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Korean Journal of National Unification
Planning and Budget
Korea Institute for
National Unification
SL Tobong P.O. Box 22
Seoul 142-600, Korea
Tel: (82-2) 901-2627, 900-4300
Fax: (82-2) 901-2541

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Contributors

Seongwhun Cheon is a research fellow at the Security Policy Division, KINU. He received his B.S. in Industrial Engineering from Korea University, his M.Sc. in Engineering Economic Systems from Stanford University and his Ph.D. in Engineering from University of Waterloo. Before joining KINU in 1991, he served with the Office of Arms Control, Ministry of National Defense, ROK. His major research interests are arms control and verification, nonproliferation of WMD, regional security issues and the ROK's unification strategy. Dr. Cheon has written several papers on security and unification issues.

Kwan-Hee Hong is a research fellow at the Security Policy Division, KINU. He received his B.A. from Seoul National University and Ph.D. in Political Science from the University of Georgia. His Ph.D. dissertation was entitled "Defense Burden and Economic Performances: Evidence from South Korea." His area of research interests are Northeast Asian politics, South Korea's security policy, and the North Korean military and foreign policy.

L. Gordon Flake is associate director of the Program on Conflict Resolution at the Atlantic Council of the United States where he continues his focus upon North Korean economic and political developments. Prior to joining the Atlantic Council, he was director of Research and Academic Affairs at the Korea Economic Institute of America. He received his B.A. and his M.A. from the David M. Kennedy Center for International and Area Studies at Brigham Young University. He has visited North Korea several times over the past three years.

Hajime Izumi is a professor of international relations and Korean Studies at the University of Shizuoka, and concurrently the chairman of the East Asian Security Study Group in Japan. He received his undergraduate education at Chuo University and his graduate training at Sophia University. He has been a senior research fellow at the Research Institute for Peace and Security and has taught at the Tokyo University of Foreign Studies. He was a visiting scholar at Harvard University from 1991 to 1992 and at the United States Institute of Peace in 1995. He is the author of numerous articles on the North Korean foreign policy and politics.

Alexander Z. Zhebin is a senior researcher of the Center for Korean Studies, Institute of Far Eastern Studies of the Russian Academy of Sciences. He graduated the Moscow State Institute of International Relations. He worked for TASS News Agency of the Soviet Union and was a TASS correspondent and then TASS Bureau chief in Pyongyang. His area of research interests are Korean Politics, Unification, and Russian-Korean Relations. He is the author of *Pyongyang, Seoul, Then Moscow* (1991) and *Lustre and Misery of Kims' Empire* (1992), and articles on Korea domestic and foreign affairs in various Russian, Korean, Japanese and US academic journals and newspapers.

Wilfried von Bredow, Ph.D., is a professor for Political Science at the Philipps-University Marburg (Germany). He was the vice president of the Philipps-University (1975-77); research fellow at St. Antony's College, Oxford (1977-78); and visiting professor at the Universities of Toronto (1986-87) and Saskatoon (1991 and 1994). He is the author of numerous books and articles on political theory, military sociology, and international relations, among them lately *Turbulente Welt-Ordnung* (1994) and *Die Zukunft der Bundeswehr* (1996).

Thomas Jäger, Ph.D. is *privatdozent* for Political Science at the Philipps-University Marburg (Germany). He is the co-author (with Wilfried von Bredow) of *Neue deutsche Aussenpolitik* (1993) and author of a lengthy study about South Africa's nuclear policy.

Gerhard Kümmel, Ph.D. is a research fellow at the Sozialwissenschaftliches Institut der Bundeswehr at Strausberg (Germany). He is the co-editor (with Thomas Jäger and Wilfried von Bredow) of *European Security* (1997) and author of a study about the economic relations between the USA and Germany in the 1920s and 1930s.

Nicholas Eberstadt is a visiting scholar at the American Enterprise Institute, and a visiting fellow at the Harvard University Center for Population and Development Studies. He is also a consultant to the US Bureau of the Census. He is the author or editor of eight books or monographs, including *The Population of North Korea* (with Judith Banister, 1992) and *Korea Approaches Reunification* (1995).

Sung Chull Kim is a research fellow at North Korea Research, KINU. He received his B.A. from Chonnam National University, his M.A. and Ph.D. in Political Science from the University of California, Irvine. His area of research interests are systems analysis and comparative socialist systems, and his work includes intellectuals in North Korea and the theoretical model of transformation of socialist systems. He is currently studying the durability of the North Korean socialist regime, using statistical data based on interviews with defectors.

Scott Snyder is a program officer in the Research and Studies Program of the U.S. Institute of Peace. He is the author of USIP's latest report on Korea, released in October of 1996, entitled "A Coming Crisis on the Korean Peninsula? The Food Crisis, Economic Decline, and Political Considerations." He is also the author of several articles and book chapters on Korea, is a frequent media commentator on Korean issues, and has visited North Korea three times in conjunction with academic study groups, most recently in July of 1995. He is a member of the CSCAP North Pacific Working Group. Mr. Snyder received his B.A. from Rice University and an M.A. from the Regional Studies—East Asia Program at Harvard University.

A Role Definition and Implementation Strategies for the Four-Party Peace Talks

Seongwhun Cheon

Almost a year and a half has passed since the four-party peace talks were proposed to the DPRK at the ROK-US summit meeting on 16 April 1996. So far North Korea's response has been very cautious, much less positive than Washington and Seoul had expected. The delay seemed to be largely due to its lack of confidence about the talks. That is, Pyongyang was not sure whether its primary goal—guaranteeing regime survival through a strategic relationship with the United States, which they expected to achieve via bilateral talks—would be able to be attained through the four-party meeting, so it asked the United States for a detailed explanation of purpose of the proposal. Admitting the need for a clearer explanation, Seoul and Washington agreed to hold a joint briefing for Pyongyang, which was held in New York on 5 March 1997. This was the first significant step towards bringing the proposal into practice. The other important step was a preliminary four-party meeting held on 5 August.

Why the Four-Party Peace Talks?

ROK Counter Diplomacy

The DPRK has since 1994 launched a persistent and consistent campaign to nullify the current Korean Armistice Agreement. On 28 April 1994, North Korea proposed bilateral talks with the United States for the purpose of establishing a new peace system on the Korean peninsula. Apparently frustrated by the US refusal, on 22 February 1996, it presented a more developed three-point proposal for establishing a new peace mechanism on the peninsula.[1]

Since then, Pyongyang instigated a series of events to press the United States to accept its proposal. On 8 March the Panmunjom Mission of the Korean People's Army issued a memorandum reproaching the United States.[2] On 29 March, Vice Marshal Kwangjin Kim, first vice minister of the People's Armed Forces,

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1 The three-point proposal was as follows. First, a tentative agreement would be signed between the DPRK and the United States in order to deter armed conflict and danger of war on the Korean peninsula and maintain the state of armistice in a peaceful way. The agreement would include the management of the Military Demarcation Line (MDL) and the Demilitarized Zone, the method of settling armed conflicts and accidents, the formation, duties and authority of a joint military body, the amendment and supplement of the agreement, and other issues on maintenance of security order. The agreement would replace the Armistice Agreement until a complete peace arrangement be concluded. Second, a DPRK-US joint military body would be organized and operated in Panmunjom replacing the Military Armistice Commission for the implementation of the tentative agreement and its supervision. Third, negotiations should be held at the appropriate level for discussing the conclusion of the tentative agreement and organization of the DPRK-US joint military body. *People's Korea*, 2 March 1996.

2 The KPA argued that "On 28 April 1994, the DPRK put forward an epochal proposal to replace the old armistice system with a new peace one. It installed the Panmunjom Mission of the KPA in accordance with the proposal .... The US has not yet shown any response to the DPRK's magnanimous proposal." The memorandum warned that "the US" must not mistake this offer for one begging for peace. The option does not belong to the United States alone. We will take a final and active measure to replace the old armistice system with a new device in case the United States wastes time by refusing to accede to our proposal for negotiation." *Pyongyang Times*, 16 March 1996.

declared that "The armistice on the Korean peninsula has reached its limit."[3] On 4 April the Panmunjom mission of the KPA announced that self-defensive measures would be taken immediately because the status of the DMZ could no longer be maintained.[4] Immediately after the announcement, the DPRK held a series of armed demonstrations in the highly sensitive joint security area within the buffer zone at the Panmunjom crossing point.[5]

The ROK long held the firm position that issues related to replacing the current armistice agreement with a new peace structure were matters purely between the two Koreas and thus should be resolved through North-South bilateral talks. With the exception of repeating this position in principle, Seoul had never been very active, anyway not enough to counter North Korea's aggressive campaign to nullify the armistice arrangement. The ROK-US summit meeting on April 16 last year was a turning point, at which Seoul affirmed its willingness to be more actively involved in resolving the armistice issue. In this respect, the four-party talks proposal can be regarded as counter diplomacy

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3 Criticizing South Korean military exercises, he said that "The question at this point is not whether a war will break out on the Korean peninsula but when it will break out." Arguing that Pyongyang's peace proposal to establish an institutional mechanism for preventing a war on the Korean peninsula has been turned down and that this shows a limit to the dialogue method, he warned that the KPA cannot but take proper countermeasures which "will include the steps to be taken in line with the present situation in which the status of the DMZ can no longer be kept." *Pyongyang Times*, 6 April 1996.

4 The two measures were declared: (1) The KPA side would relinquish its duty, under the armistice agreement, concerning the maintenance and control of the MDL and the DMZ. (2) The KPA side would, as a follow-up step to the first measure, have its personnel and vehicles bear no distinctive insignia when they enter the joint security area of Panmunjom and the DMZ. *People's Korea*, 13 April 1996.

5 Every night from 5 to 7 April increasing numbers of North Korean soldiers, up to 300, moved into the joint security area, setting up offensive positions with mortars before leaving. These movements violated the armistice agreement in which no more than 30 soldiers and 5 officers are allowed into the area at any time and only sidearms are permitted.

to deter the DPRK attempt to nullify the armistice agreement, and to prevent possible disagreements between Seoul and Washington over how to deal with North Korean strategy.[6]

The United States' Motivations

According to a *New York Times* article the concept of the four-party talks was originally forwarded by the United States. At the beginning, President Kim was quite reluctant to support the idea but Washington pressed him by telling him that Mr. Clinton would visit South Korea only if Kim were to accept four-party talks.[7] Putting aside the truthfulness of the report, it illustrates that American intentions were at the minimum heavily reflected in the proposal; they will be a key element in the process of the four-party talks. It is thus meaningful to take a close look in this regard at the intentions and reasoning of the Clinton administration. The following six points deserve special attention.

First, to deal with the problems of the Korean peninsula the Clinton administration finds necessary a broader framework both in terms of participants and agenda. Although successful in halting North Korea's known nuclear weapons program, the Agreed Framework has neither reduced tensions nor advanced North-South reconciliation.

American observers in particular have worried that the absence of a larger strategy beyond the nuclear accord has allowed the DPRK to set the diplomatic agenda, which has fostered new levels of distrust in US-ROK relations.[8] The net result is that

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6 Jinhyun Paik, "The ROK's directions for implementing the four-party talks," from the proceedings of the International Seminar on the Four-Party Talks and Peace on the Korean Peninsula (Seoul: Korea Institute for National Unification, 1997), p. 83.

7 Nicholas Krostof, "How a stalled submarine sank North Korea's hopes," *New York Times*, 17 November 1996.

8 Robert Manning, "The US position and policy toward the four-party talks," from the proceedings of the International Seminar on the Four-Party Talks and Peace on the Korean Peninsula (Seoul: Korea Institute for National Unification, 1997), p. 7.

"despite its success in addressing the nuclear problem, the Agreed Framework is likely to prove unsustainable unless it is embedded in a larger policy of North-South reconciliations."[9] Keeping in mind the need to transform the dynamics of diplomacy with the DPRK, the four-party talks proposal seeks to establish "a structure and process in which North-South reconciliation is a central element and of which the nuclear accord would be one element."[10]

James Steinberg, deputy National Security Council advisor, also asserted the view that four-party talks aiming at the establishment of a permanent peace are needed because the Agreed Framework is vulnerable to political pressures and regional tensions.[11] That is, there are worries now in the United States that without a confidence-building process that addresses the fundamental sources of tension on the Korean peninsula, the core element of the Agreed Framework will remain vulnerable to disruption.[12]

Second, by absorbing North–South Korean talks and the US-DPRK dialogues in a common framework, the United States may intend to avoid the ROK's criticism that the latter are making progress while the former lags behind, as well as to facilitate the improvement of Washington-Pyongyang relations under more benign circumstances.

Third, by inviting China to help resolve the problems on the Korean peninsula, the United States may seek tradeoffs with Taiwan and Hong Kong issues. That is, not just unilaterally acknowledging the Chinese role in Korean affairs, Washington

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9 Ibid., p. 8.

10 Ibid., p. 3.

11 Remarks by James Steinberg, Deputy Assistant to the President for National Security Affairs at Carnegie Endowment for International Peace, Washington, DC, on 9 June 1997.

12 United States Institute of Peace, "A Coming Crisis on the Korean Peninsula? the Food Crisis, Economic Decline, and Political Considerations," August 1997, p. 1.

also wants Beijing's recognition of its own role in settling Taiwan and Hong Kong issues. The United States and China may come to agree that the idea of "one state, two systems" instituted in Hong Kong be applied to the Korean peninsula for a considerable period of time.

Fourth, the United States seeks to block the North Korean demand for a bilateral peace agreement and to have Pyongyang change its foreign policies towards or at least favorable to Washington's terms. Possibly, the US could instigate policy struggles within the North Korean decision-making elites with the purpose of accelerating such policy changes.

Fifth, by interlocking inter-Korean dialogue within the four-party talks framework, the United States may want to control the content and speed of the bilateral talks when the talks resume. In the early 1990s, it was the nuclear issue that provided the United States with such a leverage; the Americans used the nuclear issue effectively to control the progress of North-South Korean talks. According to Mitchell Reiss who worked for the National Security Council during the Bush administration, Washington insisted that inter-Korean nuclear inspection should be carried out before moving on to other matters and put tremendous pressure on Seoul to abandon its summit plan with Pyongyang.[13] Since other issues such as chemical weapons or missiles will have much less influence than the nuclear one, Washington could well decide to create a more comprehensive policy framework encompassing the North–South Korean relations.

Finally, regarding the peninsula as a buffer zone between China on the one hand and the United States and Japan on the other, the US may want to use the four-party talks as a forum to come to terms with China on details about maintaining the Korean status quo. Washington and Beijing also may want to

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13 Mitchell Reiss, *Bridled Ambition: Why Countries Constrain Their Nuclear Capabilities* (Washington, DC: Woodrow Wilson Center Press, 1995), p. 240.

agree on how to absorb repercussions caused by a North Korean collapse or by reunification. They both would want to avoid confrontation between each other. The four-party talks would thus become a regular channel to discuss the Korean problems between China and the US.

Role Definition: a Space Launch Vehicle

Since the four-party talks proposal was put forward last year, there has been much debate, both within each party and among the parties, regarding various details. For example, questions have been frequently raised such as what should be the purpose and agenda of the talks and what roles be given to the United States and China. Such debates were largely due to the uncertainties and ambiguities inherent in the proposal.

Looking into the joint announcement made by Presidents Kim Young Sam and Bill Clinton on 16 April 1996, it can be easily found that the proposal is incomplete at least in the following aspects.[14] First, the purpose and negotiating agenda of the talks were unclear. Second, key terms and concepts used in the announcement such as "a permanent peace agreement", "a permanent peace arrangement" and "a wide range of tension reduction measures" were too vague. Their meanings and requisites were not clarified. Third, rights and responsibilities of the participating states were not defined either.

Much of this is believed to have been clarified at the joint briefing and the preliminarily meeting as well as through various bilateral consultations. At least, with respect to the purpose of the four-party talks and the role of the United States and China, the four countries seem to have reached a consensus. In short, the four-party talks to aim at inducing direct talks between the two Koreas in the short term and establishing a stable peace

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14 Seongwhun Cheon, "The four-party peace meeting proposal: a challenge and an opportunity for Korean peace and unification," *Korea and World Affairs*, Summer 1996, pp. 172–174.

regime on the peninsula in the long term. The major players of the talks will be the two Koreas. And the roles of Washington and Beijing will be limited and supplementary, to create a favorable environment for and facilitating the improvement of inter-Korean relations.

The four-party talks can be compared to a space launch vehicle. The main part of the ship is equivalent to the North–South Korean talks. China and the United States are likened to rocket boosters and fuel. The booster stage helps the key component of the launch vehicle to be launched from the ground, and is jettisoned at a certain altitude before the main part is placed on an orbit. Likewise, the American and Chinese roles are to create an environment to help the two Koreas reopen bilateral dialogue. When the inter-Korean talks are on track, American and Chinese involvement should automatically cease.

Keeping in mind the nature of the four-party talks and the roles of the parties, the ROK and the United States will have to agree on the following principles as foundation for the talks.

First, with North Korea continuing its "pro-US/anti-South Korea" policy approach, the talks should be a supplementary device to induce the North to restart the inter-Korean dialogue in various areas including the establishment of a peace regime. The meeting would provide a constructive environment under which the two Koreas would take the lead. The other participating states should publicly support this principle.

Second, the principle should be firmly maintained that problems on the Korean peninsula be solved by Koreans themselves. This principle of resolving inter-Korean affairs by the two Koreas should be given top priority in the whole process of the talks.

The 4 and Two 2s Formula

Despite loopholes and ambiguities inherent in the proposal, the four-party peace meeting can be utilized as a proper opportunity to enhance peace and stability and facilitate unification on

the Korean peninsula. For that purpose, this paper proposes a "4 and two 2s" formula[15] as an operating strategy of the four-party talks proposal. The ROK and the United States are recommended to run the four-party meeting according to the strategies envisaged in a 4 and two 2s formula. The formula is believed to be a structure under which the purpose of the four-party proposal can be effectively accomplished and the stability of the Korean peninsula efficiently guaranteed.

The four-party talks should be arranged according to two separate levels: first, Northeast Asia and second, the Korean peninsula. At the former level, the four parties should focus primarily on general issues relevant to Northeast Asia and minimally on inter-Korean problems. At the latter level, the negotiating agenda and implementing responsibilities would be bifurcated between the inter-Korean and the US-DPRK negotiating channels.

The essence of the 4 and two 2s formula is to divide the agenda and the negotiating parties so as to meet security needs of both the Korean peninsula and Northeast Asia. The "4" means that the four parties will meet to discuss broader issues of the Northeast Asian region rather than the specifics of the Korean peninsula. The "two 2s" indicates that two different tracks of negotiations would be managed to deal with issues related with the Korean peninsula: a track between Seoul and Pyongyang, and one between Pyongyang and Washington.

Panmunjom Declaration

Two routes are available for founding peace and stability on the Korean peninsula: an inward spiral route and an outward spiral one. With the former, multilateral parties would get together regionally or internationally to discuss reducing tension and

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15 The formula originally appeared in Seongwhun Cheon, "The four-party peace meeting proposal: a challenge and an opportunity for Korean peace and unification," *Korea and World Affairs*, Summer 1996, pp. 175–182.

enhancing peace, and this will have positive influences on inter-Korean relations. For example, treaties such as the Biological and Toxin Weapons Convention (BTWC) and the Non-Proliferation Treaty (NPT) were negotiated multilaterally and later the two Koreas acceded to them. Such international non-proliferation efforts have had positive spillover effects on the Korean peninsula.

With the latter, an agreement signed by North and South Korea would extend to broader areas, and improved relations between the two Koreas would contribute to stability in other regions. For instance, the Joint Declaration on Denuclearization of the Korean Peninsula signed by Pyongyang and Seoul in December 1991 could develop into a treaty for a nuclear-weapon-free zone in Northeast Asia.

The four-party peace meeting is seen as an approach based on an inward spiral route. Keeping this in mind, the meeting is recommended to focus mainly on issues concerning all four parties and create a favorable environment for direct inter-Korean talks. The primary agenda for the meeting, therefore, should consist of those issues commonly applicable to all parties in the region. On a secondary basis, the Korean problems need be mentioned in principle only.

Primary Agenda: Northeast Asian Issues

Considering that there currently does not exist any official regional security framework in Northeast Asia, it is conceivable that the four-party peace talks might become the starting point for a regional multilateral security dialogue. For this purpose, the meeting should deal with a broad agenda related to regional peace and security in general. At an appropriate stage of the meeting, the four parties could invite Japan, Russia and Mongolia to join the regional peace-building process.

From this perspective, it is meaningful to remember the Helsinki Final Act. On 1 August 1975, the thirty-five countries

(every European country except Albania at that time) signed, in Helsinki, the "Final Act of the Conference on Security and Cooperation in Europe." By concluding the Final Act, the participating states reaffirmed "their objective of promoting better relations among themselves and ensuring conditions in which their people can live in true and lasting peace free from any threat to or attempt against their security."[16] Indeed, the Final Act was considered a significant milestone set by the proponents of detente on what they viewed to be the road to the long-term relaxation of tensions between NATO and the Warsaw Pact.[17]

The provisions of the Final Act were organized under three headings, termed "baskets." Basket I, dealing with European security issues, included a declaration of principles guiding relations among participating states. A second part of Basket I set out provisions for military confidence-building measures. Basket II contained provisions on economic, scientific, technological and environmental cooperation. Basket III dealt with humanitarian, cultural and educational cooperation.

The Helsinki and its follow-up meetings are unique in many respects.[18] The thirty-five states technically participated on an equal footing and agreements were genuinely based on consensus among all participants. The list of subjects was vast and made it possible for participating states to touch on just about any subject of interest to Europe.

Secondary Agenda: Inter-Korean Problems

The utmost important agendum of the four-party meeting concerning inter-Korean problems is that the meeting officially recognize the political and legal status of the Agreement on

16 The Helsinki Final Act, Article 9.

17 Richard Schifter, "The conference on security and cooperation in Europe: ancient history or new opportunities," *Washington Quarterly*, Vol. 16, No. 4, 1993, p. 122.

18 John Maresca, *To Helsinki: The Conference on Security and Cooperation in Europe 1973–1975*, p. 211.

Reconciliation, Non-aggression, and Exchanges and Cooperation (the Basic Agreement) signed by North and South Korea in December 1991. The meeting would affirm that the Basic Agreement is the fundamental framework for establishing a peace regime on the Korean peninsula. That is, the ROK, the United States and China should hold a common position at the meeting that the successful implementation of the Basic Agreement would mean a complete establishment of a peace regime in the inter-Korean dimension. Such an approval will create an auspicious environment for direct and sincere North-South Korean talks and will also provide, in advance, international justification of what is to be agreed and carried out based on the Basic Agreement in the future.

It is proposed that the primary purpose of the four-party talks be to produce an agreement among the four countries similar to the Final Act. That is, a Northeast Asian version of the Final Act would be the major outcome of the meeting. A similar proposal was made by Professor Janghie Lee of Hankuk University of Foreign Studies.[19] Professor Lee enumerated ideas that could be contained in a "Northeast Asian declaration" including recognition of the Basic Agreement as the underlying framework for solving Korean issues. The 4 and two 2s formula goes further in that it provides a package of concrete measures to implement the four-party proposal successfully. In particular, it carefully classifies two levels and two tracks of negotiations and separates their corresponding agenda. It also emphasizes that at the four-party meeting, the inter-Korean problem is dealt with in principle only, at most attaining an international guarantee of the legitimacy of the Basic Agreement as the fundamental framework to resolve Korean problems.

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19 Janghie Lee, "Legal and institutional tasks and implementing directions of the four-party meeting," presented at a seminar held by the Asian Social Research Institute in Seoul on 5 June 1996.

Panmunjom as a Signing Ceremony Location

It is recommended that the four parties, at least at the later stage of the meetings, get together at Panmunjom, the symbol of the Korean division. It would have a highly political and positive value for the four parties to sign the points mentioned above as a "Panmunjom declaration."

A Panmunjom declaration that contains broad regional issues and inter-Korean ones in principle only would be an appropriate device that could meet North Korea's demand on its regime assurance. But it would be one step short of the cross recognition implying complete normalization of the US-DPRK and Japan-DPRK relations, so it could be easily accepted by South Korea who is concerned about the development in the two relationships.

Dual Track Approach

One major task of the four-party meeting will be to harmonize the US-DPRK talks with inter-Korean dialogue. South Korea has expressed its worries that the former might bypass the latter. The United States has been in a dilemma to meet North Korea's demand for direct talks yet simultaneously to allay South Korean concerns. The four-party proposal was presented as a practical solution to this dilemma.

For a successful implementation of the meeting, it is necessary to clarify the relationship between the US-DPRK talks and the North–South Korean dialogue. To this end, this paper proposes that the United States and South Korea bifurcate the agenda and the implementing responsibilities of the two negotiating channels.

Concerns have been raised that such bifurcation would result in US-DPRK negotiations' making progress while inter-Korean talks bog down. However, there are reasons why the US-DPRK channel must be incorporated in the peace-building process. First, the agenda of the ongoing US-DPRK talks are related with

establishing a stable peace system on the peninsula. Second, even if the four parties do get together, in practice it is the importance of the inter-Korean and US-DPRK talks that will be emphasized since it is these relationships that have more problems than do the other bilaterals. Third, it is virtually impossible that detailed bilateral issues between Seoul and Pyongyang or Washington and Pyongyang can be handled by all four parties. Fourth, North Korea's insistence upon direct US-DPRK dialogue in the peace building process cannot be blindly ignored. Fifth, the ongoing US-DPRK negotiation can be checked within the four-party talks framework and its negotiating agenda properly limited so as to eliminate concerns about any imbalance between the two negotiating tracks.

With all this in mind, the agenda of US-DPRK negotiations should be separated from those of the inter-Korean talks. Furthermore, between the US and the ROK Washington would take full responsibility for implementation of the former and Seoul the latter.

Without bifurcation of both agenda and responsibility, there is a risk that the whole process of two-track negotiations would become mixed up. First, the same agendum might be simultaneously tabled at the two talks and the outcomes of the negotiations be different. Second, it is highly possible that the principle of resolving Korean affairs by Koreans themselves might be violated. Third, responsibilities of one party could be transferred to the other, as occurred in the case of the light-water reactor project. The United States arranged and signed the Agreed Framework but South Korea bears most of the project expenses, an outcome criticized heavily by the South Korean public.

Bifurcation of Agenda

The following is a recommended agenda for the US-DPRK talks: (1) control of North Korea's missile export, and *only* export (2) exhumation and repatriation of remains of American service-

men killed during the Korean War, (3) aid, and relaxation of sanctions in the economic sphere, and (4) improvement of bilateral relations in the political, social and cultural—but not military—areas.

On the other hand, there should exist certain items prohibited for the US-DPRK talks. First, the development and deployment of North Korean missiles should not be discussed between the US and DPRK; this is an important agendum for inter-Korean military talks. Second, on 20 May United Nations Command officials at Panmunjom passed two million dollars to North Korea in return for its efforts to recover the remains of American soldiers.[20] Such a thing should not be repeated. Frequent meetings between the US soldiers (even under the title of the UNC) and North Korean military personnel might give the international society as well as the DPRK the false image that the US-DPRK military contact is essential and South Korea can be excluded in resolving military affairs on the Korean peninsula. Third, in this context, the current US-DPRK talks on missiles and remains should definitely not be expanded to form a joint security forum between the two sides' militaries.

The agenda list to be discussed at the inter-Korean talks should be as follows: (1) five measures to be carried out by the Joint Military Commission (JMC) as already agreed in Article 12 of the Basic Agreement,[21] (2) North Korea's missile development and joining of the MTCR, (3) those measures North Korea presented in its tentative agreement proposal,[22] (4) exchanges of military personnel, (5) seminars on military doctrines of the two sides, (6) open skies agreement, and (7) resolution of suspicions about

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20 *Korea Herald*, 21 May 1996.

21 The five measures are (1) mutual notification and control of major military movements and exercises, (2) peaceful uses of the DMZ, (3) exchanges of military personnel and information, (4) phased reduction in armaments including the elimination of weapons of mass destruction and attack capabilities and (5) verification.

22 See footnote 1.

North Korea's nuclear activities before May 1992, including the IAEA's special inspection problem.

In particular, it is emphasized that US forces in South Korea should be dealt with only in the inter-Korean military talks. There is a view that some reduction of US forces on the peninsula should be concluded in a US-DPRK peace treaty.[23] Such a view seems to support the North Korean position to isolate South Korea from the process of building a new peace regime. The United States and South Korea need to reach the consensus that reduction of US forces is an important element of South Korea's negotiating strategy at the JMC.

In relation to that, Seoul and Washington should collaborate to reinforce the ROK's negotiating position vis-a-vis the DPRK. Although it was argued that the four-party talks were proposed in order to realize direct inter-Korean talks, setting the negotiating table does not necessarily mean success for the talks. It is important that South Korea and the United States devise the measures to nullify the North Korean argument that the South US is a puppet and thus that talks with Seoul are meaningless.

In this respect wartime operational control of forces, which is now possessed by the US forces, is recommended to be returned to South Korea as soon as possible. Unless the ROK military can exercise full operational control, the DPRK will not respect the ROK and will regard North–South Korean security talks much less important than talks with the United States.

Bifurcation of Implementing Responsibilities

It is also essential to separate responsibilities of implementing the outcome of the two talks. This aims at preventing another light-water reactor problem from occurring. The South Korean

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23 For example, see Hoseok Han, *A Way to Replace the Armistice Condition with the Peace One on the Korean Peninsula*, Institute of Peace and Unification in America, 1996. Publications of the institute can be accessed through the web at www.pond.com/~frndlycl/ckr/han.htm, or E-mail <frndlycl@pond.com>.

government will not forget easily the harsh domestic criticism it received in the course of settling the light-water reactor issue.

North Korea is certain to demand compensation for any restriction upon its missile exports to the Middle East. The United States or the countries in that region such as Israel and Saudi Arabia will have to pay such expenses. Considering that almost half of South Korea is already within the range of North Korean heavy artillery and that Seoul is vulnerable to a surprise air strike, the North's long-range missile threat to the South is marginal.[24] Therefore, Seoul should be immune from reimbursing Pyongyang in relation to missile exports.

The 4 and Two 2s Formula
Four-Party Talks Format

Panmunjom Declaration
(four-party meeting for Northeast Asian version of the Helsinki Final Act)
- primary: Northeast Asian issues
- secondary: inter-Korean problems

Dual Track Approach
(inter-Korean and US-DPRK negotiating tracks)
- agenda bifurcation
- responsibilities bifurcation

Concluding Remarks

The four-party talks proposal has accumulated a certain degree of momentum and there exists a high probability that the

24 For the issue of missile development on the Korean peninsula, see Seongwhun Cheon, "MTCR and the ROK's Security" presented at a seminar organized by Korea Research Institute for Strategy on 21 May 1997, in Seoul.

first round of talks will be held this year. But the prospects of the talks are still uncertain. Nobody is sure they will be fruitful.

The proposal was a desperate countermeasure to encourage North Korea to take part in the direct inter-Korean dialogue. Therefore, the view should be commonly shared among the ROK, the United States and China that the four-party meeting is supplementary in nature. The meeting cannot be a panacea for settling security issues on the Korean peninsula.

A government's policy is heavily dependent upon the circumstances under which the policy is brought out. Therefore, if the circumstances change, previous policy becomes subject to modification. Furthermore, the four-party talks are compared to a space launch vehicle with the roles of the United States and China likened to rocket boosters to help launch North-South Korean dialogue to a certain level. By and large, this means that if inter-Korean talks do become activated in the future, the role of the four-party meeting will have to be reduced.

Four-Party Talks and South Korea's Unification Policy

Kwan-Hee Hong

The First Preliminary Meeting

Since the presidents of South Korea and the United States proposed four-party talks last April, almost a year and a half has passed with no fruitful outcome until a preliminary meeting was held early in August 1997. Delegates from each country designated originally for the talks, the two Koreas, the US and China, participated for the first time. It was indeed more than forty years after the Korean conflict that government officials from these four parties finally met to discuss peace on the divided Korean peninsula. In particular, that China took part in this preliminary meeting bears implications for the future of the talks.

The meeting was preliminary; a final settlement was not expected to be reached. It was expected, however, that a groundwork would be able to be laid for a plenary session of the four-way peace talks. Some procedural matters were agreed among the delegates about holding a second preparatory meeting and the formal peace talks in full scale, as well as on the level of representatives to participate and on the format, but the four countries failed to agree on an agenda.

In retrospect, there has been too much trial and error getting North Korea to participate, and considerable energy has been

spent. Before the first preliminary meeting in early August, for almost seventeen months there had been innumerable working- and higher-level talks and contacts, many collapses and subsequent revivals. Throughout, Pyongyang demanded that South Korea and the US provide food aid as a precondition for it to participate, but both countries strongly objected to linking peace talks with food donations. Seoul has continuously reaffirmed that, along with measures to ease tensions and build confidence on the Korean peninsula, large-scale government food assistance could be discussed only within the framework of the four-way talks.

The expressed purpose on the part of South Korea and the United States was "to initiate a process aimed at achieving a permanent peace agreement"[1] and as an interim goal to secure various measures to reduce the threat of war and thus stimulate mutual confidence. Pyongyang, in addition to its initial insistence upon food aid, has demanded that the agenda include its longstanding demand for the withdrawal of US military forces from the peninsula. Pyongyang claims that is the "key to peace" on the Korean peninsula and thus must be the main topic. "To withdraw all its troops unconditionally from South Korea and its vicinity is what the United States should do first of all for peace on the Korean peninsula."[2] In North Korea's perspective the American troops are an outside force and thus are standing in the way of Korean reunification.[3]

The basic stance of South Korea and the United States on this issue has been that any talk of withdrawing the 37,000 US troops must follow big steps by the North to reduce its military threat of surprise attack on the South. Washington refuses to cut

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1 Ralph A. Cossa, "The Four-Party Talks: Anticipating Pyongyang's Demands," *Korea Times*, 6 August 1997.

2 Commentary of the official *Rodong Shinmun* after the first day of talks, titled "U.S. troops pullout the key to peace on the Korean Peninsula."

3 DPRK Vice Foreign Minister, Kim Kye-gwan's comment.

security ties to South Korea against the wishes of the Seoul government, especially without any visible measures for tension reduction by the North.

North Korea, however, wanted the issues of the US troops in the South and a separate US-DPRK peace treaty to be specified as a sub-agenda to the peace settlement. Pyongyang also insisted that, among the two topics proposed by South Korea and the United States—establish a permanent peace and establish measures to ease tension and build confidence on the peninsula—tension easing and CBMs were not appropriate for the four-way discussions because these issues should be discussed between the two Koreas. The North's contention was well prepared and made up quite logically. Pyongyang recalled that a formal peace treaty between the two Koreas was already signed in 1992 (the Basic Agreement) and argued that now is the time to establish a formal agreement between Washington and Pyongyang.

It seems clear at this point that Pyongyang continues its long-held strategy of dealing with the United States and ignoring South Korea, by branding its southern counterpart a puppet. The inference may be that the DPRK's real intention is to change the US role from a guarantor of ROK security as in the past to some type of impartial mediator. It should be recalled that Pyongyang has been calling for an "interim peace mechanism" to replace the armistice. Besides this strategic objective, another factor causing the North to take part in the four-party talks seems to be Pyongyang's desperate need for food aid.

Background and Implications

Faced with disastrous economic decline and international isolation in the late 1980s, North Korea pursued the development of nuclear weapons as a means of breakthrough from its crisis situation. Thereafter, it initiated, and came to have, direct dialogue channels with Washington, for the purpose of ensuring economic and other material aid, and of guaranteeing its

national security. Taking advantage of direct contact with the United States, Pyongyang then launched a new offensive to establish a peace agreement with Washington to replace the 1953 Armistice. Of course, this was not the first time North Korea proposed the issue of a new peace regime; for decades, probably since the late 1970s, it wished to achieve this strategic goal in particular, through various channels including direct military contacts with the US.

Four-party talks were Seoul's first effective response to Pyongyang's continuing violations of the armistice of 1953 and its demand to replace the cease-fire agreement with a peace treaty between Pyongyang and Washington. In one sense, the four-party talks could seem to be a product of long agony and effort on the part of South Korea, weary from such aggressive peace offensives from the North. The talks were jointly proposed by Seoul and Washington to deal fundamentally with the issue of peace and have since been regarded as an important and indispensable instrument to establish peace and confidence in inter-Korean relations. Although these talks are not likely to bring about short-term success, it is expected that they will serve as a long-term and basic framework for South Korean foreign policy toward unification.

A main feature of the four-party talks is that among the four powers surrounding the peninsula only the United States and China are designated to participate. In this two-plus-two framework, South and North Korea would be the main players, while the United States and China would be given the supplementary role of endorsing the South-North negotiations internationally. The United States is the global superpower as well as the hegemonic power in Northeast Asia exerting powerful influence on international matters in this region. The historical blood alliance between Seoul and Washington has become a crucial factor in protecting South Korea's national security and resolving major crises on the peninsula. The China variable is critical as well in resolving the problems surrounding the Korean

peninsula, due not only to its geopolitical link with the peninsula but also to its great influence upon Pyongyang and, recently, its greatly growing interdependent relationships with South Korea. US-China relations are also emerging as a new and most influential factor in international relations of Northeast Asia. It is interesting and understandable that only these two powers are incorporated in the framework of the four-party talks. The other two, Japan and Russia, also have their own legitimate interests in Korean developments, but at present their influence and roles are relatively minor.

Changing Security Environments of Northeast Asia

Regime Crisis of North Korea

In a word, the present situation of North Korea is simply not sustainable, politically, economically or in other aspects. The disastrous economic circumstances of the isolated regime have come to be well known. North Korea recorded a negative 3.7% rate of growth in real GNP in 1996, which marks the seventh consecutive year of minus growth since 1990. Exports in 1996 declined 6.1% from the $790 million of the previous year. Total trade figures amounted to $2.13 billion, which is the lowest since 1991 when the North's trade began to decrease with the disintegration of the Soviet Union.[4] To make things worse, food production this year is expected to be one-eighth its normal output. Its food shortage is estimated at around two million tons annually, which cannot be met with emergency humanitarian assistance alone.

Politically, the people are in such blind allegiance to a political philosophy of *juche* or "self-reliance" that their isolation is extreme. However, the DPRK political ideology and revolutionary line may to have lost its foothold due primarily to the various

4 Provided by the Bank of Korea, 9 July 1997.

changes occurring inside as well as outside the regime. The official power succession of Kim Jong-il is near at hand and in appearance his leadership seems quite stable. Nevertheless, political instability seems to be deepening. There is evidence of differing opinions within the power elite as to foreign policy, acceptance of common people's contacts with foreigners, and the scope of reform measures. Also, quite a few North Korean elites have been defecting and seeking asylum, implying the symptoms of social crisis and collapse in the whole North Korean society.

In order for the regime to survive, it needs to reform the economy and political system. Basically, however, the North's problems are systemic and structural, and Pyongyang's efforts to improve the situation remain incipient and inconclusive. Recently, it has attempted to decrease its reliance on a central distribution system and has increased the use of farmers' markets or so-called free markets, just as did China at the beginning of its economic reforms. Also North Korea is experimenting with a special economic zone, Rajin-Sonbong, realizing that it needs to be more conciliatory to obtain international aid. Above all, these problems are expected to have positive influences on the prospects for four-party talks.

US-DPRK Rapprochement

As mentioned earlier, North Korea's difficulties have forced its leadership to turn to a diplomatic breakthrough aimed at direct relations with the United States. Its new foreign policy in crisis can be said to be a sort of survival strategy. It is clear that Pyongyang has perceived that an improvement of relations with Washington will be the only exit from adversity. It is a desperate struggle for the very existence of the nation and of socialism.

On the other hand, the Clinton administration's policy toward Pyongyang has been being carried out with the goal of a soft landing for the regime, while maintaining stability on the Korean

peninsula through the continuance of the hitherto containment or deterrence-by-force policy. The two backbones of the American engagement policy toward North Korea can be epitomized as: (1) freezing the North Korean nuclear development in exchange for LWR construction under the Geneva Agreement of October 1994, and (2) pursuing the realization of the four-party talks.

Specifically, the US is carrying through discussion with Pyongyang on bilateral issues such as continuation of the nuclear freeze, negotiations on MIAs, the North's missile programs and biochemical weapons, and opening of liaison offices, meanwhile embarking on the LWR project and making efforts towards the four-party talks. At the same time, the United States seems to be making preparations for an emergency in which North Korea might collapse internally without a fight against the South.

Recognizing that the current internal situation of North Korea can create both opportunities for progress as well as a danger of greater instability, the US has tried to engage the DPRK in hopes to reduce tensions on the peninsula and avoid dangerous scenarios. The "humanitarian-refugee crisis" that seems imminent is regarded as a critical challenge no less important than security matters. Thus Washington has provided over the past two years more than $33 million in humanitarian assistance—medical supplies and food—to the DPRK to help alleviate the suffering of North Korean civilians[5], and this year increased its donation of food aid to $52 million. If its conditions satisfied the US intends to continue this effort through international organizations such as the UN World Food Program. One of the conditions is to assure the transparency of the distribution process of the donated food.

Despite the recent rapprochement and some accomplishments in US-DPRK relations, it is clear that the overall US perception

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5 Acting Assistant Secretary of State, Charles Kartman's remarks made on 8 July 1997 to the Senate Foreign Relations Subcommittee on East Asia and the Pacific.

of North Korea is not beyond mistrust. Of course, the American policy towards the North shows its tenacity to expand influence over the northern part of peninsula. On the part of the Pyongyang leaders, by contrast, there is a belief that Washington holds many of the cards they need in order to improve their situation. Thus there is a mutual willingness to explore an improvement in relations, which explains how the United States was able to reach the agreed framework that froze Pyongyang's nuclear program and how it could induce the North to four-party talks. Pyongyang clearly approached them reluctantly in the beginning but has been driven by necessity.[6]

Seeing in the process of coming to impasse towards the four-party talks that North Korea clung to its old, perverse political rationale, there seems to be rising in Washington a somewhat hard-line view on dealing with Pyongyang for future policy directions.[7] North Korea's foreign policy is seen as too inflexible, absent any sense of reality; thus there is no hope for change.[8] Overall, however, the Clinton administration's soft policy seems to have majority support since the engagement policies are shown to have been paying off. For example, through the Geneva agreement of 1994, the program for nuclear development was curbed, and by encouraging food deliveries the US also succeeded in persuading the North to open discussions on missile sales and on a formal peace treaty to end the Korean war.[9]

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6 Ibid.

7 There has been some criticism from Congressional Republicans who point to the North's bellicose rhetoric and behaviors as reasons to abandon the deal with Pyongyang and confront the North with military means alone.

8 *Los Angeles Times*, 12 August 1997, Editorial: "Wake Up, North Korea."

9 *New York Times*, 5 September 1997, Editorial: "The North Korean Puzzle."

China Variable

China fought the 1950–53 Korean War on the North Korean side against the combined forces of South Korea and the United States, and it is one of the signatories to the armistice agreement that ended the war. Historically Beijing has maintained closer ties with the Korean peninsula than has any other nation. Since it launched a reform movement in the late 1970s, China has been successful in turning its socialist economy capitalist, and has opened itself to the international community more effectively than has any other socialist country. Today it continues its relentless economic march averaging almost twelve percent of growth per year over the last five years. The military is also growing such that China's defense budget is probably around $30 billion and increasing by ten percent each year. These trends are likely to continue. With this growing power it will certainly be one of the most important players in any future circumstances of the Korean peninsula.

