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CONTENTS

On The Threshold of Power, 2011/12
Pyongyang's Politics of Transition

Jin-Ha Kim 1

North Korea's South Korea Policy:
An Evaluation of Determining Variables
and Prospects for 2012

Kibum Han 27

Outlook for North Korean Economic Reform
and Marketization

Mimura Mitsuhiro 69

Diagnosis and Assessment of North Korea's
Sociocultural Sector in 2012

Young Sun Jeon 91

Stalemate and Beyond:
The North Korean Nuclear Impasse and Its Future

Christopher A. Ford 121

The Prospects for Economic Reform in North Korea
after Kim Jong-il and the China Factor

Troy Stangarone & Nicholas Hamisevicz 175

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On The Threshold of Power, 2011/12 Pyongyang's Politics of Transition

Jin-Ha Kim

In 2010/11 Pyongyang has undergone several important changes which have adumbrated the politics of transition after Kim Jong-il. Within the regime, a series of incremental purges has taken place. A number of older cadres in the military and security institutions have fallen victim to substitution by members of Kim Jong-un's coterie of supporters. The symbolic regeneration of the party-state system has been overshadowed by the clamorous rise of a younger generation of hawkish generals in the military. The regime's self-proclaimed mission of constructing a "powerful and prosperous country" has turned sour. The poverty-stricken population has begun to harbor doubts about the future of the dynasty. The regime has applied such banal remedies as counter-mobilization and thought control. The regime's drive to achieve nuclear power status represents its last resort to maintain legitimacy as a state. The reshuffling of elites as part of the successor's pre-planned ascension has been accompanied by periodic intrusions by the new military into the jurisdictions of politics and diplomacy. An embellished transition without substantial reforms in dogged defense of the *ancien regime* epitomizes the outlook for 2012. Tactical reconciliation and military provocations will likely be employed by turns in order to overcome the potential resistance and instability following the death of Kim Jong-il and the atavistic third-generation hereditary succession.

Key Words: Kim Jong-un, politics of succession, elite reshuffling, new military, powerful and prosperous country

Introduction

With Kim Jong-il's death in late 2011, it is clear that 2012 will be a critical year for Kim Jong-un's succession process. This process was initiated in 2008 after Kim Jong-il's health suddenly deteriorated.

Kim Jong-il's sudden death put the succession plan to the test. The question on every North Korea watcher's mind is, can the Kim dynasty prove its tenacity once again without the omnipotent presence of Kim Jong-il? Thus the Kim regime has every reason to devote its full attention to proving its sustainability in 2012.

The Kim family regime employs numerology as a mystical bit of arcana to rally popular support for their regime. The year of 2012 marks the hundredth anniversary of dynastic founder Kim Il Sung's birth, the seventieth birthday of the former Dear Leader Kim Jong-il, and the thirtieth birthday of "crown prince" Kim Jong-un. In order to celebrate such historical milestones, North Korea has set out to a paramount mission for itself. It has already announced that it will debut as a "powerful and prosperous country" in 2012. Few people believe that North Korea can accomplish such a grandiose mission by 2012. In fact, North Korea recently signaled that this target will be postponed, stating that it will merely establish "the foundation" for the Powerful and Prosperous Nation in 2012 and then upgrade to the level of the advanced countries by 2020. Nevertheless, North Korea needs to promote a new vision to its people by holding political events next year. If these are successfully implemented, the regime will have partly demonstrated Kim Jong-un's ability to govern the nation even without Kim Jong-il.

What policies are expected to be employed for these purposes? Recently the regime has provided certain clues which allow us to chart its likely future course. In 2010-2011 Pyongyang undertook several meaningful changes which adumbrate the politics of transition in 2012. Inside the regime, a series of methodical purges have taken place. A significant number of old cadres in the military and security institutions have fallen victim to substitution by Kim Jong-un's coterie of cronies.

The symbolic regeneration of the party-state system demonstrated by the North Korean Workers' Party (KWP) Charter revisions was overshadowed by the clamorous rise of the younger generation of hawkish generals in the military. The regime's self-proclaimed mission of building a powerful and prosperous country has turned sour. The

postponement of the deadline for fulfillment to 2020 was a self-defeating measure. The poverty-stricken people have begun to harbor doubts about the future stability of the dynasty. In seeking to repress and control the growing discontent, the regime has applied such banal remedies as counter-mobilization and thought control. Desperate efforts are also being made to obtain foreign aid. As a last resort, the regime is struggling to maintain a *raison d'être* by achieving the status of "a nuclear power."¹ Meanwhile various processes are being pushed forward, including silent purges, reshuffling of elites for the successor's planned ascension, periodic intrusions by the new military into the political and diplomatic jurisdictions, and patching-up of the military-first ruling coalition. An embellished transition without any substantial reform to the *ancien régime* epitomizes the upcoming events for 2012.

The rest of this article discusses current issues and the regime's responses in an effort to chart the potential paths which North Korea may take after Kim Jong-il. The next section deals with the popular discontent related to the perpetuated problems of economic shortages and patrimonial corruption. The third section illustrates the ongoing process of the third-generation hereditary succession and elite reshuffling, examining personnel and institutional changes. It also elucidates the rise of the new military as well as the consolidation of the military-first ruling coalition. The conclusion offers a general forecast of the North Korean politics of transition and survival in 2012 and their implications.

1. The recent revelation of uranium enrichment facilities at the Yongbyon complex to Siegfried Hecker and his colleagues on November 12, 2010 demonstrated North Korea's resolve to become a nuclear state. See Siegfried S. Hecker, "A Return Trip to North Korea's Yongbyon Nuclear Complex," *Special Report* (Center for International Security and Cooperation, Stanford University, November 20, 2010).

Containing Discontent

Poverty Dangerously Perpetuated

An authoritarian regime can collapse from below or above. Thus all dictators try to keep popular discontent down to a manageable level in order to preempt challenges from below, which could lead to elite fragmentation and court conspiracies. The most important factor that can increase the popular discontent is economic hardship.² The North Korean regime has also learned well the lessons of failed dictatorships. The basic satisfaction of popular demands has been one of the key national goals in North Korea. The recent but belated emphasis on production of light-industrial goods and food effectively demonstrates the regime's anxiety.

The slogan of constructing a "powerful and prosperous country" first appeared in 1998, when Kim Jong-il officially inherited political power four years after his father's death and the basic economic life of the people radically deteriorated. The status of a powerful and prosperous country is said to rest on four pillars: military, political, ideological, and economic strength. North Korea claims that it has already achieved its goals in the military, ideological, and political arenas, and economic strength is the last hurdle it needs to clear. The regime clearly recognizes that its chief problem is its economy. The struggle to construct a rich country seems to have failed to achieve its purported goals. Poverty has continued to diminish popular support. All the relevant and available economic indexes ominously show that the pattern of underdevelopment (or mis-development) has become routine. As Table 1 illustrates, the North Korean growth rate and per capita GNI have fluctuated. The growth rate has been too low. Thanks to steady increases in trade with and/or hidden assistance from China, North Korea's total trade volume has steadily increased, causing the balance of trade to further deteriorate. In

2. See Daron Acemoglu and James A. Robinson, *Economic Origins of Dictatorship and Democracy* (Cambridge: Cambridge University Press, 2006).

Table 1. North Korean Growth Rate and Per Capita GNI, 2000-2009

(Unit: %, Current U.S.\$)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Growth Rate	0.4	3.7	1.2	1.8	2.1	3.8	-1.0	-1.2	3.1	-0.9
Per Capita GNI	757	706	762	818	914	1,056	1,108	1,152	1,065	960

Source: Bank of Korea Economic Statistics System, <http://ecos.bok.or.kr> as of October 30, 2011.

Table 2. North Korean Trade, 2000-2010

	North Korean Trade				North Korea-China Trade			
	Total	Export	Import	Balance	Total	Export	Import	Balance
2000	2,395	709	1,686	-977	488	37	451	-414
2001	2,673	826	1,847	-1,021	738	167	571	-404
2002	2,902	1,008	1,894	-886	738	271	467	-196
2003	3,115	1,066	2,049	-983	1,023	395	628	-233
2004	3,554	1,278	2,276	-998	1,386	586	800	-214
2005	4,056	1,339	2,719	-1,380	1,580	499	1,081	-582
2006	4,346	1,467	2,879	-1,412	1,700	468	1,232	-764
2007	4,731	1,683	3,048	-1,365	1,974	582	1,392	-810
2008	5,635	2,062	3,573	-1,511	2,787	754	2,033	-1,279
2009	5,092	1,997	3,095	-1,098	2,681	793	1,888	-1,095
2010	6,085	2,557	3,528	-971	3,466	1,188	2,278	-1,090

Source: KOTRA, "Trends of North Korea's Foreign Trade," compiled annually.

addition, the recent increase in coal exports could reduce domestic production of electricity in the near future. While most relevant data on the North Korean economy for 2010-2011 has not yet been compiled, it appears unlikely that such trends will prove to have been reversed in 2010-2011.

Among economic factors, grain production may be the most politically significant because it directly impacts on the welfare of the North Korean people, who have suffered from a series of famines. As shown in Table 3, the total demand for grain crops has increased incrementally since 1998, when the food crisis was at its

Table 3. North Korean Grain Balance Sheet, 1995-2010

(Unit: 10,000 tons)

Year	Total Demand	Total Production in the Previous Year	Deficit
1995	534	413	121
1996	529	345	184
1997	530	369	161
1998	495	349	146
1999	504	389	115
2000	518	422	96
2001	524	359	165
2002	536	395	141
2003	542	413	129
2004	548	425	123
2005	545	431	114
2006	560	454	106
2007	543	448	95
2008	540	401	139
2009	548	431	117
2010	460-540	411	50-130

* Estimated demand based on reductions of normal daily food rations [546g per capita for adults].

Source: Ministry of Unification, *2011 Understanding North Korea*, 2011, p. 156.

peak.³ The size of the population has grown slightly. However, the pattern of the North Korean grain supply has been irregular. North Korea has been unable to restore its grain production to pre-crisis levels. Put simply, it has been unable to keep up with population growth. In 1995, 1.21 million tons of grain needed to be imported. In 2010, they still required 0.5 to 1.30 million tons of imports. The amount of grain imported by purchase or through foreign aid has

3. Regarding the causes, results, and problems in the aid implementation processes of the great North Korean Famine, see Andrew S. Natsios, *The Great North Korean Famine: Famine, Politics, and Foreign Policy* (Washington, DC: United States Institute of Peace Press, 2001); and Marcus Noland, Sherman Robinson, and Tao Wang, "Famine in North Korea: Causes and Cures," *Economic Development and Cultural Change*, Vol. 49, No. 4 (July 2001), pp. 741-767.

Table 4. North Korean Grain Balance Sheet, 2010/11

(Unit: 10,000 tons)

	First Estimate (November 16, 2010)	Revised Estimates (March 24, 2011)
Total Demand	535	534
2010/2011 Production	448	425
Deficit	87	109
Imported	32.5	20.0
Absolute Deficit	54	89

Source: KDI, "Estimates on Food Situations in North Korea," *KDI Review of the North Korean Economy* (May 2011), p. 80.

oscillated irregularly. The growing trade and exchange deficits suggest that North Korea is unable to produce or purchase a sufficient quantity of grains. In general, North Korea has been dependent on aid to compensate for its grain shortage.

This situation has not improved. In 2011, the food shortage appeared to grow more severe. Table 4 shows estimates of grain demand and supply in 2011. While about 1.09 million tons in imports were needed, only 0.2 million tons were actually imported. As a Congressional Research Service report pointed out, even though "the worst of North Korea's economic crisis reached in the mid-1990s seems to have passed ... the economy is still struggling and heavily dependent on foreign assistance to stave off starvation among a sizable proportion of its people."⁴

State failure has further worsened the economic predicament. First, economic hardships of normal citizens have grown worse since the currency reform of 2009.⁵ Food prices in the markets have been fluctuating with the unstable exchange rates. In the spring of 2010, the rice price was around 500 won per kilogram; one year

4. Dick K. Nanto and Emma Chanlett-Avery, "The North Korean Economy: Leverage and Policy Analysis," *CRS Report for Congress*, RL32493 (Congressional Research Service, Updated August 26, 2008), p. 5.

5. See Stephan Haggard and Marcus Noland, "The Winter of Their Discontents: Pyongyang Attacks the Market," *PIIE PB 10-1*, January 2010.

later, it had reached about 2,000 won. The stabilization of the market has been promoted as a major goal, but the regime has failed to control prices due to the total lack of trust in governmental policies. Second, predatory practices⁶ have weakened the already ramshackle household economy. Not only the people but the state itself has grown poorer. The “poverty of the state [and] the prospects of wealth from predation ... increased the likelihood that states would fail and political order break down.”⁷

In order to meet the government’s needs, the state has periodically expropriated food. Further, patrimonialized officials have not hesitated to steal food and other necessities from the state’s coffers as well as the people. Since regular remuneration ceased in the late 1990s, cadres and officials have had to depend upon corrupt practices to survive. The failed state and the elite who operate it have turned predatory for survival.⁸ With increasing popular discontent, North Korea’s current economic situation provides unfavorable conditions for the maintenance of the regime. The predatory practices bred within the rent-seeking regime and the accumulated state failures have further hardened the resentment of people. Without massive foreign aid (which has been hard to come by since the Yeonpyeong and Cheonan provocations brought adamant international sanctions)⁹

6. In the predatory state, the private rent-seeking interests prosper at the expense of public good through the state ruling mechanisms. See Ziya Onis, “The Logic of Developmental State,” *Comparative Politics*, Vol. 24, No. 1 (October 1991).

7. Robert H. Bates, “Probing the Sources of Political Order,” in Stathis N. Kalyvas, Ian Shapiro, and Tarek Masoud (eds.), *Order, Conflict, and Violence* (Cambridge: Cambridge University Press, 2008), p. 40.

8. A failed (failing) state cannot ‘provide’ methods of delivering ‘public (political) goods’ to persons living within the designated parameters (national borders) in an institutionally governed manner. See Robert I. Rotberg, “Failed States, Collapsed States, Weak States: Causes and Indicators,” in Robert I. Rotberg (ed.), *State Failure and State Weakness in a Time of Terror* (World Peace Foundation/Brookings Institution, 2003), pp. 1-25.

9. Besides existing U.N. resolution 1695, 1718, 1874 and administrative order 13382 on the suspension of WMD-related trade, the U.S. is trying to impose additional financial sanctions on North Korea after the Cheonan Incident.

or radical domestic reform measures (which are anathema to the monopolizing rent-seeking classes¹⁰ who buttress the impending hereditary succession), such popular resentment and discontent can be contained only through the application of organized violence.

Counter-Mobilization

North Korea is in the process of leadership transition to its third-generation successor, Kim Jong-un, whose grip on power is vulnerable to unstable elements and defections from within and outside of the regime. At this critical juncture, a high level of popular discontent is very dangerous. The infectious nature of the Jasmine Revolution and the popular revolts in the Middle East has made the North Korean elites more alert.

In order to reduce popular resentment and maintain discipline among the security agents that have been assigned to control and monitor it, the regime needed some salient scapegoats. Consequently, some prominent senior politicians and officials were purged this year. Park Nam-ki (former director of the Central Party's Planning and Finance Department) was executed for the failure of the currency reform. Ju Sang-sung (Politburo member, National Defense Commission [NDC] member, director of the People's Security Department) and Lee Myung-soo (director of the NDC Administration Department) were dismissed and purged. Ryu Kyung, the first deputy director of the State Security Agency, was also executed. As discussed later, such purges also contributed to process of elite reshuffling.

However, popular discontent may not be fatal, provided that it cannot be properly mobilized. First of all, the vicious "yellow wind" of foreign cultural and capitalist influences must be kept out. In an

10. North Korea's abhorrence of reform and opening was succinctly expressed in an address delivered by Kim Jong-il in 1999: "Reform and opening is the surest way to national ruin. We cannot allow reform and national opening in the very least. Our powerful and prosperous nation means the powerful and prosperous nation of self-help by and for ourselves." Kim Jong-il, *Selected Works*, Vol. 14 (Pyongyang: Korean Workers' Party Press, 2000), p. 454.

effort to block the intrusion of exterior information and so-called “imperialist cultural conspiracies,” state censorship and thought control have been reinforced. Secondly, the social spaces for collective action and resistance must be preempted. The main target of this effort has been the youth and students, thought to have the potential to carry out collective resistance. For this reason, a series of state-led counter-mobilization campaigns such as the “Military-first General Youth Mobilization Rally” or the “Oath Pledging Parade of the Youth Vanguarders” have been held in the capital and the provinces.

In the latter cases, it is notable that officials connected with the youth movement such as Jang Sung-Taek (Kim Jong-il’s brother-in-law, Politburo candidate member, Central Military Committee [CMC] member, NDC vice chair) have been very active. Jang’s youth movement connection was formed when he was the director (1989-1995) of the KWP Youth and the Three Great Revolutions Small Team (TRT) movement. Prominent confidants of Jang include Choe Ryong-hae (close friend of Jang, Central Party secretary, CMC member, former general secretary of the North Hwanghae Province Party Committee); Kim Pyong-hae (Politburo candidate member, Central Party secretary); and Moon Kyong-duk (Central Party Secretary, Politburo candidate member, general secretary of the Pyongyang City Party Committee). Moon supposedly worked with Jang when he was the director of the KWP Youth Movement and Moon was a vice chairman of Central Committee in the League of Socialist Working Youth (LSWY).

Under current conditions¹¹ the voluntary coordination and political mobilization of the subjugated classes appear to be a remote fantasy, but with the addition of fractures among the elites, this latent explosive force may become a real threat. Or, the exact opposite may happen: after Kim Jong-il’s death, if fractures among the elites and mass disobedience become serious threats, the top

11. See Marcus Noland, “North Korea: The Tyranny of Deprivation,” in Robert I. Rotberg (ed.), *Worst of the Worst: Dealing With Repressive and Rogue Nations* (Washington, DC: Brookings Institution, 2007), p. 102.

leadership may attempt to break through the crisis by instigating a *juche* fundamentalist mass struggle in the style of a “cultural revolution,” culminating in large-scale purges of members of the old guard who display passively disobedient tendencies. We need to focus on the recent activities of personnel connected with Jang’s youth movement as potential leaders of a retroactive mass movement build through the mobilization of young fanatics.

Twilight of the Idols

Institutional Changes and Elite Reshuffling

North Korea made these institutional changes so as to concentrate political power more heavily in the chairman of the NDC and the chairman of the KWP’s Central Military Committee. When North Korea amended its Constitution in April 2009, it greatly enhanced the role and status of the chairman of the National Defense Commission. The chairman is now “the supreme leader” of the DPRK and “the supreme commander” of the DPRK’s general military; he also acts as head of state in the capacity of signing treaties with foreign countries or declaring a state emergency.

More importantly, at the KWP Delegates’ Conference on September 28, 2010, the North Korean regime formalized the Kim Jong-un succession system. The regime has gone public with its plans for the succession, based on blood ties of another supreme leader to follow in the “footsteps”¹² of Kim Jong-il. Also, this conference saw the

12. In a eulogistic hymn for the successor, *Footsteps*, Kim Jong-un is designated as Respectful Comrade Young General Kim. In a pamphlet entitled ‘*Educational References about the Greatness of Comrade General Kim Jong-un*,’ which was mass-distributed in June 2009 to propagandize for the succession plan to North Korean ordinary people, the song is called the “21st Century *Suryong* Hymn,” p. 6. Also, refer to B. R. Myers, *The Cleanest Race: How North Koreans See Themselves – And Why It Matters* (Brooklyn: Melville-House, 2010), pp. 126-127.

Table 5. Major Features of the Revised Party Charter

<p>Systematizing one-man rule and songun politics; giving the Mangyongdae dynasty personal ownership of the Party</p>	<p>“The Korean Worker’s Party is the Party of Great Leader Kim Il Sung.” (Introduction) “Prosperous development of Kim Il Sung’s Korea” (Introduction) “Centered on the Great Leader Kim Jong-il” (Introduction) “Mentions of “Kim Jong-il” (Introduction: 4, main text: 1) “Preserve the solitary leadership and ideology within the Party” (Introduction)</p>
<p>Legitimizing the familial succession</p>	<p>“The Great Leader Kim Jong-il will defend the ideology of the Party’s construction and the achievements of the Great Leader Kim Il Sung, and will brilliantly develop the power succession.” (Introduction) “Protect the succession of the Party’s construction” (Introduction) “The KWP is... a party of revolutionaries... pioneered by Comrade Kim Il Sung and guided by Comrade Kim Jong-il.” (Article 1) “True to the Mt. Baekdu tradition” (Article 60)</p>
<p>Changes to the power structure</p>	<p>“The Party Congress is the highest leading organ of the Party” and as such will “appoint the general secretary of the Korean Worker’s Party.” (Article 21) “The general secretary is the head of the Party” and as such will “represent and lead the entire Party.” (Article 22) “The general secretary of the KWP is the chairman of the Party’s Central Military Committee.” (Article 22) “The Central Military Committee will organize and guide all military affairs for the Party.” (Article 27)</p>

first revisions to the Party Charter in 30 years – since the 6th Party Congress in 1980.¹³ As illustrated in Table 5, the revised charter shows a marked trend toward a more personalist and hereditary Party structure.

Changes to the Charter and other laws are seldom regarded as important in North Korea because of the regime's one-man dictatorship system. North Korea is not a nation managed by laws; it is managed by the will of the leader and inter-personal relationships, which are the definitive factors that determine the actions of the political system's participants, and particularly members of the inner circle.¹⁴ In such a patrimonial one-man dictatorship, laws and regulations only effectively function as tools to legitimize the leadership.¹⁵ The revisions to the Constitution in 2009 and the Party Charter in 2010 both had a strong character of ex-post facto legitimization. North Korea is the kind of country where there is little resistance or doubt, even if the Party has not always been operated in a manner consistent with the organizational philosophy and procedures laid out in the existing Charter over the last 30 years.

However we can identify an undeniable connection between the emerging succession system and the Party Charter revision. In

13. The 1980 Guidelines are printed in the appendix of Choi Jinwook, *Modern North Korean Administration* (2nd Edition) (Seoul: Myeongin Publishing, 2008), pp. 349-394.

14. Kim Jong-il even argues that “[w]e must understand that and believe that the leader is the center of life of the socio-political community and it is only when we are linked to the leader organizationally, ideologically, and as comrades can [sic] we acquire immortal socio-political integrity.” Kim Jong-il, *On Carrying Forward the Juche Idea* (Pyongyang: Foreign Languages Publishing House, 1995), pp. 156-157.

15. “In patrimonial political systems, an individual rules by dint of personal prestige and power; ordinary folk are treated as extensions of the “big man’s” household, with no rights and/or privileges other than those bestowed by the ruler. Authority is entirely personalized, shaped by the ruler’s preferences rather than any codified system of laws.” Michael Bratton and Nicolas van de Walle, *Democratic Experiments in Africa: Regime Transitions in Comparative Perspective* (Cambridge: Cambridge University Press, 1997), p. 61.

1980 Kim Jong-il consolidated his status as a member of the Politburo Standing Committee and the Central Committee and as vice chairman of the Central Military Commission.¹⁶ In 2010 Kim Jong-un emerged as the acknowledged successor by becoming a member of the Central Committee and a vice chairman of the Central Military Commission. Through the September 28th Party Delegates' Conference North Korea effectively completed the organizational repairs needed to launch the succession system by revising the Party Charter. These institutional changes mean little for Kim Jong-il, since he monopolizes all power regardless of his titles. However, it implies that Kim Jong-un will not share political power with others in the post-Kim Jong-il era.

The regime seems to have attempted to elevate the functionality and status of the Party in symbolic terms.¹⁷ This reveals the intent to normalize the 3rd generation succession structure through the Party organization ("The Workers' Party is the Party of Kim Il Sung") and to keep the bloated military leadership and elderly high-level officials in check. The Party may work to prevent divisions from forming among the power elites by increasing consensus through systematic distribution of power, and promoting a new group of elites in order to co-opt a portion of the potential opposition. This partial and symbolic rehabilitation of Party functions can be seen as a tool to prepare for stabilization during the post-Kim Jong-il transition period. Further, it appears to be an attempt to restore an official facade of legitimacy to the unofficial, familial leadership structure by making a symbolic gesture of returning to a formal-legal impersonalized form of governance based on the bureaucratic institutions of the Party. However, because the regime is trying to maintain the basic framework of ultimate power succession and patrimonial rule, any political reforms will be

16. For the Kim Jong-il succession processes, see Kongdan Oh, *Leadership Change in North Korean Politics: The Succession to Kim Il Sung* (Santa Monica: Rand Corporation, 1988).

17. See Jinwook Choi and Meredith Shaw, "The Rise of Kim Jong Eun and the Return of the Party," *International Journal of Korean Unification Studies*, Vol. 19, No. 2 (December 2010), pp. 175-201.

limited.¹⁸ In this respect, any predictions of a complete restoration of the Party-State system or a return to a normal socialist state system are of dubious credibility.

The partial rise of the Party's status is not so much a restoration of the Party-State system as it is a stopgap measure to compensate for the limits of one-man rule and support the implementation of the succession structure. Further, as it was impossible from the outset to expect Kim Jong-un to hold the same degree of status and power as his father, this can also be seen as a move to temporarily revive the role of the Party as the advance guard of the supreme leader in order to relieve some of the burdens on Kim Jong-un. However, it can also be interpreted as a move by the core group of supporters, led by Jang Sung-Taek, Ri Young-ho, and Kim Kyong-hui, to spread their influence through the Party organizations.

These institutional and political changes were intended to prevent any organization or individual from challenging Kim Jong-un's ascent to the throne. Despite Kim Jong-un's solid position as the young successor, the regime remains very cautious to assign any real power to him. It is very unlikely that Kim Jong-un will take over any of Kim Jong-il's positions immediately, with the possible exception of the position of supreme commander of the KPA. However, Kim Jong-un may assume greater importance by becoming first vice chairman of the NDC and a Politburo member in 2012. This measure can be employed to show off the robustness of Kim Jong-un's position after Kim Jong-il's death to the domestic and international audiences.

By reshuffling the Party organizations in September 2010, Kim Jong-il created a group of loyal supporters to back up Kim Jong-un's succession process in 2010-2011. This core group includes family members and friends such as Kim Jong-il's sister Kim Kyong-hui, his brother-in-law Jang Sung-Taek, chief of staff Ri Young-ho, and

18. For detailed information on the correlation between the durability of authoritarian systems and the systematization of the general functions of the ruling party, refer to Jason Brownlee, *Authoritarianism in an Age of Democratization* (Cambridge: Cambridge University Press, 2007), pp. 16-43.

old friend Choi Ryong-hae. These powerful individuals gained seats on the Politburo, which is the highest decision-making body in the socialist system, and they are ready to step in to fill the vacuum of power after Kim Jong-il is gone. This group of loyal supporters began to rise around 2005, when North Korea reverted away from its earlier "reform experiments" to tighten social control.

This was followed by a big power shift from the old coalition, centered around prime minister Park Bong-ju's Cabinet and supported by the Old Military, to a new group of conservative party elites and the New Military, as Kim Jong-un began to rise to power. Elite reshuffling and hidden purges ensued. The old coalition fell apart, when Kim Jong-il withdrew his support. Some senior cadres have died in mysterious accidents or been stricken by sudden illnesses, some have been dismissed due to old age, and some have been executed for corruption. First Vice Director of Organization and Guidance Lee Jeh-gang died in a mysterious car accident in 2009; another vice secretary of the same department, Lee Yong-chul, died of a heart attack; the first vice minister of the People's Armed Forces, Kim Il-chul, was disgracefully dismissed from all his posts reportedly due to old age; Ryu Kyung, the director of the State Security Agency, was executed; Park Nam-ki, KWP secretary for Finance and Planning, was executed for the failure of the currency reform; Ju Sang-sung, chief of the People's Security Agency, was dismissed early this year for his mishandling of social control; Kim Young-chun, minister of the People's Armed Forces, and Oh Kuk-ryul, vice chairman of the NDC, were sidelined. Others have rapidly ascended to more powerful roles as Kim Jong-un has risen to power.

