

Russia's "Turn to the East" Policy: Role of Northeast Asia and the Korean Peninsula

Georgy Toloraya and Alexander Vorontsov

Russia's "turn to the East" was not only the reaction to the rift with the West, but a long-term policy started since the turn of the century. Northeast Asia is the gate for Russia to Asia and the Pacific while Korean Peninsula can be the key to Northeast Asia for Russia.

Russia is a stakeholder in the unification issue, which is far from solution because of different concepts of the two parties. Moscow does not support pressure or sanctions, but the multilateral political process.

In 2014-2015, the considerable upsurge in political contacts and economic interaction with North Korea took place. North Korea approves of Russia's strong anti-dominance stance in world affairs and would like to avoid overdependence on China. However, the discussed economic projects are yet to be materialized. Russia sees trilateral and multilateral projects with the participation of both Koreas as the most effective tool for a breakthrough in economic cooperation for prosperity in Korean Peninsula.

Keywords: Russia's "turn to the East," Russia-Korea relations, Korean Peninsula nuclear issue, six-party talks, trilateral projects in Korea

The "Revenge of Geopolitics" in Northeast Asia and Russia's Stance

Geopolitical considerations force Russia to pay more and more attention to its Eastern frontier, overcoming the vestiges of the past. Although former USSR tried to project an image of the leader of the "global progressive forces," in fact, its sphere of influence included mostly Eastern Europe. Hostility with China, North Korea's "Juche" policy of maneuver denying Moscow's and Beijing's dictate essentially left only Mongolia and Vietnam in the Soviet sphere of influence in

Asia. Soviet Communist party's attempts to support "national liberation struggle" in several countries of Southeast Asia had controversial results and did not strengthen Moscow's position considerably by the moment of the USSR collapse, although some countries like Laos still have residual respect for Russia. This heritage of "secondary" role of Asia in foreign policy of Russia still lingers. After the breakup of Soviet Union in the 1990s, the new Russian policy was centered on the U.S. and Western Europe, while relations with Asia were neglected (with the exception of China, which at that time was not an economic and political giant of today).

The current rebalancing of Russia's foreign policy with a greater emphasis on relations with China and other non-Western powers is the biggest shift in Russia's global strategy since the collapse of the Soviet Union. However, its origins date back to the 1990s when many experts and politicians spoke about the need to achieve "equality of the two heads of Russian eagle." The "Turn to the East" policy was shaped and started to be implemented as long ago as in 2008-2010. We should note that the initial impulse was given by Russian scholars, specializing in Asia—"Orientalists," who, however, have always been much less numerous and influential than "Westerners" in such renowned think tanks as IMEMO, U.S. and Canada Institute and MGIMO. But even the latter in the mid-1990s started to admit the geopolitical imperatives, noting, "The value of Asia and the Pacific for Russia is growing as the narrowing of the 'window to Atlantic' — this region becomes a new gate to the industrially developed world, opening new markets of weapons, raw materials and industrial goods for Russia."¹

In 2010, a group of Russian experts headed by Vjačeslav Nikonov suggested the idea of "Russia as Euro-Pacific power"² and soon

thereafter Russian President officially supported the concept of concrete measures of Russia's integration into Asia and the Pacific ("Khabarovsk Doctrine").³ The 2012 APEC summit was meant to be a watershed event in this context — although its impact on Russia's policy was weaker than expected.⁴ So the "Asian pivot" was not a spontaneous reaction to the sudden rift with the West in the wake of the Ukrainian crisis.

In 2014, President Putin stressed: "Our active policy in the Asian-Pacific region began not just yesterday and not in response to sanctions, but it is a policy that we have been following for a good many years now. Like many other countries, including Western countries, we saw that Asia is playing an ever-greater role in the world, in the economy and in politics, and there is simply no way we can afford to overlook these developments.

Let me say again that everyone is doing this, and we will do so, too, all the more so as a large part of our country is geographically in Asia. Why should we not make use of our competitive advantages in this area? It would be extremely shortsighted not to do so.

Developing economic ties with these countries and carrying out joint integration projects also create big incentives for our domestic development."⁵

Northeast Asia is pivotal for Russia's deeper involvement into the whole of Asia. This is the area where the "Asian paradox" is obvious — as a contradiction between cooperation in economic growth and lack of security coordination. Russia wants to play a part in solving

1. Kamaludin S. Gadžiev, *Veedenie v političeskiju nauku* [Introduction to political science] (in Russian), (Moscow: Logos Publishing Co., 2000), <http://www.alleng.ru/d/polit/pol017.htm>.

2. "Russia as a Euro-Pacific Power: New Trends in Asian Regional Architecture and Russia's Role," Proceedings of the International Conference of the Russian National Committee of the Council for Security Cooperation in the Asia-

Pacific (CSCAP). Moscow, MGIMO, December 9, 2010 (Moscow: Moscow University Press, 2011), http://www.spa.msu.ru/uploads/files/books/evro_pasif.pdf.

3. Russia, Kremlin, "Meeting on Social and Economic Development of the Far East and Cooperation with Pacific Rim Countries" (in Russian), July 2, 2010, <http://kremlin.ru/transcripts/8234>.

4. "Russian Press Review: APEC Summit — Success for Russia," ITAR-TASS, September 10, 2012.

5. Vladimir Putin, "Speech at the Meeting of the Valdai International Discussion Club," (speech, Sochi, October 24, 2014), Kremlin, <http://en.kremlin.ru/events/president/news/46860>.

this paradox, but so far its role has been inadequate for a big power, more than half of the territory of which is located in Asia and adjacent to Northeast Asia. As the authors of the working paper "Security and Cooperation in Northeast Asia" prepared by influential think tank, Russian International Affairs Council (RIAC), in cooperation with Seoul National University note, the region "has accumulated considerable potential for conflict. Political rivalry and struggles over spheres of influence are on the rise. There is obvious tension in the finance sector. Armed forces are being built up. The region is home to six of the ten largest armed forces in the world (China, the United States, North Korea, Russia, Japan, and South Korea) and three of those countries (the U.S., Russia, and China) already possess nuclear weapons while North Korea is developing nuclear weapons."⁶

However, currently China dominates the Russian policy in Asia, being not only the strategic partner, but also the closest state to modern Russia in almost every aspect — from economic to military, and politics. Relations "have never been better" as officials from both sides keep stressing, however there is a growing concern among the Russian public (especially that of Russian Far East and Siberia). Russia is swiftly becoming a "junior partner" in this tandem, and is overdependent on China, with some people even using the term, "semi-colony." Of course, this is not the case, but Chinese "monopolization" of Russian foreign policy vis-à-vis Asia is causing concern among certain experts and ruling circles as well. At the same time, relations with Japan are still stagnating, Asian agenda is almost absent from Russia-U.S. relations. Russia is mostly detached and trying to distance itself from the problems of bilateral relation in Northeast Asia, such as U.S.-China growing competition, China-Japan contradictions, and territorial problems in places such as South China Sea.

Russia is trying to raise its profile by suggesting new initiatives for the regional security architecture, aimed, for example, to ASEAN.

6. Gleb Ivashentsov and Shin Beom-Shik, "Security and Cooperation in Northeast Asia," The Russian-South Korean Experts Joint Paper (RIAC Working Paper 25, Russian International Affairs Council, 2015), http://russiancouncil.ru/en/inner/?id_4=6536#top-content.

The ideas of an inclusive security system date back to Gorbachev with his suggestions of a "Pan-Asiatic collective security system" in 1986-1988. In the 1990s, "ASEAN centrality" in Asian security theory and ASEAN+ mechanism creation gave a new impulse to Russian policy pundits to address this theme. In 2012-2013, Russia suggested its own concept — first in the form of Russian-Chinese Initiative on Security in the Asia-Pacific Region of 2010⁷ and later as an idea of conclusion of a comprehensive treaty on security in the Asia-Pacific region. A joint proposal of Russia, China and Brunei to negotiate "Framework Principles of Strengthening Security Cooperation in the Asia-Pacific Region" followed in 2014. Russia names the East Asian Summit mechanism as a possible central platform for adopting the decisions and further negotiations. In 2014, Russia proposed an action plan to this end, which lays down a basis for roadmap for reaching concrete agreements and development cooperation in such areas as confidence-building measures, conflict resolution, arms control and non-proliferation, combating terrorism and transnational organized crime, food and energy security, environment, disaster management, and increasing stability of the regional financial system. Incidentally, it has some connotations to South Korean Northeast Asia Peace and Cooperation Initiative (NAPCI).