China kept a low profile until participating in preparatory talks in New York early in August, despite its own defensive rhetoric, "From the outset, we were positive though we did not say so in public. We made our own efforts to ensure that the talks be held."[10] Beijing did show in this meeting a somewhat ambivalent attitude regarding relations with both Koreas. The Chinese delegation sided with Seoul and Washington in opposing Pyongyang's demand for a sub-agenda on the peace settlement. In this regard, it seemed to support the improvement of relations not only between the two Koreas but also between Washington and Pyongyang. But, by proposing that the four parties discuss among themselves the improvement of bilateral relations rather than confidence-building and tension-easing steps, it gave the feeling that it supported the North's demand for bilateral US-DPRK relations.

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10 Chinese Ambassador Zhang Tingyan's remarks, *Korea Herald*, 25 August 1997.

On the issue of the withdrawal of American troops in the South, China has consistently over the past half century opposed the stationing of foreign forces in Asia, and has reportedly tried to persuade South Korea of this position.

Now, China is assuming a new role by participating in the four-party talks and expanding its influences on the Korean peninsula. On the attitude of China toward the peninsula, there exist two opposing views and prospects. One expects that China will not confront the United States and South Korea politically or militarily at the expense of its economic growth. Furthermore, if North Korea appears ready to collapse in the years to come, Beijing might try further to improve ties with Seoul, including security matters. The following description of China's flexibility is suggestive in this regard: "China does not draw distinction lines in accordance with the ideology, but makes judgements about things according to their own merits case by case."[11] It is indeed to be noted whether it will continue current equidistance diplomacy, or turn to a pro-Seoul policy in order to establish friendly relations in political and military sectors as well. It is thought that China's fear is not unification itself by the South: what it is more concerned about is that the whole Korean peninsula might be placed under the influence and control of the United States.

Another, more ominous view is that China does and will maintain the traditional friendly relationship with North Korea, frequently referred to as a lips-teeth relationship.[12] In this view, Beijing would not want South Korea's democratic rule to extend to the northern border of the peninsula. Neither would it simply look on while the northern part of the peninsula fell into the

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11 A Chinese scholar, Zhou Xing-Bao, describes China's flexibility in a recent publication. Cited from Mary B. Kim, "Toward a Workable Peace," *Korea Herald*, 7 August 1997.

12 Chinese epigram seeing North Korea as a buffer in the relationship with the US or Japan: "Without lips, the teeth are cold."

domain of US influence as a result of a quick collapse of North Korea. There is evidence that China is helping North Korea with plenty of food and other materials in an attempt to prevent the collapse of the Northern regime and to have it survive in the end. In any case Beijing is highly expected to support the status quo on the peninsula for the time being, but ultimately can be depended upon to maximize its own national interests.

Recent Inter-Korean Relations

Recently there have been remarkable advances in inter-Korean relations even with strong uncertainty about the future. There has been a significant increase in economic cooperation and in the flow of businessmen, products, visitors, journalists, and religious representatives. Among other things, KEDO's double-1,000-megawatt nuclear reactor project has already begun, in August 1997. Despite the Pyongyang authorities' claim that the KEDO project is a matter between the DPRK and the United States, South Korea's dominant role in the project is gradually being recognized among the North Korean people and will certainly affect their attitudes toward the South and the rest of world. Pyongyang is also trying to make a success of the Rajin-Sonbong special economic zone. Also there is evidence that it plans to open some port cities such as Nampo and Wonsan to foreign businesses by setting up tax-free bonded areas there.[13] Moreover, recently the South Korean Red Cross completed delivery of about 50,000 tons of grain to its northern counterpart, and Pyongyang announced a willingness to allow civilian aircraft to fly through its airspace.

The ROK government has provided $19 million worth of food to North Korea through international organizations such as the WFP and is likely to continue this sort of humanitarian assistance. Inter-Korean trade in the second quarter of this year

13 *Korea Herald*, 9 July 1997.

totaled $86.7 million, a 52.9% increase over the same period last year and a 47.7% increase over the first quarter.[14]

These movements will certainly help alleviate the hostile atmosphere that has surrounded the two Koreas for several decades. Of course it is true that at the same time, there have occurred some events that could well unravel the fragile North-South relationship. One was the defection of Hwang Jang-yop, a former secretary of the Korean Workers' Party; there was also a fairly recent exchange of heavy gunfire at the Demilitarized Zone. Fortunately, neither disturbance led to the cancellation or abandonment of the preliminary meeting for the four-party talks. The defection to the United States of the DPRK ambassador to Egypt also cast doubt over the future of the talks, but after a bilateral US-DPRK meeting, the second preliminary meeting among the four parties was held as scheduled. Even so, Pyongyang continues to demand that removal of US troops in Korea and a DPRK-US peace treaty excluding the ROK be included on the agenda. There is speculation that it is going to use the talks to bargain for international food aid, particularly from Washington and Seoul.

South Korea has been ambivalent about assistance to the North in the last few years. South Korean people feel a strong emotional tie with their compatriots in the North, while at the same time they are also alarmed about the risk that the food will simply bolster the DPRK army. However, considering the increasingly widening gap of the state power between the two Koreas and Seoul's need to exploit policy leverage on the North, it seems the proper time to proceed with aid in full scale.

Prospects for the Four-Party Talks

Nowadays a consensus at home and abroad seems to be developing over the way and mode of reunification of Korea. A

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14 The data are from the Ministry of National Unification, 29 July 1997.

unified Korea will be structured more like South Korea than North in terms of political-economic system. Liberal democracy and market economy has testified its universal validity through the collapse of the socialist systems. It is generally said that there are three ways for the reunification of Korea: (1) provocation of war by the North and eventual victory by the South; (2) internal collapse of North Korea; (3) the soft landing. Sudden unification, either through war or internal collapse then absorption by the South is the most probable, but not desirable in that it will be extremely cost and dangerously disruptive. Herein exists the rationale of the soft-landing policy: to avoid such costs and instability and instead to pursue a reduction of the military tensions on the peninsula, confidence building, and increase of economic and social interaction, and then to establish a peace regime.

The four-party talks will prove to be a well-designed instrument to reach the goal. Yet, it is not much more than an idealistic and somehow imaginative framework at present. It needs a realistic foothold in order to be realized. In order for a peace regime to work effectively, probably some conditions need to be satisfied.[15]

Among other things, tension reduction on the peninsula should precede any other measures so that the parties involved perceive a reduced military threat from each other. Only then will they be able to engage in substantial communication and interactions. For this, the parties should recognize each other's legitimacy. The two Koreas have never enjoyed the kind of relationship implied by such notion as a peace regime. At present a change of attitude on Pyongyang's part must be a precondition. Major disagreement in this preparatory meeting of New York was over the agenda for the formal talks, especially regarding

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15 With respect to this point, see Thomas L. Wilborn's "Dimensions of ROK-U.S. Security Cooperations and Building Peace on the Korean Peninsula," *Asian Perspective*, Vol. 21, No. 1, Spring-Summer 1997.

the withdrawal of US forces from South Korea. The DPRK knows clearly that the ROK and the United States will in no way accept their demand for withdrawal of US troops. Thus it seems clear that it is not seriously interested in the establishment of peace regime on the peninsula through these four-party talks: instead, obviously its participation stems from a desire for more food and economic assistance from the United States to stave off collapse as well as its wish to improve US-DPRK relations.

Furthermore, it is clear that considering how much the current leadership of Pyongyang hates the ROK's Kim Y. S. administration, it will not proceed with any meaningful rapprochement and will not make any effective decision in inter-Korean relations until South Korean presidential elections this December. It may be better, then, not to expect too much from these talks. Recalling the original rationale of the four-party talks, we need a patient attitude until Pyongyang shows a change and should keep trying to induce the crumbling North Korean regime into dialogue, give them hope for a soft landing, and finally build a peace regime on the peninsula so that the most dangerous and disruptive scenarios including total war can be avoided.

The Four-Party Talks and South Korea's Unification Policy

Leading Role of South Korea in the Situation on the Peninsula and Improvement of Inter-Korean Relations

The Republic of Korea, as a party concerned with any emergency situation in North Korea, especially in a time of its collapse and thereafter national unification, is certain to be placed in a central position of the crisis management. Seoul should take moral responsibility for the settlement of situation since both North and South have preserved a historical and cultural integrity as one nation. It is thus certain that South Korea will play the leading role in any Korean settlement. This will, of course, be basically understood by the international community.

However, the ROK will need to coordinate with the other international players because the powers surrounding Korea are also certain to have their own roles in the process of unification. Inter-Korean talks are indispensable for this. When South Korea is able to improve relations with the North despite the current impasse in inter-Korean dialogue, it is certain to gain the momentum to lead unification and exercise a greater influence on the peace and security issue.

It is seriously urgent for Seoul to exploit some policy leverage towards the North in preparation for emergency, by maintaining dialogue channels such as one over the Rajin-Sonbong special area, one for KEDO, for South-North Red Cross Meetings, and so forth. It will then be able to check, to some degree, the interference of the big powers in the internal affairs of the future Korean nation. As the state power of North Korea declines, the moment will arrive for South Korea to assert its sovereign right over the peninsula and the ROK should prepare for that time. At the critical moment when the issue of reunification is discussed in full scale among the major powers, South Korea should persuade the other countries the legitimacy of unification centered upon Seoul and make it understood that unilateral action for the stability in the northern part of the peninsula may have to be taken if necessary. South Korea needs to appeal to the international community that there is no alternative but to achieve unification in the South's way in order to establish democracy, human rights, and a free market system in the northern part of the peninsula. In this sense, Seoul needs to develop its own engagement policy towards Pyongyang in order eventually to implement a one-Korea policy.

Pyongyang should be reminded as well as international community that South Korea is the only country with the will, capability and sense of responsibility to provide the necessary assistance. Of course, Seoul will have to bear a double burden, the cost of assistance and the cost of defense to counter the military threat.

Korea-US Alliance

The United States occupies a very special status in South Korea's security and international relations, providing a security umbrella to help maintain the South-North military balance. Since the ROK-US mutual security treaty of 1954, deterrence by force against provocation from the North has been the primary strategic objective of both countries. As long as a military threat exists, the US military presence is likely to play a vital role in peace building on the peninsula.

The US strategy for national security can be epitomized by three objectives: enhancing security, bolstering economic prosperity, and promoting democracy abroad.[16] As is well known, American foreign policy has been strongly influenced by moral objectives such as human rights. Intervention in conflicts of Somalia, Bosnia, and Haiti was clearly motivated by this moral impulse, and the issue of human rights in China and North Korea has clearly been an important factor determining the US foreign policy toward these regions. Towards North Korea as well, for the sake of domestic public support this humanitarian factor might well be a central consideration.

American policy toward the Korean peninsula, however, starts from the basic premise that stability and tension reduction here is the pivotal condition for the US national security goal. Washington regards the current internal crisis in the DPRK and the tremendous armed forces being maintained by the Northern regime as the most dangerous factor threatening the stability of Northeast Asia. For this reason, a peaceful resolution of the Korean problem and denuclearization of the peninsula as well as the eventual elimination from the peninsula of all weapons of mass destruction are raised as the primary policy objectives for the United States. The ROK-US military alliance and the stationing of the US forces in South Korea are sustained as core policy

16 White House NSC, *A National Security Strategy for A New Century*, May 1997.

means to execute those objectives; America's so-called Win-Win Strategy provides the rationale.[17]

Washington strongly supports the improvement of inter-Korean relations since it sees the rapprochement between the two Koreas as being fundamentally in accord with its policy goal toward the peninsula. Hearing some complaints posed by the South Korean public about the way Washington and DPRK have negotiated, especially during the nuclear talks which were clearly agreed without South Korea, Washington has tried to coordinate and consult with South Korea in negotiations following, and has fended off efforts by the North to drive a wedge between the ROK and the United States. It seems clear that the United States has now recognized the danger of a two-Korea policy, which was in fact engineered during the past few years, and is returning to its original policy orientation based on a firm ROK-US alliance. Proposing the four-party peace talks jointly with the ROK is a good example. In this regard, Washington officials counter that the possibility that the US will conduct important negotiations with DPRK without Seoul's participation is sharply diminishing.[18]

On the other hand, it should be noted that the principal US policy objective is to maintain peace and stability on the peninsula rather than to achieve Korean reunification by any means. American people are certain to support the stated goal of unification on terms that the Korean people seek, as long as it is peaceful and acceptable to the Korean people. In other words, the US will support the type of reunification that contributes to regional stability but would not look favorably on the disruption caused by the unilateral unification efforts by South Korea. "It is

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17 "Win-Win" refers to the ability of the US to win two simultaneous regional wars, one, for example, in the Middle East such as the Gulf War, and the other on the Korean peninsula. *QDR: The May 1997 Quadrennial Defense Review*, US Department of Defense, 19 May 1997.

18 Charles Kartman's remarks, ibid.

not the goal of the United States to see a unified Korean peninsula. It is the US policy goal to support the Korean people's efforts to first defend their country and join the United States in a prosperous future, and also if they choose to unify themselves."[19]

The United States, in cooperation with the ROK, seeks to keep the process of change on the Korean peninsula manageable and peaceful. At the same time, however, the US seems to believe that the peaceful and negotiated reunification of the peninsula is highly unlikely anytime soon; rather, the most likely alternative is the absorption of the failed North by the South—but Washington considers it highly undesirable and potentially dangerous.

Despite some differences in view, Seoul needs to maintain the steady traditional friendship with the United States and especially the security alliance. The two share the same perspective regarding the future of North Korea. They both watch in common the changes and development of events in Pyongyang regime. Both are concerned about radical changes in North Korea such as internal disruption or explosion. At this time it seems urgent for policy-makers of both countries to make it a rule to consult in advance and take coordinated counter-policy alternatives.

Korea-China Relationship

From South Korea's perspective, the improvement of relations with China is certain to contribute to unification efforts. Among other things, China's participation in the four-party talks can exert nothing less than a great impact, of whatever kind, on the progress of a peace framework on the peninsula.

China remained a staunch ally of North Korea until it normalized formal relations with South Korea in 1992, and has since been building upon these new ties especially in economic fields.

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19 Ibid.

Today trade is growing, investments are surging and exchanges are expanding. Bilateral trade more than tripled in the 1992–1996 period to $19.85 billion. Even so, China has deliberately been keeping South and North Korea at equal distance especially on sensitive diplomatic issues—but now it is time to expand relations with Seoul into other arenas including political and security matters. Herein lies a task for South Korea's unification diplomacy.

In the future, four-party talks are certain to be most influenced by the US-China relationship. Friendly relations will make it easier for ROK foreign policy goals based on the 2+2 four-way talks to come about. Conflict between the two big countries, on the other hand, is likely to darken prospects for success of the framework. If Sino-US relations continue in confrontation, hopes for four-party dialogue will diminish.

Between the United States and China there seems to be occurring a new type of power struggle or contest for influence over the stumbling North Korea. It is evident that Beijing is currently delivering a huge amount of food aid, even knowing that it benefits the DPRK military, to prevent a regime collapse. The American engagement policy is also concerned about a scenario in which the Pyongyang regime might be placed under the Chinese domain of influence. The main task of Seoul's unification diplomacy, then, could well turn out to be precipitating a rapprochement between the United States and China.

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US Perspectives on the Four-Party Talks

L. Gordon Flake

On 16 April 1996 President Clinton and South Korean President Kim Young Sam stood together on Cheju Island and jointly proposed "a four party meeting to promote peace on the Korean peninsula." Any attempt to analyze this proposal is of necessity an attempt to hit a moving target. As of the writing of this paper, the four-party talks had yet to begin formally and the process itself remained very fluid. After fifteen months of ambiguous responses, occasional dialogue, and unexplained delays, the first preparatory meeting was held in New York on 5 August 1997, at which all four parties participated. With this meeting, the four-party talks process arguably entered a new phase. After several starts and stops, joint briefings, and more than one incident that threatened to derail the entire process, all four parties (the United States, the Republic of Korea, China and the Democratic People's Republic of Korea) sat down at the same table for the first time since the end of the Korean War. Prior to the 5 August meeting, there was legitimate skepticism over whether or not the DPRK would ever come to the table. Now

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This paper represents the personal views of the author, not necessarily the views of the Atlantic Council of the United States.

however the question, arguably, has shifted to one of pace and content.

The four-party talks proposal itself marks a significant change in the decades-long search for a universally acceptable format to address the challenge of transforming the truce on the Korean peninsula to a real and lasting peace. One fundamental difference is the active role that has been played and is likely to be played by the United States after having left the initiative to North Korea for decades. As such, it is essential to understand US perspectives toward the talks.

Since the situation remains fluid, this paper will not focus on the daily ups and downs of the road to the talks, but instead upon the underlying interests of the United States in relation to the four-party talks process. On that basis, it will then assess the prospects for the talks and draw several conclusions.

US Interests

In announcing the proposal for the talks, President Clinton repeated his pledge that "America would always stand by the unshakable alliance between our two countries," and reemphasized that "the United States is fully committed to the defense of South Korea."[1] Such statements have proliferated in recent years as US officials have sought to reassure the ROK, while at the same time making unprecedented strides in engaging the DPRK. In recent testimony before the Congress, US State Department officials have described the US efforts to promote the four-party talks process as being "rooted in the US–Republic of Korea security alliance. . . ."[2]

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1 State Department text of joint Clinton-Kim press conference, 16 April 1996, Cheju Island, Korea.

2 Statement of Charles Kartman, Acting Assistant Secretary of State for East Asian and Pacific Affairs, before the Senate Foreign Relations Committee, Subcommittee on East Asian and Pacific Affairs, 8 July 1997.

While such statements are a political indication of US priorities, the intended audience is more likely in Seoul than Washington. After over forty years of close bilateral cooperation in support of a policy based almost entirely on deterrence, ROK policy makers have been understandably unsettled by the process of US-DPRK engagement—no matter how closely coordinated between Seoul and Washington. The recognition of this discomfiture on the part of the ROK has led US officials to emphasize frequently the strength of the bilateral relationship, particularly the security alliance and blossoming trade and investment relations. Without questioning the veracity of such fervent expressions of alliance and mutual commitment, US perspectives on the four-party talks process are much better illuminated by an examination of core US interests than by a listing of the declarations of commitment that are ultimately an outgrowth of such interests.

Stability

If public statements are any indication of actual US interests, "stability," both on the peninsula and in the broader region, is the primary concern of US policy makers. The particular need to focus on the stability of the Korean peninsula is driven by the perception that despite over forty years of deterrence-maintained peace, in the words of Congressman Doug Bereuter, chairman of the House International Relations Subcommittee on Asia: "There is no more volatile and unstable area in Asia, or perhaps in the world, than North Korea."[3]

This justification has been prominent at all levels including President Clinton's remarks immediately following the four-party talks proposal. He declared that the United States is

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3 Speech on "Prospects for U.S.–North Korean Relations: The Congressional Viewpoint" delivered on 12 June 1997 in Washington DC at the Center for Strategic and International Studies as published in *Korea Economic Update*, Korea Economic Institute of America, Volume 8, Number 3, June 1997.

determined "to do everything we can to help secure a stable and permanent peace on the Korean Peninsula."[4] In a June 1997 press statement, Secretary of State Madeleine K. Albright expressed her hope that "The successful conclusion of a peace agreement would bring lasting peace and stability to the Korean Peninsula and contribute greatly to the peace and stability of the entire region."[5] Then Acting Assistant Secretary of State Charles Kartman was even more specific stating that "our overall policy goal is to build a durable and lasting peace on the Korean Peninsula as a key contribution to regional stability. . . ."[6]

The importance of this focus on stability is that it effectually underpins the other US objectives. The United States may support engagement of the DPRK, North-South dialogue, and even Korean unification. However, its foremost concern is likely to be the stability in the region which has prevented further direct conflict and which has maintained an environment that facilitated and even fostered economic growth.

From an economic perspective, there is no question of where US interests lie. In 1996, bilateral US-ROK trade totaled nearly $50 billion. Bilateral trade with Japan and China, respectively, was $183 and $64 billion in the same year. Such economic interests, coupled with the presence of 37,000 American troops in Korea and the thousands of US citizens living in Seoul, of a necessity make stability a preeminent US objective. The political importance of the US troops, particularly in the defense community and in Congress, add weight to the American commitment.[7]

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4 State Department text of joint Clinton-Kim press conference, 16 April 1996, Cheju Island, Korea.

5 Press Statement by Secretary of State Madeleine K. Albright, 30 June 1997. (http://secretary.state.gov/www/briefings/statements)

6 Statement before the United States Senate Foreign Relations Committee, Subcommittee on East Asian and Pacific Affairs, 8 July 1997, Washington, D.C.

7 Some in the United States suggest that such economic and security interests should place the U.S. commitment to Korea out of question. They express bewilderment at ROK fears that the United States will somehow opt for North

Stability might thus be accurately characterized as the touchstone by which policies impacting on the Korean Peninsula—including the four-party talks—are judged in the United States.

Tension Reduction

A complementary objective to the maintenance of stability takes the process one step further. While the core US objective may be stability, American policy makers may also desire to "make the good better" and to further reduce tensions on the peninsula and in the region. Regardless of the eventual outcome of the talks, the diplomatic axiom of "talk is good" serves as a powerful incentive to keep the DPRK engaged in talks instead of giving it opportunity to provoke international reaction. Scott Snyder of the United States Institute of Peace has noted a "pattern of crisis escalation and its management as an essential element of negotiating the resolution of conflicts" in Korea, as well as the "role of crisis in spurring inter-Korean contact."[8]

Alternately, tension reduction may be viewed as a necessary stepping stone to the future maintenance of stability. As North Korea's economic and security situation continue to deteriorate, the potential for conflict may actually increase.[9] The proposal announcement of the four-party talks also included a call for a "wide range of tension reduction measures."[10] Secretary

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Korea in favor of its traditional ally.

8 Snyder, Scott. "North Korean Crises and American Choices: managing U.S. Policy Toward the Korean Peninsula." paper presented at the 1997 International Studies Association Convention, Toronto, Canada, March 1997.

9 Then US Ambassador to Korea James T. Laney warned that "There should be no doubt that North Korea's decline does indeed pose risks for us. These range from diversionary military actions that could spiral out of control to a descent into chaos with effects spilling across the DPRK's borders." Laney, James T. "What are we going to do about North Korea?" *Korea Economic Update*, Korea Economic Institute of America, Volume 7, Number 4, July 1996.

10 State Department text of joint Clinton-Kim press conference, 16 April 1996, Cheju Island, Korea.

Albright was more specific, stating that "The purpose of the Four Party talks is to reduce tensions and build confidence on the Korean Peninsula with the aim of putting an end to the hostilities of the Korean War."[11] In this view, tension reduction is equally a prerequisite for and a product of the four-party talks process.

Bilateral and Global Issues

In order fully to understand US interests related to the four-party talks process, it is necessary to understand the specific issues that drew the United States into its current engagement policy toward the DPRK. While the process of US opening toward the DPRK began with the waning of the Cold War, it has been primarily driven by American concern over issues of global importance. Foremost among such issues is the Nuclear Non-Proliferation Treaty (NPT). It was the DPRK announcement that it intended to withdraw from the NPT that sparked the intense period of rising tensions and negotiations that began in March of 1993 and culminated with the conclusion of the Geneva Agreed Framework in October of 1994. The export of missiles, particularly to the Middle East, has been another issue of prime concern to the United States and has resulted in a series of ongoing bilateral negotiations.

Beyond such global concerns, issues such as the search and recovery of the remains of US soldiers missing in action during the Korean War have resulted in yet another level of bilateral contacts. While there are no direct ties between such issues and the four-party peace talks, the linkages are clear. Progress in the four-party talks will likely help facilitate progress in these other areas and vice-versa.

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11 Press statement by Secretary of State Madeleine K. Albright, 30 June 1997. (http://secretary.state.gov/www/briefings/statements)

Engaging China

Some have suggested that the four-party talks is yet another venue for the United States to work on what is perhaps its most important future relationship in Northeast Asia, its ties with China. While US officials privately concede that any opportunity to work together with China in a productive manner is positive, they also emphasize that there are plenty of avenues for contact with China that are less difficult than the four-party talks. While there has been some suspicion from the outset about China's role in the talks, following the first preparatory meeting the general consensus seems to be that China is likely to play a balanced, positive role. At a recent forum in Washington D.C., a retired senior diplomat from China responded to the question of whether Beijing was likely to come down on the side of Seoul or Pyongyang by responding that "Beijing is on China's side."

The debate over the inclusion of China in the talks continues. Some view the Chinese as free riders who are willing to attend the talks to protect their own interests and to share in the accolades of any accomplishments, but who are unlikely to contribute actively to the process. Others voice concerns that Chinese inclusion strengthens the DPRK negotiating position and unnecessarily complicates the process. Still others are concerned that difficulties in US-Chinese relations may spill over and thus impede the talks. The inclusion of China, however, is evidence of a recognition that Chinese participation is necessary to ensure real stability on the peninsula and in the region and that good US-Chinese relations are important to success of the talks.

Unification

From an ROK perspective, the four-party talks may have much broader implications than a mere "peace agreement." In the minds of many, any contact with North Korea is part of the process of unification. Naturally, the ROK must also be sensitive

to the impact of any peace-related initiatives on the prospects for unification. This sensitivity was manifest in July of 1997 when during testimony before the US Senate Foreign Relations Committee, Subcommittee on Asia and the Pacific, Acting Assistant Secretary of State Charles Kartman was asked to define US policy goals in Korea, including those relating to unification. Secretary Kartman responded that while unification per se was not a US goal, it was US policy to support its ally, the Republic of Korea, in its own efforts to resolve the unification question among Koreans. The buzz in the South Korean press the following morning was that Kartman had said that the "Unification was not the United States' Goal." The implication being that the United States was somehow opposed to or blocking unification. Indeed, there is much speculation in Seoul as to the intentions of China, Japan, the United States and Russia toward unification. Accurate or not, Japan is seen as the most openly hostile to the process of unification due to "fear" of competition from a stronger, larger, unified Korea. China is also seen as preferring the status quo, primarily due to a desire to keep a friendly regime as buffer and concern over the possible disposition of US troops in a unified Korea. Russia is seen as relatively uninvolved, but less than welcoming to a new and powerful Korea on its far-eastern borders. Finally, the United States is perceived as the most even-handed, neither fully supporting or opposing unification.

There is also no clear consensus on this issue in the United States. While there is some concern over the possible disposition of American forces following unification, it would be an exaggeration to say that this constitutes opposition to unification. As a policy, the United States has insisted that the unification issue must be resolved by the Koreans themselves. That said, however, the United States has attempted to promote inter-Korean dialogue as an integral part of its policy toward the DPRK. Then Acting Assistant Secretary of State Charles Kartman reacted to

Pyongyang's agreement to come to the preparatory conference for the talks by saying that "The DPRK's willingness to re-engage and to talk directly with ROK officials is a significant achievement in itself. This has been a major, longstanding US policy goal—to promote substantive, direct contacts between South and North Korean officials aimed at reducing tensions on the Korean Peninsula."[12]

North-South Dialogue

The United States insistence that "North-South dialogue" be included in the wording of the Geneva Agreed Framework was the most contentious issue in the negotiations. Throughout the process of engaging the DPRK, the United States has consistently played the role of facilitator for inter-Korean contacts. The most successful example of this role is likely the Korean Peninsula Energy Development Organization (KEDO) where inter-Korean cooperation has been remarkably smooth. The US Congress has been particularly sensitive to this issue, largely as a result of South Korean lobbying efforts. Administration officials are commonly questioned by the Congress regarding progress in North-South talks. There is a marked difference in the support given by the Congress to the four-party talks as opposed to the Agreed Framework in which the direct South Korean role was less prominent.

At the same time, there is a growing number of analysts in the United States who have begun to question the mantra of "North-South dialogue" —at least as a prerequisite for progress on other issues. Given the dramatic, and growing, disparity between the North and the South, such analysts question the feasibility of North-South dialogue in the traditional sense. Whereas dialogue

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12 Statement of Charles Kartman, Acting Assistant Secretary of State for East Asian and Pacific Affairs, before the Senate Foreign Relations Committee, Subcommittee on East Asian and Pacific Affairs, 8 July 1997.

during the Park Chung Hee era or even as recently as the Chun Doo Hwan era was between two relatively equal states, following the success of President Roh Tae Woo's Northern Policy and the recognition of South Korea by both Russia and China, the DPRK has been placed on fundamentally unsound footing. North Korea's dramatic economic decline and recent food crisis has further damaged its position. The DPRK has acknowledged this imbalance several times in recent negotiations. Among its initial responses to the four-party talks proposal was an expression of concern over the "uneven playing field" —particularly given the fact that neither Japan nor the United States have yet normalized relations with the DPRK. The compromise appears to be, perhaps by DPRK design, inter-Korean dialogue with the United States as a chaperone.[13]

Shooting beyond the Mark

One reason that many in Seoul may question the US commitment to unification is the tendency on the part of some to link four-party talks, KEDO, investment, and any other avenues of engagement with the DPRK to unification. While the United States may envision the four-party talks process as one in which success may help facilitate the process of unification, there is little evidence of or support in the United States for using the four-party talks process as de facto unification talks. In fact, success in the four-party talks may depend on the ability of the United States and South Korea to resist such linkages. As difficult as the process of reaching a peace may be, the process of negotiating unification will probably be more difficult by orders of magnitude. To attempt to link them would almost certainly

13 Few take seriously calls for the United States to play the role of an "honest broker." Given the close alliance between the United States and the ROK this is virtually impossible. However, that does not preclude the United States from playing the role of facilitator, as it did in securing the DPRK apology for the submarine incident.

doom the talks to failure. It is likely that a recognition of such challenges has led negotiators to place such emphasis on what may seem like trivial semantics, insisting that the talks are "four party," rather than two-plus-two, etc.

At a September 1997 seminar on North Korea sponsored by the Institute for International Economics, a group of approximately forty international specialists on North Korea were asked to predict where North Korea would be in five year's time. The options were (1) fundamentally unchanged, (2) fundamentally changed and reformist, (3) North Korea no longer in control, i.e. foreign or South Korean control, and (4) internal chaos, but no outside control. The responses in percentage probabilities were as follows: 25, 40, 26 and 9 percent respectively. In addition to the nearly even split between the first three scenarios, which itself is evidence of the lack of any consensus on the prospects for the DPRK, it is also interesting to note that the one way of interpreting the results is that there is a near 75 percent probability that Korea will not be unified in five years time. Yet much, if not a mirrored 75 percent, of the research currently conducted on North Korea focuses on unification or after unification. Relatively little focus has been placed on the key question of how to get there from here. If such opinions are to be given any weight, perhaps not only should unification be clearly de-linked from the four-party talks process, but much more effort should be devoted to how to negotiate or implement current tension reduction and confidence-building measures.

Prospects for the Four-Party Talks

Given an understanding of the interests that drive US support for the four-party talks process, it is possible to examine factors likely to promote the success of the talks as well as potential obstacles.

Positive Factors

US commitment

The fundamental difference between the four-party talks proposal and the myriad of proposals that have been issued by both the ROK and the DPRK over the past four decades is the active US participation in the process. The tradition peace proposal has been more of a ritualistic formula; South Korean proposals were not recognized by the North who claimed that Seoul was merely a US puppet and not a signatory to the armistice agreement, and North Korean proposals which sought to marginalize the South and deal directly with Washington were rejected out of hand by the United States. The end of the Cold War and North Korea's admission to the United Nations marked the beginning of a new phase in both inter-Korean negotiations—as evidenced by the inter-Korean accords of 1991 and 1992—and in US-DPRK relations. However, it was the American decision to negotiate the Geneva Agreed Framework with North Korea that marked a fundamental shift in US-DPRK ties. Although relations have yet to be normalized, by negotiating directly with Pyongyang on the nuclear issue the US gave the DPRK tacit recognition. This was a shift that the ROK, albeit reluctantly, supported.

While US-ROK coordination continued—and by most counts it has been closer than ever during this period—the US position vis-a-vis the DPRK and the ROK has inevitably shifted. The United States' tacit recognition of the DPRK and willingness to deal with it directly on bilateral issues has pushed Washington into the role of interlocutor and sometimes facilitator between

North and South. It is this new American role that makes the four-party talks fundamentally different from previous peace proposals.

The United States has used this role to become the principal driving force behind the talks. While the proposal is a joint US-ROK proposal, and while close US-ROK consultations continue, the United States is able to play the role of facilitator. Examples of this role include the US insistence that the explanation of the four-party talks proposal be given in a "joint briefing" and the US efforts on behalf of the ROK to secure a DPRK apology for the submarine incident. In both of these cases and more, it can be argued that without the US contribution, the process would have not moved forward.

Policy linkages

The US willingness to assume a facilitating role is partially driven by domestic political interests that will likely continue to push the process forward. The Geneva Agreed Framework and the four-party talks initiative together form the crux of the Clinton administration policy toward North Korea. The administration is deeply vested in the Geneva Agreed Framework and the four-party talks are essential to ensure the success of the Geneva Agreement on several levels. Though the success of the nuclear freeze and the progress of KEDO have been remarkable to date, the Agreed Framework cannot ultimately succeed without a significant improvement in North-South relations. In fact, even US support for KEDO and the Agreed Framework will be jeopardized without progress in inter-Korean cooperation which is in turn necessary to ensure the South Korean public's as well as financial support for the KEDO project. At a certain level the four-party talks proposal might been seen as a response to US Congressional pressure for North-South dialogue. Such pressure was clearly in evidence as the United States went to special lengths to ensure that tensions along the DMZ in July of 1997 did

not derail the 5 August 1997 preparatory meeting. From the perspective of the Clinton administration's relations with Congress, the very act of all four parties' sitting down together in New York was a success. Though the actual talks may be far off and very difficult, the administration can no longer be accused of sidelining the ROK.

Other policy considerations that are likely to motivate the United States to continue pushing the four-party talk process forward include the need to decrease inter-Korean tensions in order to facilitate progress on bilateral issues of particular concern to the United States such as the search and recovery of MIA remains, missile proliferation, and the need for US representation in Pyongyang as the number of Americans traveling to the DPRK continues to increase.

The North Korean food crisis is also a consideration. In this sense, the US decision to push the ROK to go ahead with the joint proposal may partially be a byproduct of US impatience with South Korean initiatives. Following the conclusion of the Agreed Framework, the United States repeatedly said that the initiative in dealing with the DPRK was in the hands of the ROK. For a variety of reasons, the apparent South Korean policy was one of inaction which resulted in a stalemate in inter-Korean talks. Washington's commitment to leave the initiative with Seoul was tested by the helicopter incident in late December of 1994, the difficult process of establishing KEDO, various incidents at the DMZ, and perhaps most prominently by the developing food crisis in North Korea. As nature abhors a vacuum, it is said that US politics abhors a stalemate—particularly with nightly news reports on increasing evidence of famine in North Korea. In the future, these factors will continue to push the administration to move the talks forward.

Realistic goals

One final factor that is likely to contribute to the "success" of the four-party talks is the relatively low standards of success. It does not take much to mark an improvement over the status quo. American officials have been careful not to raise expectations for a quick resolution of the talks to end in a peace treaty. One US official privately commented that there was little difference between the current situation on the peninsula, and a situation in which a treaty were to be signed on paper, but in which tensions were not significantly reduced. In short, the US goal should be to establish a peace, rather than a peace treaty.[14] While no one expects the process to be easy, the same official commented that the "process is the outcome." In this regard, US goals are in line with US interests; namely stability and tension reduction, which are both expected to facilitate progress on a number of other fronts.

Potential Obstacles

Fundamentals

The fundamental challenge of the four-party talks is the continued division of the Korean peninsula. All the American diplomatic maneuvering and other efforts will be of little use unless the two Koreas are able to reach some degree of compromise. The desire of both North and South for reunification on their own terms remains unabated. In the face of its recent failures, the DPRK's fundamental interest is clearly regime survival. Yet given the unabated competition for legitimacy between both Koreas, there remains serious questions as to whether reconciliation with the South may be inherently regime

14 Robert Manning of the Progressive Policy Institute aptly observed that "if such a treaty is merely a paper commitment it could well be counterproductive." Testimony before the House of Representatives Committee on International Relations, Subcommittee on Asian and Pacific Affairs, 26 February 1997.

threatening to the North. Even the South's relatively moderate policy objective of a "soft landing" has, at its root, the assumption of an end to the DPRK regime. Thus the road ahead is likely to be rough, full of starts and stops, and various crises as the participants in the four-party talks attempt to separate issues of tension reduction and the establishment of a permanent peace—potentially in the form of peaceful co-existence—from the Korean desire for unification or regime survival.

Alternate channels of dialogue

Another possible threat to the four-party talks process could be the development of alternate channels of dialogue. This might be positive or negative, depending on the direction such channels take. For example, while less feasible at present, a dramatic improvement in direct North-South dialogue could render the four-party talks irrelevant, but may not necessarily be productive. In addition, coordination of US-DPRK bilateral issues may be more difficult given the other issues the US links to the four-party-talks process. Another alternative might include a shift to military dialogue as the DPRK has consistently requested, assuming the DPRK were to agree to a three-party dialogue including both the United States and the ROK. There could even be a devolution of the four-party talks on specifics to include the parties involved. While unlikely at present, these and other scenarios should be given serious consideration, particularly as the talks begin to address the more difficult issues.

South Korean election

One final possible challenge to the four-party talks process is the upcoming South Korean presidential election. While the election bears the potential of a new beginning in inter-Korean ties, there is also considerable question over whether or not the new president will honor his predecessor's agreements, includ-

ing the four-party talks proposal. The likelihood of a new president's declaring the four-party talks null and void may depend on their status. However, even if the talks have officially begun, there would likely be a need for some intensive discussions between the allies on this issue.

Conclusion

Ultimately, the four-party talks are a positive initiative that will probably continue to receive broad and active support from the United States. However, such talks are only one small part of a larger process of achieving a real and lasting peace on the Korean peninsula. The talks provide a forum for the United States and South Korea jointly to engage North Korea, and have the potential to keep North Korea actively engaged in a forward-looking dialogue rather than in destructive and destabilizing efforts that are inconsistent with US and South Korean interests.

The prospects for the talks are less clear. While such dialogue has merit in and of itself, the outcome of the four-party talks process is difficult to envision. There remain legitimate questions over the political will in both Seoul and Pyongyang to reconcile past resentments. From its weakened position, such reconciliation may to the DPRK appear threatening, while in its position of relative strength the ROK may be unwilling to accept anything short of unification on its own terms.

Nevertheless, given that "the process is the outcome," the prospects for the talks remain positive. The fundamental difference between the current four-party talks process and the numerous previous proposals for talks or the establishment of new peace agreement is the support of the United States. This support is possible as the talks are truly "four party" involving both China and the ROK. Despite some lingering suspicions, the consensus view in the United States appears to be that the talks

are ultimately in the US interest. As a result Washington will continue to push the process forward. How fast the process proceeds and its ultimate outcome, however, will depend on the two Koreas—as it should.

The Present North Korean Situation and Its Implications for Japan

Hajime Izumi

The Impact of Hwang Jang-yop's Defection

On 12 February 1997, Hwang Jang-yop of North Korea, international affairs secretary of the Korean Workers' Party, (KWP) applied to the South Korean Embassy in Beijing for asylum. It was an extremely shocking event. There had been no previous case of defection by such a high-ranking official long at the center of power in the DPRK. This rejection of North Korea by a distinguished leading figure symbolizes considerable cracks in the Kim Jong-il regime. His defection also implies the country's failure to realize its recent slogan One-Hearted Unity.

Hwang Jang-yop's decision to seek asylum in South Korea meant that he did not simply abandon North Korea, but that he specifically *set his hopes on South Korea*—yet even the mere abandonment of North Korea by someone thirtieth in the KWP hierarchy must have been quite a shock for the Kim Jong-il leadership. His choice of South Korea as the place of refuge was undoubtedly an act utterly difficult to accept because it would give the international community the impression that the South is in a superior position vis-a-vis the North. It will inevitably have a great impact on the general public in North Korea, as well. Hwang's defection also deserves attention, for it demonstrates

just how attractive the South is to a high-ranking Pyongyang official when compared to life in North Korea.

In any event, the North Korean leadership is expected to be intent on shoring up the regime for some time to come. The Red Banner concept, which began to be stressed in place of Juche Thought in January 1996,[1] will probably be an important tool for consolidating the regime. It represents Kim Jong-il's own version of the "ten major principles."

On 14 April 1974, Kim Jong-il, as a secretary of the KWP, announced his ten major principles to the party leadership and forced the public to accept his father Kim Il Sung's "divinity, absolutism and unconditionality" as articulated in the principles.[2] The Red Banner concept, which preaches absolute obedience to Commander Kim Jong-il, also recently began to invoke him as an internal god. The concept appears to have taken on the meaning for Kim Jong-il that the ten major principles once had for Kim Il Sung. With Hwang Jang-yop's defection the Pyongyang regime will now push more firmly to make Kim Jong-il divine, absolute and unconditional.

As a result, one may consider Kim Jong-il's regime as stable, at least in the short run, because it will be almost impossible openly to advocate ideas to, or express discontent with, the regime so long as the divinity, absolutism and unconditionality of Kim Jong-il is being set forward. The chances are slim for continued defection of high-ranking officials; instead the cohesiveness of the system is likely to increase, and on the surface the Kim Jong-il regime will be able to extol its stability.

A number of questions arose immediately after Hwang Jang-yop had applied for asylum—for example, whether or not the sprouts of reform that have begun to surface in recent years will be ripped up in the atmosphere of consolidating the regime that

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1 See *Rodong Shinmun*, 9 January 1996; *Minju Chosun*, 23 February 1996.

2 See Suzuki Masayuki, *Kitachosen [North Korea]*(Tokyo: University of Tokyo Press, 1992), pp. 100–101.

was described above. For example, the "sub-work-team management system" in agriculture, famous for not being implemented despite having been in place for some time, was beginning to be transformed into something close to the Chinese private contractor system. In other words, a policy of initiatives for farmers was under development. Have there been changes in this new trend? Much attention will be paid to the question of whether or not a retreat from it is unavoidable after the Hwang Jang-yop defection.

In terms of the international ramifications of the defection, let us first turn to the impact on inter-Korean relations. Many observers predicted that a certain degree of tension would be inevitable. Counter to most expectations, North Korea permitted a KEDO site-inspection team to enter the country at the end of February 1997. On 5 March 1997, Pyongyang also attended a briefing session on the four-party talks, where for the first time in a long time it joined South Korea in a public forum and participated in talks without incident. Thus it is not viewed that North Korea intends deliberately to create tension now in inter-Korean relations.

The Possibility of Worsening Food Shortages and the Collapse of the Regime

There is no doubt that North Korea is facing severe food shortages at present. We are still unable to understand accurately the extent of the shortages because Pyongyang remains unwilling to provide the international community with objective projections on the food situation in the country. According to a report issued in December 1996 by the United Nations World Food Program (WFP) and the Food and Agricultural Organization (FAO), it faces a shortage of 2.3 million tons of the minimum necessary amount of grain. On the other hand, an internal report by China in fall 1996 estimated the shortfall at less than one

million tons.[3] While our great interest in shortages arises from the grave humanitarian problems that a food crisis presents, we are also deeply concerned that the food shortages might bring the collapse of the Kim Jong-il regime. We are unable, however, to make accurate projections on this issue either.