It is likely that this elite reshuffling and the rise of a younger generation leaders will continue in a more and less silent manner in 2012. Although this gradual purge is being implemented in careful increments, as though on an installment plan, the possibility of unexpected revolts cannot entirely be excluded. Kim Jong-un has every reason to be cautious in implementing the elite reshuffling process at least until he can secure his position as the supreme leader.

The New Military

The recent advent of the New Military is the most dramatic new development. The main figures of the New Military include Chief of Staff Ri Young-ho, First Vice Director General Kim Jong-gak, and Director General Kim Young-chul. The rise of members of the so-called “new military leadership” has been accompanied by the relative decline of the old military group dominated by Oh Kuk-ryul and Kim Il-chol. This move has a strong character of a preventative measure against any possible resistance by members of the old guard in response to the organizational shift to the Kim Jong-un succession system.

Table 6. Major Generals in the New Military

Ri Young-ho (Jang’s classmate at the Mankyungdae Red-Flag Academy, KPA General Chief of Staff, Politburo Standing Committee member, CMC vice chair, KPA *chasu*), **Kim Jong-gak** (1st vice director of the KPA General Political Bureau, 4-star general), **Choi Bu Il** (KPA Vice Chief of General Staff, 4-star general), **Kim Myung-guk** (Chief of the General Staff Operations Bureau, CMC member), **Jung Myong-do** (Navy General Commander, 4-star admiral), **Hyun Yong-chul** (8th Army Commander), **Kim Young-chul** (Director of the KWP Reconnaissance Bureau), **Oh Il-jong** (newly promoted to director of the KWP Military Department, CC member, son of Oh Jin-woo, former KPA general chief of staff), etc.

The rise of the New Military seems to be closely related to the efforts to shape Kim Jong-un’s image as a military leader. He was promoted to KPA general one day before he was made vice chairman of the KWP’s Central Military Committee at the Third Party Conference. North Korea’s official propaganda machine describes him as a genius in artillery and military strategy, and he is said to have been the mastermind behind the shelling of Yeonpyeong Island. He is often referred to as General Kim or the Young General. A military parade was held on September 9, 2011 on the 63rd anniversary of founding of the DPRK; this was likely part of the effort to raise the younger Kim’s profile as a military leader.¹⁹ It also is very suggestive

19. A military parade is held every five years; the last parade was in 2008.

that Kim Myung-guk, Jung Myong-do, Kim Kyok-sik,²⁰ and Kim Young-chul, who are all allegedly associated with the Cheonan incident, have been promoted as part of the recent generational shift.²¹

It is very likely that substantial leadership authority will be conferred on Kim Jong-un in the year 2012. A Party Congress is also anticipated in order to perform Kim's formal coronation. To embellish the reputation of the new leadership in such a short period of time, there seems to be no feasible option but to become a nuclear state or to make a show of strong military power. The succession government may proceed further into military adventurism. As they have already shown in 2010 and 2011, the emerging hawkish generals who form the armed vanguards of the young successor will willingly pursue policies such as military provocations and nuclear weapons development to consolidate their supremacy. The sinking of the Cheonan naval ship²² in March 2010 and the artillery attack on Yeonpyeong Island²³ the

20. In early 2009, Kim Kyok-sik was formally demoted from the highest position of the KPA General Chief of Staff to a field position as the 4th Army Commander in charge of defending the Southern Hwanghae Province and the maritime borderline (Northern Limit Line of South Korea, NLL). Since his commission, North Korean military provocations have markedly increased in his region. This culminated in the Cheonan Incident and the recent Yeonpyeong Island artillery attack. He was likely assigned there to carry out special missions directly issued from North Korea's top leaders. Despite Kim Kyok-sik's *formal* demotion, it is highly likely that Kim Jong-il *informally* empowered him, which would be possible only with Kim Jong-il's personal and deep confidence in him. It must be remembered that North Korea is a patrimonial state *per se*. It has been recently reported that Kim was appointed the KPA Deputy Chief of Staff in late 2011.

21. Hyun Gun, "The Five Culprits of the Cheonan Incident," *Open Radio for North Korea*, May 27, 2010.

22. See Bruce E. Bechtol Jr., "The Implications of the Cheonan Sinking: A Security Studies Perspective," *International Journal of Korean Unification Studies*, Vol. 19, No. 2 (December 2010); and ROK Ministry of National Defense (MND), *Joint Investigation Report on the Attack against ROK Ship Cheonan* (Seoul: MND, 2010).

23. See Han Sung-Joo, "The Yeonpyeong Shelling: North Korean Calculations," Luncheon Speech at the Five University (Universities of Princeton, Peking,

following November were solid demonstrations of North Korea's hard-line policy. These acts may have been planned to consolidate the power elites and to lay a foundation for Kim's succession by empowering relatively young hardliners among Kim Jong-un's guardian cadres who are likely to regard external tensions as "windows of opportunity through which parochial interests can jump."²⁴

In order to maintain the unity and solidarity of the new elites, who form the core ruling structure of the regime, North Korea has no choice but to continue its nuclear development programs and periodically repeat military, or, at least, verbal provocations. Support from the military and secret service agencies that monopolize the means of violence and coercion is essential for regime survival, especially if the country becomes a failed state and the public becomes alienated from the regime.²⁵ Thus, it is highly likely that the young Kim will take a more aggressive and adventurous stance whenever he feels insecure about his supporting system,²⁶ which is highly dependent upon the power of armed praetorians.

Tokyo, Korea, and National University of Singapore) Workshop on "Asia-Pacific Order and U.S.-China Relations" (December 10, 2010), Beijing.

24. Scott D. Sagan, "Why Do States Build Nuclear Weapons? Three Models in Search of a Bomb," in Michael E. Brown, Owen R. Cote Jr., Steven E. Miller (eds.), *New Global Dangers: Changing Dimensions of International Security* (Cambridge: The MIT Press, 2004), p. 56.
25. Under Kim Jong-il, the KPA has become the paramount power institution placed at the forefront of all other party-state apparatuses. Regarding military-first politics and changes in party-military relations, see Sung-Chull Kim, *North Korea under Kim Jong-il: From Consolidation to System Dissonance* (Albany: State University of New York, 2006), pp. 81-104.
26. Robert Kaplan, "Attack That May Signal a Pyongyang Implosion," *Financial Times*, November 23, 2010.

Conclusion

Cooperation or Provocation?

Desperately needing foreign assistance and reassurance to hold popular discontent in check, the transition government might occasionally make tactical gestures of reconciliation or adaptability.²⁷ For instance, at the U.S.-North Korea bilateral talks held in Geneva on October 24-25 to discuss the North Korean nuclear programs and a potential resumption of the Six-Party Talks, the North demanded an unconditional and rapid resumption of the Six-Party Talks as well as “mutual trust-building efforts,” a phrase which implies the resumption of aid and the start of a more long-term process leading to normalization of U.S.-DPRK diplomatic relations and the signing of a peace treaty. In order to secure economic assistance and military reassurances, North Korea needs to restart the Six-Party Talks; so much so that it could accept most of the concrete “pre-steps”²⁸ demanded by the U.S., with the exception of suspension of the UEP program, which is to be its key bargaining chip at the resumed Six-Party Talks.

North Korea may also seek reinforced economic cooperation from China without adopting any comprehensive reform policies that might lead to the collapse of the regime. China is preoccupied with the “grim specter of the potential chaos”²⁹ that would follow such a collapse. However, these policies should be regarded as auxiliary instruments attached to an overall hard-line foreign policy. North

27. Regarding the North Korean strategic double-play between provocations and negotiations, see Narushige Michishita, “Playing the Same Game: North Korea’s Coercive Attempt at U.S. Reconciliation,” *Washington Quarterly*, Vol. 32, No. 4 (October 2009), pp. 139-152.

28. However, the U.S. and South Korea cannot easily accede to North Korea’s demands. Both want to “avoid buying the same horse twice.”

29. Jennifer Lind, “The Once and Future Kim: Succession and Stasis in North Korea,” *Foreign Affairs Snapshot*, October 25, 2010, URL: <http://www.foreignaffairs.com/articles/66870/by-jennifer-lind/the-once-and-future-kim>, accessed on December 3, 2010.

Korea seeks to exploit the geopolitical paradox in which it can obtain foreign assistance as long as it can convincingly show the capacity to produce tensions among major regional actors. The Sino-American rivalry which played out following the Cheonan incident allowed North Korea to secure certain Chinese material and diplomatic help.

North Korea needs to hold political festivals this year with sufficiently impressive pomp to celebrate Kim Jong-un's ability as the new leader. North Korea hopes that in doing so it can enhance regime stability and consolidate the ongoing power transition to Kim Jong-un. To achieve all of these objectives, North Korea needs to secure a sufficient food supply. The most serious problem that North Korea faces at present is the food shortage. Its total grain production in 2010, four million tons, is comparable to that of previous years. However, the situation is now complicated by various factors such as the widening gulf between the rich and poor, widespread corruption, and the difficulty of distributing food to the soldiers and workers mobilized for state construction projects. The primary goal of Kim Jong-il's visits to China and Russia before his death was to gain immediate economic aid, rather than forge an agreement on a long-term project.

The odds of seeing a military provocation from North Korea in the first half of 2012 are relatively low, since they will at that time be preoccupied with the regime's survival after the departure of the powerful tyrant, Kim Jong-il. Another concern for North Korea is the two significant elections scheduled to occur in South Korea this year: the National Assembly election in April and presidential election in December. North Korea may seek to raise tensions in order to create frictions among South Koreans over their North Korea policy. However, North Korea will likely avoid making any overt military provocations like the shelling of Yeonpyeong Island in view of the negative impact such moves might have on the South Korean electorate.

Despite the numerous factors that ought to discourage North Korea from making military provocations, the increasing role of the military in the policy-making process leaves room for uncertainties in the future. As the New Military increasingly dominates the decision-

making process, North Korea's policies have often seemed unprofessional and unpredictable rather than well designed and orchestrated, and its internal and external policies overall have become more aggressive. The North Korean military also monopolizes the country's economic resources. For example, the military controls more than 80 percent of the businesses charged with obtaining foreign currency.

It is not the Department of the United Front but the military that plays the leading role in inter-Korean relations. The military tends to take domestic variables very seriously, while ignoring the variables within South Korea. For example, North Korea's military provocations in May 2010 may have enhanced the status of Kim Jong-un as military strategist and contributed to his rise to power, but they damaged the positions of those in South Korea who support an engagement policy including large-scale food aid. It is also difficult to understand North Korea's nuclear and long-range missile tests in 2009 in the face of the Obama administration's declaration of willingness to talk with Pyongyang without preconditions.

Longer-Term Implications

The familial-personal leadership structure uses a system of distributing power and benefits in exchange for loyalty and obedience. In the absence of spontaneous obedience and sacrifice based on ideological devotion and faith, the general transition to a patrimonial leadership system will inevitably require a dramatic increase in the expense of regime maintenance. In the immediate future it will be virtually impossible for the regime to afford these rising regime maintenance costs. This may have a harmful effect on the ongoing third-generation succession – so much so that a power struggle might break out over the redistribution of power and privileges. As the distribution of privileges is crucial to maintaining fidelity in a family-based system of personal rule, the regime will have to disburse various special favors and rights to the new elites and ruling organizations. However, with the limited resources available for distribution, this process is likely to provoke fierce conflicts among rival organizations and

factions.

This volatility is no absolute guarantee of the emergence of reformist forces at the top or revolutionary changes from the bottom. However, the decline in regime stability and the growing confusion make that possibility much greater. Owing to the Kim Jong-il's sudden death, the scramble for rights and privileges may expand downward from the top into a limitless competition in the absence of control or oversight. In the worst-case scenario, it is even possible that a series of coups and counter-coups may break out by turns.

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North Korea's South Korea Policy: An Evaluation of Determining Variables and Prospects for 2012

Kibum Han

The focus of this article is twofold. First, it will review the variables that have critically impacted North Korea and its policies toward South Korea during the terms in office of several former South Korean presidents. Second, it will make some predictions about North Korean policy for 2012 based on an analysis of the characteristics and background of North Korea's stance toward South Korea during the Lee Myung-bak government. Simply put, the two Koreas both tend to take relatively hard-line policies when North Korean regime is unstable, whereas soft-line policies emerge when the regime stabilizes. North Korea's policy toward South Korea is largely determined by U.S.-related variables; it is also affected, however, by whether South Korea takes a soft or hard stance toward North Korea. The North tends to approach the South at times when Seoul seeks to engage Pyongyang and Washington takes a tough stance. When Washington shows flexibility, Pyongyang does not take the initiative in the inter-Korean relationship but focuses on its relationship with Washington. In sum, variables related to the two Koreas tend to determine the larger direction of North Korea's South Korea policy, while U.S.-related variables have more specific impact on the forcefulness of North Korea's approach to South Korea. North Korea has generally taken a hard-line policy during the Lee government, but it has frequently and erratically shifted its tactics between highly provocative, threatening moves and sporadic, poorly-executed attempts at dialogue. It seems that Seoul's consistent stance toward Pyongyang and the weakening of the inter-Korean dialogue system have forced the reclusive regime to make such erratic tactical changes. It is highly likely that North Korea will continue its unfriendly South Korea policy such as inflicting tensions and provocative acts as usual in 2012. Given that there are a number of factors contributing to the North's negative strategies toward South Korea, North Korea will need to build tensions for internal consolidation, closing the door on the South's North Korea policy. With upcoming presidential elections both in South Korea and the U.S. overlapping for the first time in 20 years, North Korea will also exert its utmost efforts to foment negative public sentiment in the South toward the existing policy and to replace the Lee administration with new government which is friendly to the North.

Key Words: North Korea's South Korea policy, determining variables, election interference, Kim Jong-il's death, North Korea's provocations toward the South

This article was originally submitted in Korean and translated into English for this edition. Therefore it should be understood that all references listed in the footnotes and bibliography have been taken from Korean texts, except for those whose authors' names are non-Korean.

Preface

2012 is the year when North Korea has declared it will achieve the status of a “Powerful and Prosperous Nation”; it is also a year in which both the U.S. and South Korea have presidential elections. So far, Pyongyang has executed a long-term alternating cycle of hot and cool tactics in response to the policies of Seoul and Washington. However, these cyclical shifts by the Pyongyang government have amplified and grown more frequent during the Lee government.

This article will focus on the variables that had an impact on Pyongyang’s South Korea policy as well as the characteristics of its behavior toward Seoul over the past four years. It will also offer some predictions of North Korea’s policy choices in 2012.

The North Korean regime aims to guide the inter-Korean relationship in a direction which maximizes its interests. Its policy toward South Korea is mainly determined by its domestic political and economic conditions and the character of the ruling group as it evaluates the situations in Seoul and Washington.

The framework of analysis of this article, described in Section 2, identifies the determining factors behind Pyongyang’s policies and its decision-making process. Section 3 evaluates Pyongyang’s policy direction and the factors influencing its key decisions during the leadership of various South Korean presidents (from Kim Young-sam onward). Section 5 offers predictions of Pyongyang’s policies in 2012 based on the trends of its South Korea policy during the Lee Myung-bak government over the past four years, described in Section 4.

Framework of Analysis: The Policy-making System behind North Korea’s South Korea Policy

Policies are the result of interactions between political systems and

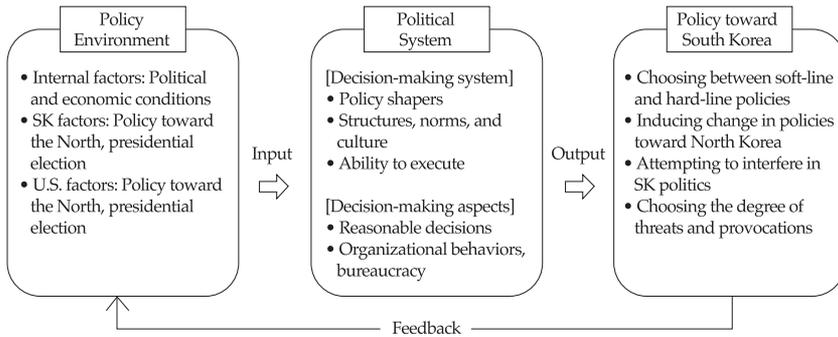
the conditions surrounding them.¹ With presidential elections scheduled in both South Korea and the U.S. next year, the environmental variables affecting North Korea's policy toward South Korea can broadly be defined as its political and economic conditions, the policy directions of Seoul and Washington toward Pyongyang, and the results of the presidential elections in those countries.

One additional variable would be any change in the features of North Korea's political system. North Korea's South Korea policy is determined through the prism of its policy-making system, whose performance is affected by the characteristics of the policy makers, the structural and normative characteristics of the policy-making system, and the ability to execute policies. Thus, the policy-making function could be described as $F(P) = N$ (NK's variables: $N_{pe} + N_s$) + S (SK's variables) + A (U.S.'s variables) Where P = NK's policy toward SK, N_{pe} = NK's political and economic conditions, and N_s = characteristics of NK's political system (refer to Figure 1).²

To explain and predict phenomena, we need to objectively extract some variables related to the causes of problems. In other words, we need to analyze trends in Pyongyang's South Korea policy and the variables that had a critical impact on that policy in various cases; for example, when the regime was stable or unstable, or when Seoul and Washington took hard-line or engagement approaches.³

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1. Chung, Jung-kil, *Theories of Public Policy* (Seoul: Daemyung Publisher, 1991), pp. 73–77; David Easton, "Categories for the Systems Analysis of Politics," in D. Easton (ed.), *Varieties of Political Theory* (Englewood Cliffs: Prentice Hall, 1966), pp. 125–148.
 2. The biggest difference between the policy-making functions of the two Koreas is the degree to which policy-making reflects public opinion and interests. North Korea's policy does not heavily reflect the opinions and interests of its public. North Korea delivers its policies to its citizens unilaterally.
 3. The effect of regime-related issues and the presidential elections in the U.S. and South Korea on North Korea's South Korea policy will be described in a separate paragraph. Regime-related issues include domestic factors such as the death of Kim Il Sung, the health condition of Kim Jong-il and the transfer of power to Kim Jong-un. Also important are external factors such as the condolence scandal and increased criticism of Kim Jong-il. As the year 2012 has presidential elections both in Washington and Seoul, it is also important

Figure 1. North Korea’s Process for Making its South Korean Policy



Also, the stakeholders’ subjective viewpoints should be considered as important as the environmental variables, because North Korea’s policy is not always determined exclusively through an objective evaluation of any given situation. North Korea’s policy may conform with past practices or may be determined by the current hostile atmosphere.⁴

Therefore, this article will attempt to predict Pyongyang’s 2012 policy toward Seoul based on ① implications drawn from reviewing its former policies toward previous South Korean governments and the relationships among relevant variables, ② trends in Pyongyang’s policy during the Lee government, given that the future exists as an extension of the present, and ③ the internal and external challenges that North Korea is currently facing.

to consider how North Korea has changed its policy during presidential elections in the past in order to predict and analyze its 2012 policy direction.

4. For more detailed models of rational actors, organizational behavior, and the governmental politics of policy-making, refer to Graham Allison and Philip Zelikow’s, *Essence of Decision: Explaining the Cuban Missile Crisis* (2nd ed.) (New York: Longman, 1999). See also Han Kibum’s “Organizational behaviors in North Korea’s policy-making process and bureaucracy: Based on expansion of and retreat from economic reforms (2000-2009)” (Doctoral dissertation, Kyungnam University, 2009) for his research on the decision-making process behind North Korea’s economic reforms based on the decision-making models of G. T. Allison.

North Korea's South Korea Policy and Determining Variables for Each South Korean Government

Relationships among Determining Variables

As one of the ultimate purposes of North Korea's South Korea policy is to secure its own regime stability, the variables affecting its policy may also vary depending on the internal and external challenges that Pyongyang faces. To analyze this, the periods were categorized according to South Korean presidential administrations, as can be seen in Table 1, reflecting the assumption that North Korea's policy is largely affected by changes of leadership in South Korea and the U.S.⁵

Based on the assumption that North Korea's internal conditions will have a large impact on its foreign policy, the table categorized the North's conditions into five states: very unstable – unstable – somewhat unstable – somewhat stable – stable. Both Seoul and Washington's policies toward Pyongyang are denoted as very hard – hard – somewhat hard – somewhat flexible – flexible.

The exact criteria for judging North Korea's circumstances as 'unstable or stable' and policies toward the North as 'hard or flexible' will be explained in later in this article. Of course, there is some room for arbitrary judgment, given that circumstances of each period differ. The U.S. variables in particular tend to fluctuate significantly due to the North Korean nuclear issue. There could also be some time lag between changes in Pyongyang's situation and the implementation of its policy. Nevertheless, this article depicts the relationship between North Korea's South Korea policy and its various internal

5. Given that U.S. and South Korean variables, as well as North Korea's domestic variables, are subordinate factors in North Korea's foreign policy, it is necessary to divide these time periods according to policy changes in North Korea. However, considering that North Korea's South Korea policy by definition involves its counterpart and that each period shows consistent policy cycles between hard soft-line stances, the periods have been divided into the 7 stages shown above.

Table 1. NK's South Korea Policy and Relationships between Internal and External Variables

Period		NK Variables	U.S. Variables	SK Variables	Policy toward South Korea
Kim Young-sam Government	93.3–94.7 ① 94.7–98.2 ②	Unstable Very unstable	Very hard Somewhat flexible	Hard Very hard	Hard Very hard
Kim Dae-jung Government	98.3–00.12 ③ 01.1–03.2 ④	Somewhat unstable Somewhat stable	Flexible Hard	Flexible Flexible	Somewhat flexible Flexible
Roh Moo-hyun Government	03.3–04.12 ⑤ 05.1–08.2 ⑥	Stable Somewhat stable	Very hard Somewhat flexible	Flexible Flexible	Flexible Flexible
Lee Myung-bak Government	08.3– . ⑦	Somewhat unstable	Somewhat hard	Hard	Hard

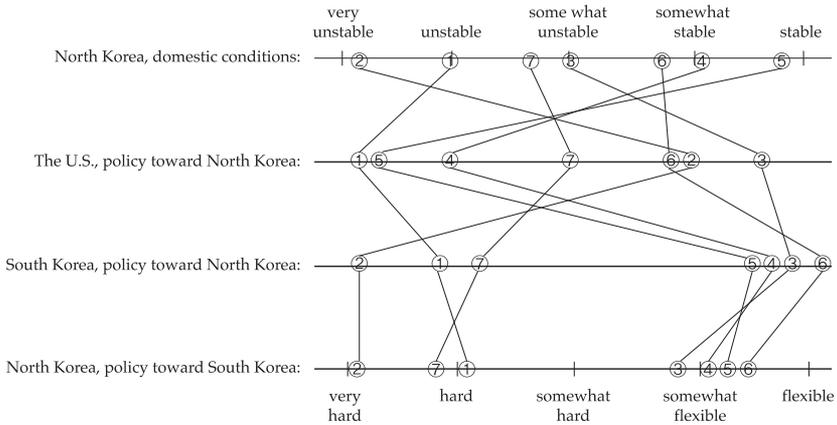
* Periods are categorized by former South Korean presidents and further subdivided by significant events such as the death of Kim Il Sung (July 1994 ②), the end of Clinton's term and the election of Bush (December 2000 ④), and the re-election of Bush (January 2005 ⑥).

and external variables, as summarized in Table 1, and arranges the dispersion of variables based on the degree of each variable's impact, as shown in Figure 2.

To sum up, Pyongyang's domestic situation can affect the two Korea's policies toward each other. When the North Korean regime is unstable, both Koreas tend to take hard-line policies (①②⑦ in Figure 2), while taking flexible positions toward each other when North Korea's system is stable. (③④⑤⑥).

Washington's variables, influenced by the North Korean nuclear issue, affect the degree of forcefulness of Pyongyang's policy toward Seoul. If Washington and Seoul take a tough stance toward Pyongyang when its system is unstable, Pyongyang then becomes less hostile toward Seoul (①) in order to reduce the burden of dual pressure.

Figure 2. NK's Policy toward South Korea and Related Variables



Whereas if Washington takes a flexible stance in the same situation, Pyongyang focuses on its relationship with Washington while keeping Seoul at a distance to prevent any interference (②).

If Washington takes a tough stance toward Pyongyang under the conditions “stable North Korea” and “flexible South Korean policy,” Pyongyang tends to take a flexible stance toward Seoul to alleviate the pressure from Washington (④⑤). Conversely, if Washington shows flexibility on issues related to Pyongyang, the reclusive regime reduces its flexibility in the inter-Korean relationship to focus on its relationship with Washington (③).

Pyongyang appears to approach inter-Korean relations most energetically when the relationship between the U.S. and North Korea is improving and North Korea’s domestic situation and inter-Korean relations are both stable (⑥). By contrast, Pyongyang tends to revert to a tough stance against Seoul when its domestic situation is insecure and Seoul’s policy toward the North is hawkish (⑦). The following paragraphs detail the relationship between North Korea’s changing internal situation and its policy toward South Korea.

North Korea's South Korea Policy during Times of Political Turbulence

When North Korea's domestic situation is unstable, it tends to display a passive attitude in its foreign policy. During periods of regime instability, it has limited political options and a weakened ability to carry out an active foreign policy. At these times it devotes all of its resources to engagement with the United States, whether the U.S. stance is hard or soft.

From the time Kim Young-sam took office in March 1993 until Kim Il Sung's death in July 1994, North Korea tried to stabilize its regime by accepting the regime changes in the communist bloc as a reality and advocating (December 1993) a transitional economic strategy for a buffer period (1994-1996). In foreign affairs, North Korea's top priority was to alleviate pressure from the U.S. caused by the first North Korean nuclear crisis. In the spring of 1994, tensions on the Korean peninsula were raised to extreme levels as Washington reviewed its plans for a military attack against Pyongyang. During this period, North Korea held a stern position against South Korea but also participated in dialogue from time to time.⁶ The background for this was that the Kim Young-sam government was regularly alternating its North Korea policy between engagement and hard-line approaches, and North Korea had neither the capability nor the will to improve the inter-Korean relationship. While in the process

6. Former president Kim Young-sam declared in his inaugural address (February 1993) that "No ally can come before our fellow Korean people." He even repatriated Yi In-mo, the North Korean partisan who had been held in South Korean prisons for decades, back to Pyongyang. In return, Kim Il Sung announced his "10 doctrines for national unification" (April 1993) and accepted exchanges of envoys amid the nuclear crisis. With North Korea's assent, working-level contacts to discuss the envoy exchanges were initiated (May 25) after South Korea's proposal (May 20, 1993) for higher-level talks. Working-level talks were held 8 times over the period from October 5, 1993-March 19, 1994. During these talks, South Korea recognized that North Korea lacked the capacity to improve the inter-Korean relationship. Kim Hyung-ki, *History of the Inter-Korean Relationship* (Seoul: Yonsei University Publisher, 2010), p. 191.

of negotiating with Washington, North Korea took a defensive stance toward South Korea to minimize pressure from Seoul. The reason why North Korea expressed willingness to engage in comprehensive negotiations on its nuclear program with former U.S. President Carter during his visit to Pyongyang (June 15, 1994) and accepted an inter-Korean summit was to achieve a breakthrough in the nuclear crisis and to prevent possible obstacles to improving its relationship with the U.S.

After the death of Kim Il Sung, North Korea faced an overall system-wide crisis which has come to be known as the 'Arduous March'; during this period the domestic ruling system was not functioning properly.⁷ However, North Korea successfully achieved the Geneva Agreement (October 1994) with the United States just before Kim Il Sung's death. This alleviated the negotiation pressure and secured promises of two light-water reactors, crude oil deliveries, and food aid through the process of U.S.-DPRK missile talks⁸ and the Four-Party Talks.⁹ During this period, Pyongyang's South Korea

7. After Kim Il Sung died and North Korea was struck by a series of natural disasters, Party Secretary Hwang Jang-yup defected (February 1997) to South Korea, becoming the highest-ranking North Korean official ever to do so. Since then, the North Korean regime has emphasized "Red flag ideology." Kim Jong-il advocated a system of "rule by the instructions of the deceased," but in practice this was a policy of passive rule.

8. Missile talks between the United States and North Korea, which began due to suspicions of North Korean missile exports, were held six times (April 1996, February 1997, October 1998, March 1999, July 2000, November 2000). With the Berlin agreement in September 1999, Washington announced that it would ease economic sanctions, in return for the suspension of missile tests. Afterwards, follow-up talks were held to discuss other pending issues.