However, in the situation of increased conflict between Russia and the West and also Russia's inactivity (non-participation on the summit level in a single East Asian Summit), these suggestions met with a lukewarm response from regional countries. They also contradict the U.S. "hub and spoke" doctrine, anchoring its "Asia pivot" in a rigid alliance system with its allies, such as Japan, Korea, the Philippines, Australia, etc. China's and Russia's approach of a more democratic international relations system in this area is at growing odds with this rigid structural approach which is the cornerstone of U.S. policy in the region.

7. Georgy Toloraya, "Security Situation in Northeast Asia: A Case Study of the Korean Problem," (Highlights, Valdai Discussion Club, November 27, 2015), <http://valdaiclub.com/opinion/highlights/case-study-of-the-korean-problem/>.

However, the economic reason remains the main motive for Russia's advancement in Asia: gaining economic benefits from the cooperation with the region, which is still considered an "engine of global economy." At the same time, these gains cannot be materialized without addressing the security agenda, especially in Northeast Asia. And the Korean Peninsula has remained the "hot spot" of Asia for decades.

The Role of Korean Peninsula for Russia — as Compared to Other Regional Powers

If Russia does not want its Asian agenda to be fully "kidnapped" by China, its policy should be diversified. The Korean Peninsula, one of the few areas in Asia where Russia is involved into solution of bilateral, regional and global problems (such as nuclear non-proliferation) is the one obvious opportunity. Now that Russia strives to raise its profile in the international arena, the Korea issue is becoming one of the international conflicts where Moscow's involvement must grow. This is especially important as Russia regained its influence in North Korea and all the partners need it to make a political progress here successful. For example, the North Korean issue remains one of the few areas of continuing U.S.-Russian interaction — it was specifically mentioned by Putin as an example of being an area of productive cooperation.⁸

However, so far the attention to the Korean problem has been insufficient. Maybe because they seem intractable and do not immediately promise positive outcomes. That gives the critics the reason to ironically call Russia "the forgotten player" in Korean affairs or, at best, "a bit player," whose role is "often peripheral but can be incredibly unhelpful [to U.S. interests] at the most inopportune moments."⁹

8. Vladimir Putin, "Speech at the Meeting of the Valdai International Discussion Club."

9. Victor Cha, *The Impossible State: North Korea, Past and Future* (New York: Harper Collins, 2012), pp. 345, 367.

How important is Russia for Korean Peninsula states then? And how could Russia's approaches be compared to those of other actors?

Russia remains an important stakeholder in Korean unification and security issues — generally considered to hold 4th place after the United States, China and Japan (some influential Russian experts argue that Russia holds 3rd place, ahead of Japan, as Japan in fact abstains from using its ability to influence the situation on the Korean Peninsula).¹⁰

It should be noted, that due to the rising geopolitical contradictions in the Asia-Pacific, the Korean problem is increasingly internationalized. Regardless of the fact that on the surface Korean conflict looks as a showdown between the two competing regimes, in fact since Korean War, the Korean situation — like one, for example, in the Middle East — remains an area of contest for the great powers, pursuing their own, mostly contradictory, goals. Korea may yet again become a flashpoint of a great power competition, given that the most antagonistic couples (China-U.S., Russia-U.S., China-Japan) have their own interests in the region. The situation has even started to resemble somehow the 1950-1980s period: both Koreas have great power supporters growingly at odds with each other. Although Russia is no longer a military-political ally of North Korea, the latter started the 1960-1980s-like game of "balancing" between China and Russia (if not allies, at least non-hostile partners), trying to capitalize on their difficult relations with the United States. Paradoxically, however, the policy logic and actions remain much the same as way back then. That may be explained by the understanding of North and South Korea that both failed to reach the goals set at the onset of the Korean War — therefore both believe that only complete victory over the enemy and its capitulation, not a compromise, can put the conflict to an end.

South Korea in fact sets unification (this is to say, eventual regaining of control over the territories to the North of the DMZ) as a practical

10. Georgy Toloraya ed., *The Uneasy Neighborhood: Korean Peninsula Problems and Challenges for Russia* (Moscow: MGIMO Public, 2015), p. 4.

goal. That has become especially noticeable during the Lee Myung-bak and Park Geun-hye administration."¹¹ North Koreans thus do have a reason to believe that the "change of regime" concept and eventual disappearance of their statehood still remain the basis for the U.S.-South Korean vision of the fate of DPRK. For a quarter of century, the almost religious belief in the "imminent collapse" of the DPRK as the prerequisite for unification of Korea has remained the mainstream of South Korean and U.S. policy discourse on unification — making it important to "persuade" China and Russia not to support North Korea.

It is true that China, who had supported the DPRK in the Cold War era without any reservations, has changed its position. However, it wants to preserve the status quo and keep the state of North Korea in place, although the Kim Jong-un's regime, with its internal policies and provocative external behaviors, causes more and more irritation to China. But China cannot afford to lose an important buffer and see the whole of Korea becoming a sphere of U.S. influence. That would be seen as a major setback in geopolitical competition, the magnitude similar to the U.S. losing control over Cuba in the early 1960s and the Cuban missile crisis. An issue of regional importance, such as Korean unification and even a positive prospect of a possible emergence of a friendly unified Korea can only be subordinate to the existential issues of global strategy for Beijing.

Therefore, South Korean enthusiasm about China "changing sides" in the Korean conflict may be ill-founded. An expert notes that "China tried to utilize President Park's presence [at the military parade in Beijing on September 3, 2015, causing euphoria in South Korea] to show off their closer ties to the U.S., in order to shake up the triangle alliance between the U.S., Japan, and South Korea."¹² And regardless of South Korean efforts to make good friends with China, Beijing is still suspicious of the double game, as South Korea's

alliance with the U.S. is not going to disappear: that would probably remain true for a unified Korea, too. Therefore, China wishes to improve relations with the DPRK — one sign of this was sending "No. 5" in its hierarchy to the 70th anniversary of the foundation of the Korean Workers' Party (KWP) in Pyongyang in October 2015.

At the same time, the ability of Beijing to influence Pyongyang, even in its own interests, remain, limited — as the paranoically suspicious North Korean leaders might suspect that a change of regime to a more loyal one is not off the table in Beijing altogether. Therefore, China might now be perceived by Pyongyang as an existential threat rather than an ally. Some suggest that its nuclear and missile program developed by North Korea, is meant as a hedge not so much against the United States and South Korea, but China.

Pyongyang's tactics of getting closer to Russia as a balancer fits well into this picture and further complicates it, creating a web of interests and factors of influence.

The U.S. in fact is not ready for a radical scenario of the DPRK's fall, either — that would mean getting another international crisis of an unprecedented magnitude on its hands in addition to the complexities in the Middle East. Washington's vision of solution for the Korean problem is still one-sided, basing on a complicated heritage: from the unhappy memory of the Korean War (this is one of the reasons U.S. is reluctant to use force) and the general allergic reaction to the North Korean regime to the topical nuclear proliferation and strategic military concerns. The bottom line is that the political class of the U.S. is not ready to accept the existence of this totalitarian repressive regime in its current form. No amount of talking and negotiation can probably change such an attitude along the lines of an Iranian scenario, negotiations are not seen as an exit strategy.

Therefore, although the U.S. during Obama's presidency has abstained from using its abilities (ranging from the option of war to the recognition of the DPRK) and preferred a policy of containment of North Korea ("strategic patience"), this might be based on a false assumption (maybe instigated by South Korea's assessments) that the forthcoming collapse of North Korea solves all problems. The October

11. Kim Subin, "Seoul Secretly Preparing for Unification by Absorption: High Ranking Official," *NK News*, March 11, 2015.