Chinese experts are very often of the opinion that while the suffering is real, it is unthinkable that the regime will collapse any time soon (over a food crisis).[4] Their own experiences probably influence this conclusion. China saw large numbers die of famine due to failed agricultural policies, but these tragedies did not challenge the regime much less cause the country to collapse. In China at least twenty million but probably forty million people died of starvation from 1958 to 1961 after the failure of the Great Leap Forward policies. Despite a famine of this magnitude, however, there was no serious impact on Chinese Communist Party control. Having lived through this experience, it is certainly difficult for Chinese to view present-day North Korea as facing a hopeless crisis. If they reflect on their country's own experience, it would not be surprising for Chinese experts to believe a regime collapse to be unlikely even in the dire scenario that North Korean food supplies dry up completely. I believe it is worth listening closely to the predictions of Chinese experts, which are based on their own experiences and analogies. Though it remains only a possibility, the chance that Pyongyang will face a famine similar to what was experienced in China is not necessarily small, yet it is possible that such a famine would not undermine the regime. We now need to pay attention to the other possibility, that North Korea's food crisis will in fact become linked to a regime crisis.

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3 See, on this point, Ministry of Foreign Affairs Commissioned Research Report by 1996 *North Korea's Food Situation* (Tokyo: Japan Institute of International Affairs, 1997).

4 Private conversations with Chinese party and government officials.

North Korea differs from China in two decisive ways. First there are twice as many Koreans on the south side of the 38th parallel as on the north, and they live prosperous and free lives. If China had had people of the same nationality singing the praises of prosperity just over the border, it is questionable whether their regime would have remained stable during the famines. Second, North Korea boasts an overwhelmingly high degree of transparency compared to China at the time of their famines. When China was experiencing mass starvation, the outside world knew absolutely nothing of it. At present, however, we have at least some understanding of the situation in North Korea through ethnic Koreans living in China, UN food aid activities and American diplomats engaged in negotiations with Pyongyang. If large numbers starve in North Korea, the outside world will know, even if only partially. This information is also expected to be conveyed to people within the country via the international community. As a result, it is impossible to reject completely the possibility that North Korean society will be undermined by a famine; this food shortage does contain the potential to bring a regime crisis in the near future. We should watch carefully for changes in the North Korean situation as we diligently maintain our interest in this issue.

The Narrowing Vistas of North Korean Foreign Policies

In considering North Korean foreign policies, one has the feeling that the country is suffering from shrinking horizons. Its policy toward Japan, the United States and South Korea since the end of 1996 is a good example. By playing its diplomatic games with the United States and Japan a little too ardently Pyongyang failed to gain a foothold for improving relations with Japan. KWP Secretary Hwang Yang-yop attended an international seminar at the end of January 1997 in Japan, but left the country without being able to meet Taku Yamazaki, head of the Liberal Democratic Party (LDP) Policy Research Committee. Pyongyang

was unable to take advantage of the valuable opportunity presented by this rare visit to Japan by an influential figure in the KWP. Even if it had taken place, however, the meeting would have been rendered meaningless when Hwang Jang-yop defected in China on 12 February after leaving Japan.

It is clear that North Korea is trying actively to improve relations with the US and Japan. A joint editorial published in *Rodong Shinmun,* the *Korean People's Army* and *Youth Front* on 1 January 1997 gained attention by stipulating that Korean unification was an international as well as a national issue.[5] The editorial stated that "The issue of Korean Unification is a national problem that should be resolved by the (Korean) people. At the same time, it is an international issue in which the involved nations should feel a responsibility and cooperate actively." Naturally, Pyongyang has consistently stressed the former point, namely that unification is an issue for the Korean people. Although it had acknowledged that unification "has an international character" it had not previously asserted that it was also an international issue. It is thus safe to say that Pyongyang shifted its stance in 1997.

It is not hard to imagine that behind this change lay the ulterior motive of gaining food aid through advancing relations with both the United States and Japan. In fact, after stating that Korean unification was "an international issue," the joint editorial called on the United States and Japan to change their postures vis-a-vis North Korea. Standing out in particular was its demand that Japan "immediately abandon its hostile policy towards our Republic and not take actions that hinder Korean unification." In a joint editorial in the same three papers last year there was not one reference to Japan. This year it appears that an extraordinary interest in Japan lies behind the call for Japan to change its attitude. Certainly, Hwang Jang-yop's visit to Tokyo was trapped in this context.

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5 See *Rodong Shinmun,* 1 January 1997.

The settlement worked out at the end of 1996 between the United States and North Korea in response to the incursion of a North Korean submarine into South Korean waters was very important for the creation of an environment for improving Japanese-DPRK relations. The settlement was a package deal in which Pyongyang agreed to issue a "statement of regret" putting the incident to rest and to attend joint briefings on the four-party talks, while Washington agreed to issue permits for American trading companies to export grain to North Korea. Following, a joint briefing was scheduled for 29 January and the United States issued permits for grain exports to North Korea totaling 500,000 tons. The US promise was not to provide aid, but to grant trading companies export permits—in other words, Pyongyang would have to pay. Despite having fully understood this point, Pyongyang embarked upon a new game with Washington. It adopted the position that it would not be able to attend the joint briefings if it did not receive the 500,000 tons of grain in the form of aid. As a result, the joint briefing scheduled for 29 January 1997 was postponed indefinitely. The atmosphere, which had deteriorated with the submarine incident, did not improve.

Suspicions that the disappearances of some Japanese women twenty years ago had actually been kidnappings by North Korean agents also returned to the spotlight, and Japanese public opinion grew less favorable to the North. Then, Taku Yamazaki, one of the leading members of the Liberal Democratic Party, refused to meet with Hwang Jang-yop. It was only natural that under these conditions it was no longer possible for Japan to consider favorably either food aid or improving Tokyo-Pyongyang relations. This is because Japan considers as a prerequisite for food aid steady North Korean progress in adopting behavior appropriate to membership in the international community. Without such a change in attitude, Japanese public opinion will not support government approaches to North Korea. Pyongyang, however, still seems to lack an understanding of this fact. As long as the DPRK fails to understand

adequately Japan's situation and alter its posture accordingly, there will be no reason for Japan to feel compelled to work to improve relations with Pyongyang in 1997.

Post-mourning Developments in North Korea

On 8 July 1997 North Korea saw the third anniversary of President Kim Il Sung's death come around, and declared an end of the mourning period of full three years.[6] Since mourning is over now, the focus of attention falls on the question of when Kim Jong-il will become general secretary of the KWP and assume state presidency.

The best prospective estimation at present is that, before becoming president, he would take up the post of the Korean Worker's Party general secretary on 10 October the day to commemorate the KWP's foundation. This is my view and I believe Pyongyang is basically preparing in this direction, but it is hard to predict whether it will really come true as scheduled because much depends on weather conditions through the end of August and on international food support.

In my view there are two preconditions for Kim Jong-il's formal assumption of office. The first is for a favorable outlook to be established in the nation's move to escape its economic difficulties and walk toward a new course of national construction. In other words, whether or not Kim Jong-il can offer the people hope to overcome the food shortage will be the key to the future of his regime. Fortunately for him, rice-planting this year has terminated smoothly, favored with fine weather. A report says that, if autumn comes without a flood or a drought, they would have a crop of about 5,000,000 tons. If such a harvest can be achieved really, the food dearth will be temporarily relieved next year. Pointing out this as a favorable turn in the food issue, Kim Jong-il may become KWP general secretary. However, this

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6 See *Rodong Shinmun*, 9 July 1997.

scenario is only possible if the weather works in his favor. If there are localized torrential downpours or droughts in the period of July to August, the harvest will be radically reduced and his appearance before the footlights will probably be postponed as an unavoidable consequence.

The second precondition is the matter of "gifts" that Kim Jong-il should prepare for the celebration of his inauguration. Judging from national precedent, an essential duty for him will be to distribute a gift to each family in North Korea on the occasion of his inauguration as general secretary, or as president—and the best gift for the people at the moment is undoubtedly food. Officials in Pyongyang should have been racking their brains about how to procure such a large amount of food. They need to prepare those "gifts" separately from this year's crops, yet they will not be able to appropriate supplies from the United Nations. There will be no other choice than to ask China, South Korea, and Japan separately for help, but it will be extremely difficult to acquire hundreds of thousands tons of food in a few months to fulfill the volume said to be required for these gifts.

In any case, it is unlikely that the termination of the mourning period will lead straight away to the inauguration of Kim Jong-il. We should assume that the tough times for North Korea will continue for the time being, even after three years have been counted from the death of Kim Il Sung.

Desirable Responses from Japan

As was stated, the DPRK participated in a briefing session for the four-way talks between the United States, China and the two Koreas on 5 March 1997. Until then it had adamantly insisted that it would not make its position on the four-way talks clear until it received food aid from the United States. Neither the US nor Seoul acquiesced to the demand and, eventually realizing the solid front presented by the two countries, Pyongyang did attend the session. Preparatory discussions for four-way talks are

scheduled to take place in New York on 5 August and I think North Korea will ultimately agree to a plenary session of the four-party talks because it has no other avenue to obtain sufficient food aid from the international community. Of course, even if Pyongyang does agree to the four-way talks, it is probably better not to expect this to be immediately linked to a resumption of inter-Korean dialogue. There will probably not be any great change in North Korea's position on a peace agreement with South Korea. It is very likely that the goal will be simply to continue the four-way talks process and not to achieve any particular results. However, should the North have taken steps in this direction, we need diligently to prepare plans for responding to an intensification of military tensions on the peninsula, while at the same time actively considering food aid to the North.

At that time, the first thing to be addressed will be the prevention of an all-out or a limited military offensive launched by Pyongyang against the South. If the North does launch an all-out war on the South, we are one hundred percent sure that it will eventually lose the war. But we must also realize: North Korea has the military capability to inflict serious damage on Seoul with long-range artillery and surface-to-surface missiles.[7] Should the Korean War re-ignite, it would not only bring tragedy to both North and South Korea but would also have an extremely severe impact on Japan and other countries in the surrounding area. Thus Japan can also be counted among the "involved parties" when it comes to preventing war on the Korean peninsula. Japan needs to address this problem with the requirement that they have the qualifications to play a positive role.

I believe that at present providing a certain amount of food aid to North Korea is the first thing that should be considered as a

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7 See, on this point, William J. Taylor, Jr., "North Korea: Implosion Sooner, Rather Than Later," a paper prepared for Center for Strategic and International Studies — Research Institute for Peace and Security conference on RIPS-CSIS Joint Project on Korean Peninsula Developments, Tokyo, Japan, 13–16 April 1997.

concrete way to reduce the danger of war. Although Japan is showing a positive attitude toward food aid to North Korea, it had better take the plunge promptly. Certainly, this aid would be more than a humanitarian response and would be considered from a security perspective. Even if the possibility of famine in North Korea is small, famine would inevitably increase the likelihood of the North's using military force against South Korea. Japan's security is our top priority, and we must avoid any kind of behavior that might give Pyongyang the slightest excuse to embark on a military adventure. From this perspective, food aid makes good sense for both humanitarian and security reasons.

If Japan decides to provide a certain amount of food aid to North Korea, South Korea is expected to be negative. Should this happen, Japan will have to try to gain Seoul's understanding and should call for the construction of a multilateral policy on food aid to North Korea that includes the Republic of Korea. It goes without saying that the cooperation of Seoul is extremely important in any responses to the North. The most desirable policy would be to provide aid in concert with South Korea, but should this fail to work out and Seoul remain negative then Tokyo should consider taking the initiative. This is because, as stated above, the prevention of a military confrontation on the Korean peninsula is one of the surrounding countries' top priorities. However, it would be necessary to make the following conditions clear to Pyongyang before implementing any aid.

- North Korea must create transparency with regard to the state of the food crisis in the country. It must reveal which foods are actually in shortage and make it clear what percentage of such shortfall will be covered by aid from the international community. In addition, it would also need to be forthright about its own efforts to cover the shortages. There will also be questions about how food received from the international community will be distributed to the general public and whether or not it is willing to allow Japan to monitor the distribution routes should it receive Japanese aid.

- Aid from Japan would only account for some of the food currently required, not all, until Pyongyang at least acknowledges the failure of its agricultural policies and embarks on agricultural reform.
- Japan will not provide aid in food if North Korea refuses to meet the above conditions, and will suspend the aid if Pyongyang fails to live up to these requirements—even after implementation begins.

Aid with these conditions attached might serve to calm the concerns of some that aid will not benefit the North Korean people, but only strengthen the military and be linked to the perpetuation of the Kim Jong-il regime. Of course, seen from the opposite angle aid help under these conditions might be difficult for Pyongyang to accept. Should it feel unable to accept help under such conditions, we would be again confronted with the danger of military adventurism. In addition to considering food aid to North Korea after deciding on preparations for this eventuality, I believe Japan should provide that aid even if Seoul is opposed.

Secondly, we can now realistically expect the four-way peace talks to materialize in the not-too-distant future. If so, we must also start seriously thinking about how to foster a lasting peace on the Korean peninsula. Two issues come to mind. First, a lasting peace on the peninsula is ultimately the responsibility of the two divided countries. For neighboring powers, it is necessary to acknowledge, once again, this simple fact. At the same time, we must make both the North and South fully aware of this reality and nudge them toward that goal. The two Koreas must, for instance, commit themselves fully to the North-South Basic Agreement that came into force in 1992. For their part, the neighboring powers should exert their influence over the two governments to get this basic accord implemented.

Second, while the two Korean governments must ultimately sign a peace accord or, more formally, a peace treaty, neighboring powers cannot act as if they are mere bystanders. Any agreement reached by the two protagonists must be backed up by the

neighboring powers. In other words, they must act as guarantors. It will require more just than the countries involved in the four-way talks to make sure the job is done properly. To say the least, Japan and Russia should have a role to play and the four-way talks should, at some point, become a six-way affair. Both Japan and Russia should proceed with the matter, stressing that point.

While the prospect of full-fledged four-party talks looks good at present, we must not overlook another element in the Korean situation: uncertainties over the future of North Korea itself. That country is mired in crisis. Take the case of Hwang Jang-yop. His defection has exposed a big rift in the Kim Jong-il regime, however hard it tries to minimize the shock. In the long run, a collapse of the Kim regime is no mere fantasy, but such a collapse should not be automatically associated with a disintegration of the country itself. There is the possibility of a soft landing. Judging from the state of affairs now prevailing in the country, that may mean the collapse of the Kim Jong-il regime. If that comes about the neighboring powers should help find ways to cushion the crisis in North Korea.

We should consider yet another contingency: what if North Korea starts pursuing some kind of reform and open-door policy? However selective and half-baked that policy may be, it could give the Kim Jong-il regime a temporary reprieve. We should welcome such a development as long as it means stability for North Korea. For neighboring countries, the top priority is to see that peace prevails on the Korean peninsula. We do not want tensions to flare there again.

빈 면

Russia and Four-Party Talks on Korea

Alexander Z. Zhebin

The great powers' diplomatic activity on the Korean peninsula related to a nuclear crisis in Korea and to North Korea's practical steps towards dismantling the Armistice Agreement has caused Russia once more to review critically its Korea policy. The most striking evidence of Russia's special approach to the problem was presented in Moscow's 1994 proposal to convene an international conference for resolving not only nuclear or security-related issues, but for comprehensive settlement of the Korean problem as a whole.

The characteristics and major directions of this re-evaluation of Russia's Korea policy were determined by a combination of three groups of factors—domestic, external and those directly related to the recent developments on the Korean peninsula. In this article the author will identify and analyze these factors in order to give an idea on how far reaching and enduring these factors may happen to be for Russia's policy in Korea. He will also try to explore the feasibility of both the four-party talks and the proposed conference, with a special emphasis on the aims pursued by the parties concerned.

Views presented in the article are entirely the author's and do not necessary coincide with the positions of Russian governmen-

tal agencies or research bodies, including the Institute of Far Eastern Studies.

Russia's National Security Dilemma

Russia is still in a process of difficult transition from the old order to a more open society, from the point of view of both politics and economics. This search for a new identity in a post-Communist and post-Cold War world surely includes Russia's attempts to identify her vital national interests and to develop and implement a foreign policy capable of achieving Russia's national goals.

Two major demands that such a policy should satisfy were identified by President Boris Yeltsin in his 1997 address to the RF Federal Assembly. He emphasized, firstly, a "dire need" for a foreign and defense policy based on broad consensus of various political and public forces, as well as various government bodies in Russia, and, secondly, to secure Russia's national interests without slipping into confrontation, through strengthening stability and cooperation in international relations.[1]

At the same time the address clearly pronounces Moscow's world ambitions as a great power by resolute rejection of a world dominated by any one power in favor of a multi-polar world and by its pledge to defend Russian citizens in any part of the globe.[2]

Domestically, the Russian Federation as a whole, including its elite and general public, after an initial period of "democratic romanticism" in 1992–1993 has moved to a more conservative posture, first of all, because of great difficulties with the process of economic reforms. A drastic drop in living conditions for the majority of the population led to a situation at the 1996 presiden-

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1 "Order in Power—Order in the Country: On the Situation in the Country and the Russian Federation's Policy Major Directions," RF President's Address to the RF Federal Assembly, *Nezavisimaya Gazeta*, 13 March 1997.

2 Ibid.

tial elections in which, five years after communism's formal collapse, almost forty percent of those who came to polling stations supported a Communist candidate. The opposition's pressure forced the ruling camp to take more nationalistic posture and to appeal to traditional "Russian values" and ideas, employed through the centuries by Russia's rulers—from medieval knights to tsars and Stalin.

The conservative trends within Russia's political elite and public are also being promoted by current developments in the international arena: Russia's problems with the former Soviet republics, dissatisfaction with the West's policy towards Russia, and the growing instability and violence in many areas adjacent to Russian borders.

Emphasis upon security concerns, including those caused by NATO's expansion towards Russian borders in Europe, is becoming a major card for both pro-government and opposition political forces in Russia in their struggle for public support.

In spite of all the fine words and declarations from both sides, the West and Moscow, Russia has been offended deeply by NATO's expansion. Surprisingly enough, a rather broad spectrum of political movements—from democrats to communists and nationalists—consider it to be aimed against Russia.[3]

The Russia-US summit in Helsinki in March 1997 as well as the Russia-NATO Act signed two months later in Paris were considered by influential politicians and media as a defeat for Russia, which "fixed a new balance of forces in the world after the end of the Cold War in which Russia had lost."[4]

De-facto exclusion of Moscow from decision-making on NATO's new role in Europe coincided with a clearly marginal role assigned to Russia in the process of the Balkan settlement. Results of Russia's participation in peace-enforcement opera-

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3 *Nezavisimaya Gazeta*, 14 March 1997.

4 *Izvestiya*, 28 March 1997; *Nezavisimaya Gazeta*, 27 May 1997.

tions in former Yugoslavia are considered not only by the opposition but also by some pro-government forces in Russia as a setback and even as "crushing defeat" for Russia's policy in the region.[5]

As a result of these developments Russian foreign policy has rather quickly lost an idealistic naiveness inherent within it in 1992 and 1993 to become less pro-Western and more Eurasian. Nowadays Moscow is far more active in looking for friends in the East than in the West.

The most recent example of such attempts was demonstrated during the Russia-China summit in April 1997 in Moscow, where both sides signed a "declaration on a multipolar world," thus denouncing the US hopes to remain the only global superpower for the indefinite future.

However, some observers argue that any alliance between Russia and big countries in Asia to counterbalance NATO expansion is out of question. They cite Russia's inability to provide any financial aid, investment or even political support to proposed new friends who see Russia merely as a supplier of armaments and raw materials and market for their cheap and low-quality commodity goods, and come to the conclusion that Moscow's scheme of an Eastern bloc is bound to remain a myth.[6]

Restoring Old Partnership

Russia's staunch solidarity with the US in solving the nuclear crisis in Korea resulted in a situation in which Moscow watches helplessly as the United States and its allies replace Russia as suppliers of LWRs to North Korea. The disappointment was aggravated by Washington's attempts to block Russia's export of the same type reactors to Iran.[7]

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5 *Nezavisimaya Gazeta*, 14 March 1997.

6 *Izvestiya*, 27 March 1997.

7 For details see A. Zhebin, "Russia and Korean Unification," *Asian Perspective*,

After being excluded in 1994 from resolving the nuclear issue Russia found herself being excluded in 1996 from participation in settlement of other problems related to maintenance of peace and ensuring security on the Korean peninsula—a region where Russia has traditional security concerns and where during the last hundred years she fought two and a half wars—two Russo-Japanese in 1904–1905 and in 1945, and the Korean War in 1950–1953.

Russia's absence from direct participation in major decision-making over Korea came from losing leverage with North Korea because of curtailing relations drastically with the country and abandoning its own independent Korea policy.[8]

Generally, deterioration of bilateral relations between Russia and the DPRK was a logical and objective result of the transformation of post-Soviet Russia. It had ceased to be a Communist state and consequently the ideological union between Russia and the DPRK could not continue. Moscow had ceased foreign aid to all countries, and Pyongyang certainly could not be an exception in this regard.

On the other side, by the end of 1994, especially after signing of the US-DPRK Agreed Framework, it has been realized in Moscow that the DPRK regime will not necessarily collapse in the immediate future and that its collapse, if it does happen, may actually create even greater security risks.

Attempts to advocate democracy and human rights, which very often prevailed in Russia's foreign policy from 1992 to 1993, no longer figure prominently in Russia's activities in Asia and the Pacific. North Korea is no longer abhorred by the ruling elite of Russia as it was a couple of years ago.

1995, Vol. 19, No. 2, pp. 182–183.

8 Y. Drobyshev, "Russia's Korean Policy Needs to be Corrected," *Far Eastern Affairs* (Moscow) 1996, No. 1, pp. 16–17; V. Tkachenko, "Russian-Korean Political Relations," a paper presented at the Sixth Joint Conference of IFANS-IMEMO in Moscow, 22–23 October 1996, p. 6.

After Kim Il Sung's demise and the successful (at least for the present) settlement of the nuclear problem in Korea, Russia undertook more active steps to put relations with the DPRK on a normal track.

In September 1994 Russian Deputy Foreign Minister Alexander Panov came to Pyongyang as a special representative of President Yeltsin to convey his message to Kim Jong-il on Russia's willingness to improve bilateral relations, and to have political consultations with the aim of reaching an understanding with North Korea on the necessity to reactivate bilateral ties.

Political and economic dialogue between Russia and the DPRK was upgraded with a visit to Pyongyang in April 1996 by a Russian governmental delegation, headed by Vice-Premier Vitaly Ignatenko. The delegation held the first session of the Joint Russian-DPRK Commission on Trade-Economic and Scientific-Technical Cooperation and Political Consultations.

A high-level delegation of the State Duma (the lower house of the Russian parliament) paid a visit to the DPRK 26–29 May 1996. The delegation included representatives of all parliamentary factions and groups and was headed by State Duma Speaker Gennady Seleznev. The purpose of the visit was to continue the Russian government's efforts to overcome the current difficulties in Russian–North Korean relations.

The Russian delegation met with Vice President Li Jong-ok, acting Premier Hong Song-nam, Deputy Premier and Foreign Minister Kim Yong-nam, Chairman of the Supreme People's Assembly (North Korean parliament) Yang Hyong-sop, Chairman of the Foreign Affairs Committee of the Supreme People's Assembly (SPA) and KWP Secretary for International Affairs Hwang Jang-yop.

The DPRK Foreign Minister Kim Yong-nam said, "There are no objective obstacles" to the development of the Russian-DPRK relations, but "serious difficulties" do exist, especially those created by articles in the Russian media insulting the DPRK and its leaders, and by Russia's arms exports to South Korea.

In his turn, Hong Song-nam emphasized Pyongyang's interest in the restoration of economic ties with Russia, since the DPRK's economy "has been historically oriented to Russia."

The Russian speaker of the Duma said that he was certain of the establishment of a new tradition in relations between Russia and the DPRK.[9]

Vladimir Lukin, chairman of the State Duma's International Affairs Committee, made a trip to Pyongyang over April–May 1997.

It was followed by a visit to the DPRK in June 1997 by Mr. Monastyrsky, chairman of the Subcommittee on the Southeast Asia and the Asia-Pacific Region of the Committee on Geopolitics of the State Duma.

This committee is known as the most staunch supporter of the improvement of the Russia-DPRK relations. It advocates even more active steps in that direction as it was confirmed by hearings held by the committee on 4 June 1996 under the title "On the Situation on the Korean Peninsula and on Relations between the Russian Federation and the DPRK." Such initiative came from the chairman of this committee, Mr. Mitrofanov, who is rumored to be "foreign minister of the shadow" cabinet of Mr. Zhirinovsky, leader of the nationalist Liberal Democratic Party of Russia (LDPR).

The committee put the entire blame for the deterioration of Russian–North Korean relations after 1991 on Moscow. It claimed that the Kremlin had terminated ties with the DPRK and had joined the international anti-DPRK chorus, and that Russian officials and the media had spread lies about North Korea. As a result, North Koreans, who "loved" Russians and Russia, "had no choice but to consider us—at the least—as an unfriendly country." The parliamentarians insisted on resuming shipment of Russian military supplies to the DPRK. They favored subsidies for supplying weapons to "a friendly North Korean state."

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9 *Democratic People's Republic of Korea*, 1996, No. 8, p. 26.

Military cooperation between Russia and North Korea is gradually being restored. Russia is continuing to supply the DPRK with spare parts for military hardware on a commercial basis and is selling export defensive weapons to Pyongyang only on the basis of commercial profitability, taking into consideration the overall security situation on the peninsula.

Pyongyang has accepted the Russian proposal to conclude a new bilateral treaty to replace the treaty of 1961 "due to changes in international circumstances." However, both sides are ready to honor the old document until the new one is agreed upon and approved by the two governments. The Russian draft of the new treaty was handed over to the DPRK in August 1995.

The most recent discussions on the revision of the treaty were held in June 1997, when the DPRK vice foreign minister Lee In-gyu visited Moscow for regular political consultations. The following press reports said that RF Foreign Ministry sources believe the new RF-DPRK treaty is ninety-five percent ready and will be ready to sign by the end of 1997. Nonetheless, because of differences in opinion between the two nations on certain issues, it is premature to expect the treaty to be signed soon. According to RF Foreign Ministry Information and Press Department deputy Director Valeriy Nesterushkin, the RF opposes the DPRK's desire to transfer some ideological assessment points "inconsistent with modern realities" from the previous USSR-DPRK treaty of 1961 to the updated draft. Secondly, the RF does not want to undertake alliance commitments again, preferring a treaty "on good neighborhood and cooperation."[10]

Experts are continuing work on the document with the next round of negotiations to be held in Pyongyang.

Although RF Foreign Minister Yevgeniy Primakov reportedly received an invitation to visit the DPRK from Foreign Minister Kim Yong-nam to sign the treaty, Nesterushkin acknowledged

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10 *Kommersant-Daily*, 19 June 1997.

that the visit is due to take place, "but not in nearest forthcoming months."[11]

As for various Russian opposition parties, the DPRK has become their new Mecca. Russian communists, though divided for the time being, are still maintaining close friendly relations with their "comrades" in North Korea. They, and also such nationalistic forces such as the Liberal Democratic party of Mr. Zhirinovsky are frequent guests in Pyongyang.

For too many former Soviet Communist Party officials, including those occupying top government positions in the present-day democratic Russia, North Korea remains a model of communist order, realized in practice — an ideal, which they had failed to achieve in the former USSR. In joint statements and other documents, the two sides swear to unite "in the struggle for socialism and against reaction." They use every opportunity to praise *juche* ideology, the "great achievements" of the DPRK in its socialist construction, and its pursuit of an "independent" foreign policy.[12]

Communist and left-wing politicians and observers have hailed North Korea's response to US pressure, including such countermeasures as departure from the Non-Proliferation Treaty. Faced with Pyongyang's toughness, they pointed out, the US has had to make numerous concessions. They also argue that Russia should learn from the DPRK's experience and respond to the expansion of NATO and other unfriendly policies of the United States with strong countermeasures. Moscow is advised to abandon all arms control agreements, conclude military alliances with friendly Arab regimes, and to restore a strategic partnership with the DPRK.[13]

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11 Ibid.

12 See, *Izvestiya*, 21 May, 6 June 1997; *Pravda*, 6 June 1996.

13 *Duael*, 1977, No. 1, p. 3.

The efforts have received due response from Pyongyang. One of the leaders of the Communist and left-wing forces in Russia, Oleg Shenin who is the Chairman of the Council of the Communist Parties (CPSU) during his visit to North Korea on 2 September had an unprecedented three-hour meeting with Kim Jong-il. Symbolically enough, the fact of the meeting was made public exactly one month later. In an interview with ITAR-TASS the Russian politician gave high marks to Kim Jong-il's leadership and his "deep knowledge" of the domestic, international and Russian situation.[14]

All in all, it can be said that the political climate in Russia-DPRK relations has improved slightly. Russia is a more active player in this process, since North Korea is placing all its efforts on improving relations with the United States. Because of this strategy Pyongyang is not too eager to promote Russian participation in the Korean settlement. Neither Moscow's past "betrayal" nor its current military cooperation with the ROK encourage the DPRK to move in this direction. Yet, it can be expected that with further improvement of political and economic relations between North Korea and Russia (which looks quite possible) Pyongyang might want in the future to have Moscow at the negotiating table—as a counterweight to the United States and the ROK.

Russia's Korea Policy: Illusions and Realities

The four-power talks proposal advanced by the ROK and the US received a cool reception in Moscow. It was described as an attempt to exclude Russia from the solution of the Korean problem, a development that cannot be accepted. The reasons are that Russia has been deeply involved in all major events on the peninsula since the nineteenth century, including the post–World War II settlement and the 1954 Geneva conference. It has a

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14 ITAR-TASS, 3 October 1997.

common border with the DPRK and therefore, will also have with united Korea in the future. It has strong security, political, and economic interests there.

Four-party talks, as would be the case with any other format lacking Russia's participation, was especially insulting for Russia. Moscow felt as having been cheated, first of all by Seoul, and cited the following major points to support her indignation:

1. Russia was the first great power of the opposite block to establish diplomatic relations with South Korea, thus opening the way for a similar move by China as well as Seoul's entry to the UN.

2. Russia has drastically curtailed its political and military ties with North Korea, including its decision not to prolong the thirty-year-old USSR-DPRK political-military treaty, mainly on request from South Korea.

It was not left unnoticed in Russia that at the same time Washington continues to maintain its security alliances in Asia basically without change and plans to keep them as the core of the US four-part strategy in the Asia-Pacific for the twenty-first century.[15]

3. Moscow actively supported Seoul during the nuclear crisis, and broke up its cooperation in the nuclear field with the DPRK.

The Russian leadership, which was and unfortunately still is not so experienced in the hard realities of modern world politics, naturally expected South Korea to be grateful for the steps mentioned above, at least somewhat more than proved to be true.

Russia had to realize, rather unexpectedly for herself and because of that with bigger disappointment, that a prestige and influence in the ROK have diminished precisely because of the weakening of Moscow's position in the DPRK. By the way, as

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15 See, address by Secretary of State Warren Christopher on US National Interest in the Asia-Pacific Region at the National Press Club, 28 July 1995, USIA Wireless File, 29 July 1995, pp. 17–18.

early as 1992–1993 some Russian specialists on Korea started to argue that only by exerting influence upon both Korean states can Moscow "stay in the game" in any future Korean settlement.[16]

4. The Russian proposal to convene an international conference on Korea corresponded in general with several ideas put forward by South Korea itself during the Roh Tae Woo administration.

5. Moscow's conference initiative had been announced — more than two years before the formal proposal on four-party talks was made in April 1996. During that period it became a kind of sacred cow for those bureaucrats in the Ministry of Foreign Affairs who gave birth to this premature child.

6. By proposing talks on the Korean settlement without Russia's participation, South Korea de-facto made null and void two major documents that were supposed to have laid down a solid foundation of "constructive partnership" between two countries in solving the regional security problems: the Joint Declaration between the RF and the ROK of 1992 and the bilateral Basic Relations Treaty of 1994.

7. Moscow's growing indignation at being pushed off the Korean peninsula both politically and economically has quite recently been aggravated by US attempts to prevent Russia from returning to her traditional arms sales markets, lost after dissolution of the USSR, to enter new ones, namely a South Korean one.

The most recent example cited is a Russian-US "missile war" for the right to sell to South Korea an air defense system. This spring US Defense Secretary William Cohen publicly warned that it would be a mistake for the ROK government to buy

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16 See, V. Tkachenko, "Confidence-Building Measures in Korea and the Position of Russia" *Sino-Soviet Affairs*, Vol. 16, No. 3, 1992, p. 178; A. Zhebin "Russian–North Korean Relations: State and Prospects," *Sino-Soviet Affairs*, Vol. 16, No. 3, 1992, pp.140–141. See also their co-authored article in the *Nezavisimaya Gazeta*, 17 February 1993.

Russian-made missiles instead of American ones, adding that such a move "would not play well in Congress at all." According to a ROK Defense Ministry official, Cohen's comment "sounded like a kind of warning or ultimatum, rather than a sales promotion."[17]

The US "sales diplomacy" was openly criticized by the Russian ambassador in Seoul, Georgy Kunadze. Symbolically enough the ambassador's letter to that effect was widely published in South Korean newspapers.

The story developed this summer. Two days after Russian Foreign Minister Yevgeniy Primakov concluded his visit to Seoul in July 1997, the Russian press again severely criticized the US attempts to put political pressure on South Korea in order to force Seoul to buy the *Patriot* air defense system instead of Russian SA-12. Mentioning the alleged "close and not disinterested ties" between Mr. Kim Hyon-chul, son of the ROK incumbent president and US arms producers including Raytheon—the producer of the *Patriot*—one paper wrote, "the recent financial scandal demonstrates that for a number of high-ranking statesmen in South Korea and their relatives, personal pocket size happens very often to be more important than their country's national security interests."[18]

8. Great-power ambitions are also edging Moscow back towards North Korea. Russia is increasing its efforts to regain influence and prestige throughout the region and show its flag wherever possible. It hopes to forge closer ties with new partners while returning, when possible, to former allies recklessly abandoned earlier.

Watching Washington's "peaceful intrusion" into her former sphere of influence in Eastern Europe, Moscow is no doubt irritated by the fact that the US is also getting the upper hand

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17 *Korea Herald*, 9 April 1997.

18 *Nezavisimaya Gazeta*, 30 July 1997.

and pushing it aside in a country in which the Soviet Union invested so heavily politically, economically and militarily.

A high-ranking Russian Foreign Ministry official summarized this feeling as follows: "Nowadays we see a large-scale offensive in the Korean direction, waged by the US, which, in fact, not taking into consideration Russia's interests, is trying to spread its influence on the northern part of the Korean peninsula in order to become . . . the sole ruler of Korea's destiny."[19]

Russia cannot but be worried by foreign news reports that the US military, increasingly convinced that the DPRK ruling regime is likely to collapse, has begun long-term planning for US troop deployment in North Korea allegedly for participating in massive international relief effort.

An unnamed US Defense Department official was quoted as saying that preliminary talks already have been held with the ROK and Japan, and some "very general discussions" have been held with the PRC, on how best to get large amounts of food and medicine into DPRK quickly and what to do if large numbers of hungry refugees begin leaving. A top US priority is to limit the involvement of the US military on the ground in the DPRK, in part from fear of being seen as an imperial force, the report said.[20]

The US would concentrate on long-range transportation, large-scale communications and international coordination, and leave relief operations to one or more international organizations supported by military personnel from the ROK and other countries.[21]

It looks like the US and the ROK have already made a decision on deploying their troops in North Korea. The only unresolved question is to set up limits of such deployment because "planners still fear disastrous misunderstandings, such as uninformed

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19 *Nezavisimaya Gazeta*, 11 November 1994.

20 *Wall Street Journal*, 26 June 1997.

21 Ibid.

DPRK troops firing on US relief aircraft, and the presence throughout the population of saboteurs or others not reconciled to the regime's demise."[22]

In this regard the US diplomatic activity in Northeast Asia, including the Agreed Framework, KEDO activities, and the four-power talks initiative are perceived as detrimental to Russia's interests since it does not provide adequate room for Russian participation.

Conference on Korea: In Search of an Absolute Solution

One can notice that Russia's proposal for an international conference on Korea remained for a period of time not less vague and unclear than the US-ROK idea of four- party talks. It is likely that the US-ROK initiative has made Moscow develop its idea into a more concrete scheme.

The first-ever detailed proposals reflecting Russia's vision of the conference, including specific forms of agenda, organization and procedures were made public in December 1996 at the first Conference of Moscow Koreanists. In short, it contains the following major points:[23]

1. Russia proposes holding a multinational conference with the purpose of creating a mechanism for the overall settlement of the problems of the Korean peninsula. It calls for participation of the DPRK and the ROK, all permanent members of the UN Security Council, and Japan, as well as the secretary general of the United Nations and the director-general of the IAEA. Observers from other interested parties could also attend the conference.

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22 Ibid.

23 M. Barsukov, *The Korean Peninsula's Developments and Russia—Political, Economic and Cultural Aspects of Korea's Unification, Part 2* (Moscow: 1997), The Institute of Far Eastern Studies, pp. 77–83.

2. The following agenda is suggested:

- Improvement of North-South relations
- Replacement of the armistice regime with a peace structure
- Confidence-building measures on the Korean peninsula
- Ensuring a non-nuclear status for the Korean peninsula and creation of a zone free from all weapons of mass destruction
- Normalization of relations between the DPRK on one side and the US and Japan on the other.

3. It was proposed to set up working groups to discuss topics on the agenda. Since all the groups would be supposed to function "under one roof" of an international conference it seems feasible to conduct joint meetings of various groups to discuss corresponding problems.

Recommendations of working groups would be sent to the conference sessions at the ministerial level for approval.

4. The agenda for discussions in the "working group on the improvement of DPRK-ROK relations" could comprise all proposals so far advanced by the two sides. The main purpose would be to work out a set of measures on the creation of stable dialogue and contacts between the North and the South. As an initial step the both sides would be advised to reach an understanding on the implementation of provisions of their 1991 Agreement on Reconciliation, Nonaggression, and Exchanges and Cooperation between the South and the North.

The group could start discussion of unification principles, taking as a basis principles, fixed in the Joint Declaration of the South and North of 4 July 1972. In accordance with the Joint Declaration, reunification must be achieved, first of all, by Koreans, without outside interference; second, by peaceful means; third, on the basis of "national consolidation."

On the basis of the Joint Declaration the two sides could start activities of a coordination committee. This committee would strive for creation of conditions for peaceful unification of the country, large-scale exchanges among political parties, social organizations and individuals, cooperation in the fields of economy and culture. The committee would consist of five sub-

committees: political, military, diplomatic, economic and cultural. The committee would be entrusted with the examination of proposals of the North and the South aimed at the unification of the country.

So far proposals of the two sides differ significantly in the forms and stages of the unification process. However it would seem to be possible to find an acceptable compromise concept on the basis of those proposals. When the North and the South reach agreements, other conference participants would approve them and agree to become their guarantors.

A "working group on replacement of the armistice with a peace structure" might include not only countries who signed the Korean Armistice Agreement but also country members of the Neutral Nations Supervisory Commission, performing control functions over implementation of the armistice. The United Nations and states participating in the conference would participate equally in the group's activities.

Replacement of the armistice agreement is likely to require cancellation of the relevant UN resolutions.

The group would have to solve the problem of usage by the US troops in the ROK of the flag and symbols of the United Nations.

As a temporary measure before creation of a new peace structure on the Korean peninsula, the group could examine a possibility of replacing American troops stationed near the DMZ with neutral-states troops. As far back as in 1987, Pyongyang proposed deployment of special military units of neutral nations in the DMZ to ensure the maintenance of the armistice.

Decisions could be taken on gradual demolition of military structures in the DMZ and on withdrawal of troops of the two sides for a considerable distance from the DMZ.

The working group on confidence-building measures could concentrate efforts on working out such steps in the military field as well as propose radical cuts of armed forces and armaments.

Among such measures can be mentioned:

- invitation of observers to military maneuvers
- banning of maneuvers with the number of participants above a certain level
- exchange of data on the military forces of the two sides
- creation of joint groups for exchange of views on the military situation on the peninsula

The problem of the US military presence in South Korea could be also discussed. The issue is not entirely new. Various options have been already examined by the Nixon, Carter and Bush administrations.

North Korea's proposal to include the problem on the agenda of the four-party talks at the preliminary meeting held on 5 August in New York proved that any sound peace structure in Korea impossible without the question of foreign military presence to be discussed and resolved in a manner acceptable not only to two Koreas, but also to their neighbors.

The main purpose of the "working group on the non-nuclear status of the Korean peninsula and creation of a zone free from all types of mass destruction weapons" would be to bring to implementation the Joint Declaration of the North and the South on Denuclearization of the Korean Peninsula, including repudiation of testing, production, possession, introduction, keeping and deployment of the nuclear weapons as well as realization of the Agreed Framework between the DPRK and the USA.

In the framework of this group the United States the ROK and the DPRK may express readiness to accept international inspections of military facilities on the territory of both parts of Korea with the purpose of confirming absence of nuclear weapons.

The group could equally examine questions, connected with the ban on production, deployment and acquisition by the North and South of chemical and biological weapons and long-range missiles.

It can also deal with the idea of securing the non-nuclear status of the Korean peninsula with relevant obligations of the nuclear powers.

A "working group on normalization of relations between the DPRK and the US and the DPRK and Japan" could examine issues connected with solution of problems obstructing a full normalization of relations. According to the Russian plan, the United States and Japan should declare on the eve of the conference their intention to recognize the DPRK diplomatically. During the conference, practical aspects of such recognition could be solved.

Conclusion

Certainly, the Russian proposal raises quite a number of serious questions. To name just a few it seems enough to mention that:

1. Neither the US nor China seem willing to help Russia to play a more prominent role in Asia's political scene. They believe that now politically and economically weak Russia, with drastically reduced influence on both Koreas, can hardly make a positive contribution to the Korean settlement.
2. The DPRK believed that since it has managed to solve the nuclear problem in separate talks with the US, it will be possible to solve other problems the same manner. Pyongyang was even against Chinese participation in the four-party talks, proposing instead a "three-plus-one" formula.

In spite of rather vague statements by some Russian diplomats that the DPRK is positively considering Moscow's conference proposal, the North Korean leadership have had no intention at all to entrust once more its destiny to those who "betrayed the cause of socialism." North Koreans made this quite clear at the bilateral political consultations held in April 1996 in Pyongyang.[24]

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24 ITAR-TASS, Pyongyang, 12 April 1996.

According to Mr. Kim Myong Chol, editorial adviser to pro-North Korean weekly the *People's Korea*, "The Russians will never be allowed to participate in negotiations to end the armistice."[25]

3. The proposal's authors appear to be totally ignorant of both Koreas' positions concerning Japan's right to participate in the Korean settlement. At least Pyongyang is certain to want to settle old scores with Tokyo without any third-party interference.

However, irrespective of the viability of the idea of the conference, the four-party talks are also bound to meet quite a number of stumbling blocks, including that:

1. One of the key shortcomings of the talks is that they happened to be not a product of mutually complimentary interests and desires, but were clearly forced by one side upon the other. Even some US analysts accept that the DPRK is being driven to the negotiation table by desperation from its economic collapse and encroaching famine.[26]

Many experts in South Korea are of the same opinion. Lee Ki-won, vice president at the independent Institute of North Korea Studies, said that "North Korea's acceptance of the peace talks underlines how serious its food problem is. The North needs to ease its food shortage to allow its leader Kim Jong-il to formally take over power."

2. The DPRK and the US, as major participants of the four-party talks pursue quite different, sometimes inconsistent aims.

North Korea seeks to ensure the withdrawal of the US troops from the South Korea, to have Washington lift economic sanctions against it and to establish diplomatic relations with the US, which, as it is supposed in Pyongyang, is a key to a similar move on the part of other countries of the West. Normalization of inter-state relations are supposed to open the gates to inflow of foreign capital and technology to North Korea.

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25 *People's Korea*, 14 April 1997.