9. The Four-Party Talks on establishing peace on the Korean peninsula, originally suggested at the U.S.-South Korea summit on April 16, 1996, were held several times over a two-year period: joint explanation sessions for the Four-Party Talks (March 1997, April 1997) → preliminary talks (held 3 times from August-October 1997) → Four-Party Talks (held six times from December 1997-August 1999). North Korea tried to connect the Four-Party Talks with large-scale food aid, proclaiming a "rice for peace" position (April 1997, Han Sung-ryul), but then altered its stance and demanded the

policy consisted of harsh criticisms and rejection of negotiations. It accepted rice aid from Seoul but refused to resume inter-Korean dialogue.¹⁰ Pyongyang concentrated its efforts on improving relations with Washington but stuck to hard-line tactics in its relations with Seoul, despite Kim Young-sam's conciliatory approach, in an effort to minimize any possible impact from regime competition with its South Korean counterpart.¹¹

North Korea's South Korea Policy during Periods of Stability

The period when North Korea regained domestic stability following Kim Jong-il's successful power succession coincided with the era of South Korean engagement under the Roh Moo-hyun government. With Roh's consistent engagement policy, the speed of Pyongyang's moves toward Seoul was largely determined by U.S. variables.

Around the time of the inauguration of the Kim Dae-jung government in March 1998, Kim Jong-il completed his official power succession and reestablished domestic stability. Kim Jong-il needed a

withdrawal of the U.S. army stationed in South Korea as the surrounding situation changed.

10. Even when North Korea was expecting rice aid from South Korea in 1995, it avoided participating in talks on aid procedures and demonstrated negative behavior during the process of aid provision. After the ruling party in South Korea was defeated in local elections held in June 1995, the newly formed civilian government took a tough stance toward Pyongyang, which also maintained a hostile attitude.
11. The Kim Young-sam administration can be described as an "idle period" in the inter-Korean relationship. North Korea cowered like an "injured animal" as Kim Young-sam repeatedly employed "shadow boxing" tactics to fan the flames in its North Korea policy, Park Gun-young, "The Kim Dae-jung government's North Korean policy direction," p. 74. As Choi Wan-gyu pointed out, "People used to say that thanks to the Kim Young-sam administration's confusion regarding its North Korea policy and the financial crisis, Kim Dae-jung could achieve maximum results by narrowing the economic gap between the Koreans so as to restore their homogeneity, which in turn contributed to improving the inter-Korean relationship," Choi Wan-gyu, "The Kim Young-sam government's policy toward North Korea: Self-reflection and suggestions," p. 24.

stable environment and wanted to attract investment to revive the domestic economy. Though Kim Dae-jung was advocating an engagement policy, Pyongyang did not lower its vigilance against Seoul.¹² This vigilance included sporadic provocations and so-called “united front tactics,” which continued through the first two years of Kim Dae-jung’s term. At the same time the North also reduced the level of criticism directed against the South Korean government. North Korea’s cautious approach to South Korea was designed to maintain a certain level of tension on the Korean peninsula in order to maintain its regime stability and to ascertain the sincerity of Kim’s engagement policy. The North’s ongoing talks with the U.S. also affected this cautious approach. In May of 1999 U.S. Special Envoy William Perry visited Pyongyang and delivered a letter from President Clinton to Kim Jong-il. Also, in September of 1999, the sanctions on North Korea were lifted as a result of the U.S.-DPRK missile talks in Berlin.

From 2000, North Korea began easing its tough stance toward South Korea and actively pushing to improve inter-Korean relations.¹³ This change was the result of trust in Kim Dae-jung’s engagement

12. North Korea’s past provocations and threats include the June 1998 submarine infiltration, the launch of a Tepodong-1 missile in August 1998, the West Sea clash in June 1999, and the detention of South Korean tourists at Mt. Kumgang in June 1999. In reaction to Kim Dae-jung’s North Korea policy, Kim Jong-il took a policy approach of reconciliation and peaceful coexistence (January 1998), which included the abolishment of the National Security Act, the announcement of “Five Doctrines for National Unification” (April 1998), and a proposal for a unification festival (August 1998). In addition, citing the fundamental need to eliminate interference by foreign powers and dissolve the National Intelligence Service in February 1999 Kim Jong-il issued a demand for action plans on these issues. The North Korean side clarified that it was cautious about accepting South Korean rice aid (March 1998, April 1998, June 1999) because it suspected that Kim Dae-jung’s engagement policy was an “another attempt at unification through absorption of North Korea.”

13. Following Kim Dae-jung’s “Berlin Declaration” of March 9, 2000, the two Koreas exchanged special envoys three times (March 17, March 23, April 8) culminating in an inter-Korean summit in June 2000.

policy and expectations of inter-Korean economic cooperation. Another goal of the policy change was to stabilize the relationship with Washington, which had become uncertain during the U.S. presidential election year. At that time, sensing that many in the U.S. distrusted the Clinton administration's engagement policy, North Korea tried to normalize its relations with the U.S. before the end of Clinton's term.

President Bush took office in January 2001 and kept pressure on North Korea for the first two years of his first term; during this time, the inter-Korean relationship weakened and then gradually stabilized. At the time, North Korea had gained confidence due to its stabilized political situation. Accordingly, it began emphasizing practicality and openness.¹⁴ However, its relationship with the U.S. rapidly cooled. In 2001 the Bush administration called North Korea a "rogue state" and expressed plans to review its policy toward Pyongyang. The following year, President Bush labeled North Korea a member of the "axis of evil" and alleged that it was developing highly enriched uranium. Inter-Korean dialogue alternated between suspension and resumption; ① suspension (March-September 2001) → ② resumption (September-November 2001) → ③ suspension (November 2001-July 2002) → ④ resumption (August 2002-January 2003).¹⁵ North Korea canceled the inter-Korean talks whenever

14. On July 1, 2002, North Korea announced reform measures which partially introduced elements for developing a market economy and decentralizing economic management, while emphasizing practicality. The North demonstrated its confidence by opening the doors to Shinuiju, Mt. Kungang and Kaesong, and by expanding Kim Jong-il's foreign activities (e.g. trips to China and Russia).

15. After the U.S.-South Korea summit took place on March 7, 2001 U.S. President Bush began taking a hard-line approach toward North Korea, and Kim Jong-il suddenly canceled the planned high-level inter-Korean talks (①). However, North Korea resumed dialogue with the South in September 2001, despite the terrorist attacks of September 11, because of concerns that strained inter-Korean relations would not work in its favor (②). As the U.S. declared a new war against terrorism, South Korea went on red alert to protect its strategic facilities from terrorism, ministerial talks scheduled for November were canceled, and the dialogue between the two Koreas was suspended for 9 months. In 2002, South Korea tried to restore the frozen

South Korea appeared to lean closer toward the United States, and resumed them when they assessed that the continued freezing of inter-Korean relations would be detrimental to their interests.

In March 2003, Roh Moo-hyun was inaugurated as president of South Korea. During the Roh period, North Korea continued economic reforms and opening its market in order to produce a steady supply of resources amid a favorable external environment. However, North Korea's relations with the U.S. worsened due to the ongoing nuclear crisis (October 2002). Washington increased pressure on Pyongyang during the initial invasion of Iraq (March-April 2003).¹⁶ The Roh government inherited its predecessor's engagement policy, but its momentum was weakened.¹⁷ From late 2002, North Korea began emphasizing "inter-Korean cooperation," saying that "Confrontations on the Korean peninsula should be between the two Koreas and the United States."¹⁸ North Korea avoided responding to South Korean

inter-Korean relations by sending Special Envoy Lim Dong-won to North Korea (April 3–6). Shortly after, clashes broke out in the West Sea on June 29 and relations threatened to freeze again, but the situation calmed when North Korea publicly apologized (July 25) to South Korea and suggested resuming dialogue. The atmosphere of reconciliation and cooperation lasted until the end of Kim Dae-jung's term (④).

16. The Geneva Agreement collapsed as North Korea resumed its nuclear development program in response to the suspension in December 2002 of heavy-fuel oil aid to North Korea. Three-Party Talks were held in April 2003, immediately after the U.S.-led invasion of Iraq, at which the parties merely confirmed the gap between their positions. The U.S. called for the complete, verifiable, and irreversible dismantlement (CVID) of North Korea's nuclear program and increased pressure through the PSI. The Six-Party Talks began in August 2003, but North Korea resisted Washington's demands to "give up its nuclear program first" before receiving any benefits.
17. The causes of the weakened momentum included the second North Korean nuclear crisis, the launch of an independent counsel to investigate the "cash for summit" scandal (March 2003), and the decision to send troops to support Iraq's reconstruction (April, October 2003).
18. "Letter of appeal to the nation" issued by North Korea's Central Committee for National Unification on November 22, 2002; New Year's message, "Wield the dignity and power of DPRK under the banner of the great military-first policy," *Rodong Sinmun*, January 1, 2003; Paik Hak-soon, "Chapter 3.

remarks about its nuclear program but continued attending talks with South Korea until June 2004 in an effort to secure inter-Korean cooperation.¹⁹

2004 saw another United States presidential election and also marked the 10-year anniversary of Kim Il Sung's death. With Washington switching to a more flexible approach, some progress was made on the North Korean nuclear issue and in June 2004 the two parties negotiated a plan to freeze Pyongyang's nuclear program, while also discussing possible forms of compensation. However, with the U.S. presidential election the relationship once again entered a stalemate. Also, inter-Korean talks were suspended as North Korea had refused to participate for 10 months due to the second "condolence scandal" and South Korea's acceptance of a large number (468) of North Korean refugees. North Korea seemed to distance itself from South Korea in an effort to ensure regime stability and assess the surrounding situation.

In January 2005 President Bush entered his second term, calling North Korea as an "outpost of tyranny" and applying renewed pressure on it. In turn, North Korea counteracted by declaring in February 2005 that it possessed nuclear weapons. For the following two years, the U.S.-North Korea relationship worsened through a series of developments such as the BDA (Banco Delta Asia) issue and North Korea's nuclear test.²⁰ With increased pressure from the United States, Kim Jong-il suggested the resumption of both inter-Korean talks and Six-Party Talks at a June 2005 meeting with a special

North Korea's strategy toward South Korea," in *North Korea's National Strategy*, Sejong Institute (ed.) (Paju: Hanul Academy, 2003), p. 203.

19. During this period, the two Koreas agreed (June 2003) to "prevent accidental conflicts along the NLL and to cease propaganda activities at the DMZ." South Korea provided humanitarian aid after large explosion occurred in April 2004 at Ryongcheon Station in North Korea.

20. North Korea's return to the Six-Party Talks → September 19th Joint Statement (September 2005) and Washington's financial sanctions on North Korea via BDA → North Korea's missile launch (July 2006) and nuclear test (October 2006) → U.N. Security Council sanctions resolution.

envoy from South Korea.²¹ However, North Korea failed to take the initiative with respect to the talks, simply trying to take advantage of the inter-Korean relationship to reduce U.S. pressure. From 2005, North Korea's domestic policy became more conservative, as Kim Jong-il forced his people to make personal financial sacrifices in order to further develop nuclear weapons.²²

As the Bush administration abandoned "unilateral diplomacy" and became actively involved in North Korea's return to the Six-Party Talks → September 19th Joint Statement (September 2005) and Washington's financial sanctions on North Korea via BDA → North Korea's missile launch (July 2006) and nuclear test (October 2006) → U.N. Security Council sanctions resolution negotiations with North Korea from the beginning of 2007, North Korea agreed to close and seal its nuclear facilities in the February 13 Agreement, and later agreed to disable its nuclear facilities and report on its nuclear programs in the October 3 Agreement. Also, the inter-Korean relationship began to improve from the second half of 2007 as North Korea accepted a second inter-Korean summit.²³ Talks and cooperation

21. In June 2005 North Korea was persuaded by South Korea to resume the inter-Korean talks after a year's hiatus through aid inducements (200,000 tons of fertilizer and 2 million kW of electricity). Anticipation of the 60th anniversary of establishment of the North Korean military was another factor encouraging them to return to the talks. However, only the 15th Inter-Korean Ministerial Talks (June 2005) achieved anything in practical terms; during other ministerial talks up to and including the 21st session on May 2007, North Korea remained passive and instead used the inter-Korean relationship to try to relieve the pressure exerted by Washington, for instance by requesting the suspension of U.S.-South Korean joint military exercises and calling for greater inter-Korean cooperation.

22. Shortly after its first nuclear test in October 2006, North Korea mentioned expanding private investment, speaking of "the emergence of a powerful and prosperous nation," though it did not carry through with its plans. Han Kibum, "Organizational behaviors in North Korea's policy-making process and bureaucracy," pp. 152-154.

23. In 2007 there were a total of 55 sessions of talks between the two Koreas including high-level summits; this was twice the average of 24 sessions of talks per year since the 2000 summit.

between the two Koreas were activated in various sectors, though this did not last long. As President Bush showed a willingness to resolve the North Korean nuclear issue before the end of his term, Pyongyang hurried to strengthen the relationship with Washington before the next U.S. presidential election in November 2008. Also, it needed to secure a steady relationship with Seoul, as it was expected that a conservative government would assume power in the upcoming presidential election in South Korea in 2008.²⁴

Assuming that North Korea's domestic situation is stable and South Korea's engagement policy remains consistent, the forcefulness of North Korea's policy toward South Korea can be described based on American variables as seen in Table 2. In 1998–1999 North Korea focused on its relationship with the United States, taking advantage of Washington's flexibility, and did not take the initiative in the inter-Korean relationship (③-1). Concerned that President Clinton's flexible foreign policy could change with a new administration in 2000, North Korea actively approached South Korea and sought to create a favorable atmosphere (③-2). After the inauguration of the Bush administration, the uncertainty of the inter-Korean relationship grew (④), as Bush took a hard-line policy between 2001 and 2002. Yet in 2003 North Korea resumed its pro-active approach to South Korea as it assessed that a long-term freeze of relations with both Seoul and Washington would work against its regime (⑤-1). In 2004, the inter-Korean relationship cooled due to the presidential election in the United States and the second condolence scandal in South Korea (⑤-2). With Bush's re-election as U.S. president in 2005, North Korea put all of its efforts into dealing with the United States and made formulaic gestures of trying to move the inter-Korean relationship (⑥-1) forward. As a result some progress was made on the North Korean nuclear issue and, pressured by the imminent

24. In August 2007, North Korean representatives relayed Kim Jong-il's message that "It is high time for the heads of the two Koreas to meet, as the inter-Korean relationship and the surrounding situation have been improving recently" and suggested holding an inter-Korean summit. Kim Hyung-ki, p. 334.

Table 2. The U.S.-North Korea Relationship and Force of North Korea's Approach to South Korea

Period	SK Variables	U.S. Variables	Force of North Korea's Approach to South Korea
③ 1998-99, ③-1	Beginning of engagement policy	Progress in dialogue (O)	Speed adjustment, vigilance (Δ)
2000 ③-2	Continuation of engagement policy	Progress in dialogue, presidential election (O)	Active approach (O)
④ 2001-02 ④	Continuation of engagement policy, presidential election (02)	Resumption of pressure on NK (X)	Lack of drive (Δ)
⑤ 2003 ⑤-1	Inheritance of engagement policy, weakened motivation	Continued pressure on NK (X)	Resumption of active approach (O)
2004 ⑤-2	Continuation of engagement policy, condolence scandal	Talks stalemated, presidential election (Δ)	Lack of drive (Δ)
⑥ 2005-06 ⑥-1	Continuity of engagement policy, intervention in the North Korean nuclear issue	Resumed pressure on NK (X)	Lack of drive (Δ)
2007 ⑥-2	Expansion of engagement policy, presidential election	Progress in dialogue, imminent presidential election (O)	Active approach (O)

presidential elections in Washington and Seoul, North Korean officials responded to their South Korean counterparts by actively developing the bilateral relationship (⑥-2).

In conclusion, North Korea actively seeks to secure support from South Korea when the long-term prospects of the relationship with Washington are unclear (③-2, ⑥-2). Long-term pressure from Washington also forces North Korea to reinforce inter-Korean relations

to alleviate external pressure through “inter-Korean cooperation” (⑤-1). Meanwhile, North Korea appears to lose the drive to pursue diplomatic overtures when the U.S. returns to a tough stance (④, ⑥-1), or when they need time to assess Washington’s policy (⑤-2).

North Korea’s Regime Issues and Its South Korea Policy

North Korea has strongly resisted whenever external forces have attempted to interfere in its regime issues. The inter-Korean relationship soured in July of 1994 when the South Korean government declared a national emergency and labeled Kim Il Sung the Korean war criminal at a national security meeting after Kim Il Sung died. Despite South Korea’s rice aid, North Korea declined talks and maintained a cold relationship until the end of the Kim Young-sam government. Inter-Korean dialogue was suspended for 10 months after the South Korean government expressed disapproval of visits by civilian groups to Pyongyang to commemorate the 10th anniversary of Kim Il Sung’s death in July 2004 and after they accepted a large number (468) of North Korean refugees. In May 2011, when North Korea found out that the South Korean military had used photos of Pyongyang’s ruling family (Kim Il Sung, Kim Jong-il and Kim Jong-un) for target practice, Pyongyang accused South Korea of slander and threatened a retaliatory “sacred war.”²⁵

Meanwhile, when North Korea faces serious domestic problems they turn their focus to the regime, and at such times they tend to take a hard-line stance toward Seoul. For several years after Kim Il Sung’s death and for one year after Kim Jong-il’s stroke (August 2008), the inter-Korean relationship was strained. In September 2010, North Korea’s ruling Worker’s Party officially announced Kim Jong-un as a successor of his father, Kim Jong-il. Shortly afterward, North

25. Similar situations occurred in the U.S.-North Korea relationship. In January 2005, the re-elected Bush administration called the North Korean regime an “outpost of tyranny” and North Korea counteracted by declaring that it possessed nuclear weapons (February 2005) and calling Bush a “half-baked man in terms of morality and a philistine.”

Korea attacked the warship Cheonan and later attacked Yeonpyeong Island. These cases show that external challenges to North Korea's "authority" and issues related to its leader can impact its policy toward South Korea in a negative way. When external forces attempt to interfere in the regime's internal issues, it is difficult for North Korean officials to promote a "flexible policy" because their loyalty will come under suspicion. When North Korea is facing regime-related issues such as power shifts, it is incapable of focusing on the relationship with South Korea, and a tough stance dominates its power structure.

Interference in South Korea's Presidential Elections

In the past, the so-called "North Wind" has often affected presidential elections in South Korea. The bombing of a Korean Air flight around the 1987 presidential election and the revelation that North Korea was responsible had a significant effect on the opposition party. In 1992, a large-scale capture of North Korean spies (also known as the 'Central Area Party' scandal)²⁶ again harmed the opposition party's chances. There was also the 'Oh Ik-jae letter' scandal in 1997, but its effect was overwhelmed by the financial crisis. Some also argued that the letter had been manipulated. The second nuclear crisis unfolded shortly before the 2002 presidential election, and the second inter-Korean summit was held in 2007. However it is difficult to say for sure how many of these events were intended to influence South Korea's presidential elections.²⁷

26. For more information, please refer to Lim Soo-hwan's "The 14th presidential election and North Korean variables: From the perspective of development of democracy," Politics and Information Research Association, *Research on Politics and Information*, Vol. 10 No. 2 (Serial No. 21), p. 7.

27. Lee Jong-seok categorized the types of North Korean interference in South Korean politics as follows: 1) North Korea directly tries to affect South Korea's political situation and causes tension in the inter-Korean relationship; 2) North Korea's unintentional behavior works in favor of South Korea's conservative candidates; or 3) South Korean politicians intentionally raise North Korean issues during the campaign. The last category can be sub-categorized according to four forms: ① using inter-Korean relations to

North Korea showed considerably less interest in the 14th South Korean presidential election in 1992 than it had in the past. Pyongyang infrequently criticized candidate Kim Young-sam as a “fascist.” The reason why Pyongyang restrained its criticism of the candidate from the conservative ruling party was because of the defensive stance they had adopted after the collapse of the socialist bloc, the trend set by the Inter-Korean Basic Agreement, and the fact that 5 years previously, as a member of the opposition party, Kim Young-sam had urged the Party to select a single candidate.²⁸ The 15th presidential election did not attract much interest from North Korea either. In a break from past practice, the North criticized the candidates from both the ruling and opposition parties. They criticized Kim Dae-jung because he had campaigned to save Chun Doo-hwan and Roh Tae-woo and colluded in the parliamentary system with Kim Jong-pil.²⁹ Just before the 16th presidential election in December 2002, North Korea drew attention to itself by resuming nuclear development and missile exports.³⁰ Lee Hoi-chang, a candidate from the Grand National Party, used the latter

prepare a breakthrough in times of domestic political crisis (e.g. raising the possibility of a North Korean attack at sea), ② disclosing spy scandals related to North Korea to cast suspicion on opposing candidates, ③ attempting to promote a candidate’s legitimacy through unification-oriented remarks such as the July 7 Declaration, ④ confirming a candidate’s legitimacy by criticizing vulnerable aspects of the North Korean regime. Lee Jong-seok, “Presidential elections and North Korea: Hostile inter-dependence in inter-Korean relations and the possibility of change,” *History and Criticism*, Serial No. 60 (Autumn 2002), pp. 102–104.

28. In regard to South Korea’s presidential elections, the *Rodong Sinmun* newspaper has provided limited exposure, generally dealing with the issue in a small corner on page five dedicated to giving an overview of the South Korean situation. Lee Jong-seok, pp. 110–111.

29. Lee Jong-seok, p. 111; Joo Bong-ho, “The 15th presidential election and North Korean variables,” Politics and Information Research Association, *Research on Politics and Information*, Vol. 10, No. 2, Serial No. 21 (2007), p. 38.

30. On December 2, 2002 North Korea’s Minister of Foreign Affairs sent a letter to the IAEA rejecting nuclear inspections. On December 10, the U.S. Navy intercepted Yemen-bound scud missiles on a North Korean ship, the *Sosan*. Just before the presidential election (December 19), North Korea’s Foreign Affairs Ministry declared (December 12) a resumption of nuclear development.

issue to criticize Roh Moo-hyun's stance on security.³¹ However, his efforts to concentrate the conservative forces were cancelled out by an unexpected swelling of anti-American sentiment within South Korea. A mass candlelight rally was held (December 14) to commemorate the deaths of two middle school girls who were crushed by a U.S. Army armored vehicle (December 7) just before the election. North Korea accepted the inter-Korean summit (October 2-4) in December 2007, but that had relatively little impact on the presidential election due to the focus on economic problems.

It appears unlikely that North Korea will actively interfere in future South Korean presidential elections. Pyongyang tends to propose talks to alleviate tension whenever a progressive party assumes power in Seoul, while increasing the level of criticism against the ruling party and its North Korea policy whenever a conservative party is in power.³² However, none of these tactics have had a major impact on South Korea's presidential elections due to its highly developed democracy, mature national consciousness, and other variables such as economic issues. Apart from attempted interference in presidential elections, North Korea has eased its hostile attitude and opened up possibilities for dialogue in order to form a favorable environment during periods of power shifts in South Korea. In late 1997, North Korea proposed talks without placing limits on the range of conditions or its counterparts.³³ In 2002, it tried to form a

31. Kim Hyung-jun, "The 16th presidential election and North Korean variables," Politics and Information Research Association, *Research on Politics and Information*, Vol. 10, No. 2, Serial No. 21 (2007), p. 50.

32. North Korean variables which heighten tension between the two Koreas (e.g. infiltration of armed communist guerrillas, the bombing of airplanes) have a bigger impact on South Korea's presidential elections than those variables which alleviate tension. Before North Korea solidified its autocratic regime and South Korea accepted democracy, the two Koreas would often create tension in order to exercise power and authority over each other. However, there is no reason now for a democratic South Korea to employ such "hostile inter-dependence" tactics. Perhaps North Korea still uses such tactics to conceal the vulnerability of its regime.

33. On August 4, 1997, Kim Jong-il opened up the possibility for inter-Korean

conciliatory atmosphere by promptly sending South Korea a letter on July 25 expressing apologies for the West Sea Battle which had occurred on June 29 and promising that such a clash would not occur again.³⁴

North Korea's South Korea Policy during the Lee Myung-bak Government

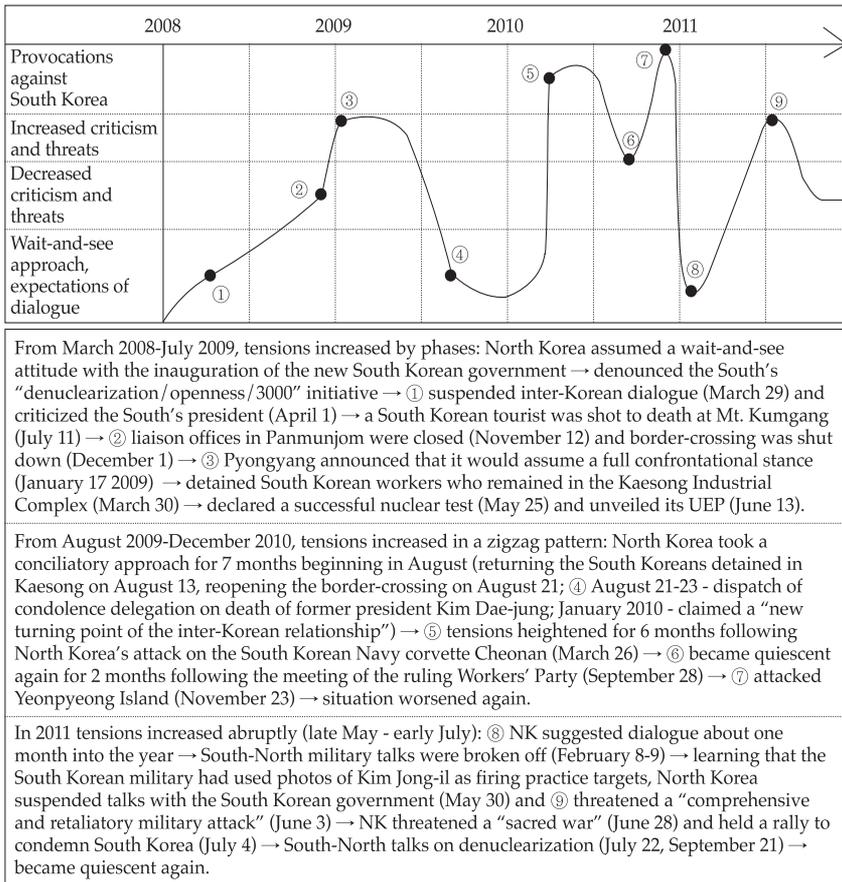
Simply put, North Korea's policy toward South Korea for the past four years has focused on trying to induce the South Korean government to change its hostile policy. As the Lee government has emphasized national security and reinforced the U.S.-South Korea relationship, North Korea has engaged in tactics such as a peace offensive, South-North cooperation, and a "Talk with the U.S., isolate South Korea" strategy, but they seem to have lost their footing. The purpose of these tactics was to weaken South Koreans' sense of alarm and to estrange relations between Washington and Seoul. Pyongyang changed its South Korea policy not only in content, but also in behavior. As shown in Figure 3, North Korea's foreign policy has fluctuated – maintaining a tough basic stance while alternating through three cycles of conciliation (a wait-and-see approach or dialogue), provocations, and threats.

As shown in Figure 3, North Korea's recent behavior toward South Korea shows three distinct characteristics. First, the alternating cycle between dialogue and threats has been shortened. Second, the

talks through the announcement of his first unification-related book, *Uplift the Banner of the Revolutionary Idea of the Great Comrade Kim Il Sung* (Pyongyang: Chosun Rodong Party Publisher, August 11, 1997).

34. North Korea rushed to resume the suspended inter-Korean talks and agreed to a groundbreaking ceremony for the re-connection of severed road and rail between the Koreans. It also sent a sports delegation consisting of athletes and cheering squads, as well as an economic delegation, to the Busan Asian Games. A reunion of separated families followed, and a series of joint events such as soccer matches were held to promote unification.

Figure 3. Changes in North Korea's Behavior toward the South (2008-2011)



level of threats has increased and North Korea has actually launched several provocative attacks. Third, the North seems uninterested in talks, although it occasionally proposes them.

