDP stood at 5.5% of the Korean GDP in 2008 according to the estimates of Bank of Korea and its population of 23.3 million represents more than 46% of the South Korean population of 48.5 million (2008 figures). The large differences in income and the small population gap indicate that a German-style reunification would be “prohibitively expensive” for Korea. In the German case the income in the German Democratic Republic was 33% of the Federal Republic of Germany and the population gap stood at 27%. Moreover, as some scholars observed, the young generation has been outspokenly ambivalent about unification and has shown reluctance to make sacrifices for the sake of a united Korea.

A second factor in view is the important societal gap that has formed between the South and the North since the division. A report conducted by the International Crisis Group on North Korean defectors in Korea emphasized two important points related to this issue. First, defectors found it very difficult to integrate in the complex society of South Korea. Coming from a state where freedom of individual choice was limited, North Koreans found themselves lost in the South’s modern consumption society, based on credentials, networks and financial power. Second, Korea did not have the necessary instruments in place to handle the flow of defectors, not to mention a more serious inflow in the case of a DPRK collapse. In spite of governmental policies, North Koreans are not welcome by a Korean population that often perceives them through the lens of stereotypes, and discriminates against them. Moreover, the facilities in place for North Korean defectors have not been developed according to the rhythm of refugee inflows, causing hardship for North Koreans.

Also important are the divergent views on North Korean policy within South Korea. Analyst Dong Sun Lee, in a study dedicated to analysing North Korea’s increased aggressiveness, explained that there is a significant cleavage in the Korean society regarding its Northern neighbour. The issue in concern is the lack of consensus that makes Korea’s policy towards the North susceptible to external manipulations, including manipulation from North Korea, through its aggressive behaviour. While the left wing is in favour of unconditional engagement with the North, the right wing supports a tougher policy with diminished assistance to the North. These political confrontations are reflected throughout Korean society and impact significantly on how Koreans perceive their Northern neighbor and, consequently, reunification. These divided views on North Korea are based on partisanship which may also contribute to delay or postpone the reunification.

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154 Ibid., p. 19.
155 Ibid.
A last feature that makes Koreans feel more distant from their neighbours is, arguably, a lack of historical perspective within South Korean society. It is hard to believe that six decades are enough to erase the identity of a people that share more than one thousand years of history, if only the Goryeo and Joseon dynasties are considered. Nonetheless, there are some indications that Koreans in the south do not link their historical common past with the idea of unification.

For North Korea the situation is hard to determine with accuracy due to the country’s isolation. It may be fair however to surmise that the DPRK will not accept unification unless it is done on its own terms or unless it serves its own purposes. The dominant policy in the North is the songun (military-first) policy that was promoted by Kim Jong Il from the late 1990s onwards and strengthened with the naming of Kim Jong Un as successor. North Korea’s military forces stand at more than 1.21 million, constituting the world’s fourth largest army. For North Korea the solution for unification would therefore have to involve the military.

South Korea is still supported militarily by a United States military presence with some 28, 500 US military personnel stationed on its territory. It is arguably unlikely that the North and South will engage in reunification negotiations while the U.S. maintains its military on the Korean Peninsula. The US force in Korea (USFK) was scheduled to withdraw in 2012 but after the 2010 incidents, its departure was postponed indefinitely. Dong Sun Lee pointed out that North Korea could also feel frustration and resentment towards the South because of unfulfilled expectations linked to changes in administrations in Seoul and Washington D.C. Inter-Korean trade increased in the first part of the Lee Myung-bak administration but Lee’s approach of conditional engagement, which differed from that of his predecessors who advocated and implemented policies of unconditional engagement, angered North Korean policy-makers. South Korean government assistance decreased substantially and the South Korean government also refused to hold summit talks due to the North’s demand for significant payment in advance. The DPRK thus experienced a sudden shortage of economic aid.

Advantages of reunification

In recent years, particularly since the advent of the Lee Myung-bak administration, reunification became unpopular and unappealing. The Lee administration was not keen on engaging with the North and was more willing to adopt a confrontational stance after the 2010 aggressions. Eliminating reunification plans would, arguably, constitute a betrayal of history as well as the abandonment of potential positive consequences. Beyond the security rationale, there are economic, demographic and historical considerations. Reunification can lead to the necessary pacification of the Korean Peninsula but could also provide solutions to the economic and social problems of the two Koreas.

Goldman Sachs estimated that Korea, the fourteenth largest economy in the world in 2010 (World Bank), is expected to rise to twelfth place by 2025 but by 2050 it may be pushed back to twentieth place, behind Indonesia, the Philippines and even, Nigeria. A united Korea however would have the potential to jump to eighth place in the world, ahead of Japan, Germany and France. It is this perspective that should fuel a new vision on unification. Korea’s emphasis on the costs of unification should be shifted to potential gains from unification. Economist Goohoon Kwon for example has tried to assess growth opportunities for the Koreas in a scenario of peaceful gradual economic integration. He shows that the untapped potential of North Korea is significant and, if managed correctly, could be released to the advantage of both Koreas. This potential includes an abundant and well-educated work force, strong synergies between the North’s mineral wealth and labour force and the South’s technologies and capital and, finally, large potential for gains from productivity and currency appreciation. He argues that North Korea has a growth potential of at least 7-8 per cent per year, the consequences of which would mean improved living standards for the population. In return, Korea would need to invest at least two per cent of its GDP over three decades in order to achieve successful economic integration with North Korea that may result in a successful political reunification. Though often ignored or considered irrelevant, the historical argument favours the reunification of the Koreas. The division of Korea was made on artificial basis and was decided by powers that acted in their own interests. The division of the peninsula was collateral damage of an opposition of superpowers that have not taken responsibility for their actions. Considering that it is unlikely that the Six Party Talks framework will be dismantled or replaced in the near future, and assuming that the parties will find a way to resolve their divergences and resume the process, one way to promote reunification is to include it in the agenda of this framework. As the powers that divided the peninsula participate in this process, the Six Party Talks is a favourable setting for enhancing dialogue between the two Koreas and to repair this historical mistake.

165 Ibid.
**Conclusion**

With the launching of the “Low Carbon, Green Growth”, South Korea has set its path for the next sixty years on an economic overhaul which leads it away from its northern counterpart. North Korea on its side is stricken with political challenges and its leaders consider they are in no position to make concessions to the South. In addition, the fading away of a sense of common Korean unity and culture in the future-orientated minds of the young South Koreans take reunification off the immediate political agenda. Reunification of the Peninsula should not however be seen as a burden or a sacrifice. North Korea might help the South solve its structural problems of a lack of raw materials, and provide a low cost labour force. With a rich common past and language, the Koreans have a strong cultural bond. Nonetheless, the current situation is not favourable to bilateral engagement. The reunification talks should thus be put on the agenda of the Six Party Talks and promoted by the participating powers as the solution for the social, economic and security issues of Korea, as a whole.
Lee Myung-bak took office on 25 February 2008 as a new President backed by South Korean conservatives. During the presidential election campaign of 2007, the conservative party strongly criticized the previous progressive governments of Kim Dae-jung (1998-2003) and Roh Moo-hyun (2003-2008) as ‘10 lost years’, and asserted the end of the past 10 years reign of the leftist’ liberal party. The main opposition party, conservative media and a majority of the South Korean electorate believed that the Sunshine Policy of the Kim Dae-jung and Roh Moo-hyun governments yielded little fruit, despite the provision of enormous incentives. In particular, the 2010 attacks against the Cheonan and Yeonpyeong Island were the culmination of the controversy on the South Korean government’s engagement approach. The ruling party and other conservative groups argued that the sinking of the Cheonan naval vessel and the attack on Yeonpyeong Island demonstrated that the engagement policy towards North Korea that had been practiced from 1998-2008 was a failure. The progressive groups on the other hand blamed the Lee Myung-bak government’s hard-line policy toward North Korea for the last 3 years.

The engagement policy seemed to promise a new possibility for peaceful unification and reconciliation on the Korean peninsula. But, there were no substantial changes in the strategic military situation between the two Koreas. In addition, much about engagement policy using positive economic incentives remains controversial, including the causal mechanisms according to which was meant to operate; what the Kim Dae-jung and Roh Moo-hyun governments sought to achieve with the engagement policy; and whether it successfully attains its policy goals. This paper addresses these issues. First, it reviews the strategic use of positive economic incentives towards North Korea under the Kim Dae-jung and Roh Moo-hyun administrations. It then provides a brief theoretical background of economic engagement policy in International Relations and an examination of the causal mechanisms by which they work. Second, it describes the implementation of economic engagement policy in South Korea and examines conservative critiques. Its findings highlight both potential promises and the limitations of the use of positive economic incentives in achieving foreign policy objectives. The implications of these findings will be outlined in the concluding section.
In 1998, the Kim Dae-Jung government presented a new policy of engagement toward North Korea dubbed the ‘Sunshine Policy’. While previous governments had also tried to solve diplomatically inter-Korean conflicts and improve political and economic relations with North Korea, the Kim Dae-Jung government’s Sunshine Policy unprecedentedly adopted engagement through expanding inter-Korean exchanges and cooperation to advance political relations with North Korea. As a result, economic cooperation was actively pursued, not only from a government level, but also to private sectors, and other non-profits organizations, and other civil society organizations. In particular, the Hyundai group’s tourism industry in Mount Geumgang and the Gaeseong Industrial Complex project in North Korea have played an important role in expanding inter-Korean exchanges and cooperation. The context of the policy of engagement was also maintained by the next progressive government.

The 16th President Roh Moo-hyun began his term in February 2003, and launched the ‘Peace and Prosperity Policy’ which basic principle shared the former Kim Dae-jung’s the ‘Sunshine Policy’. The Roh government’s the ‘Peace and Prosperity Policy’ emphasized that the promotion of peace and pursuit of mutual prosperity through expanding inter-Korean economic relations would not only contribute to building peace system on the Korean Peninsula, but also greatly add to the overall economic development of the Northeast Asian region. Although the nuclear test on 10 October 2006 caused scepticism about whether or not the Sunshine Policy could be successful, the Roh government still made reconciliation and cooperation with Pyongyang its top priority, and the fundamentals of South Korea’s engagement strategy were not changed. Rather the stability of inter-Korean relations was fortified through increased trade, investment and aid.