26 Associated Press's Washington-Dateline report of 29 July 1997.

The North needs new relationships with the US and the West, just to escape being swallowed by the ROK. As Paik Hak-soon, research fellow at the Sejong Institute put it, "The North will seek bilateral deals with the US to overcome its economic woes and guarantee its survival before considering cooperation with the South."[27]

Pyongyang still considers any government in Seoul as illegitimate and does not abandon—the official mass media testifies to this every day—its long-cherished dream of staging a "revolutionary uprising" in the South. Continuously repeating that a new war in Korea may break out at any moment, Pyongyang keeps its troops constantly alert in order both to help "brothers in the South" and to repel any possible attempt by the South to realize its military superiority over the starving North Korean army.

To cope smoothly with its domestic problems, Pyongyang needs a certain level of tension with Seoul along with a minimum possible level of inter-Korean contacts and communication with the outside world. Unification slogans remain in use only to mobilize and to control the population.

Besides, the leadership in Pyongyang is, no doubt, quite aware of possible dangers to the DPRK's social and political system of any hasty rapprochement between the North and the South.

3. On the other side, it is still more important for the ROK to maintain its military alliance with the United States than to engage in a real reunification process which is fraught with uncertainties and whose final results one can hardly predict.

The ROK, too, for a rather young emerging democracy, has always been afraid of undesirable consequences of any broad contacts between Pyongyang's agitators and leftist student groups in the South, so the ban on free travel and even postal exchange and phone communications between two halves of the peninsula still remains an essential part of its security and

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27 Ibid.

domestic policies. One can hardly expect this to be resolved, either, at the four-party talks or at the Russia-proposed conference.

4. Neither the German unification experience in which most of the East German nomenklatura lost their positions and a certain level of well-being (to say nothing of trials over high-ranking party functionaries), nor Korean history itself, leave much ground for optimism about the North Korean ruling elite's readiness to weaken its grip on the country.

The South Korean elite could also expect no leniency in case unification were achieved on Pyongyang's terms. In either society there is so far no real end to the Korean war. It seems that the both Korean sides are unprepared for mutual repentance and forgiveness, and are still eager to track down the guilty and punish them. Generally speaking, the absence of person-to-person relations between citizens of the two Koreas—from grass-roots up to leadership level—can be considered as a major obstacle for any progress toward reunification. Political, social, and regional group interests appear to be more important in present-day Korea than pan-national interests, mutual understanding and confidence.

5. China, irrespective of Russian or other great-powers' positions, prefer, at least for the time being, to keep North Korea afloat as buffer zone on the mainland Asia between itself and the USA. For China to lose North Korea still means losing the Korean war, with possible subsequent stationing of the US troop on Yalu river—in view of Bejing's policy towards Taiwan that prospect is absolutely unacceptable.

China's Korean policy is cited nowadays in Russia as a perfect example of how to manage relations with the two Koreas. It is pointed out that the Beijing managed to ensure a strong diplomatic posture vis-a-vis Seoul and to develop close economic cooperation with the South without seriously undermining its position in the North.

It looks like this stand of China is receiving ever-growing support from Russia, which is seeking a strategic partnership of its own with Beijing. The most revealing indication to this effect was Russian Defense Minister Rodionov's statement during his visit to China in April 1997 about Russia's readiness to support the PRC in case of armed conflict in Korea.[28]

Summing up, it is possible to make a general conclusion to the effect that real reconciliation between North and South Korea—the top official aim of the four-party talks—remains far from being a top-priority task for either Korean side.

That conclusion was probably behind Russia's eased stance toward the proposed four-party talks, conveyed by Russian Foreign Minister Yevgeniy Primakov during his visit to Seoul in late July 1997.

Primakov said that Russia supports "all forms of the [Korean] settlement." However, he indicated, that "in case the New York talks would fail, we are ready to come back to the idea of an international conference."[29]

It looks like Russia is not going to worry too much about the outcome of the four-party talks. A new stalemate over the talks' agenda has proved it once again. Moscow seems to continue to stick to its recent policy aimed at maintaining well-balanced relations with the DPRK and the ROK. This policy is believed to correspond to the national interests of Russia and to be conducive to peace and stability on the Korean peninsula.

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28 *Izvestiya,* 16 April 1997.

29 *Nezavisimaya Gazeta,* 25 July 1997.

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North Korea between Isolation, Dissociation and Integration

Wilfried von Bredow, Thomas Jäger and Gerhard Kümmel

The end of the East-West conflict, which was the structural conflict in international relations since 1945, has profoundly changed the international system. The actors in this system face new challenges and problems (beside the already existing ones) as well as new chances and opportunities. To adapt to the new environment they have to redefine their world political roles and identities—a process in the midst of taking place. It may well be that the repercussions of the collapse of the bipolar post-World War II order have been most dramatic in the Pacific region. Even more, one may predict that the most serious changes are still impending. In this context developments on the Korean peninsula will be among the most decisive.

Events on the Korean peninsula are of great importance for the future of the region and beyond; they are the focus of this article. Here, the East-West conflict produced a divided country. At the borderline between the two Korean countries the Western and the Eastern system faced each other in a way quite similar to the German case. After the collapse of the Soviet empire Kim Il Sung's North Korea increasingly appeared as one of a number of "crazy states" in the world that dispose of considerable chaos power, i.e. the capability to produce chaos and insecurity. The evident North Korean striving towards nuclear weapons caused

much of concern in the world's military and political headquarters. Pyongyang's refusal to permit IAEA inspections of its nuclear sites gave rise to a conflict that put the country to the center stage of world attention. Kim Il Sung's death and the Geneva Agreement opened up the opportunity of bringing an end to the East-West conflict on the peninsula by cutting through North Korea's policy of dissociation.

In the following article we discuss the Korean question and, in particular, the nuclear dispute. This empirical account of events will be put in the theoretical framework of non-integration (dissociation and isolation) and integration as foreign policy options of states and societies. We expect the number of non-integrated states to grow substantially in the international system after the end of the East-West conflict, because the possibilities for strategies of isolation and dissociation have widened. This implies a greater potential for turbulence in the international system as can be seen in the North Korean case. The discussion of non-integration and integration, then, is relevant for the theory and practice of foreign policy.

The Theoretical Framework: Globalization, Interdependence and Dissociation, Integration, Isolation

Our basic assumption is that globalization is the elementary process, the prime mover in international relation, and it is steadily gaining strength. This is independent of the respective world order, i.e., globalization was the principal driving force during the era of East-West confrontation and it is the driving force of the post-bipolar international system. All the actors in the international system—be they nation-state or non-state actors—have to respond to the challenges of globalization and, simultaneously, they are part of these globalization processes. This pressure for adjustment implicit in globalization increased even further after the East-West conflict faltered.

Globalization implies a shrinking of the world and growing interconnections because the effects of events in the various parts of the world can no longer be confined to the local, regional or even national level; instead, these events increasingly have repercussions on the trans-regional, trans-national, macro-regional and global levels. They create problematical situations for the actors involved which have to respond and react. These globalizing processes, then, are monitored or filtered by the structure of the international system which is characterized by the persistence of conflicts and the prevalence of the nation-state to date. Agreeing with the basic realist or neo-realist assumption we think that in a world governed by the "logic of anarchy,"[1] actors are subjected to the principle of self-help; even in an increasingly interdependent world the issue of area security reigns supreme although the major characteristics have changed over the last decades. As a consequence, the state still shapes the structure of the international constellation in the sense that *dominant* states determine the extent to which non-state actors, *all* non-state actors, may participate in international relations. In other words, globalization meets a kind of "filter" set by the nation-states, which actually shapes the concrete pattern of interdependencies, the concrete formation of interdependent relations between and among state and non-state actors.

Ideally, states have two options to choose from: integration or non-integration. Integrationist policies depart from the assumption that the conscious participation in the formation of interdependencies and the attempt to steer interdependencies is a strategy that pays; they respond positively to the challenges of globalization. Integrationist policy may be pursued in the fields of politics, economy and/or culture.

Non-integration falls into two sub-categories: dissociation and isolation. Dissociative policies try to circumvent and avoid the

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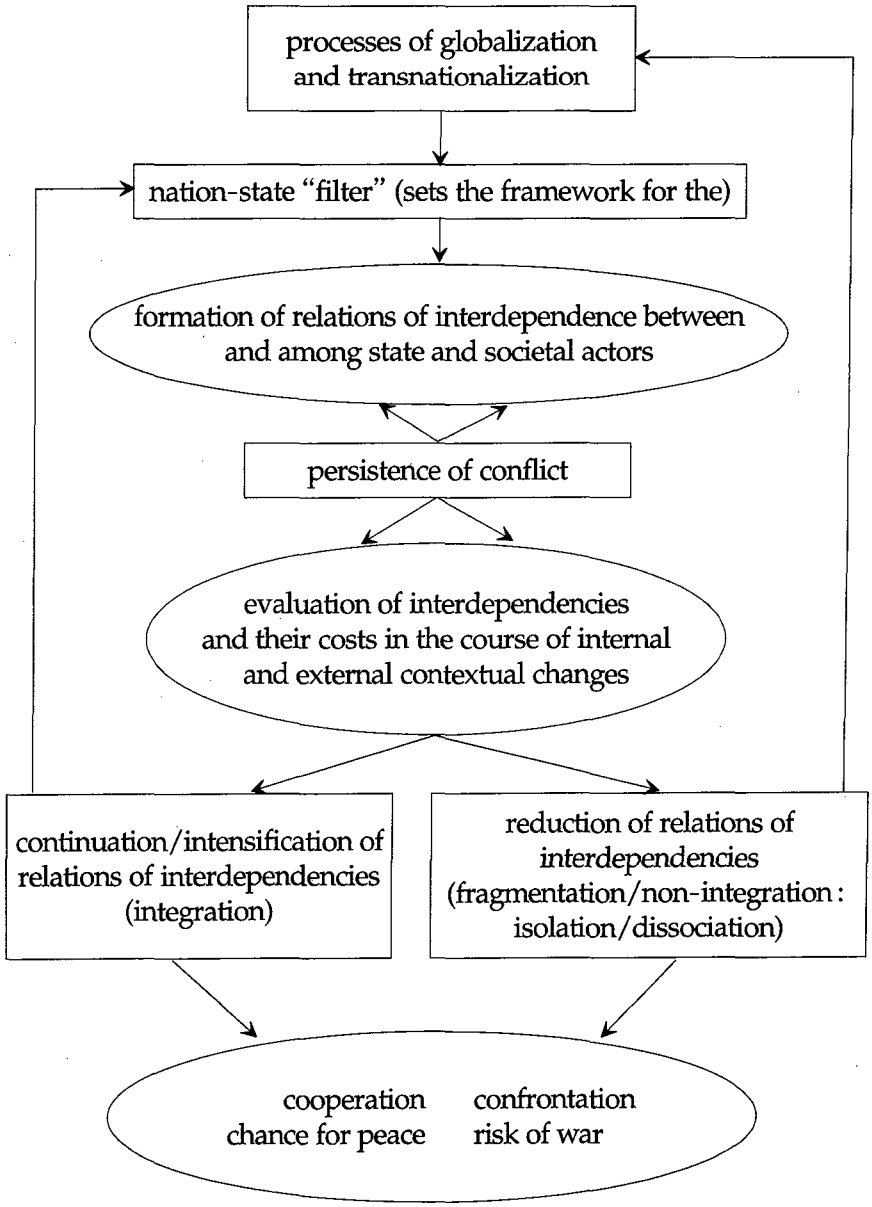
1 Barry Buzan, Jones and Richard Little, *The Logic of Anarchy: Neorealism to Structural Realism* (New York: 1993).

costs of interdependencies, which are valued higher than the benefits of interdependencies through abstention from integration into patterns of interdependence; thus, they represent a negative reaction. Dissociation can be equated with self-isolation; here, interdependence is perceived as a threat and an encirclement. Dissociation may take place in certain issue areas like politics, economy or culture only, or it may assume the form of a comprehensive dissociation. In these cases, the predominant aim of dissociative policies is primarily the preservation of the current political regime.

From time to time the actors evaluate the patterns of interdependencies in which they have either participated or from which they have abstained. They do so when internal and external contextual changes have occurred. In terms of internal changes one may think of a decisive change of government or political system; regarding external changes an intensification of interdependencies or a major shift in international tectonics come to mind. Interdependencies are (again) judged by their potential, perceived, actual or experienced costs and benefits. Results of this cost-benefit analysis may differ largely: states that are already involved into constellations of interdependencies may (a) confirm their integration, (b) intensify it or (c) abandon their integrationist strategy in favor of dissociation; respectively, states that have opted for dissociative policies may (a) confirm their abstention from integrating into relations of interdependence, (b) intensify their dissociative strategy or (c) abandon dissociation and choose integrationist strategies.

As a result, then, international relations are characterized by both integration and dissociation/fragmentation. There are chances for cooperation and peace (some might also say civilianization) as well as the threats of confrontation, regression and war. The following graph tries to illustrate what we have said.

The ambivalence of interdependence



In contrast to dissociative strategies as one form of non-integration, isolation does not stem only from impulses coming from within the actor. Isolation may be a foreign policy strategy of actors from outside; its goals range from the destruction of a state or political system to the alteration of the political leadership or the change of specific attitudes and behaviors. By isolating an actor, for instance, the isolating actor tries to gain the isolated actor's compliance or to influence his foreign policies in a certain direction. To achieve this it might turn to political, diplomatic, economic, military and/or socio-cultural means. Isolationist strategies make use of the patterns of interdependence or the promises of interdependencies. They use the interdependence susceptibility and the interdependence vulnerability of actors; they deny the advantages, the benefits and the promises of integration into interdependent relations to reach compliance.

Dissociation and isolation as two forms of non-integration depend upon the pattern of relevance between actor and environment. Non-integration is a result of the compatibility of their political and the socio-economic orders. If there is a low valence in both sectors, isolation and dissociation become possible. The lower the chances for linkages between political systems; the lower the extent of societal openness and inter-societal cooperation and the lower the degree of democratic political legitimation, the higher the chances for a state to become a non-integrated actor. This relationship is expressed in the following table:

Options for foreign policy and international action

relevance between actor and environment	compatibility of political and socio-economic systems	
	high	low
high	integration	antagonistic cooperation
low	cooperative disinterest	non-integration (isolation/dissociation)

As will be seen by the North Korean case, both isolation and dissociation contain considerable potential for turbulences and dangers. This is even more the case since isolation and dissociation may overlap and mutually reinforce each other. Isolation may be a reaction to dissociation as dissociation may be a response to isolation. The potential for turbulence stems from the fact that isolation and dissociation not only increase the propensity to conflict (which to be sure also increases with integration), but also the propensity to violence. Non-integrated actors mostly dispose of a substantial chaos power which is paradoxically related to their mounting relevance for other actors because of globalization, interdependence and complex cross-border repercussions. The craving for recognition of these non-integrated actors becomes more important for the environment, if it takes the form of striving for regional dominance or sectoral supremacy rather than only a defensively motivated foreign policy designed to preserve identity. This was a crucial question during the North Korean nuclear crisis.

Isolated and dissociating actors obviously do not participate in the processes of globalization and modernization to the same extent as do integrated ones. The North Korean backwardness is a case in point. The garrison state DPRK also substantiates that external influences and outside information are viewed through the filter of non-integration; i.e., isolation and dissociation largely determine the perception of exogenous factors. A correction of such a self-image and such a self-perception from outside is extremely difficult as non-integrated states develop a siege mentality. They create fantasy or dream worlds that are structured along the binary code of good versus bad, and a militarization of the respective societies follows. Closely connected to this is a tendency towards the militarization of foreign policy. Non-integrated actors often resemble a modern Sparta. They represent a factor of instability for the region and, increasingly, beyond. Thus, they are perceived as an actual or at least a

potential threat. This is also demonstrated by the North Korean case.[2]

Non-integration increases the chances of misinformation and misperception with unknown consequences. Such misperceptions can be observed on both sides, on the side of the non-integrated actor as well as of the environment. In such a constellation the reliability of the situation remains low and the issue area security assumes highest priority. From this, the well-known mechanisms of the security dilemma may be triggered. Worst-case thinking rules; arms races follow from this and the risk of military conflict increases. Again, North Korean dissociation is a case in point. In addition, indirect threats have to be taken into account, such as the non-integrated actors' cooperation with terrorist groups, their involvement in trading drugs and weaponry and their engaging in proliferation of weapons of mass destruction to raise the funds to finance their non-integration.

Our proposition is that the number of non-integrated actors will increase after the end of the East-West conflict. International politics is no longer determined—as it was in the past—by a structural conflict that exerted conflict-constraining and disciplining functions. In addition, the leeway for individual actors has increased. Policies of isolation, then, could well become more attractive, because isolation may no longer be followed by integration into the opposite camp as was the case in the past. Dissociative strategies might also become more attractive. One argument here is the increasing complex cross-border repercussions and the turbulent state of international relations; another is that dissociation is less prone to criticism and opposition than in the past due to the lack of a disciplinary instrument such as

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2 To significantly reduce these mutual threat perceptions confidence-building measures are required. For various approaches see the contributions in Robert E. Bedeski (Ed.), *Confidence Building in the North Pacific: New Approaches to the Korean Peninsula in the Multilateral Context* (Victoria, BC: 1996).

provided by the East-West conflict. As a result, then, isolation and dissociation may proliferate.

Both dissociation and isolation are phenomena that have been and are present in international politics and which often overlap. As "targets" for isolation in world politics and/or as actors pursuing strategies of dissociation, apartheid South Africa, Israel, Paraguay, Libya, Iran, Iraq, Taiwan, Burma, Cuba or the early Soviet Union can be cited.[3]

In our case North Korea, as well as in others both concepts, can be applied. As the DPRK is often regarded as a rogue, outlaw or crazy state, it is particularly worthwhile to explore to what extent isolatory policies can be an adequate response to such a situation.

North Korean Dissociation

The division of the Korean Peninsula along the 38th parallel is a product of the Korean War[4] and as such of the East-West conflict, or, to be more precise, of the cold war as a distinct phase of the East-West conflict. Since this time, the two Korean states—separated from one another by a narrow strip of concrete seven centimeters in height at Panmunjom—have been facing each other full of distrust and suspicion. The history of this East-West conflict *en miniature* is full of attempts to prove one system's superiority over the other, and, sometimes, these actions even involved the resort to force as exemplified by the Rangoon incidence in 1983. A precarious balance had been secured by the presence of the great powers, the Soviet Union and China and the United States.

Whereas South Korea eventually chose a strategy of integration into the Western network in the 1970s and 1980s, North

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3 See Deon Geldenhuys, *Isolated States: A Comparative Analysis* (Cambridge: 1990).

4 See Max Hastings, *The Korean War, 1950–1953* (London: 1987); Callum A. MacDonald, Korea: *The War before Vietnam* (Houndmills-Basingstoke: 1986).

Korea did not become fully integrated into the Eastern network. Although there was a period of strong orientation towards the Soviet Union and the brotherhood in arms with China, Pyongyang opted for a more or less autonomous and self-reliance path towards modernization. As a result, Pyongyang did not become a full-fledged member of the COMECON, but simply retained observer status; politically, it pursued a strategy of equidistance in relation to Moscow and Beijing without, however, breaking off these bilateral relations. To counter the advances of the South, Pyongyang remained dependent on Chinese and Soviet military and economic assistance. China and the USSR were needed as military allies in order to balance the South Korean–American alliance.

In domestic politics, North Korea became a hermit "kingdom." Kim Il Sung as the leader of the Manchurian[5] Stalinist-style Korean Workers' Party not only eliminated his democratic element or bourgeois, but also his opponents from other socialist-communist groups such as the Maoist Yenan faction within a decade after his accession to power. As a result, the DPRK became an extremely autocratic, even feudalist, centralized state. The masses were increasingly excluded from the political process, and from 1980 onwards there has not been a single party congress. In this first socialist dynasty Kim Il Sung tightly controlled the resources of political power including the Korean Workers' (communist) Party and the military. He—contrary to historical evidence—maintained that he was the savior of the country as he had liberated North Korea from Japanese rule and step by step he presented himself as an almighty father figure. The story of his life was newly written, glorified and mythologized. The resulting personality cult was successively broadened to include his family and, in particular, his son as his designated

5 This term stems from the guerilla-warfare against the Japanese in the Korean border regions. Sometimes the expression "Siberian" is used.

successor. In the consciously constructed environment of a mentality of siege this cult assumed quasi-religious characteristics. Kim Il Sung succeeded in presenting himself as the great leader (*suryong*) to the population, as a figure for identification and as the sole guarantor of order and development in a country that resembled some kind of modern Sparta.[6]

Consequently, the North Korean society has appeared highly uniform and monolithic well into our times—even more so since information has been almost thoroughly monopolized by radios and TVs that were and still are capable of receiving only North Korean frequencies. Some information trickled into the country through North Koreans who studied abroad (e.g. in the Warsaw Pact countries, but also in Western countries such as the Federal Republic of Germany) and through Koreans living in Japan, China and Russia, but their importance should not be overestimated.[7]

The international environment of the two Korean states changed fundamentally in the 1980s, however, and transformed the framework for North and South Korean foreign and domestic policies. Within the network in which North Korea had been partially integrated, the Cuban missile crisis of 1962 strained relations with the USSR as much as the American-Chinese rapprochement of 1972 did relations to China. Now, the international parameters turned even more adversary. For one, Mikhail Gorbachev realized that the Soviet Union was an incomplete superpower and tried to retain political power in the hands of the Communist leadership by domestic reform and a foreign policy strategy of detente and cooperation with the US. For another, with Deng Xiao-ping ascended to power at the end of the 1970s the People's Republic of China began to open its

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6 See Dae-Sook Suh, *Kim Il Sung: The North Korean Leader* (New York: 1988).

7 One example for this is Jacques Decornoy, "Délicate fin de guerre dans la péninsule de Corée," *Le Monde Diplomatique*, 23 November 1994, p. 22f.

economy for foreign economic activities and investments and implemented market-economic reforms. The political leadership in Pyongyang (as in Cuba or Albania at that time) perceived both developments as potentially destabilizing to the political system and as posing a real threat of loss of power. Soviet and Chinese politics, then, were regarded as a departure from pure ideological beliefs. The North Korean political elite responded to this by steadfastly clinging to the distinctly nationalist communist Juche Thought[20] although this ideology lacked any systematical and philosophical substantiation well into the 1980s. In addition, and even more important, Pyongyang more aggressively insisted upon political autonomy.

The significant shifts in the international roles of China and the USSR assumed the character of a perilous and existential threat with the collapse of the Soviet empire, the democratization processes in Eastern Europe and the German unification. Up to that time, the North Korean politics of dissociation had been semi-complete only because North Korea had been, at least partly, integrated into the Soviet and Chinese international networks. Now even this loose integration seemed to be crumbling and North Korean dissociation appeared to be turning into an almost full-scale dissociation. Pyongyang's power elite became encapsulated and tried to disentangle itself and the country from hostile events in the environment. In so doing, the government in a sense revived a tradition that had been prevalent in the Yi-dynasty (1392–1910). As a result, Kim Il Sung opted for a continuation and even intensification of dissociative and self-reliant development. This political decision was motivated by the assumption that the economic reforms in the two big socialist brother countries were suicidal as the collapse of the Soviet bloc

20 See Hans Maretzki, *Kim-ismus in Nordkora. Analyse des letzten DDR-Botschafters in Pjöngjang* (Böblingen 1991); Hyeong-Jung Park, "Zur Analyse des nordkoreanischen Phänomens", PhD dissertation, Marburg 1992, pp. 299–359.

and events at Tiananmen exemplified. For North Korea the costs of this political option consisted in a considerable (but not complete) loss of political, military and economic support from ideologically friendly states.

Facing complex economic and political problems Moscow took various measures.[9] Since the late 1980s it reduced its military, nuclear, technological and civil assistance for North Korea until eventually it even suspended it. From 1991 onwards, Russia demanded bilateral trade to be conducted on a hard-currency basis. Exports of military goods such as the MiG-29 aircraft were drastically reduced. The importance of this move becomes clear when one takes into account that North Korean military imports totalled $4.6 billion in the period 1987–1991, but that the value of such imports from the Soviet Union amounted to $4.2 billion in the same period.[10] Furthermore, since 1988 Moscow established working political and economic relations with North Korea's arch enemy Seoul in order to encourage South Korean companies to invest in Russian economic development. Two years later, the Soviet Union even supplied enriched uranium to Seoul. In late 1990, at last, Moscow and Seoul established official diplomatic relations despite vehement protests from Pyongyang, who responded by refusing to welcome Soviet Foreign Secretary Shevardnadze. The effect of this Soviet move on North Korea might be compared to the effect of the recognition of the German Democratic Republic by Western countries on the Federal Republic of Germany during the times of the Hallstein Doctrine. In mid-December 1990 the Soviet Union committed itself in the Moscow Declaration to a peaceful solution of the Korean question and thereby signalled to Pyongyang that it would remain

9 For details see Joachim Glaubitz, "Die Sowjetunion und die koreanische Halbinsel," *Au enpolitik*, Vol. 43, 1992, No. 1, pp. 82–91.

10 These data are given by Gerald Segal, "Managing New Arms Races in the Asia/Pacific," *Washington Quarterly*, Vol. 15, 1992, No. 3, pp. 83–101, p. 89.

neutral in the case of a Korean conflict. In effect, then, North Korea lost the shelter of the Soviet nuclear umbrella. The USSR also worked constructively to make possible inspections of the IAEA and a detente in the North–South Korean relations. Eventually, in 1992 Russia's Boris Yeltsin, de facto but not de jure, cancelled the pact of mutual assistance in order to express his disapproval of Pyongyang's position in the nuclear question.[11]

Despite an ideological rapprochement in the wake of the Tiananmen incident Beijing markedly curbed the previous scope of Pyongyang's preferential treatment in the economic field. Beginning in 1990, North Korea had to pay for its imports from China in hard currency and since the end of 1990 Beijing has greatly reduced the supply of oil on credit terms. Cooperation in the field of nuclear technology had already been stalled in 1987. Even more important were political moves toward South Korea. In 1991, the Chinese leadership indicated to Seoul whose world political prestige had been greatly enhanced in the course of the Olympic Games in South Korea in 1988, that China would refrain from vetoing a South Korean application for UN membership. Since Moscow also preferred the South Korean proposal of two Koreas in the UN instead of the North Korean insistence on one Korean seat, Pyongyang had to give in and applied for separate membership. Accordingly, the two Koreas became members in September 1991. For Kim Il Sung and the political leadership in North Korea this was nothing less than a major diplomatic debacle. It dealt a deadly blow to the long-standing North Korean position of non-recognition of the South Korean government and meant a U-turn to the categorical rejection of the two-state solution to the Korean question. In a second move, then, China established diplomatic and economic contacts with Seoul in August 1992 as a means of gaining South Korean

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11 The de jure cancellation of the treaty's articles referring to mutual assistance was to take place in September 1995. *Far Eastern Economic Review*, 5 October 1995, p. 14.

investment in China's coastal regions. Obviously, this has been regarded as another insult in Pyongyang.

As a result, then, the significant reduction of Chinese and Soviet economic assistance in addition to the drying up of trade relations to these countries caused a whole series of economic problems for Kim Il Sung, particularly because the political elite gave undiminished priority to military armament which consumed about 25% of GDP according to Western estimates.[12] The decreasing oil supply, parts of which were reexported to gain hard currency, implied energy shortages and a crisis in production. Economic growth rates that had already markedly declined in the 1970s slackened even further. By the middle of the 1980s, the economy was characterized by stagnation and towards the end of the decade it began to shrink substantially.[13] In 1993, then, the population suffered quite heavily from a famine that could be alleviated only with Chinese assistance. Since then, reports about the shortage of food in North Korea have proliferated and by 1997 the situation has become even worse: more people than ever are affected by the famine; the outlook for the 1997 harvest is dim and international aid insufficient.

Politically, North Korea's international position had been damaged due to increased pressure from China and the USSR. Simultaneously, arch enemy South Korea was able to improve its position not only economically, but also politically. As one of the four Asian dragons, South Korea has witnessed an enduring

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12 Dalchoong Kim, "Die Nuklearfrage auf der koreanischen Halbinsel—Hemmschuh für Stabilität und Entwicklung," *Europa-Archiv*, Vol. 49, 1994, No. 10, pp. 290–298, p. 297. In 1996, North Korea is even reported to have spent $5.6 billion or about 30% of its GNP on the military. Chung Kyu-sup, "A Reshuffle in the Power Hierarchy Under Kim Jong-il's Leadership, and an Analytic Study on Its Stability," *Korea Herald*, Vol. 20, 1997, No. 7. (http:www.koreaherald.co.kr/nknews/nk0797/nk07sas0.html)

13 1990 (-3,7%); 1991 (-5,2%); 1992 (-7,6%); 1993 (-8,5%); 1994 (-8,5%); 1995 (estimate -7,5%). See Hakjoon Kim, "North Korea after Kim Il-song and the Future of North-South Korean Relations," *Security Dialogue*, Vol 26, 1995, No. 1, pp. 73–91, p. 82.

economic progress since the 1960s which produced a GNP overshadowing by far that of the North and led to its inclusion into the OECD in 1996.[14] In the 1980s, under pressure of a social protest movement, the military government opted for a cautious and gradual democratization from above. Following this course, in 1987–88 South Korea managed the transition from an authoritarian political system to a democratic one. Although it as yet cannot be regarded as a fully-fledged, consolidated democracy, the opportunities for political participation have substantially increased in the last decade. In the competition among the two Koreas, then, the North perceptibly fell behind. Seoul added to these problems when President Roh Tae Woo initiated a policy of detente and of change through rapprochement in mid-1988—a policy that was continued by his successor Kim Young Sam.

To find some way out of this malaise, Pyongyang engaged in arms trade. Weapons of mass destructions, parts for weapons, missile technology and nuclear technology were traded (partly for oil) with states such as Syria, Iran and Iraq.[15] North Korea has sold advanced Scud-C missiles to nations in the Middle East: 90–100 to Iran in the late 1980s and 20–24 to Syria (including mobile launchers) after the Second Gulf War. Armaments goods were also sold to terrorist groups. In 1989 alone, North Korea exported armaments worth more than $400 million.[16] Accordingly, one aspect of the nuclear dispute was that to impose sanctions in order to achieve North Korean compliance might have meant nuclear proliferation on a large scale since the sale

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14 See also OECD, *Economic Surveys 1993–1994 Korea* (Paris: 1994).

15 The states named are also "outsiders" in international politics. The cooperation between outsiders, then, poses the theoretically interesting question of the possibility of forming some kind of "alliance" of outsiders, i.e. a counter-integrative strategy to "mainstream" integration.

16 Segal, "Managing New Arms Races," p. 85; Lee Sun-ho, "North Korea's Development of Weapons of Mass Destruction," *Korea Focus*, Vol. 4, 1996, No. 2, pp. 39–49, p. 48.

of one nuclear bomb alone would have kept the country and its political system alive for about one more year.[17]

Besides engaging in proliferation Pyongyang tried to find some economic relief by—reluctantly—trying to improve relations with the South. While direct economic cooperation has been officially rejected, indirect bilateral trade and indirect South Korean investment via China have been rising since 1988. As a result, trade with the South increased from $1 million in 1983 to $232 million in the first eight months of 1994.[18] Politically, North Korea signed the agreement on reconciliation and non-aggression in late 1991, which also contained provisions regarding the denuclearization of the Korean peninsula.

North Korean politics between dissociation and integration: The nuclear issue

Another way to find some compensation for these positional losses was to go nuclear. To deal with this issue, we have to go back to 1945. When the US dropped atomic bombs on Japan, Kim Il Sung was heavily impressed by this new weapon and never lost his admiration for the bomb. His own nuclear weapons program probably dates back to the Cuban missile crisis in 1962 when Pyongyang learned that Moscow might not be a reliable ally. This assumption is supported by the evident connection

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17 By contrast, David C. Kang, "Preventive War and North Korea," *Security Studies*, Vol. 4, Winter 1994/95, No. 2, pp. 330–364, p. 332, maintains that the danger of North Korean nuclear proliferation has been greatly exaggerated. However, the economic benefits of proliferation are substantial and thus the problem of proliferation has been real.

18 Samuel S. Kim, "North Korea in 1994. Brinkmanship, Breakdown, and Breakthrough," *Asian Survey*, Vol. 35, 1995, No. 1, pp. 13–27, p. 26. For South Korean entrepreneurs, the attraction of any economic opening in North Korea is obvious: a common language and culture, a low-wage and putatively disciplined labor force and geographical proximity. Intra-Korean trade is still on the rise: Bates Gill, "The Divided Nations of China and Korea," in *SIPRI Yearbook 1996. Armaments, Disarmament and International Security* (Oxford: 1996), pp. 133–159, p. 139.

between the strategy of self-reliance and autocentric development following from the juche ideology. Chajusong (independence) in military terms is a logical consequence of juche as well. Yet, there remain some uncertainties as to whether 1962 was the year in which it all began. At the latest, however, North Korea definitely started its own nuclear weapons program in the 1970s when South Korea was reported as engaging in a clandestine nuclear weapons development program. Throughout its existence, the North Korean program was conducted under the personal control of Kim Il Sung who primarily stressed its deterrent function.[19]

In the 1980s there was a rather intense nuclear cooperation with the Pakistani and the Iranian militaries which was known to the West. As early as mid-1987 already there were reports based on American and French satellite photos that near Yongbyon North Korea operated nuclear reprocessing facilities with explosion test devices near them. Since this was prone to easy detection, the Yongbyon facilities during the nuclear dispute were regarded as "a dummy plant erected for the facilitation of bargaining" while the real reprocessing complexes were supposed to be underground. Moreover, according to some sources, the DPRK even conducted a nuclear test in mid-1989.[20] While this is not yet fully certain, it is taken for granted that sometime between 1989 and 1991, the DPRK extracted and—possibly—reprocessed some plutonium from an indigenous five-MWT reactor commissioned in January 1986. According to a CIA estimate, North Korea produced six to nine

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19 Alexandre Y. Mansourov, "The Origins, Evolution and Future of the North Korean Nuclear Program," *Korea and World Affairs*, Vol. 29, 1995, No. 1, pp. 40–66, p. 47, p. 49–51. Seoul abandoned this program in 1975 because of American pressure. Washington, then, agreed to covertly deploy tactical nuclear weapons in the South.

20 See Kim Byungki, "North Korea's Nuclear Policy in the Year 2000: Sources, Strategy and Implications for the Korean Peninsula," *Journal of East Asian Affairs*, Vol. 7, 1993, No. 1, pp. 32–57, p. 46–48, quotation p. 47f.

kilograms of weapons-grade plutonium, which may be sufficient to produce one or two nuclear devices. In 1993, a radio-chemical laboratory—a euphemism for a nuclear fuel reprocessing plant—was made operational and constituted the second-largest facility of that kind in the world after the US. In Yongbyon alone, there are more than one-hundred nuclear facilities.[21]

In the late 1980s Kim Il Sung supposedly came to realize the political utility and instrumentality of the nuclear issue. To be sure, North Korea had become a member of the Non-Proliferation Treaty (NPT) in 1985 due to Soviet pressure, but it never fully complied with its rules. Instead, the country resisted IAEA demands for inspection. Since 1989 Pyongyang made inspections contingent on the preceding withdrawal of American nuclear weapons from South Korea and an American declaration on the non-use of nuclear weapons against North Korea, which led Seoul to resume its missile program in 1990. In 1991, then, the North Korean nuclear ambitions were made public to the world in the course of prolonged recalcitrance by the Kim Il Sung regime.

His decision to play the nuclear card presumably had multiple facets. One aspect was to compensate for the weakening security-political bonds to Moscow and Beijing;[22] another was to counter the advances South Korea had made in the past and to reestablish North Korea as a power to reckon with in the region. Also, US ambivalence must be mentioned since the Bush administration had thought of reducing American troops in the region and seemed to be stepping back from its leadership role. This

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21 Mansourov, p. 43; Lee Sun-ho, p. 43. Lee Sun-ho (p.44) also stresses North Korea's capability to allocate the necessary financial means to achieve nuclear power status. For a list of North Korean nuclear related facilities, radio-chemistry laboratories, isotope processing facilities, waste storage sites, explosives test sites and support facilities see Joseph S. Bermudez, Jr., "North Korea's Nuclear Infrastructure," *Jane's Intelligence Review*, Vol. 6, 1994, No. 2, pp. 74–79.

22 Andrew Mack, "North Korea and the Bomb," *Foreign Policy*, No. 83, Summer 1991, pp. 87–104, p. 93.

draft of a modified US position in the Asian-Pacific region written by Undersecretary of Defense Paul Wolfowitz could be interpreted as a reduction of the American commitment in the region.[35]

Should Pyongyang succeed in its strife for the status as a nuclear power, a destabilizing shift in the pattern of the distribution of power in the region and a nuclear arms race could be expected. This apprehension in the world could by used by Kim Il Sung to secure his own position as supreme leader of the country and the prolonged existence of the political system he created as well as to extract concessions from the west. The mere announcement that it would admit IAEA inspections in 1991 was advantageous to Pyongyang both politically and economically. In the same year Washington, Seoul's military ally, withdrew its nuclear weapons from South Korean soil and cancelled the joint Team Spirit maneuver in 1992. Also, relations with Japan have improved since 1990. Tokyo was and still is interested in political stability on the peninsula and in opening opportunities for economic intrusion into North Korea and beyond, e.g. into Siberia. By intensifying relations to Pyongyang, Tokyo also tried to take precautions in case of a possible and, perhaps, anti-Japanese oriented[36] unification of the country and the power-political turbulences associated with such a unification. Thus, when the North Korean nuclear ambitions were revealed in 1991, Tokyo further intensified its relations to the country. A second boost in Japanese-DPRK relations occurred in 1993 after Pyongyang had tested its *Rodong* intermediate range missile, an

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35 Sang Hoon Park, "North Korea and the Challenge to US-South Korean Alliance," *Survival*, Vol. 36, 1994, No. 2, pp. 78–91, p. 79; Bernard K. Gordon, "The Asian-Pacific Rim: Success at a Price," *Foreign Affairs*, Vol. 70, 1991, No. 1, pp. 142–159, p. 157. See also James A. Baker, III., "America in Asia: Emerging Architecture for a Pacific Community," *Foreign Affairs*, Vol. 70, 1991, No. 5, pp. 1–18 for the new transpacific relations.

36 Kay Möller and Markus Tidten, "Nordkorea und die Bombe: Radikalisierung in der Isolation," *Aussenpolitik*, Vol. 45, 1994, No. 1, pp. 99–109, p. 103.

upgraded version of the Soviet *Scud* and *Frog* missiles which could be equipped with ABC-warheads and reach Japanese territory.[25]

The Japanese policy towards North Korea became similar to an appeasement policy as Tokyo refrained from interrupting the substantial flow of money from the 100–250,000 Koreans living in Japan to their families in the DPRK—money that was becoming more and more important for the North Korean regime in the face of the given circumstances. Only in mid-1994 was Japan willing to cut these financial transactions, which are estimated to amount to $600 to $1,800 million per year.[26]

At first, Pyongyang seemed to play according to the rules by signing the inspection agreement with IAEA officials in early 1992. In reality, however, it denied the IAEA inspection teams—either partly or completely—access to its nuclear sites. In the domestic psychological-political atmosphere of a garrison state, this move was destined to prove North Korean sovereignty to the perceived inimical international environment, to show strength and determinedness to the North Korean population and, thereby, to stabilize and affirm the political rule in the country.

In the international community, however, the policies Kim Il Sung pursued gave rise to sincere concerns and doubts about North Korean reliability and contractual fidelity. Moreover, they seemed to confirm that the DPRK already had nuclear weapons or was close to getting them. The US, South Korea, Japan and the

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25 Osaka and Kyoto are within reach, and the missile bases in Myongchon and Hwadae of North Hamgyong Province have Okinawa within shooting range as KPA defector Sergeant Lee Chung-guk testified on 22 March 1994. See Mansourov, p. 49f.

26 According to more recent research, however, these figures are much too high. Eberstadt, e.g., generates a figure of under $40 million per year for the years 1990–93. Nicholas Eberstadt, "Financial Transfers from Japan to North Korea. Estimating the Unreported Flows," *Asian Survey*, Vol. 36, 1996, No. 5, pp. 523–542, p. 539.

UN tried to pressure Pyongyang using a carrot-and-sticks policy in order to gain North Korean compliance to the IAEA inspection regime. On the one hand they promised economic assistance; on the other they underlined American deterrence capacities.[27] Despite this, Pyongyang announced its withdrawal from the NPT in March 1993. The resumption of the Team Spirit maneuvers and the perceived interference of the IAEA in domestic North Korean issues were cited to justify this move. The question for the powers involved, then, was how to respond to this. Hard, isolationist policies (economic sanctions, military deterrence) and soft, integrative policies (economic assistance, negotiations) were the alternatives at hand.

Despite vehement South Korean opposition, in April Washington indicated its interest in direct, bilateral talks with the Kim Il Sung regime thus opting for integration strategies that were recommended to the other involved powers as well. As a result of these talks, the US guaranteed its non-interference and non-aggression in June 1993. In a second round of talks, Pyongyang responded by promising to resume the inter-Korean dialogue. Washington, in turn, held out the prospect of American assistance in the switching from gas-graphite to light-water nuclear reactors. The nuclear dispute, however, could not be settled and in early November 1993 the UN General Assembly tried to put moral pressure on Pyongyang by demanding full compliance to the rules of the NPT treaty—without success.

As a result of these developments, Seoul and Washington resumed their yearly Team Spirit maneuvers with the field exercise Foal Eagle in mid-November. Pyongyang marked this as an unfriendly measure and called it the trigger for a second Korean war. Irrespective of this militant rhetoric, Pyongyang

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27 Nicholas Eberstadt, "Can the Two Koreas be One?," *Foreign Affairs*, Vol. 72, 1992, No. 5, pp. 150–165, p. 159.

maintained and indicated a genuine interest in sustaining the established communication channels. There were even signs of a beginning North Korean perestroika, a cautious economic reform—leaving, of course, the political sector aside. Prime Minister Kang Son-san, for example, was quite frank when he described the awkward situation in economics in December 1993. The creation of special economic zones and invitations for foreign investment were also indicators of a nascent economic liberalization. The driving rationale behind these measures was, of course, the well-grounded fear of mounting social unrest in the wake of shortages and deficiencies in the supply of foodstuffs and in the face of a languishing and quickly declining industrial production, which was only working at thirty to fifty percent of its capacity because of scarcity of energy. Socio-economic pressure, then, demanded a continued interest in negotiations. As a result, Pyongyang underlined its willingness to reach a peaceful settlement of the inspection issue and re-announced their resumption in January 1994.

However, this permission covered the seven well-known nuclear sites only and not two secretly operated sites and some storage sites—the existence of which was revealed by American satellite photos documenting the measures that had been taken to camouflage them. When the inter-Korean talks failed in mid-March 1994 because of the nuclear issue, Seoul decided to buy the American anti-missile system *Patriot*. Despite the strictly defensive character of the *Patriot* system Pyongyang perceived this move as a military provocation and gathered an impressive amount of troops at the border. In turn, South Korean Defense Secretary Rhee Bjoung-tae put the South Korean military on the alert.

At the end of March North Korean obstructionism forced the IAEA to call upon the UN Security Council. However, different interests among the permanent members of the Security Council undermined any joint policy towards the "outlaw state" North Korea. China—the country with which Pyongyang has the most

contact[28]—together with the non-aligned countries forestalled a resolution accusing Kim Il Sung's policies and threatening sanctions.[29] Instead, the Security Council could only agree on a non-binding declaration. China's motivation was to prevent an economic and political collapse of Kim Il Sung's regime, which presumably would lead to a Korean unification, and to preserve the DPRK as China's military forefield. Thus, in Beijing's view, to put pressure on Pyongyang was an inadequate strategy. Instead, negotiations were preferred as the best means to avoid a nuclear arms race in the region.[30] Beijing also tried to alleviate North Korean apprehensions about the malign political effects of economic liberalization and invited North Korean politicians to an inspection tour of the Chinese special economic zones.[31] Moscow also recommended negotiations and proposed an international conference with the US, Japan, North and South Korea plus representatives of the IAEA and the UN.