Over the past four years, North Korea's South Korea policy has frequently alternated between proposals for dialogue and direct, provocative attacks aimed at inducing South Korean policy changes, while maintaining a tough stance. Of course, it has shown a shift in tactics between soft-line and hard-line approaches to taking the lead

in the inter-Korean relationship.³⁵ However, this alternating cycle has shortened. North Korea's behavior is marked by heavy threats and frequent provocations. It has often threatened South Korea with harsh and provocative rhetoric. The following are some examples of key phrases: "no need to be associated with the South," "an overall military retaliation," and "retaliatory sacred war." It also closed the border-crossing and the liaison office, detained South Koreans who remained in the North, froze South Korean assets at Mt. Kumgang, and launched direct and provocative attacks on the *Chenonan* warship and *Yeonpyeong Island*.³⁶ There have also been other incidents in the past such as the West Sea clash and the infiltration of North Korean submarines into South Korean waters, but never before have these occurred with such short frequency.

It is notable that North Korea's communication system has been significantly weakened. Though North Korea's leadership has shown some willingness to resume dialogue, this sentiment was not reflected in the behavior of the working-level officials who participated in the talks. For instance, Kim Jong-il sent a delegation to express condolences for the death of Kim Dae-jung in August 2009; Kim Ki-nam, secretary of the Central Committee of the Workers' Party, and Kim Yang-sun, director of the United Front Department, were part of this delegation. Sending such a delegation would have been impossible without Kim Jong-il's approval, and this is an example of his willingness to improve the inter-Korean relationship. Subsequently, however, the North did not follow up with any further proactive approaches to

35. Chon Hyun-joon uses the term "strike and embrace" to describe North Korea's South Korea policy and has suggested a cycle of provocations → dialogue and external opening → compromise agreement → breakup of agreement → provocations. Chon Hyun-joon, *Characteristics of North Korea's South Korea Policy* (Seoul: Korea Institute for National Unification, 2002), pp. 3-4.

36. For changes in North Korea's behavior toward South Korea, please refer to Shin Seok-ho's "North Korea's provocative attacks during the Lee Myung-bak government: By periods and analysis of causes," in *TongilJeongchaekyeongu* [Research on Unification Policy], Korea Institute for National Unification, Vol. 18, No. 1, 2009, pp. 63-87.

Seoul.

Second, North Korea's intensive proposals for dialogue in January 2011 were interpreted as showing the "determination" of Kim Jong-il.³⁷ In fact, the minister of the People's Armed Forces suggested that "high-ranking military talks" between the two Koreas would not be possible without Kim Jong-il's approval and determination. However, the North Korean officials who attended the working-level military talks on February 8–9 in Panmunjeom did not seem to reflect this sentiment.³⁸

A third example is the gap between the position that Kim Jong-il expressed during his visit to China in 2011 (May 20–26) and the threat made by the North Korean military immediately after his return to Pyongyang. In China, Kim Jong-il expressed his willingness to improve the inter-Korean relationship, saying that "As North Korea is focusing on economic development, I would like to ease the tension on the Korean peninsula." He added that he had been sincere in his approach to inter-Korean relations. However, right after his return to Pyongyang, Kim Jong-il learned that his photo had been used as a target for shooting practice in South Korea and accepted a suggestion from the military that North Korea respond to this apparent "act of sacrilege" with harsh verbal attacks threatening "full

37. *Xinhua Daily* commented that North Korea's suggestions for dialogue are "not an impulsive decision but the result of its leader's deliberation." *Choson Sinbo* interpreted the remark "The first decade of the 21st century will bring the link to unification and prosperity" in the New Year's Joint Statement as a "concentrated appeal that reflects the thought and intent of the leader" (January 26).

38. Rather than spending 40 days "begging for dialogue," in fact North Korean military officials at the working-level talks appeared inflexible on issues such as the agenda for the high-level military talks and the rank of the chief negotiators. There are two possible interpretations of this. The first is that North Korea misjudged South Korea's firm position regarding the Cheonan and Yeonpyeong attacks and thought it would be possible to hold talks without resolving those issues. The other possibility is that the leadership directed them to "proceed with the inter-Korean talks" but did not properly control communication with the military or let the military handle the working-level talks in its own way.

military retaliation.”

It can be said that the lack of consistency in North Korea’s behavior toward South Korea, its heavy provocations and threats, and the gap between its sporadic statements in support of dialogue and its contradictory behavior, all derive from the characteristics of North Korea’s domestic political system, which has been changing in the past several years. During periods of power transition, North Korea’s communication system with South Korea becomes unstable. Both Kim Jong-il and Kim Jong-un wield influence over North Korea’s foreign and military policy. Its policy toward Seoul is controlled not by the United Front Department but by the military and is affected by the tough stance of North Korea’s governing power structure.

First of all, it is doubtful that Kim Jong-il has consistent control over policy. As he ages, he is becoming more sensitive about maintaining his authority and settling the issue of who will succeed him. He also has increasingly poor concentration and sense of balance. Kim Jong-il appears to only decide on the initiation and conclusion of major policies, and does not monitor the interim progress in most cases. Moreover, the frequent attempts to display the “boldness” of successor Kim Jong-un have interrupted the progress of dialogue and instead caused threats and provocations.

Second, the standing of the United Front Department, a traditional agency for inter-Korean talks, has declined. Most officers who were involved in the second inter-Korean summit were removed for having misjudged South Korea’s situation and for damaging the image of Kim Jong-il’s “infallibility.”³⁹ Other departments, including the Operation Department, which dealt with its South Korean counterpart and was supervised by the United Front Department, have been transferred to organizations affiliated with the military’s General Reconnaissance Bureau. As a result, it appears that the continuity of inter-Korean

39. Following the October 4th Declaration, it appears that the United Front Department judged that there would be no major change in the inter-Korean relationship under any South Korean government. It is assumed that the United Front Department promoted the October 4th Declaration at Kim Jong-il’s direction.

dialogue has been weakened.

Third, loyalty competition within the military has grown fierce. High-ranking officials are busy pledging their loyalty to Kim Jong-il and his successor, Kim Jong-un. As competition has increased, it is becoming more difficult for military leaders to suggest reasonable policies. The military has come to the forefront as the organization charged with restoring the deteriorating inter-Korean relationship. As the military's basic role is to remain loyal to the leader, they have tended to focus more on showing off their loyalty to Kim Jong-il than on taking care of the inter-Korean relationship.

Conclusion:

Prospects for North Korea's South Korea Policy in 2012

The prospects for North Korea's South Korea policy in 2012 can be assessed based on ① its behavior toward South Korea in the past, ② current environmental variables, and ③ characteristics of the North Korean power structure. First, as to its past behavior, we can refer to past experiences when Seoul and Washington have taken hostile stances toward Pyongyang. Regarding economic variables, we must remember that the North has scheduled many events for 2012 in celebration of the "Powerful and Prosperous Nation," and the effort to shore up the foundation of support for a successful power transfer to Kim Jong-un will be in progress. Meanwhile, variables involving the U.S. and South Korea include the presidential elections scheduled in both countries as well as the tone of their North Korea policies. The aforementioned elements affecting the 2012 outlook for Pyongyang's South Korea policy are described in more detail in the following paragraphs.

Currently, North Korea is going through a turbulent period due to the economic situation and the ongoing power transfer. Furthermore, neither South Korea nor the U.S. are taking conciliatory approaches toward North Korea. Thus the current situation facing Pyongyang's leadership is very similar to what it faced in 1996 and the second

half of 2004. In 1996, North Korea's domestic situation was unstable and had come into conflict with both the Kim Young-sam government in South Korea and the Clinton government in the U.S. due to the missile issue, despite the Geneva Agreement in place since October 1994. The U.S. was undergoing a presidential election in 1996, and South Korea had suspended relief aid. Accordingly, North Korea adopted a tough stance toward South Korea by avoiding talks, sending more troops to the Joint Security Area (JSA) at Panmunjom (April 5-6), and sending a submarine to spy on South Korea in the East Sea (September 18). North Korea adopted a lukewarm attitude toward the Four-Party Talks (April 16) and the U.S.-DPRK missile talks (April 20-21), and called for the conclusion of a peace treaty, while still in conflict with the U.S. over issues related to inspection of its nuclear facilities and the sealing of spent fuel rods.

The current situation is different from that of 2004, when the Roh Moo-hyun government still maintained an engagement policy toward Pyongyang and Kim Jong-il advocated practicality and openness. However, the surrounding situation looks similar to 2004 in that, at that time, North Korea rejected inter-Korean talks by raising the issues of the condolence scandal and South Korea's acceptance of North Korean refugees. With Washington taking a flexible approach to Pyongyang, the two parties seemed to reach an agreement on "rewards in return for the disablement of Pyongyang's nuclear program" at the 3rd session of the Six-Party Talks in June 2004. Yet their relationship also stagnated on account of the PSI drills and the passing of the North Korean Human Rights Act in Washington. 2004 was also a U.S. election year, with the current president running for re-election. Referencing the situations in 1996 and 2004, we can predict that in 2012 North Korea will likely display provocative behavior toward Seoul while taking a wait-and-see attitude toward Washington.

In line with recent North Korean policy toward South Korea, two possibilities can be considered for the year 2012. First, if North Korea is not influenced by additional pressure from the outside world, the current quiescent conditions that have existed since July 2011 may continue, as seen in Figure 3. Second, given that North

Korea's cycle of changing tactics appears to grow shorter with its greater impatience to break a deadlock, it seems that an abrupt behavior change from North Korea can be expected soon.

Meanwhile, if we predict North Korea's 2012 policy based on the environmental variables that it is facing rather than on past experiences, we must focus on the "celebratory events commemorating the debut of a powerful and prosperous nation." A series of celebrations and events are scheduled between February and April in North Korea: Kim Jong-il's 70th birthday (February 16), late Kim Il Sung's 100th birthday (April 15) and the 80th anniversary of establishment of the North Korean military (April 25). During this period, there will be large-scale events in veneration of the late Kim Il Sung, a rally to pledge loyalty to the three Kims, a military parade, and cultural and artistic events. The regime will probably provide gifts to high-ranking officials and expand food distribution to citizens. North Korea will try to strengthen the foundation of support for Kim Jong-un's succession through these celebratory events. Therefore, it is likely to show flexibility toward South Korea in order to focus on domestic events in the spring and to secure the necessary resources. Meanwhile, it is possible that North Koreans may grow increasingly restive as the plan to become an "economic powerhouse" is deemed a failure. If so, North Korea may launch provocative attacks against South Korea to emphasize the image of its "powerful military" and thus conceal the economic realities.

Next, the presidential elections in the U.S. and South Korea, scheduled in November and December respectively, will be important factors in setting a direction for Pyongyang's policy toward Seoul. It will be the first time in 20 years that both countries have elections in the same year. Given that the newly elected or re-elected presidents in both countries will set the direction of North Korea policy after their elections, North Korea will not behave in a reckless way. President Obama, who has maintained a policy of strategic patience toward North Korea, recently opened new possibilities for engagement through high-level talks between the U.S. and North Korea in New York in July. In the U.S., there is a growing recognition that it can no

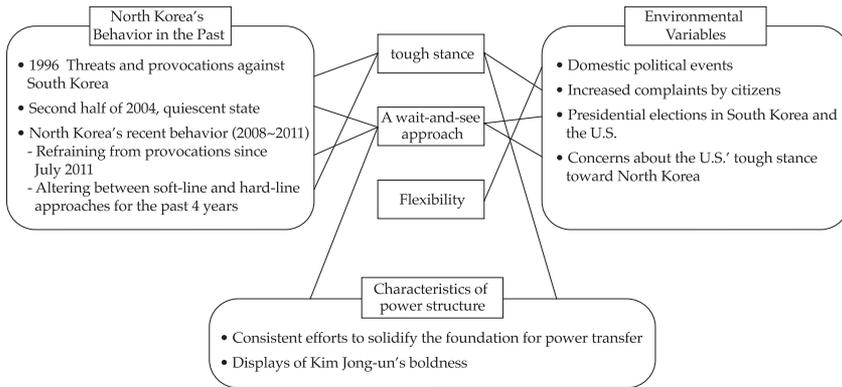
longer afford to neglect North Korea's nuclear capabilities and provocations. The Obama administration needs to show some fruitful progress on the North Korean nuclear issue in its bid for re-election. The reclusive regime ought to recognize Washington's changed approach. In dealing with the Lee government, North Korea has continuously called for a change to Seoul's hostile policy toward it. There is no doubt that any additional provocations would only help to rally conservatives in South Korea, which would put North Korea in an adverse situation. Therefore, in the autumn of 2012 North Korea is expected take a serious approach. However, if the U.S. appears to favor a presidential candidate who promises to take a tougher stance toward North Korea, it is also possible that North Korea may behave in an unexpected manner, for instance conducting an additional nuclear test, in an attempt to reverse the situation.⁴⁰ In this case, Pyongyang will refrain from launching direct threats or provocations against Seoul to prevent falling under pressure from both sides.

The issue here is that North Korea does not always make rational decisions. In 2012 it will likely concentrate its efforts on institutionalizing and justifying the power transfer to Kim Jong-un by strengthening his power base through several political events, as well as generational shifts in the military and the Party at the middle management level.⁴¹ If domestic discord occurs during this period, North Korea may again

40. According to Lee Soo-seok, in early 2012 North Korea will focus on a peace offensive or on maintaining the current situation. Lee also suggested that North Korea may cautiously launch some provocations to raise the issue of its nuclear program before the presidential elections in Washington and Seoul. Lee Soo-seok, "Directions and prospects of North Korea's 2012 policy toward South Korea," in *South Korea's Political Schedules in 2012 and Prospects of North Korea's Provocations against South Korea*, materials from a seminar held on June 29, 2011 by The Institute for National Security Strategy.

41. For information on the institutionalization and justification of Kim Jong-un's power succession, please refer to Han Kibum's "North Korea's governance and prospects for domestic and foreign policies during power succession," in *Tongil]jeongchaekyeongu* [Research on Unification Policy], Korea Institute for National Unification, Vol. 19, No. 2, 2010, pp. 102–103.

Figure 4. Determining Variables for North Korea's Policy toward South Korea in 2012



launch provocations to help promote Kim Jong-un's leadership and display his "boldness." Since August 2009, North Korea has shown a conciliatory attitude toward South Korea for seven straight months. Kim Jong-il sent a delegation to express condolences on the death of former President Kim Dae-jung and expressed willingness to improve the inter-Korean relationship. However, North Korea showed considerable recklessness by sinking the warship Cheonan and then shelling Yeonpyeong Island in order to display Kim Jong-un's military leadership, undoing all of its previous efforts at reconciliation in the process.

Putting together what has been discussed thus far, variables affecting North Korea's decision-making are summarized in Figure 4 based on North Korea's past behavior, environmental variables that the North is facing, and the characteristics of its power structure. In the past, North Korea's intense threats and provocations either originated from its conventional behavior or emerged in response to unusual political and economic situations. So far, though there are no signs of friction or confrontation amongst North Korea's ruling elites over whether to take a soft or hard stance, North Korea may still launch provocations when its lines of communication with South Korea are weakened and its power structure is governed by

hard-liners.⁴² Nonetheless, we can cautiously predict that North Korea is not likely to adopt a hard-line stance considering its important upcoming political events as well as the presidential elections planned in Washington and Seoul in 2012. Therefore, South Korea should formulate its tactics with the assumption that North Korea will take a wait-and-see attitude in 2012, while at the same time preparing for the possibility of provocative behavior such as additional nuclear tests, heightened tensions along the NLL and the DMZ, terror attacks at international events,⁴³ submarine attacks,⁴⁴ or large-scale military exercises.⁴⁵

While it may not attempt physical provocations, it is likely that the North will try other ways to cast doubt on the South Korean government's North Korea policy leading into the presidential election.

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42. For more information, please refer to the following materials from the seminar held on June 29, 2011 on the theme "South Korea's political schedules in 2012 and prospects of North Korea's provocations against South Korea.": Ryu Dong-ryul's "North Korea's political & psychological warfare and its impact on South Korea's political system"; Cheon Seong-Whun's "Possibility of North Korea's 3rd nuclear test and impacts"; Kim Jin-moo's "Possibility and types of North Korean military provocations against South Korea"; and Yoon Gyu-sik's, "North Korea's cyber warfare capability and prospects for threats."
43. In August 2011, the South Korean press reported that North Korea had sent a team to assassinate South Korean Defense Minister Kim Kwan-jin. In September there were assassination attempts against defectors (the attack targeted Park Sang-hak, head of "Fighters for a Free North Korea," and Kim Deok-hong, former head of North Korea's Yeokwang Trading Co.) under the instruction of the military's General Reconnaissance Bureau. *JoongAng Ilbo*, September 19, 2011.
44. At the Assembly Audit (September 19, 2011), Democratic Party lawmaker Shin Hak-yong stated that North Korean submarines had infiltrated the West Sea 50 times between January and August 2011, a huge increase compared to the past record: twice in 2008, 5 times in 2009, and 28 times in 2010. He added that these infiltrations were concentrated between June and August. *JoongAng Ilbo*, September 20, 2011.
45. During Kim Jong-il's visit to Russia (August 20-25), North Korea carried out large-scale joint military exercises in the West Sea near Nampo. It is likely that Kim Jong-un directed the exercises during his father's absence. *JoongAng Ilbo*, September 17, 2011.

It may use the media or cyberspace to make North Korea policy a key issue in the election. It is also likely to disclose secret inter-Korean contacts and distorted information about the Cheonan warship incident, and may even publish a "white paper" criticizing the current South Korean government's policy toward the North.⁴⁶ As discussed at the beginning of this article, North Korea has tried to affect South Korea's presidential elections in various ways in the past, but these efforts failed because of other factors such as South Korea's mature national consciousness and the effect of unrelated economic variables. South Korea needs to be mindful of the possibility of more subtle North Korean attempts to disrupt national unity, since the North is aware that physical provocations such as terror attacks, infiltration operations, and provocations are likely to work against it.

If South Korea establishes a North Korea policy approach that is in line with its unification policy and public consensus, and carries this policy out consistently, domestic public opinion about its politics will not be affected by North Korea's tactics. Conversely, South Korea can affect North Korea's South Korea policy by taking the lead in the inter-Korean relationship.

Kim Jong-il passed away on December 17, dramatically changing the situation just before the following article was due to be published. Shortly after the funeral of Kim Jong-il, North Korea issued a "National Defense Commission Statement" (December 30) which provoked a quarrel over the South Korean government's policy on condolences. The regime continued its denunciation of the South Korean government in its 2012 New Year's Joint Editorial (January 1). This section was written with the idea that it would be better to re-write our previous conclusion than to merely supplement it, considering the tremendous impact of Kim Jong-il's death. This part of the article puts the direction of North Korea's South Korea Policy for 2012 into

46. North Korea announced the release of a "White Paper of Reckless Acts against Unification: Conviction of the Group of Unparalleled Traitors who have Ruined Inter-Korean Relations," published by North Korea's Institute for National Unification on July 6, 2011.

perspective based on an evaluation of trends in North Korea's behavior toward South Korea after the passing of Kim Jong-il and the influence of Kim Jong-il's death on North Korea's stance toward South Korea.

North Korea's very first foreign policy measure after Kim Jong-il's funeral was to criticize the South Korean government's policy on condolences. On December 30, 2011, the North Korean National Defense Commission issued a statement condemning South Korea's strict security stance against North Korea, its policy to restrict condolences, and its efforts to encourage "regime change" as acts of "anti-nationalistic high treason," and clarified that it is "the common will of the Party, the State, the Military and the People" to "never associate with" the Lee Myung-bak administration. The NDC statement further declared that the North would make the Lee Myung-bak administration "pay till the end for the eternally unforgivable sins they committed" and heightened the level of threatening language directed against South Korea, modifying the previously used expression "Sea of Fire in the Blue House"⁴⁷ to "Sea of Revengeful Fire." The next day, on December 31, the National Committee for the Peaceful Unification of the Fatherland issued a vehement denunciation of the South Korean president, proclaiming, "The sin of blasphemy against our supreme dignity will never be forgiven, and unless an apology is made for this deadly sin, an inevitable fight to the death is the only path to be taken." The North mentioned the issue of condolences again in the New Year's Joint Editorial published on January 1, 2012, insisting that "The ruling forces [in South Korea] have become an object of people's stern trial." Such statements exaggerated the condolence issue, portraying it as an issue that has divided national sentiment in the South. Also, various pacifying statements that appeared in previous years' joint editorials

47. North Korea had been softening its threats against South Korea for some time. However, its rhetoric heated up in late November as South Korea prepared to conduct military exercises marking the first anniversary of the artillery shelling of Yeonpyeong Island (Nov. 24), and these rhetorical attacks continued into December.

could not be found in this year's edition.⁴⁸ Instead, the North concentrated on instigating "mass struggle" against "coordination among foreign powers, hostile policies against North Korea, and war exercises in preparation for the invasion of North Korea." From January 2 onward, North Korea has continuously repeated its assertion that "high treason will be paid for to the end" through various commentaries in *Rodong Sinmun* and has been echoed by the North Korean people. Judging from its past behavior,⁴⁹ North Korea's denunciation of the South Korean government can be expected to continue throughout January with the condolence issue as a pretext.

North Korea seems to have brought up the condolence issue as a strategic maneuver rather than an emotional counteraction, for the following three reasons. Firstly, considering the timing of the denunciation, we can presume that it was deliberately planned. North Korea suddenly started denouncing South Korea's handling of the condolence issue after Kim Jong-il's funeral ceremony, unlike at the time of death of Kim Il Sung.⁵⁰ Secondly, the South Korean government expressed "condolences to the people of North Korea" for the death of Kim Jong-il and allowed condolence visits by particular civilians, thereby subduing contention over the condolence issue within South Korean society, also unlike in the past. Thirdly, North Korean government raised the issue of condolences through a National Defense Commission statement, though this was an unusual case for the supreme institution of national guidance to be involved in;

48. In the New Year's Joint Statement of 2010, North Korea spoke of the need to "open the path to improved North-South Korean relations," and the 2011 Joint Statement said that "Dialogue and cooperative business projects must be actively pushed forward."

49. Incensed by the news that South Korea had used Kim Jong-il's portrait for target practice during reserve forces training, beginning in late May 2011 North Korea issued series of threats over the course of a month, including declarations of "no association," and "all-out military retaliation," and a military rally for the purpose of perturbing South Korea.

50. After Kim Il Sung's death, the funeral ceremony was held on July 19, 1994 and North Korea criticized South Korean government for its refusal to permit condolence delegations as a disrespectful and nonsensical treatment.

the statement elaborated that it represented “the common will of the Party, the state, and the military.” While making a strong effort to formally express its firm position, the “Statement” simply restated the North’s original position of “no association” with the South as a “position of principle” and did not display the same high level of belligerence shown over the issue of using Kim Jong-il’s portrait for target practice, such as talk of a “retaliatory war of the whole military and the people.”

The primary objective of the North in using the condolence issue as a pretext to reinforce its denunciation of the South Korean government seems to be its strategy of waiting for the shift in North Korea policy anticipated under the next ROK government. By refusing to talk with the Lee Myung-bak government, North Korea is obstructing the current South Korean government’s plans to “redeem” its North Korean policy. The NDC statement said, “Do not expect any change from us.” At the same time, through the New Year’s Joint Editorial, North Korea openly stated that the major attack objective of this year’s South Korea Policy is to instigate “anti-government struggle” within South Korean society. Another factor behind this may be North Korea’s mistaken assumption that the conflict between conservatives and progressives seen in South Korean society in 1994 would be revived. A second objective seems to be North Korea’s desire to promote internal solidarity. By raising the South Korean government’s reluctance to properly express condolences as an example of an “evil deed,” North Korea can reap the benefits of the “mourning” atmosphere within North Korea. The North Korean government has falsely propagated a rumor among the North Korean people that South Koreans are fervently mourning Kim Jong-il. The North Korean government must have considered that hostility against South Korea can help promote internal solidarity. It also can help build tension within North Korean society, preventing North Koreans from being distracted by the increased possibility of social instability after the death of Kim Jong-il.

The death of the supreme leader put North Korea on the defensive in foreign relations and forced it to shift to a minimalist stance

externally in order to focus on internal issues. North Korea's behavior toward South Korea after the death of Kim Il Sung was to crouch like a wounded animal and behave threateningly as if to say, "Touch me and I'll bite you." Newly ascended leader Kim Jong-un has his work cut out for him internally. Though Kim Jong-il's funeral is over, Kim Jong-un needs to maintain the mood of "mourning" until Kim Jong-il's 70th birthday (February 16) and secure the public's loyalty. By the time of Kim Il Sung's 100th birthday anniversary (April 15), Kim Jong-un will have to shift the mood to one of "celebration" rather than "mourning" in order to instill general faith in his leadership among officials and the people. By April, Kim Jong-un will have to show the country tangible signs of "becoming a powerful and prosperous nation" and demonstrate that he is carrying forward "the leadership achievements of Kim Il Sung and Kim Jong-il" by presenting his own vision of leadership. For Kim Jong-un, fortifying his power base is a more urgent task than management of the general system. Kim Jong-un has to prove that he can stand on his own feet after the abrupt death of Kim Jong-il, and thus the most exigent task for him is to distinguish between loyal and disloyal subjects and position his closest aids in strategic posts. Following his assumption of the title of supreme commander of the Korean People's Army, Kim Jong-un needs to seize the positions of general secretary of the Korean Worker's Party, chairman of the Central Military Commission, and chairman of National Defense Commission, so he is busy taking charge of the affairs of the military, the Party, and the state. Frequent mass mobilizations will inevitably be needed to prepare for commemorative and celebratory events and to greet Kim Il Sung's 100th birthday anniversary as a "shining achievement." As explained above, the two urgent tasks for the Kim Jong-un administration are consolidating the hereditary succession of power and settling affairs internally, which means it needs to keep to a defensive position in South Korea policy for a while.

Taking into account North Korea's internal position, its attitude toward South Korea after the death of Kim Jong-il, and the factor of South Korea's upcoming election, the prospects for North Korea's

stance toward South Korea in 2012 are as follows. First, the possibility of North Korea responding positively to a push for inter-Korean dialogue is very low. North Korea has already declared its principle of “no association” with the Lee Myung-bak government through the NDC statement and is adhering to a position of “disregarding the South Korean government” as defined in the New Year’s Joint Editorial. It seems highly plausible that this situation will be maintained for at least one year. The reason North Korea will respond negatively toward inter-Korean dialogue is because its internal issues are more urgent. Moreover, North Korea has no wish to provide the Lee Myung-bak administration with a chance to “redeem” its North Korea Policy; on the contrary they would prefer to expand discussion of the South’s policy failures. A secondary factor could be that there is less of an urgent need to secure food aid from the South, since the prevailing mood has shifted from “celebration” over the dawn of the Great Powerful and Prosperous Nation to “probation” following the death of Kim Jong-il.

Second, this year there is an unusually high probability that North Korea will try to incite an anti-government struggle against South Korea. North Korea has been asserting that, in regards to changing South Korea’s “hostile North Korea policy,” it is necessary to “change the rider, not the horse.” At the end of December it invoked the phrase “fight to the death” in the context of the condolence issue; the New Year’s Joint Editorial continuously referenced anti-government struggle in the context of South Korea. North Korea will continue to fortify its criticism of the South Korean government, including its North Korea Policy, ahead of the South Korean general and presidential elections. This strategy aims to divide the national consensus within South Korean society in order to encourage a shift in North Korea policy under the next administration. Therefore we must pay close attention to further variations in North Korea’s Unification Front Strategy toward the South.

Third, despite North Korea’s defensive position, we should not exclude the possibility of a provocation against the South. Above all, Kim Jong-un’s ascension to the office of supreme commander of

the Korean People's Army counts as a partial admission of his preference for "military means," and since his ability to manage inter-Korean relations has yet to be verified, he might feel compelled to show off his military leadership skills. Especially the threat issued in the NDC statement of "a sea of revengeful fire," following last November's threat of a "sea of fire at the Blue House," signifies that North Korea could catch South Korea off-guard after exhibiting defensive behavior and seemingly focusing on North Korean internal issues. Special caution will be needed to guard against unexpected behavior by North Korea around the end of April following the 100th-day commemoration of Kim Jong-il's death (late March) and Kim Il Sung's 100th birthday anniversary.