Kim noted that since the end of Korean War, there have been no inter-Korean economic relations for more than four decades. While the two Koreas authorized bilateral trade in the late 1980s, and loosened investment restrictions to some extent in the mid-1990s, the overall scale of the commercial and non-commercial trade between the two Koreas has been relatively meagre. See Samuel S. Kim, Inter-Korean Relations, Problems and Prospects, New York, Palgrave Macmillan, 2004. The actual implementation of economic exchange and cooperation was initiated after ‘Special Declaration on National Self-esteem, Unification and Prosperity’ on July 7, 1988 under Roh Tae-woo’s government (which was called ‘7.7 Declaration’), but the overall size of inter-Korean trade still remain a miniscule fraction.

The strategic use of positive economic incentives of the Kim Dae-jung and Moo-hyun governments: promises & limitations

Presidents Kim Dae-jung and Roh Moo-hyun having progressive perspectives on political relations with North Korea basically assumed that North Korean behaviour could be changed if proper external incentives were granted. In this vein, they attempted to seek political change in North Korea through the expansion of inter-Korean economic relations. These ideas are rooted in the belief that if the two Koreas become mutually interdependent, the North Korean government would avoid military conflicts leading to jeopardize the gains from trade and, at the same time, Seoul would gain political leverage in moderating Pyongyang’s behaviour by using the North’s economic dependence on the South. Presidents Kim and Roh, hence, expected that the gradual expansion of economic trade and cooperation would not only produce mutual benefits and understanding between the two Koreas, but also contribute to changing North Korea’s political behaviour, which would lead to reduced military tension. On this basis they hoped to accelerate the path toward a peaceful reunification.

The Sunshine Policy and the Peace and Prosperity Policy were designed to develop inter-Korean relations by promoting economic cooperation and individual exchange as a basic goal of engagement policy. Meanwhile, the two administrations expected that the engagement approach would be able to generate transformative effects on the North Korea’s internal reform and external behaviour by using economic interdependence as a tool for achieving security objectives. This underlying logic of President Kim Dae-jung and Roh Moo-hyun’s strategies of engagement is similar to a general liberal proposition arguing that positive economic incentives can be powerful instruments to help turn conflict to cooperation by providing economic *quid pro quo* to target states.

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Economic engagement in International Relations

Economic engagement can generally be defined as a policy of deliberately expanding economic ties with an adversary in order to change the behaviour of the target state and improve bilateral political relations by providing or promising expanded trade, aid and investment. The theoretical underpinning of the economic engagement stems from the perspective of Commercial Liberalists who believe that positive economic linkage promoting the level of economic interdependence can change political behaviour of the target states. According to commercial liberalism, economic interdependence through expanded trade and exchange lead to reduce a danger of military conflicts with the following reasons. Firstly, economic benefits from the growth of world trade mitigate the motivation of using force among states. Secondly, increasing contact and communication among trade-actors promotes mutual understanding and cooperative relations, as well as fostering a sense of international community. Thirdly, since economic interdependence tends to generate an economic opportunity cost for both parties, the anticipation that interstate conflicts will lead to a loss of gains from trade helps to deter state leaders from waging wars or conflicts against trading partners.

Given this background, as states depended on foreign trade to at least some degree, economic interdependence started to be understood in terms of the effects on each state of their trade linkages. Thus many liberals argued that expansion of trade ties not only could reduce the likelihood of conflict between states, but also be used as a substitute for military strategies in foreign policy. These ideas were taken up by policy makers, arguing that economic instruments causing high economic benefits can be used as a tool for achieving foreign policy goals as an alternative to punishment or coercion in dealing with an adversary’s hostile behaviour.

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177 Keohane and Nye argue that ‘It is asymmetries in dependence that are most likely to provide sources of influence for actors in their dealings with one another. Less dependent actors can often use the interdependent relationship as a source of power in bargaining over an issue and perhaps to affect other issues, Robert O. Keohane and Joseph S. Nye, Power and interdependence, world politics in transition, New York, Addison-Wesley Publishing, 2000, p. 10.
Compared with the strategies of containment or sanctions generating isolation and economic pain in the target society, economic incentives can signal cooperative intent toward the target government and its populations.\textsuperscript{178} If economic interaction between two states persists for a long term, deepening interdependence can promote extensive cooperation based on economic interests that will pave the way for establishing a relationship of shared understanding, trust-building and eventual reconciliation.\textsuperscript{179} On the basis of this line of reasoning, the sender states expect that economic mutual benefits caused by interdependence not only yield a reduced threat of military conflict, but also bring about transformative effects by changing a target state’s policy preferences and its behaviour.\textsuperscript{180}

Within the literature, there are two types of engagement which the sender states can use as an instrument for achieving foreign policy objectives.\textsuperscript{181} The first type is ‘tactical linkage’ or ‘conditional engagement’. In this case, economic incentives tend to be provided in return for specific policy changes, thus expanding economic ties is contingent on change in the target state’s behaviour. However, as the second type, if the sender states pursue ‘structural linkage’ or ‘unconditional engagement’, they sustain continual economic incentives even in the absence of sufficient change in target state’s behaviour. By doing so, an effort to use a steady stream of economic benefits promoting the level of asymmetrical interdependence can constantly foster mutual interests between the two states, and gradually give impetus for the vested interests to exert influence over foreign policy. Viewed in this way, the sender states expect that economic benefits caused by interdependence will not only yield a reduced threat of military conflict, but also eventually reconfigure domestic political interests in the target states.

\textsuperscript{179} Baldwin ‘The Power of Positive Sanctions’.
Implementation and critiques of economic engagement

In the process of implementing these engagement policies, the principle of flexible reciprocity was adopted as a guideline that emphasized the separation between South-North economic relations and the bilateral political relationship. The Kim Dae-jung and Roh Moo-hyun governments sought to use positive economic linkages by providing economic incentives toward North Korea even under politically and militarily tense circumstances. Although Seoul, in some cases, sought specific linkages to obtain political concessions in return for economic incentives from Pyongyang, it mostly pursued structural linkages in the hope that unconditional rewards aiming at enhancing the level of economic interdependence would contribute to changing the North into a less threatening state, and ultimately lead to the settlement of peace on the Peninsula.

Owing to the South’s engagement policy, the trade volume between the two Koreas expanded more than eight times from US $222 million in 1998 to US $1,798 million in 2007 (Figure 1), and the number of people exchanges between the two Koreas increased continuously from 3,317 in 1998 to 159,214 in 2007 (Figure 2). As far as non-commercial trade is concerned, the volume of humanitarian aid steadily increased from 1996. As of April 2008, the total aid from the government and the private sector reached $2.82 billion, including food loans (Figure 3).

Figure 1: The Volume of Annual Inter-Korean Trade

Note: The aggregate volume of inter-Korean trade included exports from the South and imports into the South. The former included general exports, commission-based processing trade, investments, and humanitarian and other cooperation supports to the North while the latter included only purchases by the South.

182 The principle of the Kim government’s ‘flexible reciprocity’ can be summarized as following “(i) Easy tasks first and difficult tasks later; (ii) Economy first, politics later; (iii) Nongovernmental organizations first, government later; and (iv) Give first, take later”. See Moon Chung-in, ‘The Sunshine Policy and the Korean Summit, Assessments and Prospects’, East Asian Review, vol. 12, no. 4, 2000, p.3-36; Lim Dong-won, ‘North Korean policy under the Kim Dae Jung Government’, speech delivered at a breakfast meeting with the National Reconciliation Council, 11 March 1999.

183 From 1998 to 2008, the Kim Dae-jung and Roh Moo-hyun governments had used a steady stream of positive economic incentives to seek changes in North Korea in spite of the two naval clashes on the Northern Limit Line in 1999 and 2002 and of the North Korean nuclear test in 2006.
The strategic use of positive economic incentives of the Kim Dae-jung and Moo-hyun governments: promises & limitations

**Figure 2: People Exchanges between South and North Korea (unit: numbers)**

Note: People exchanges did not include sightseeing visits to the Mount Geumgang and Gaesong areas.

**Figure 3: South Korean Humanitarian Assistance to the North Korea**

Against this backdrop, it is noteworthy that engagement towards North Korea achieved tangible outcomes within the economic sphere. The effectiveness of the engagement policy on the political sphere has, however, been highly controversial both at home and abroad. Despite Seoul’s engagement efforts to promote political reconciliation and resolve the nuclear problem on the Korean Peninsula, Pyongy

ag conducted a nuclear test in October 2006 and again in May 2009, defying international warnings. Internally, the progressive party failed to re-take power after Lee Myung-bak took office on 25 February 2008 as a new President backed by South Korean conservatives.

The change of government reflected the views of the South Korean public, who demanded fundamental shifts in the engagement paradigm towards North Korea. The Grand National Party and other conservative groups believe that the North Korean regime is incapable of change, and economic engagement only helps to sustain the militarization of North Korean regime. Since the North Korean government understood that the ultimate goal of economic engagement policy was to induce regime change in Pyongyang, it determined not to consent to any measures that would jeopardise its national security and stability no matter how many incentives they could obtain from the engagement process. Opponents thus claimed that it would be naïve to expect Pyongyang to stop and dismantle its nuclear program or initiate reform measures related to encouraging economic opening and political change. In particular, the sinking of Cheonan, and the shelling of Yeonpyeong Island in 2010 provoked a severe public controversy with regard to the South Korean government’s engagement approach.

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184 The South Korean government made efforts to find a diplomatic solution to achieve the denuclearization of North Korea through the Six-Party Talks (a series of talks beginning in 2003, which have included China, Russia, Japan, and the United States, in addition to the Koreas). In particular, President Roh initiated the discussion of the nuclear issue at the 2007 summit and urged Kim, Jong-il to comply with the “Joint Declaration on the Denuclearization of the Korean Peninsula,” which was the official document signed by the two Koreas on April 1992. See Moon, Chung-in, ‘Comparing the 2000 and 2007 Inter-Korean Summits, Symbols vs. Substance, The Inter-Korean Summits’, Global Asia, vol. 2, no. 3, 2007, p.76-88. Notwithstanding, the 2007 declaration failed to specifically state North Korea’s willingness to discard its nuclear weapons.

185 North Korea has conducted two nuclear tests so far. The first test was initiated on 9 October 2006, and two years and seven months after its first nuclear test, North Korea conducted its second nuclear test on 25 May 2009 at Phunggye-ri, in the northeastern part of the North Korea.

186 Through his new policy called ‘Mutual benefit and Common Prosperity’, the President Lee Myung-bak made it clear that his government would not provide economic incentives to North Korea unless the North abandons its nuclear weapons programs.