In April, however, as he was about to leave for Seoul, American Secretary of Defense William Perry advocated a determined position vis-a-vis Pyongyang which did not exclude military means and referred to reports indicating the North Korean

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28 B.C. Koh, "Trends in North Korean Foreign Policy," *Journal of North East Asian Studies*, Vol. 13, 1994, No. 2, pp. 61–74, p. 65.

29 June Teufel Dreyer, "Regional Security Issues," *Journal of International Affairs*, Vol. 49, 1996, No. 2, pp. 391–411, p. 398f.

30 This is not to say that China completely refrained from pressure. In March 1993 China closed its border to North Korea and in May threatened to boycott the seaports Rajin and Chongjin. Also, it should be mentioned that the delivery of armaments to Pyongyang has been significantly reduced. Yong-Sup Han, "China's Leverages over North Korea," *Korea and World Affairs*, Vol. 18, 1994, No. 2, pp. 233–249, pp. 243–245.

31 On the Chinese view of Pyongyang see Banning Garrett/Bonnie Glaser, "Looking Across the Yalu: Chinese Assessments of North Korea," *Asian Survey*, Vol. 35, 1995, No. 6, pp. 528–545. At the end of 1991, Pyongyang created a special economic zone along Chinese lines around the seaports Rajin and Sonbong which are located in the Northeast of the country close to the Chinese border. By now, there are four SEZs in North Korea. Up to date, their infrastructure and industrial development has been very modest.

capability to produce up to five nuclear bombs.[32] Others opted for a trade embargo including a quarantine and naval blockade or a sticks-and-carrots approach in which military action could be necessary.[33] Some even suggested preventive military strikes.[34] By contrast, President Clinton was determined to use the entire range of non-military means first. As a result, Washington announced joint military exercises with South Korea to exert pressure on Pyongyang; yet, at the same time the Patriot missile interceptors were supplied by ship to deescalate the situation. For some time, then, North Korean political moves appeared promising as in late April Pyongyang proposed to sign a peace treaty substituting for the armistice of 1953. Soon thereafter, however, Kim Il Sung ordered an exchange of nuclear fuel rods. By doing so, it became increasingly impossible to ascertain whether Pyongyang had extracted nuclear weapons-grade material and, if yes, the amount. Despite this or perhaps because of this, Washington confirmed its willingness to resume negotiations with North Korea at the end of May. Nevertheless, the exchange of nuclear fuel rods went on, and the Security Council responded by issuing a tough warning to Pyongyang. The mechanisms of escalation worked in this situation because Kim Il Sung threatened war in case of punitive measures.

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32 Kang Myong Do, a North Korean defector, who was introduced as the son-in-law of Prime Minister Kang Song San by the South Korean secret service in late July 1994, confirmed this information. According to his testimony, North Korea owns five nuclear warheads. The North Korean press agency KCNA denied both Kang Myong Do's identity and his testimony.

33 Ronald F. Lehmann, II., "A North Korean Nuclear-Weapons Program. International Implications," *Security Dialogue*, Vol. 24, 1993, No. 3, pp. 257–272, p. 271f.

34 For the opposite position see David C. Kang, p. 331. The American attack on Tuwaitha in January 1991 which left Iraq's clandestine nuclear weapons program largely intact, could be cited to confirm doubts about preventive attacks. See Hyun Chung, "North Korea's Nuclear Ambitions and the Current Nuclear Non-Proliferation Regime," *Korean Journal of International Studies*, Vol. 25, 1994, No. 3, pp. 229–257, pp. 246–248.

The fundamental problem for the international community's reaction was the lack of reliable data on the exact number of North Korean nuclear sites and their precise location. Obviously, some of them were underground. In addition, American military experts indicated that Kim Il Sung's troops might successfully execute a surprise attack and take Seoul, close to the inter-Korean border, as hostage. Consequently, preventive military strikes had to be excluded as a realistic alternative to the toilsome diplomatic approach. The DPRK represented both an "enemy state" and a "partner."[35] In mid-June 1994 former US president and emergency-approved mediator Jimmy Carter flew to Pyongyang—on North Korean request (!) which indicates the North Korean interest not to let relations break off. Consequently, his visit turned out to be successful. In discussions with Kim Il Sung he secured the great leader's promise to resume negotiations with Seoul and to cancel North Korea's nuclear program. As a further result, Kim Il Sung even proposed a North-South summit in Pyongyang, a novelty in inter-Korean relations, and indicated support for the American plan to switch from gas graphite to light-water reactors which are much less capable of producing nuclear-weapons-grade plutonium.

The sudden death of Kim Il Sung on 8 July 1994 interrupted this process of rapprochement; the North-South summit and the talks with the US were postponed. The suspected end of North Korean conciliatory policy towards the South, however, did not occur. By contrast, economic relations further improved and expanded. In mid-July, Pyongyang issued a law concerning the formation of joint ventures; a free-trade area close to the Tumen river at the border with China and Russia was discussed; and the North confirmed its determination to locate South Korean corporations in the seaport Nampo. Washington and Seoul moved to fortify the process of detente by offering economic assistance and assistance in the conversion of the nuclear reactors. North

35 Sang Hoon Park, p. 86.

Korean–American talks were resumed on 9 August in Geneva and both sides were heading for compromise. The Clinton administration was interested in coming to terms with Pyongyang in the nuclear dispute because not to reach an agreement with the North might have endangered the prolongation of the NPT scheduled for April 1995. A few days after Kim Jong-il was presented as the new leader of the country, a final agreement was reached in mid-October.

The Treaty and Its Implications

The Agreed Framework on the Nuclear Issue signed in Geneva on 21 October 1994, consisting of four pages plus a secret two-page appendix, has been celebrated as an optimal compromise solution.[36] In this accord, Pyongyang agreed to shut down the Russian gas graphite nuclear reactor in Yongbyon, to stop the ongoing construction of two more reactors of this kind and to permit IAEA inspections. In turn, the US promised to lift gradually the trade and investment sanctions and to supply two modern 1000–MWT-light-water-reactors of South Korean origin and up to 500.000 barrels crude oil per year. Three months after the signing of the treaty this supply was to begin; after three more months the supply of the light-water-reactors was to be contractually negotiated in detail. In addition to this, the US and North Korea agreed to establish liaison offices in Washington and Pyongyang. "The Geneva accord," writes Manwoo Lee in conclusion, "rewards a rogue state for promising to become a responsible member of the international community."[37]

The treaty could be interpreted as the means to overcome the impasse in socioeconomic development caused by the politics of

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36 Byung Chul Koh, "Confrontation and Cooperation on the Korean Peninsula: The Politics of Nuclear Nonproliferation," *Korean Journal of Defense Analysis*, Vol. 6, 1994, No. 2, pp. 53–83.

37 Manwoo Lee, "North Korea: The Cold War Continues," *Current History*, Vol. 95, December 1996, pp. 438–442, p. 440.

dissociation. To give an illustration: In 1993 alone, the economy shrank by five percent and GNP was only eighty percent of 1989's GNP.[38] Economically and politically, then, the signing of the treaty benefitted Pyongyang considerably. On the one hand, the sovereignty and the equal status of the North Korean political system was re-confirmed internationally; on the other hand, substantial economic assistance loomed on the horizon because Washington and Seoul announced the lifting of the trade embargo and promised comprehensive economic cooperation. As a consequence, in the eyes of Pyongyang the Agreed Framework constituted an American guarantee for the North Korean political system; South Korea, Japan and the US, by contrast, viewed it as the prelude to the peaceful transformation of the North Korean regime.[39]

For the US, moreover, the Geneva accord constituted a big step (at least ostensibly) to keep the DPRK within the NPT and thereby to enhance the chances for a prolongation of the non-proliferation regime in 1995. At the same time, the entire region was politically stabilized by de-capping an acute political storm center. Japan, Russia, and South Korea agreed to this. South Korea, in particular, was willing to pay a substantial price to reach a compromise with Pyongyang. Seoul was (and is) almost condemned to engage heavily in the process of opening and liberalization in North Korea in terms of financial and economic assistance. The rationale behind this is to prevent a mass exodus from the North because of economic plight and to avert a swift unification of the country resulting from it. A unification would pose economic problems to the South that would surmount even the substantial difficulties with German unification. As a conse-

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38 Koh Il-Dong, "The Future of the Two Korean States: The Economy is the Key," *Internationale Politik und Gesellschaft*, Vol. 1, 1994, No. 4, pp. 343–350, p. 345. See also the differing data in footnote 13.

39 Matthias Dembinsk, Kay Möller and Markus Tidten, Die koreanische Nuklearkrise und das Nichtverbreitungsregime, unpublished manuscript, Ebenhausen 1995, p. 7.

quence, Seoul tries to handle these problems preventively through programs of cooperation and exchange and by encouraging South Korean investments in the North. In the South Korean design a Korean unification is to occur gradually, to begin with economics first and later to be extended to the political sector.[40] On this point—notwithstanding the domestic opposition forces in the South—the interests of the North and the South converge and form a bizarre alliance. Both opt for the maintenance of the status quo and thus for the two-state solution. It can be safely assumed, therefore, that there will be a peace treaty in the near future.

The Geneva accord meant—at least superficially—a considerable political stabilization for the countries in the region and, perhaps, marked the prelude to a deepening cooperation within and beyond the region. The degree of reliability and predictability of the situation in the region increased substantially and benefitted all the actors in the region. A dramatic nuclear arms race including China, Japan and South Korea could be prevented for the time being, the security dilemma in the region could be significantly reduced. This also benefitted extra-regional actors and the international community at large. At first sight, the non-proliferation regime could be strengthened as well. There were also promising signs of a nascent Chinese-American cooperation in security political matters because in November 1994 Beijing and Washington—for the first time since 1989—talked about disarmament, the stoppage of nuclear tests, the extension of the NPT and the production of uranium and plutonium.

Yet, looking at these promising points, one may be tempted to overlook more negative and gloomy signs. It may be possible that by signing the Geneva accord Kim Jong-il merely tried to

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40 Government and opposition agree on this point. See e.g. the three-step plan (peaceful coexistence—peaceful exchange—peaceful unification) of Kim Dae Jung, "The Once and Future Korea," *Foreign Policy*, No. 86, Spring 1992, pp. 40–55, and Kim Young Sam's design (cooperation and reconciliation, economic union, political union) of 15 October 1994, as reported by Decornoy, p. 22f.

consolidate his grip of power. The accord implied stability and reliability in matters of foreign policy which enabled him to concentrate his resources to win the power political struggle within the regime, to establish himself as the political leader of the country. The accord also implied the recognition as a sovereign and equal actor in world politics and, as this recognition was extracted even from the long-standing enemy, Washington, this could also be a trump card in the domestic power struggle.[41] Thus, short-term stability in the region may be transitory as a consolidated Kim Jong-il regime might turn to more aggressive politics again in the future.

An even gloomier aspect comes to mind when dealing with the sensitive question of whether the DPRK is actually disposing of nuclear weapons—whether it is close to having them or not. Reliable information will be at hand at the time when the IAEA is permitted to inspect the two North Korean nuclear storage sites. However, this will only happen after a few years' time when the main parts of the new light-water reactors have been supplied as set forth in the Geneva accord. This ambiguity[42] in the accord was immediately criticized, for example by IAEA managing director Hans Blix. Others were more direct and concluded that "North Korea's nuclear weapons program has been and remains a serious security threat to the international community."[43]

At present, the views on the nuclear capacities of the DPRK differ largely. Whereas Russian nuclear experts maintain that North Korea is not capable of producing nuclear weapons, American, Japanese and South Korean secret services report

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41 Mansourov, p. 59.

42 See Byung-Joon Ahn, "Korea's Future after Kim Il-Sung," *Korea and World Affairs*, Vol. 28, 1994, No. 3, pp. 442–472, p. 459.

43 Kathleen C. Bailey, "The Nuclear Deal with North Korea: Is the Glass Half Empty or Half Full?" *Comparative Strategy*, Vol. 14, 1995, No. 2, pp. 137–148, p. 137.

Pyongyang as already producing nuclear warheads and thereby complementing its arsenal of weapons of mass destruction which also include chemical and biological weapons.[44] A friendly gesture for the new North Korean political leadership would be to sign the Chemical Weapons Convention in addition to the already signed Biological Weapons Convention. Another and even more important one would be voluntarily to permit an earlier inspection of the two nuclear storage sites. However, if the new regime does not move in this direction, one has to proceed from the assumption that Pyongyang already has nuclear weapons, especially when taking into account past experiences with North Korean foreign policies of equidistance and with its contractual fidelity. It can by no means be ruled out that Kim Il Sung's intention to establish normal and working relations with foreign countries and simultaneously to pursue the nuclear program will become reality. Consequently, The Economist and others suspected the Geneva accord to be detrimental to the prolongation of the NPT in the long run.[45] Other crazy or backlash states might use North Korean nuclear politics as a model to extract similar gains, and, moreover, states such as South Korea or Japan might go nuclear as well. Accordingly, Washington receives most of the blame for this precarious outcome by giving in to North Korean blackmail and having agreed to "an exchange of unequal concessions—Washington's maximal *quids* for Pyongyang's minimal *quo*."[46] Even, the term appeasement is used in the criticism of American diplomacy.[47]

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44 Ibid., p. 143; Lee Sun-ho, p. 46f.

45 "Storing up Trouble," *The Economist*, 22 October 1994, p. 20; Ronald F. Lehman, II., "Some Considerations on Resolving the North Korean Nuclear Question," *Korean Journal of Defense Analysis*, Vol. 6, 1994, No. 2, pp. 11–33, p. 12.

46 Samuel S. Kim, "North Korea in 1994," p. 20.

47 J. D. Crouch II., "Clinton's 'Slow Boat to Korea'," *Comparative Strategy*, Vol. 14, 1995, No. 1, pp. 35–44, p. 36; Bailey, p. 138.

Yet, to date North Korean policy is in line with the accord. In early November 1994, Pyongyang announced the stoppage of construction at two nuclear power stations and the shutdown of another. Clearly, this could be taken as a strong sign for the North's profound interest in implementing the treaty. On 28 November the IAEA publicly stated that its team visited the nuclear facilities in Yongbyon and Taechon and confirmed that these facilities were not in operation and that construction work had stopped. As a result, on 16 December the US, South Korea and Japan agreed to create the Korean Peninsula Energy Development Organization (KEDO), an international consortium eventually coming into existence on 9 March 1995, to process the supply of the light-water reactors. Pyongyang then eased trade restrictions in mid-January 1995 and the US responded by alleviating some trade sanctions in place since 1950. Nevertheless, some frictions remained and still remain. Establishing the liaison offices in Washington and Pyongyang proves to be time-consuming and is well beyond the time schedule. In addition, North Korea opposed Seoul as the supplier of the reactors in the first half of 1995. In mid-June, however, Pyongyang accepted this point in the negotiations with the US in Kuala Lumpur.[48] Most recently, at the end of July 1997, the construction (by KEDO) of two nuclear power plants in Sinpo was initiated. Consequently, the implementation of the Geneva Accord is gradually progressing despite certain setbacks.

Time, then, is the crucial factor. Both North Korea and the US play for time and expect a future improvement of the situation in their favor. The US calculation, however, seems more realistic. In addition, the North Korean regime is subjected to a power-

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48 Jhe Seong-ho, "North Korea's Rapprochement with U.S. and Japan," *Korea Focus*, Vol. 4, 1996, No. 4, pp. 64–75, p. 69f.; Manfred Pohl, "Atompoker und wirtschaftlicher Niedergang: Nordkorea nach dem Tode Kim Il Sungs," in: Joachim Betz and Stefan Brüne (Eds.), *Jahrbuch Dritte Welt 1996. Daten-Übersichten-Analysen* (München: 1995), pp. 230–238. See also "Turbulence in the Koreas," *IISS: Strategic Survey 1996/97* (London: 1997), pp. 182–191.

political logic. If Pyongyang should spoil the accord in the years to come, the North Korean position would surely deteriorate. This substantiates reasonable hopes that the Agreed Framework will be comprehensively implemented.

How to Explain North Korean Politics

American disengagement from South Korea seems not to have been the main goal of Kim Il Sung although the US was perceived as highly inimical by Pyongyang. Instead, it seems more plausible that North Korea's policies stiffened because in the wake of the faltering East-West conflict the process of detente was interpreted as a thorough menace to the very existence of the North's political system. In pursuing these more aggressive foreign policies, Kim Il Sung rightly counted on the Chinese determination not to permit intervention in an area so close to the Chinese border. The nuclear bomb, then, was not primarily an instrument for re-integration into the international community and a means to extract economic concessions and political respect from the West.[49] These were secondary goals. The prevailing aim was to secure the continued existence of Kim Il Sung's political system. North Korea's overriding interest has been *regime security*—even if this might be detrimental to *national security*.[50]

Thus, the nuclear program might objectively contain primarily defensive purposes. In armaments, Pyongyang has increasingly fallen behind the South. Whereas South Korea build up a modern high-tech army, the North Korean army, though impressive in terms of absolute numbers and manpower, is outdated and

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49 Jürgen Scheffran et. al., "Nichtverbreitung mit militärischen Mitteln? Nordkoreas Nuklearprogramm und die Strategie der Counterproliferation," *Blätter für deutsche und internationale Politik*, Vol. 39, 1994, No. 7, pp. 834–847, p. 835.

50 James Cotton, "North Korea's Nuclear Ambitions," in: IISS, Asia's International Role in the Post–Cold War Era, Part I, *Adelphi Paper 275*, (London: 1993), pp. 94–106, p. 94f.; Denny Roy, "The Myth of North Korean 'Irrationality'," *Korean Journal of International Studies*, Vol. 25, 1994, No. 2, pp. 129–45, p. 137.

old-fashioned; for most of the equipment the electronic revolution did not gain substantial ground. In terms of military expenditures the differences are equally striking. Whereas Seoul's defense budget increased from $10.62 to $12.06 billion between 1990 and 1993, the North's budget fell from $5.23 to $2.19 billion. In addition, Moscow de facto removed the nuclear umbrella from the North. From this point of view, Pyongyang went nuclear not to challenge, but to sustain the military balance in the region and especially towards South Korea.[51] Following this logic, then, North Korean nuclear weapons could be a factor for stability in the region.[52]

The problem with this argument is the common perception of the DPRK as a crazy state. This madman image might to a certain extent be a product of misunderstanding and propaganda because the policies of Pyongyang seem to be quite "rational" given their specific interests of regime survival. Nevertheless, the outside perception is as it is, and not without reason. Moreover, North Korea has even played upon this image as an irrational and reckless actor in the nuclear dispute. By doing so, it successfully intimidated the US and extracted as many concessions as possible. In the long run, however, this madman theory might be damaging, not only for North Korea and South Korea, but for the region and even the world.[53]

Since the end of the 1980s, the North Korean leadership has been facing a dilemma that can be termed as *dissociation from* versus *integration into* patterns of interdependence. Both alterna-

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51 Samuel S. Kim, "North Korea in 1994," p. 21. See also David C. Kang, p. 341. According to other sources, Pyongyang's military expenditures—though far behind Seoul's military budget—have steadily increased in the 1990s. Paul George et al., "Military Expenditure," *SIPRI Yearbook 1996*, pp. 325–380, p. 362. The authors provide data up to 1994. For more recent data see Chung Kyu-sup.

52 David C. Kang, p. 352.

53 Denny Roy, "North Korea and the 'Madman' Theory," *Security Dialogue*, Vol. 25, 1994, No. 3, pp. 307–319, p. 307, 309, 311.

tives were unattractive, even dangerous to Kim Il Sung and constituted a Catch 22.[54] Should he choose the prolongation of dissociative strategies even though their limitations could already be perceived, this concept of socioeconomic development would be more forcefully revealed. Socioeconomic problems could be expected to intensify more sharply. For a limited time they could be handled by increasing repression, but in the long run they would destroy the social basis of the government and lead to its overthrow. Should he opt for liberalization and opening towards the outside world and thus for a re-integration into networks of international interdependence, a whole bunch of political, economic, cultural and ideological impulses would influence the country and its population. In this case, a contamination of broad societal groups through external impulse could be expected, something like a cultural shock. This, in turn, might also lead to the collapse of Kim Il Sung's political rule. Accordingly the preservation of his political power, and the long-term survival of the political system he created, reigned supreme in his policy decisions. A growing ossification of the political system and an increasing incapacity for introducing reforms within the system followed.

In practice, Kim Il Sung's policy of dissociation faced mounting problems of legitimacy and led to a reluctant and cautious departure from this strategy. The turning point could be dated back to the spring of 1993 when—because of the impending American-North Korean talks and social unrest in the country—Kim Il Sung decided to pause the nuclear program and for the first time publicly conceded the economic plight of the country. In this situation, as in the past, foreign countries did not opt for a policy of isolation and pressure towards the DPRK. The West as well as China and Russia did not take isolating measures to

54 Barry K. Gills, "Prospects for Peace and Stability in Northeast Asia: The Korean Conflict," *Conflict Studies 278*, (London: 1995), p. 25.

gain Pyongyang's compliance because of the danger that this might foster North Korean dissociation involving the risk of its uncontrolled and uncontrollable foreign policy behavior as well as the risk of nuclear escalation. Instead they responded to the weakening dissociative policy of Pyongyang with the proposal of integration, while at the same time taking North Korean security interests sincerely in order to avoid an escalation. In addition, this approach was supported by the growing and reasonable belief that time was on the side of the West.

Possible Future Developments

Whether the nascent opening towards the world and the beginning of integration into the world market continue depends on the future political development in North Korea. Whereas some perceive North Korea as "the land that never changes,"[55] Richard Grant refers to the famous dictum of Louis XIV *"L'etat, c'est moi,"* as having been truly realized by Kim Il Sung and thus predicts that with "Kim's demise, this system cannot survive."[56]

Since Kim Il Sung's death which plunged the population in a massive, deep and authentic grief resulting in numerous pilgrimages to his memorial in Kaesong and which amounted to the loss of the country's father figure, North Korea is in a phase of limbo and transition. There were indications that within the political leadership a power struggle occurred on the question of succession. The party and the military, however, backed Kim Jong-il, who is supreme commander of the military. Despite this, doubts that he does not have its full support remain because since 1991 there have been repeated reports of opposition within the ranks.

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55 Kim Yong-Ki (Ed.), *North Korea: The Land That Never Changes. Before and After Kim Il Sung* (Seoul: 1995).

56 Richard L. Grant, "Juche's Last Gasp," *Korean Journal of Defense Analysis*, Vol. 6, 1994, No. 2, pp. 131–144, p. 131. See also Samuel S. Kim, "North Korea in 1994," p. 26.

Indications of this opposition date back to the early 1970s. Furthermore, there were reports about opposition within the political and economic elites of the country as expressed in various leaflets distributed in the privileged areas in Pyongyang.

In addition, although a movement towards democracy as that seen in Eastern Europe seems quite improbable because there the mechanisms of social self-checking obviously worked very well (extreme political repression was not needed for a very long time), the regime seems to be loosing ground amongst the population. For the masses, starvation may be the major reason. In addition, there are further indications of growing discontent. In the recent past, the number of political prisoners is reported to have risen considerably. Human rights organizations such as Asia Watch estimate their number to amount to about 200,000. The hope for a human and just future of mankind along the lines of Kim(ilsung)ism seems increasingly to be replaced by disillusionment in the DPRK; quiet alienation and combat fatigue seem to be the prevailing mood in country. Problems of legitimacy are indirectly conceded by Pyongyang when one looks at the government's classification of the population: Only 27% of the population belong to the core group of the most loyal; 22% are considered as waverers, and more than half of the population (51%) are deemed "incorrigible heretics."[57] This legitimacy crisis is further illustrated by the increasing number of intellectual defectors in recent years. In 1997, the "domino effect of defections"[58] also reached high-ranking officials as the example of Hwang Jang-yop shows.

However, there are signs that Kim Jong-il is consolidating his power position. He did not officially take over the political

57 Grant, p. 139.

58 Do Heung-yul, "North Korea: Teetering on the Edge?" *Korea Focus*, Vol. 4, 1996, No. 4, pp. 47–55, pp. 52–54.

leadership of the country immediately after his father's death; instead, he allowed himself a longer period of mourning which has not yet come to an end even by now.[59] This can be seen as a clear signal of Kim Jong-il's confidence and security in his hold on power: "the death of Kim Il-song merely marked North Korea's transition from an era of Kim Chong-il's rule in the presence of Kim Il-song to an era of Kim Chong-il's rule in the absence of Kim Il-song."[60]

Indeed, this view is nourished by official North Korean information policies which ascribe to Kim Jong-il the decisive political driving force for signing of the two inter-Korean agreements of 1991, the Basic Agreement on Reconciliation, Nonaggression, Exchange and Cooperation and the Joint Declaration on Denuclearization of the Korean Peninsula.[61] This view of Kim Jong-il as already having secured his power political position within the regime is supported if one looks at Kim Jong-il's impressive and thematically comprehensive and socially broad power base located in the fields of propaganda, the economy and the military. Starting with propaganda and cultural-ideological affairs where he formalized his father's ideological considerations (*juche sasang*) into Kimilsungism (*Kim Il Sung chuui*), he soon moved to the highest echelons of institutions of economic planning. There the Red Flag movement increased his influence over local political, administrative and economic organs throughout North Korea. Kim Jong-il—having a comprehensive overview on the situation of the economy in the country—is then

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59 Samuel S. Kim, "North Korea in 1994," p. 16; Dong-Bok Lee, "Kim Jong-il's North Korea. Its Limitations and Prospects," *Korea and World Affairs*, Vol. 18, 1994, No. 3, pp. 421–441, p. 427. At the time of writing, however, there is reason to assume that after a three-year mourning period and on one of the two anniversaries—on 9 September (state foundation) or on 10 October (party foundation)—Kim Jong-il will officially take over the positions of his father.

60 Hakjoon Kim, p. 76. See also p. 82.

61 Dong-Bok Lee, p. 430.

reported as having initiated remarkable reforms in the economy (foreign trade, joint venture law, independent accounting system for enterprises, increase of consumer goods production). In the military field, a major triumph dates back to April 1992 when he was assigned the rank of marshal (*wonsu*) to be outranked by only his father as generalissimo (*taewonsu*).[62]

He enjoys the almost full support of the graduates of the Mjangjondae Revolutionary Academy, a national cadre institution. In addition, he is backed by an impressive number of technocrats and bureaucrats and—perhaps even more important as could be seen by the massive military parade held on the occasion of the anniversary of the Korean Workers' Party in October 1995 or at Kim Jong-il's fifty-fifth birthday celebration—by high-level military men such as Oh Chin U, Oh Guk Ryol and Choe Gwang.[63] The deaths not only of Oh Chin U in February 1995 and, two years later, of his successor, Choe Gwang, but of no less than about fifty influential persons since Kim Il Sung's death have given his son the opportunity to make a major reshuffle in the power hierarchy and to appoint even closer confidants to the respective positions. Also, the replacement of Prime Minister Kang Song San can be seen as indicating the consolidation of Kim Jong-il's power position.[64]

Regarding the question of regime legitimacy, then, the outlook may be not that gloomy. Although regime legitimacy in the past has been basically based on charismatic—i.e. irrationally grounded—legitimacy which led Scalapino to conclude that Kim

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62 Koh Byung-Chul, "Politics of Succession in North Korea: Consolidation or Disintegration?" *The Journal of East Asian Affairs*, Vol. 7, 1993, No. 1, pp. 58–78, pp. 68–72, p. 62.

63 Taeho Kim and Young Koo Cha, "Prospects for Political Change and Liberalization in North Korea," *Washington Quarterly*, Vol. 15, 1993, No. 3, pp. 155–169, pp. 162–165; Samuel S. Kim, "North Korea in 1995. The Crucible of 'Our Style Socialism'," *Asian Survey*, Vol. 36, 1996, No. 1, pp. 61–72, p. 62.

64 For details see Chung Kyu-sup.

Il Sung's charisma could not be transferred to his son,[65] there are reasons to assume that a transfer of charismatic power is possible in the North Korean case. Chung Joong-Gun maintains that Kim Il Sung cleverly proceeded with the purpose of institutionalizing his charisma and to extending it to his family—in particular to his son. Kim Il Sung planned the succession well in advance leaving years to build up Kim Jong-il's image and to demonstrate his unparalleled closeness to the great leader. Accordingly, Kim Jong-il had his official endorsement of the charismatic leader, even more: the accession is the great leader's personal will. This transfer of charisma to the dear leader will be of utmost importance in the initial stages of his rule. Later on, however, it will have to be more and more supplemented by rational and performance-oriented elements of legitimacy.[66] Ultimately, the duration of Kim Jong-il's rule will be critically dependent on his ability to rejuvenate the stumbling economy and to improve the living standard of the North Korean people.[67]

Here, the prospects are meager because of the regime's growing inability to feed its citizens. In the wake of the chronic food shortage the number of people committing suicide has risen dramatically as well as those who starve to death; soldiers increasingly rampage through the country; theft, corruption and social disorder are mounting.[68] Estimates on the North Korean migration potential due to starvation expect up to 6.5 million people who might be willing to leave the country. China has

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65 Robert A. Scalapino, "The United States and Asia: Future Prospects," *Foreign Affairs*, Vol. 70, 1991, No. 5, pp. 19–40, p. 34.

66 Chung Joong-Gun, "Charisma and Regime Legitimacy: Political Succession in North Korea," *The Journal of East Asian Affairs*, Vol. 7, 1993, No. 1, pp. 79–115. For the building up of Kim Jong-il see in detail Koh Byung-Chul.

67 Koh Byung-Chul, p. 69.

68 *International Herald Tribune*, 17 April 1997, p. 1 and p. 7.

apparently already established migration camps near Yanji, Dandong, Congshen and Tumen. Paradoxically, this situation has obviously not yet led to widespread social unrest, which may be attributed to the strong loyalty of the people towards Kim Il Sung. However, there are reports that Pyongyang did acquire considerable amounts of riot control equipment, indicating a sense of insecurity among the ruling elite.[69]

Initiating substantial economic reform to improve the situation seems not to be an option for Kim Jong-il because of the fear of a potential collapse of the regime in its wake. To date, major steps towards economic and—even less—political reform have not been undertaken; instead there are signs of an increasing ideological orthodoxy (media campaigns against ideological laxity and lethargy).[70]

As a result, a number of scenarios for the future of the country are conceivable and all of them will have major foreign policy implications. Kim Jong-il's rule could turn out to be quite long lasting—especially since he is strongly backed by the military. Indeed, there is good reason to see a military regime rising in North Korea. Should Kim Jong-il increasingly face legitimacy crises, his rule could also be transitory—involving, to be sure, the specter of his desperately resorting to outward-directed force in order to maintain his position. This apprehension is nourished, e.g., by the advance of North Korean troops into the DMZ in April 1996, the intrusion of a submarine into South Korean waters in September 1996, by the reports of various defectors (most recently by high-ranking Hwang Jang-yop), and by Pyongyang's persistent militant rhetoric towards the South and talk of a decisive battle.[71]

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69 Manwoo Lee, p. 439.

70 Samuel S. Kim, "North Korea in 1995"; Do Heung-yul. Some analysts argue that once a peace treaty will have been signed, North Korea may seriously embark economic reform. Manwoo Lee, p. 442. The growing ideological rigidity is also reflected in the appointment of representatives of the "orthodox" camp to influential political and military positions.

In the case of such a legitimacy crisis, his regime might give way to an outright military dictatorship, a reformist coalition or a messy breakup. A military dictatorship could lead to the re-intensification of the politics of dissociation and autarky. In this case, Pyongyang's chaos power would remain substantial as it would have to return to the nuclear option and the policies of proliferating nuclear and missile technology in order to uphold the system. Yet, the military government as a developmental dictatorship supported by the bureaucracy could also opt for a strategy of cautious integration which would not eliminate North Korea's chaos power, but which would turn North Korea into a much more reliable international actor. In this scenario, some form of imitation of the Chinese model of opening from above can be expected.[72]

Moreover, unification of the Korean peninsula is conceivable. *The Economist* writes: "The question about Korea is not whether unity will come, but when—and whether it can somehow be managed peacefully."[73] In an optimistic interpretation "the world will be enriched by a democratic, prosperous, and united Korea" at some point in the next century.[74]

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71 There are counter-arguments to such a fear: the number of North Korea's military exercises has been unusually low in recent years, there are no indications of major troop mobilizations and the equipment is of poor standard. Yet, the obvious North Korean perception of Western policy in relation to the famine and to food aid (the US and South Korea make aid contingent upon the North Korean acceptance of formal negotiations of a peace treaty) is that it is a conscious attempt to infiltrate the North—in June 1997 Kim Jong-il in KCNA warned his countrymen that the "help of the imperialists" is directed towards subjecting the country. It serves as a reminder that the possibility of an irrational move of the North can by no means be completely ruled out. These perceptions may trigger the self-fulfillment of the regime's rhetoric. On the other hand, by the end of June 1997 Pyongyang has expressed its willingness to enter preparatory negotiations over a peace treaty in exchange for increased Western food aid. Thus, the conclusion of a peace treaty in the near future seems quite likely.

72 Byung-Joon Ahn, p. 447, 449.

73 "The Koreas Into One," *The Economist*, 15 January 1994, p. 19.

74 Grant, p. 144.

Unification would inevitably take the form of adjusting the North to the South Korean model and would potentially lead to the emergence of an economically prospering Korea as a nuclear power commanding a domestic market of seventy million consumers. However, referring to the German case, there are massive doubts in South Korea about whether Seoul's capabilities and resources could bear the costs of such a unification. Nevertheless, despite the detailed plans for a gradual unification of the country, unification might simply happen because of a rapidly deteriorating situation in the North, which would create a whole series of new problems. Korean unification would run counter to the interests of almost all relevant actors in the region, with the notable exception of the US. Neither China nor Russia nor Japan nor the political leaderships in Seoul and Pyongyang would be delighted in such a case—despite all the rhetoric to the contrary. In a sense, they share the long-standing French attitude towards Germany: they are so fond of Korea that they are pleased to have two of them. Although they try to avert unification as the direction to which the inter-Korean detente points, developments in the course of the North Korean opening and liberalization might wash these efforts aside. In the same vein, a potential complete breakdown of the North's economy resulting in immense social upheaval might lead to unification.

In the case of unification it will be of utmost importance (1) to tame Pyongyang's chaos power including the nuclear issue in the process of North Korea's decomposition and (2) to embed unification in a two-plus-two process,[75] possibly including Japan, Russia (e.g., in the Northeast Asian Cooperation Council) and/or the UN[76] in order to create a Korea that is a "major force

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75 China supported the South Korean–American proposal of a four-power conference since the autumn of 1994. In mid-April 1996 Presidents Kim Young-Sam and Bill Clinton undertook a new initiative. See also Kim Yong-ho, "Future of Kim Jong-il Regime and Four-Way Talks," *Korea Focus*, Vol. 4, 1996, No. 4, pp. 56–63.

76 Donald S. Macdonald, "The Role of the Major Powers in the Reunification of

for peace and growth in the Pacific world."[77] The likely scenario of a unified Korea as a nuclear power and as a major economic power with a huge internal market of roughly seventy million people could be a stabilizing factor in the region, and it is this outlook that is needed to sell unification to the involved powers. Such benign effects of unification can be assumed if Korea would disclaim the nuclear option or, more precarious, if other regional actors, especially Japan, be assigned nuclear power status in order to achieve rough military balance in the region. At the same time, these states would have to become members of the NPT.

Besides the actors in the region, the West and the world at large have a substantial interest in future developments on the Korean peninsula and in North Korea in particular. This is a result of Pyongyang's armaments' program as regards missile development and its nuclear potential, which consists of somewhere in the range of one to seven operational nuclear bombs according to American intelligence reports. North Korea's intermediate range missile Nodong-1 is able to reach South Korean, Japanese, Russian and Chinese territory. Japan would seem to be the primary goal of North Korean (nuclear) warheads, because a nuclear attack on South Korea is rightly perceived as detrimental to the North's image within the Korean population.

In addition, Pyongyang is currently developing missiles with a range of 2,000–3,500 km, the *Taep'o-dong-1* and the *Taep'o-dong-2*. Offsetting the risks and the turbulences following from this armament program and stabilizing the peninsula is a main foreign policy goal of the neighboring actors as well as of the world. Since the formation of multilateral international institutions in the fields of politics and security politics is underdeveloped, which means that there are almost no institutional mechanisms to cope productively with the transformation pro-

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Korea," *Washington Quarterly*, Vol. 15, 1992, No. 3, pp. 135–153, p. 150.

77 John Q. Blodgett, "Korea: Exploring Paths to Peace and Reunification," *Washington Quarterly*, Vol. 15, 1992, No. 3, pp. 171–181, p. 172.

cesses on the peninsula, the presence of extra-regional actors such as the US and Canada is necessary. European initiatives are also welcome. In this regard, the visit of a German delegation of businessmen to North Korea in November 1994 was a positive sign.

Western engagement, thus the essence of our thoughts, is indispensable both in case of the continued existence of two Korean states or in case of a Korean unification. The North Korean transformation has to be militarily, economically and politically cushioned by offering integration while simultaneously upholding a sufficient deterrent potential to preserve the balance on the peninsula. In case of unification, this process has to be shaped sensitively in order to alleviate apprehensions about the balance among China, Japan and Korea resulting from the emergence of a unified, economically and power-politically significant actor. Hopes to reach a military balance on a low level seem to be premature for the time being because the enduring security dilemma within in the region prevents quick disarmament steps. The massive regional potentials for turbulence which stem from political, economic, territorial, military and ethnic factors have produced an accelerating arms race in the region in recent years. This area, then, one of the most heavily armed regions in the world, is itself threatened by these armaments. In addition, such an area full of weaponry represents a threat to world security as well. These armaments absorb a substantial amount of the region's resources which are then, of course, missing for socioeconomic development. At best, they indicate a precarious stability. A destabilization of the situation would have repercussions beyond the region because of the mounting interdependence in the world stemming from the processes of globalization which leave the individual actors more vulnerable and susceptible to external influences. The effects are hardly assessable. Thus, regional as well as extra-regional actors have to uphold their integrationist strategies towards the North as well as towards a possibly unified Korea.

In this context it is important to note the marked increase of intra-regional trade in recent years. This humming economic intercourse is likely to increase in the future and may contribute to an easing of the political tensions in the region. The formation of a regional free trade area under the auspices of AFTA or APEC is as yet in its nascent period. The same applies to Kim Young Sam's proposal of March 1994 to establish a Yellow Sea economic zone. But the fact that such projects are discussed has politically stabilizing effects. For East Asian and Southeast Asian countries economic growth is of highest priority and therefore the countries in the region—including the DPRK—try to foster political stability. Without a doubt, this is by no means a unilinear development. A simple "econophoria"[78] counting on the political and peace-strategic effects of economic relations tends to underrate the potential for instability in the region. Economic development is far ahead of political development, but it cannot be taken for granted that politics will automatically follow the economy. Many phenomena in the region such as the territorial and maritime disputes in East Asia remind the observer of the nineteenth century. As a consequence, relations of political cooperation are far less pronounced than cooperative economic relations. To a certain extent, the coexistence of various political systems in the Pacific region means a lack of symmetry in the political systems, and symmetry is advantageous for the creation of sustained cooperative and multilateral structures. Compared to Europe or North America, for example, the degree of reliability is quite modest in the region. Area security still ranges supreme as an issue in the foreign policy agendas of the regional actors. Accordingly, one can presume a constant and possibly still increasing level of military expenditures and armaments for the foreseeable future.

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78 Barry Buzan and Gerald Segal, "Rethinking East Asian Security," *Survival*, Vol. 36, 1994, No. 2, pp. 3–21, p. 11.

However, if sufficient stabilization in the issue area security can be accomplished over time—even on a quantitatively and qualitatively high level of armaments—and if economic relations still multiply, the recent wave of democratization in the world which initiated a process of reducing (but not of convergence of!) the range of political systems in the region[79] may incrementally contribute to the creation of greater symmetry and enhance the chances for establishing multilateral and cooperative relations of interdependence. Until then, one has to confine oneself to a security-political a-la-carte approach that deals with critical situations as they occur.[80] At the same time it is necessary to work constantly for the maintenance and successive institutionalization of multilateral platforms for dialogue.[81] To reach this, extra-regional actors including Canada, the European countries and, in particular, the US with its permanent political and military presence in the region are requested to engage in this business.[82]

Conclusion

International politics in East Asia, on the Korean peninsula and with regard to North Korea, then, leads to the question as to whether non-integration constitutes an adequate foreign policy behavior in an era of forcefully advancing interdependence and globalization. Policies of isolation are only superficially more promising. In fact, they have become more difficult because the number of actors needed to implement a successful isolation has

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79 Scalapino, p. 24f.

80 Gerald Segal, "North-East Asia: Common Security or la Carte?," *International Affairs*, Vol. 67, 1991, No. 4, pp. 755–767.

81 The Canadian proposal for a North Pacific Security Cooperation Conference for the first time put forward in 1991 seems to be an effective solution and should be elaborated upon.

82 Buzan and Segal, p. 16; William J. Crowe and Alan D. Romberg, "Rethinking Security in the Pacific," *Foreign Affairs*, Vol. 70, 1992, No. 2, pp. 123–140.

increased. Furthermore, a policy of isolation may be counteracted by more actors than existed the past. In addition, isolation may cause the opposite of what was intended because an isolated actor might turn to dissociation. Thus, the politics of isolation may be conducive to the survival of authoritarian systems. Accordingly, one may ask whether offers of integration and positive incentives are more promising than isolation. In some instances isolation may still be an adequate policy to gain an actor's compliance. In order to be successful in such a case, isolation must be multilaterally implemented and supported by powerful actors. This point is important in case of future North Korean misbehavior.

To opt for dissociation may be a rational political decision when underlying interests are considered. In most cases, dissociation is chosen by a given political leadership to preserve its political rule. This leadership is using multiple and at least for some time successful means to equate its own interests with the interests of society as such. At the same time, however, by choosing dissociation the political leadership is responsible for subtracting important resources for socio-economic development in order to finance dissociation. The whole society pays the price as the Korea of the two Kims shows. As a result, dissociated actors lag behind the general development. Although one may safely assume that economic growth is increasingly to be realized only in the OECD-world, dissociation can be legitimized and rationalized in society by pointing to self-reliance in development, to preservation of one's cultural identity and to political self-determination. Dissociated actors tend to trigger the mechanisms of the security dilemma and thereby not only constrain their own developmental opportunities, but the development of the region as a whole or even of extra-regional actors. The reason is that the actors involved have to invest more resources in armaments. As a consequence, it seems reasonable to respond to dissociation not by means of isolation because this may escalate the situation, but, if possible, by offers of re-integration.

On the whole, non-integration is a transitory phenomenon; cases generally exist in short- or medium-term time spans. Because the societies in non-integrated states lag behind the overall development, they and the dissociated actors in particular do not represent a valid alternative model to the interdependent world, only its temporary negation. At the same time, these actors often wield considerable chaos power. Non-integrated and especially dissociated actors are the opposite of the modern transnational states who determine world political development. To gain global political influence under conditions of complex interdependence, actors have to choose integrationist and cooperative strategies. Less and less, national interests can be unilaterally implemented. To pursue national interests in modern times is more and more dependent upon an actor's capacity to steer interdependencies. The creation of structures of interdependencies in which interests are cooperatively pursued is facilitated by a high degree of openness of and symmetry between societies; the more homogeneous political and economic systems are, the higher the chances for cooperative and integrationist behavior.