Fourth, North Korea could try to widen the schism between the South Korean government and its people. That is, North Korea could thoroughly exclude the South Korean government while taking relatively proactive stance toward accommodating exchange and cooperation at the civilian level. In this way, North Korea could secure economic gains for itself while also demonstrating that it is proactively helping implement the tenets of the inter-Korean declarations as the nation nears the fifth anniversary of the October 4 Declaration. The North can also benefit from making North Korea policy a politically controversial issue within South Korean society.

In conclusion, we need to make detailed preparations against sudden changes in North Korea's South Korea policy and instability in inter-Korean relations owing to the uncertainty of Kim Jong-un's leadership. On the other hand, considering that Kim Jong-un's leadership technique is still being developed, we should maintain our efforts to manage inter-Korean relations and gain the advantage in dialogue and negotiations.

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Outlook for North Korean Economic Reform and Marketization

Mimura Mitsuhiro

In North Korea, there are some sectors in which non-national or unplanned production prevails, but it can hardly be said that marketization is institutionalized. In that sense, the North Korean economy is neither a planned economy nor a market economy. Although real marketization has not started in full in North Korea, “marketization from the bottom” has brought centrifugal forces to the system of government in North Korea, which used to be unified under the supreme leader and the Korean Workers’ Party. Considering the industry structure of North Korea, the stable supply of consumer goods depends primarily on agricultural production, light industry production and growth in imports. Rehabilitation and growth of heavy industry require more investment by both domestic and foreign sources. In order for North Korea to foster sound economic development, market-oriented policies, not merely the introduction of some competitive aspects, are needed. This requires both spontaneous motivation in North Korea and support from the outside world at the same time. A healthier economic condition is one important factor in enabling North Korea to maintain a comparatively stable political administration in the post-Kim Jong-il era.

Key Words: North Korea, reform, transition, marketization, cooperation

Introduction

This paper analyzes the change in the economic situation in the Democratic People’s Republic of Korea (North Korea) and assesses whether that economic change signifies the emergence of a market economy in North Korea. Numerous studies show that marketization is growing at a rapid rate in North Korea over the last ten years.

In Japan, there are two main arguments in regards to the charac-

teristics of the North Korean economy. One is based on the notion that the North Korean economy is a planned socialist economy.¹ The other is based on the view that the North Korean economy looks like a planned socialist economy but actually is not.² A central controlled economy exists in Pyongyang and other major cities with centrally controlled industries; however, an aggregated self-sufficient economy operates in the rest of the country.³ Those who argue that North Korea has a planned socialist economy view change in the North Korean economy as the result of economic difficulties in 1990s and economic reform after 1998, while others sees it as a vain effort to maintain the regime.

In China, some scholars reference studies done in the Republic of Korea (South Korea) or Western countries.⁴ These scholars emphasize the importance of analyses on marketization and consideration of

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1. Nakagawa, Masahiko, *Chosen Shakaishugi Keizai no Riso to Genjitsu: Chosen Minshushugi Jinminkyowakoku ni Okeru Sangyo – Kozo to Keizaikanri* [The Ideal and Reality of the Korean Socialist Economy: An Analysis of Industrial Structure and Economic Management in the DPRK] (Chiba, Japan: IDE-JETRO, 2011); Pak, Jaehun, “Kogyo Bumon no Kokka Yosan ni Miru Keizai Saiken no Ugoki” [Trends toward Economic Reconstruction in the National Budget for the Industrial Sector], in Nakagawa, Masahiko (ed.), *Kinshonichi no Keizai Kaikaku* [Kim Jong-il’s Economic Reform] (Chiba, Japan: IDE-JETRO, 2005), http://www.ide.go.jp/Japanese/Publish/Download/Report/2004_03_06.html, pp. 34-36; Mimura, Mitsuhiro, “Chosen ni Okeru Kokogyo no Hatten” [Development of Industrial Sectors in the DPRK], in Komaki, Teruo & Economic Research Institute for Northeast Asia (eds.), *Keizai kara Mita Kitachosen* [North Korea from the Economic Perspective] (Tokyo: Akashi Shoten, 2010), pp. 54-69.
 2. Imamura, Hiroko, *Kitachosen “Kyoko no keizai”* [North Korea: The Fabricated Economy] (Tokyo: Shueisha, 2005).
 3. Kimura, Mitsuhiro, *Kitachosen no Keizai: Kigen, Keisei, Hokai* [The North Korean Economy: Origins, Formation, and Collapse] (Tokyo: Sobunsha, 1999), pp. 157-159.
 4. Liu Ming, “North Korean Economic Reform: An Uncertain Future for a Third-Way Exploration,” *Joint U.S.-Korea Academic Studies 2007* (Washington, DC: Korea Economic Institute, 2007), pp. 83-109; Zhang Huizi, “Chaoxian Guojia zhanlue tiaozheng tanxi” [An Analysis on Adjustment of National Strategy in (North) Korea], *Xiandai Guoji Guangxi* [Contemporary International Relations], Vol. 2, 2010, pp. 30-35.

the micro impact of macro change in North Korea.⁵ Other studies deal with North Korean reform through the lens of research on contemporary or comparative socialism, using the examples of socialist countries such as Vietnam, Laos and Cuba.⁶ These do not provide in-depth consideration of the North Korean marketization process itself; however, elements of some studies may help clarify the transition process of the socialist economy.

In South Korea, a number of studies have been published on economic reform and marketization in North Korea which treat North Korean economic marketization as a transition process of the socialist economy.⁷ Other analyses use the methodology of complex system theory to assess the status and future of the North Korean economy, analyzing the influence of marketization on the overall

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5. Liu (2007) also pointed out that “We should not simply apply the Chinese and Vietnamese model when we judge North Korea’s reform, which is regarded as an exploration of a third way or reform – a mixed experience from Chinese and Vietnamese reform and Eastern European economic transition, with no revolutionary changes to its system but an overall opening up.”
 6. Yang Shuang, “Guowai shehuijiuyi Gangede dongli: Jianlun Yuenan, Laowo, Chaoxian, Guba Shehui zhuyigaigede jiuyao chengju” [Motives of Reform in Socialist Countries Overseas: Main Fruits of Socialist Reforms in Vietnam, Laos, (North) Korea and Cuba], *Zhonggong Yunnanshengwei Dangxiaoxuebao* [The Journal of Yunnan Provincial Committee School of the CPC], Vol. 7, No. 4, 2006, pp. 38-42; Cui Gui Tian, “Yue, Lao, Chao, Gu Siguo Jingjigaige bijiao” [Comparison of Economic Reform in Vietnam, Laos, (North) Korea, Cuba], *Dangdai Shijie Shehuijiuyi Wenti* [Issues of Contemporary World Socialism], No. 2, 2004, pp. 71-79.
 7. There are a number of such works. The most representative are as follows; Yang, Munsoo, *Bughan gyeongje wi shijanghwa* [Marketization of the North Korean Economy] (Seoul: Hanul, 2010); Lee, Suk, Kim, Changuk, Yang, Munsoo, Lee, Seok-Ki, Kim, Eun Young, *Bughan Kyehoeg Gyeongje wi Byeonhwa wa Shijanghwa* [Transition of the North Korean Economy and Marketization] (Seoul: KINU, 2009); Lim, Kangtaeg, *Bughan gyeongje wi shijang hwa shiltae e kwanhan yongu* [Study of the Current Situation of Marketization of the North Korean Economy] (Seoul: KINU, 2009); Lim, Soo-Ho, *Gyehoeg gwa Shijang wi Gongjon* (Seoul: Samsung Economic Research Institute, 2008); Jeong, Eun-mee, “Bugghan wi Shijang gyeongje ro wi Ihaeng gwa Chejejeog eungryeog” [The Transition toward Market Economy and Systemic Adaptability in North Korea], *Tongil gwa Pyeonghwa* [Unification and Peace], No. 1 (2009), pp. 141-169.

economic system. There are also an increasing number of studies that examine the North Korean economic situation through the methodology of anthropological exploration of ex-North Korean residents. Many of these studies point out that in North Korea, especially since the 1990s, many unofficial transactions are based on prices not controlled by the government (i.e. market prices); in addition, they show how a large proportion of residents support their daily lives with resources derived from outside of the governmental sector.⁸

We should also understand the method of marketization; specifically, the issue of whether North Korea can marketize its economy without changing its present industrial structure. If so, the main focus of international interest will be on augmenting the non-national elements of the economy. If not, the international community should discuss ways to induce North Korea to reform its industrial structure to enable market competition.

This article first defines the concept of marketization and then reviews the changes in the North Korean economy after the collapse of the Eastern bloc, with a focus on the late 1990s. Based on these observations, the author then provides an assessment of prospects for marketization in the North Korean economy.

What Is Marketization?

Before discussing “marketization” in North Korea, we have to define the concept of marketization. The classic definition of marketization is

8. For example, see Lankov, Andrei and Kim, Seok-hyang, “North Korean Market Vendors: The Rise of Grassroots Capitalists in a Post-Stalinist Society,” *Pacific Affairs*, Vol. 81, No. 1, Spring 2008, pp. 53-72; Jeong, Eun-mee, “1990nyeondae jungban ihu bughan gondseol shijang wi we heongjeok baldal gwajeong e kwanhan bunseok” [An Analysis of External Changes and Development of the Public Market in North Korea], *Dongbuga Gyeongjae Yeongu*, Vol. 23, No. 1, April 2011, pp. 215-251; Jeong, Eun-mee, “Bugan e seo shijang wi yeogsajog hyeongseong kwajeong gwa gyeongje gujo wi byeonhwa” [History of Markets and Changes to the Economic Structure in North Korea], *Asea Yeongu* [Asian Studies], Vol. 54, No. 1 (2011a), pp. 220-267.

the transition to a market economy from a socialist planned economy. But what is a market economy, and what does it require? Yoshiaki Nishimura (2001)⁹ argues that the transition to a market economy means the shift to a market economy from a socialist planned economy.¹⁰ He also maintains that a proper transition requires the social division of labor, decentralized decision-making by economic entities,¹¹ free competition,¹² and a government capable of ensuring smooth market economic functions.¹³ According to Nishimura's definition, a market is a system in which a series of transactions are realized. In a proper market, information on prices flows horizontally among the participants and transactions are made without government intervention. Sheng (1992) identifies the characteristics of a market transaction as equality and self-motivation.¹⁴ In that case, the North Korean economy satisfies

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9. Nishimura, Yoshiaki, "Shijo keizai e no iko ni okeru keizai seisaku soron" [Economic policy during the shift to a market economy], Economic and Social Research Institute, Cabinet Office, Government of Japan, <http://www.esri.go.jp/jp/tie/russia/russia1.pdf>.
 10. A market economy is an economy in which a market functions as the main coordination mechanism of production, consumption, demand and supply. Price mechanisms and the free movement of capital form the core of the market economy.
 11. Market interactions consist of special decentralized decision-making processes to reach agreement between economic entities; therefore, the right to economic decisions by economic units, such as companies or households, must be guaranteed. Market dealings include transactions of goods or services as well as capital. The right to private property is indispensable to guaranteeing free decision-making by individual economic entities; in addition, transparency and the free flow of information are needed. The principles of ownership and contract observance form the foundation of the market economy.
 12. Free competition and guaranteed freedom of entry are indispensable for a market to achieve production and consumption regulating functions.
 13. A government is needed to secure the smooth function of the market economy. This does not simply mean the function of a "nightwatchman state" that guarantees the establishment and observance of "the rules of the game" in the market. Other functions are also needed; for example, the ability to compensate for "market failures" and the establishment of social security. In some case, the promotion of development may be another important function. A suitable taxation system is also desired.
 14. Sheng, Hong, "Shichanghua de tiaojian, xiandu he xingshi" [Conditions,

the requirements of the market defined above.

Another definition of marketization is an increased in the proportion of the economy that is market-oriented (or non-governmental). According to this definition, marketization may not necessarily connote a transition from a planned socialist economy to a market economy. What is most important is not pegging out the boundary between a socialist planned economy and a market economy, but clarifying the central aspects of citizens' economic lives and the way the national economy is organized.

Consumer Goods Market

In the consumer goods market, there is a tendency toward marketization. One of the best examples of this is the regional market. Some retail markets also act as wholesale markets, demonstrating that the marketization of the consumer goods market has already started.¹⁵ Even between state-owned shops there is competition similar to what existed in the former Soviet Union and Eastern European countries. North Korean consumers can choose where they buy goods. This competition is entirely legal.

The reluctance of the North Korean government to encourage the growth of the non-national sector prevents across-the-board market competition; however, partial marketization is underway in the consumer goods market.

Limitations and Forms of Marketization], *Jingji Yanjiu* [Economic Research Journal], Vol. 1992, No. 11, pp. 73.

15. Choi, Soo-young, "Bughan Gyeongje wi Shijanghwa: Shilmul, Yutong Bumun eul Jungshimeuro" [Marketization in the North Korean Economy: Focus on Commodities and Distribution], *Bukhan Shijang gyeongje wi Hyeonjuso wa Baljeon Jeonmang* [The State of North Korea's Market Economy and Future Developments], <http://www.kinu.or.kr>; Lim, Kangtaeg, *Bughan gyeongje wi shijanghwa shiltae e kwanhanyongu* [Study of the Current Situation of Marketization of the North Korean Economy] (Seoul: KINU, 2009), p. 118.

Production Goods Market

There are two categories of legal markets in North Korea for production goods. One is the socialist goods exchange market and the other is the imported goods exchange market. It is true that spot transactions are made in these markets. However, the basic condition of market competition does not exist in the production goods market. In North Korea (especially in heavy industry) there is no situation where two or more companies produce the same goods.¹⁶ Subsequently, there will be an oligopoly or oligopoly pricing even if other conditions meet marketization requirements.

Labor Market and Finance Market

The North Korean economic reforms did not go beyond labor market and finance market reform. There may be phenomena resembling labor or finance markets in the informal economy, but these phenomena are all illegal, and state-owned enterprises cannot use them as a principal source of labor or funds.

There are some areas in North Korea where the non-national sector or unplanned production prevails; however, it can hardly be said that there is institutional marketization. This is because of the collapse of the objective planned economy. In that sense, the North Korean economy is not a planned economy or a market economy. This special situation has been ongoing for the past two decades in North Korea.

16. For the structure of industry, see Nakagawa, Masahiko, *Chosen Shakaishugi Keizai no Riso to Genjitsu: Chosen Minshushugi Jiminkyowakoku ni Okeru Sangyo Kozo to Keizai Kanri* [The Ideal and the Reality of the Korean Socialist Economy: An Analysis of Industrial Structure and Economic Management in the DPRK] (Chiba, Japan: IDE-JETRO, 2011), pp. 59-62, 64, 66, 72-77, 84-90.

Economic Reform in North Korea

North Korea's economic reforms began with the constitutional amendment of 1998, which passively confirmed the existence of a private sector growing in power as the national sector weakened. Unlike China's policies of reform and opening or the *Doi Moi* reform program in Vietnam, North Korean economic reform does not aim to introduce an extensive market economy mechanism into the national economy. However, many changes have been introduced, such improved economic decision-making, expanded managerial autonomy for state-owned enterprises, and a more realistic agricultural policy.

Beginning of Economic Reform

North Korea's first economic reforms restructured state-owned enterprises and changed the method of economic planning; this was followed by changes to business management methods and the partial introduction of a market mechanism. The restructuring of state-owned enterprises took place from early 1999 to 2001.¹⁷ Nakagawa (2005) pointed out that this restructuring was "conducted to select and revitalize capable enterprises rather than to crush existing enterprises."¹⁸ According to Pak Jaehun (2005), the reform of the economic planning process transferred planning authority to subordinate agencies after simplifying the planning process. The central

17. A *Rodong Sinmun* article dated October 3, 2000 summarizing the "Arduous March" described the economic conditions of the most trying period as follows: "Factories shut down, the fertile earth was parched, insufficient electricity caused trains to stop, and light disappeared from streets of the capital."

18. Nakagawa, Masahiko, "Keizai Genjo to Keizai kaikaku" [Situation of Economy and Economic Reform] in Nakagawa, Masahiko (ed.), *Kinshonichi no keizai kaikaku* [Kim Jong-il's Economic Reform] (Chiba, Japan: IDE-JETRO, 2005), http://www.ide.go.jp/Japanese/Publish/Download/Report/2004_03_06.html, p. 10.

government continued to make independent plans for indices with strategic significance (electricity, coal, and automobiles); however, controls for other indices were abolished. Relevant organizations, enterprises, and local governments began to establish their own plans. Qualitative and monetary indices became important, in addition to the quantitative indices already in use.¹⁹ This was codified in the People's Economic Planning Act revision of 2001 (originally adopted in 1999).

Expansion of Economic Reforms and the Partial Implementation of a Market Mechanism

Starting from around 2002, the target of economic reform moved to issues in the administration of state-owned enterprises, such as the reorganization of agencies and the drafting of economic plans. With a focus on the manufacturing industry, a "socialist goods exchange market" began to operate as a channel through which state-owned enterprises could trade unused materials to other enterprises that were running short. In a state-owned enterprise, property as the means of production belongs to the state. This means that state-owned enterprises have the authority to utilize their means of production in their own enterprises but do not have the authority to dispose of them. In the socialist goods exchange market, such transactions have become possible.²⁰ The reforms also re-examined the self-supporting accounting system, emphasizing qualitative indices and increasing management autonomy.

The price employed was not a state controlled price but at an

19. Pak, Jaehun, "Kogyo Bumon no Kokka Yosan ni Miru Keizai Saiken no Ugoki" [Trends toward Economic Reconstruction in the National Budget for the Industrial Sector], in Nakagawa, Masahiko (ed.), *Kinshonichi no keizai kaikaku* [Kim Jong-il's Economic Reform] (Chiba, Japan: IDE-JETRO, 2005), http://www.ide.go.jp/Japanese/Publish/Download/Report/2004_03_06.html, pp. 34-36.

20. This intensified shortages by motivating state-owned enterprises to accumulate surplus materials.

“agreed price” (market price) which both sellers and buyers agreed upon. Settlements were performed through non-cash payments via account transfers between parties through the central bank. In addition, as of 2005, imported materials were handled via the “imported goods exchange market.”²¹

In the new self-supporting accounting system, a new index was introduced to measure the profits of enterprises. This new index was called the *beonsuib jibpyo* (earnings index). “Earnings” refers to newly created income or the amount that left after deducting sales performance costs (excluding wages) from the total circulation income of an enterprise.

In July of 2002 North Korea enacted large-scale reform measures affecting prices and wages, called the Economic Management Improvement Measures. The main contents of these measures were (1) adjustment of the prices of grains (such as rice and maize) by abolishing cost loss margins, (2) reduction of free privileges, and (3) renewal of wage increases benchmarked according to prices. Although free education and free medical treatment remained unchanged, the false egalitarianism that prevailed since the late 1980s was abolished and the socialist principle of distribution (distribution according to work) was implemented.

The “farmer’s markets” (the North Korean version of a Kolkhoz Market²²) were reorganized into “comprehensive markets” (later renamed “regional markets”) in June 2003. Industrial product distribution channels (independent from state-owned commercial networks) were legalized. As a model of a regional market, the Tongil-Keori Market was built in Rakrang District, Pyongyang. Similar municipal markets were systematically built in other districts in Pyongyang as well as every city and county in North Korea. Individuals could get permission to open stalls in the regional markets by paying market

21. *Choson Sinbo*, October 19, 2005, <http://sinbo.korea-np.co.jp/news/ArticlePrint.aspx?ArticleID=19204>.

22. Whitman, John T., “The Kolkhoz Market,” *Soviet Studies*, Vol. 7, No. 4 (April 1956), p. 384.

usage fees. State-owned enterprises and cooperative organs were also allowed to open outlet shops in the regional markets.

Profit Seeking by State-owned Enterprises and Increased Circulation of Cash

The increased management autonomy of state-owned enterprises, introduction of financial indices, and official recognition of the regional market induced state-owned enterprise to act based on economic rationality. The relationship between the national and non-national sectors grew closer than ever. State-owned enterprises were no longer primarily occupied with the execution of state plans and were now evaluated according to profits.²³ State-owned enterprises rapidly deepened their connections with non-national elements, such as the regional markets for consumer goods distribution. This created a gap between industrial sectors; light industries, which focused on producing consumer goods that could be sold in the markets, were better off than heavy industries, which focused on producing capital goods and had little opportunity for market transactions. This spawned a widening income gap among the employees of state-owned enterprises based on differences in industry classification.

When a state-owned enterprise's pursuit of profit disturbs the execution of state economic plans, it is denounced as "gigwan bon-wijuwi" (organizational selfishness).²⁴ However, unprofitable state-

23. Chong, Kwangyong, "Gugga yesan suibeulneurineun geoseunsahoejuwi kyeongjae geonseol wijaejeongjeok dambo" [Increasing government revenue is a financial guarantee for construction of the socialist economy], *Kim Il Sung Jonghab daehaghaqbo (Gyeongje Ryoksa)* [Kim Il Sung University Bulletin (Economics and History)], Vol. 54, No. 4, 2008, pp. 81-82; Choe, Gwangil, "Wonga reuljurineun geoseunshilli bojang wijungyohan dambo" [Reducing costs is important for the realization of actual benefits], *Kyongje Yeongu* [Economic Research], No. 4, 2008, p. 42.

24. Ri, Gwangnam, "Hyeonshi gigugga wi gyeongje jorigjajeog gineung eul ganghwa haneun geoseun gyeongjae ganggug geonseol wi jungyohan yogu" [Improving the state's economic organization function is the duty of a major economic power], *Kyongje Yeongu* [Economic Research], No. 2, 2009, p. 11.

owned enterprises cannot pay their employees sufficient salaries or offer economic incentives²⁵ and cannot pursue investment projects.²⁶ The emergence of the socialist goods exchange market enabled companies to procure raw materials at market prices. The need for national control of companies is frequently cited;²⁷ however, times have changed and the fate of an enterprise is now determined based on financial indicators.²⁸ This link between state-owned enterprises and the non-national sector has affected the settlement method between state-owned enterprises; non-cash settlements have increasingly been replaced by cash settlements. This has caused the volume of cash to increase rapidly, even with the same amount of money supply. This was one of the causes of the November 2009 Currency Reform.²⁹

Retreat from Reform

Social changes resulting from the progress of economic reforms and related measures began to influence economic policy from 2006, in the form of heightened emphasis on collectivism and socialist planned economic principles. The “Earnings Quantity Index” (a valuation basis for state-owned enterprises) changed to the “Net Income Index” in 2006 and living expenses (wages) were included in the calculations. State-owned enterprises lost some of their management autonomy, and planning discipline was stressed.

In 2008 this author interviewed a North Korean economist who said that North Korea’s principles forbade state-owned enterprises such as light-industry factories from selling their products in the

25. Hwang, Myeongsuk, “Geonjaegongeob gieobso wi jaejeong gwanri gaeseon wi jungyoseong” [The importance of improving financial management in the architectural material industry], *Kyongje Yeongu* [Economic Research], No. 1, 2009, p. 38.

26. Choe, Gwangi, *ibid.*, p. 42; Yu, Yunmi, *ibid.*, p. 43.

27. Ri, Gwangnam, *ibid.*, p. 8.

28. Chong, Kwangyon, *ibid.*, pp. 81-82; Choe, Gwangi, *ibid.*, p. 42.

29. Yoo, Seunggyung, “Bukhan wi hwapye gaehyeog” [North Korea’s Currency Reform], *LG Business Insight*, March 31, 2010, pp. 29-30.

market. The distribution of the goods produced by North Korean state-owned enterprises was limited to the national commercial network.³⁰ This principle seems to be aimed at controlling individual trade and bringing more state control to the economy. The sale of goods at market prices is common even in the national commercial network. This means that it is difficult for many ordinary people to earn enough income to support their living solely from the national sector. Repression of individual trade can be easily connected to the struggle to survive and is a main reason for public dissatisfaction, as it deprives the people of their means of livelihood. In consolidating its control over the economy, the state needs to guarantee an adequate supply of food and daily necessities. In fact, commodity supplies were inadequate and in a state of confusion at the time of the November 2009 Currency Reform.

Monetary Exchange

In 2009, the North Korean government announced the successful completion of its 100-day and 150-day public mobilization campaigns for production.³¹ This was true of some of the most successful enterprises.³² At the end of November 2009, new currency was issued for the first time since 1992. North Koreans could exchange their old money for new at a rate of 100 to 1. The North Korean government considered this monetary exchange as a means of controlling inflation and strengthening the economic management of the socialist planned

30. At the time of this interview, the prices of goods at shops in the national commercial network were not necessarily state-controlled. In some shops, state-controlled prices and market prices coexisted.

31. "WPK C.C. Issues Report on Successful Conclusion of 150-Day Campaign," *Korean Central News Agency*, <http://www.kcna.co.jp/item/2009/200909/news21/20090921-01ee.html>.

32. "Soko ga shiritai Q and A 150 nichi sento no igiha?" [That is what I want to know Q and A: What is the significance of 150-day battle?], *Choson Sinbo*, September 30, 2009, <http://www1.korea-np.co.jp/sinboj/j-2009/04/0904j0930-00002.htm>.

economy.³³

The intention of the North Korean government was to strengthen economic management according to socialist principles and order. They wanted to collect the currency accumulated in the non-national sector and give dominance to the state-owned economy. The market's role was to be reduced by strengthening national distribution channels.³⁴ Alongside the monetary exchange, other measures were enacted to weaken the farmer's markets and prohibit foreign currency transactions. The general supply shortages continued at state-owned stores which supplied food and daily necessities, although some reports indicated that certain items were available at state-run shops.³⁵ However, workers living on wages only (those who presumably would benefit most from the reform) suffered from the chaotic conditions. Subsequently, the measures to weaken the farmer's markets and ban foreign currency transactions were lifted within a very short period.

Industrial Organization in North Korea

Industrial organization (especially in heavy industry where massive investment is needed) is an important element to consider in predicting the success or failure of marketization. In China, usually more than one enterprise produces the same product in an industrial sector because of the regional economic policy of "Third Front Con-

33. "Chosen deno tsuka kokan sochi: Shakaishugi keizai kanri no chitsujo kyoka" [Monetary exchange measures in (North) Korea: Enhancement of order in socialist economic management], *Choson Sinbo*, December 12, 2009, <http://www1.korea-np.co.jp/sinboj/j-2009/04/0904j1211-00005.htm>.

34. "Chosen de shin tsuka hako: Seijitsuni hataraku shimin o yugu" [Introducing new currency in (North) Korea: Preferential treatment for decent workers], *Choson Sinbo*, December 7, 2009, <http://www1.korea-np.co.jp/sinboj/j-2009/04/0904j1207-00001.htm>.

35. "Shinnen, kakki afureru heijyo: Jinmin seikatsu kojohe ichigan" [Bustling New Year in Pyongyang], *Choson Sinbo*, January 11, 2010, <http://www1.korea-np.co.jp/sinboj/j-2010/04/1004j0112-00001.htm>.

struction.”³⁶ This made it possible to gradually marketize the economy through instrumentalism and a dual tracking system; however, many of the major industrial sectors in North Korea have only one major producer. The situational difference between China and North Korea is one of the reasons why the Chinese reform model is not always suitable to North Korea.

At the 1st meeting of the Korea Taepung International Investment Group Executive Board in Pyongyang on January 20, 2010, a series of NDC decisions were announced: “On Guaranteeing the Activities of the Taepung Group” (chairman’s statement), “On Establishing the National Investment Bank,” and “On Establishing the Taepung Group Coordination Committee.” This National Investment Bank was intended to help realize the national development plan by leveraging international financial markets in addition to the national budget. According to Pak Chol Su, the deputy director general of the NIB, this bank is completely independent from the national budget and handles investments in food, railroads, roads, ports, electric power, and energy. This is an experiment in infrastructure investment using overseas investment capital.³⁷

The Cabinet adopted a “Strategic 10-Year Plan for National Economic Development” in January 2011. The core strategic goals of this plan target aspects of basic industrial development, such as infrastructure, agriculture, electricity, coal, fuel, metals, and regional development. The Cabinet delegated responsibility for implementation of the main projects of this plan to the Korea Taepung International Investment Group.³⁸

36. Sylvie Demurger, Jeffrey D. Sachs, Wing Thye Woo, Shuming Bao, Gene Chang, and Andrew Mellinger, *Geography, Economic Policy and Regional Development in China*, pp. 13-14, <http://post.economics.harvard.edu/hier/2002papers/2002list.html>.