188 At 9.22 on the night of 26 March 2010, the 1,200 ton ROK Navy corvette Cheonan was on patrol and sank in the waters off Baengnyeong Island near the sea border with North Korea in the Yellow (or West) Sea. 46 crew members died and 58 of the 104 member crew were rescued. Through the official investigation, Seoul has concluded it was an attack from North Korea, and President Lee vowed to halt inter-Korean trade in a national address on 24 May 2010. However, North Korea has denied any involvement. After the Cheonan incident, North Korea fired over 170 artillery rounds toward Yeonpyeong Island in the Yellow Sea on 23 November, killing two ROK Marines and two civilians, injuring more than a dozen people, and damaging multiple structures. Since the end of Korean War, this attack of Yeonpyeong was the first military provocations to strike South Korean territory directly and inflict civilian casualties.
Criticisms in respect to engagement policy also existed during the Kim and Roh presidency. The first point, which was the centrepiece of the conservatives’ criticism of the former progressive governments’ North Korea policy, was that the use of economic engagement policy threatened South Korea’s national security. They claimed that a steady stream of economic incentives had been used to improve North Korea’s military development. Throughout ten years of engagement policy, opponents have consistently criticized the ‘Sunshine Policy’ and ‘Peace and Prosperity Policy’ as a ‘unilateral give-away policy’ that weakened South Korea’s national security. They argued that the economic benefits from inter-Korean trade or assistance have not been used by North Korean leaders to develop their economy or improve the quality of life among North Korean ordinary citizens. Rather it has only helped Pyongyang develop missiles and nuclear weapons that could target Seoul. Thus conservative groups alleged that positive incentives under the engagement policy had not been used to induce the opening of and change in North Korea, but were instead delivered to military elites or corrupt political leaders, and thereby allowed Pyongyang to strengthen its military capabilities.

Secondly, the opponents pointed out that the engagement policy of the two previous governments had a detrimental effect on the US-ROK alliance. For the conservatives, coordination with the United States is extremely important, because South Korea maintains a national security system through the U.S.-South Korea alliance and the US security guarantee is the only effective deterrent against any aggression by North Korea given its non-conventional capabilities. However, since the Kim and Roh administrations excessive emphasis on ‘national’ (ethnic) cooperation between the two Koreas, the traditional security alliance between the South Korea and United States deteriorated to some extent due to the existence of different views on how to deal with North Korea. An editorial in the South Korean conservative media outlet, Chosun Ilbo, even stated in 2006 that “The United States, the only ally of South Korea is no longer the ally of the past. Under this government, the alliance chains that bound the two nations became rusty, and cracks on the wall of the alliance got visible.” This, in turn, led to a fierce and ideological controversy that came to be known as the ‘South-South conflict’ between supporters and detractors of engagement within South Korea society.

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190 Charles L. Pritchard et al. (2010) analysed that the main reason of the different perspectives between Washington and Seoul had to do with divergence of priorities between the United States and South Korea on policy toward North Korea. The United States viewed the dangers of North as global concerns and prioritized counter-proliferation beyond the peninsula, while the South Korea has been focused on the peninsular stability and emphasized reconciliation with North Korea. Thus, these differences in priorities became a major source of difficulty in alliance coordination on North Korea during the Roh and Bush administrations. See Chaarles L. Pritchard John H. Tilelli, Jr. and Scott A. Snyder, ‘2010. U.S. Policy Toward the Korean Peninsula’, Independent Task Force Report. New York, Council on Foreign Relations, 2010.


The third criticism raised by the opponents stemmed from the lack of reciprocity in inter-Korean trade and exchange. They claimed that although South Korea seemingly had a trade surplus in its transactions with the North, in terms of aggregate monetary settlements, North Korea had, in fact, gained most of the pecuniary advantage in its transactions with South Korea. By doing so, the political return from the North has not been commensurate with the South’s substantial economic incentives toward the North. As a result, many conservative Koreans argued that the South has unilaterally poured money into the North, and that the North was only interested in taking more economic benefits from the South for building its nuclear and missile projects. The conservatives therefore claimed that the Sunshine Policy failed and that inter-Korean improvement for peace did not occur despite economic engagement.

Sceptical views with regard the engagement policy could be also found among ordinary people in South Korea. According to an annual survey conducted by the Institute for Peace and Unification Studies (IPUS) at Seoul National University, South Koreans who expressed negative opinions on North Korea’s changes increased. People who responded to the statement “North Korea has not changed” increased from 28.2 percent in 1999 to 38.6 percent in 2003, and then to 54.8 percent in 2009 (Figure 4).

Figure 4: Negative Attitude Toward North Korea: “It Does Not Change”


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Conclusion

The engagement under Kim Dae-jung and his successor Roh Moo-hyun attempted to change North Korea’s behaviour and sought to achieve a peace settlement on the peninsula through the expansion of inter-Korean exchanges and cooperation. The active engagement policy of the past Kim Dae-jung and Roh Moo-hyun administrations, however, had to confront unceasing criticism from the opponents who believed that the policy undermined South Korea’s national security. They claimed that, far from transforming North Korea, economic benefits from increased trade, investment and aid only sustained the regime and helped North Korea develop missiles and nuclear weapons. Moreover, the expanding bilateral economic ties have not caused Pyongyang’s reform measures related to economic opening and political change.

Against this backdrop, the incumbent Lee Myung-bak government pursued a “pragmatic” foreign policy based on strengthening relationships with the United States and promised more conditionality when engaging North Korea, but his policy toward North Korea remained uncertain. President Lee’s proposal to raise the living standard of individual North Koreans to $3,000 per year on condition that North Korea dismantles its nuclear weapons programs was rejected by North Korea. Furthermore, all inter-Korean exchanges were suspended with the exception of the Gaeseong industrial complex after the sinking of the Cheonan naval vessel and the attack on Yeonpyeong Island in 2010.

Notwithstanding the limitation of using positive economic incentives to produce transformative effects on North Korea’s behaviour, it is noteworthy that the ten years’ engagement made it possible to create greater inter-Korean cooperation, unprecedented personal exchanges and increased political dialogue at governmental levels. What is most remarkable is that the engagement policy yielded the 2000 and 2007 summits and that the North and South Korean leaders reached agreements, which contained commitments to institutionalize inter-Korean cooperation and end their hostile military relations through the establishment of a peace regime. This shows that despite South Korean conservatives distrust of the efficacy of economic engagement, the North and South could accept the other’s priority issues and agree on partial or tentative cooperation even while antagonistic relations prevailed between the two Koreas.

While opponents can endlessly list the shortcomings of the Sunshine Policy by criticizing Kim and Roh’s approach as appeasement policy of unconditional, unilateral provision of economic benefits without demanding any reciprocal political concession, the plain fact is, President Lee’s conditional engagement approach has also not been effective in changing North Korea’s hostile behaviour. Thus the question of whether South Korea’s economic engagement policy has achieved a change in the behaviour of North Korea and an improvement in inter-Korean political relations needs more careful consideration. Furthermore, it needs a correct understanding of the merits and drawbacks of the use of the positive incentives strategy in order to develop a more comprehensive strategy of engagement for dealing with North Korea.
The Prospect of Multilateral Security Cooperation in Northeast Asia

Introduction

There is a great deal of multilateral cooperation in a variety of arenas of potential conflict across the world. Quite obviously, for each member state the main purpose of participating in such forms of cooperation is to satiate the common interest which links the respective parties, and to increase the mutual benefit which is derived from this cooperative effort. Thus, if every member of a given international cooperative endeavor can satisfy its interests, this cooperation will be successful in the global context. However when conflicts of interest occur amongst and between the intra-members of the cooperation, the success of these cooperative endeavors cannot be assured. Historically speaking, some cooperative organizations have been more successful in their goals than certain other organizations. The League of Nations, for example, which was formed in 1919 in the interests of preventing war through collective security measures, was less successful than the United Nations - this was founded in 1945 and it replaced the League of Nations in its role. Even though, in the case of the United States’ attack on Iraq in 2003, it was unable to successfully exact its democratically endorsed decision, the United Nations has been a successful international organization in many fields of policy and interstate relations. It has played a pivotal role in solving human right problems and environmental issues. In Europe, organizations such as European Union (EU) and the Organization for Security and Cooperation in Europe (OSCE) seem to have been successful to date, especially in terms of security and economic cooperation.

In the current international system the East Asian region has emerged as one of the most dynamic areas of the world in terms of security, because the region hosts some manifestly dangerous potentialities which could produce devastating conflict between state actors - the North Korean nuclear problem, the Taiwan Strait issue, and territorial disputes in the region. Deep and entrenched historical problems pervade the region. Economic interdependence in the region has patently increased since the end of the Cold war, especially now China has opened up its economy. China now engages in pro-active economic cooperation with most of the key regional actors. Some might contend, therefore, that decades of hostility and resentment have been replaced by a genuine desire to bring peace and economic prosperity to the region. In terms of security relationships, however, the bilateral alliance system has continued to be the dominant way of maintaining security.

195 The United States attacked Iraq on 20th March 2003 with the concept of preventive war in spite of the opposition of the United Nations. In the Charter, all uses of force are banned in international relations except in self-defense or by way of a Chapter VII resolution of the Security Council.
Given these circumstances, this paper explores the prospect of the generation of a multilateral security cooperation system in Northeast Asia. To this end, it briefly (and, given the length of this paper, necessarily cursorily) examines the theoretical concept of multilateral security cooperation. Thereafter it explores the degree of necessity of multilateral cooperation in Northeast Asia – such a form could act as a new (and, regionally speaking, innovative) security strategy as the threats in the region change. This paper then posits the author’s predictions as to the feasibility of forming a multilateral security cooperation system in the Region.

**What is Multilateral Security Cooperation?**

Multilateralism can be defined as ‘a generic institutional form that coordinates relations among three or more states on the basis of generalized principles of conduct.’ There are, in its crudest categorization, three types of multilateral security cooperation; a collective security system, a collective defense system and a cooperative security system.