12. Choi Ha-young, "S. Korean President's Warm Welcome in China Doesn't Signify Shift," *NK News*, September 4, 2015.

2015 visit of Park Geun-hye to Washington has again put the issue of denuclearization of North Korea and unification in the limelight.¹³ However, in practical terms, the existence of the nuclear problem and "dangerous" North Korea allows the U.S. to keep strong political and military grip on South Korea in the U.S. global interests (an example is the inclusion of the ROK into deployment of Terminal High Altitude Area Defense (THAAD) systems, aimed against China and Russia). At the same time, the Korean problem as a thorn in the side of China is also a benefit of containing Beijing's rising ambitions. Even North Korea's development of some missile and nuclear potential could be under such logic acceptable for the U.S. policy strategists — as long as North Korea would not cross a "red line" — a game-changer might be Pyongyang's acquiring a nuclear-armed inter-continental ballistic missiles (ICBM), able to reach U.S. territory, which would force U.S. to find a way to hedge the risks.

Russia believes that a collapse scenario is even less likely today than in the 1990s when North Korea suddenly lost much of its external support, plunged into an unprecedented economic crisis, and had not acquired a "nuclear deterrent" yet. Today, the new geopolitical situation — including the above-mentioned stand-off between the U.S. and Russia as well as the rivalry between the U.S. and China — gives little hope for a possibility that the North Korean state can be brought down peacefully in a "soft landing" scenario. The reasons are both the regime and its supporters (at least one million of higher class) are willing to fight because they have no exit strategy and the geopolitical interests of competing coalitions — none can afford the sphere of its influence to be intruded let alone taken by the rival camp.

A crisis in the Korean Peninsula as a way to a Korean unification is unacceptable to Russia. A unified Korea, even with the unlikely event of a U.S. troop withdrawal, would still remain an ally of the United States and one with much more power (for example, territorial claims to China and even Russia cannot be excluded). Therefore, Russia

deems it desirable to preserve both countries' statehood while promoting an evolutionary change in North Korea. But to start this process, Russia believes North Korea should have security guarantees for the existing regime, however bizarre and unpleasant it is. There are simply no better alternatives: it is the best of the bad options. Therefore, Russia's policy goal in Korea is to maintain the existing security structure for stability. That means preventing any sudden changes associated with unification or a serious setback in North Korea's security positions. Any emergencies or a collapse scenario in this nuclear-armed state is highly undesirable.¹⁴

Conflicting Approaches towards the Korean Unification and Security Situation on the Peninsula and around

The permanently important integral part on the inter-Korean relations is the Koreans' approaches and practical policies aimed at the unification of the motherland. Russia, in full scale, understands the complexity and delicacy of the issue and sincerely welcomes any positive step in such a direction. So, Moscow heartily supported an agreement between Seoul and Pyongyang to arrange another meeting of divided families after a long hiatus.

At the same time, the problem remains the very contradictory one and from time to time leads to the aggravated inter-Korean relations and correspondingly security tensions on the Korean Peninsula. Such kind of recurrent eruption of the interest and mutual polemics took place in recent years.

Therefore, Russia needs to monitor closely any developments of the matter.

As is well known, the governments of North and South Korea continue to repeat like a mantra that they are committed to the idea

13. "S. Korea, U.S. Reaffirm Alliance: Urges N. Korea to Give Up Nuclear Program," Yonhap News Agency, October 17, 2015.

14. In more details see: Georgy Toloraya, "Korean Security and Unification Dilemmas: A Russian Perspective," (Korea Economic Institute of America, June 11, 2015), http://keia.org/sites/default/files/publications/kei_aps_georgy_toloraya_june11.pdf.

of unifying their divided people. But as years go by, the tension between Seoul and Pyongyang continues, and there is no progress toward achieving that objective. According to public opinion polls, most South Koreans under the age of 40 are not interested in the unification of the peninsula. Although there is no public discussion, this critically important sector of the South Korean society is tacitly against any such plans.

Decades have passed since the country was partitioned. The number of families separated by the demilitarized zone (DMZ) has dwindled and emotions have cooled. Many young people in the South increasingly see North Korea more as a foreign country than an integral part of their own state.

Pragmatic calculations now enter the equation: "How much would we South Koreans have to pay for unification? How much would it decrease our standards of living? What if it led to war?"

The once-glowing example of Germany's unification long ago dimmed in our memory. Experts were aghast after calculating what that merger ended up costing its citizens — it came with a high price tag, even for an economic powerhouse like Germany.

After analyzing the German experience, a program aimed at building bridges with the North emerged in Seoul during the administrations of South Korean presidents Kim Dae-jung (1998-2003) and Roh Moo-hyun (2003-2008). The premise was simple enough: we do not need a war with North Korea, we do not need that country's collapse, and we do not need immediate unification. So what do they need? Reconciliation, gradual rapprochement, and economic cooperation, paving the way for a future union. These were the years of the "Sunshine Policy" and "reconciliation and cooperation." Two very significant summits between the Korean leaders were held in 2000 and 2007, and bilateral cooperation between the two countries finally blossomed.

But South Korea is a democracy, and after the 2008 elections, conservatives took office who believed the "Sunshine policy" was an idealistic, naïve, and finally mistaken one. However, as we know, the reconciliatory policy supporters continue to remain at the ROK society

in considerable numbers including outstanding intellectuals.¹⁵

Moreover, the conservatives who came to the Blue House in 2008 and continue to control it now have believed the North to be on the verge of collapse. In an attempt to hasten that outcome, they expanded economic sanctions and increased military and political pressure, among other measures. They felt this would surely spell the end for Pyongyang. Naturally, these forced meaningful negotiations, including the six-party talks on North Korea's nuclear program, are put onto the back burner.

At some point, those who held sway over the decision-making process in Seoul convinced themselves that they were on the right track and began to try to bring the rest of the world on board.

The international community now joined the efforts to increase the pressure and further isolate the DPRK. North Korea's social and economic strides and its gradual but persistent market reforms were ignored. Instead, attempts were once again made to reintroduce former president Lee Myung-bak's "unification tax," creating new state agencies in the South that would expedite the unification process along the path favored by Seoul.

This was the situation in 2014 when both Seoul and Pyongyang came forward with new unification proposals. The ROK President Park Geun-hye during a Press Conference on New Year's Day reiterated the task of building trust relations with North Korea. Simultaneously, she referred to the unification of the Korean Peninsula as a "bonanza"¹⁶ and lately extended the discussion on unification domestically and internationally by referring to Korean unification as "hitting the jackpot."¹⁷ In this context we should note that many North Koreans as well as some foreign experts were made sick by using such terminology taken from gambling area in regards with such a sensitive and delicate

15. Moon Chung-in, *The Sunshine Policy: In Defense of Engagement as a Path to Peace in Korea* (Seoul: Yonsei University Press, 2012).

16. Yun Byung-se, "Reunification of the Korean Peninsula and Northeast Asia Cooperation," *Foreign Relations* 16, no. 1 (2014), p. 18.

17. Chung Tae-ik, "East Asia at a Crossroad and Korea's Choices" *Foreign Relations* 16, no. 1 (2014), p. 8.

subject as national unification.

North Korea also put forth a number of peaceful initiatives at the beginning of the year, but Seoul interpreted them as propaganda or "charm offensive" and ignored them. Moreover, the ROK President Park Geun-hye ordered her Defense Ministry and other law-enforcement agencies to beef up the country's security, fearing a potential military provocation from North Korea.¹⁸ At a meeting with the president of Switzerland in Bern, she called on the international community to join South Korea in raising pressure on its northern neighbor, in order to increase its isolation and force the country to change its policies.¹⁹

In March 2014, Park Geun-hye made a keynote address in Dresden offering proposals that were ostensibly attractive for Pyongyang but indirectly promoting the idea of a German-style unification, meaning that the South would take over the North. The president of South Korea claimed, "The Republic of Korea will carry more weight in the world after unification. The northern half of the Korean Peninsula will also see rapid development."²⁰ (Allegedly, according to some sources, in the Korean language version of the speech the term "absorption" was clearly stated.)

Observers immediately noted that Dresden, located in the former East Germany, was not an accidental choice of setting for the keynote speech by Park Geun-hye.