37. “1st Meeting of Korea Taepung IIG Held,” *Korean Central News Agency*, January 20, 2010, <http://www.kcna.co.jp/item/2010/201001/news20/20100120-17ee.html>; “State General Bureau for Economic Development to be Established,” *Korean Central News Agency*, January 15, 2011, <http://www.kcna.co.jp/item/2011/201101/news15/20110115-13ee.html>.

38. “‘Gugga gyeongje gaebal 10 gaenyeon jeonryag gyehoek’ Chaetaeg”

The significance of foreign investment lies in the possibility of building an official (but unplanned) sector in North Korea. It is important to set up a structure that produces competition between the production units of North Korea's major industries, separate from the intentions of the North Korean government. To bring true marketization to the North Korean economy, regional players including South Korea, Japan, China, Russia and the United States need to induce North Korea to move in this direction. The projects being jointly developed by China and North Korea in the Rason Economic and Trade Zone and the Hwanggumpyong and Wihwa Islands Economic Zone³⁹ are examples of how the North Korean economy can develop.

The North Korean Economy in the Post-Kim Jong-il Era

The non-national sector in North Korea grew up as a result of the ailing economy after the collapse of the socialist market and the economic reforms implemented to overcome the situation. Business connections in the market blossomed from simple transactions to the unpremeditated rise of rudimentary transportation, logistics and financial businesses, effectively driving "marketization from the bottom."

Although real marketization has not yet started in earnest in North Korea, this process of "marketization from the bottom" has introduced a centrifugal force to the North Korean system of government which used to be unified under the Leader and the Korean Workers' Party. The key to affluence now is bribery; the establishment of social relations based on individual profit and greed has altered the nature of North Korean society, where collectivism and "honorable poverty"

[“Strategic 10-year Plan for National Economic Development” adopted], *Korean Central News Agency*, January 15, 2011, <http://www.kcna.co.jp/calendar/2011/01/01-15/2011-0115-013.html>.

39. “Ceremonies for Projects for Zones to be Jointly Developed by DPRK-China Held,” *Korean Central News Agency*, June 9, 2011, <http://www.kcna.co.jp/item/2011/201106/news09/20110609-27ee.html>.

were once official virtues. The North Korean ruling circle has taken this change seriously, regarding it as a development that could undermine its power base.

The state of confusion after the November 2009 Monetary Exchange revealed the present condition of the North Korean economy, in which the economic conditions of everyday life are being supported considerably by the non-national sector. Regional markets have resumed, along with trade in cereal grains which had long been restricted. Markets persist in North Korea despite the political demand to abolish them and support public life through a socialist planned economy. In the present situation, the non-national sector cannot be excluded, while the government controls the institutional framework of finance and taxation.⁴⁰

On December 17, 2011, General Secretary Kim Jong-il suddenly passed away. Soon after his demise, the process of passing the baton of leadership was accelerated. This process is proceeding according to the monolithic leadership system of the Korean Workers' Party. The successor, Kim Jong-un, was named supreme commander of the Korean People's Army according to the behest of the late leader Kim Jong-il on Oct. 8, 2011.⁴¹ The younger Kim will take charge of the leading positions of the Party and the government by the end of 2012. This does not mean, however, that he will take the same level of control of the Party, the military and the government as his predecessor did. The public support base may become a more important factor for the somewhat brittle new leadership.

In North Korea, the year of *Juche* 101 (2012) is heralded as the centennial of Chairman Kim Il Sung and the year in which the door of the powerful and prosperous nation will be opened through

40. Yoon Deok Ryong, "Bugghan wi shijang gyeongje doib gwa Geoshigyeongje Gwanri" [North Korea's introduction of market economy and macroeconomic management], *Sueun bughangyeongje* [Eximbank North Korean Economy], Fall 2004, pp. 20-23.

41. "Kim Jong-un Assumes Supreme Commander," *Korean Central News Agency*, December 31, 2011, <http://www.kcna.co.jp/item/2011/201112/news31/20111231-01ee.html>.

economic construction and enhanced quality of life. The official plan for growth is the revival of the socialist planned economy and self-reliance. Considering the industrial structure of North Korea, a stable supply of consumer goods depends primarily on agricultural production, light-industry production, and growth in imports. The rehabilitation and growth of heavy industry will require more domestic and foreign investment. Public mobilization may be employed as a means to increase production; however, this method is not versatile. To succeed, North Korea must become an attractive destination for foreign investment. To win public support, the new government must improve the economic situation. In this regard, it is clear that the economy will be much more important to the regime in the post-Kim Jong-il era, at least in the earlier stages of power consolidation.

In order for North Korea to foster sound economic development, it must introduce market-oriented policies beyond the mere introduction of competitive aspects. This will require both spontaneous North Korean initiative and extrinsic support from the outside world. It is essential to foster marketization and regime stability at the same time, since the goal of marketization is not regime collapse but the construction of a healthy economic system. In this sense, the future of the North Korean economy depends on both cooperation by the outside world (mainly the members of the Six-Party Talks) in engaging with North Korea and voluntary North Korean initiatives for opening and reform. The advent of a new administration lends momentum for both North Korea and the regional powers to build more constructive relations. The centennial celebration in 2012 can mark the dawn of a peaceful and stable Northeast Asia, if North Korea and its neighbors are truly committed to joint prosperity.

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Diagnosis and Assessment of North Korea's Sociocultural Sector in 2012

Young Sun Jeon

In 2011, with the death of Kim Jong-il, North Korea faced the exigent task of establishing a stable successor regime around Kim Jong-un. At the same time, the regime was presented with the tasks of rapidly settling the Kim Jong-un regime, minimizing the problems that may arise during the accelerated, short-term power succession process due to Kim Jong-un's untested ability, and presenting citizens with a vision of the power succession and sense of its validity. Politically, the Kim Jong-un regime's power succession should not be a problem, as North Korea is a society based on the collective transfer of power. The revolutionary generation who participated in founding the socialist Chosun nation and their descendants had their own stake in politics and passed power down through the generations. Kim Jong-un comes from the storied family line of Baekdu Mountain and Mangyongdae, and thus he has the highest stake in power. Members of the revolutionary generation who have not made any noteworthy mistakes are guaranteed spots in the succession regime. Since instability in the Kim Jong-un regime translates directly to collective anxiety, the revolutionary generation will participate in ensuring a stable power succession. The tasks for Kim Jong-un is to persuade North Koreans of his vision for the future and change their quality of life. In the short term, the new regime will promote the idea of the leader's eternal life by ruling in the name of Kim Jong-il's precepts and emphasizing "the sole bloodline" passed down from Kim Il Sung via Kim Jong-il. The historical significance of the year 2012 will be emphasized as the regime proceeds with the power succession.

Key Words: North Korea's 2012 cultural policy, nation of the Arirang people, Chosun-ethnocentric policy, Kim Jong-il, Kim Jong-un

This article was originally submitted in Korean and translated into English for this edition. Therefore it should be understood that all references listed in the footnotes and bibliography have been taken from Korean texts, except for those whose authors' names are non-Korean.

Introduction

This paper provides a diagnosis and assessment the state of North Korea's sociocultural sector in 2012. In 2011, with the death of Kim Jong-il, North Korea faced the exigent task of establishing a stable successor regime around Kim Jong-un. At the same time, the regime was presented with the tasks of rapidly settling the Kim Jong-un regime, minimizing the problems that may arise during the accelerated, short-term power succession process due to Kim Jong-un's untested ability, and presenting citizens with a vision of the power succession and sense of its validity. Politically, the Kim Jong-un regime's power succession should not be a problem, as North Korea is a society based on the collective transfer of power. The revolutionary generation who participated in founding the socialist Chosun nation and their descendants had their own stake in politics and passed power down through the generations. Kim Jong-un comes from the storied family line of Baekdu Mountain and Mangyongdae, and thus he has the highest stake in power. Members of the revolutionary generation who have not made any noteworthy mistakes are guaranteed spots in the succession regime. Since instability in the Kim Jong-un regime translates directly to collective anxiety, the revolutionary generation will participate in ensuring a stable power succession.

The tasks for Kim Jong-un are to persuade North Koreans of his vision for the future and change their quality of life. In the short term, the new regime will promote the idea of the leader's eternal life by ruling in the name of Kim Jong-il's precepts and emphasizing "the sole bloodline" passed down from Kim Il Sung via Kim Jong-il. The historical significance of the year 2012 will be emphasized as the regime proceeds with the power succession.

The year 2012, from the North Korean perspective, is the 100th anniversary of Kim Il Sung's birth. Considering the fact that North Korea has been commemorating his birth in 5 or 10-year intervals, the year 2012 is very meaningful in that it marks the 100th such anniversary. From early on, North Korea has vowed that it will one day "open the doors to the era of the powerful and prosperous

nation." In 2012, North Korea in some shape or form will have to propose a macroscopic vision for this powerful and prosperous nation. In this sense, North Korea's policy will focus on summing up the achievements of the past century and presenting a new vision for the next one.

For the past few years, North Korea's policy has prioritized construction of a "powerful and prosperous nation." North Korea has been utilizing its national mobilization system and pushing economic policies forward aggressively in the name of establishing a powerful and prosperous nation. It especially has been concentrating on making concrete and visible improvements in people's daily lives.

Their policy objective for 2012, however, will suggest a macroscopic outlook and vision based on Chosun-ethnocentric ideology in contrast to that of the past few years. The emphasis on cultural policies will increase as North Korea attempts to present a vision for the new century of Kim Il Sung's people.¹

However difficult the reality is, North Korea must come up with a clear vision for the future of "Kim Il Sung's people" in 2012. The focus on ethnicity foreshadows that North Korea will attempt to resolve all of its current problems through this ethnocentric ideology. The vision for the year 2012 will be realized by presenting a future vision in terms of the "Arirang People" (Kim Il Sung's people)." This vision presents North Korean ethnicity as the true successor to the ethnic tradition of Korea, as opposed to South Korean ethnicity. Just as North Korea identifies Kim Jong-un as the main line descendant of Kim Il Sung, so the Chosun people are presented as the successors of the "Korean people's republic modeled on socialism" and will

1. The pieces introduced at the propaganda exhibition in January 2011 symbolized the expectations and preparations for the year 2012. At the "New Year's Address Attainment" propaganda exhibition held at the Pyongyang International Culture Center on January 7, 2011, the propaganda emphasized "the 100th anniversary of Kim Il Sung's birth," but the exhibit pieces mostly focused on grain production and the people's livelihood. "The Opening of a Propaganda Exhibition for the Full-Court Press for the Improvement of People's Lives and the Building of the Powerful and Prosperous Nation," *Rodong Sinmun*, January 8, 2011.

form the base of the powerful and prosperous nation. Also, emphasis will be placed on counteracting the economic crisis and societal breakdown to prevent system collapse.

In this sense, North Korean cultural policies for 2012 are expected to emphasize the following three points.

First is the fortification of nationalism. North Korea will boast its image of ethnic superiority both inside and outside the country and expand efforts to enhance national uniformity on a national level. The focus of this article will be on explaining the “Arirang People” ideology. Various versions of Arirang were created and introduced in North Korea around 2000; this paper will focus on analyzing the political meaning of each of them.

Second is the cultural policy of counteracting the Korean Wave (*hallyu*). The Korean Wave has been bringing a new wave of change to North Korea. *Hallyu* has had great impact inside North Korea, where cultural diversity is seriously lacking. From North Korean point of view, *hallyu* is a risky agent that could accelerate the dissolution of the North Korean system. Various policies will be put forward in order to prevent *hallyu* from penetrating further into North Korean society.

Third is the extension of proactive foreign cultural exchange. During recent years, North Korea’s foreign cultural diplomacy has been more proactive than ever. Cultural diplomacy conventionally has been a core aspect of North Korean diplomacy, and North Korea has been intensifying foreign performances for the sake of its Chinese and Russian relations for several years. North Korea will focus on fortifying its international ties, bringing cultural aspects to the fore, as a core part of its foreign exchanges in 2012.

The Structure of the Kim Jong-un Succession System and Cultural Policy for 2012

One of the key tasks of cultural policy for 2012 will be to thoroughly settle the succession issue, which was kicked into high gear after 2008. The succession propaganda will focus on Kim Jong-un’s

bloodlines rather than his official ascension to formal positions of power, and will portray North Korea as the "Nation of the Arirang People" in the historical year 2012.

The clear task of this cultural policy is to conclusively resolve the succession issue, which has been at the fore since 2008. In 2011 Kim Jong-un was presented in the image of a young Kim Il Sung, and his public exposure has been increased through the diffusion of commendational hymns and slogans such as "Blessings of the General" (Dae-Jang-Bok), etc. Songs relating to the successor such as "Footsteps" (Bal-Geol-Eum) and "Chosun Youth March" (Cho-Seon Cheong-Nyeon Haeng-Jin-Gok) are being actively spread. The reason why literature is utilized to build the succession is because it is intertwined with the political image of the successor.

As his official status has become certain, the leadership image Kim Jong-un chooses to adopt will be a key factor in determining North Korea's future course.² Every politician adopts an image, whether it be youthful ambition and passion or gentlemanly stability and refinement. Especially in North Korea, where all media outlets are controlled and censored by the Party, it is possible to manufacture and continually maintain symbols and images of the leader, which

2. Kim, Hyuk's "Chosun's Star" (Choseon ui Byuhl), Song, Gah's "General Kim Il Sung's Song" (Kim Il Sung ui Norae), Cho, Ki Chun's "Baekdusan," the musical "Fog Spreads All Over the Nation," Jung Kwan-Chul's painting "Pocheonbo's Torch" (Pocheonbo ui Hwehtbul), the Samjiyun Monument, a series of "Immortal History" (Bulmyeol ui Yeoksa) were model pieces for the creation of the image of Kim Il Sung during the process of building his unitary leadership system and played a crucial role in justifying the North Korean system by recreating revolutionary history. The image of Kim Jong-il started with the "Party Center" (Dang-jung-ang) and the "Dear Leader" (Chin-ae-hah-neun Jidojah). These images brought Kim Jong-il to life for the people, who had no other image of him, and ultimately became the binding force for maintaining the faltering Party while contributing to establishing a friendly image of Kim Jong-il amongst the people. The "Dear Leader" became the representative title for Kim Jong-il. With Kim Il Sung's passing, Kim Jong-il's title came to be denoted as "the Leader" (Yeongdojah); after the establishment of the military-first political system, "the Sun" (Taeyang) and "the General" (Janggun) became his main titles.

allows the North Korean state to actively involve itself in building images through culture. Statistics show that in the first half of 2011, Kim Jong-un was shown viewing a number of performances with Kim Jong-il. He conducted official activities in the cultural sector a total of 27 times, which amounts to 42% of his total recorded activities for the first half of 2011. Performance viewing topped the statistics for Kim Jong-il's cultural activities, totalling 22 events. He was accompanied by Kim Jong-un 20 out of 22 times.³

The newly introduced titles relating to the succession are "General Kim" (Kim Daejang) and "Youth General" (Chungnyeon Daejang). The phrase "General Kim" appeared in the commendational hymn for Kim Jong-un, "Footsteps" (Bahl-Geol-Eum).⁴ "General Kim" also appears in the following lyrics in "The Chosun Youth March": "Footsteps so magnificent, let's gather round General Kim" (1st verse), "With the red flag up high in the sky, let's gather around General Kim" (2nd verse), and "Comrades with arms around each other's shoulders, let's gather around General Kim" (3rd verse); in sum, the song urges everyone to gather around General Kim.⁵

3. *KCTI Cultural Trends: First Half of 2011* (Fifth Edition), Korea Culture & Tourism Institute, 2011, pp. 22–23.

4. In every verse of the song "Footsteps," which is known to be symbolic of Kim Jong-un's succession, the word "February" appears. February means Kim Jong-il. The first verse reads, "With the spirit of February/Steps taken energetically/The whole nation greets and follows." The second verse reads, "February's spirit becomes known/Steps taken energetically/The whole nation's people follow." The third verse reads "February's great achievements are being revered/Putting steps forward/The bright future will advance." In summary, General Kim is the figure whom the land greets and the people follow, and he will bring the future forward.

5. "Chosun Youth March" was composed by Kim Won-Kyoon with lyrics by Kim Ryuhn-Ho. The lyrics read as follows. First verse: "We are the youth of Chosun who are the sons and daughters of the wise people. We are the solemn future fighters striving to build a rich and powerful nation. Our youthful energy bubbles up in the workplace and at the academy. With magnificent footsteps, let's gather around General Kim." The refrain follows: "Victory is ours, power united in the truth shall be dedicated to the nation and the people." Second verse: "The people's great power overflows my land. The tradition of the anti-Japanese rebellion will be steadfastly preserved. All

Both "Footsteps" and "Chosun Youth March" have sufficient grounds to be considered as commendation songs for the successor. What should be noted here, however, is that neither song appears to include the phrase "military-first." It is a bit hasty to jump to conclusions, as there are no other works of note relating to the succession aside from "Footsteps," but "military-first" ought to be mentioned at least once, and yet it is nowhere to be seen. "Military-first" is a term that accentuates Kim Jong-il's political status. In other words, "military-first" symbolizes Kim Jong-il. What, then, can be implied about leaving this phrase out of the song that praises the successor?

In short, this appears to denote that Kim Jong-un will not carry on the military-first political system. If the succession is not characterized by military-first politics, then how will the regime justify it? The justification lies in *Juche* ideology. In other words, Kim Jong-un's legitimacy does not stem from Kim Jong-il's military-first politics, but is derived from the progenitor of "Socialist Chosun," and the successor will inherit Kim Il Sung's lineage.

As Kim Jong-un's status solidifies as the legitimate successor of *Juche* ideology, the regime will seek an exit from Kim Jong-il's military-first politics. This exit could come through normalization of North Korea-U.S. relations, a peace treaty, etc. The military-first political system is valid only as long as the North faces a confrontational situation with its enemies, since the military-first system is directed at protecting and safeguarding the old order, not making a new one.

Military-first politics work when clear external enemies exist. North Korea has formally identified the United States as its enemy. As a means of defending against the threat posed by the U.S., North Korea claims it has the right to pursue nuclear weapons for self-defense. If, however, the enemy ceases to exist, the justification for military-first politics vanishes as well. The absence of enemies signifies

hope and happiness are in our hands, so raise the red flag high in the sky and let's gather around General Kim" (Refrain). Third verse: "Where we are heading, nothing difficult or fearful is there. Over the mountains and the sea, our youthful strength extends. So comrades arm in arm, let's gather around General Kim" (Refrain).

a state of peace. Normalization of North Korea-U.S. relations or conclusion of a peace treaty, which North Korea has been emphasizing recently, could justify ending the military-first system. In that case, military-first politics can survive by upholding the pretext that it was responsible for preserving *Juche* ideology and the socialist system during the "Arduous March" period.

The post-military-first agenda will be the globalization of *Juche* ideology. *Juche* ideology was developed by the Kim Il Sung regime and maintained by Kim Jong-il. Kim Jong-un's assignment will be to globalize military-first politics, and this will provide justification for the succession. Like the lyrics of "Footsteps" suggest, the task of "revering February's great achievements" provides justification for promoting the globalization of *Juche* ideology, and this will raise Kim Jong-un's profile as not only a political successor but a spiritual leader. On June 8, 2009, Kim Jong-un issued a directive in the name of Kim Won-Kyoon to recreate the Russian opera "Evgenii Onegin" at the Pyongyang Musical College, and Kim Jong-il declared that "Our people, pushing forward to the world with magnificent ethnic pride and self-esteem, will be living in a powerful and prosperous nation in the near future, and should know more about world culture." There is sufficient grounds to assess this statement as a pre-emptive effort to lay some groundwork for the succession. This could also be interpreted as part of the strategic movement around 2008 to restore diplomatic relations through cultural diplomacy while also positioning Kim Jong-un as the next leader in international relations.

In 2012, work in the cultural sector will focus on the following tasks in order to promote Kim Jong-un's image as a leader. Primarily, movies and other media will be used to parade the legitimacy of Kim Jong-un's power succession and his ability as a leader. The empirical justification for the succession of Kim Jong-un is the theory of the pure bloodline of the supreme leader. The bloodline of Mount Baekdu, as it is called, will be stressed along with the fact that Kim Jong-un greatly resembles his grandfather Kim Il Sung, including his hair style. Also the images of Kim Jong-un riding a horse, guiding soldiers at a military training camp, and commanding a military

training session will be intentionally exposed via all forms of media to propagate the notion of "Kim Il Sung's resurrection." His image will likely be most actively promoted via films.⁶

In the mid-to-long term, stories of Kim Jong-un's resourcefulness, his military tactics, and his bold character along with amazing anecdotes of his on-site guidance tours will be broadcast. With the death of Kim Jong-il, the former appellation for Kim Jong-un, "Dearest General Comrade Kim Jong-un," will be upgraded to fit his new status as the supreme leader. An appellation like "dearest" is suitable for a successor, but not the supreme leader. For the supreme leader, titles like "honorable leader" or "beloved leader" are used.⁷ Kim Jong-un could be called "honorable leader and comrade Kim Jong-un." The foundation of his power will be strengthened through his image as the pure-blood successor of Kim Il Sung.

This will be followed by propaganda about Kim Jong-un's achievements. The regime will continuously release reports on major achievements credited to Kim: the powerful and prosperous nation, science and technology, the launch of the Kwangmyungsung II missile which symbolizes North Korea's nuclear status, completion of the Heechun power plant and iron producing factory, CNC technology

6. In North Korea, movies are considered the best means to propagate ideology and cultural education, superior to all other visual mass media. The reason for this is because movies are the most efficient means to convey themes according to one's intention in a short period of time. The core of visual media relating to the supreme leader consists of documentary films. In North Korea, documentary films represent the official documentation of history. A documentary film about Kim Jong-il's life entitled "Military-first Sun that Shines around the World" was produced on July 15, 2009 by Chosun Documentary Film Production. The first part of this documentary film series, produced in July 2009 and entitled "Honor Chosun," deals with Kim Jong-il's childhood from his birth to his graduation from Kim Il Sung University. A 20-hour documentary film series about Kim Il Sung, "For the Independence of the Nation," began production in 1993.

7. Appellations for Kim Jong-il until 1970s were 'brilliant leader' and 'beloved leader,' which, since Kim was designated as an official successor in 1974, changed to 'beloved leader.' Kim Il Sung had titles such as 'Great Father' or 'Dear Father.'

which symbolizes economic renewal and scientific advancement, the Pyongyang Orchard Farm symbolizing the abundance of North Korean life, and the Kaesun Youth Park symbolizing cultural life.

Extensive foreign cultural exchange projects will be deployed for the sake of the April national holiday. The Spring Friendship Art Festival this April will be grander in scale than any previous year. Performance troupes and cultural delegations from all over the world, not only from traditional allies like China and Russia but from other Asian and African nations as well, will be invited. This festival will celebrate the 100th anniversary of the *Juche* era and introduce the new Kim Jong-un era to the world. It will be Kim Jong-un's official international debut.

Prospects for 2012 Cultural Policy

Diffusion of "Arirang Nationalism"

"Arirang Nationalistic Theory" as the New Nationalism

The Chosun-ethnocentric policy, which emerged in the mid 1980s for the sake of regime maintenance during the period of the fall of socialism, has been reinforced and re-shaped into "Kim Il Sung nationalism," which combines national cultural legitimacy with the authenticity of Kim Il Sung's lineage. Since the 1990s, use of terminology such as "the Kim Il Sung People," "the Sun of the Nation," and "the Kim Il Sung nation's language" has been expanding. Particularly after the passing of Kim Il Sung, North Korea started using the *Juche* calendar year system, celebrating the Day of the Sun, and constructing the Kim Il Sung Monument of Eternal Life, while externally they worked to build up the image of Kim Il Sung internationally. All of these efforts brought Kim Il Sung to the fore in order to emphasize that North Korean people are "the Kim Il Sung people." On July 28, 1997, the standard tongue of North Korea was established as "the national language of the Kim Il Sung people" and at the "Linguistics

Conference" held at Social Sciences Center it was resolved to reinforce projects related to teaching proper language usage.

These cultural education efforts are based upon the elitism associated with being "the Kim Il Sung people" (the People of the Sun). After 2000, North Korea's various nationalistic ideals have converged into "Arirang nationalism," and this nationalistic discourse will be expanded even further in the year 2012 as the country marks the 100th anniversary of Kim Il Sung's birth. The ideal of the "Arirang people" has been officially established both internally and externally by the mass gymnastic and art performance "Arirang." The title of the first act of "Arirang," which was performed for the first time in 2002, was "Arirang people." "Arirang people" has become a part of everyday terminology with the help of North Korean media.

Today's Chosun people are not yesterday's "Arirang people." The most prominent leader, the most magnificent ideology, the most powerful military, and the most superior system have made our people become the most powerful people of the Sun. Indeed, today's "Arirang people" are the people of the Sun.⁸

Before the term "Arirang people" came into use, "the People of the Sun" was the most popular terminology.⁹ The "Sun" in "the people of the Sun," of course, is Kim Il Sung.¹⁰ "The Kim Il Sung people"

8. "A protest from one united mind, a symbol of national power – Mass Games Performance related to 'Kim Il Sung Prize,' 'Arirang's creativity (5)," *Rodong Sinmun*, August 8, 2002.

9. Mansu Arts Company Conductor Cho Jung-Rim was quoted as saying, "Chosun's joy and style is the best in the world. In keeping with the Great Leader and the era, 'Arirang' has captured the excitement and style of the people of the Sun, born anew from the sadness and remorse of the past few hundred years, and this gives great endless joy to the people." Quoted in "The biggest occasion of Chosun musical history, a masterpiece that reflected the image of 21st century Chosun: Thrilled and joyful voices of those who have encountered 'Powerful and Prosperous Revival Arirang'," *Rodong Sinmun*, August 27, 2001.

10. Jagang Province Farming Accountancy Committee Vice Chairman Cho Myung-Kwan was quoted as saying, "The song only the people of the Sun possess. Indeed, 'Powerful and Prosperous Revival Arirang' is the Arirang of

was changed to “the people of the Sun” sometime around 2002, and now “the Arirang People” has become the official term. What is noteworthy is that from 2002 to 2009, “the Arirang People” was the phrase generally used to refer to North Koreans.

This stipulation of “the Arirang People” is not coincidental. It can be verified through an analysis of articles related to the 2002 Mass Games performance and “Arirang” performance that “Arirang” was intentionally emphasized. Many meanings can be extracted from the 2002 Mass Games performance “Arirang.” What particularly captures our eyes is the title. Among the many North Korean performance pieces, none has ever had a title like “Arirang” before. Especially in pieces that celebrate Kim Il Sung or Kim Jong-il’s birth, never before has such a clearly nationalistic word as “Arirang” been chosen as a title. Common phrases used in titles include “Party,” “Leader,” “Labor Party,” “Red flag,” or “Victory”; alternatively, “Song of Happiness” or “Song of Glory” are used in the titles of songs.¹¹

“Arirang”’s original title was “The First Sun’s Song.” The title “The First Sun’s Song” would be appropriate for the 90th anniversary of Kim Il Sung’s birth considering what titles have been chosen for celebratory performances so far. So why was the term “the First Sun,” which symbolized Kim Il Sung, replaced by “Arirang”? This name change was done under Kim Jong-il’s direct order. Naturally,

the people of the Sun. We will make the world shake by singing ‘Powerful and Prosperous Revival Arirang’ with a national pride that raises the Leader’s name up high.” Quoted in *ibid.*

11. From the November 1930 performance of “Chosun’s Pride,” considered the origin of mass gymnastic and art performances in North Korea, up until “Arirang” was performed in 2002, mass games have been put on 84 times, but this is the first time the title “Arirang” was chosen. Related research: Park Young-Jung, *21st Century North Korean Performance Art Group Gymnastics and Arts Performance “Arirang”* (Wolin 2007); Kim Yeon-Gab, *Arirang Research: National Song, People’s Song Arirang* (Chungsong 2002); Jeon Young Sun, “North Korea’s Arirang Festival and Potential of National Arts,” *Korean Culture Research* (6th Edition) (Korean Literature and Arts Research Center: Soongsil University, 2010); and Jeon Young Sun, “Sociopolitical and Cultural-artistic Meaning of Group Performance ‘Arirang,’” *Research on China and Russia*, Vol. 26, No. 2 (Asia-Pacific Research Center: Hanyang University, August 2002).