A collective security system is dependent on individual and collective self-defense and assumes the existence of potential enemies whilst maintaining friendly relationships between the respective members. It is based on three essential conditions: ‘(1) states must renounce the use of military force to alter the status quo, (2) they must broaden their view of national interest to take in the interests of the international community, and (3) states must overcome their fear and learn to trust each other’. In a collective security system, the offenders of these rules are to be punished by all means deemed necessary - including via military force. A collective defense system is similar to collective security in various respects; however it differs from a collective security system in that while the latter assumes a potential enemy from outside the system, in a collective defense system the member states pledge their common commitment to reject aggression within the system. A cooperative security system aims to prevent disputes by building military and political confidence through dialogue, communication and cooperation between states, thereby avoiding military confrontation. In other words, a cooperative security system does not presuppose the use of military power and it seeks to prevent conflict through consultation. Cooperative security is thus based on mutual reassurance rather than mutual deterrence.

Alyson J.K. Bailes and Andrew Cottey have categorized security cooperation into four different models; alliances, collective security, security regimes, and security communities. Alliances, which are the oldest form of international cooperation, are designed to prevent an attack from a shared external threat. Collective security aims to contain war by assuring its members of a response to any act of aggression or any threat to the peace. Security regimes stringently define the norms for a state’s behavior and provide guidelines for the implementation and verification of these norms. A security community describes a group of states that has a culturally grounded and consensual assurance of an absence of military conflict in the region and there is the presence of a willingness on the respective states' part to solve disputes via non-conflictive means. In this system of categories, collective security, security regimes, and security communities can be regarded as being able to be bracketed by the term multilateral security cooperation.

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198 John Mearsheimer points out nine main reasons why collective security is likely to fail. For details, see ibid, p. 310.
Multilateral security cooperation is defined as an intrinsic feature of the emerging international security architecture. It is a security institution that is organized around a large numbers of states or indeed established universally designed to guarantee member states’ security. Accordingly, multilateral security cooperation can be conceived as being a relationship which involves three or more states coming together to tackle a set of security-related issues on the basis of specific generalized principles of conduct.

The Necessity of Multilateral Security Cooperation in Northeast Asia

Among the most pertinently contentious issues in international politics, security issues are the most imminently threatening. Generally speaking the term security is used in international politics and other social science disciplines in a specifically state-centric way. The term has been used in a rather lax fashion since World War II and has expanded its scope of meaning as new ideas and new disciplines have permeated and/or appropriated its remit. There are two perspectives to be taken into account in terms of the concept of security – the narrow scope and the wide scope. The narrower interpretations of security tend to focus on military counter-activities conducted by countries against the military threats – perceived or real - of enemy states, but when used in its wider sense the term can be used to describe a broad range of activities initiated by a government in support of itself or another state. The concept has been necessarily and beneficently expanded upon because the international security system is becoming more complicated and myriad in its structure and economic and social interdependence between and amongst states and their populations has increased manifold in recent times.

It is not controversial to hold that there is a crucial difference between the traditional concept of security (one focused on national military policies) and the current, broader conceptualization of security. The ‘security’ of human society can be grouped into five different facets: military; political; economic; social; and environmental. Thus expanding our concept of security is necessary so as to include non-conventional phenomena unrelated to the use of crude, coercive military power. ‘Security’ also incorporates national policies designed to protect and serve national interests against emergent and potential threats, as well as actions which seek to alter the domestic and international status quo in the service of national goals.

It is wiser therefore to adopt a more comprehensive and far-reaching definition of security when discussing the Northeast Asian dynamic - one which incorporates more than just the military aspects, and in which the rapidly changing nature of international society is taken into proper consideration. In short, as the international system has become ever more complex and as interdependence between national states has increased, our concept of security must be concomitantly broadened, revised and expanded upon - it must include every governmental action which has ramifications in the global political system.

These necessary and fruitful conceptual changes to our understanding of security derive their value from the changes in the nature of an international threat. Our definition of security should change as our notion of a threat changes and matures. Many states, being aware of this, are equally concerned about economic, social, and environmental security as they are about military security. It is now apparent that the security environment of the international community has changed rapidly since the end of the Cold War epoch. The threats faced within and without a human society are becoming ever more multi-directional, omnipresent and complex.

202 Ken Booth, Critical Security Studies and World Politics (London: Lynne Rienner Publishers), pp. 5-46
205 Ken Booth suggested the sources of threats in details; “globalization, population growth, extremist ideologies, apparently unstoppable technological momentum, terrorism, consumerism, tyranny, massive disparities of wealth, rage, imperialism, nuclear-biological-chemical weapons and brute capitalism.” For more details, see Ken Booth, p. 1.
As the scope of international threat has broadened and has begun to incorporate transnational threats such as terrorism, weapons of mass destruction, public health issues and global ecological problems, the concept of security has had to address the channels of resolution in terms of these diverse and multi-faceted problems. Military deterrence will, of course, continue to be a crucial factor in the genesis and development of national security strategies. Nevertheless, it will not be the sole factor in shaping the world’s states’ security policies because the multiplicity of security issues in the international arena and the enmeshing of each state’s fortunes to each and every other’s will undoubtedly alter the shaping of such policies.

To deal with this variegated web of threats is too huge a task for a single state. No single existing power is capable of addressing these problems by themselves without regard for and consultation with other states. The US may well be the central and most potent superpower at the moment, but even this international giant is not omnipotent. The US needs the support of other states in order to finance itself, help guide its politics and support its military in achieving its security goals. The Northeast Asian region is in the exact same situation. North Korean nuclear weapons are not a security concern of just the ROK, but of all the regional actors. The shock waves caused by a belligerent North Korea expanding its nuclear program or engaging in an attack would ripple across and throughout the region and the world at large. Just one or two states cannot, therefore, solve this issue effectively. Accordingly, the region unequivocally needs to begin a cultivation of a multilateral security cooperation system so as to deal with this intricate and complicated web of security threats which encompasses traditional, transnational and non-military forms of imminent and potential danger.

**The Prospect of a Multilateral Security Regime in Northeast Asia**

The main purpose of international cooperation is to increase the receipt of benefit for the member states in the international system. In other words, each state participates in an international cooperation in order to enhance its own interests and values. If the mutual benefit received by a given set of member states increases in a given international organization, in equal or at least equitable proportions, such an organization is to be deemed a successful one. In Northeast Asia there is already a great deal of multilateral cooperation in a variety of areas, and the organizations for economic cooperation have rightfully received increasing praise. The Association of South-East Asian States (ASEAN), and the Asia Pacific Economic Cooperation (APEC) have played a major role in the development of an organized and effective regional economy.

In terms of security, however, a fully effective and comprehensive cooperation system does not yet exist in Northeast Asia. From an optimistic perspective, the undoubtedly increasing interdependence between regional actors could possibly act as an empirical source of rationale and inspiration for the formation of security cooperation in Northeast Asia. There are of course a number of dialogical processes in the region designed to encourage security cooperation, such as the Northeast Asia Cooperation Dialogue (NEACD), the Northeast Asia Security Dialogue (NEASED), and the Council for Security Cooperation in the Asia Pacific (CSCAP). These are, however, only in their embryonic stages, and it is doubtful whether they can be developed as effective security organizations for the region.

It is, it must be said, very difficult for the Northeast Asian actors to consensually form effective security cooperation in the region. Despite of the end of the Cold War, Northeast Asia’s security dynamic is still deeply unstable and in flux because of the unresolved issues on the Korean peninsula, the China-Taiwan strait conflict, the other heated territorial disputes, and the region’s deep-rooted history of conflict. Thus the uncertainty of the region’s security is still high and it will inevitably be difficult to engender effective security cooperation.

Yet, if every member perceives that it can receive sufficient benefits through a cooperative process, a multilateral security cooperation organization could be enacted in Northeast Asia. There are already positive signs that demonstrate the feasibility of multilateral security cooperation endeavors in Northeast Asia. Firstly, the main ambition of all the regional actors is to achieve economic prosperity based on stable security. The region’s close-knit economic interdependence in terms of trade, investment and human resources has increased significantly. Security and economy are not separable issues, because each party’s economic success results to some extent from the degree of regional and local stability that the party enjoys. Increases in interdependence automatically make multilateral security cooperation necessary in a region. Yet as economic interdependence between states increases, the importance and necessity of multilateral security cooperation increases as well, because a stable security environment is a core prerequisite for sustained economic growth. For economic development and prosperity to be enjoyed by all regional actors over a lengthy period a deeper understanding and better communication, based on mutual trust and assurance, is necessary.

Secondly, the region has already gained experience in solving problems multilaterally. The major regional states have witnessed the utility of cooperation in resolving regional issues. In the February 13th Agreement of the Six-Party Talks in 2007, the parties agreed on the establishment of five working groups. Among them is the Joint Northeast Asia Peace and Security Mechanism. In this group the six parties agreed that directly related actors will negotiate a permanent and stable peace program for the Korean Peninsula at a separate forum. This was suggested in order to enhance mutual trust and overall stability in the region. Although it was not implemented successfully, this process gave the parties a valuable and in-depth experience of solving security issues in a cooperative dialogue. Dialogue is perhaps the main factor in establishing multilateral security cooperation.

Thirdly, the major regional actors - the US, China, Japan and the ROK - appear to be beginning to recognize the importance of multilateral security cooperation. They do not want a single state to play a hegemonic role in the region. They have thus emphasized multilateral security cooperation in their military reports. In China’s National Defense 2010, it shows its positive attitude to multilateral security cooperation by asserting that ‘China plays an active part in establishing security dialogue and building security mechanisms in the Asia-Pacific region, and strengthens mutual political trust and security cooperation with Asia-Pacific countries’. The US also displays its positive attitude to multilateral security regimes in its Quadrennial Defense Review 2010, wherein it states that ‘the US cannot sustain a stable international system alone. In an increasingly interdependent world, challenges to common interests are best addressed in concert with like-minded allies and partners who share responsibility for fostering peace and security’. The Defense of Japan 2010 report also stresses the importance of multilateral security: ‘to ensure peace and stability in the Asia-Pacific region, it is important to utilize the Japan-US Alliance as an axis, while enhancing bilateral and multilateral dialogue frameworks of the region in a complementary and multilayered manner’. The ROK’s Defense White Paper 2010 suggests that ‘multilateral security cooperation is becoming increasingly more necessary in order to handle traditional threats as well as transnational and non-military security threats’.  

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208 The rest of them are the denuclearization of the Korean Peninsula, normalization of North Korea-US relations, normalization of North Korea-Japan relations, economy and energy cooperation.
Accordingly, forming a multilateral security cooperation system in the region seems to be a feasible and practicable goal. This will take a long time to materialize due to the internal and external conflicts in the region; the re-emergence of territorial disputes, continuing tension in the Taiwan Strait and the Korean peninsula serve as formidable barriers. Yet every actor knows that it is the only way to improve its economy and security at the same time, and continuing efforts could create a transition of the region from being one characterized by power struggles to one characterized by peaceful coexistence free from thwarted perceptions, miscalculations and the threat of military conflict.