Naturally, the proposal was rejected by Pyongyang. In Septem-

ber 2014, North Korean Foreign Minister Ri Su-yong personally took to the floor of the United Nations General Assembly in New York after a long absence. He gave a detailed response to South Korea's initiatives and reminded everyone of the principles for unification established by Kim Il-sung, which envisioned a union based on the creation of the "Democratic Federal Republic of Koryo."

As is well known, the 10-point program for national reunification ("10-Point Program of the Great Unity of the Whole Nation for the Reunification of the Country") was promulgated as a plan to reunite North and South Korea designed by Kim Il-sung in 1993 and further expanded in the North Korean Memorandum of August 11, 1994 on the establishment of the Democratic Federal Republic of Koryo. Essentially, the plan calls for the creation of a confederal republic with two social systems and two governments, existing within the framework of a single nation and state. During the first phase of the joint government of the two halves of Korea, existing systems would be left intact, because, as the Memorandum emphasizes, "neither party wishes to surrender its social system." This is an evidence of an attempt to seek a common denominator underlying the sense of ethnic solidarity among Koreans, which will make it possible to overcome their ideological differences and political disagreements. It is important to remember that the Korean people "have been living on the same peninsula for over 5,000 years and share the blood of their common ancestors."

This concept, although propagandistic at the time of its suggestion (as the real goal of Kim Il-sung was the withdrawal of U.S. troops from South Korea and unification under his control), in fact involves a gradual, incremental rapprochement between the two Koreas and requires recognition of the two existing, yet conflicting, socioeconomic and political systems on the peninsula. The first phase assumes the creation of national state agencies responsible for the new government's foreign policy and so on, but that would not interfere in the internal political lives of the two constituent entities as they continue to develop autonomously.

This phase of gradual rapprochement would then lead to further

18. "President Park Orders Airtight Security Posture against N. Korea," *North Korea Newsletter*, no. 297, Yonhap News Agency, January 23, 2014, <http://english.yonhapnews.co.kr/northkorea/2014/01/22/28/0401000000AEN20140122005600325F.html>.

19. "President Park Says North Korea Must Be Forced to Change," *North Korea Newsletter*, no. 297, Yonhap News Agency, January 23, 2014, <http://english.yonhapnews.co.kr/northkorea/2014/01/22/28/0401000000AEN20140122005600325F.html>.

20. Park Geun-hye, "An Initiative for Peaceful Unification on the Korean Peninsula: Dresden — Beyond Division, Toward Integration" (speech, Dresden, March 28, 2014), Cheong Wa Dae, [http://english1.president.go.kr/activity/speeches.php?srh\[board_no\]=24&srh\[page\]=3&srh\[view_mode\]=detail&srh\[seq\]=5304&srh\[detail_no\]=27](http://english1.president.go.kr/activity/speeches.php?srh[board_no]=24&srh[page]=3&srh[view_mode]=detail&srh[seq]=5304&srh[detail_no]=27).

and closer integration.

In connection with the point, it is extremely noteworthy that the plan of the former ROK president Kim Dae-jung (a winner of the Nobel Peace Prize and the author behind the concept of the "Sunshine Policy" described in the book *The Korean Problem: Nuclear Crisis, Democracy, and Reunification*), is still quite relevant and agrees with much of what North Korea suggested.²¹

The unification plan that Kim Dae-jung devised over twenty years ago includes three principles (peaceful coexistence, peaceful exchanges, and peaceful unification) and three phases (the confederation of two independent Korean states, the federation of two autonomous regional governments of the North and the South, and unification in accordance with the principle of "one country, one nation, and one government").

It is notable that the first phase, which was envisioned by the former president of South Korea as being quite lengthy, is very close to the North Korea's proposal of the Democratic Confederation Republic of Koryo. Of course there are differences, but it is more important to understand that both programs provide a broad basis for bridging the gaps between positions, ironing out details, and reaching compromises. Both approaches largely mirror their authors' similar view of Korea's internal problems.

The importance of the philosophical tenets behind the idea of unification should not be exaggerated. The crucial idea is to incrementally integrate the economies of the two states. But, by reaching a mutually acceptable compromise of ideas and merging conceptual approaches, the unification of the Korean nation can be facilitated.

North Korea's stance on South Korea's plans for instantaneous unification is clear. Numerous analysts are seriously concerned that deep differences in all realms of life divide the two Korean states, against a backdrop of heightened political and military tensions on the peninsula, and any attempt to bring such plans to fruition (which

can only be done through force) would lead to a second Korean War or — in other words — to a complete national disaster.

Nevertheless, this "sacred" topic for North and South Koreans continue to stay in the epicenter of international attention.

There was a time when the northerners had more initiative on this issue, and the southerners were apprehensive about "communization" by the North. Now, in a radical shift of the economic and international power factor in favor of South Korea, according to many experts, North Korea is concerned more about self-preservation and self-survival than about global projects of reunification.

However, in recent years, this problem has sounded very loudly again. This time, Seoul is playing a leading part.

Informed readers remember that one of the stated priorities of South Korea's current government has been the task of creating trust between the North and the South. However, more than three years later, analysts decided that this target has been replaced in practice by the policy of forcing the union through the acceleration of "collapse and regime change" in North Korea. Today, most of the discussion in South Korea, the U.S. think tanks, and in the West as a whole are concentrated on so-called Korea "post-unification" arrangement. Main topics that are discussed now devote to the practical details what and how Seoul should do after the reunification: how to repair the destroyed economy, by which principles (South Korean or international law) should guide the legal aspect of the "reunified" territories and how to carry out justice against the "criminal" leadership, and political and military elites of the current North Korea.

Many researchers think this statement will be, at least, a premature attempt to "cook a hare before catching him." However, this is the reality of the current discourse of the South Korean political elite.

One more confirmation of this phenomenon is the global "Eurasian Initiative," announced by the President of South Korea, Park Geun-hye in November 2013. Obviously, this initiative is a new mega project, which is designed for a much wider area than just East Asia.

However, the analysis of the "Eurasian initiative" through the prism of this article's topic makes it clear that the second main goal of

21. Kim Dae-jung, "The German Experience and a Prospect for Korean Unification," in *The Korean Problem: Nuclear Crisis, Democracy and Reunification. A Collection of Essays, Speeches, and Discussions*, Kim Dae-jung (ed.) (Seoul: The Kim Dae-jung Peace Foundation Press, 1994), pp. 116-117, 121-125.

this concept is the target — “Let’s achieve peace and prosperity of Eurasia by the opening up and nuclear disarmament of North Korea.”

According to the executive vice-chairperson of the South Korean National Unification Advisory Council, “the main purpose of the mega project is the creation of ‘a giant wave’ of peace and prosperity in Eurasian societies, which will arise in Europe, Southwest Asia and the Middle East as a reason for the restructuring, opening up and renunciation of nuclear weapons by North Korea as well as the improvement of human rights in the North. We can use the Eurasian countries as a lever to persuade North Korea. However, if Pyongyang refuses, we will increase the pressure on North Korea — this is where the line of Eurasian prosperity breaks out — to connect the Eurasian line with North Korea by force. Can Pyongyang stop the ‘locomotive’ of Eurasian society which is the fundamental revolution of world history?”²²

It is not surprising that in Pyongyang, this proposal was met negatively. In September 2015, at the UN General Assembly in New York, the Minister of Foreign Affairs of North Korea Ri Su-yong, gave a detailed response to the “peace” initiative of the South of Korea.

Today, this debate between the officials of the two Koreas continues to gain momentum.

High-ranking South Korean officials constantly voice confidence in the inevitable unification of Korea in the near future, under the terms of South Korea. The-then South Korean Unification Minister Ryoo Chil-jae speaking in Washington, D.C. at the end of 2014, stated: “... for the unification of Korea, we need ‘three wheels’: one of them — improvement of inter-Korean relations; the second-formation of a consensus on reunification within South Korean society (because, as the minister admits, now, for many South Koreans, especially young people, the reunification is not the highest priority).”