Following these arguments we come to a conclusion by agreeing with Karl W. Deutsch that "growth, the capability for adaptation and the capability to learn are essential preconditions for the survival of societies and cultures."[83] Nevertheless, societies do and will respond to the challenges of globalization and interdependence in different ways. The ambivalence of interdependence remains; non-integration, fragmentation, dissociation and isolation will further accompany the processes of globalization. Turbulence will persist.

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83 Karl W. Deutsch, *Politische Kybernetik. Modelle und Perspekitven*, 2nd, ed., Freiburg i. Br. 1970, p. 331.

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The DPRK as an Economy under Multiple Severe Stresses: Analogies and Lessons from Past and Recent Historical Experience

Nicholas Eberstadt

Since the collapse of the Soviet bloc, North Korean leadership has repeatedly and pointedly gone out of its way to insist—both to its subjects and to the outside world—that "Our Style of Socialism" is a historically unique human construction, guided by its own people-centered logic and set on its own special path of development. The immediate purpose of those demurrals—which may perhaps seem more necessary to true believers in historical determinism than to others—is to dispute the presumption that the political and economic system of the Democratic People's Republic of Korea (DPRK), like those of the Warsaw Pact states after which it was modeled, are destined for the trash bin of history. But the demurrals are becoming all the more necessary in light of the growing evidence that the DPRK is engulfed in severe and mounting economic problems.

One must of course be cautious about speaking of "crises" in Communist economies. As highly centralized and politically directed planning systems, Communist economies in a real sense are *always* in "crisis"; they are *designed* for "crisis"; they respond to "crisis." When a Communist economy substitutes a smaller set of "crises" for a larger set of "crises," it is making progress,

and is so judged by its ruling circles. In North Korea, however, smaller economic problems are now regularly giving way to larger economic problems. They have been doing so for most of the past decade, but the process has visibly accelerated over the past few years.

By the mid 1980s, according to some analyses,[1] the DPRK economy had reached the limits of classical socialist "extensive" growth, and had entered into stagnation or even decline. With the end of Soviet aid and subsidized trade at the start of 1991, an already faltering economy suffered a heavy blow.[2] Although North Korea remains a closed state about which reliable information is still scarce, a variety of indications suggest a steady worsening of economic conditions. In May 1994, for example—months before the death of Kim Il Sung—Chinese sources were talking of "the worst food crisis in history" for the DPRK regime.[3]

A year later, Pyongyang officially launched a diplomatic appeal for emergency food aid. In the summer of 1995—after the emergency appeal began—the DPRK suffered what by all reports was unusually heavy flood damage. In the following months, reports and rumors about dire hardships there proliferated in the international media. Stories spoke of people swarm-

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1 Nicholas Eberstadt, "Demographic Shocks After Communism: Eastern Germany, 1989–93," *Population and Development Review*, Vol. 20, No. 1 (1994), pp. 137–52; *Policy and Economic Performance in Divided Korea, 1945–1995*, (forthcoming); Hans Maretzki, *Kimismus In Nordkorea: Analyse des letztes DDR Botschafters in Pjoengyang* (Boeblingen: Anita Tykve Verlag, 1991); Marina Ye. Trigubenko, "Economic Characteristics and Prospects for Development: With Emphasis on Agriculture," in Han S. Park, ed., *North Korea: Ideology, Politics, Economics* (Englewood Cliffs, NJ: Prentice Hall, 1996), pp. 141–59.

2 Nicholas Eberstadt, Marc Rubin, and Albina Tretyakova, "The Collapse of Soviet/Russian Trade with the DPRK, 1989–1993: Impact and Implications," *Korean Journal of National Unification*, Vol. 4 (1995), pp. 88–103; Hong-Tack Chun, "Economic Conditions in North Korea and Prospects for Reform," Korea Development Institute, *KDI Working Paper # 9603*, March 1996.

3 *Dong-a Ilbo*, 13 May 1994, translated as "DPRK Reportedly Facing 'Worst Food Crisis'," in, United States Foreign Broadcast Information Service, *Daily Report: East Asia* (hereafter *FBIS/EA*), 13 May 1994, p. 23.

ing to Pyongyang in search of food;[4] of North Korean families foraging across the Chinese border for sustenance;[5] of outbreaks of cholera (a deadly disease for the severely malnourished) that have carried off hundreds of people;[6] even of starvation in the industrial center of Hamhung.[7]

Whether or not any of these anecdotal accounts prove accurate, there can be little doubt that the DPRK is indeed under severe and rising economic stress. In the absence of any detailed information about conditions in the North, however, how can outsiders attempt to assess the ability of the DPRK system to cope with the growing economic pressures that confront it?

Fortunately for outside analysts, Pyongyang's claims to uniqueness are not entirely true. "Socialism with Korean characteristics" may only be found in the northern half of the Korean peninsula, but some of the economic problems emerging from the DPRK today have been seen, and studied, in many places before. Historical analogy may therefore provide some insight into the problems pressing the DPRK—and into the options available to DPRK leadership for coping with these.

Three conceptually distinct, but in practice historically overlapping, sets of problems may be discussed with respect to the DPRK economy today. The first concerns the stresses faced by "war economies," economic systems that have been subjected to a variant of central planning for the purposes of total war mobilization. The second involves severe exogenous economic shocks to centrally planned economies or economies prepared

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4 *Chung-ang Ilbo*, 18 February 1996, translated as "ROK: DPRK Citizens 'swarming' to Pyongyang for Food," *FBIS/EA*, 20 February 1996, pp. 44–45.

5 Digital *Choson Ilbo*, 14 June 1996, reprinted as "ROK: N. Koreans Travel To Forage; Envoys Seek Food For Families," *FBIS/EA*, 17 June 1996, p. 56.

6 *Sankei Shimbun*, 31 August 1995, translated as "Sources Say Cholera Outbreak Killed 230 People," *FBIS/EA*, 1 September 1995, pp. 30–31.

7 Digital *Choson Ilbo*, 18 June 1996, reprinted as "ROK: 'At Least 100' Allegedly Die of Hunger in DPRK's Hamhung," *FBIS/EA*, 19 June 1996, p. 46.

for war: historically, such shocks have been generated not only by system-wide crises, such as the collapse of the CMEA trade regimen, but also by international sanctions or wartime embargoes. The third set of problems pertains to the stresses attendant to severe food shortages under Communist economies. In the following pages, we will briefly consider historical evidence on each of these issues. We will conclude with some comments about the relevance and implications of these analogies for the DPRK's prospects in the period ahead.

Modern War Economies and the Phenomenon of "Economic Collapse"

The experiences of modern industrial economies subjected to the stresses of total mobilization for purposes of national survival are perhaps most dramatically represented in the Second World War II. Some penetrating global economic histories of that period have been written[8]; in addition, detailed studies of particular combatant economies[9] and specific economic sectors of given warring states[10] have been undertaken. Rather than attempt an encyclopedic summary of this literature, it may

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8 Including, Alan S. Milward, *War, Economy, and Society: 1939–1945* (Berkeley, CA: University of California Press, 1977); and Richard James Overy, *Why the Allies Won* (New York: W. W. Norton & Co., 1996).

9 John Barber and Mark Harrison, *The Soviet Home Front, 1941–1945: A Social and Economic History of the USSR in World War II* (New York: Longman, 1991); and Richard James Overy, *War and Economy in the Third Reich* (New York: Oxford University Press, 1994).

10 To cite a few: Mark Harrison, "Soviet Industrialisation Under Late Stalinism (1945–55): The Short-Run Dynamic of Civilian Output from Demobilisation to Rearmament," *Journal of European Economic History*, Vol. 17, No. 2 (1988), pp. 359–78; Bruce F. Johnston, *Japanese Food Management in World War II* (Stanford: Stanford Food Research Institute, 1953); Susan Linz, ed., *The Impact of World War II on the Soviet Union* (Totowa, NJ: Rowman and Allheld, 1985); Alfred C. Mierzejewski, *The Collapse of the German War Economy, 1944–1945: Allied Air Power and the German National Railway* (Chapel Hill, NC: University of North Carolina Press, 1988); and Gunter J. Trittel, *Hunger Und Politik: die Ernahrungskrise in der Bizone (1945–1949)* (Frankfurt: Campus Verlag, 1990).

suffice to offer a few observations that relate directly to North Korean conditions and prospects.

First, at the peak of the war the combatant powers were allocating an extraordinary and perhaps historically unparalleled share of national output to their military efforts. In the United States and Japan, the war effort absorbed over 40 percent of national output in 1944; in Germany and the United Kingdom, it absorbed over 50 percent; and in the USSR, it may have absorbed an astonishing 60-plus percent.[11] In North Korea, by contrast, defense expenditures are estimated by the US government to have accounted for about 20–25 percent of GNP in the early 1990s.[12] Some studies suggest that such an estimate may somewhat understate the share of national output accruing to the military in the DPRK.[13] Even so, it would appear that North Korea is not, by these guideposts, an economy on a full-pitched war footing. To extend the analogy: by the criterion of resources allocated to military effort, the DPRK today looks like a 1943 economy, not a 1944 economy.

Second, total war mobilization was a discrete, and relatively brief, episode in the economic histories of all the combatant powers. For the United States and the USSR, the period of maximal exertion lasted about a thousand days, after which a demobilization immediately commenced. For Germany and the United Kingdom, the war lasted just under six years; the phase of full-war footing, about three years. For Japan, whose Pacific War may be said to have begun in 1937, the period of conflict was longest, but even in Japan the shift to total-war mobilization did not take place until after 1942. In contrast to these extraordi-

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11 Milward, *War, Economy, and Society;* Overy, *Why the Allies Won;* Barber and Harrison, *The Soviet Home Front.*

12 United States Central Intelligence Agency, *Handbook of International Economic Statistics: 1995* (Washington, DC: National Technical Information Service, 1995), p. 281.

13 Eberstadt, *Policy and Economic Performance in Divided Korea.*

narily intense but relatively brief bursts, the DPRK's economy has been placed on something approaching full-war footing for over a generation—certainly since 1970, arguably since the mid-1960s.[14] Thus, whereas a full-fledged war economy has been but an historical interlude for the contemporary great powers, it is a continuing historical epoch in the DPRK. One might well expect qualitatively different stresses to arise on such qualitatively different time-scales.

Third, several of the combatant economies during World War II apparently managed to squeeze an absolute increase in military resources out of a declining economy. This appears to have been the case, for example, in the USSR between 1940 and 1942, and in Germany and Japan during portions of 1944. What is noteworthy, however, is that such arrangements were unstable and inherently unsustainable, even under the exigence of life-and-death conflict. In the USSR, these unsustainable trends were resolved by stabilization of the front, limited recovery of the domestic industrial base in areas under Soviet control, and massive "mutual aid" from America and Britain.[15] In Germany and Japan, the same trends ended with defeat and regime collapse. If North Korea today is attempting to maintain or increase what have been very substantial allocations to its military on what is now apparently a diminishing economic base, it too would appear to be embarked upon an inherently unsustainable trajectory.

Fourth, and perhaps most importantly, the experience of the Second World War attests to the fact that economies can indeed collapse—and not just the regimes supervising them.

"Economic collapse," of course, is a somewhat ambiguous concept, and has correspondingly been defined in a variety of ways.[16] One unambiguous indication of a certain kind of "eco-

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14 Ibid.

15 Barber and Harrison, *The Soviet Home Front.*

nomic collapse," however, is when a modern industrialized economy is no longer capable of satisfying the nutritional needs of substantial portions of its population through existing mechanisms. Viewed from this vantage point, both Germany and Japan may be seen to have suffered an economic collapse that *preceded* surrender, and lasted into the postwar era.

As has been documented in some detail, the national food systems of both Japan and Germany essentially broke down in the months before the end of World War II.[17] In part, these food crises reflected drops in agriculture production under circumstances inauspicious for cultivation. They also, however, spoke to pervasive disruption in the established distribution system. It was not only that the transportation system's capacities were

Table 1. Urban Fraction of the Total Population: Germany and Japan, 1939-1955

West Germany		Japan	
May 1939	70.5	Oct. 1940	37.9
Oct. 1946	68.6	Feb. 1944	41.1
Sept. 1950	71.1	Nov. 1945	27.8
		Apr. 1946	30.4
		Aug. 1948	34.6
		Oct. 1950	37.5
		Oct. 1955	56.3

Source: Hirshleifer, 1963 (see note 16)

16 See, Jack Hirshleifer, *Disaster and Recovery: A Historical Survey* (Santa Monica: RAND, Memorandum Rm-3079-PR, April 1963), p. 113. In perhaps the finest study to date on the economics of disaster and recovery, Hirshleifer defines economic collapse as: "a failure in the mode of functioning of the economic system, in essence, a breakdown in the division of labor . . . [E]ssential connecting links in the economic system [are] broken, so that production [falls] even more rapidly than . . . the resources available. . . ." For all its virtues, even this careful definition seems problematic. It would seem to suggest that the United States circa 1933, for example, was experiencing economic collapse, which it was not.

17 Johnston, *Japanese Food Management in World War II;* Trittel, *Hunger Und Politik.*

disintegrating (although this too surely was a problem): more fundamentally, the rules by which people had previously traded foodstuffs for nonfood goods had suddenly been changed or, *in extremis*, abrogated.

As a result of these micro- and macroeconomic changes, both Germany and Japan were swept by a terrifying and general hunger at the end of the war. The hunger lasted on into the peace. For most people, life became a quest for food. Under these new conditions, the group least equipped to manage its own nutritional security was the urban population. In consequence, both Germany and Japan underwent prolonged de-urbanization (see Table 1). In West Germany, prewar levels of urbanization were not reattained until 1950; in Japan, the 1944 urbanization ratio was not exceeded for a decade after the war. (The timing of reurbanization, incidentally, seems closely related to the equalization of nutritional opportunities between city and countryside).

For North Korea, the implications are straightforward: "economic collapse" can occur even in strictly managed war economies, and has in the past. But are these previous cases relevant? North Korea is not in the midst of a cataclysmic battle; nor is it facing imminent military defeat. How then do the shocks and stresses North Korea currently confronts differ from those that led to economic collapse in Germany and Japan half a century ago? We will examine this more closely in the following two sections.

Trade Shocks, Trade Sanctions, and Economic Blockades

Sudden disruptions of a country's standing patterns of trade and international finance can pose both immediate and longer-term challenges to local economic performance and the state policies designed to influence it. If output is to be maintained or increased in the face of external dislocations, then far-reaching adjustments—and correlatively, the policies and mechanisms for

effectuating these—may be required. If economic contraction cannot be forestalled by policy adjustments—or if the national directorate in question is unable or unwilling to implement measures that would stabilize aggregate output—the local government and the economic agents under its authority must then cope with the stresses (including allocative conflicts and welfare losses) that necessarily accompany the restriction of production possibilities.

While major dislocations in a country's trade profile have sometimes occurred in the past as the result of deliberate design by a state's rulers (typically in tandem with a radical or revolutionary transition in domestic politics), such major shocks more often seem to be generated by great international events: system-wide economic crises, war, and/or coercive diplomacy (sanctions, embargoes, and the like). There is a considerable corpus of scholarly literature analyzing the conditions under which externally applied economic pressure is likely to achieve the political objectives desired by the states and organizations "sending" it.[18] By contrast, relatively few studies have systematically examined the political economy of adjustment to severe external economic shocks.[19] Nevertheless, examination of the historical record and reflection upon current events can cast light on the ways in which states succeed—or fail—to deal with sudden and systemic stresses on their international economic regimen.

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18 To cite just a few: David A. Baldwin, *Economic Statecraft* (Princeton, NJ: Princeton University Press, 1985); Richard Ellings, *Embargoes and World Power: Lessons from American Foreign Policy* (Boulder, CO: Westview Press, 1985); Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott, *Economic Sanctions Reconsidered*, second ed. (Washington, DC: Institute for International Economics, 1990); Linda Martin, *Coercive Cooperation: Explaining Multilateral Economic Sanctions* (Princeton, NJ: Princeton University Press, 1992); David M. Rowe, "The Domestic Political Economy of International Economic Sanctions," Harvard University Center for International Affairs, *Working Paper Series no. 93-1* (1993).

19 Two interesting, but by no means comprehensive, treatments are, Peter A. Gourevitch, *Politics in Hard Times: Comparative Response to International Economic Crises* (Ithaca: Cornell University Press, 1986); and, Edmund Burke III, ed., *Global Crises and Social Movements* (Boulder, CO: Westview Press, 1988).

The two world wars offer stark examples of disruption of trade and purposeful constriction of international supplies at the hand of enemy powers. In World War I, Anglo-American naval superiority permitted an embargo on the Central Powers' seaborne trade; historians judge this embargo to have become largely successful by 1915, and to have grown increasingly effective at interdicting supplies thereafter.[20] In World War II, Anglo-American naval predominance, and later air superiority, allowed the Allies to pursue "economic warfare" against the Axis Powers, obstructing not only external trade but (through the air war) the internal availability and circulation of strategic and nonstrategic goods.[21] It was, and still is, widely presumed that Anglo-American efforts to blockade enemy trade had a telling impact on the economic capabilities of the Central and Axis powers, and thus ultimately on the course of the two world wars.[22] The conjunction of concerted blockade and subsequent military defeat clearly lends itself to inferences of cause and effect. But careful economic studies since those wars have suggested a more qualified and complex picture.

In the estimate of these studies, the "trade shocks" imposed upon Germany in World War I, and upon Germany and Japan in World War II, were probably not a limiting constraint on wartime production. Despite Allied success in compromising

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20 Gerd Hardach, *The First World War, 1914–1918* (Berkeley: University of California Press, 1977). In real terms, for example, p. 25, Germany's trade volume fell by about two-thirds between 1914 and 1917.

21 See Jerome B. Cohen, *Japan's Economy in War and Reconstruction* (Minneapolis: University of Minnesota Press, 1949); Mierzejewski, *The Collapse of the German War Economy;* Milward, *War, Economy, and Society;* Alan S. Milward, "Restriction of Supply as a Strategic Choice," in Gordon H. McCormick and Richard E. Bissell, eds., *Strategic Dimensions of Economic Behavior* (New York: Praeger, 1984); Richard Overy, *War and Economy in the Third Reich;* Overy, *Why the Allies Won.*

22 That perception, inter alia, was fateful fuel for the *Dolchstosslegende* of the pre-Hitler era—the notion that German troops, although "unbeaten on the field" in World War I, had been "stabbed in the back" by domestic traitors and foreign foes.

their enemies' ability to obtain or exchange resources beyond their zone of conquest, Germany in World War I proved capable of maintaining—and both Germany and Japan in World War II proved capable of steadily increasing—domestic output throughout most of the conflicts in question (in fact, until months before their final surrenders).

In Japan, for example, real GDP is estimated to have been over twenty percent higher in 1944 than it had been in 1941.[23] Even economic efficiency appeared to rise in the face of blockade and bombing: in Nazi Germany, for example, output per worker in 1944 was over thirty percent higher in consumer industries, and over sixty percent higher in military industries, than in 1939.[24]

How could all this be explained? Hardach's answer for the first world war applies equally to the second: in the final analysis, "a broadly-based economic system such as that of the Central Powers bears little more than a superficial resemblance to a beleaguered fortress, compelled to surrender for lack of supplies."[25]

Though constrained to some considerable degree from economic exchange with territories not under their direct control, both Berlin and Tokyo at the height of their powers held sway over regions inhabited by hundreds of millions of people, and endowed with a rich variety of natural resources. Wartime distortions notwithstanding, the economies of the Third Reich and the Japanese Empire were modern and diversified economies; they had already achieved relatively high levels of industrial output, and had the technological, organizational, and administrative capability to expand output further—even while experiencing shortages of certain key strategic materials—through prioritized substitution of inputs and "rationalization"

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23 Milward, "Restriction of Supply as a Strategic Choice," p. 85.

24 Overy, *War and Economy in the Third Reich*, p. 367.

25 Hardach, *The First World War*, p. 31.

of production. Thanks to administrative and organizational flexibility, in fact, Nazi Germany's actual *consumption* of oil and oil products was higher in early 1944 than in 1940 (as was its consumption of such other strategic goods as chrome and rubber) despite blockade and increasingly intensive aerial bombardment by the Allies.[26] By itself, then, "economic warfare" appears to have placed surprisingly little constraint on the productive capacities of the combatant powers in the two world wars.[27] The question, however, is whether "economic warfare" per se was a decisive or merely a contingent factor in the eventual collapse of the Nazi economy and the Japanese Imperial economy. After September 1944, as Mierzejewski has persuasively detailed, the German national railway system began to crumble under Allied bombing, and consequently the Third Reich's planned economy commenced an accelerating disintegration.[28] But as Milward has shown, the success of the Allied air offensive at that precise time turned on the Luftwaffe's sudden inability to maintain supplies of aviation fuel for its fighter defense squadrons[29] and the shortage of high-quality aviation fuel, in turn, was a direct result of Germany's loss of control over Romanian oil fields to advancing Soviet forces. In this sense, the success of economic warfare may be said to have hinged on the success of *military* warfare!

> What held for Germany also seems to have obtained for Japan: Economic warfare depends for its success on the ability to restrict an enemy economy to a small and known stock of basic resources. Economic warfare was [ultimately] so successful

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26 Milward, "Restriction of Supply as a Strategic Choice."

27 Of course, as Overy has pointed out, (*Why the Allies Won*, p. 133) there has always seemed something fundamentally implausible about the contention that dropping almost 2.5 million tons of bombs on tautly stretched industrial systems and war-weary populations would not seriously weaken them.

28 Mierzejewski, *The Collapse of the German War Economy.*

29 Milward, *War, Economy, and Society.*

> against Japan because Japan was driven back from her imperial outposts to the limited economic base of the home islands and Korea.[30]

Paradoxically, as Ellings has argued:

> City-states of centuries past, lacking resources, large territories, and diversified economies, may have been more vulnerable—and more inviting of [coercive] economic measures—than many nations today.[31]

The analogy also holds for the Confederate economic experience in the American Civil War, arguably the earliest instance of total war in the modern era. Although economic data from the Confederacy were limited and of mixed quality, a number of studies have concluded that the North's near-total blockade of Southern trade (General Scott's "Anaconda Plan") was an important factor undermining the Confederacy's ability to continue in the war.[32]

The efficacy of the "trade shock" the Union imposed upon the Confederacy derived in large part from circumstances beyond Richmond's control as of 1861: (1) the South's domestic market and division of labor were limited by its rather small population (eleven million, of whom four million were slaves); (2) the South was an overwhelmingly rural and agricultural economy (ninety percent of the population and eighty percent of the labor force in the 1860 census, respectively); (3) to the extent that the

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30 Ibid., p. 321.

31 Ellings, *Embargoes and World Power*, p. 25.

32 See, among others, Robert B. Ekelund and Mark Thornton, "The Union Blockade and Demoralization of the South: Relative Prices in the Confederacy," *Social Science Quarterly*, Vol. 73, No. 4 (1992), pp. 890–902; Paul V. Gates, *Agriculture and the Civil War* (New York: Alfred A. Knopf, 1965); Mary Elizabeth Massey *Ersatz in the Confederacy* (Columbia, SC: University of South Carolina Press, 1952); David George Surdam, "Northern Naval Superiority and the Economics of the American Civil War," unpublished PhD dissertation, University of Chicago, Department of Economics, 1994.

Southern economy had modernized, it had strategically specialized in the production of agricultural cash crops (e.g., cotton, tobacco), and was thus ill-prepared for a suddenly enforced autarky.

This being said, however, it would also appear that the economic stresses upon the Confederacy were dramatically intensified by the unwise economic policies and practices of its leadership. In the earliest period of the war, for example, before the Northern blockade was in effect, the Confederacy withheld the South's cotton crop from the world market, on the mistaken belief that its cartelization of "King Cotton" would bring financial benefits, or foreign intervention, or both; as it happened, overseas textile manufactures developed substitutes for Southern cotton, and the South lost a major opportunity to finance part of its war effort. Southern policy also prohibited trade with the Union across the land border the two sides shared, even though such trade was evidently much more beneficial to the Southern monoculture economy than to the more diversified Northern economy.[33] The Confederate states resorted to highly inflationary fiscal and monetary policies to finance their war effort; the resulting hyperinflation (price increases averaged roughly ten percent per month over the course of the war) surely exerted an independent effect on commerce and production. Episodic "impressment" (unremunerated requisition) of marketed farm goods and promulgation of price controls contributed to a breakdown of domestic trade and a retreat to subsistence enclaves within the economy. Finally, a conspicuous lack of coordination of economic policies among the Confederate states themselves increased the risks, costs of information, and "transaction costs" facing all economic agents in the wartime South.

To be sure, none of this is to argue that the South could have won the war, or vastly prolonged the war, with more auspicious

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33 Jack Hirshleifer, *Disaster and Recovery: A Historical Survey* (Santa Monica: RAND, Memorandum Rm-3079-PR, April 1963).

economic policies. As Hirshleifer intimated, the South's defeat at the hands of the North looks to have been seriously "overdetermined."[34] Nevertheless, the strikingly untoward nature of the South's adjustment policies to the "trade shocks" that buffeted it should remind us that official responses to external economic dislocations can magnify the economic stresses in the domestic economy—and not only in theory.[35]

In more recent times, numerous states have been forced to cope with significant dislocations in their external economies due to system-wide global crisis or coercive economic diplomacy.[36] For our purposes, a brief review of four cases over the past decade from the developing areas may be most informative: the Republic of South Africa, Vietnam, Cuba, and Iraq.

Of the four countries, South Africa experienced the mildest external economic shocks—precipitated, in this instance, by a mounting international campaign of anti-apartheid trade and investment sanctions after 1985. Because South African exports were in the main homogeneous and highly marketable primary products, South Africa did not suffer any significant contraction in trade volume due to the sanctions campaign. Between 1985 and 1990, for example, the volume of imports and exports both increased by about ten percent, and the country continued to run

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34 Ibid., p. 37–38

35 The adverse—and continually adverse—role of policy on economic performance in the Southern states is suggested by the extraordinarily long time required to reattain antebellum levels of output per capita. For the South as a whole, per capita output may not have reached 1860 levels until the beginning of the Twentieth Century; for the states of the "Deep South," recovery by this measure may not have been achieved until the eve of World War I: Claudia D. Goldin and Frank D. Lewis, "The Economic Cost of the American Civil War: Estimates and Implications," *Journal of Economic History*, Vol. 35, No. 2 (1975), pp. 299–326. War devastation by itself would not seem to explain such an extended hiatus: recall that per capita output had recovered to prewar levels within six years of defeat in West Germany, and within nine years in Japan.

36 Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott, *Economic Sanctions Reconsidered*, second ed. (Washington, DC: Institute for International Economics, 1990).

a current account surplus (albeit a declining one). Sanctions did, however, affect international business confidence: more than half of the multinational corporations with investments in South Africa sold their holdings; new direct foreign investment essentially ceased; and money center banks became extremely wary about extending credit to either the South African public or private sector.[37] South Africa's estimated GDP grew sluggishly after the onset of international sanctions, and estimated per capita GDP actually declined slightly (by about four percent) between 1985 and 1990.[38]

How much sanctions had to do with this stagnation, however, is unclear; for a variety of reasons—including expensive *dirigiste* policies—economic growth in South Africa had been steadily slowing down for a generation beforehand.[39] Be that as it may: the *perceived* pressure of these sanctions proved to be instrumental in bringing the apartheid regime to an end. This relinquishing of state control under relatively limited external economic pressure can be explained diversely; one important factor, however, may relate to solidarity and regime legitimacy. A willingness among South Africa's races to share sacrifice in the face of perceived economic loss was simply not an option with anti-apartheid sanctions. Even within the white population, anti-apartheid sanctions exposed deep fissures, between an English-language community principally employed in the private economy and an Afrikaans-speaking population largely employed by the public sector. Furthermore, apartheid had already lost substantial credibility among its ostensible prime beneficiaries: in 1986, for example, South Africa's Dutch Re-

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37 Kenneth A. Rodman, "Public and Private Sanctions against South Africa," *Political Science Quarterly*, Vol. 109, No. 2 (1994), pp. 313–34.

38 All figures derived from, International Monetary Fund, *International Financial Statistics Yearbook 1995*, (Washington, DC: IMF, 1995), p. 697.

39 Nicholas Eberstadt, *The Tyranny of Numbers* (Washington, DC: American Enterprise Institute, 1995), Chapter 7.

formed Church (the faith in which the overwhelming majority of Afrikaaners confessed) reversed its earlier teachings and declared that apartheid had no scriptural basis or justification.

Vietnam offers the example of a planned economy directed by a Marxist-Leninist party that adjusted successfully to serious external economic shocks. With the final crisis of the Soviet Union and the dissolution of the Council for Mutual Economic Assistance (CMEA) in August 1990, the framework through which Vietnam heretofore had conducted the great bulk of its international commerce suddenly evaporated. Trade turnover with the former CMEA states, under a new regimen of unsubsidized market prices, completely collapsed: in nominal dollars and at official exchange rates, both imports and exports with the former Soviet bloc fell by about 90 percent between 1990 and 1991. That drop amounted to well over 50 percent of Vietnam's total trade turnover for 1990 (once again measured in nominal dollars and at official exchange rates).

Vietnam's economy, however, did not contract under this shock: instead real GDP is estimated to have risen by 6 percent in 1991.[40] Similarly, overall trade volume actually *rose* in 1991: exports increased by an estimated 18 percent,[41] imports increased by an estimated 12 percent, and the current account deficit declined! Nor were these improvements epiphenomenal. Between 1990 and 1994, Vietnam's export growth averaged an estimated 19 percent per annum, and real GDP growth averaged an estimated 7 percent a year.

While these figures may somewhat overstate Vietnam's performance, there is no doubt that the Vietnamese economy fared very well despite a severe interruption of its standing trade patterns. How did it manage this feat?

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40 World Bank, *From Plan to Market: World Development Report 1996* (Oxford: Oxford University Press, 1996).

41 Lei-Xiao Zuo, "Development of an Open Door Policy: Experience of China and Vietnam," *Singapore Economic Review*, Vol. 39, No. 1 (1994), p. 29.

Intangible factors—including good luck—may have played a role. But the most obvious factor in this successful adjustment was the policy regimen embraced by Vietnamese leadership. From 1986 on, Vietnam's rulers had embarked upon *doi moi* ("a new way") economically. Their program, a tightly politically controlled economic liberalization buffered by stabilization measures, had been in place for several years when the Soviet trade crisis began to loom. In response to the impending crisis, Vietnamese economic policy grasped for export-led-growth-cum-stabilization. A series of devaluations made Vietnamese products (primary or labor-intensive goods) attractive in the international marketplace; interest rates at savings institutions were indexed against inflation; and the budget deficit (8 percent of GDP in 1990) was ruthlessly slashed (2.5 percent of GDP in 1991).[42] Vietnam's macroeconomic policy adjustments in the early 1990s are in some ways reminiscent of South Korea's shifts in economic policies in the 1962–65 period, the years that set the stage for South Korea's transition to export-led growth. Perhaps this should not surprise, insofar as South Korea's entry into an outward-oriented economic regimen was similarly propelled by policies anticipating an external economic shock (in Seoul's case, the anticipated termination of American economic assistance).

In contrast to Vietnam, Cuba's economy to date has not adjusted successfully to the termination of Soviet-bloc aid and trade (see Figure 1). Official US estimates suggest that the nominal dollar value of Cuba's overall imports and exports both fell by about 70 percent between 1989/91 and 1993/94.[43] While GDP estimates for the Cuban economy are problematic, it is apparent that the system has suffered a severe downturn. Ac-

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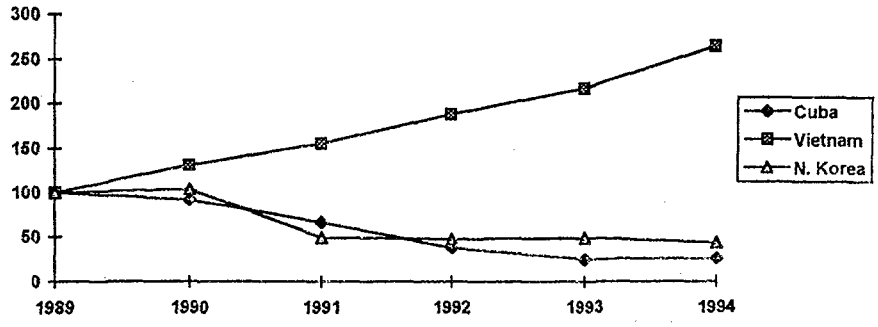
42 George Irvin, "Vietnam: Assessing the Achievements of *Doi Moi*," *Journal of Development Studies*, Vol. 31, No. 5 (1995), p. 735

43 CIA, *Handbook of International Economic Statistics: 1995*, p. 156.

Figure 1
Performance in Selected Communist Countries

A. Exports, 1989–1994 (1989=100)

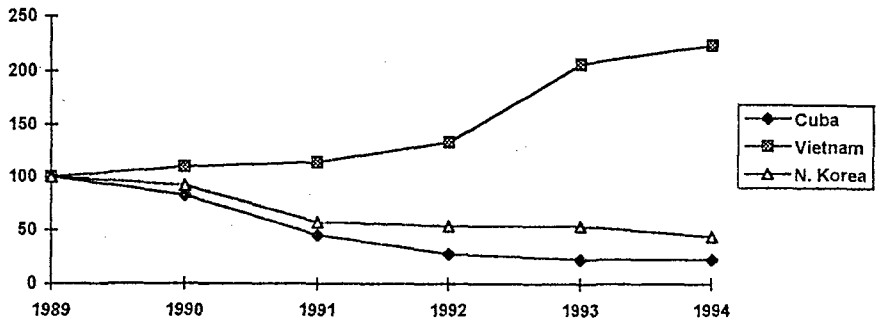
Relative value (1989 = 100)



Year

B. Imports, 1989–1994 (1989=100)

Relative value (1989 = 100)



Year

Note: Trade volume is aggregated in current US dollars at official exchange rates.

Sources: for Cuba—US CIA, *Handbook of International Economic Statistics: 1995* (Washington, DC: National Technical Information Service, 1995); for Vietnam—Lei-Xiao Zuo, "Development of an Open Door Policy: Experience of China and Vietnam," *Singapore Economic Review*, Vol. 39, No. 1 (1994); for N. Korea—Young Namkoong, "An Analysis of North Korea's Policy to Attract Foreign Capital," *Korea and World Affairs*, Vol. 19, No. 3 (1995).

cording to some assessments, Cuba's GDP in 1993 was only half as large as it had been in 1989;[44] in 1994 and 1995, according to others, per capita GDP growth may also have been marginally negative.[45]

For a cash-crop export economy with a relatively small population (eleven million), unrealistically advantageous terms of trade with its erstwhile CMEA partners, and a fairly high ratio of CMEA trade to domestic output, the short-term problems posed by the abrupt disappearance of the Soviet trade bloc would be formidable under any circumstances. Havana's policies, however, appear to have intensified rather than relieved the structural pressures on the Cuban economy. In the memorable (if not completely accurate) description of one Cuba specialist, the Cuban approach to its trade shock problems has been "a unique case of anti-market reform."[46] For several years after the trade shock, the Castro government embraced a somewhat contradictory strategy that included more stringent rationing, tighter trade controls, stimulation of domestic socialist "infant industries," deficit financing, and development of hard currency enclaves (most notably tourism).

To date the strategy has failed to spark recovery for self-evident reasons. Under Cuba's socialist institutional structure, "supply side" responses are difficult to elicit; the turn against market mechanisms after 1989 only reduced the elasticity of supply further. On the demand side, the lurch toward deficit finance created even greater disequilibrium in the peso-sector of

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44 Manuel Pastor, Jr. and Andrew Zimbalist, "Waiting for Change: Adjustment and Reform in Cuba," *World Development*, Vol. 28, No. 5 (1995), p. 708.

45 Ann Wroe, "Heroic Illusions: A Survey of Cuba," *The Economist*, Vol. 339, 8 April 1996, p. S6.

46 Carmelo Mesa-Lago, "Cuba: Un Caso Unico de Reforma Anti-Mercado: Retrospectiva y Perspectivas," *Pensamiento Iberoamericano*, no. 22/23 (1992/1993), pp. 56–100. See, also, Claudio E. Montenegro and Raimundo Soto, "How Distorted Is Cuba's Trade? Evidence and Predictions from a Gravity Model," *Journal of International Trade and Economic Development*, Vol. 5, No. 1 (1996), pp. 45–68.

the economy (e.g., the official economy); in tandem with stricter trade controls, the effect was to forestall employment of underutilized factors of production, to complicate the purchase of needed intermediate goods, and to hinder the reallocation of resources.

Unlike the American Confederacy's unfortunate commercial and financial strategy, Cuba's adjustment program may not be a matter simply of economic naivete. Political and ideological calculations likely frame Castro's vision of adjustment policies; it seems quite possible that prolonged depression and economic decline could be viewed by leadership as preferable to potentially destabilizing recovery. In any event, to date the Castro regime has demonstrated that it can deal to its own satisfaction with the political consequences of its ongoing economic slump. The efficacy of Cuba's extensive internal security services is crucial to this strategy;[47] Also important has been the regime's acquiescence after 1993 in a creeping "dollarization" of a still formally illegal private service economy. Dollarization has permitted the regime implicitly to renegotiate its social contract with the citizenry, lowering state guarantees while still holding out the possibilities that basic needs might be met through other (extralegal) channels and activities. Irrespective of its economic merit or its long-term ideological viability, this has proved to be a shrewd political tactic for defusing some of the stresses that Cuba's more overarching economic strategy seems to have created.

Iraq, finally, presents the example of a militarized economy that has been under strict and fairly watertight international trade sanctions. Since August 1990, when its forces invaded Kuwait, Iraq has been subject to United Nations sanctions that

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47 Edward Gonzalez and David Ronfeldt, *Storm Warnings for Cuba* (Santa Monica, CA: RAND, Memorandum MR-432-OSD, 1994); Douglas W. Payne, "Inside Castro's Mafia State," *Society*, Vol. 33, No. 2 (1996), pp. 39–46; Wroe, "Heroic Illusions." See, also, David Rieff, "Cuba Refrozen," *Foreign Affairs*, Vol. 75, No. 4 (1996), pp. 62–76.

severely limit its ability to generate export earnings through oil sales (which accounted for perhaps ninety percent or more of Baghdad's revenues in the 1980s). According to official US estimates, Iraqi oil exports, which averaged 1.6 million barrels a day in 1990, averaged only 100,000 barrels per day from 1992 to 1994.[48] Oil revenues, which had averaged over $11 billion a year between 1985 and 1990, fell to an estimated $1 billion a year or less between 1992 and 1994. Estimates of Iraq's overall economic decline vary, but many informed observers guess that per capita output has fallen by rather more than half between 1990 and 1995. In addition to these economic setbacks, Iraq also suffered an economically and politically costly destruction of much of its military force during its 1991 defeat in the Gulf War.

As long as the economic sanctions against it are effectively implemented, Iraq has little alternative but to endure a pronounced economic slump. Iraq's fundamentals are not auspicious for counteracting the economic impact of tightly enforced restrictions on its international trade. Iraq's was a relatively undiversified economy, highly dependent upon oil exports for its international earnings, characterized by a fairly high ratio of trade to domestic output. Its national population is neither large (about 20 million) nor particularly well-educated (over 40 percent adult illiteracy, according to the World Bank)[49] these particulars place distinct limits on both the potentialities of the domestic market and on the capabilities of economic agents and organizations to respond to exogenous economic shocks.[50]

Just as with Cuba, however, five years of steep economic decline does not yet seem to have brought Iraq's ruling powers

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48 CIA, *Handbook, From Plan to Market.*

49 World Bank 1996, p. 222. Note that all figures on national rates of illiteracy should be treated with caution.

50 Note, *inter alia,* that in Vietnam, which seems to have coped well with its Soviet trade shock, adult illiteracy is placed at 9 percent for women and 4 percent for men by the World Bank (1996, p. 200).

to the point of political crisis. And as with Cuba, much of the regime's success to date in quelling potentially destabilizing pressures can be credited to the system's carefully developed capabilities for social control and to the political skills of the top leadership.[51] The internal security apparatus operated by the Iraqi state and by the Baath party appear to be fearsomely efficient—possibly the "best" ever in the Arab-speaking world. Saddam Hussein's personal role in keeping a complex and potentially highly volatile situation under control, moreover, should not be minimized. Leadership matters, and whatever else may be said of him, it would appear that Saddam understands Iraqi politics rather better than any of his domestic or international opponents.[52]

Centralizing control around a core group of trusted family members, relying heavily upon the loyalty of his own clan (the Takriti), and playing to the powerful strain of stubborn and defiant nationalist sentiment for the many groups with which he would otherwise have little affinity, has proved so far to be a winning formula for Saddam Hussein.

From the standpoint of economic management, while it is incontestable that international sanctions have dramatically reduced Iraq's production possibilities, it also seems to be the case, as Clawson has argued, that "Iraq has adjusted to sanctions to a degree not anticipated by people who placed high hopes in sanctions when they were first adopted."[53] Strict and austere

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51 Patrick Clawson, "How Has Saddam Hussein Survived? Economic Sanctions, 1990–93," *McNair Paper No. 22* (Washington, DC: National Defense University Institute for National Strategic Studies, 1993); Graham E. Fuller, *Iraq in the Next Decade: Will Iraq Survive Until 2002?* (Santa Monica, CA: RAND, Note N-3591-DAG, 1993); "Iraq: Down But Not Out," *The Economist*, vol. 335, 8 April 1995, pp. 21–23 (see, also, "Iraqis Count the Cost of Sanctions," *The Economist*, Vol. 330, 19 February 1994, p. 46; "King Saddam," *The Economist*, Vol. 333, 14 November 1994, pp. 59-60); Ahmed Hashim, "Iraq: Fin de Regime?" *Current History*, Vol. 95 No. 597 (1996), pp. 10–15.

52 One Iraqi official put it memorably: "Waiting for Saddam Hussein to go is like waiting for Godot to arrive." Hashim, ibid., p. 14.

rationing (enacted the month of the UN sanctions) has afforded the population under Saddam's control a guarantee of (bare) caloric adequacy. In contrast to the populist package of responses to economic difficulties so often proffered in modern Middle Eastern politics, Baghdad ruthlessly cut back public sector employment (including military personnel) after sanctions and battlefield defeat; at the same time, it attempted to stimulate the growth of the private service sector by relaxing previous restrictions on it. Demonstrated indifference to the prospects of Iraq's "middle class" (educated workers lacking direct access to hard currency or tradable goods) permitted a strategy in which the burdens of adjustment fell disproportionately on that group. Ingenious efforts to circumvent sanctions—through border smuggling, illegal sale of booty from Kuwait, drawdown of gold stocks, expenditures from unidentified (thus never frozen) foreign bank accounts, and other devices—have enhanced the regime's capabilities to procure imports from abroad. Though such magnitudes are conjectural, some observers guess that Iraq has managed to import about $3 billion in goods and services a year—far less than before Baghdad's Kuwait adventure, but roughly twice what the UN sanction regimen envisioned. What Clawson observed about the advent of the sanctions regime seems to obtain, at least to some degree, five years later: "Outside analysts . . . had only the vaguest idea of what Iraq had in the way of stocks and adjustment capacity when the sanctions started."[54]

And what of North Korea? As Pyongyang's leadership has repeatedly emphasized,[55] the unexpected loss of Soviet aid and trade in 1990 and 1991 constituted a serious setback to the national economy. If so, it was a setback from which DPRK trade

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53 Clawson, "How Has Saddam Hussein Survived?"