There remain several limitations in terms of establishing multilateral security cooperation, due mainly to the unpredictable nature of North Korea’s behavior. North Korea continuously presents a threat in the region and beyond. It is thus hard to conclude that a multilateral security cooperation system will emerge in the region, unless the problem of the DPRK’s nuclear weapons threat is resolved. Paradoxically, the existence of North Korea as a threat makes the other regional actors feel fervently that multilateral security cooperation is necessary. In order to deal with the North Korean issue the other five parties are eager to meet and to cooperate with each other. In other words, the North Korean factor could act as an actual catalyst for multilateral security cooperation. If North Korea abandons its nuclear ambition, as the regional actors insist it must, the process of multilateral cooperation would be facilitated even more.

**Conclusion**

The end of the Cold War has not freed the Northeast Asian region from disputes, conflict and crisis. Unresolved territorial disputes between the respective nations of the region are still far from being resolved. Nevertheless, the security circumstances have changed as the nature of the threats have changed and become ever more complex and entwined. Thus no single state can protect its own interests with only its own capabilities, even if it possesses a hegemonic status. This indicates that the region needs new instruments for the maintenance of its security.

Moreover, as the international system is developing and becoming more complex, the need for multilateral cooperation is increasing. Every actor is connected intimately to every other actor. Thus the importance of multilateral security cooperation has been increasing over time and is set to continue growing. In this circumstance, the Northeast Asian region is dependent for its security on bilateral alliance and partnerships. This cannot be the viable means of enhancing regional security over the longer term. The sinking of the ROK naval warship *Cheonan* caused by a secret torpedo attack by a North Korean submarine in March 2010 and North Korea’s artillery attacks on the ROK’s Yeonpyeong Island in November 2010 are good cases in point. Regional security is still unstable.

The region may need much time in establishing multilateral security cooperation measures. Economic interdependence is growing substantially, however, and the region’s actors have now experienced dialogue and cooperation through the Six-Party Talks. Moreover, the regional actors recognize the necessity of multilateral security cooperation. Furthermore, North Korea still presents a security threat - this could be a catalyst for cooperative endeavors. These factors could well drive forward the establishment of multilateral security cooperation. The time is nigh for multilateral security cooperation in Northeast Asia.
In Defence of a New Two-Track Approach to North Korea

Yoon Young-kwan

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The Comprehensive Nature of the North Korean Problem

The collapse of the Soviet Union dealt a severe blow to the North Korean leadership, not so much because it signaled the ideological defeat of socialism but because of its immediate impact on North Korea’s economy. Russia, no longer a socialist patron, demanded North Korea pay market prices for its supply of oil and as a consequence, by the end of 1991, the amount of oil it imported from the Soviet Union reduced by 90 percent and the ratio of factories in operation fell by 60 percent.212 According to Hwang Jang-yop, to date the highest-level North Korean defector to South Korea, as many as three million North Korean people went on to starve in what was a historically unprecedented famine on the peninsula.213

The unintended consequence of the collapse of the public distribution system was the spontaneous development of an informal market mechanism, which, in turn, changed the perception and value-system of the ordinary residents of North Korea. Despite a few major attempts by the government to stifle marketization, as witnessed by the November 2009 currency redenomination, it has turned out to be an irreversible process.

The adoption of a market mechanism in a country, intentional or unintentional, cannot help but affect the nature of socio-political order in the long run due to the rapid increase in the amount and speed of information that flows among residents. North Korea is not and cannot be an exception to this time-old rule of world history. For example, on February 5, 2010, North Korean Premier Kim Yong-il was reported to have made a public apology for the first time in the history of the state to village chiefs and other party officials in Pyongyang after the failure of the 2009 currency redenomination. Then the government executed Pak Nam-gi, the director of the Workers Party’s Planning and Finance Department, in order to create a scapegoat and dampen the anger of residents after their disastrous currency reform failure. All this indicates the gradually changing nature of the delicate power balance between the elites and the ordinary people as the political result of marketization.

In addition to the dire economic situation, continuing diplomatic isolation at the time of the collapse of socialist systems in Eastern Europe deepened the insecurity complex of the top leader of North Korea and made him cling to the nuclear development strategy more firmly. For example, in 1990, Kim Yong Nam, North Korean foreign minister threatened the visiting foreign minister of the Soviet Union, Shevardnadze, stating that it would develop nuclear weapons in response to the Soviet Union’s diplomatic normalization with South Korea. In this way, economic disaster, diplomatic isolation, and nuclear development in North Korea are all closely inter-related.

Although the domestic situation in North Korea has changed significantly, Western governments have been neglecting this change and continue to stick to their old approaches focusing only on the security issues. In other words, their approaches have been partial when, in reality, the nature of the problem is comprehensive. Thus, it is time for us to try to develop a more comprehensive approach that would better reflect the changing political economic situation in the North.

**Three Partial Approaches to the North Korean Problem**

The approaches taken by Republic of Korea and the United States in the last two decades have been partial and, as the result, ineffective. Though there were some variances depending on each government’s foreign policy orientation, policy towards North Korea has tended to focus mainly on security aspects without much consideration of socio-economic dimensions. The problem is that even in the security issue area, the result of the two decade-old negotiations is depressing, as after two nuclear tests in 2006 and 2009, North Korea has effectively become a de facto nuclear power. A review of the three major past approaches to the North Korean problem is necessary.


(1) **Realist Approach**

The realist approach assumes the anarchical nature of the international system. In this system of self-help, states naturally pursue national interest defined in terms of power since only power can assure a state’s national security. Proponents of the realist approach usually admit that there exists a security dilemma problem in international relations as a result of the anarchical nature of the system. When a country violates international norms or rules, realists emphasize the importance of diplomacy. The use of force can be justified if necessary but the most important factor when considering commitment to it is the cost-benefit calculation of that option, rather than ideological cause.

On North Korea’s nuclear problem, realists tended to regard North Korea as a legitimate negotiating partner and were willing to negotiate. President Clinton during his whole term as the U.S. president, President Bush in the last two years of his term in 2007-2008, and President Obama can be regarded as practitioners of this realist approach. For example, President Clinton was willing to negotiate with North Korea when he had to deal with the first North Korean nuclear crisis in the first half of the 1990s. President George W. Bush made a sea change in his North Korea policy around the end of 2006 from a neo-conservative to a pragmatic realist approach. President Obama also made it clear during his campaign process that he would be willing to meet the North Korean leader.

The problem with this approach was that the key policy-makers in the United States and South Korea focused mainly on the denuclearization of North Korea and did not pay much attention to the other dimensions of the North Korea problem. They simply missed the linkage between security and other issues and did not try to deal with the problem from a comprehensive perspective simultaneously. For example, the Geneva Agreed Framework of 1994 stipulated the improvement of US-North Korea relations, but due to domestic political struggles between the Clinton administration and the Republican conservatives in Congress, this part of the agreement could not be implemented properly. North Korea’s wish to use the Geneva Agreed Framework as a stepping stone for improvement of political relations with the US was largely neglected. It was only in the last days of the Clinton Administration in 2000 that diplomatic exchanges were belatedly made. Since there was no diplomatic engagement, there was no room for socio-economic engagement either. In the period of the Bush administration in 2007-2008 and the Obama administration after 2009, all issues aside from that of denuclearization were mostly disregarded. Thus, the fundamental cause of the North Korea problem was left untouched while the symptomatic action, that is, the violation of nuclear agreements by the North were focused upon again and again.

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(2) Neo-conservative Approach

The Neo-conservative approach inherits the legacy of Wilsonianism in the thought of American foreign policy. Following the long tradition of the Kantian thesis of republican liberalism, it focuses on the nature of domestic political system as the main cause of war and peace. Essentially, bad governments make war and good governments make peace. Thus, they believe that disseminating democracy all over the world has been the mission of the United States since the days of the Founding Fathers. In this regard, for the neo-conservatives, America is an exceptional country in the world.

Rather than pursuing balance of power, the United States should prioritize such noble goals as the spreading of democracy to the Middle East and other parts of the world. When rogue states violate international norms and principles, regime change rather than negotiation is the right policy. Even talking to such states debases the moral ground of the United States and is the equivalent to rewarding rogue states for their bad behavior. Thus, the George W. Bush administration was very reluctant to negotiate with North Korea on a bilateral basis even under the Six Party Talk framework in 2003-2006. Even when Secretary of State Condoleezza Rice could make a diplomatic achievement by concluding the first important Six Party Talks agreement in September 2005, the agreement was almost immediately weakened by the veto of neo-conservative policy-makers in the cabinet.

For the neo-conservatives, North Korea was the target for regime change and not a legitimate partner for negotiation. The problem of this policy was that North Korea continued to reprocess the spent fuel rods it had and extracted significant amounts of plutonium, enough to make one or two nuclear warheads each year, which later raised their bargaining position. In other words, the neo-conservatives squandered precious time to negotiate a solution. It was only after the first nuclear test by North Korea in October 2006 that the US government shifted their policy in a more pragmatic realist direction. Exemplifying this, for the first time, President Bush permitted Assistant Secretary of State Christopher Hill to negotiate on a bilateral basis with North Korean representative Kim Gye-Gwan in January 2007.

The neo-conservative approach not only failed in preventing North Korea from becoming a nuclear power but also failed in achieving regime change. From the beginning, regime change was not an easy option because North Korea has a strong patron like China. In this sense, North Korea was not Iraq. The moralistic approach of the neo-conservatives without any realistic policy tools achieved nothing after all.

(3) Functionalist Approach

Functionals argue that states can achieve peace by promoting international cooperation in less sensitive functional areas such as economic, social and technical issues first. This leads to the birth of many channels and linkages between the states, which in turn enable an accumulation of habits of cooperation and spillover of cooperation effects into more sensitive political and security areas.

It is an innovative idea in the sense that this approach aims at political cooperation and integration from below rather than from above. The functionalist approach finds the cause of international wars and conflicts to be derived not from the power dynamics of the international system as the realist would do, but from the socio-economic dimension of the nation-state system.