Kim Jong-il is the only one with the authority to change the title of the celebratory performance of Kim Il Sung's birth. One noteworthy fact is that the title change was openly revealed to the public through media coverage.¹²

Under the North Korean system, the change of the title could have been kept secret. The change of title from "The First Sun's Song" to "Arirang" and the announcement of this change by someone who had participated in the writing of the song imply that an overt policy judgment was made to inform the public of the symbolism of "Arirang." It hardly seems possible that the North Korean authorities replaced "the Sun" with "Arirang" simply to appeal to the public's nationalist sentiment without attaching any other special meaning to it. Therefore we can easily assume that this whole process was made possible by a combination of the North Korean peoples' sentimental attachment to "Arirang" and agreement within the North Korean government.

The difference between the term "Kim Il Sung people" which emerged in the 1990s and "Arirang people" is hidden in the secret meaning of "Arirang." What North Korea hoped to spread through its Mass Games performance "Arirang" was a sense of elitism.¹³ By

12. The change of the title was supported by Lee Chul-Woo, who is a celebrated artist, assistant dean of Pyongyang's Yoon Yi-Sang Musical Research Center, and performance planner for the Chosun Confederation in Japan. For more on this refer to "Group Gymnastics 'Arirang' Original Title Was 'The First Sun's Song,'" *Yonhap News*, December 19, 2001.

13. Kwon Myung-Sook writes, "The signal fire of 'Arirang' that lights the world is the conviction and volition of the great general's torch and the flame of wide ambition and optimism that lets the world know the dignity of Kim Il Sung's Chosun and the Kim Il Sung people and brings the zenith of the great and powerful nation to this land. Though an hour and a half in everyday life is such a short period of time, the Arirang people's 100-year history has unfolded within it! Through graceful musical dances and vigorous group gymnastics, extra-large screen and background, luxurious electric lights and laser lighting, and a rapturous art mystery is unveiled massively in three dimensions." From Kwon Myung-Sook, "Monumental Masterpiece of the New Century, 'Kim Il Sung Prize': Mass Games Performance 'Arirang,'" *Chosun Art*, Vol. 12 (December 2008).

identifying North Koreans as a chosen people who are distinct from all others, internal unity has been reinforced and North Korea's sense of national identity has solidified.

The anti-national scheme of the group of toady traitors who deny the commonality of the blood relationship can also be witnessed in the spreading of the "multi-national, multi-ethnic society" ideal which ignores the Chosun people's natural traits. Recently, South Korea has been conspicuously ignoring our people's essential traits and pursuing a "multi-national, multi-ethnic society." This "multi-national, multi-ethnic society" ideal denies the uniformity of our people and differentiates, jumbles and Americanizes South Korean society, which is an unacceptable act of annihilation. In today's world, where the imperialists' scheme of "globalization" is becoming more conspicuous, it is a matter of great importance that we assert and preserve our national characteristics to pioneer the destiny of our people.¹⁴

The nationalism that North Korea insists upon is founded upon blood, or in other words, bloodlines. The logic is that, through blood lineage, the Chosun people's fundamental traits have been maintained. In contrast, the multi-cultural society discourse in South Korea ignores the essence of the people and denies their unity. It is referred to as "Ethnic Annihilation Theory" which "differentiates," "jumbles," and "Americanizes" the people.

This idea fits in the same context as Kim Il Sung's earlier emphasis on the necessity of introducing a cultural language in 1966. On May 14, 1966, Kim Il Sung published the discourse "In order to revive the Chosun language's characteristics properly," which proposed that a new language standard be created. He criticized Seoul-style Korean language, which was the established standard for Korean language, as "a language dominated by rotten bourgeoisie lifestyle and male-dominated society," adding, "There is little pure language of our own, it is so jumbled with English, Japanese and Chinese." He decreed that Pyongyang, as the capital of revolution and the site where

14. Gahm Myung-Ok, "Toady Treachery of Denying the Commonality of Chosun Nationals' Blood Relationship," *National Cultural Heritage*, Vol. 1, 2009.

socialist national culture bloomed, should be the center for the national language.¹⁵ North Korea still perceives preservation of the purity of the language as a key task in protecting national culture.¹⁶

In the name of preserving the purity of language as a symbol of the people, Kim Il Sung established “cultural language” as a new standard system of language. Arirang Nationalistic Theory, which emerged after 2000, can be comprehended in the same context. That is to say, just as the creation of the new linguistic system was justified as protecting the superiority and purity of the language, the same logic applies to the promotion of the Arirang people as the new nationals who guard the superiority and purity of the people.

The reason why the issue of national discrimination will get expanded attention beginning in 2012 is because of the symbolism of the year 2012. The third generation succession will do away with the controversy through its promotion of nationalism based on blood lineage. During the second generation succession from Kim Il Sung to Kim Jong-il, “capacity” was emphasized. However, the third generation succession is taking on a different nature, emphasizing purity of blood. As blood lineage expands downward from Kim Il Sung, five generations of blood lineage will be promoted: two up and two down from Kim Jong-il. The emphasis on Kim Il Sung’s blood lineage combined with nationalism has created a new conception known as Arirang nationalism. This signifies that the “Arirang” people are the representative people of Korea who will maintain their national legitimacy apart from South Korea.

15. Kim Il Sung, “In Order to Revive Chosun Language’s Characteristics Properly: A Discourse with Linguists,” May 14, 1966.

16. “Seoul is now beset with languages from other nations and has transformed into a “flooded district” of foreign languages. Seoul’s language has been transformed into a jumble of English, Japanese and Chinese, and our language’s distinct characteristics have gradually disappeared. Various signs and advertisements use words from other languages, and it has become a fad to mix up English and Japanese in everyday conversation. Even mean and vulgar words are used profusely.” Choi Jung-Hoo, “Theory about National Language Development,” *Great Leader Kim Jong-il’s Ideology Theory: Linguistics* (Social Sciences Publishing Company, 1996), p. 54.

Public Proliferation of the Seeds of "Arirang"

The diffusion of Arirang into the national discourse began around 2000. In North Korea, "Arirang" is not an unfamiliar term. However, it was not until 2002 that "Arirang" took on a special role, aside from merely the name for a performance, as a window to a new national discourse within and outside of the nation. Arirang became popular both inwardly and outwardly through the promotion of "Mass Games" in which more than 100,000 people perform together.

"Arirang" is a massive performance which differs greatly in both nature and scale from regular stage performances or revolutionary operas. It was unprecedented even for North Korea to put on a show of such scale on a regular basis. The Mass Games performance "Arirang" has run annually from its premiere in 2002 until 2011.¹⁷ There were some cancelled performances in the early years, but Arirang now has become a regular annual event. The fact that such an event has been held continuously bears special meaning in itself.

Since 2000, not only the Mass Games performance "Arirang" but also pop songs and literature pieces with the title "Arirang" have been steadily released.

Pop songs include "Unification Arirang," "June 15th Arirang," "Citizens' Arirang," "Powerful and Prosperous Revival Arirang," "Arirang that Resonates in Kan-Sam-Bong."¹⁸ Particularly noteworthy pieces in this group are "Powerful and Prosperous Revival Arirang" and "Arirang that Resonates in Kan-Sam-Bong." "Powerful and

17. "Arirang" has undergone some revisions since its premiere, but it maintained the basic structure from 2002 and has been established as a regular performance. "Arirang" was ranked in the Guinness Book of World Records for staging the most performers (100,000) in a single performance. It has been steadily performed since its premiere in 2002. The 2011 performance schedule started on August 1 and came to an end on October 10 after two extensions. For more details refer to "Curtain drawn on North Korean Arirang... Extended performance for four consecutive years," *Yonhap News*, October 13, 2011.

18. For details on North Korea's Arirang, see Kim Yon-Gahb, *Research on North Korean Arirang* (Chungsong, 2002).

Prosperous Revival Arirang” is described as the “Arirang to the eternal victory of the Kim Il Sung people” and it is praised as a new rendition of the traditional Korean song “Arirang.”¹⁹ “Arirang that Resonates in Kan-Sam-Bong,” a song written by the Pocheonbo Jeonja band and first introduced in 2007, is about Kim Jung-Sook, the mother of Kim Jong-il. It was intended to portray Kim Jung-Sook’s pioneering spirit in the military-first era.²⁰ “Arirang that Resonates in Kan-Sam-Bong” is a song in praise of Kim Jung-Sook.²¹

“Arirang Short Story Collection,” published by Pyongyang Publishing Company in 1989, gets its title from Kim Won-Jong’s short story “Arirang.” The theme of Kim Won-Jong’s “Arirang” is Kim Jong-il’s interest in Korean traditional music and contains an explanation written by Kim Jong-il himself about Arirang’s superiority, characteristics and origin, and various changes it has undergone. It is an enlightenment story about how national cultural heritage should be cherished.

Park Jong-Chul’s “Arirang,” which was published by Literature Arts Comprehensive Publishing Company in 2001, is a novelette based on the legend of Sung-Bu and Rirang, which is an original fable that uses the creation of the “Arirang” mass games as its subject matter.²²

19. “Powerful and Prosperous Revival Arirang’ is a musical masterpiece in the era of the General and a monumental work for national pride,” *Rodong Sinmun*, August 26, 2001.

20. Kim Kwang-Moon writes, “It signifies that the Paekdu Generals’ pioneering history is the same as the Arirang people’s revival and victory in philosophical depth.” Kim Kwang-Moon, “Eternal Victory Arirang’ in relation to ‘Arirang that resonates in Kansahmbong’,” *Chosun Arts*, Vol. 6, 2007.

21. *Ibid.* Kim Kwang-Moon also writes, “Arirang’s melody, which was tainted with the national remorse of having been deprived of our own nation resonates and which was sounded through all of Korea by the legendary generals of Mt. Paekdu, even making the foreign intruders shiver.... That same Arirang that our mothers sang has become the song of the new history of the Arirang people, who have become known for their military-first ideology which shakes the whole world. This is the fierce breath of the military-first era through which the people’s hopes are realized and the continuing victory of Arirang resonates to the summit of Mt. Paekdu.”

22. The legend of Sung-Bu and Rirang is the story of a young man named

In the short story anthology "Starting Point" published in 2007 by Pyongyang Publishing Company, Jang Su-Bong's "Unification Arirang," Kim Seung-Ki's "What is Earned and Lost," and Hyun Myung-Su's "Filial Duty Tour" are grouped together and presented as the "Pyongyang Arirang" triptych.²³ Not only professional writers but the general public as well are encouraged to participate in this trend. The magazine *Youth Literature* volumes 9 (2006), 5 (2009), and 11 (2009) include lyrics submitted by the general public entitled "Happy Arirang that overflows in our home," "Dae-Hong-Dahn Arirang," and "Coal Falls Arirang." The lyrics of these songs reference "happy home," "Dae-Hong-Dahn, model town for potato farming," and "Coal" as their themes. Songs and novels with the title "Arirang" created by professional writers and also submitted by the masses have been introduced for general consumption. Arirang nationalism has massively proliferated as a result of this process.

Reinforcement of Reaction Culture as a Means of Social Control

Another noteworthy characteristic of North Korea's 2012 cultural policy is the aspect of social control. The regime is expected to actively

Rirang and a young woman named Sung-Bu who was a servant of the house of Kim Jwa-Soo in the mid-Chosun era. The two youths are inevitably separated after Rirang participates in a riot against a crafty landowner. While Rirang was crossing a hill towards the fighting grounds to avenge the townspeople who were killed on false charges, Sung-Bu sings a song extemporaneously mourning the separation from her beloved husband; that song is "Arirang."

23. Jang Su-Bong's "Unification Arirang: From a South Korean Pastor's Essay" relates the story of a South Korean pastor who was deeply moved by the performance of "Arirang"; Kim Seung-Ki's "What's Earned and Lost" is about photographer Jung Hee-Chul who participated in the Arirang performance and was moved to appreciate the North Korean system by watching the Arirang performance and gazing at the Daedong River. Hyun Myung-Soo's "Filial Duty Tour" is about a grandfather who went to see "Arirang" against his will. Upon his return from the performance, he urges the family to get tickets to "Arirang." All three novels are works of propaganda literature that serve to justify the North Korean system.

promote a movement to purify North Korean society against foreign influences.²⁴ External information has been flowing into the North through border trading and the markets. South Korean drama and movies are being directly consumed as the influx of external culture spreads, and distribution networks are being formed connecting consumers. South Korean cultural influences are flowing inland from North Hamgyong Province, China and the coastal border areas. As the distribution of television ownership expands, regular TV and satellite TV reception is also expanding from North Hamgyong, Yanggang, and Jagang Provinces to Pyongyang City, Kangwon Province and Hwanghae Province.

In addition, cell phone use is quickly increasing, allowing for rapid distribution of information within North Korea and increasing the frequency of exposure to external information.²⁵ Information control measures and propaganda are being deployed to combat South Korean dramas and movies, but their effect is limited. People are usually able to get information about control measures in advance, and can use bribery to avoid punishment. Types of "Korean Wave" influence within North Korea range from external forms such as fashion, speech, and hair styles to altered consciousnesses such as more positive attitudes toward South Korea and development critical

24. In the process searching for food or visiting relatives, North Koreans have engaged in increasingly active migration along the North Korea-China border and within North Korea. As trade items become more diverse with the activation of markets, hardware (recorders, stereos) and software trading has become possible, and in some areas the "Korean Wave" phenomenon has hit full stride. CDs, DVDs, VHS tapes are available through the markets, and recently a new distribution structure has formed allowing for professional rental services.

25. In North Korea, mobile communications service fees are relatively high, but considering the numbers of domestic wired phone subscribers in the metropolitan area (200,000-300,000 households, approx. \$500 membership fee), it is not entirely impossible to secure subscribers. Cell phone prices are extremely high for the general public, but subscription rates are rising rapidly among Party executives and vendors. The service area is initially limited to Pyongyang but will later be extended to major cities like Kaesong, etc. Lately, even limited internet services are being provided for cell phones.

thinking skills through comparison of the North and South Korean systems.²⁶

To counter the flow of external culture, North Korea will work to reinforce its own ideological education while simultaneously providing alternative cultural options. Groups like the Galaxy Orchestra and the Sam-Ji-Yon Band were brought into sudden prominence and are gathering public attention as new attractions. The Sam-Ji-Yon Band has drawn attention with its princess-like dresses and upbeat music. It now enjoys as much popularity as the Pocheonbo Jeonja Band did when it attained explosive fame in North Korea with everyday songs in the mid 1980s.²⁷ The Galaxy Orchestra is similar to a “Pops Orchestra” that performs with various classical instruments as well as modern ones such as electric guitars, drums and saxophones.²⁸ The Wang-Jae-Sahn-Kyung Band, the Sam-Ji-Yon Band and the Galaxy Orchestra have also gained acclaim for their outstanding talent and performance. The new trends in music and dramas are providing North Koreans with various attractions that compete for their attention.

“Liberal Arts Education through National Cultural Heritage” will be in full swing as part of the effort to emphasize the superiority of the national culture and heighten patriotism.²⁹ This emphasis on

26. Kang Dong-Wan and Park Jung-Rahn, *Korean Wave Shakes Up North Korea* (Neulpumplus, 2011).

27. The Sahn-Ji-Yon Band derived from the Kong-Hoon Women’s Instrumental Band of Mansu University’s Arts Company and was established in January of 2009 with Kim Il-Jin as the leader. It is also known as “Snow White” for having bright mood which clearly departs from musical groups of the past. The Sahn-Ji-Yon Band is an instrumental band that mainly plays classical instruments rather than national modernized instruments. It mainly consists of attractive artists in their 20s and 30s.

28. This is a band that gained fame through broadcasts around 2010. They drew attention at the New Year’s Concert in February 2010, not only by their performance but also by their daring costumes that revealed shoulder lines and collarbones. Swing jazz music, which was forbidden until recently in North Korea, has been gaining popularity for its novelty.

29. As a *National Cultural Heritage* editorial urged: “Education through national cultural heritage is an important task that heightens socialistic patriotism

national cultural heritage is an effort to reinforce anti-imperialism through national culture. Anti-imperialism through national culture boils down to “not forgetting the nature of imperialism which pillaged and robbed our national cultural heritage.”³⁰ A prelude to this new direction in North Korean education can be found in the 2006 action movie “Roaring Spirits of Pyongyang,” which depicted martial arts experts fighting to protect a secret traditional martial arts scroll, and the historical drama “Kae-Wol-Hyang,” which was made in early 2011.³¹

Boosting Cultural Diplomacy

Early on, North Korea began using culture as a vital diplomatic tool. One of the key policies of the sociocultural sector in 2012 is to boost the use of cultural diplomacy. Cultural diplomacy has traditionally been one of the tools North Korea uses to confirm its relationship with friendly nations.

and hierarchical consciousness among the laboring masses through the material and spiritual heritage that our ancestors created. The Great Leader Kim Jong-il understood the meaning and importance of patriotic education through national cultural heritage at an early stage and lead us wisely to fortify our efforts according to the demands of modern-day development.” From “Reinforce Patriotism Education through National Cultural Heritage,” *National Cultural Heritage*, Vol. 3, 2001.

30. Full quote: “In order to reinforce anti-imperialism education through national cultural heritage according to the demands of the military-first era, firstly, we must not forget the invasive nature of imperialism which destroyed, robbed and pillaged nation’s valuable historical relics, and we must uplift an uncompromising spirit of struggle to fight against it to the end.” From “Reinforce anti-imperialism education through national cultural heritage even more adapting to the request of military-first era,” *National Cultural Heritage*, Vol. 3, 2003.

31. “‘Kye-Wol-Hyang’ was produced to stand against South Korean dramas, but was cancelled for falling short of viewers’ standards,” *Chosun Ilbo*, June 25, 2011. “Kye-Wol-Hyang,” which was broadcasted on Chosun Central TV, is a historical drama about a famous *kisaeng* (Korean *geisha*) from Pyongyang. Historical dramas are rare in North Korea, and it was hoped that this one would provide a new attraction for viewers.

Since 2000, as inter-Korean relations have developed, North Korea's cultural diplomacy has been relatively inactive. However, since the advent of Lee Myung-bak administration in 2008, North Korea has been actively utilizing culture as a diplomatic tool. In April 2008 the Sea of Blood Opera Company embarked on a month-long tour of a number of major cities in China including Beijing, performing the revolutionary opera "The Flower Girl." This is one of the most well-known North Korean operas in China; it was first performed there in 1973. The 2008 performance was the first performance in China in 15 years.³²

As a successor to "The Flower Girl," another revolutionary opera, "Dream of the Red Chamber" (Hong-Roo-Mong), was recreated and staged in 2008. This opera is an adapted version of the Chinese classic "Dream of the Red Chamber." Chinese opera experts actively supported the 2008 recreation. These experts supervised the stage setting, arts, costumes and choreography in Pyongyang and saw to the proper combination of Chinese, North Korean and Western instruments. Chinese Prime Minister Wen Jiabao viewed the performance with Kim Jong-il during his visit in 2009. In 2010 there were 21 performances, running from May 7 to July 18 in the major cities of Changsha, Wuhan, Chongqing, Shenzhen, and Xian. The Sea of Blood Opera Company consisted of 198 members led by Vice Minister Hahn Chul of the Korean Peninsula Culture Ministry.

In 2010, both the Chinese opera "Dream of the Red Chamber" and the Chinese play "A Sentinel under the Neon Light" were performed in celebration of 60 years of amicable relations between North Korea and China. In order to emphasize the opera's Chinese characteristics, Chinese, North Korean and Western instruments

32. "The Flower Girl" was introduced to China in the form of a movie before being staged as a performance. The movie was released throughout China in 1972, and due to its popularity a performance tour was launched in China the following year. Oh Yang-Yuhl, "'The Flower Girl' performance in China, sour reaction from the audience," Cultural Arts Committee Webzine *Arco* Vol. 108 (April 2008), http://www.arko.or.kr/home2005/bodo/sub/north_news.jsp?idx=784#793.

were artfully combined for the 2008 performance. On October 4, 2009 the performance was viewed by Kim Jong-il and Chinese Prime Minister Wen Jiabao, who was visiting North Korea at the time. These performances became emblematic of the friendly relationship between North Korea and China, touring 12 Chinese cities including Beijing over an approximately 70-day period from May to July of 2010.³³

North Korea's recent cultural exchanges with Russia have also been noteworthy. North Korea recreated the classical Russian opera "Evgenii Onegin" in 2009 and held a commemorative performance in celebration of 60th anniversary of the North Korea-Russia Economic and Cultural Treaty on March 18, 2010, emphasizing amicable relations with Russia through various cultural events. "Evgenii Onegin" was originally written by Pushkin and composed as an opera by Tchaikovskii in 1897. The North Korean performance premiered at the Pyongyang Music University in 1958 and was performed in February of 2010 at the Kim Won-Kyu Music University of Pyongyang. The North Korean media emphasized that the performance was created with the help of Russian artists and viewed by Kim Jong-il on February 5, after which the producers received watches and commendations. Also, the characters and material were covered extensively in reports by the *Choson Sinbo*. In order to further emphasize the amicable relations with Russia, Russian movies were screened and Russia's "21st Century Orchestra" visited for a performance in North Korea. North Korea is fortifying its diplomatic relations with Russia through various cultural exchanges such as a performance of the ballet "Esmeralda," based on Victor Hugo's novel "The Hunchback of Notre-Dame," to mark the opening of a new ballet theater.

33. The opera "Dream of the Red Chamber," which was performed at the stage of Chinese Beijing TV Hall on May 6, 2010, is based on a full-length novel written during the Qing dynasty. It is a tragic love story about the rise and fall of a family. This classic tale has been made into a North Korean-style opera. The opera was recreated for the purpose of celebrating the 60th anniversary of North Korea-China relations and confirming the traditional friendly relations between the two nations.

On March 3, 2011 Russia's "21st Century Orchestra" traveled to Pyongyang to perform at the East Pyongyang Theater, and on June 29 the Russian Home Department's Home Military Academy Orchestra visited Pyongyang for a 30-day performance run, demonstrating the steady stream of cultural exchanges between the two countries.

As has been shown, North Korea is using culture as a means to solidify North Korea's amicable relations with China and Russia. The opera "Dream of the Red Chamber" and the classical opera "Evgenii Onegin" are respectively the most Chinese and the most Russian operas known to the world. North Korea's primary reason for performing these world-renowned pieces is to promote traditional friendship with the two nations. By staging performances outside of North Korea, they may also enhance their country's position in the world.

From October 2011 to January 2012, the Sea of Blood Opera Company is touring major cities throughout China, including Jilin Province, to perform the opera "Yang-Sahn-Baek and Chook-Young-Dae."³⁴ This opera was adapted last year by Kim Jong-il's order to commemorate the 60th anniversary of the Chinese volunteer troops' entry into the Korean War and was premiered on October 24 of the same year. In the process of creating the opera, "China provided the costumes and stage settings gratis and also supervised the script writing and stage direction." "Yang-Sahn-Baek and Chook-Young-

34. According to the Sea of Blood Opera Company's China tour agency, the China Foreign Cultural Group, "Yang-Sahn-Baek and Chook-Young-Dae" was directed by North Korean artist Chae Myung-Suhk, who also directed "Dream of the Red Chamber" and was showered with rave reviews last year. The choreography was done by Kim Mok-Ryong, who supervised North Korean mass games performance 'Arirang.' Choi Yae-Ok, who also starred in the North Korean revolutionary opera 'The True Daughter of the Party,' played the role of the heroine Chook-Young-Dae, and the hero Yang-Sahn-Baek was played by Oh Chung-Song, who starred as the hero in 'The Tale of Choon-Hyang.' It is performed by a full-scale opera company consisting of 200 players including actors, dancers, chorus members and musicians. North Korea's Sea of Blood Opera Company tours for 3 months in China." *Yonhap News*, October 15, 2011.

Dae's value as a symbol for North Korea-China relations has been proven as it is unfailingly viewed by all high-level Chinese officials on visits to North Korea.

It is expected that the policy of pursuing foreign strategy through culture will continue to be expanded in 2012, with considerable efforts put into targeting Russia as well as China. It has been confirmed that on April 15, 2011, North Korea chartered an airplane to fly in foreign artists participating in the commemoration of the "Day of the Sun." Although the North has invited foreign performers to its Spring Art Festival of Friendly Relations in the past, chartering a plane to bring them in represents an exceptional extravagance.³⁵ Regarding the unusual mobilization of a chartered airplane for the art festival, a *Rodong Sinmun* article dated April 18 explained that "It is becoming a global art festival." As noted, the promotion of foreign exchange through culture creates opportunities for North Korea to escape from its rigid image both outwardly and inwardly and is a way to promote pride and self-esteem by showing off North Korea's international status.

North Korea is applying this "diplomacy through culture" strategy not only with traditionally close countries like China and Russia but also with the U.S. Nongovernmental diplomacy efforts between North Korea and U.S. began with the New York Philharmonic Orchestra's performance in Pyongyang in 2008 and garnered attention once again in June 2011 with the dispatching of a North Korean taekwondo demonstration team to the U.S. North Korea also sent a taekwondo demonstration team in 2007. The 2011 team, the first in 4 years, departed Pyongyang on June 4 via Beijing, arrived in the U.S. on the 9th, and returned to Pyongyang on the 22nd. At the taekwondo demonstration in the U.S., a North Korean representative stated that the purpose of the visit was "to cultivate reconciliation and peace with the U.S. through cultural exchange." The U.S. Department of State processed the North Koreans' entry visas as quickly as possible

35. "North Korea Flew a Chartered Airplane for Artists Invited to Perform at the Day of the Sun Commemoration," *Yonhap News*, April, 11, 2011.

and issued a special permit for the North Korean U.N. envoy staff to leave New York in order to guide the team to Boston. Continuing the precedent set by the taekwondo demonstration, the Chosun National Orchestra, the Pyongyang Performance Company and the Youth Choir have begun to prepare performances for the U.S. as well.

In the wake of Kim Jong-il's death, North Korea's cultural exchange effort is expected to focus on internal events rather than overseas performances. The Spring Friendship Art Festival and the Pyongyang Film Festival, which take place around Kim Il Sung's birthday in April each year, will be grander in scale than any other year. The Spring Friendship Art Festival in particular will likely be a grand event, since it must not only celebrate the 100th anniversary of the *Juche* era but also must compete with the Nuclear Security Summit in Seoul. The festival will represent the combined power of North Korea's diplomatic capabilities and its mass mobilization campaign and is expected to be equivalent in importance to the 13th World Youth Festival in 1989.³⁶

Conclusion

The top priority of North Korean cultural policy for 2012 is to put the future of North Korean society into perspective. North Korea has described its future outlook as a "powerful and prosperous revival." The regime has worked hard to build confidence in the feasibility of this "powerful and prosperous revival" through specific, repeated invocation of the "Arirang" ideal. Arirang nationalism, which hit full stride with the 2002 performance of the Arirang mass games, is a cultural code that suggests overcoming national suffering and achieving a powerful and prosperous revival. Starting with the

36. The recently completed new office building at Pyongyang Airport is one example of the preparations that have been made in advance of the international events in 2012.

"Arirang" mass games, a series of efforts have been deployed to instill this Arirang code among the masses through songs, novels and popular works.

Arirang's seed concepts – military-first politics, unification, and a powerful and prosperous revival – are embedded as subtext in the "Arirang" mass games, "Unification Arirang," "Powerful and Prosperous Revival Arirang" and various other songs, children's poems, novels and popular works. These are the products of North Korea's desire to change its national discourse from the "Kim Il Sung people" / "people of the Sun" discourse of the 1990s into a new "Arirang nation" discourse, with "military-first" and "powerful and prosperous revival" as its keywords. The "Arirang nation" is emphasized through this process.

The "Arirang nation" terminology has been planted naturally in the popular identity through efforts by major media outlets since 2002. The Arirang ideal, which was created in North Korea sometime around 2000, was the byproduct of a process of reconstructing and promoting a new North Korean national identity as the "Arirang nation" or the "Kim Il Sung people," rather than a modern creation emphasizing nationalist sentiment. This was a symbolic process employed to publicize the idea that North Korea has overcome its past ordeals and its people can now live happily in the military-first era as the "Arirang nation," singing songs of the "powerful and prosperous revival of Arirang." The process will peak in 2012.