But the most important “wheel” is working closely with the

22. Hyun Kyung-dae, “President Park Geun-hye’s ‘Eurasia Initiative’. One Continent, Creative Continent, Continent of Peace. Opening and Denuclearization of North Korea through the Peaceful Prosperity of Eurasia,” (NUAC News, National Unification Advisory Council, November 1, 2013), <http://www.nuac.go.kr/english/sub04/view01.jsp?numm=36>.

international community, since its participation, and especially that of the United States in the preparation of unification is necessary and even essential. It is thanks to their support that the reunification of Germany became possible. “I am convinced that if the United States firmly supports and assists in the unification of Korea, our dreams of the unification of Korea will become a reality.”

North Korean scientists also gave their response. In the February 2015 report by the Institute for Disarmament and Peace of the Foreign Ministry of North Korea, the necessity of an objective evaluation of the realities that exist on the Korean Peninsula is emphasized.²³ And today, they are such that “for 70 years, the two Koreas have been developing along different trajectories determined by opposing ideologies and political systems. At the same time, neither of the Korean sides is willing to give up their own ideology and political system. Therefore, the desire of one party to impose its system on the other is for sure to lead to war and the involvement of neighboring states in it. Given the characteristics of the military capabilities of both the Koreas and their neighbors, the result of attempts to implement such a scenario would be a “catastrophic Armageddon,” with which the tragic consequences of the Korean War of the 1950s, the current military conflicts in the Middle East and Ukraine would pale by comparison.”

On the basis of this analysis, the North Korean author concludes that the coexistence of the two systems is the only realistic way for the unification of Korea. The differences between the systems are not an “Achilles’ heel,” but rather the reason for the necessity of their coexistence. If the two Korean sides were to unite in one state and begin to respect the unique features of their respective political systems, then the inter-Korean cooperation could develop smoothly and achieving the ultimate goal of unification would cease to be an issue.

At the same time, Pyongyang is convinced that in the course of the integration process, the two Korean sides “should not blindly

23. Kim Ye Jin, “Well-balanced Approach to the Issues on the Korean Peninsula and Northeast Asia,” *NK News*, April 9, 2015.

copy the experience of other countries but form the structure corresponding to the realities and specifics of Korea ... then there will be no need to use other people's brains, or seek permission from external forces or their approval of our decision on how to merge."

Unfortunately but predictably, the South-North polemic continued in course of the 70th Session of the UN General Assembly where the ROK Park Geun-hye delivered her speech on September 28, 2015. The substantial part of the speech naturally was devoted to Seoul's view concerning unification prospects and the ROK President stressed that "unification would be a 'fundamental solution' to such issues as North Korea's nuclear weapons program, its dismal human rights record and provocations."²⁴

Of course, North Korea has vehemently reacted to South Korean president proposals and slammed South Korea for infringing upon its sovereignty.²⁵

So, as analysts could see, both sides' unification conceptions and practices have their own logics and interesting arguments but they are simultaneously and unfortunately very conflicting goals that create a permanent source of tension.

Absence of Substantive Dialogue between South and North Korea — Risk for Neighbors' Security

The recurring escalations of inter-Korean security tension unfortunately became one of the traditional characteristics of the Korean problem. Another typical characteristic is usually the crisis that takes place at the period of prolonged inter-Korean dialogue hiatus.

The most recent confirmation of this reality became the dramatic escalation of military and political tensions on the Korean Peninsula

24. "N. K. Denounces Park's U.N. Speech, Saying Family Reunions at Stake," *North Korea Newsletter*, no. 382, Yonhap News Agency, October 1, 2015, <http://english.yonhapnews.co.kr/northkorea/2015/09/30/0401000000AEN20150930008700325.html?in=nkletter>.

25. *Ibid.*

in August 2015. The crisis can be viewed from various perspectives, but what stands out is the fact that despite Pyongyang's numerous formal attempts to restart substantial communication with the ROK and Seoul's continual declarations of their desire to build trust between the North and the South, not only economic cooperation, but even meaningful dialogue has grounded to an almost complete halt.

Without attempts to pursue substantive bilateral negotiations, the rhetorical question about whether it is possible to boost trust between the two Koreas has long gone unanswered. The dramatic, but unfortunately quite logical response was the onset of yet another artillery duel across the demilitarized zone (DMZ).

The timeline of the events has been established. On August 4, there was an explosion in the DMZ during a South Korean patrol, seriously injuring two soldiers. In response, Seoul switched on its powerful loudspeaker system that is set up along the demarcation line and which had sat silent for 11 years prior to this episode, resuming its barrage of propaganda against the North. After the northerners made repeated requests that these attempts at sabotage be stopped, Pyongyang blasted the speakers with two volleys of artillery shells. South Korean guns returned fire.

The government of the Republic of Korea announced that the radio broadcasts would continue until the DPRK admitted that it had deliberately set the landmine and issued a formal apology. We, of course, would not like to accept North Korean version of the incident (that it was the Korean War period mine). At the same time, Seoul did not agree to conduct a joint investigation of the incident.

And preparations for large-scale military operations rapidly swung into high gear. Threatening statements from both sides followed, martial law was introduced in North Korea, and troops began to advance toward the zones of their combat deployment. Discussions began in South Korea about bringing in and stationing American strategic B-52 bombers, submarines armed with nuclear missiles, and so forth.

However, once tensions reached a truly alarming level, both sides still had enough sense to agree to hastily convened negotiations,

which had not been held for a very long time. After a 43-hour marathon negotiation in the border village of Panmunjom, an agreement was reached on August 25. A six-point accord was signed. Pyongyang expressed its regret (Seoul accepted it as some kind of "apology") over the injuries to the South Korean soldiers; Seoul shut off its radio broadcasts; the two parties worked out methods to reduce military tensions and withdraw their troops; and they agreed to continue these high-level talks and to review the possibility of resuming economic ties. The agreement to allow a reunion of families who have been separated by the political division was an important and emotionally meaningful success.

Journalists had plenty to say about this wild drama. They hashed over everything — from the temerity and inexperience of the young leader of North Korea and the obstinacy of the Koreans on both sides of the DMZ, who again decided to play the chicken game, to the Americans' ambitious plans to encourage military tensions on the Russian and Chinese borders; and from the attempts to disrupt the widespread celebrations in Beijing on September 3 to mark the 70th anniversary of the end of WWII to the desire to contain China's "peaceful rise," which includes preventing the Chinese yuan from becoming a reserve currency.

Some of these pronouncements seem silly, while others are perhaps worth a second thought. But none of them throws light on the primary cause behind the dustup. This crisis was unavoidable. It did not break out spontaneously, but during the massive, scheduled Ulchi Freedom Guardian exercises staged by the U.S. and South Korean militaries, in which 50,000 South Korean and 30,000 American troops took part. In addition to these drills, ten other nations that played a role in the Korean War of the 1950s also sent representatives. It is hard to say what preoccupied the North Koreans most — the deployment of a formidable military division on their borders with the clear allusion to Korea's wartime past, or Washington and Seoul's repeated mantra that shrilly proclaimed the "routine" and "defensive" nature of the maneuvers.

In any case, Pyongyang could not overlook these exercises. North

Korea interpreted them within the context of the Allies' anti-North Korean policy, which openly states their highest priority — regime change in the DPRK and its incorporation into South Korea. This is why they have stubbornly resisted any meaningful dialogue with Pyongyang in recent years, gambling on its isolation and applying pressure by resorting to such forms of duress as their ambitious campaign against human rights violations in North Korea.

At the same time, it looks like that both Washington and Seoul underestimated how seriously Pyongyang accepted the U.S. President Barack Obama's interview on January 22, 2015 to Internet resource YouTube. That time, the American president happened to speak over the conventional limit, "North Korea is the most isolated, the most sanctioned, the most cut-off on earth. [...] Over time, you will see a regime like this collapse. Our capacity to affect change in North Korea is somewhat limited because you have a million-person army, and they have nuclear technologies and missiles. [...] So the answer is not going to be a military solution. We will keep ratcheting the pressure, but part of what is happening is the environment that we are speaking in today the Internet, over time, is going to be penetrating that country, and it is very hard to sustain that kind of brutal authoritarian regime in this modern world. . . ."²⁶

To our mind, the North Korean leadership interpreted the U.S. first person's frank explanation of Washington's main task regarding the DPRK as regime change as almost a declaration of war. Therefore, the U.S.-ROK military alliance is seen by North with such a position.