According to the functionalists, international wars are caused by the socio-economic contradictions or maladjustments inside a nation-state, so cooperation in socio-economic functional fields among states leads to a gradual resolution of political conflicts. David Mitrany was the forerunner of this approach. The Kim Dae-jung and Roh Moo-hyun administrations pursued a functionalist approach. South Korean presidents before Kim Dae-jung also used to respond to the North Korean political offensive to build a federation between the South and the North by arguing that the two Koreas should try something both can do easily first, that is, cooperation in social, economic, and cultural areas. For example, they argued that both governments should begin with such issues as the reunion of separated families, economic cooperation, and the exchange of sports teams.

It was only sometime after North Korea’s experience of extreme economic difficulties in the mid-1990s and President Kim Dae-jung’s active pursuit of the ‘Sunshine Policy’ that North Korean began to respond to the South Korean initiative for inter-Korean cooperation. The June 15, 2000 inter-Korean summit marked a particular watershed moment in the history of the South-North relations as economic and human exchanges between the two Koreas expanded significantly from that point until around 2007.

However, the practitioners of this approach were not free from criticism. The most important criticism was that they also failed to change North Korean behavior. Even during the time of engagement policies by Kim Dae-jung and Roh Moo-hyun, North Korea continued to develop nuclear weapons. North Korea tried to utilize the ‘Sunshine Policy’ to extort economic benefits without attempting economic reform in any serious manner. The central point of criticism of this approach was the lack of political will exhibited by the South Korean governments to influence the North Korean policy-makers toward reform while engaging them.

In contrast, the Lee Myung-bak administration, which succeeded the Roh Moo-hyun administration in early 2008, adopted a hardline policy, closer to the realist approach. It was somewhat understandable for the conservative Lee Myung-bak administration to emphasize the importance of “principle” in dealing with North Korea. However, it lacked flexibility and sophistication in dealing with the North. Most economic and humanitarian assistance was suspended until around late 2011, and as the result, it lost the channels and leverage to influence the North.

**A New Approach to the North Korean Problem**

All these three approaches could not succeed in solving the North Korea problem. Each approach was partial and did not aim to fix the root cause of the problem. Instead, they tried to ameliorate the symptoms on an ad-hoc basis each time North Korea was provocative. We certainly need a new approach.

The new approach needs to be as comprehensive as possible. The old saying is ‘Don’t put all your eggs in one basket’. In other words, we had better make sure that international efforts to ensure North Korea’s denuclearization do not preclude policies intended to bring about domestic reforms. Both the policy intended to denuclearize and the policy intended to induce domestic reform should be pursued simultaneously. The new window of opportunity to denuclearize North Korea may only open when far-reaching domestic change comes.

For instance, as the result of North Korea’s violation of agreements, the United Nations imposed economic sanctions on North Korea. Though the sanctions targeted WMD-related products and luxury goods only, in reality, almost all other socio-economic interactions with the North have been stopped. In this way, the West has been giving up important forms of leverage to pressure North Korea toward economic reform.

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Even though the effectiveness of U.N. sanctions is doubtful, we may need to continue economic sanctions on North Korea in order to pressure it to denuclearize. But at the same time, we need to strengthen our socio-economic leverage to influence North Korea toward fundamental economic reform. If North Korea’s current economic situation is the cause of its desperate obsession with nuclear weapons, we may try to change the nature of their economic structure so that the political leaders may be able to change framing of their cost-benefit calculation regarding the nuclear option.

For example, there is no reason for the West to prohibit North Korea from joining the IMF even while simultaneously continuing economic sanctions on WMD-related activities. Of course, North Korea will have to be willing to accept the international norms and rules of economic behavior if it wants to be a member of the IMF. Governments of advanced countries in the West may also permit charitable foundations to invite more North Korean bureaucrats and students to study abroad so that they can learn about market economy. Humanitarian aid should also be provided on the condition that the government allows donor countries and organizations to strictly monitor its distribution so that they can prevent any diversion of food aid for military or political purposes.

However, this new approach will need more flexibility and imagination in United States policy-making circles. The conventional wisdom in the United States has been that any decision to let North Korea join the International Monetary Fund would come as a reward after denuclearization. However, as long as the North Korean economy stays as it is and as long as China is always ready to help with economic assistance, North Korean policy-makers will have no incentive to change nuclear policy.

From the United States domestic political perspective, denying any kind of assistance or incentives for reform to North Korea would be the ‘politically right’ decision. It would be emotionally appealing to both politicians and voters. However, they will have to be reminded of the fact that twenty years of ‘politically right’ decisions has produced little and did not prevent North Korea from becoming a de facto nuclear power.

This kind of two-track approach, pursuing a socio-economically oriented policy in addition to a traditional security-oriented policy of denuclearization will have a few merits if pursued in near future. First, the new North Korean leader, Kim Jong-eun in the post-Kim Jong-Il era, may concentrate on reviving the economy for the purpose of consolidating his support base amongst the populace. In fact, due to the recent currency disaster, North Korean policy-makers may have become more inclined to pursue economic reform than ever before. If that is the case, this new approach will have a better chance for a success.

Second, the West will be able to mobilize cooperation from China. In the last decade, China has tried to more actively influence the leadership in favor of adopting market principles even as it has been providing economic assistance to the North. If the West adopts this two-track approach putting equal emphasis on security and socio-economic dimensions, there will be higher possibility for cooperation between the West and China. Otherwise, one of the unintended consequences will be continuation of the rise of the Chinese influence and the decline of the Western impact in North Korea in coming years.

As North Korea enters into a new period after the death of Kim Jong-il on December 17, 2011, the world needs to groom a new policy for North Korea. At least, international society has nothing to lose by testing the North’s will to reform under the new leadership of Kim Jong-eun.
Farewell to the Six party Talks ?
The Prospects for the Denuclearization of the Korean Peninsula

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For over seventeen years, there have been diplomatic efforts to deal with North Korea’s nuclear weapons programme. As the Obama administration took office, signalling its desire to engage with Iran and North Korea, all these diplomatic achievements seemed to have come to nought. Not only had North Korea tested two nuclear devices, proving that it could master the technology of nuclear fission, but all the negotiations had reached a seeming insurmountable stalemate. This raises the question whether North Korea has any intention of achieving a deal on its nuclear programme, and what its intentions are with regard to the Six Party Talks as it presses for an ‘unconditional resumptions of the talks’.

Understanding the function of North Korea’s nuclear programme in its policy towards outside powers

North Korean foreign policy behaviour has seemed confusing and Pyongyang’s intentions have been subject to controversy and different interpretations. But contrary to these impressions, given the situation they find themselves in, there is a clear logic in the policies they pursue. During the Cold War period, the confrontation on the Korean peninsula was embedded in the East-West confrontation. Both Koreas were kept secure and at the same time restrained by their respective superpower allies. For North Korea the geopolitical situation was somewhat more complex than for the South, because Kim Il-sung did not accept Soviet dominance such as was exercised in parts of Eastern Europe. Consequently he pursued a policy of equidistance between China and the Soviet Union. At the same time he gradually built up North Korea’s military capabilities with a view to achieving unification under his leadership when the time would be ripe. Since the end of the Cold War and the loss of economic support and reliable security guarantees from its erstwhile sponsors, the top priority for North Korea has been regime survival. The Kim regime feels threatened by the changed geopolitical environment and in particular what it calls the ‘hostile policy’ of the United States, and its severe economic difficulties.
The US concern with North Korea’s nuclear programme provided Pyongyang with the opportunity to engage the United States. This engagement came to be perceived in Pyongyang as the key for addressing the external security concerns and the economic predicament of the DPRK. Essentially North Korea wants the US to accept the legitimacy of the regime, normalize diplomatic relations, take concrete steps to end the military threat to North Korea, such as sign a non-aggression pact, and remove economic sanctions. It is important not only understand the motivations that drive North Korean foreign policy, but also the tactics. Just as the United States uses coercive measures (such as unilateral and multilateral sanctions and UN Security Council resolutions) as well as incentives (the provision of fuel, the lifting of sanctions, diplomatic visits), North Korea uses its own form of pressure tactics (developing and demonstrating military capabilities, refusing to attend talks, issuing verbal threats, abandoning previous agreements) alongside cooperative gestures (permitting inspections, implementing parts of previous agreements, attending talks, entering into new agreements). The principle is ‘action for action’. There are two reasons for this kind of negotiating behaviour. The first is that North Koreans want to negotiate each element of a package deal separately in order to extract the maximum concession at each stage. The second is that the nuclear and missiles programmes are the only cards that North Korea has. The Bush concept of ‘complete, verifiable and irreversible disarmament’ that was floated in 2004 is not workable from the North Korean point of view because once they give up this card they have no further bargaining leverage. Consequently North Korean concessions have amounted to very partial resolutions of the nuclear issue. Although prior to its first nuclear test North Korea at various times reaffirmed that it was prepared to denuclearize the Korean peninsula, the best that has ever been on offer is a freezing and the termination of the production of plutonium.

North Korea experts generally emphasize the rationality and the effectiveness of North Korea’s foreign policy and diplomacy.\textsuperscript{223} It is true that North Korea, a very weak state, has managed to gain significant concessions from very powerful states. The fact that the United States has decided not to use force against North Korea is an important achievement for North Korea’s asymmetric strategy of deterrence. However the overall results of seventeen years of diplomacy are mixed. Although Pyongyang has received enough external support to muddle through and even somewhat improve its economic situation, it has not achieved its major objectives. Despite all of the investment into the construction of two light water reactors, by the beginning of the Obama presidency North Korea was further away than ever from having LWRs provided. By mid-2009 all of the previous diplomatic gains had been lost, and North Korea was under the most severe sanctions since negotiations over its nuclear programme began. As a result of the Cheonan incident in March 2010, when a South Korean frigate was sunk by North Korean special naval forces, the South Korean government cut off all political and almost all economic links with the North. Its relations with Japan, the Republic of Korea and to an extent even China had reached its lowest point ever.