54 Ibid., p.14.

55 Eberstadt, et al., "The Collapse of Soviet/Russian Trade."

performance has yet to recover: the absolute volume of North Korean trade turnover (calculated in current dollars and at official exchange rates) is believed to have declined almost continuously between 1990 and 1994,[56] and may have fallen still further since then. North Korea's trade falloff does not look to have been as precipitous as Cuba's (see Figure 1), or perhaps Iraq's. On the other hand, in absolute terms DPRK imports per capita—perhaps $50 a year—are far lower than Cuba's (about $180) or Iraq's (perhaps $150), and North Korea's current ratio of imports to domestic output is also probably far lower.

Unlike wartime Germany and Japan, North Korea has only a medium-sized domestic population (about twenty-four million people) and only a limited endowment of the natural resources its economy requires to continue functioning (energy products being perhaps the most critical constraint here). Without securing access to such resources through imports, the DPRK's socialist economy, as currently structured, can be expected to undergo continuing stagnation and decline.[57] To date, however, no turnaround in DPRK trade performance is evident.

In this respect, North Korea's response to its Soviet trade shock differs diametrically from Vietnam's, where external economic pressures were met by output- and productivity-augmenting macroeconomic policy shifts. North Korea's circumstances also differ from Iraq's, where formally applied international trade pressures cannot be relieved without first explicitly conceding to foreign diplomatic and military demands. The North Korean case is most analogous to the Cuban, where the regime also

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56 Young Namkoong, "An Analysis of North Korea's Policy to Attract Foreign Capital," *Korea and World Affairs*, Vol. 19, No. 3 (1995), pp. 459–81; Marcus Noland, "The North Korean Economy," *Joint U.S.Korean Academic Studies*, Vol. 6 (1996), pp. 127–78.

57 Chun, "Economic Conditions in North Korea"; Nicholas Eberstadt, "'National Strategy' in North and South Korea," *NBR Analysis*, (Seattle: The National Bureau of Asian Research), Vol. 7, No. 5 (1996); Young Namkoong, "Trends and Prospects of the North Korean Economy," *Korea and World Affairs*, Vol. 20, No. 2 (1996), pp. 219–35; Noland, "The North Korean Economy."

theoretically has the option of revitalizing trade through economic liberalization, but declines to do so.[58]

In both Cuba and North Korea, Communist Party leadership appears to have calculated that it is preferable to deal with the economic stresses created by their respective trade shocks than to attempt seriously to alleviate them. Like Iraq's, both Cuba's and North Korea's state systems and official ideologies seem well-suited to handling the political turbulence that might ordinarily accompany economic decline. Both Havana and Pyongyang can rely upon world-class internal security forces; in North Korea, moreover, the degree of social control may be even more complete than in Cuba. Both national directorates (in contradistinction to *apartheid* South Africa's) have striven to inculcate the sentiment of solidarity in the face of common sacrifice—a theme which may resonate especially in countries with a tradition of nationalist resistance to foreign pressure. More subtly, both regimes can play upon popular anxieties about what the future may hold if their political systems should fail: upon what "unification" will mean if it comes on terms established by hostile and unforgiving compatriots.[59]

In meeting the common challenge of managing the stresses attendant upon inadequate adjustments to exogenous economic shock, the Cuban and North Korean regimes appear to have some contrasting assets and liabilities. It would appear to be to North Korea's advantage, for example, that its population was larger, that its socialist economy was more diversified, and that its dependence on foreign trade was lower at the onset of their trade shocks. It would also seem to be North Korea's distinct

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58 For an informative evaluation of North Korea's response to pressures for trade and investment liberalization, see Namkoong, "An Analysis of North Korea's Policy to Attract Foreign Capital."

59 It should be remembered that both Cuba and Korea are currently embroiled in unification struggles. The boundaries of the struggle are self evident on the Korean peninsula; for Cuba, the contending forces are located on the island proper and in Miami, Florida.

advantage that communication with the outside world—a factor that may bear upon public perceptions of regime legitimacy—has been so much more restricted. On the other hand, North Korea's defense effort appears to be far more costly to the national economy than does Cuba's; all other things being equal, Pyongyang's military commitments mean that it would be the DPRK economy that would have to cope with the greater stresses under exogenous external shocks. By the same token, while the North Korean socialist economy may be more diversified than the Cuban, it also appears to be even more severely distorted;[60] *ceteris paribus*, this suggests that supply-side responses to exogenous shocks would be more inadequate. Finally, and perhaps most importantly, diverse indications suggest that North Korea is nearer the margin of nutritional subsistence today than is Cuba. Qualitatively, ideologically, and *politically*, coping with a shortage of consumer goods is fundamentally different from coping with the specter of hunger.

Food Shortages and Hunger Problems Under Command Planning

North Korea is certainly not the first centrally planned economy to confront domestic food shortages. Episodic but severe food shortages are in fact a characteristic, and arguably predictable, consequence of the twentieth century Marxist-Leninist state's approach to economic management and economic development. Indeed, until recently the DPRK seemed to be something of an exception to regional rules. Up until the early 1990s, North Korea was the only Communist state in Asia that had not suffered from a severe food problem, a bout of mass hunger, or a famine.

Mongolia and North Vietnam, for example, both experienced serious food shortages within the first decade of Communist rule

60 Eberstadt, *Policy and Economic Performance.*

(for Mongolia, in the early 1930s; for North Vietnam, in 1955 and 1956).[61] Outright famine erupted in the Soviet Union on several occasions, perhaps the most devastating being in 1933;[62] it gripped China in the years 1959 to 1961,[63] and it engulfed Cambodia from 1977 to 1979.[64]

The operative and defining feature of virtually all previous food crises under Communist states is that they were policy-induced—or at the very least, policy-intensified. (The single obvious exception to this generalization involved the nutritional shocks that befell the USSR from 1941 to 1945 due to war.)[65] Each of the aforementioned famines, for example, was either directly caused or severely exacerbated by government policy and prac-

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61 C. R. Bawden, *The Modern History Of Mongolia*, revised edition (London: Kegan Paul International, 1989); Robert Rupen, *How Mongolia is Really Ruled: A Political History of the Mongolian People's Republic, 1900–1978* (Stanford, CA: Hoover Institution Press, 1978); Van Chi Hoang, "Collectivization and Rice Production," in P. J. Honey, ed., *North Vietnam Today: Profile of a Communist Satellite* (New York: Frederick A. Praeger, 1962), pp. 117–27; Gerard Tongas, *L'enfer communiste au nord-vietnam* (Paris: E. Debresses, 1960).

62 Alain Blum, *Naitre, vivre et mourir en URSS, 1917–1991* (Paris: Librarie Plon, 1994); Robert Conquest, *The Harvest of Sorrow: Soviet Collectivization and the Terror-Famine* (New York: Oxford University Press, 1986); Michael Ellman, "A Note on the Number of 1933 Famine Victims," *Soviet Studies*, Vol. 43, No. 2 (1991), pp. 375–79.

63 Jasper Becker, *Hungry Ghosts: Mao's Secret Famine* (New York: Free Press, forthcoming); Chris Bramall, *In Praise Of Maoist Economic Planning: Living Standards and Economic Development in Sichuan since 1931* (New York: Oxford University Press, 1993); Nicholas R. Lardy, "The Chinese Economy Under Stress, 1958-1965," in Roderick MacFarquhar and John K. Fairbank, eds., *The Cambridge History of China, Volume 14: The People's Republic, Part I* (New York: Cambridge University Press, 1987), pp. 360–97; Justin Yifu Lin, "Collectivization and China's Agricultural Crisis in 1959-1961," *Journal of Political Economy*, Vol. 98, No. 6 (1990), pp. 1228–52; Dali L. Yang, *Calamity and Reform in China: State, Rural Society, and Institutional Change Since The Great Leap Famine* (Stanford, CA: Stanford University Press, 1995).

64 Karl Jackson, ed., *Cambodia, 1975-1978: Rendezvous With Death* (Princeton, NJ: Princeton University Press, 1989); Yathay Pin, *L'utopie meurtiere: un rescape du genocide cambodgien temoigne* (Paris: R. Laffont, 1980).

65 William Moskoff, *The Bread of Affliction: The Food Supply in the USSR During World War II* (New York: Cambridge University Press, 1990)

tices. And in virtually every previous serious food problem experienced under Communist rule, extreme food shortages have been the direct result of a new regimen of far-reaching state interventions into agriculture.

In almost every case, moreover, the afflicting state interventions have been almost identical. The three overlapping policies typically to come into force immediately before a severe Communist food shortage were: (1) a sudden decreed change in property rights or ownership structure on the farm, (2) significantly increased state taxes or procurement quotas for agricultural produce, (3) a promulgated shift (e.g., deterioration) in the established terms of trade between food and nonfood goods.

Due to the nature of these interventions, and the incidence of their costs, severe food shortages under Communism have typically been a rural—not an urban—problem. And generally speaking, the severity of the food shortage has varied in proportion to the intensity of the state's adverse policy interventions. The 1933 Soviet famine in Ukraine, for example, appears to have been largely brought on by sharp increases in stipulated procurement quotas in 1932;[66] the great Chinese famine followed the communization of farms,[67] the widespread institution of communal "mess hall" dining,[68] and a drastic increase in procurement, all in 1958 and 1959;[69] the Cambodian famine was triggered by an indigenous and perhaps even more radical application of the same "Great Leap Forward" techniques.[70]

Note that the major loss of life exacted by famine in each of these instances required active and severe indifference on the part of state authorities to the plight of their rural subjects. The

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66 Conquest, *The Harvest of Sorrow.*

67 Lin, "Collectivization."

68 Yang, *Calamity.*

69 Bramall, *In Praise of Maoist Economic Planning.*

70 Jackson.

Soviet Union's 1933 famine ("excess mortality" of approximately seven million[71]) was essentially delimited to the borders of the Ukrainian SSR, and not by accident; the Stalin government had chosen to use hunger as an instrument of terror in its quest to achieve complete mastery over a still largely unwilling nationality. (During the depths of the Ukrainian famine, Soviet troops were actually emplaced at border points to prevent travelers from smuggling food in to the desperate region!) In Cambodia ("excess mortality" of approximately one million[72]), hunger was selectively inflicted upon the "new people" who had inhabited areas not controlled by the Khmer Rouge in the early 1970s; the official attitude towards the suspect "new people" was epitomized in the Khmer Rouge aphorism, "to save you is no gain—to destroy you is no loss." In China ("excess mortality" of approximately thirty million[73]), famine was not used purposefully as a tool of social control; instead, deadly hunger spread and worsened as the Maoist government stubbornly pressed on with its "Great Leap Forward" program, in apparent disbelief of all reports of the dire hardships it was causing in the countryside.[74]

Because severe food shortages under Communist governments were typically policy-induced, the states in question were commonly able to "solve" their food crises simply by relaxing or moderating harsh and destructive innovations. After a terrible fall-off in the country's livestock population, for example, the Mongolian People's Republic 1933 relented on its collectivization of animal husbandry, postponing that objective until after World

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71 Ellman, "A Note on the Number of 1933 Famine Victions."

72 Judith Banister and E. Paige Johnson, "The Demography of Cambodia," in, Ben Kiernan, ed., *Genocide and Democracy in Cambodia: The Khmer Rouge, The United Nations, and The International Community* (New Haven: Yale University Southeast Asia Studies, 1993), pp. 65–120.

73 Judith Banister, *China's Changing Population* (Stanford, CA: Stanford University Press, 1987).

74 Becker, *Hungry Ghosts.*

War II.[75] North Vietnam's "food crisis" subsided with a drop in procurement quotas and an improvement in agriculture's terms of trade.[76] Ukraine's famine ended when the Soviet government reduced the procurement quota for the republic and lifted the de facto embargo against food shipments into the region. In China, policy changed course when food shortages began to affect the urban centers; at that point, the government reduced procurement quotas, improved the terms of trade for foodstuffs, switched from being a net exporter to a net importer of foodgrains, and acquiesced in a headlong retreat from communal farming, even to the point of temporarily permitting tenancy-style individual farming throughout much of the country[77]

One may observe that the aforementioned food crises, although triggered by predictably injurious state policies and thus at least theoretically corrosive of state legitimacy, did not typically result in regime crisis, political destabilization, or state collapse. The only instance to date of a Communist state's downfall at a time of severe and mounting hunger was that of Democratic Kampuchea (1978)—and the precipitating factor in that case of state collapse was not the hunger of the local population, but instead the invasion and occupation of the country by military forces from neighboring Vietnam after several years of steady and escalating diplomatic friction between Phnom Penh and Hanoi.

Severe food shortages, furthermore, seem to have placed no obvious or general constraints upon the conduct of foreign policy for the Communist states affected by them, at least in the past. During the Ukrainian famine, Soviet foreign policy was not hindered or disrupted in any visible manner; in fact, one of Moscow's key diplomatic objectives of the day—normalizing

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75 Bawden, *The Modern History Of Mongolia.*

76 Tongas, *L'enfer communiste.*

77 Lardy, "The Chinese Economy."

relations with Washington—was achieved in 1933. The existence of severe domestic famine, likewise, has not historically served as a moderating influence on the international policies of the stricken Communist state. Recall the example of China: from 1959 to 1961 Beijing not only adhered to an increasingly confrontational posture toward Moscow, and escalated its "three worlds" rhetoric for international anti-imperial revolution, but also engaged in border disputes and border clashes with India.[78]

How did Communist states in the past maintain social and political control during periods of severe food problems? Despite variations from one case to the next, the basic patterns seem to have been the same: the governments in question maintained a ruthless monopoly of force in the countryside and imposed relentless censorship over all media of communications. In practice, the monopoly of force, applied through both internal security organs and local party structures, preempted organized discontent in the countryside. (Terror and official violence figured in all of these efforts to cow local peasants, but the prevalence and intensity of such direct physical threats seems to have varied widely both between and within the countries under consideration.) No less importantly, the monopoly of force was used to prevent peasants from moving out of stricken areas, and to preclude unauthorized migration more generally.[79] (Despite strict controls on travel, over twenty million Chinese peasants made their way to cities between 1958 and 1960.[80] This was a critical factor in the mounting pressure on urban food supplies, and thus ultimately in reversing the "Great Leap" policies.) Thoroughgoing censorship—including stringent penalties

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78 Alan S. Whiting, "The Sino-Soviet Split," in Roderick MacFahrquhar and John K. Fairbank, eds., *The Cambridge History of China, Volume 14: The People's Republic, Part I* (New York: Cambridge University Press, 1987), pp. 478–538.

79 By no coincidence, the Soviet government had implemented an internal passport system for the USSR in 1932.

80 Banister, *China's Changing Population;* Lardy, "The Chinese Economy."

against individuals for breaking censorship discipline—was required, and enforced, to suppress information about unfolding local food crises. Suppressing such information served a multiplicity of purposes: it left victims of the food crises atomized and isolated from other potential grievants; it protected the image of infallibility, competence and success that every vanguard party strove to create, and arguably required in order to function effectively; and it deceived adversaries, both at home and overseas, who might capitalize upon any signs of weakness in the country in question. (China's amazing success in controlling information about the Great Leap famine is indicated by the fact that foreign researchers generally did not begin to suspect the true magnitude of the 1959–61 losses until fully two decades after the event.)

What does the historical experience of severe food shortages under Communist regimes suggest about the current North Korean situation? At the moment, it is difficult to assess the actual extent and incidence of severe hunger in the DPRK—much as one would expect, historically speaking, from a well-functioning Communist regime. Such details happen to matter greatly. Lacking them, one may begin by observing that Communist regimes in the past have managed to cope *politically* with deadly hungers that have ravaged broad portions of their population, even for several successive years—and have furthermore sometimes emerged from these food crises to enter or resume a period of brisk industrial growth.

On the other hand, a number of obvious and important differences between the current North Korean food problem and earlier Communist food crises can be identified. For one thing, all previous severe food shortages in Communist economies took place in countries that were overwhelmingly rural and agrarian (Mongolia, North Vietnam, Ukraine, China, and Cambodia were all 80-plus percent rural at the time). North Korea, by contrast, had a predominantly non-agricultural and urbanized economy

by the late 1980s.[81] North Korea's food problem differs from previous food crises under communism in that it apparently affects an economy with distinctly higher per capita production capabilities (including a relatively high-productivity, high-input agricultural sector). This means, among other things, that achieving household-level "food self-sufficiency" is simply not an option for most of the North Korean population; in the past, this always was an option for Communist populations under extreme nutritional stress.

Secondly, the timing of the current North Korean food problem differs dramatically from that in previous Communist food crises. In virtually all previous Communist food crises, the big food problems occurred within a decade of the establishment of the regime. Those crises may be seen as part of the process of system consolidation. (One could even argue that they were part of a grim "learning curve" about food security for those earlier Communist regimes.) In North Korea, by contrast, the current food crisis has emerged in a fully mature Marxist-Leninist polity, in which a vanguard party has held power for nearly half a century.

Third, in previous Communist food crises, the offending policy interventions contributing to nutritional distress were both newly introduced and self-evident, thus lending themselves to a relief through policy reversal. It is not clear that North Korea follows this pattern.

Surprisingly little seems to be known about North Korea's contemporary agrarian policies or their actual implementation in practice. DPRK media extolled the virtues of a "transition to all-people's ownership in agriculture" in 1994 and early 1995,[82]

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81 Nicholas Eberstadt and Judith Banister, *The Population Of North Korea* (Berkeley, CA: University of California Institute of East Asian Studies, 1992).

82 See, for example, *Rodong Shinmun*, 28 May 1994, translated in *FBIS/EA*, 28 June 1994, pp. 28–30; *Minju Choson*, 15 January 1995, translated in *FBIS/EA*, 7 March 1995, pp. 38–41; and *Rodong Shinmun*, 21 January, translated in *FBIS/EA*, 1 March 1995, pp. 43–45.

but went silent about this after the official appeal for international food aid and the official announcement of massive damage from flooding later in 1995. Does one infer that a change in property relations on the co-operatives was attempted, but shelved after disastrous results? Without additional information, it would be difficult to say.

If North Korea's current food difficulties can be traced to an ill-advised lurch in agricultural policy, one would expect the problem to be intrinsically remediable through a relaxation and liberalization of the economic regimen. (Whether such a direction would be *politically* acceptable to DPRK authorities, of course, is another question.) If, on the other hand, the current food shortages could not be linked to obvious and untoward recent policy changes, this would suggest that the problem is more deeply systemic in nature, and therefore ultimately perhaps much more intractable.[83]

Whichever the case may be, it is apparent that the North Korean economy is organizationally more complex than were the Communist economies beset by severe food shortages in the past. Although these complex linkages are conducive to enhanced productivity, they may also paradoxically make the food problem more difficult to solve if economic planners insist upon cleaving to what they view as a "low risk" economic strategy.

A final difference between the current North Korean food problem and earlier Communist food problems concerns the role of information and communications. It is not possible, in this era of "information revolutions," for the DPRK to suppress information about its food problem completely. Nor, for that matter, is it clear that the regime wishes to do so: witness the appeals for international emergency food aid in 1995 and 1996.[84]

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83 Some sources with firsthand experience in the DPRK have claimed that North Korean agriculture was already plagued by serious structural problems by the late 1980s, and that output was already stagnating or declining by that time. See Hans Maretzki; Trigubenko, "Economic Characteristics"; and, U-hong Yi, *Donzoko no Kyowakoku: Kita Chosen Husaku no Kozo* (Tokyo: Aki Shobo, 1989).

It seems quite possible that more information about the nation's hunger troubles might circulate domestically in North Korea today than in any previous Communist food crisis, North Korea's formidable monopoly of local media notwithstanding. How such a difference might bear upon systemic stresses is impossible to quantify, but is worth keeping in mind.

Given some of the basic differences between the forensics of the current North Korean food problem and previous food crises under Communism, it may be worthwhile to speculate about the *arithmetic* of food shortage in the DPRK—that is to say, about the magnitude and regional distribution of production shortfalls—in conjunction with the geography of food demand within the DPRK. If the rudimentary "food balance sheets" constructed by outside observers are correct, North Korea is currently experiencing an annual "deficit" of roughly two million tons of cereal.[85] Assuming these estimates to be correct, and assuming further that neither reserve stocks nor external humanitarian aid fully make up the loss, how would the DPRK's political economy cope with an absolute drop in grain supplies of, say, one million tons?

Three hypotheses come immediately to mind. First, in the face of a shortfall of that order of magnitude, the socialist distributional mechanisms in the DPRK economy would be placed under extraordinary pressure—unprecedented pressure, in fact, in the annals of the centrally planned economy. This would be so, quite simply, because a much greater proportion of the total popula-

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84 That appeal begs the question of the accuracy of the DPRK leadership's own assessment of the country's current food situation and food outlook. It is quite possible that top decisionmakers might lack accurate information about the magnitude and incidence of food shortfalls, or might entertain unrealistic expectations about the relative ease with which the current food problem might be resolved. Communist directorates have been certainly subject to such misapprehensions during food crises in the past.

85 Hy-sang Lee, "Supply and Demand for Grains in North Korea: A Historical Movement Model for 1966–1993," *Korea and World Affairs*, Vol. 18, No. 3 (1994), pp. 509–552; Chun, "Economic Conditions in North Korea and Prospects for Reform"; and, Namkoong, "Trends and Prospects of the North Korean Economy."

tion does not produce its own food in the DPRK today than was the case in any of the Communist systems that experienced severe food shortages in the past. From the standpoint of state security, of course, avoiding a breakdown in the state food distribution system would be a matter of the highest urgency—but it would also be a formidable challenge.

Second, with a hypothetical grain shortfall of that magnitude, it would be impossible to spare the urban population and the non-agricultural workforce from significant nutritional reversal. This is so, quite simply, because there are too few farmers in the DPRK's labor force to permit a policy of "squeezing the countryside" any realistic chance of success. If roughly one fourth of the civilian labor force toils in agriculture, as official statistics suggested it did in the late 1980s,[86] forcing the entire production shortfall onto the farm population would require a *zero* calorie diet of them! If farmers are to be sturdy enough to harvest their next crop, neither this nor many other "solutions" predicated upon extreme deprivation for the farm population can be feasible. Urban areas, which house the majority of the DPRK's population, must also assume the brunt of adjusting to cereal shortfalls of the magnitude hypothesized here.

But we would not expect the pain to be shared entirely equally by the DPRK's non-agricultural population, which brings us to the third hypothesis. In the DPRK's official distribution system, some claimants are more equal than others: among the groups treated with special consideration are the military, inhabitants of Pyongyang (and perhaps a few other major cities), and the families of workers employed in priority enterprises. These groups, however, happen to encompass a fairly large proportion of North Korea's non-agricultural population: perhaps as many as six million out of a non-agricultural population of perhaps eighteen million. In a zero-sum game in which the objective is to protect one's own nutritional status, the ratio of more privileged

86 Eberstadt and Banister.

to less privileged claimants could matter greatly to specific outcomes. We might therefore speculate that groups expected to suffer special nutritional stresses from a food shortfall of the magnitude here hypothesized would include the rural nonagricultural civilian population and the inhabitants of second- or third-tier urban centers without access to such priority professions as military industries or those that generate hard currency.

Under such circumstances, one would expect intense pressures among these groups to "solve their own food problem." Among the constellation of personal solutions imaginable would be reverse migration (from city to food-producing agricultural cooperatives) and extralegal barter with food-producing areas. While relieving nutritional distress for less privileged segments of the non-agricultural population, however, all of these adjustments would tend to undermine or compromise the functioning of the DPRK official economic system as it is presently constituted.[87]

Concluding Observations

Our survey can conclude with five summary points. First, the economic pressures and problems confronting the DPRK's socialist system today appear to have no precise analogy in recent historical experience. Some countries have coped—or failed to cope—with the great challenges entailed in mobilization for total war. None, however, appear to have been set so close to a total war footing for so very long a period of time: certainly no country at the DPRK's rough level of per capita output. Other Communist states have experienced severe food shortages, but in none of them did food crises merge after "socialist transformation" was long completed and "socialist construction" had

87 For some informed and penetrating speculations about the possible dynamics here, see Robert Collins, "The Pattern of Collapse in North Korea," unpublished research note (Seoul: CINC United Nations Command, 1996). See also, Jianming Zhou and Wang Lingyi, "Still Stable Korean-type Socialism," *Korean Journal of National Unification*, Vol. 5 (1996), pp. 7–23.

been in progress for decades. The exogenous external shock to North Korea's trade regimen over the past five years is analogous, in magnitude and timing, to those in Cuba and Iraq—but the DPRK economy faces additional stresses that the latter two systems do not.

Second, although the pressures on North Korea's political economy today are acute and still mounting, the DPRK's polity would also appear to be exceptionally well-suited to dealing with the economic stresses it now endures. The DPRK enforces an exceptional degree of social control over its subjects, and reinforces this control by a to-date singularly successful policy of obstructing communication and contact with the outside world. All of this appears to make the "rules of the game" for managing economic decline rather different from those in societies and polities with which outside observers are more familiar.

Third, regardless of the DPRK's success to date in managing the stresses that have accompanied its economic decline, it is well to remember that economies under severe stress can in fact collapse—and in fact have done so in the relatively recent past. Although "economic collapse" is a somewhat ambiguous concept—a term whose meaning is made no clearer by promiscuous use in political rhetoric—one incontestable indication of economic collapse is a hunger crisis precipitated by a breakdown of the national food system (construing that system broadly). An industrial economy that can no longer arrange to feed its people is an economy in collapse. It is also worth recalling that in Germany and Japan—the two clearest cases of economic collapse in our century—economic collapse preceded regime collapse, not vice versa.

Fourth, while the cataclysmic conditions that led to "economic collapse" in Germany and Japan were fundamentally different from the constellation of economic problems currently plaguing the DPRK, the qualitative difference in the economic stresses in question does not in itself indemnify the DPRK against the risk of a similar qualitative outcome. If the DPRK system has singular

capabilities in certain areas, it may also have weaknesses and limitations that are not well understood by outsiders (or perhaps even by top leadership). To understand the nature of the interplay between economic stress and regime capability in the DPRK, then, *it is not enough to focus on current economic trends.* To the contrary, it would seem absolutely essential to start with a better understanding of the performance and limitations of the DPRK economy *before* it entered into the present period of mounting economic stresses. Only in that way could it be possible *systematically* to assess the ability of the DPRK political economy to surmount or endure its current economic challenges.

Finally, it is worth asking about the sorts of externally observable signals of impending systemic disfunction that students of North Korea should watch for. We must presume that much of the information we would want simply will continue to be unavailable (specific economic policy directives and the manner in which they are actually implemented, for example). One possible indication of unmanageable economic stresses, however, could come from demographic data. Migration data, for example, could indicate if deurbanization—a necessary consequence of breakdowns in a national food system—has begun, or is accelerating, in the country as a whole or in particular regions. (As already mentioned, our hypothesis is that deurbanization would first occur in the second- or third-tier cities—not in the privileged, "imperial" capital of Pyongyang.) Vital statistics—birth rates and death rates—could similarly indicate whether the local population is undergoing severe social and economic stresses, and whether the DPRK polity can still protect against the social upheavals that are registered in "demographic shocks."[88] Like all other sorts of DPRK data, demographic data are hard to come by. But because they stand to provide singularly unambiguous representations of the systemic stresses we have discussed, they are well worth continuing to seek.

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88 See, Eberstadt, "Demographic Shocks After Communism."

Adaptive Process of the North Korean Political System in Times of Regime Crisis

Sung Chull Kim

While more than three years have passed since the death of Kim Il Sung, his son Kim Jong-il, de facto political successor, is only now being inaugurated general secretary and not even yet state president. Because the economy has been becoming crippled since the breakdown of socialist regimes of Eastern Europe and the Soviet Union, some may presume that the junior Kim and his associates have been waiting the right time for the celebration of his inauguration. However, recent developments in North Korea may refute this presumption. There exist some indicators that the formal appointment has been structurally constrained by the widespread crisis throughout the entire system. In other words, the postponement of his formal ascension has reflected North Korea's crisis.

It should be noted that given this crisis situation, the political system in general and Kim Jong-il and his associates in particular are dependent upon the most cohesive organization, the military. This leads us to the following questions. What are the sources of the general crisis? How does the political system cope with the crisis? Is the newly emerging structure of authority relations, centered around Kim and the military, appropriate to cope with the crisis?

In answering these questions, this paper will rely upon concepts and propositions developed in systems sciences, particularly political system and general systems approaches. These approaches not only provide us with a macro perspective to illustrate the entire picture of the North Korean system but also help us explain and predict the dynamic relationships among various levels of system.

Basic Concepts and Propositions

In an attempt to inquire into changes in the North Korean system in general and its political system in particular it is necessary to illustrate basic concepts that compose and characterize the whole configuration.

System, Subsystem, and Environment. From the perspective of general systems, every system is open and interacts with its environment for exchanging energy and information. A system consists of several subsystems; in particular the North Korean system is made of political, ideological, economic and cultural subsystems. One subsystem is surrounded by the others as well as the higher-level systems; thus, to a subsystem, all the others compose an environment. For analytic purposes, we may divide the environment into two: the external environment made of other surrounding systems; and the internal environment, the neighboring subsystems. (Hereafter a system modified by an adjective, such as political, economic or ideological, refers to a subsystem.)

In the discipline of political science, it is presumed that for the persistence of the system as a whole the political system has to maintain its function of authoritative allocation of social values.[1] A political system's steady functioning can be guaranteed only when it properly copes with fluctuating external and internal

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1 David Easton, *The Political System: An Inquiry into the State of Political Science* (Chicago: University of Chicago Press, 1953), pp. 129–34.

environment. North Korea's political system is being threatened not only by economic stagnation but also by structural dissonance with neighboring subsystems.

Regime and Authority Structure. Form or type of a system, which is called a regime, is dependent upon the structural configuration in which subsystems are related. Since the concept of a regime has been extensively used by political scientists, it has been believed to be a form of political system. However, because a political system continuously interacts with other subsystems and because it has the specific function of producing binding decisions, we may say that the concept of a regime is relevant to the structural configuration of an entire system. For instance, "socialist regime" in North Korea refers to that system with various characteristics such as one-party dominated politics, state-owned economy, top-down official ideology, and so on.

In the political system, the structure of authority relations (or authority structure) may be one of the most important elements. Depending upon the structure of authority relations among organizations or political elites, the conversion process from inputs to outputs may be different.[2] Accordingly, alteration or modification of the authority structure may bring about a meaningful change in the form of the political system, i. e., regime. In the political system where power is concentrated in the hands of a top leader as in North Korea, the impact of his fate upon the authority structure will be enormous. His disappearance from the political scene, by either natural death or ouster, will result in significant changes of the authority structure. But physical disappearance is not the only means for such change. In a crisis, the political elite may intentionally alter the authority structure in an attempt to cope with fluctuations in internal and external environments. What should be noted is that such change in the

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2 David Easton, *The Analysis of Political Structure* (New York: Routledge, 1990), pp. 262–64.

authority structure may be followed by a systemic change of regime, which could occur incrementally or suddenly.

Open System and Coevolution. According to the presumption of general systems and political system approach, the system in general and the political system in particular are open systems continuously interacting with their surrounding environment.[3] The socialist system is no exception in that it has to cope with the internal disturbances and external environmental changes in order to maintain the innate economy and its survival. Of course, history shows that the degree of openness varies depending upon the form of system, i. e., regime, and that the degree is not consistent throughout its lifetime. A system with a low degree of openness may avoid direct impact of fluctuation in the environment. In this respect, the North Korean system has kept relatively limited openness in comparison to other socialist systems. Under the banner of *juche*, meaning self-reliance, it has successfully consolidated a peculiar form of socialist regime, the so-called Socialism of Our Own Style.

However, this does not mean that North Korea has been a closed system. While having managed to keep equidistance towards the Soviet Union and China, it has adopted a development model and control mechanism similar to the ones of those two systems. Furthermore, North Korea as a part of a set of coupled systems (the divided two Koreas) has interacted with South Korea in a very sensitive way. In particular, in the process of establishment and consolidation of the dictatorial authority structure during the 1970s, the coupled systems produced a demonstration effect and proved Jantsch's concept of "coevolution."[4]

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3 L. von Bertalanffy, *General Systems Theory: Essays on Its Foundations and Development* (New York: George Braziller, 1968).

4 E. Jantsch, *The Self-Organizing Universe: Scientific and Human Implications of the Emerging Paradigms of Evolution* (Pergamon Press, 1980).

Complexity and Structural Dissonance. A system and its subsystems have close relationships among themselves and with the environment, and they produce a complex situation that the political elite cannot control. Because of this property of system complexity, no single political elite can become the determinant of the operation of a whole system. The political elite may be constrained not only by the structure they established in the process of pursuing their self-imposed goals but also by the environmental changes that are beyond their control. The systems approach illustrates that the North Korean case is not an exception to this complexity.[5] Even if Kim Il Sung and his son Kim Jong-il have taken top posts of the important organizations, they could not have molded all the various parts, such as political, economic, cultural and ideological subsystems, according to their intentions. Each subsystem develops to yield a duality, a separation between official and non-official spheres, which then leads to symmetry-breaking, that is, structural dissonance within the system.[6] This development creates a more complex structure, which may deviate from the intention of the political elite.

Based on the basic concepts above, we can refute two fallacious suppositions in describing the political phenomena in North Korea: that it has remained a closed system, and that Kim Il Sung and his son Kim Jong-il have exercised absolute power and have been able to manage all variables of the operation of the system. Furthermore, understanding these concepts enables us to ex-

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5 Y. P. Rhee, "Nonequilibrium Thermodynamics Approach to Korean Unification Process: A Search for New Paradigm," in, Y. P. Rhee, ed., *Complex Systems Model of South–North Korean Integration* (Seoul: Seoul National University Press, 1996), pp. 4–6.

6 Sung Chull Kim, "Systemic Change in North Korea and Development of the South-North Korean Relationship," in, Y. P. Rhee, ed., *Complex Systems Model of South-North Korean Integration*, (Seoul: Seoul National University Press, 1996), pp. 127–34.

plain the dynamic nature of the socialist system in general and the North Korean system in particular.

Specifically, the following propositions can be presented. First, the openness and complexity of a system are distinctive especially when it is under a high degree of stress, commonly termed a crisis situation . The reason is that in crisis, these properties foster a rough flow of information and place the system between order and surprise. That is, a system with such properties may develop to a state of "far-from-equilibrium," to use Prigogine's term, or "near the edge of chaos," to quote Kauffman. In this situation, the system hesitates among various possible directions of a change. Over the long run the directions are either unpredictable, or predictable within a limited scope. Furthermore, the change does not take place smoothly but with sudden leaps.[7]

Second, it is notable that in the socialist system where elite shift is not institutionalized, a state of far-from-equilibrium may escalate through a power transfer.[8] The sudden death of a top elite will bring about an intense flow of information between organizations and individuals and alteration of the existing elite composite, depending upon configuration of the coalition among various social groups. This is true also for the system under a charismatic leader in that the concentrated power structure will be replaced by a more unstable interaction, or sometimes severe struggle, between high-ranking officials with different ideologies, interests, and desired policy alternatives.

Whatever the pattern of the political elite's response may be, it contributes to the formation of the dissipative structure through which new authority relations take place. The emergence of a dissipative structure usually represents an evolution-

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7 I. Prigogine and I. Stengers, *Order out of Chaos: Man's New Dialogue with Nature*, (New York: Bantam Books, 1984) pp. 140–45; S. Kauffman, *At Home in the Universe: The Search for Laws of Self-Organization and Complexity* (New York: Oxford University Press, 1995), pp. 1–30.

8 M. Rush, "The Problems in Communist Regimes," *Journal of International Affairs*, Vol. 32 (1978), pp. 169–70.

ary process from a less complicated system to a more complex one. Such a change is best exemplified by the division of labor between party and state in Deng's period in China and the emergence of political pluralism under Gorbachev's era in the Soviet Union. In other words, a system in the far-from-equilibrium state is able to experience evolution as well.[9]

Third, the changing pattern of the system in the far-from-equilibrium state is not completely dependent upon randomness. There may be "preferential correlation" or "preferential interconnections" in the pattern of change.[10] In a militarized socialist system such as North Korea, the political system probably brings about the weakening of party control over the military, and then the military with its high coherence can play a distinctive role in the process of emergence of the new authority structure. Depending upon the historical pattern of development of the relationship between the two organizations, the degree of military intervention into the process may vary: from the decisive actor as a ruler or guardian to the minor actor as a moderator.[11] There may exist a preferential correlation between the historical role of the military and its influence on the systemic change of the political system. That is, the more the system relies upon the military to consolidate the power base, the more the military is able to expand its influence on the formation of a new authority structure in the process of power transfer.

Fourth, if the political elite tries to utilize the military to consolidate the power base, the military's propensity to expand its influence gains strength. This leads the political system into the tendency of "anomaly of adaptive process." Anomaly of adaptive process means that the system tends to become less

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9 E. Laszlo, *The Interconnected Universe: Conceptual Foundations of Transdisciplinary Unified Theory* (Singapore: World Scientific, 1995) pp. 3–21.

10 Ibid., pp. 4–5.

11 E. A. Nordlinger, *Soldiers in Politics: Military Coups and Governments* (Englewood Cliffs, NJ: Prentice-Hall, 1977) pp. 21–27.

efficient for its maintenance by adapting to the institutions to which it is accustomed, while excluding the very alternatives that would produce better outcomes along same experience.[12] In the case of North Korea, the current situation that the political elite tends to rely upon the military reflects this anomaly of adaptive process. The enhancement of the military's position will foster its independence from the party and bring about loss of close relationship between them. In other words, the more the position of the military is enhanced, the more the structural coupling between the party and the military will decrease. On the basis of this logic, we may presume, even if in a limited scope, that the emergence of a new authority structure with military's elevated position will provide the organization with a prominent role in the ongoing systemic change in the North Korean political system.

North Korean System in Crisis

As we have noted, the North Korean system consists of several subsystems, and thus political system should be understood in the context of complex interaction within the entire system. According to an empirical study on crisis levels for North Korea,[13] the level of crisis, in general, has gradually increased—and in 1992 it reached the point the former socialist systems of the Eastern Europe and the Soviet Union had shown on the eve of their breakdown, their critical limit. The fact that the crisis level in North Korea has exceeded this critical limit does not necessarily mean that a radical systemic transformation will occur immediately. It is believed, however, that the existing regime is no longer stable or safe. Furthermore, inasmuch as the

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12 G. March and J. P. Olsen, *Rediscovering Institutions: The Organizational Basis of Politics* (New York: Free Press, 1989), p. 63.

13 Sung Chull Kim, et al., *The Crisis Levels and Sustainability of the North Korean Socialist Regime: An Empirical Assessment* (Seoul: Korea Institute for National Unification, 1997 forthcoming).

North Korean socialist system comprises something more than simply the elite composite centered around Kim Jong-il, we can postulate that the office of Kim Jong-il is unstable even though at first glance they seem to wield power over the party, the state and the military. Therefore, the North Korean situation can be compared with a ship whose captain, even though strong enough to control the crew, is not safe if the ship is sinking.[14]

What are the main sources of the crisis? There are two sources: structural dissonance among the subsystems of the socialist system, and lack of system capacity to adapt itself to the rapidly changing environment.

First, the structural dissonance has come from the dual operation of the system owing to the expansion of a non-official sphere into which goals and values pursued by the existing regime cannot penetrate. This dual operation now takes place in all aspects of the North Korean system. For example, the second economy or black market has expanded and erodes the principles of the centrally planned economic system. The weakening of the consciousness of collectivism among the general public has contributed to the malfunction of the official ideological system, Juche Thought. The emergence of counterculture among the youth has been conducive to the widening gap between generations and to the diffusion of the cultural system.

Since the subsystems are structurally coupled, their dual operation has been harmful for the entire system, intensifying structural dissonance or disharmony between subsystems. The system comes into a state of contradiction between subsystems, which is symmetry-breaking process. The entire system finally comes to a state of far-from-equilibrium, or near the edge of chaos.

Of the many cases of this structural dissonance, let us take an example of contradiction between the ideological and economic systems, i. e., between the cult of Kim Jong-il and the lack of

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14 Ibid.

material incentive. Ironically, this dissonance came from the junior Kim's contribution to the establishment of his father's personality cult and artificial charisma. During the 1970s and 1980s, he became the only authoritative successor of Kimilsung-ism and Juche Thought and made every effort to uphold them as the ideological texts coming next to Marxism-Leninism and Maoism. Furthermore, Kim Jong-il played a major role in drafting the Ten Principles for the Consolidation of Juche Thought in which he depicted his father as the infallible great leader and emphasized unconditional subordination to him. Of course, the propaganda of Kim Il Sung's resistance movement against Japanese colonial rule was the most important element in the process of personality cult. Here the junior Kim distorted history. For instance, he asserted that in 1930 the eighteen-year-old Kim Il Sung presented basic principles of self-reliance and critiqued the previous independence movement that had relied upon foreign assistance.

As Weber has noted, however, charisma cannot be transferred from generation to generation; it disappears when a person cannot exercise superhuman ability.[15] This would be true in North Korea. During Kim Il Sung's era, the North Korean media devoted itself to describe junior Kim as the only possible political successor to Kim Il Sung. After the elder Kim's death Kim Jong-il's leadership image was erected by a symbolic slogan depicting him as his father's personification: "Great Leader Kim Il Sung is Dear Leader Kim Jong-il, and Dear Leader Kim Jong-il is Great Leader Kim Il Sung." However, little Kim has failed to carry on his daddy's charismatic presence. In the eyes of the general public, his performance is inferior to that of his father.

Considering that socialist systems under the second generation pursued legitimation not through disseminating revolutionary values but by introducing rationality in economic policies,

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15 H. H. Gerth and C. W. Mills, ed., *From Max Weber: Essays in Sociology* (New York: Oxford University Press, 1946) pp. 245–50.

the greatness of Kim Jong-il should have been able to have been proved in terms of modification of Juche Thought and increase in material payoff. But the transfer of power from Kim Il Sung to Kim Jong-il has not been followed by such changes. Neither has the symbolic manipulation been followed by material incentive. In fact, the gap is widening. The crippled economy has shown a minus GNP growth rate for seven years in a row, and the food shortage exacerbated after two consecutive years of flooding in 1995 and 1996. Moreover, no immediate economic recovery is expected even if the four-party talks open and the DPRK-US and DPRK-Japan relationships are normalized. Accordingly, there will be a time lag between North Korea's opening policy as a political output and material payoff as outcome. As a result, the more Pyongyang emphasizes the personality cult as the foundation for Kim Jong-il's political succession, the worse the structural dissonance between political and economic systems will develop.

Second, the inability to adapt to the changing environment—lack of moral support from the international community, weakening economic ties and cooperation with foreign countries, and inability to secure security-related resources such as rice and crude oil—has driven the North Korea system into crisis. The system's incapacity stems from the old autarky policy in the name of "self-reliance" which constrained not only expansion of economic relations with the Western world but also adaptation to the rapidly changing environment.

North Korea with its low openness to the environment has been able to maintain a low level of vulnerability to the coupling effect, meaning that frequent and intense relationships between system and environment may lower the degree of independence, easily transmitting environmental fluctuation to the system. Since the breakdown of the other socialist systems, it has been proved that this North Korean policy could not guarantee complete immunity from the environmental fluctuation. Russia and China broke the old tradition of preferential trade with the

DPRK, shifting from barter to commerce in hard currency. Furthermore, they took steps to abolish so-called friendship prices on crude oil and began to ask for near–world market prices. These changes drove North Korea into an acute shortage of energy, which has not been considered seriously in light of the globally well-known food shortage.