It seems promising that common sense prevailed at the last minute in the capitals of the two Korean states and the conflict was reined in, but one is left with the nagging suspicion that not everyone involved in these all-too-frequent events has learned a good lesson. And there's a good chance of a new flare-up of tensions on the Korean Peninsula.

26. Barack Obama, "Obama's 2015 YouTube Interview," Youtube video, 44:52, posted by "The Daily Conversation," January 22, 2015, <http://www.youtube.com/watch?v=Q9NveDmfjBg>.

This accident was accepted by the international public opinion with more concern because it happened on the eve of the 70th anniversary marking the end of the Second World War when many politicians and intellectuals tried to remember and re-examine its lessons in order to not repeat it.

Moreover, not so far ago, the world celebrated another very important historical date — the centennial anniversary of the end of the First World War. That war experience is also an extremely instructive one. A lot of scholars in many countries still are utterly surprised how unexpectedly and swift one pistol shot in Sarajevo firstly led to the small local conflict and then developed into global scale tragedy seemingly against the will of many powers' leaderships. Surely, such a lesson showing how easy a large war can be started and how difficult it is to stop a war is also extremely important not only for Korea but for neighboring states.

North Korea's Place in Russia's Regional Policies

The lesson of the last quarter of century since the breakup of Soviet Union has taught Russia that its influence and ability to defend its interests in Korean settlement is correlated with the degree of its influence on North Korea. As it almost disappeared in the 1990s, Russia was de facto excluded from discussion on the Korean problem. When President Putin gained power in 2000, the approach to North Korea became pragmatic, as he opted for "normal relations" with Pyongyang.²⁷ His meetings with Kim Jong-il and signing several declarations cemented the ties, although during President Medvedev's years they cooled down, as the diplomatic process stopped and North Korea conducted nuclear and missile tests.²⁸

27. See Alexander Lukin, *Povorot k Azii: Rossijskaia Vnešnjaja Politika na Rubeže Vekov i ee Aktivizacija na Vostočnom Napravlenii* [The Pivot to Asia: Russia's Foreign Policy at the Turn of the Century and Russia's Shift to the East] (in Russian), (Moscow: Ves' mir, 2014), pp. 534-535.

28. Alexander Vorontsov and Georgy Toloraya, "Military Alert on the Korean

After the initial pause in relations due to Kim Jong-un installing his power in Pyongyang, in 2014-2015, the world witnessed a strange phenomenon of upsurge in Russia-DPRK relations, which was immediately dubbed as a "union of outcasts" by Western critics and Russia's liberals. The latter seriously describe current "tightening of the screws" by Putin's government in Russia as "moving towards North Korean model," while Russian communists and leftists treat DPRK almost as a "promised land." It is true, nevertheless, that the confrontation with the West was the factor that brought both countries closer. North Korea stresses, especially in contacts by the military, a "common threat," which resonates in certain Moscow circles, while even pragmatic foreign-policy makers in Russia have to admit that DPRK deserves attention since it has regrettably become one of the few public supporters of Russia on the Ukrainian issue.

But it is not the whole truth and maybe just a fraction of it.

It should be noted that in fact, although it was Russia who consistently tried to improve bilateral relations, in reality it happened mostly by North Korean initiative — thanks to Pyongyang's sudden preparedness to answer Moscow's overtures. Russia in fact started to implement the doctrine of "standing on both legs" on the Korean Peninsula since the early 2000s. Looking at the documents agreed upon at that time,²⁹ one cannot avoid the conclusion that it is the basic agreements between Putin and Kim Jong-il that bear fruit today (the issues of debt problem solution, trilateral projects, logistics development can all be found in the 2000 and 2001 summit declarations).

Later in the second half of the 2000s, the process stagnated because of the North's nuclear tests and missile development — when Russia reluctantly joined international sanctions. One of the factors since President Medvedev's coming to power was an attempt to "reset" relations with the U.S. It largely failed and the Medvedev-Kim Jong-il summit in 2011 (symbolically the last meeting with a foreign head of

Peninsula: Time for Some Conclusions," (Carnegie Moscow Center, May 2014), pp. 19-20, http://carnegieendowment.org/files/CP_Korea_web_Eng.pdf.

29. "DPRK-Russia Moscow Declaration," North Korea-Russia, August 4, 2001, <http://www.korea-dpr.info/lib/204.pdf>.

state for the late North Korean leader) reinvigorated the relationship with Pyongyang.³⁰

Importantly, the issue of the North Korean debt to Russia was agreed upon and the active phase of negotiation followed, resulting in September 2012 in a mutually satisfactory solution to this thorny and longstanding issue, which had long blocked the way to economic deals.³¹ Under the deal, Russia wrote off 90 percent of North Korea's USD 11 billion debt while 10 percent was to be put on a special account to finance Russian investment in DPRK "in humanitarian areas."³² However, over the time which elapsed after the agreement entered into force, no such investment was recorded, giving rise to a suspicion that it was just a face-saving gesture for Russia, while North Koreans had no intention to pay anything at all.

Kim Jong-il's death and the process of power transition in Pyongyang to Kim Jong-un, the prospects of which were not certain at first, delayed the practical broadening of cooperation. However, when Russian experts concluded that the Kim Jong-un regime was stable enough to deal with negotiations on several major economic projects and political consultations between the DPRK and Russia started — answering the North Korea's initiative.

The divisive international situation and Russia's new assessment of the strategic goals of major power created a climate conducive to that. Also, Russia got rid of ideological clichés of Western origin, which put the brake on the relations in the 1990s and 2000s — for example, those concerning the nuclear problem of Korean Peninsula.

It is hard to find a direct criticism of North Korean missile and nuclear programs as well as straight-forward demands for DPRK denuclearization in the recent official Russian statements, although Russia stresses it does not recognize the nuclear status of DPRK.³³

30. "Kim Jong-il in Talks with Russia's Dmitry Medvedev," *BBC*, August 24, 2011.

31. Miriam Elder, "Russia Writes Off \$10bn of North Korean Debt," *The Guardian*, September 18, 2012.

32. Georgy Toloraya, "It is Time for Russia to Invite Kim Jong Un to Vladivostok," *The Russian Gazeta*, July 8, 2012.

Moscow, however, seems to recognize, if not saying in public, that the goal of DPRK denuclearization is hardly attainable at the moment. Therefore, a multilateral diplomatic process should be a tool to hedge the risks, stop North Korea from improving its arsenal, maybe to include a hydrogen bomb and prevent nuclear proliferation. At the same time, the logic goes, the non-proliferation issue cannot be suitably solved without addressing broader security issues. This is a nuance differing from Russian position before 2012, while China keeps insisting on the validity of denuclearization, as stressed at the international seminar in Beijing at the occasion of the September 19 Joint Statement jubilee in 2005.³⁴

The most obvious and widely discussed reason for North Korea to reach out to Russia was to move away from overdependence on China. As the Chinese leader Xi Jinping went to Seoul before Pyongyang (which he so far has not visited) and then invited South Korean President Park Geun-hye to the military parade in September 2015, South Koreans began to brag that China "chose the South" instead of the North. Pyongyang became openly defiant towards Beijing, criticizing "certain country" [implying China], and turned to Russia — much as a challenge to Beijing. The DPRK's "Russian tilt," aiming for support from Russia (also in exchange for its support of Russia on the Ukrainian issue), is in fact targeted at irritating China and making Beijing jealous.³⁵ However, such tactics might be temporary and Pyongyang will get closer to China pretty soon again. The high-level DPRK-Chinese meeting in October 2015 in Pyongyang on the occasion of the 70th anniversary of the KWP may signal such a change.

33. "Foreign Ministry: The Recognition of North Korea as a Nuclear Weapons State is Unacceptable for Russia" (in Russian), *Pronedra*, October 4, 2015.

34. China, Ministry of Foreign Affairs, "Foreign Ministry Spokesperson Hong Lei's Regular Press Conference," September 15, 2015, http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1296803.shtml.