The flaw in North Korea’s diplomacy is that its policymakers incorrectly assess what drives US policy and therefore the manner in which they employ the instruments available to them is to some extent ineffective because they project their own world view onto others and do not anticipate the reaction of the United States correctly. Thus efforts by North Korea to coerce the United States to change its policies have often had the opposite effect. After years of negotiation, Pyongyang may have nuclear devices, but it is further away from other benefits which were within its grasp previously. The regime’s constant refrain is that its main aim is to change the hostile policy of the United States towards it. But many of its actions do not promote this aim – quite to the contrary, it strengthens the hand of those in the United States who believe North Korea can never be trusted and that any negotiations or agreements with the DPRK are a waste of time.\textsuperscript{224}


\textsuperscript{224}Bruce Bechtel, \textit{Defiant Failed State}, Washington, DC, Potomac 2010
The concepts of national autonomy and sovereignty play a key role in North Korean diplomacy. The application of international law, and external inspections or the verification of agreements are seen as being in fundamental contradiction to these principles. The launch of a Taepodong-2 (or Unha-2) missile on 5 April 2009 to put a satellite into orbit is a good example. It was clearly designed to demonstrate North Korea’s missile capabilities and defiance of UNSCR 1718. It was a way for the Kim regime to demonstrate that it was standing up for its sovereign rights and was not cowed by international reaction. It is clear from the history of US-DPRK negotiations that diplomats are often under pressure to prove that they are standing up to the demands of the United States. This can mean that they become too inflexible and lose sight of the larger objectives and fail to obtain the results that they are seeking.

The decision to seek a nuclear capability was probably taken by Kim Il-sung in response to the Cuban Missile Crisis which made the Soviet nuclear guarantee appear unreliable. The decision to finally assemble a nuclear device and conduct a nuclear test was taken in 2003 after the 11th round of the Supreme People’s Assembly in September 2003. A decisive factor was the Iraq war, which seemed to demonstrate the need for a capacity to deter a US attack. The belief of the North Korean elite that the nuclear programme enhances the status of the DPRK, provides deterrence against external aggression and facilitates a security dialogue with the United States that enables North Korea also to obtain much needed economic support is deeply engrained. North Korea has been willing to freeze and limit its nuclear programme, but the leaders in Pyongyang have never yet reached the point where they will finally give it up, and it is difficult to conceive any circumstances under which this might happen. Even if the various demands were met and the US established diplomatic relations, signed a non-aggression pact and followed through with other promises about ‘changing its hostile policy’, this would not be enough to permanently guarantee North Korea’s security.

On the other hand the external threat to North Korea is primarily created by the nuclear programme in the first place. There is a curious paradox that underlies North Korean foreign policy, which is that is fundamentally predicated on making North Korea appear dangerous to the international community. This motivates the United States and other countries to engage with North Korea in order to mitigate the threat, but in order for this to be sustained the threat has to be periodically revived. This creates the seemingly inescapable cycle of conflict and cooperation. It also accounts for North Korea’s diplomacy which to outsiders sometimes appears erratic and even irrational.

**Understanding US policy towards the Korean peninsula**

US policy towards North Korea has been dominated by the nuclear programme since the early nineties. Policymakers in Washington have been faced with a fundamental disagreement among politicians and officials on how to deal with this issue, as well as the underlying paradoxes of the issue that they have to confront. The conflict over what US policy should be is associated with different interpretations of the nature of the problem. Among conservatives there is a view that North Korea is a ‘rogue’, totalitarian regime that brutalises its own population and that its propensity for external aggression is a result of its ‘nature’ in common with totalitarian regimes elsewhere in history.

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227 Based on conversations with Prof. Lim Eul-chul, Kyungnam University, Seoul about his various discussions with North Korean foreign ministry officials in Seoul 2008/2009; see also Chosun Central News Agency, 16 October 2003.
The international community should use all coercive means at its disposal, from isolation to sanctions and military action to contain and deal with the threat that it poses.\textsuperscript{228} President Bush included North Korea in the ‘axis of evil’ of states that posed a threat to the international community by their support for terrorism and the development of weapons of mass destruction.\textsuperscript{229} The term ‘evil’, of course, is just a label that says nothing about how the national interests of North Korea are constituted or the objectives of national policies. In fact, it discourages further analysis. Apart from the fact that this particular approach substitutes name-calling for a real effort to understand North Korea, it does not provide a coherent basis for policy. Moreover, it embodies significant risks given the support for military actions against North Korea and the advocacy of total economic sanctions in order to bring about regime change. Although there is little chance that these objectives will be achievable given the refusal of China to cut off support for North Korea, it could have catastrophic consequences if they were realised.

The liberal perspective on North Korea is grounded in a realist approach to international relations and interprets North Korean foreign policy behaviour as a rational response to the geopolitical situation that the DPRK finds itself in the aftermath of the Cold War. North Korea perceives the United States as constituting a real and present threat to its national security, threatening pre-emptive strikes and refusing to recognize the legitimacy of the North Korean state.\textsuperscript{230} Looking at North Korean actions in more detail, it is possible to explain many of them as counter-moves to American political pressure or even military threats. The corollary is that if the external threat is mitigated, then North Korea’s behaviour will change. The more extreme version of this perspective, which is espoused by policymakers in China and many on the left in South Korea see the United States as the real source of instability in the region.\textsuperscript{231}

Those officials and politicians in the US who became directly involved in negotiations with North Korea were not necessarily located in one or the other camp. Unlike the Bush administration, the Clinton officials never attempted to provide an explanation for North Korea’s behaviour. It came down to the pragmatic issue of how the nuclear programme could be stopped. Once the military option was ruled out, diplomacy backed up by sanctions was the only option. Ironically the Bush administration adopted a similarly pragmatic approach in its second term despite the ideological predispositions of the President who included North Korea in the ‘axis of evil’.

There is no doubt that the deep divisions in Washington about the nature of the problem and the appropriate means to deal with it seriously hampered US diplomatic efforts. The unwillingness of Congress to support the Clinton administration meant that there could be no treaty with the DPRK, only a so-called ‘agreed framework’. Moreover, Congress could not be relied upon to provide any funds, so the financial burden of implementing the agreed framework had to be assumed mostly by the South Koreans and the Japanese. The funds for heavy fuel oil promised by the US had to be found from discretionary funding, which caused supplies to be behind schedule and meant the United States was seen as an unreliable partner in the agreed framework.\textsuperscript{232}

\textsuperscript{229}Interestingly, North Korea was not included in the original draft of the speech and inserted later at the instruction of Condoleezza Rice. Mike Chinoy, Meltdown, New York NY, St. Martin’s Press, 2008, p.69.
The more fundamental issue is that the basic principles of whatever agreement is arrived at with the DPRK simply cannot be fully implemented. During seventeen years of negotiation neither side has come to the point where they were really willing to hold up their end of the bargain. Moreover, just as North Korea will never fully relinquish its nuclear card, the US will never fully accept the legitimacy of the Kim regime, and American policymakers are deluding themselves if they think otherwise. Consequently the manner in which the objectives of negotiations with North Korea have been framed defines ideals, rather than achievable goals. The two sides will have to settle for something in-between.

_Dealing with North Korea: What is to be done?_

Much of the discourse in relation to North Korea has emphasized the threat that North Korea represents to the international community. Consequently the main focus of diplomatic engagement has been on the nuclear programme. While this was inevitable, given that North Korea sought to leverage its military capabilities in order for the international community and especially the United States to engage with it, this has prevented the emergence of a holistic approach to the crisis on the Korean peninsula. Thus all of the diplomatic resources of the United States have been devoted to stop North Korea from acquiring a nuclear weapon. Now that this has failed, the objective is to put the genie back in the bottle and persuade Pyongyang to eliminate its nuclear capabilities. However, there is little chance that this can be achieved. The United States has both tried to compel and persuade North Korea to give up its nuclear programme. The results have been mixed, but in the final analysis North Korea did complete the development of a nuclear weapon and the North Korean elite has decided not to accept complete denuclearization.

_COUNTERPROLIFERATION AND THE SIX PARTY TALKS_

The initial efforts at constraining North Korea’s nuclear weapons programme were based using the safeguard procedures of the IAEA given that North Korea had acceded to the nuclear non-proliferation treaty, thereby committing itself to accounting for all of its fissile materials and submitting to IAEA inspections. Once it became clear that North Korea had not declared all of its nuclear materials and facilities, a tug-of-war ensued between the IAEA (back up by the UN Security Council) and the DPRK, which resulted in North Korea’s withdrawal from the NPT. These events which have since been referred to as the ‘first nuclear crisis’ resulted in a confrontation between the United States and North Korea that was resolved as a result of the visit of former President Jimmy Carter to Pyongyang for a meeting with Kim Il-Sung in 1994. Subsequently an ‘agreed framework’ was established between the United States and the DPRK which involved a freeze of the plutonium programme in return for various political and economic benefits, including the provision of significant quantities of heavy fuel oil and two light water reactors. For details on the history of this process, see Gallucci et al., _Going Critical_, and Christoph Bluth, _Korea_, Cambridge, Polity Press, 2008, 63-91.

233 For details on the history of this process, see Gallucci et al., _Going Critical_, and Christoph Bluth, _Korea_, Cambridge, Polity Press, 2008, 63-91.
The advent of the Bush administration ended the rapprochement between Washington and Pyongyang in the final years of the Clinton term of office. The Bush administration was divided between those who wanted to avoid any diplomatic contact with North Korea and opposed the agreed framework (including Cheney, Bolton, Rumsfeld and Bush himself), and those who wanted to continue diplomatic engagement with North Korea. The agreed framework collapsed when the Bush administration confronted North Korea over its alleged programme to enrich uranium. Subsequently efforts were undertaken by US Secretary of State Powell in conjunction with the Chinese government to engage North Korea in a renewed dialogue about the nuclear programme. This effort reflected the continuing division within the US government between those who wanted to promote diplomatic efforts and those who wanted no dialogue with North Korea and a policy of isolation and containment. The problem with the latter was that despite the bellicose rhetoric from John Bolton and others they had no means to prevent North Korea from continuing with developing its nuclear capability.

The format for the negotiations eventually agreed were Six-party talks involving the United States, China, North Korea, South Korea, Japan and Russia. The Six Party Talks were based on a flawed premise. The United States wanted to devolve responsibility for the North Korean nuclear programme to the regional powers. This was unworkable because North Korea had no interest in dealing with any state other than the United States. Moreover, the regional powers had very divergent interests and priority and could not be counted on supporting the objectives or the diplomacy of the United States. In fact, the United States joined the Six Party Talks in order to be able to avoid talking to North Korea, while North Korea was persuaded to join the talks so that it could talk to the United States.