In sum, the structural dissonance and incapacity to adapt is what has brought the North Korean socialist system into a crisis. From the systems perspective, this crisis represents the status of far-from-equilibrium. It should be noted that a system in such a situation may evolve to a more complex system with a new order. As we shall note, however, the North Korean political system has manifested the anomaly of adaptive process, which will drive the system in the direction opposite that of evolution.

Anomaly of Adaptive Process of the Political System

We have seen that crisis in general has degraded the viability of the existing form of system, called Socialism of Our Own Style. Under the circumstances, the death of Kim Il Sung in July 1994 accelerated this tendency. It created uncontrollable mass hysteria among the people, and as the subject of their obedience was taken away, their loyalty was set floating free.[16] As a consequence, the political elite centered around Kim Jong-il have become constrained in their policy choices. This appears in detail as follows.

Kim Jong-il has had no choice but to keep a transitional authority structure that resembles that of an emergence regime in a Third World country.[17] After Kim Il Sung's death, he has wielded power through the positions of supreme commander of the People's Army and chairman of the Defense Committee. The

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16 David Easton, *A Systems Analysis of Political Life* (Chicago: University of Chicago Press, 1965), p. 309.

17 Kim, "Systemic Change in North Korea," pp. 145–47.

exercise of power through military position is abnormal, one of the prerogatives of an emergency. In particular, the use of position of supreme commander is an illicit exercise of power because the DPRK constitution revised in 1992 did not codify any such term regarding that position.

What should be noted is that even though junior Kim is trying to secure his status by establishing such a peculiar transitional authority structure, to resort to military leadership necessarily brings the restructuring of the relationship between party and military. This restructuring is best reflected in the editorial of the party organ, *Rodong Shinmun,* on 16 February 1997, which celebrated the fifty-fifth birthday of Kim Jong-il: "If it were not for the People's Army, our people, our state, and our party could not exist." In other words, the North Korean political system is slipping into the anomaly of adaptive process: it is becoming less efficient for the sake of its own maintenance through reliance upon the institution to which it is accustomed, while excluding alternatives that would be better.

In socialist systems, the Leninist tradition that the Communist Party guides the military was generally accepted. In actual practice decision-making organizations in the party and commissar organization in the military did predominate within the military. On the one hand, top elite in the politburo and the military affairs committee collectively produce decisions on military affairs such as personnel, defense industry, military strategy, mobilization and so on. Cadres of rank and file in the departments of the Communist Party made detailed rules and regulations for the implementation of the decision. On the other hand, the commissar organization and political officers in various levels of the military unit would play the role of supervising daily affairs and indoctrination of the soldiers. Under the norm of "party guidance over the military," all military orders had to be counter-signed by a commissar and the commissars were responsible for the actions of the military unit. In other words,

there existed a close relationship by which the party dominated the military through bureaucratic mechanisms.

In North Korea, the presumption of party guidance over the military has been proven a fallacious myth. The Korean Worker's Party no longer "guides" (exercises control over) the People's Army, nor is the military under party bureaucratic control. The commissar organization and political officers still remain in the military unit to promote loyalty to Kim Jong-il among the men, but their function does not depend upon the traditional norm of party guidance. In a closed-session speech delivered to high-ranking party officials in December 1996, Kim Jong-il was quoted as saying that party's morale is so degraded that it has to learn from the military. Furthermore, military officers are taking over the roles of party officials in many fields. For instance, as recent defectors have testified, in collective farms military officers are in charge of farm management for production of grain quotas.[18]

The greater the military's independence, the more the structural coupling between party and military loosens. We can find some indicators that the military has become an autonomous organization. First, the position of the military elite has been enhanced. In fact, since 1996 high-ranking military officers have begun to be seated at positions in the party hierarchy higher than ever before. The two vice marshals—Cho Myung-rok, chief of the General Politburo of the People's Army, and Kim Young-choon, chief of the General Staff of the People's Army—were seated sixth and seventh at the anniversary of People's Army on 25 April 1997.

Second, Pyongyang is urging all sectors of society to learn military-style discipline. In the December 1996 closed-session speech, condemning the party for bureaucratic malfunction, Kim Jong-il called it sardonically the "corpse party" and "elderly party." In contrast, he praised the military for keeping high

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18 *Dong-a Ilbo,* 15 May 1997.

aspiration and morale in times of crisis and instructed all the propaganda squad members to follow the military mode.

Third, as the degree of military autonomy increases, the existing official ideological system is going through an ordeal. "The Red Banner," symbolic slogan of Communist revolution, has been propagated extensively since the beginning of 1996. At the dawn of the year the organs of party, military, and youth league all carried the same editorial under the headline, "Let us march through this year in full force, holding high the Red Banner." The slogan of Red Banner is not strange for North Koreans, nor has it replaced, yet, Juche Thought as an official ideology; the former has no sophisticated proposition as seen in the latter. However, the slogan catches our special attention because the mass media calls it a kind of philosophy. Furthermore, frequency of the quotation of this Red Banner philosophy in the party organ has increased significantly, while Juche Thought is becoming somewhat less frequent.

The Red Banner slogan is sure to have close relationship with the ascendence of the military. This can be reasoned from recent emphasis on the construction of Three Encampments under the Red Banner: the politico-ideological, economic and *military* encampments. Setting up these "encampments" is regarded as replacement for the old Three Revolutions in ideology, technology, and culture. Considering that the Three Revolutions has been the essential element of Juche Thought, this replacement has a significant political meaning. In particular, the emergence of the military encampment is distinctive. Given the situation that Juche Thought is now less frequently quoted, this change in the official symbol of ideological system is closely related to the change of the authority structure in the political system.

Consequently, the political system in North Korea has been experiencing maladaptation to the external and the internal environments in crisis. This anomaly of adaptive process is exemplified by enhancement of the position and increasing autonomy of the military in the newly emerging authority

structure after the death of Kim Il Sung. We may be able to predict the future of the North Korean system as a whole only in limited scope, but one thing is clear about the relationship between the political system and the overall North Korean system. The anomaly is contributing to retardation of self-organizing process of the entire system for emergence of a more complex form of system and, in turn, to the lowering of viability of not only the political system but the system as a whole.

Conclusion

From the systems sciences perspective, the North Korean system is now in a state of far-from-equilibrium. Not only dual operation of subsystems due to the emergence of the informal sector but also structural dissonance owing to symmetry-breaking among subsystems have driven the entire system into a crisis. Furthermore, the breakdown of the socialist systems and the death of Kim Il Sung have contributed to the deepening of the crisis. However, Kim Jong-il and his associates, instead of taking alternatives which may be more efficient, have been trying to cope with this situation by relying upon the institutions with which they are familiar. They are utilizing the military rather than taking reform-oriented policies: in particular, enhancement of the position of military elite and the upholding of the military-style discipline under the new symbolic slogan of red banner.

Because of the division of Korea, the military has been regarded as the most important organization for the security of the entire North Korean system, and it may be natural for the political elite to employ it in an attempt to confront the external fluctuation and internal disorder. But the adaptation pattern of the political system is reflecting an anomaly of adaptive process. It is notable that this retards the self-organizing process of the entire system, the process that may lead the system to a more evolved and complex form. The military's predominance creates

a simple, militant, and monolithic political culture, and it erodes the organic relationship between the military and the party. The party no longer "guides" the military through bureaucratic mechanisms; instead there becomes greater independence from party control.

Therefore, even though at first sight Kim Jong-il seems to control the whole system, the military comes to play an important role in the new authority structure by injecting its power into all sectors of the system. Consequently, the military constrains incremental adjustment of the political system by hindering the adoption of reform-oriented policies. This may pave the way to a radical transformation of the existing form of system, Socialism of Our Own Style.

빈 면

Deterrence, Diplomacy, and Crisis Management: Choices in US Policy Toward the Korean Peninsula

Scott Snyder

South Korea is today arguably the only area in the world (aside from Bosnia) where the outbreak of major regional conflict or instability would automatically involve US troops. This involvement would inevitably occur without prior approval from the President or Congress, since the American troop presence in South Korea itself is designed as a "tripwire" for US involvement. Although the Cold War is over in other parts of the world, US alliance commitments under the Mutual Defense Treaty of 1954 with the Republic of Korea and the history of US involvement on the Korean Peninsula would automatically involve the US in any instability—accidental or intentional—that might occur in Korea.

In the latter part of 1996 and early 1997, the CIA and other officials publicly pointed to North Korea as a likely area of instability in the near future. In testimony before the US Senate Intelligence Committee on 11 December 1996, CIA Director John

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The views presented here are his own, and do not represent those of the United States Institute of Peace. Thanks to L. Gordon Flake, Jason Shaplen, Chan Bong Park, and Joochul Kim for their useful comments on earlier versions of this manuscript. Questions or comments may be directed to Mr. Snyder at the US Institute of Peace; fax: 202-429-6063; scott_snyder@usip.org.

Deutch predicted that within three years, North Korea would follow one of three possible paths: "Either it is going to invade the South over one issue or another, or it will break up, or it will collapse internally or implode, because of the incredible economic problems that the country faces. Or third, it will over time lead to some peaceful resolution and a reunification with the South."[1] Admiral Joseph Prueher, in testimony before the House National Security Committee, stated that a collapse in North Korea might occur "within one to ten years, perhaps, but it could come faster."[2] Acting CIA Director George Tenet, testifying before Congress on 5 February emphasized that North Korea was facing an imminent food shortfall of over two million tons.[3]

However, until the mid-February 1997 defection of Hwang Jang-yop, a senior North Korean ideologist, and Secretary Albright's visit to Korea as part of her first overseas tour, there was a mismatch between projections by intelligence officials that North Korea was one of the top three areas of potential instability in the world and the long-term priorities of the Clinton administration. Even if top-level interest in Korea existed in the US government, the fact of the matter is that US national priorities would place other issues above Korea, creating a structural asymmetry of interests and priorities between the governments in Washington and Seoul. The primary result of this asymmetry is to engender feelings in South Korea that the United States is not paying sufficient attention to Korea. Ironically, it is only during a crisis on the Korean peninsula that such an asymmetry of interests is temporarily resolved, but the lack of direct experience with Korea at the highest levels may also render a less

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1 John Deutch, Testimony before the U.S. Senate Intelligence Committee, December 11, 1996, and media reports. See Jim Mann, "Future of North Korea May Become Clinton's Biggest Foreign Policy Test," *Los Angeles Times*, Monday, 30 December 1996.

2 "North Korea Collapse Predicted," Associated Press, 6 March 1997.

3 Kyodo News Service, "S. Korea, U.S. set for food aid, pave way for briefing", 7 February 1997.

sure-footed response than might be the case with European or other issues.[4]

A second challenge for US policy in responding to potential instability on the peninsula stems from the near-permanent dysfunctionality that exists as part of the Korean confrontation. The permanency of this dysfunctional state, represented by the fact that North Korea is still technically at war with the United Nations Command and South Korea, serves to desensitize American policy makers to the dangers inherent in the permanency and relative stability of the Korean peninsula amid crisis. The state of crisis has become a state of normalcy, numbing American policy makers to the possibility that crisis could easily recur at any time, but also raising questions about whether indeed a crisis can be said to exist. Alternatively, media "discoveries" of evolving and seemingly shocking new developments in Korean affairs often makes Korea into the "crisis de jour," in which an event taken out of context becomes a defining moment, often with no clearly defined relationship to its true significance in the context of Korean affairs.

The possibility of an unexpected or unanticipated internal crisis in North Korea stemming from its manifest vulnerabilities is a relatively new factor in managing US policy toward the peninsula; it goes beyond the decades-old focus on deterrence and containment of North Korea's military strength. In essence, this type of crisis is one that might result from the continued decline in North Korea's economic and energy capabilities combined with a presumable loss of cohesion, disintegration, or inability by the top leadership to impose political central control within the ruling apparatus. Such an event or series of events might have the following effects: (1) It might trigger a desperate

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4 Robert Manning and others have called for the appointment of a "Dennis Ross"-type of special envoy for the Korean Peninsula in recent testimony before the House Committee on International Relations Subcommittee for East Asia and Pacific, Hearing on US Policy Toward the Korean Peninsula, 26 February 1997.

and destructive policy response by Pyongyang's top leadership, (2) it might result in the temporary loss of control by central political authorities, (3) it might result from a transition in political power from the current regime to a new leadership, and (4) it might possibly even result in the collapse of the North Korean system, following the example of East Germany and other former Communist countries.

Although questions regarding the possibility of regime collapse had surfaced among administration officials in various forms since the Geneva Agreed Framework,[5] the first extensive public statement by an American official to address these possibilities directly was delivered by James Laney in a speech entitled "Beyond Deterrence" at an Asia Society conference in May of 1996. He spoke about the important role of deterrence in guaranteeing four decades of stability on the Korean peninsula, but he raised questions about whether North Korea's continued economic decline and political isolation might present new challenges to regional stability that could express themselves through its military options. "Warnings only work when deterrence is effective. It is the erosion of the effectiveness of our warnings that requires us now to look for new ways of communication and interaction between North and South, and to convince Pyongyang that it has better options than its military one."[6]

North Korea's food problems, economic decline, or political instability each constitute challenges to North Korea's leadership which remain unresolved and are potential catalysts for a new crisis. A report by the US Institute of Peace in October of 1996

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5 Larry A. Niksch, "U.S. Policy Towards North Korea: The Collapse Theory and Its Influence," paper prepared for the Annual International Symposium of Korea National Defense University, 22 August 1996, provides the various impacts on policy of concerns among American officials regarding the possible collapse of North Korea.

6 Ambassador James T. Laney, "North and South Korea: Beyond Deterrence," Speech delivered to Asia Society conference, 11 May 1996.

called for contingency planning to meet such challenges, stating that "prudence requires preparedness for the possibility of a sudden, crisis-induced change on the Korean Peninsula" and calling for a two-track approach which continued to pursue possibilities for dialogue to reduce tensions on the peninsula while also engaging in multilateral consultation and coordination to prepare for the consequences of potential instability.[7]

Among the contingencies explored were the North Korean food crisis and possibilities for either a "silent famine" or massive refugee flows; indicators of economic collapse including the continued downward trend of trade volumes, continued energy and food shortages, and desperation behavior and economic "free-lancing" by local officials; and political-military challenges posed by North Korean instability, including the possibility of a military strike or that a factional struggle might tempt various types of interference from South Korea or China.

Deputy Assistant Secretary of Defense for International Security Affairs Kurt Campbell stated in recent testimony before the House International Relations Subcommittee on Asia that consultations between the United States and South Korea on contingency planning for such scenarios is under way, although he provided no specifics in open session regarding the nature, progress, or goals of such planning.[8]

However, some American analysts express private doubts about the quality of coordination between the United States and South Korea on contingency planning. Others criticize South Korean planners for not taking seriously the real possibility of contingencies and possible collapse; a third group suspects that South Korea has already developed its own independent plans

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7 Scott Snyder, "A Coming Crisis on the Korean Peninsula? The Food Crisis, Economic Decline, and Political Considerations," Special Report of the U.S. Institute of Peace, October 1996, p. 2.

8 Kurt Campbell, "Hearing on US Policy Toward the Korean Peninsula," House Committee on International Relations Subcommittee on East Asia and the Pacific, 26 February 1997.

for handling North Korean instability which it will be reluctant to share with the United States.

A third challenge for US officials in making policy toward the Korean peninsula derives from the tactics of brinkmanship and zero-sum approach that can be discerned to varying degrees on both sides of the Korean peninsula. One result of this brinkmanship and tit-for-tat relations is the Boy Who Cried Wolf syndrome: there have been so many false alarms in which the decibel level between the two Koreas has risen sharply that US policy makers may have become immune to crisis calls or may have failed to discern between real crises and tactical attempts to create an atmosphere of crisis. For instance, North Korea's initial statements during the nuclear crisis that the application of international economic sanctions would be seen as a "declaration of war," Pyongyang's threats to derail the Geneva Agreed Framework if the United States tried to provide North Korea with South Korean made light water reactors, and attempts to use the dire circumstances of North Korea's food situation as leverage to extract food aid from the international community all used the prospect of calamity in order to raise the perceived costs of alternatives to providing concessions to North Korea.

In the context of a threat emanating from the prospect of both DPRK military strength and the weakness shown in its continued downward economic deterioration, there are three specific issues that outline the difficult choices faced by US policy makers in dealing with the Korean peninsula: soft landing as against collapse, the food crisis, and the issue of managing US-ROK relations.

Soft Landing Versus Collapse

Many of the difficulties between the United States and South Korea in managing policy toward the Korean peninsula during the past year have stemmed from the differing priorities placed on maintaining stability versus achieving conditions that might

facilitate Korean reunification. Although US policy has been that the United States supports a peaceful reunification of the Korean peninsula according to the desires of the Korean people themselves, policy makers have been slow to realize that the process of managing stabilization and tension reduction on the peninsula inevitably has an impact on the prospects for the shape of Korean reunification. Americans often reassure their ROK allies that South Korea has won the Cold War because of its towering economic, political, and even military advantages in many areas over the North, yet the confrontation remains unresolved. Despite being named the winners by acclamation, South Koreans feel that they are not in a position to step into the winner's circle or to celebrate until after having received the long-awaited victor's prize of reunification.

It is part of the DPRK's strategy to separate the issue of security from that of reunification, an issue which everyone agrees must be settled by Koreans themselves; however, just as Pyongyang must realize that the primary interlocutor on reduction of tensions and establishment of a secure peace on the Korean peninsula inevitably must be Seoul, American policy makers should also recognize that because of US involvement in the tension-reduction process and because of American influence on the Korean peninsula, it is impossible for the United States to abstain from a role in shaping the context for the process of reunification.

The inadvertent and confused secondary signals given by US policy makers on the issue of Korean reunification are reflected most clearly in an examination of statements on the possibility, likelihood, and desirability of a North Korean collapse versus a soft landing. The American debate on this issue has in many respects mirrored the South Korean debate, but with less intensity and from a more distanced perspective.

Although the Geneva Agreed Framework has proved to be more successful than anticipated in addressing the threat posed by North Korea's nuclear weapons program (some of the harshest critics of the Agreed Framework believed that Pyongyang

would never trade away such a powerful card), the Framework itself—a product of unprecedented direct negotiations between the United States and North Korea—is the unintended source of much of this confusion. The agreement confers legitimacy on North Korea as a negotiating partner over the long term, providing vague promises of steadily improving US-DPRK relations over the decade during which the Korean Peninsula Energy Development Organization (KEDO) will build light-water reactors in the North. Ironically, US negotiators offered private justifications for the Agreed Framework that it was improbable that the project would ever reach completion because of the likelihood of North Korea's collapse within that time frame. Jim Hoagland wrote in the Washington Post a year after the Agreed Framework was completed that American negotiators privately described the project as a Trojan horse that might even facilitate North Korea's collapse.[9]

The practical implications of the Agreed Framework from the perspective of the issue of Korean reunification, however, have aroused the suspicions of those who might interpret US policy as opposing reunification. They argue that North Korea has used provisions in the Agreed Framework allowing improved US-DPRK relations in an attempt to change its international situation so as to assure regime survival. North Korea has also gained material benefits through the Agreed Framework that critics argue have served to prop up and strengthen the Pyongyang regime. Perhaps most significant, the Clinton administration has increasingly demonstrated its own vested interest in perpetuating the Agreed Framework in order to avoid the prospect of a widespread crisis on the peninsula, precisely the opposite view from the welcome for North Korea's collapse that was presented by those who were part of the negotiations.

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9 Larry A. Niksch, "U.S. Policy Towards North Korea: The Collapse Theory and Its Influence," paper prepared for the Annual International Symposium of Korea National Defense University, 22 August 1996.

The major side effect of the Clinton administration's commitment to the Agreed Framework has been the interpretation among some South Korean analysts that the United States is pursuing a status quo policy in support of the continued existence of North Korea and the perpetuation of Korea's division. The juxtaposition of these contrasting themes suggests one of two equally unsettling possibilities from the perspective of those who believe that the likelihood of reunification has grown more imminent: either the guiding US policy on how or when Korean reunification is desired to occur is too ambiguous to meet the concrete challenges of imminent reunification, or this issue is a secondary priority for US policy makers who are focused primarily on maintaining stability and have simply given little if any thought to the implications for reunification.

Although many Korea specialists in the American policy community accept the Clinton administration's desire to see a soft landing for North Korea—in which current problems are managed in such a way that gradual economic reforms can result in a peaceful transition and eventual reunification—the perception that the DPRK government continues to be unwilling to engage in reform has recently raised voices of skepticism regarding the attainability of a soft-landing policy. Jim Mann has characterized the debate as between hawks, who believe that the United States and its allies should not bail out North Korea, the doves, who are supporters of the soft landing policy, and the hummingbirds, who think North Korea is still strong enough to survive without having made far-reaching changes.[10] Most notable is the recent resurgence of hawkish views that has accompanied North Korea's continued downward decline.

Karen Elliott House's argument is that "for a terminal regime there are no miracle cures," so the Clinton administration would be wise not to attempt to save North Korea's leaders from

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10 Jim Mann, "Future of North Korea May Become Clinton's Biggest Foreign Policy Test," *Los Angeles Times*, 30 December 1996.

collapsing under the weight of their own failed policies. Protection from the enhanced risk of military instability caused by any suicidal "lashing out" by North Korea "doesn't lie in more appeasement . . . the diplomacy is theater of the absurd: Pyongyang promises, then procrastinates, then provokes, then pauses. After a prolonged pause come new promises, and the cycle starts anew." Enhanced deterrence is the answer according to House; the United States should "cease seeking to prop up Pyongyang and let its inevitable collapse come sooner rather than later."[11]

Although House presents a compelling moral argument for not standing in the way of North Korea's demise, her argument makes three dangerous assumptions: (1) that the collapse of North Korea is imminent and inevitable, (2) that outside actors such as China or Japan will not use North Korea's vulnerability to increase their own leverage in ways that may undercut US interests, (3) that the United States or other external parties have the capacity to influence North Korea's future, which lies primarily in the hands of its own leadership. She dismisses options for American diplomacy to manage inter-Korean tensions while failing to underscore the need for contingency planning to prepare for the scenario of collapse which she paints as inevitable.

As its title suggests, Nicholas Eberstadt's provocative argument in favor of "hastening Korean reunification" is more forward-leaning than Karen Elliott House's editorial, but this argument also founders in several key areas. Like Karen House's argument, Eberstadt overemphasizes the likely influence of US policy in determining whether or not North Korea is able to survive. However, if the United States attempts to hasten Korean reunification but does not have the capacity to succeed, such a

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11 Karen Elliott House, "Let North Korea Collapse," *Wall Street Journal*, 21 February 1997, p. A14.

policy would be perceived as provocative and would heighten the likelihood of confrontation and conflict.

Eberstadt argues that the risks of delaying reunification may outweigh whatever costs are involved in seeking early reunification. The potential economic and military costs accompanying the likely implosion of North Korea, in his view, should give Western nations pause as they "classify the Korean question as a problem that can be postponed and then muddled through."[12] He argues that the costs of Korea's reunification will only grow as the economic levels of North and South grow further apart, and the North Korean military grows more lethal as reunification is delayed. Eberstadt paints a rather optimistic picture of a "free and united Korea" that "would be a force for stability and prosperity."[13] According to Eberstadt, "A united Korea's foreign policy would likely be moderate and pragmatic,"[14] voluntarily giving up a nuclear weapons option and setting aside decades-old feelings of hostility for Japan.

Although the exercise of considering the possibility of hastening Korean reunification is worth thinking through, Eberstadt provides in the course of his own argument a lengthy list of the major "constraints" that will likely give policy makers pause in applying his policy to the current situation in Asia: "Neither China nor Russia can be counted on to cooperate," "South Korea, Japan, and the United States have already restricted their freedom of movement through the Agreed Framework," "China in particular has reason to appreciate the status quo," "South Korea's transition from a dirigiste system to a fully open market economy is not yet complete," "The 1996 squabble over the disputed Tokdo-Takeshima islands, which culminated in a South Korean military landing on those barren rocks, is exactly the sort

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12 Eberstadt, *Foreign Affairs*, p. 80.

13 Ibid., p. 85.

14 Ibid., p. 86.

of distraction that a defense policy for South Korea cannot afford," "With regard to South Korea, the South must begin to think not only about deterrence but about reconciliation."[15] In the unlikely event that these matters have been resolved, Eberstadt's policy recommendation becomes salient. In the meantime, given the weakening economy of the North, in which gas shortages are an obstacle to timely delivery of food shipments, does it make sense to assume that the military has simultaneously been able to squirrel away amounts of money sufficient to fund a continuing covert nuclear weapons program and a missile program?

Although both Eberstadt's and House's arguments are not ultimately convincing, they provide a useful service in drawing attention to the point that not enough attention has been paid to the fact that security and reunification issues have become inextricable elements of US and South Korean policy that are in dire need of comprehensive coordination. While North Korea's leadership has bound itself by its own rope, it has also shown an extraordinary instinct for survival, and in an era in which no external power will actively intervene in North Korea's domestic affairs, the leadership continues to hold its fate in its own hands.

Food Crisis

A related area in which a potential crisis poses difficult choices for American foreign policy is the issue of how to respond to North Korea's food situation. Pyongyang's invitation for the United Nations World Food Programme (UNWPF) to enter the country for the first time in the fall of 1995 following major floods marked a departure in practice from its traditional focus on self-reliance. It was the first time that the reclusive leadership had been willing to accept the assistance and involvement of

15 Ibid., pp. 87–90.

international organizations, and it showed desperation of the situation caused by a mismanaged agricultural system that was unable to provide self-sufficiency in food without heavy doses of agricultural fertilizer and energy inputs that had formerly been received from China and the Soviet Union.

A second year of more minor flooding in 1996 has perpetuated the involvement of the UNWPF and expanded opportunities for long-term involvement by international and non-governmental organizations in meeting North Korea's agricultural needs. The DPRK government found what has gradually became a new constituency in support of donations to meet its food needs that could not be met through the government's own failing resources.

The issue of how food aid should be handled and whether it is necessary to forestall the prospect either of a "silent famine" or the movement of millions of starving North Korean refugees, a major humanitarian crisis-in-the-making, has become a serious issue of debate in policy circles. That debate has intensified as the crop damage from floods has receded as a rationale for North Korea's agricultural failings and the bankruptcy of North Korea's system—literally and figuratively—has come to the fore. Sporadic pressure from a South Korean government skeptical of the extent of North Korean food needs and fostering suspicions that grain reserves continue to be held by the North Korean military has further complicated and politicized the debate over whether and how food aid should be provided to North Korea.

As a question for policy makers, the debate over food for North Korea contains several central components. First, is a decision to give food aid separate from political considerations or is it an inherently political decision? Andrew Natsios castigated the US government for failing to resist external political pressures, calling on the Clinton administration to maintain past practice of separating the food issue from political considerations, citing the Reagan-era doctrine, "a hungry child knows no

politics."[16] In contrast, Bob Manning and Jim Przystup responded in an opinion column entitled "Feed Me Or I'll Kill You" that without military and agricultural reforms in North Korea, requests for food assistance were little more than a North Korean hold-up and shakedown of the international community.[17] James Lilley has charged that the North Korean government's malfeasance in its spending priorities which provide for self-aggrandizement (through the completion of a large pedestrian mall in front of the building where the body of Kim Il Sung lies in state) and for continued military priorities which take up over one-quarter of national GDP should raise serious questions about the North Korean government's qualifications to receive food aid without also helping itself.[18]

Second, should the food issue be approached as a security and a humanitarian issue or should provision of food to North Korea be used as a policy tool, a carrot to induce desired North Korean behavior in exchange for certain types of fundamental reform? If provision of food is both a humanitarian and a security issue, the minimal conditions for delivery might include monitoring to ensure that food is not diverted to the North Korean military or for other unauthorized uses. Provision of food with minimal conditions may also be desirable as a moral choice since the North Korean government is apparently failing to meet the needs of its own people; however, unconditional or minimally conditional food aid runs the risk of being perceived as indirect support or propping up of a despotic regime.

The use of food aid as a carrot, or tool to gain policy leverage, carries its own dilemmas. Regardless of whether food aid is

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16 Andrew Natsios, "Feed North Korea: Don't Play Politics with Hunger," *Washington Post*, 9 February 1997, p. C01.

17 Robert A. Manning and James Przystup, "Feed Me Or I'll Kill You," *Washington Post*, 20 February 1997.

18 James Lilley, Congressional Testimony Before the House Committee on International Relations, Subcommittee on East Asia and the Pacific, 26 February 1997.

linked to participation in negotiations such as the four-party talks proposal for peace talks made by Presidents Clinton and Kim Young Sam in April of 1996, Pyongyang may use the perception of linkage to create leverage or to attempt to gain undeserved rewards simply for showing up at negotiations in which it has no real intention to engage substantively. On the other hand, using North Korean participation in such negotiations as a condition for provision of food aid may end up being self-defeating or unwittingly create conditions of gridlock in achieving diplomatic objectives because Pyongyang has steadfastly rejected talks whenever there may be perceptions that it is being pressured into making concessions. The issue of leverage may carry additional ramifications if food aid can be used to increase external influence on the DPRK leadership, as some have suggested in the context of North Korea's increased dependence on China for food aid.

The difficulty in coming to grips with a proper policy response to North Korea's food situation lies in the overlap between the humanitarian, economic, and political components of the problem. This food crisis is a classic example of a food shortage caused by politics; however, unlike in Africa where failed state structures or civil wars have been the source of political obstacles to food distribution, North Korea's food shortages arise not from systemic breakdown, but rather from the continued existence of institutional structures of Cold War confrontation combined with the North Korean leadership's own inability to adapt its political system to new circumstances. The result is that it has failed to develop alternative political and economic relationships with new trading partners following collapse of support from traditional allies in Russia and China.

The international community's offer to assist North Korea on a humanitarian basis following the floods of 1995 and 1996 was a proper response to the hardship caused by a natural disaster affecting its food production capacity, but there are practical limits to the capacity of the UNWFP to meet all of North Korea's

needs, which include a substantial structural incapacity to produce enough food for all of its people. Since the program's primary contributions are from governments, a decision to extend assistance beyond the immediate humanitarian need caused by the floods is beyond the mandate of the UNWFP. The expansion of its latest appeal, to 200,000 tons of grain—targeting children in flood affected areas aged six or younger—approaches the limits of what can be justified specifically as a humanitarian response to damage caused by flooding in 1995 and 1996. Even with this expansion on humanitarian grounds, however, the international response to the humanitarian component of North Korea's food crisis has been woefully inadequate.

To an unusual extent, the UNWFP has received support from nongovernmental organizations (NGOs) who have attempted to respond to the appeal for North Korea. Efforts by South Korean grass-roots organizations and church group coalitions such as the Korean Sharing Movement have been particularly notable for such efforts. Although the Pyongyang leadership has continued to limit access by NGOs, responses by these organizations should be encouraged. If possible, direct NGO access to North Korea should be expanded, although the UNWFP is a suitable conduit for provision of nongovernmental aid in response to North Korean appeals. The Seoul government and other governments should encourage, not oppose, grass-roots NGO efforts to respond to North Korea's humanitarian crisis. A truly nongovernmental response organized through South Korean grass-roots NGO and civic groups should not be limited by politics; in fact, their access to North Korean counterparts on a people-to-people basis should be encouraged.

Unfortunately, any humanitarian response to the massive food shortfall caused by North Korea's agricultural inefficiencies will serve only as a band-aid approach unless fundamental political and economic obstacles are also addressed. It should be clear that this food crisis is not an agricultural problem, but rather an economic problem and a political problem. Economic reforms on

the part of the North Korean government are a necessary and inevitable part of a comprehensive response to solve the food problem, but the leadership in Pyongyang has little motivation to embark on a course of reform without assurances of the benefits that come with economic integration. One approach might be to link the economic integration of North Korea into the international economic system with a response to the food issue. Such an approach might involve negotiations with international financial institutions such as the World Bank and Asian Development Bank to provide steadily expanding food credits and technical assistance in agricultural production methods to North Korean economic transparency and other reforms.

Although the policy approach of linking food to the four-party talks is a less desirable approach and one that is uncomfortable for American policy makers who might prefer to avoid the perception that food is being used as a weapon, President Kim Young Sam's government clearly established a linkage between food aid and Pyongyang's response to the four-party talks proposal in his August 1996 Liberation Day speech. The ROK Ministry of National Unification has offered periodic public statements that South Korea's response to North Korea's difficulties would be "generous," if only it would come to the negotiating table. Indeed, in negotiations held in April 1997, at which the DPRK was to give a response to the four-party talks, the major sticking points were not whether it would come or the agenda and protocol for the talks, but how much food aid Seoul would give and when.

Indeed, there are several difficulties with the linkage of food aid to the four-party peace talks on the Korean peninsula. First, it has become clear that for political reasons South Korea's provision of food necessarily must be linked to substantive progress in such talks, not simply to process, i.e., whether the North Koreans show up. They recognize and are wary of the vagaries of South Korea's domestic opinion and, as a result, require concrete assurances from the ROK government. Second,

the agenda for the talks may take years to negotiate because substantive progress on tension reduction and military draw downs will be necessary in order to achieve a lasting peace on the peninsula. All this could conceivably take place in the absence of economic reform, leaving South Korea in the position of effectively subsidizing a substantial North Korean food bill without addressing the core of the problem. Third, a long-term program of food aid is not politically sustainable even in South Korea, where the generosity of the citizens to their Northern neighbors may prove short-lived if it appears that the Seoul government is trading negotiations on political issues for a North Korean "welfare program."

Finally, given the dire reports of the UN World Food Programme and others that North Korea faces a food shortfall of one to two million tons in 1997, the parameters of the food debate might easily change if there are more visible manifestations of crisis, in which high uncertainty and narrowing options might tempt the United States and others to push food aid as a means by which to prevent the spread of instability beyond North Korean borders. In this event, the "carrot" of food aid may turn out to be a dwindling asset as a negotiating chit, or even a liability as a smoke screen that prevents the settlement of the more fundamental issue of structural reform.

Managing US–South Korean Relations

A third challenge for US policy that might result from a crisis on the Korean peninsula is the task of managing US-ROK relations. Despite close coordination between the two governments and the existence of clearly defined, shared national interests at the foundation of a decades-long security relationship, public perceptions of major political differences have surfaced repeatedly on aspects of policy coordination on North Korea. To a certain extent, friction over policy nuances may actually be a reflection of the closeness of policy coordination

between the two governments; frictions may also result from the magnitude of the challenges presented in managing the changes that accompany North Korea's extreme vulnerability. In recent years, crises have brought tensions to the surface as the United States and South Korea have attempted to reconcile differences in their relative priorities.

Frustrations on either side have been reflected in a variety of ways. First, unresolvable internal differences within the South Korean policy community on how to deal with North Korea have occasionally spilled over to create sensitivities on aspects of American policy toward North Korea. Despite rhetorical support for a shared policy of pursuing a soft landing, actions and statements by some South Korean policy makers, even including President Kim Young Sam, have appeared to deviate from this position, suggesting policy inconsistency, division, and disarray which reflects the fragility of policy consensus on how to deal with the North.

The frustrations of individual American officials with the fluctuations in South Korean policy and its extraordinary attentiveness to even minor changes in the political mood of the South Korean public has occasionally been reflected in accurate but impolitic comments to the media. The *New York Times* quoted an unnamed US official as calling South Korea a "headache" to deal with[19] and the *Washington Post* reported that North Korean counterparts are sometimes easier to deal with than South Korean allies.[20] A New York Times editorial emphasized the need to work closely with the Seoul government on major policy toward the North, but then proceeded to skewer South Korea for not being more cooperative in dealings with the North.[21] US

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19 Nicholas D. Kristoff, "How A Stalled Submarine Sank North Korea's Hopes," *New York Times*, 17 November 1996.

20 Jeffrey Smith, "Korean Talks Jeopardized by New Tensions; U.S. Opening to North Strains Relations with South," *Washington Post*, 17 February 1997.

21 "Korea: Friend or Foe?" *New York Times*, 21 February 1997.

official concerns over the possibility that the ROK military could be tempted to go North in the event of instability or suspicions that South Korea has not shared contingency plans with the United States are concrete manifestations of fraying at the edges, as are persistent and unfounded South Korean fears that the United States may seek to cut a special deal with North Korea behind the backs of allies in Seoul. The latest Special Report from the US Institute of Peace underscored the need for close policy coordination at the highest levels to forestall perceptions that there may be gaps in US–ROK cooperation and to cope with the potentially vast challenges resulting from any potential crisis in North Korea.[22]

The issue of managing an improved relationship between the United States and North Korea while also facilitating improved North-South relations will remain the biggest challenge for US–South Korean relations. It is clear that North-South dialogue is a practical requirement both for improving US–North Korean relations and for maintaining harmony in US-South Korean relations. In this respect, the diplomatic challenge for the United States is to balance the roles of ally and facilitator of tension reduction on the Korean peninsula. One analogy might be the situation the United States faces as both a friend of Israel and as a guarantor of peace arrangements between Israel and the Palestinian authorities. The Middle East analogy, however, suggests that caution, skill, and sustained high-level attention to a negotiation process are prerequisites for a US role in facilitating the success of a peace process on the Korean peninsula.

In a Foreign Policy article entitled "Promoting a Soft Landing in Korea,"[23] Selig Harrison has suggested that the United States

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22 Scott Snyder, "A Coming Crisis on the Korean Peninsula? The Food Crisis, Economic Decline, and Political Considerations," USIP Special Report, October 1996.

23 Selig S. Harrison, "Promoting a Soft Landing in Korea," *Foreign Policy*, Number 106, Spring 1997, pp. 57–76.

has failed to meet its commitments to lessen the economic embargo against North Korea in the Geneva Agreed Framework, that the United States should take more seriously North Korean proposals for an interim peace arrangement, that the United States establish a date certain for US troop withdrawal from South Korea within ten years, and that the United States play an "honest broker" role in negotiating a peace between North and South Korea. Assessing the utility of each of these recommendations requires an examination of US interests in the context of US–South Korean relations; while such an approach shows due appreciation for shared interests and values developed over five decades between Washington and Seoul, such a perspective should not be construed as meaning that Seoul holds a veto over US policy toward the Korean peninsula.

The Clinton administration appears to have overestimated the extent to which lessening of the economic embargo under the Agreed Framework would be sensitive on Capitol Hill or in Seoul; however, a complete lifting of the economic embargo is clearly politically impossible without major changes in the security environment on the peninsula. It may also be a miscalculation to believe that the possibility of lifting the economic embargo is a strong inducement for positive action to a North Korean leadership which believes that political benefits must accrue before economic changes are possible.

An honest broker role for the United States is not necessarily helpful in establishing North-South dialogue if the United States is perceived as "standing between" Seoul and Pyongyang; rather, the United States must stand aside and push both parties toward each other if the necessary political conditions are to be created for real progress in tension reduction between the two Koreas that is necessary for improved US-DPRK relations.

The four-party talks proposal by President Clinton and President Kim Young Sam has provided a useful political context for US–South Korean consultation on how to engage Pyongyang in a substantive dialogue on security issues; it also provides the

North with an opportunity to present its concerns regarding security issues to both Washington and Seoul. If the four-party talks are realized, the danger is that tactical differences between the United States and South Korea in negotiating with North Korea might provide additional challenges for US-ROK coordination. Such challenges will require political attention at the highest levels if the four-party talks are to move forward substantively.

Finally, the issue of troop reductions is an important one for the United States and South Korea, but it is a future issue that must be evaluated in the context of reduced tensions on the Korean peninsula and pragmatic assessments of how respective national interests are affected by changes in the regional security environment in Northeast Asia following a successful management of the North Korean threat, not as the result of an artificial deadline. The process of tension reduction and possible reunification will shape the context for a debate on the future of the US-ROK security alliance in Northeast Asia; it is difficult to imagine that given the possibility of tensions among other powers in the region that Korea will want to terminate a security alliance with the United States following reunification, though the structure of such a relationship remains difficult to predict without a clearer picture of specific circumstances.

The immediate challenge of managing US–South Korean relations and of insulating shared core interests from the effects of potential crisis in the North will be even more important given the political competition in the South Korean presidential campaign during the rest of 1997. During the political season in Seoul, the best that policy makers can hope is that it will be possible to contain fallout from the presidential campaign and prevent the possibility of a negative cycle or downward spiral in inter-Korean relations and in US–South Korean relations in the event of renewed crisis on the Korean peninsula.

Coordination between the United States and South Korea on a long-term basis is necessary in order to manage the process of

tension reduction and peaceful Korean reunification. The quality and nature of US–South Korean consultation to manage periods of crisis on the Korean peninsula in the coming years will be the major determinant in shaping the nature and basis for a continuing relationship consistent with shared national interests in the post-reunification era.

Conclusions

The task of managing US policy toward the Korean peninsula has been full of "drama and catastrophe"[24] as the United States and South Korea have seemingly moved from crisis to crisis in dealings with North Korea in recent years. In fact, the periodic escalation and management of crisis turns out to be characteristic of a regular state of affairs in dealing with North Korea. As such, "crisis" is a necessary and even integral part of US-Korean relations, and can even be constructive if it is anticipated and carefully managed. Although the opaque nature of North Korean society increases the uncertainty of policy makers and induces a greater sense of crisis in responding to North Korean actions, there is sufficient information available from the experience of dealing with the DPRK in crisis situations to draw some preliminary conclusions regarding crisis and North Korean behavior.

The North Korean leadership has used crisis diplomacy as an instrument of negotiation in order to limit the perceived alternatives of the negotiating counterpart and to force the counterpart to give in to its own demands. A proper response to North Korea's crisis-driven policies requires a forward-looking, proactive policy and the foresight to take the initiative rather than simply to be reactive. Unexpected changes or crises have also brought North Korea to the negotiating table and have created, at least temporarily, an atmosphere in which North Korean concessions or agreements are possible; however, once the atmo-

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24 Author interview with a US government official, December 1996.

sphere has stabilized North Korea may return to an uncompromising political stance. As conditions in North Korea continue to decline, the possibility grows that it may for the first time face a crisis that is beyond the capability of the leadership to manage, possibly resulting in the disintegration or destabilization of the leadership's ability to meet the difficult challenges it faces, resulting in regime transition and even the possibility of a collapse of the DPRK system.

The prospects of instability resulting from such a collapse are a relatively new factor for consideration in American policy toward Korea, which for almost five decades has focused primarily on deterrence to prevent instability resulting from North Korean aggression. Such a possibility requires contingency planning on a wide variety of fronts. The rhythms and rituals of a crisis-driven process on the Korean peninsula carry a major risk: they may lull policy makers into a sense of false comfort, requiring parties that apparently need a sense of crisis in order to engage in diplomatic efforts to take even more dangerous risks before coming to grips with problems. The dilemmas of setting the relative priorities of maintaining stability on the Korean peninsula versus achieving reunification, managing the North Korean food crisis, and maintaining US-ROK relations are the primary areas in which a crisis might force American policy makers to face up to difficult choices.

In the meantime, the DPRK government remains as the primary authority in North Korea and the entity with which the United States and South Korea must work to manage tensions and reduce the risk of war. The job of mixed strategy of diplomacy and military deterrence—if properly implemented—is to influence the process of change where possible by making the choices of the North Korean leadership more complex. This can be done by fashioning both a more strict as well as more generous policy. Such US–South Korean joint policy might explicitly embrace simultaneous steps toward cooperation on fundamental issues such as the need to promote inter-Korean

reconciliation and exchange in return for economic transparency and conventional arms drawdowns. At the same time, the United States and South Korea must maintain deterrence and prepare for contingencies resulting from crises that are beyond the control of the North Korean leadership.