35. Georgy Toloraya, "China can't Solve Seoul's N. Korea Problem," *NK News*, September 21, 2015.

Current Prospects of Political and Economic Relations between Russia and DPRK

In comparison with the preceding period, political exchanges sharply increased in 2014-2015. Many high-profile political visits to Russia took place within two years, which were unprecedented for the last two decades. Russian Vice-Premier Yuri Trutnev and Minister of Far East Development Alexander Galushka, who visited Pyongyang several times, are especially active — which gives the Russia's DPRK policy a long-absent personal touch and became a lobbying factor. In economics, the 7th session of the Intergovernmental Commission in April 2014 in Pyongyang became a watershed event. 2015 was declared a "Year of Friendship." More than a dozen treaties and agreements were signed, paving the way to numerous large- and medium-scale bilateral projects. However, Russia's reaction to DPRK's request for the renewal of military cooperation remains lukewarm, although the international situations (including Russia's military involvement in Syria — traditional military partner of North Korea) — seem conducive to that.

The failure of Kim Jong-un to visit Russia for the Victory day celebration in May 2015 did steal the envisaged boost in bilateral political relations, but in economic sphere it meant little. Negotiations on different economic projects for government and business are now of a scale unprecedented for the last three decades (seemingly reaching the level of the period after the Kim Il-sung's remarkable visit to the USSR in 1984 before the economic cooperation collapsed in the wake of USSR break-up). The short period between 2000-2002 saw some revival of commerce as a result of the political rapprochement but the liberal-minded Russian economic establishment came close to sabotaging politically motivated arrangements, being reluctant to deal with the "doomed regime" and waste money on aid to it — the telling example is the debt repayment talks — they started immediately after meetings between Vladimir Putin and Kim Jong-il in 2000-2001, but dragged on for a decade.

The creation of infrastructure for economic cooperation is now

underway. Both countries have agreed to appoint "project commissioners" who will work to reduce red tape and streamline business interactions, acting as "unique points of contact" for strategic projects. For the first time, a Russia-North Korea business council has been created. Unlike in the past, sectorial meetings have become regular and there are now several dozen tracks of government-to-government and business-to-government as well as business-to-business negotiations. In October 2015, it was agreed to set a Russia-North Korea trading house — which would handle directly the Russian-North Korean trade deals via e-commerce means, avoiding intermediaries — such as the Chinese who are currently estimated to handle about USD 900 million of trade involving Russian exports to North Korea.³⁶

However, the reached agreements now need to be implemented. The basis for it is questionable. Responsible Russian businessmen tend to avoid the uncertainties and limitations on financial transactions involved in dealing with heavily sanctioned North Korea. Despite the *de facto* advance of a market economy of sorts in North Korea, Russian businessmen are experiencing the same old hurdles, familiar for decades of cooperation under the Soviet Union: North Koreans seem to pursue short-term individual gains; unilaterally modify agreements; one-sidedly introduce new rules (sometimes retroactively) unfavorable to investors; break obligations; and deliver goods late. Decision-making mechanisms in North Korea are still opaque, decisions are often based on the spontaneous impulses of higher authorities that cannot be contacted, and there is general lack of coordination between different branches of the state system and economic organizations. Problems with communication persist. In October 2014, the two countries agreed on settling the accounts in Russian rubles without the involvement of U.S. banks or U.S. dollars and such transactions started in 2015, but so far the scale is limited.

However, it is true that a new concept of bilateral cooperation seems to be emerging from the Russian leadership's increased atten-

36. Chad O'Carroll, "Russia and North Korea Agree in Principle to Build Joint Trade House," *NK News*, October 14, 2015.

tion to the DPRK. Still, Russia's overall approach is very pragmatic: anything the North Koreans want, they should certainly pay for them, and in advance. North Korea's most valuable resources are minerals and raw materials, and most deals use these reserves as a guarantee for reciprocity (like coal in exchange for pig iron, etc.). The most well-known project is called "Victory": it provides for reconstruction of 3,500km of railroads in the span of 20 years (started in October 2014 with the Pyongyang-Nampo route) in exchange for the extraction of North Korean minerals (and exporting them). However, the bankruptcy of the Russian partner ("Mostovik") stalled the project and so far no other company has undertaken to continue the project. North Korea also suggested allowing Russian companies to develop copper assets in North Hamgyong province.³⁷ It is agreed that Russian geologists would conduct a survey of mineral resources in the DPRK, based on the materials which were accumulated during decades of Russia-DPRK cooperation.

Both sides agreed on cooperation in the special economic zones of the two countries (they are called Territories of priority development in the Far East) and consider a trilateral zone with participation from the two Koreas.³⁸ The DPRK is interested in Russian investment in the Wonsan-Mt. Kumgang tourist zone. Also, the pontoon bridge at Tumen River is to be constructed, easing exchanges between the two countries.³⁹

37. Christopher Rivituso, "N. Korean Delegation Visits Russian Gold Mine," *NK News*, September 15, 2015.

38. "Russia and Democratic People's Republic of Korea Intend to Develop Cooperation in the Sphere of Energy Power" (in Russian), *Regnum*, September 3, 2015.

39. "The Russian Federation and Democratic People's Republic of Korea Discussed Development of Business Connections at World Economic Forum" (in Russian), (TPP-Inform, September 4, 2015), <http://www.tpp-inform.ru/news/22371.html>.

North and South Korea and Russia — Problems of Interaction in a Geopolitical Game

Moscow sees the potential three-party projects attracting South Korean investment into North Korea via Russia as a game-changer. Such a concept was proposed by Russian policy makers in the 1990s. They can bring much-needed financing, provide markets for Russia and North Korea in the South, and vice versa. Such projects are also important geopolitically and geoeconomically for promoting regional peace and cooperation in Northeast Asia. They are seen both as a source of mutual prosperity and as a tool to help the North Korean economy modernize, as well as a way to build mutual trust and improve the political atmosphere.

Despite the common perception, North Korea has always been in favor of such projects and it is well documented in Russia-DPRK bilateral dealings. Especially now, when a new course for establishing free economic zones has been declared by the North with great fanfare. The TKR-TSR project is now a priority for the state-owned "Russian railroad company." It is worth noting that Russia and North Korea see Rajin-Khasan rail-link project as a pilot one for a future Trans-Korean railroad connecting to the Trans-Siberian line (as stated in the Moscow Summit Declaration of 2001). Russia has invested the equivalent of USD 340 million into the project. In September 2013, the railroad was officially opened and the coal started to be transported (although initially the plan was or bringing containers from South Korea to Europe). Since 2014, in accordance with the agreement on the summit level in November 2013, Korean companies such as POSCO, Hyundai Merchant Marine Co. and Korail started feasibility studies, and three shipments of coal were delivered to South Korea (Pohang). There is a possibility South Korea will join the project in 2016.

Other trilateral projects not in the limelight are also important. The power line connecting the Russian Far East, where excessive electricity generation capacity for export exists with South Korea as an export market has been discussed for many years. However, Russia remains committed to the project and has been discussing it recently

on a bilateral basis.

Of most significance is the fate of the gas pipeline project, which was agreed to at the summit level between Russia and North Korea in 2011. This was to become a real game-changer since the pipeline enhances the energy security of South Korea and brings North Korea benefits without any concessions or dangers associated with "opening." The project has been pursued since 2003. (The project needs an investment of USD 2.5 billion for supply of a volume of 12 billion cubic meters per year). The gas pipeline in Korea, because of external (the need to get a connection to the Asian gas market) and internal factors (the need to diversify production and exports as well as to use Gazprom's existing capacity to build pipelines), was one of the most important Russian economic undertakings in Asia and the Pacific.

However, the project became a political hostage, involving not only South and North Korea, but also the U.S. and China. A political decision by the South Korean government (Russia and the DPRK have already explicitly confirmed their readiness to implement this project) to approve the project was never made. Therefore, Gazprom is now building an LNG plant in the Far East, and has been losing interest in the overland pipeline. It is considering supplying the more expensive LNG to South Korea by sea rather than continue to engage in this tug-of-war over the pipeline although Russian experts consider there is a demand for piped gas in the ROK.⁴⁰

Given the appropriate political atmosphere, other trilateral and multilateral projects could be initiated. However, the crucial issue is the easing of tensions between the two countries. Russia would do it best to promote reconciliation and dialogue between the two Koreas as it fully corresponds with its political and economic interests.