The position of the United States soon proved to be untenable and in the course of time the Six Party Talks evolved into what essentially were ‘two party talks’, with the other parties just playing a facilitating role. During the first term of the Bush administration it failed to produce any results, and the nuclear test on 9 October 2006 demonstrated the abject failure of US non-proliferation policy with respect to the DPRK. During the second term, when the hawks in the Bush administration were preoccupied with Iraq, control over North Korea policy passed to the State Department. At a meeting in Beijing on 13 February 2007, it was announced that an agreement had been reached. It required North Korea to shut down its nuclear facilities at Yongbyon within 60 days, with the purpose of eventual abandonment. North Korea was to receive 50,000 tons of fuel oil for concluding the agreement. A package of economic, energy and humanitarian assistance was agreed, to be gradually implemented as the dismantlement of nuclear facilities proceeded. The first phase was implemented, with the dramatic destruction of the cooling tower of the Yongbyon reactor, but further progress stalled when the United States was dissatisfied with the North Korean declaration of fissile materials and other nuclear facilities and demanded more detailed information and further verification measures.

The agreement fell apart as North Korea became preoccupied with its leadership succession and conducted another nuclear test in order to support its claim to be recognized as a nuclear state. IAEA inspectors had to leave North Korea and the reconstitution of the nuclear programme was announced. On 5 April 2009 North Korea launched a space-launch vehicle based on the Taepodong-2 missile with the purpose of putting a satellite in orbit. The test was partially successful (the satellite failed to achieve orbit), but the launch was considered a violation of a UN Security Council Resolution prohibiting North Korean missile tests and resulted in the imposition of sanctions. The North Korean leadership responded by stating that it would no longer engage in negotiations about its nuclear programme and would continue developing it deterrent, finally abandoning the 13 February agreement.

North Korea has defected from almost every treaty or framework to which it has ever been party. This includes all of agreements between North and South as well as the NPT, the Joint Declaration on Denuclearization, agreements between the DPRK and Japan and even many commercial agreements where goods were received but not paid for. The institutionalist concept does not work in the case of North Korea because the North Korean leaders never adopt and internalize the principles and values underlying any institution that the DPRK becomes a member of. Small violations in any agreement are used as an excuse to defect as soon as the North Koreans believe that the agreement no longer suits their purposes or that a better deal could be had. Attempts to link various dimensions of relations with North Korea have also proven unsuccessful, as the leaders in Pyongyang will honour those provisions that are important to them and ignore others which are too insignificant or intangible to bring about a collapse of the agreement as a whole.

How to explain this kind of behaviour? There are two different aspects to this. The first is that the North Koreans only respect power, and have absolutely no respect for norms or values. Moreover, they believe that others act in precisely the same way that they do. From this perspective, international law and institutions have no merit in and of themselves, but are just used as instruments of power to achieve certain objectives. This is why the notion that North Korea should permit intrusive IAEA inspections merely because they acceded to the NPT is incomprehensible to North Korean leaders, they see the IAEA just as an instrument of US policy. Efforts to negotiate and enforce agreements once they have been reached are just part of a continuous power play, in which North Korea seeks to extract the maximum advantage at every turn.

The second aspect is that the confrontation over the nuclear programme is merely a symptom of a more fundamental problem for the North Korean state that is fundamentally irresolvable. The general concept of negotiations over the nuclear programme was that the international community would underwrite North Korea economically and normalise relations in return for the abandonment of weapons of mass destruction. However these efforts were based on faulty premises. The problem is that a resolution of the nuclear issue does not solve the underlying problem. The North Korean regime will continue to remain unacceptable to the United States and most of the international community. No matter what agreements are signed, the outside world will seek gradual regime change. On the other hand, the North Korean state is not viable politically, socially and economically. Its rulers reject internal reform, refuse to open the country up to the world and conduct its foreign policy on the basis of threats. Its projection of the external threat is a major element of its internal legitimation. This leaves the North Korean leadership with the dilemma that it needs to improve its relations with the outside world and especially the United States in order to mitigate the external threat and obtain the economic support it needs, while at the same time any such improvement undermines the regime and questions its very existence. Thus, as we have seen, an unending cycle of confrontation and accommodation is inevitable while this regime endures, and this will last into the era beyond Kim Jong-il as his son Kim Jong-eun has taken over the reigns of power.

Efforts to compel North Korea to eliminate its nuclear devices and materials or its ballistic missiles are doomed to failure. Sanctions have a limited effect as long as China provides enough food and oil to maintain a basic lifeline for the regime. Diplomatic pressure and UN Security Council Resolutions produce a reaction of defiance. The use of force is so risky that no US president can contemplate it.

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Another possible strategy would be to simply ignore North Korea and not to engage with it at all. This form of containment might look attractive, but there are significant dangers associated with it. First of all, there would no longer be any constraints on the nuclear programme and the development of ballistic missiles. If North Korea restores the facilities at Yongbyon and completes the construction of the 50 MW(e) and the 200 MW(e) reactors, it will be able to produce significant stockpiles of plutonium. Alternatively, it could proceed with the production of HEU (highly enriched uranium) in order to manufacture nuclear warheads. Moreover, it is possible that in due course it will develop a ballistic missile of true intercontinental range, capable of reaching the continental United States. From Washington’s point of view, this would represent an unacceptable risk and shift in the balance of power which would constrain US options in dealing with North Korea. For these reasons, a form of engagement which enables the international community to put some constraints on North Korean nuclear capabilities and reduces military provocations seems to be the only viable option, however unsatisfactory it might be.

It is important to understand that there is essentially no solution to the North Korean problem. As long as the Kim regime has sufficient resources to maintain itself in power (this means to support the life of the political and military elite on which it depends), there is no prospect for meaningful political or economic reform because reform is (correctly) perceived to threaten the regime. Any efforts by external actors to get the regime to open up and modernise its economy is resisted. Although North Korea’s leaders are acutely aware of the fact that the country needs economic support from abroad in order to survive, they also realize that such support can undermine their power. Humanitarian aid, although it is tolerated given the problems the regime has to provide for the basic needs of its population, is not of much interest to those in power. What they seek is hard currency for their own requirements, international recognition to legitimize their position and non-interference in their domestic affairs.

A sudden collapse of the North Korean state has potentially catastrophic consequences. Millions of refugees may stream into China or South Korea, many of them heavily armed. There is also the prospect of severe fighting between various military factions in the event of the collapse of central control. It is in the interests of all countries in the region to prevent this from happening. The concept of economic engagement with North Korea is predicated on the notion that even if there are no specific concessions from the regime in response to economic aid, it will create an increasing dependency of the regime on neighbouring countries. This dependency is a reality, but the regime has been trying to limit its impact and it has been almost impossible for either China, Japan, South Korea or the United States to translate this into tangible political leverage. The Lee Myung-bak government in Seoul proposed a very substantial investment in North Korea, mainly in the development of infrastructure to double North Korea’s GDP and modernise its economy in the hope that this would inevitably produce social and political change. So far this proposal has not gone anywhere due to the conditionalities (such as abandoning the nuclear programme) attached. But the grip of the regime is weakening very gradually. Government control in the northern provinces has weakened as the central government no longer has the resources to sustain the public distribution system consistently at a level that meets basic needs. The border has become porous, and North Korean border guards are easily bribed. Many North Koreans, especially in the northern provinces, have access to Chinese cellphones. While there is no political space for the emergence of an opposition or rebellion, the North Korean regime cannot be sustained indefinitely. Change will come sooner or later. The problem is that it is really hard to conceive how there can be a soft landing.

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Although there are secret contingency plans for the event of a collapse of the North Korean state, neither the United States nor the Republic of Korea has a clear vision of the future of the Korean peninsula. The Republic of Korea is, according to its constitution, the sole legitimate Korea and therefore legally its territory comprises the whole of Korea, and therefore in theory unification is the primary goal of public policy. While as a general sentiment this resonates deeply in the psyche of most Koreans, in practice there is not much appetite for the enormous burdens and sacrifices that unification would entail. The North has become another foreign country that happens to share a common language and ancient history. Likewise the United States supports the goal of Korean unification in principle but has not done much in practice to help bring it about. There is no agreed plan for an endgame, no preparation for the dramatic change that will come one day (such as creating an international fund that would make it possible to manage the transition).

In the light of these realities, it is important to map out the key objectives in diplomacy with North Korea.

The first priority must be to prevent the outbreak of war on the Korean peninsula. In principle strategic deterrence in Korea is stable. The problem is that the North Korean state is not stable and its leaders indulge in military provocations in order to compel changes in US policy or extort economic concessions. Such brinkmanship is associated with a risk of escalation that could get out of control. It is important not to provoke any military action, while at the same time refusing to be intimidated by threats of war. The current South Korean determination to meet further provocations like the sinking of the Cheonan and the artillery attacks on Yeonpyeong-do in 2010 with an escalation of military force is very problematic. It is a surrender to the logic followed by North Korean leaders, that political pressure can be brought to bear with military threats and involves the risk of inadvertent escalation. South Korea and the United States should resolve to meet future provocations with diplomatic means rather than engage for a dangerous tit-for-tat.

Another critical policy goal must be to stop the proliferation of nuclear and missile technology by North Korea. The proliferation security initiative (PSI) and recent United Nations Security Council resolutions provided useful tools, especially since South Korea fully joined PSI in May 2010. But prevention cannot be completely effective, especially as both North Korean consultants and equipment can travel by air to client states such as Pakistan, Syria and Iran. Financial inducements may be needed, at least in the short term, to reduce the incentives to proliferate, given that for North Korea ballistic missiles have been is most successful exports.

Finally, although a sudden collapse of the Pyongyang regime is in nobody’s interest, it must be a foreign policy goal to weaken the hold of the regime over its people in the long run and promote Korean unification. Focusing economic support for North Korea on the needs of the population rather than the regime (i.e. food aid in particular) and finding ways of allowing more information about the outside world to seep into North Korea will be elements of such a strategy.

Conclusion

Presidents Obama and Lee Myung-bak at their summit in Washington in June 2009 emphasized the threat posed by North Korean’s nuclear programme and Obama vowed to break the cycle of allowing North Korea to create a crisis to reap further rewards. But it is unclear what means are proposed to deal with North Korea from now on. Not only is there no clear concept of how North Korea’s nuclear arsenal is to be eliminated, but the focus remains on the nuclear question rather than the regime itself, thus perpetuating the contradictions of previous policies. The reality is the international community has to live with a nuclear North Korea for some time to come. In hindsight the preoccupation with the nuclear programme looks like a distraction. Despite its proclivity for risk-taking and its many military provocations, North Korean leaders know that they cannot risk a major war on the peninsula. In other words, the significance of the military threat has been exaggerated. Containment is effective, but continued engagement of North Korea is necessary in order to mitigate tension and ameliorate the humanitarian needs of the North Korean people.
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