■ Article Received: 10/5 ■ Reviewed: 10/27 ■ Revised: 12/11 ■ Accepted: 12/14

40. Leo Byrne, "Gazprom Exec Says N. Korean Gas Pipeline Unlikely," *NK News*, June 17, 2015.

Bibliography

- BBC. "Kim Jong-il in Talks with Russia's Dmitry Medvedev." August 24, 2011.
- Byrne, Leo. "Gazprom Exec Says N. Korean Gas Pipeline Unlikely." *NK News*, June 17, 2015.
- Cha, Victor. *The Impossible State: North Korea, Past and Future*. New York: Harper Collins, 2012.
- China, Ministry of Foreign Affairs. "Foreign Ministry Spokesperson Hong Lei's Regular Press Conference." September 15, 2015. http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1296803.shtml.
- Choi, Ha-young. "S. Korean President's Warm Welcome in China doesn't Signify Shift." *NK News*, September 4, 2015.
- Chung, Tae-ik. "East Asia at a Crossroad and Korea's Choices," *Foreign Relations* 16, no. 1 (2014).
- "DPRK-Russia Moscow Declaration." North Korea-Russia. August 4, 2001. <http://www.korea-dpr.info/lib/204.pdf>
- Elder, Miriam. "Russia Writes Off \$10bn of North Korean Debt." *The Guardian*, September 18, 2012.
- Gadžiev, Kamaludin S. *Veedenie v političeskiju nauku* [Introduction to Political Science] (in Russian). Moscow: Logos Publishing Co., 2000. <http://www.alleng.ru/d/polit/pol017.htm>.
- Hyun, Kyung-dae. "President Park Geun-hye's 'Eurasia Initiative'. One Continent, Creative Continent, Continent of Peace. Opening and Denuclearization of North Korea through the Peaceful Prosperity of Eurasia." NUAC NEWS, National Unification Advisory Council, November 1, 2013. <http://www.nuac.go.kr/english/sub04/view01.jsp?numm=36>.
- ITAR-TASS. "Russian Press Review: APEC Summit — Success for Russia." September 10, 2012.
- Ivashentsov, Gleb and Shin Beom-Shik. "Security and Cooperation in Northeast Asia." The Russian-South Korean Experts Joint Paper (RIAC Working Paper 25, Russian International Affairs Council, 2015). http://russiancouncil.ru/en/inner/?id_4=6536#top-content.
- Kim Dae-jung. "The German Experience and a Prospect for Korean Unification." In *The Korean Problem: Nuclear Crisis, Democracy and Reunification. A Collection*

- of Essays, Speeches, and Discussions*. Edited by Kim Dae-jung. Seoul: The Kim Dae-jung Peace Foundation Press, 1994.
- Kim, Subin. "Seoul Secretly Preparing for Unification by Absorption: High Ranking Official." *NK News*, March 11, 2015.
- Kim, Ye Jin. "Well-balanced Approach to the Issues on the Korean Peninsula and Northeast Asia." *NK News*, April 9, 2015.
- Lukin, Alexander. *Povorot k Azii: Rossijskaia Vnešnajaja Politika na Rubeže Vekov i ee Aktivizacija na Vostočnom Napravlenii* [The Pivot to Asia: Russia's Foreign Policy at the Turn of the Century and Russia's Shift to the East] (in Russian). Moscow: Ves' mir, 2014.
- Moon, Chung-in. *The Sunshine Policy: In Defense of Engagement as a Path to Peace in Korea*. Seoul: Yonsei University Press, 2012.
- O'Carroll, Chad. "Russia and North Korea agree in Principle to Build Joint Trade House." *NK News*, October 14, 2015.
- Obama, Barack. "Obama's 2015 YouTube Interview." YouTube video, 44:52, posted by "The Daily Conversation," January 22, 2015. <http://www.youtube.com/watch?v=Q9NveDmfjBg>.
- Park, Geun-hye. "An Initiative for Peaceful Unification on the Korean Peninsula: Dresden — beyond Division, toward Integration." speech, Dresden, March 28, 2014, Cheong Wa Dae. [http://english1.president.go.kr/activity/speeches.php?srh\[board_no\]=24&srh\[page\]=3&srh\[view_mode\]=detail&srh\[seq\]=5304&srh\[detail_no\]=27](http://english1.president.go.kr/activity/speeches.php?srh[board_no]=24&srh[page]=3&srh[view_mode]=detail&srh[seq]=5304&srh[detail_no]=27).
- Pronedra. "Foreign Ministry: The Recognition of North Korea as a Nuclear Weapons State is Unacceptable for Russia" (in Russian). October 4, 2015.
- Putin, Vladimir. "Speech at the Meeting of the Valdai International Discussion Club." speech, Sochi, October 24, 2014, Kremlin. <http://en.kremlin.ru/events/president/news/46860>.
- Regnum. "Russia and Democratic People's Republic of Korea Intend to Develop Cooperation in the Sphere of Energy Power" (in Russian). September 3, 2015.
- Rivituso, Christopher. "N. Korean delegation visits Russian gold mine," *NK News*, September 15, 2015.
- "Russia as a Euro-Pacific Power: New Trends in Asian Regional Architecture and Russia's Role." Proceedings of the International Conference of the Russian National Committee of the Council for Security Cooperation in the Asia-Pacific (CSCAP). Moscow, MGIMO, December 9, 2010, Moscow: Moscow University Press, 2011. http://www.spa.msu.ru/uploads/files/books/evro_pasif.pdf.
- Russia, Kremlin. "Meeting on Social and Economic Development of the Far East and Cooperation with Pacific Rim Countries" (in Russian). July 2, 2010. <http://kremlin.ru/transcripts/8234>.
- "The Russian Federation and Democratic People's Republic of Korea Discussed Development of Business Connections at World Economic Forum" (in Russian). TPP-Inform, September 4, 2015. <http://www.tpp-inform.ru/news/22371.html>.
- Toloraya, Georgy. "China can't Solve Seoul's N. Korea Problem." *NK News*, September 21, 2015.
- _____. "Korean Security and Unification Dilemmas: A Russian Perspective." Korea Economic Institute of America, June 11, 2015. http://keia.org/sites/default/files/publications/kei_aps_georgy_toloraya_june11.pdf.
- _____. "It is Time for Russia to Invite Kim Jong Un to Vladivostok." *The Russian Gazette*, July 8, 2012.
- _____. "Security Situation in Northeast Asia: A Case Study of the Korean Problem." Highlights, Valdai Discussion Club, November 27, 2015. <http://valdaiclub.com/opinion/highlights/case-study-of-the-korean-problem/>.
- _____. ed. *The Uneasy Neighborhood: Korean Peninsula Problems and Challenges for Russia*. Moscow: MGIMO Public, 2015.
- Vorontsov, Alexander and Georgy Toloraya. "Military Alert on the Korean Peninsula: Time for Some Conclusions." Carnegie Moscow Center, May 2014. http://carnegieendowment.org/files/CP_Korea_web_Eng.pdf.
- Yonhap News Agency. "N. K. Denounces Park's U.N. Speech, Saying Family Reunions at Stake." *North Korea Newsletter*, no. 382, October 1, 2015, <http://english.yonhapnews.co.kr/northkorea/2015/09/30/0401000000AEN20150930008700325.html?in=nkletter>.
- _____. "President Park Orders Airtight Security Posture against N. Korea." *North Korea Newsletter*, no. 297, January 23, 2014, <http://english.yonhapnews.co.kr/northkorea/2014/01/22/28/0401000000AEN20140122005600325F.html>.

_____. "President Park Says North Korea Must Be Forced to Change." *North Korea Newsletter*, no. 297, January 23, 2014, <http://english.yonhapnews.co.kr/northkorea/2014/01/22/28/0401000000AEN20140122005600325F.html>.

_____. "S. Korea, U.S. Reaffirm Alliance: Urges N. Korea to Give Up Nuclear Program." October 17, 2015.

Yun, Byung-se. "Reunification of the Korean Peninsula and Northeast Asia Cooperation." *Foreign Relations* 16, no. 1 (2014).