The reinforcement of the "Arirang nation" ideal puts greater distance between North and South Korea and is distinct from the previous conception of identity, which identified South and North Koreans as members of a single race. In other words, this could quite possibly contribute to the reverse logic that "North and South used to be one race, but South Korean society lost its national purity by blending with other races. Hence, Korean national purity only exists among North Koreans (the Kim Il Sung people)." If people come to accept that North Korea and South Korea are different races, this could work as a psychological defense mechanism against unification by absorption. Although this logic still lacks persuasiveness and also leaves

ample room for objection to the emphasis on a single race, it could be seen as a process of growing acceptance of the “Arirang people” as a superior race in contrast with South Korea’s multi-cultural society.

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Stalemate and Beyond: The North Korean Nuclear Impasse and Its Future

Christopher A. Ford

Notwithstanding recent efforts by U.S. officials to reopen nuclear dialogue with the DPRK after the death of Kim Jong-il, a variety of factors today coincide to make it very unlikely that there will be meaningful progress in the long-stalled Six-Party Talks on DPRK denuclearization even if they do resume. This, in turn, is likely to accelerate a long-term realignment of regional policies vis-à-vis North Korea. Pyongyang has come to appear – and, after Kim’s death, seems to remain – entirely uninterested in denuclearization, remaining committed to retaining its nuclear weapons programs under essentially any conditions, and having additionally now ensured by its own actions (e.g., its 2006 and 2009 weapons tests and public confirmation of its longstanding uranium enrichment program) that the verification requirements for denuclearization are ones that the DPRK regime would not accept in any event. (Its cross-border provocations in 2010 have also helped harden the attitudes of key outside players toward traditional concessionary diplomacy, though American diplomats seem recently to have taken renewed interest in at least the appearance of negotiating, perhaps in order to forestall political crises during their country’s 2012 election year.) Nor does there seem to be much chance of change in DPRK attitudes, with ongoing leadership consolidation and potential domestic insecurity challenges being likely to push the regime in what are, if anything, more intransigent and conceivably even provocative positions. Meanwhile, domestic political factors in other would-be Six-Party participants during 2012 – including leadership succession issues in almost all the other parties – are likely, on the whole, to encourage attitudes less favorable to resumed nuclear negotiating. Yet this impasse has not stopped the East Asian region from continuing its rapid course of politico-economic change and development – a trajectory in which the DPRK is increasingly irrelevant except as a potential source of instability. (South Korea, in particular, is emerging as an increasingly important and sophisticated player on the world stage, even as the United States seeks to maintain a vigorous and engaged forward regional presence in diplomatic, economic, and military terms.) As East Asia develops a “post-DPRK” political order the security of which cannot be ensured except by ending Pyongyang’s role as a source of disruptive perturbations, regional leaders may increasingly turn to hard-nosed policies of coercive containment, more overt contingency planning for catastrophic collapse scenarios, and even interest in “regime-change” options. The future of DPRK denuclearization, in other words, may lie more in realpolitik pressures and maneuvers than in any meaningful resumption of concessionary diplomacy.

Key Words: Denuclearization, six-party talks, DPRK, nuclear weapons, containment

Introduction

The multi-national “Six-Party” talks on the denuclearization of North Korea (a.k.a. the Democratic People’s Republic of Korea, or DPRK) proceeded intermittently and with decidedly mixed results for a number of years, but they ultimately proved unsuccessful and broke down in acrimony in 2009. These negotiations have now been moribund for some time, and this has been a period that has seen new DPRK provocations of various kinds, including a second nuclear weapons test and two physical assaults upon South Korea (a.k.a. the Republic of Korea, or ROK). Despite recent U.S. efforts to reopen talks in the wake of the death of North Korean dictator Kim Jong-il – and despite the DPRK’s claimed receptiveness to such a resumption – the talks’ revival on terms recognizably similar to their previous focus still seems unlikely, and there would appear to be little chance of real success in any event, at least without an implausibly dramatic strategic *volte face* by the major participants.

This essay will explore the political “landscape” surrounding the ongoing DPRK nuclear impasse, highlighting some of the factors that have created and perpetuated this situation, assessing their longevity, and speculating about what these dynamics may mean for the future of the East Asian strategic environment. It will outline the reasons for my conclusion that one should probably not expect any revival of serious denuclearization talks in the near or medium term – much less their success in achieving that goal – and that regional political affairs will increasingly be characterized by their development “around” (or past) the DPRK nuclear issue without resolving it, even as strategic trends continue to shift against the regime in Pyongyang. These developments may perhaps give North Korea additional reasons to indulge its longstanding predilection for provocative “crisis diplomacy,” but ultimately they seem likely to make the DPRK ever more irrelevant in regional affairs except as a source of destructive and destabilizing perturbations. This, in turn, may force regional players to incorporate the possibility of the DPRK’s implosive collapse into their own individual and collective

contingency planning in more overt ways, and to make increasingly coercive containment – and perhaps regime-change strategies – a more important part of their security planning.

Outlook for the DPRK: More of the Same

For its part, the DPRK claims to remain interested in reviving negotiations with the United States, though its enthusiasm is more muted with respect to the multi-national dynamics of the Six-Party Talks, which involved the participation of China, Russia, Japan, and the ROK. As DPRK Foreign Ministry official Ri Gun put it in a paper published in 2011 by the Aspen Institute in Germany, for instance, Pyongyang claims to want “dialogue and negotiations,” to “desire denuclearization,” and to be “open to DPRK-U.S. talks, the Six-Party Talks, and inter-Korean dialogue.”¹ After the death of Kim Jong-il on December 17, 2011,² moreover, the North Korean news agency KCNA carried a statement from a Foreign Ministry spokesman on January 11, 2012, suggesting that Pyongyang might be willing to freeze at least its *uranium* enrichment program and resume talks in return for 300,000 tons of food aid and the lifting of international sanctions.³

1. Ri Gun, “National Defense Policy, Dialogue and Negotiation,” in *Aspen DPRK-USA Dialogue* (C.K. Mallory IV, ed.) (Aspen Institute Germany, 2011), <http://aspeninstitute.de/en/publication/download/29/Aspen+DPRK-USA+Dialogue+.pdf>, pp. 39-40.

2. Mark Landler & Choe Sang-hun, “In Kim’s Death, an Extensive Intelligence Failure,” *New York Times* (December 20, 2011), pp. A1, A1.

3. Chico Harlan, “N. Korea reopens door to food-for-nukes deal with U.S.,” *Washington Post* (January 11, 2012), http://www.washingtonpost.com/world/n-korea-statement-re-opens-the-door-to-a-food-for-nukes-deal-with-united-states/2012/01/11/gIQAojvNqP_story.html?hpid=z5. Other accounts are less clear on the reported DPRK demand that sanctions be lifted, however, at the time of writing, KCNA’s English-language website did not carry this statement. (The news agency, however, reportedly referred favorably to what it said was the Obama Administration’s *earlier* suggestion of suspending

Leaving aside the question of North Korea's *plutonium* program, however – which, judging by initial press coverage, was not mentioned in the January 11 KCNA statement – this continuing notional openness to talks masks a fundamental change in North Korea's negotiating position from the Six-Party Talks period. Whatever their many failings and frustrations, those negotiations were at least notionally about the DPRK's denuclearization – as evidenced, for instance, by the “Joint Declaration” agreed by the participants in September 2005 pursuant to which they explicitly envisioned such an outcome.⁴ Indeed, denuclearization had been the focus of international negotiations with the DPRK ever since the early 1990s, as reflected both in the “North-South Joint Declaration on the Denuclearization of the Korean Peninsula” agreed between the DPRK and the ROK in 1992,⁵ and in the subsequent “Agreed Framework” negotiated between Pyongyang and Washington in 1994.⁶ While Pyongyang today still seems to desire the perceived political legitimacy that it might gain from ongoing negotiations, at least with the United States – and while it certainly seems to retain a real interest in obtaining food aid and other sorts of economic assistance for the continuing catastrophe that is the DPRK economy – this is not necessarily the same thing as retaining any real interest in *denuclearization* as the goal of such discussions.

sanctions, thus suggesting that this was indeed contemplated.) Foster Klug & Hyung-jin Kim, “N. Korea keeps door open for food-nuke deal with U.S.,” *Associated Press* (January 11, 2012), http://hosted2.ap.org/APDEFAULT/3d281c11a96b4ad082fe88aa0db04305/Article_2012-01-11-AS-NKorea-US-Food-Aid/id-0c0bd73923b2468e8a7bd84947a67161.

4. Joint Statement of the Fourth Round of Six-Party Talks (September 19, 2005), http://www.ncnk.org/resources/publications/September_19_2005_Joint_Statement.doc/file_view.
5. ROK-DPRK Joint Declaration of the Denuclearization of the Korean Peninsula (January 20, 1992), <http://www.nti.org/db/china/engdocs/snkdenuc.htm>.
6. Agreed Framework between the United States of America and the Democratic People's Republic of Korea (October 21, 1994), <http://www.kedo.org/pdfs/AgreedFramework.pdf>.

Rejection of Denuclearization

Over the last several years, in fact, the DPRK has increasingly made clear its disinterest in (and in fact antipathy towards) denuclearization – or at least denuclearization on any remotely negotiable terms. Though denuclearization has been described as one of the “dying wishes” of the DPRK’s dynastic founder Kim Il Sung, North Korean comments have come ever more obviously to predicate denuclearization on the Korean peninsula – that is, the DPRK’s relinquishment of the nuclear weapons program it built in violation of its commitments under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT)⁷ and of multiple legally-binding Security Council resolutions under Chapter VII of the U.N. Charter – upon the achievement of complete *global* nuclear disarmament.⁸

This emphasis is clearly repeated – and amplified – in papers that DPRK officials prepared on the subject for a “Track II” dialogue with American interlocutors (including this author) in early 2011. Ri Gun, for example, called there for denuclearization, but specified that this is merely what North Korea wants “ideally,” and “in line with U.S. President Barack Obama’s call for the denuclearization of the world.” He also made clear that Pyongyang will not denuclearize “as long as a most serious possible threat exists to the DPRK,” in the form of *American* nuclear weapons. Explicitly comparing the two countries’ nuclear postures – both of which he described as aiming at “retaining and modernizing ... nuclear weapons, while advocating the denuclearization of the world” – Ri Gun could hardly be clearer that denuclearization is off the table unless and until the United

7. Treaty on the Non-Proliferation of Nuclear Weapons (July 1, 1968), <http://www.iaea.org/Publications/Documents/Infcircs/Others/infcirc140.pdf>.

8. “Talk between Kim Jong-il and Chinese Premier Wen,” *Tongil News* (October 5, 2010) [translation courtesy of U.S. Committee for Human Rights in North Korea] (recounting that denuclearization was a last request of Kim Il Sung); “Peaceful Offensive Following Kim Il Sung’s Three Wishes,” *Tongil News* (October 30, 2010) [translation courtesy of U.S. Committee for Human Rights in North Korea].

States and all other nuclear weapons possessors dismantle their own weapons.⁹

Moreover, though DPRK representatives have called for resuming nuclear *negotiations* “without preconditions”¹⁰ – a position inconsistent with Pyongyang’s recent reported insistence upon a suspension of sanctions and the provision of food aid as preconditions for resuming discussions – they now seem clearly to link the prospect of actually *achieving* denuclearization to additional dramatically unnegotiable preconditions. In explaining what it would take for North Korea to stop feeling threatened enough to contemplate denuclearization, DPRK Foreign Ministry official and veteran Six-Party negotiator Choe Son Hui has emphasized that Pyongyang’s preconditions also include the dissolution of U.S.-ROK and U.S.-Japan defense relationships, as well as the United States’ *de facto* withdrawal from the region. She has written, for instance, that

“One should never again allow the presence of U.S. forces of any type in Korea. Military support of the ROK by the U.S. should be abandoned and the U.S.-ROK military alliance should be dissolved. Accordingly, all U.S. offensive military equipment deployed in Japan should be removed.”¹¹

Choe has also conveyed the DPRK regime’s insistence upon some kind of unspecified verification regime to enforce such requirements, which would encompass intrusive monitoring not just of ROK facilities but apparently also of Japanese ones, and indeed of nuclear weapons facilities and operational posture in the United States as well. According to Choe, it must be “*physically proven* that there are no U.S. nuclear weapons on the Korean peninsula and its vicinity

9. Ri Gun, *supra*, p. 40.

10. Seth Mydans & Choe Sang-hun, “North Korea is Said to Weigh Nuclear Test Moratorium,” *New York Times* (August 24, 2011), <http://www.nytimes.com/2011/08/25/world/europe/25siberia.html>.

11. Choe Son Hui, “Efforts by the DPRK Government to Normalize Relations between the DPRK and the U.S.,” in *Aspen DPRK-USA Dialogue*, *supra*, pp. 51, 53.

and that the U.S. is not targeting the DPRK with nuclear weapons.”¹²

Even as an *opening* position for denuclearization discussions, these preconditions are clearly fantastical, leading most observers to conclude that the DPRK is not serious about negotiations on this subject. Indeed, the principal focus of North Korean diplomacy seems to have become that of securing international recognition and legitimacy as a nuclear weapons power – as indeed the DPRK explicitly requested in the wake of the 2010 Nuclear Security Summit (NSS) in Washington, DC, by announcing its willingness to attend a scheduled follow-up summit in Seoul on the condition that it be entitled to participate “on an equal footing with other nuclear weapons states.”¹³

As of the time of this writing, moreover, there is no sign that any of this is likely to change in the wake of Kim Jong-il’s death. After the dictator’s demise, South Korean President Lee Myung-bak optimistically proclaimed the existence of a “window of opportunity” which provided the chance for a “new era” of cooperation on the peninsula if only North Korea would show an “attitude of sincerity” by freezing its nuclear program.¹⁴ The DPRK response, however, was blistering. In a statement attributed to the National Defense Commission, Pyongyang lambasted Lee for showing insufficient sadness at Kim Jong-il’s death, accused the South Korean president of “hideous crimes,” called his government a nest of “traitors” with whom the North would “have no dealings,” and promised that “foolish politicians” in the South and elsewhere “should not expect any [policy] changes from us.”¹⁵ Not implausibly, most analysts

12. *Id.* (emphasis added).

13. “Foreign Ministry Issues Memorandum on N-issue,” *KCNA* (April 21, 2010), <http://www.kcna.co.jp/item/2010/201004/news21/20100421-27ee.html>.

14. Jin Sung-chul, “S. Korean president sees ‘window’ to deal with North,” *Washington Post* (January 2, 2012), http://www.washingtonpost.com/world/s-korean-president-sees-window-to-deal-with-north/2012/01/02/gIQAOfsVP_story.html.

15. *Global Times* (December 30, 2011), <http://www.globaltimes.cn/NEWS/tabid/99/ID/690591/NKorea-says-policy-wont-change.aspx>; “North Korea

took this as an indication that the DPRK intended to adopt no new approaches to nuclear issues – or anything else in its relations with the outside world – at least for some time.¹⁶

Adding to this impression was a long message published by KCNA on December 31, 2011, attributed to the Central Committee and the Central Military Commission of the Workers' Party of Korea. Most of this message was devoted to an extensive laundry list of agitprop domestic policy exhortations (e.g., "Produce more state-of-the-art machinery including major ordered equipment!"), and was thus not relevant to the nuclear question. The message, however, also lauded the deceased Kim Jong-il for having "turned our country into ... a nuclear state with unrivalled military strength no enemy would dare challenge." The acquisition of nuclear weapons, it was declared, was "shining as the greatest of his achievements." The message also called on the DPRK military to remain prepared to "counter the enemy's rash acts of provocation with a relentless annihilating strike" to "turn the Blue House [South Korea's executive mansion] and other bases for aggression into a lake of fire if the enemy dares attack"¹⁷

It is very possible, and to my eye quite likely, that Pyongyang was never serious about relinquishing its nuclear weapons programs in the first place. Nevertheless, North Korea's shift in the least few years towards a position more openly hostile to the very idea of denuclearization – a position so far in no way changed by Kim Jong-il's death – has been quite clear, and has not been overlooked in foreign

vows not to deal with South Korea's president," *Yonhap News Agency* (January 5, 2012), <http://english.yonhapnews.co.kr/northkorea/2012/01/04/40/0401000000AEN20120104008000325F.HTML>.

16. Chico Harlan, "North Korea condemns South Korea, vows no policy changes," *Washington Post* (December 30, 2011) (citing comments by international observers), http://www.washingtonpost.com/world/asia_pacific/north-korea-blasts-south-korea-vows-no-policy-changes/2011/12/30/gIQAnB2FQP_story.html.

17. "Joint Calls of Central Committee and Central Military Commission of WPK Published," KCNA (December 31, 2011), <http://www.kcna.co.jp/item/2011/201112/news31/20111231-05ee.html>.

capitals. What's more, the DPRK's rhetorical and political shift has been accompanied by ongoing provocations, including not just constructing a plutonium-production reactor for Syria¹⁸ and conducting an additional nuclear weapons test and multiple ballistic missile tests, but also finally displaying its longstanding uranium enrichment program to the world in November 2010.

The uranium revelations, in particular, highlighted the fundamental duplicity of two decades of DPRK nuclear negotiating, by making clear to visiting American scientists that "North Korea has run both plutonium and uranium programs in a dual-use mode – that is, for bombs and electricity – from the beginning."¹⁹ Particularly coupled with grave acts of physical violence such as sinking the ROK naval vessel Cheonan and shelling Yeonpyeong Island in 2010, the DPRK's provocations have served to underline to many would-be foreign interlocutors that the regime in Pyongyang is not one that can be trusted or constructively engaged.

Hardening Positions

Over the last few years, the DPRK's conduct has steadily pushed officials in the United States – the country with which Pyongyang wants to "engage" diplomatically, and from which it wishes to receive acceptance as a nuclear weapons power, more than any other – into something very close to a rare bipartisan consensus on the *undesirability* of negotiating with North Korea on nuclear issues unless and until the regime there adopts a dramatically different approach.²⁰ President Barack Obama could hardly have entered office more eager to offer "an extended hand" to rogue regimes and

18. "CIA Director Hayden Announces Findings on Covert Syrian Reactor" (April 24, 2008), http://www.liveleak.com/view?i=bc5_1209539766.

19. Sigfried S. Hecker, "What I Found in North Korea," *Foreign Affairs* (December 9, 2010), <http://www.foreignaffairs.com/articles/67023/siegfried-s-hecker/what-i-found-in-north-korea>.

20. Christopher A. Ford, "Challenges of North Korean Nuclear Negotiation," in *Aspen DPRK-USA Dialogue*, *supra*, pp. 63, 70.

resolve proliferation problems through congenially diplomatic approaches,²¹ but the DPRK quickly set about undermining its chances of bringing about a resumption of the lucrative (for North Korea) engagement policies seen under U.S. President Bill Clinton and in the second term of President George W. Bush.

It soon came to seem, as I observed in 2011, as if

“Obama officials ... [had] adopted a basic position not entirely unlike that of their hawkish counterparts ... [in which] it is nothing short of foolishness to engage in yet more negotiations in which international interlocutors try to ‘buy’ good behavior by Pyongyang, thus rewarding DPRK provocations and encouraging more.”²²

In a joint statement issued in June 2009, for instance, President Obama and ROK President Lee Myung-bak summarized this conclusion quite clearly, declaring (in Obama’s words) that

“There’s been a pattern in the past where North Korea behaves in a belligerent fashion, and if it waits long enough is then rewarded with foodstuffs and fuel and concessionary loans and a whole range of benefits. And I think that’s the pattern that they’ve come to expect. The message we’re sending ... is [that] we are going to break that pattern. We are more than willing to engage in negotiations to get North Korea on a path of peaceful coexistence with its neighbors, and we want to encourage their prosperity. But belligerent, provocative behavior that threatens neighbors will be met with significant, serious enforcement of sanctions”²³

Just this sort of DPRK provocation, however, continued even in 2011, apparently unabated. Most recently, in fact, it seems to have come to include cyberattacks upon South Korea’s banking infrastructure, in

21. “Obama says ready to talk to Iran,” *Reuters* (January 27, 2009), <http://www.reuters.com/article/2009/01/27/us-obama-arabiya-idUSTRE50Q23220090127>.

22. Ford, “Challenges of North Korean Nuclear Negotiation,” *supra*, p. 70.

23. Joint Remarks by President Obama and President Lee Myung-bak (June 16, 2009), <http://www.cfr.org/proliferation/joint-remarks-president-obama-president-lee-myung-bak-june-2009/p19646>.

what one ROK official has termed “an unprecedented act of cyber-error involving North Korea.”²⁴

What is one to make, then, of the report in mid-December 2011 that the DPRK had suddenly agreed to suspend its uranium enrichment operations in return for 240,000 tons of food assistance?²⁵ Coming all but simultaneously with Kim Jong-il’s fatal heart attack – which was announced two days later, having occurred on the morning of December 17, the same day that the purported nuclear suspension agreement was announced – this report was immediately overtaken by much more dramatic events. Nevertheless, the DPRK’s January 11, 2012 announcement of its potential willingness to freeze enrichment work and resume talks in return for 300,000 tons in food aid and the lifting of international sanctions²⁶ have given rise to new speculation about the future of nuclear negotiations.

Nevertheless, even before Kim Jong-il’s death, some observers had speculated in regard to the December 17 nuclear report that Pyongyang might simply be seeking to “buy time” to resolve its leadership issues by making vague promises of possible movement in the talks.²⁷ And this may, in fact, be precisely what that announcement represented. As President Obama has himself publicly suggested, North Korea certainly has a long track record of trying to engage foreign interlocutors in talks which prove ultimately fruitless but which nonetheless serve the DPRK’s interest in undercutting political momentum toward tougher sanctions or other coercive steps by

24. Harlan, Chico & Ellen Nakashima, “Suspected North Korean cyberattack on a bank raises fears for S. Korea, allies,” *Washington Post* (August 29, 2011) (quoting Kim Young-dae), http://www.washingtonpost.com/world/national-security/suspected-north-korean-cyber-attack-on-a-bank-raises-fears-for-s-korea-allies/2011/08/07/gIQAvWwIoJ_story.html.

25. “Report: N. Korea agrees to suspend uranium enrichment,” *Jerusalem Post* (December 17, 2011), <http://www.jpost.com/LandedPages/PrintArticle.aspx?id=249798>.

26. Harlan, “N. Korea reopens door,” *supra*.

27. Martin Fackler, “For Kim’s Heir, Easing Anxiety in Asia Is a Key,” *New York Times* (December 20, 2011), pp. A1, A12 (quoting Masao Okonogi of Keio University in Tokyo).

outsiders, or which indeed actually succeed in obtaining aid or other benefits from foreign powers in return for Pyongyang's presence at the negotiating table.

Without some sign that North Korea has changed its fundamental strategic position and come to regard dismantlement of its nuclear program as a realistically negotiable possibility, there is no reason to believe the December 17 announcement – or KCNA's subsequent January 2012 reference to the possibility of just such a food-for-talks arrangement – to be anything different. "Buying time," after all, is perhaps even more important for today's post-Kim Jong-il regime in Pyongyang than it was for Kim himself earlier in December.

According to media reports, officials in Beijing had hoped the elder Kim would live for at least two or three more years in order to fix his succession policies more firmly in place,²⁸ and one may presume the regime in Pyongyang to have felt at least as strongly about this. After fate dashed any such plans, some Western observers quickly described Kim Jong-il's death as the harbinger of a potential political implosion. (In the words of longtime observer Victor Cha, for instance, "[s]uch a system cannot hold," and regional powers were now in "a scramble for plans to control loose nuclear weapons, should the regime collapse.")²⁹ In any event, with the future of the fledgling Kim Jong-un regime, such as it is, still quite uncertain, there is perhaps more reason than ever for the family dictatorship to wish to "buy time." There is, however, no more sign than before that it might be willing to accept anything remotely like denuclearization.

28. Edward Wong, "China Exerts Influence Nurtured Over Decades," *New York Times* (December 20, 2011), p. A11.

29. Victor Cha, "China's Newest Province?" *New York Times* (December 20, 2011), p. A29. Kim Jong-il's death, Cha said, might even confront China with the decision of "whether to shed [its ally] North Korea or effectively adopt it as a province."

Dim Prospects

With Pyongyang's rhetoric having long indicated the regime's fundamental disinterest in denuclearization in any event – and with things under Kim Jong-un so far showing no sign of change – there is little reason to hold out hope for a denuclearization agreement. Indeed, for quite sound substantive reasons, the whole question has in the last few years become one vastly more difficult to imagine being successfully resolvable. With the DPRK's nuclear tests of 2006 and 2009 having demonstrated that North Korea's possession of actual nuclear weapons is a fact, rather than simply a gloomy foreign assumption, what it would actually mean to achieve denuclearization has changed markedly.

Whereas in the mid-1990s it was at least *possible* to entertain the idea that denuclearization might be achieved simply by dismantling the Yongbyon reactor and its associated plutonium reprocessing facility,³⁰ the nuclear tests demonstrated the existence of an additional, hidden infrastructure for weapons development – a system that, somewhere, would necessarily have involved a range of developmental activities and manufacturing capabilities, and presumably also war-head weaponeering and delivery system work. Today, since it is no longer possible to deny the existence of such activities, meaningful denuclearization would necessarily have to include the verified elimination of these aspects of the DPRK's program as well. The location and nature of these facilities and capabilities are presently unknown to the outside world, however, and they are of enormously greater security sensitivity than the reactor and plutonium complex at

30. Even then, there was a degree of deliberate equivocation built into the Western diplomatic approach to negotiating with Pyongyang. The plutonium that North Korea had separated *before* the 1994 Agreed Framework was, in effect, deliberately ignored in the interests of reaching *some* deal to foreclose the creation of a plutonium production pipeline at Yongbyon. Ford, "Challenges of North Korean Nuclear Negotiation," *supra*, p. 74. Nevertheless, it seems that some in Washington believed that "getting" Yongbyon was enough to "solve" the DPRK nuclear problem. To say the least, that is a vastly less tenable assumption today.

Yongbyon into which international inspectors have been from time to time permitted over the years.

And as if that were not enough to make a meaningful elimination and verification protocol seem impossibly difficult to negotiate with the DPRK's notoriously secretive and paranoid totalitarian regime, the DPRK's revelation to a visiting American scientist in November 2010 of an apparently quite sophisticated 2,000-centrifuge cascade at Yongbyon³¹ has raised the ante still further. As I have noted elsewhere, this might well in *itself* be enough to preclude the successful resolution of future nuclear negotiations, on account of what the demonstrable existence of an advanced and extensive uranium program will necessarily entail with regard to denuclearization – and, in particular, its verification.³² Pyongyang's decision to dispel ambiguity about the existence of the uranium program saddles nuclear negotiators with an enormous additional challenge by leaving them no defensible alternative to insisting upon intrusive verification provisions designed to establish the scope and breadth of this uranium work, and to ensure that it is actually dismantled pursuant to any denuclearization agreement. (In fact, as if to underline the problem, South Korean media sources – citing what purported to be new information from an alleged DPRK defector – were suggesting in late 2011 that the DPRK has a *second* uranium enrichment plant, built secretly at Tongchang in 2006.³³)

Finally, as noted earlier, the existence of a mature and apparently well-established uranium program also demonstrated that North Korea has been negotiating in bad faith for many years, thus making it all the harder for foreign diplomats to trust their DPRK interlocutors in the future. Even if denuclearization were somehow genuinely to

31. Sigfried S. Hecker, "A Return Trip to North Korea's Yongbyon Nuclear Complex" (November 20 2010), <http://iis-db.stanford.edu/pubs/23035/HeckerYongbyon.pdf>.

32. Ford, "Challenges of North Korean Nuclear Negotiation," *supra*, pp. 14-16.

33. "N. Korea 'Has New Enrichment Facility,'" *Chosun Ilbo* (October 25, 2011), http://english.chosun.com/site/data/html_dir/2011/10/20/2011102001069.html.

return to the negotiating agenda, therefore, its actual achievement would face staggering obstacles for so long as the DPRK regime remains in power.

Despite all this, however, until not long before Kim Jong-il's death, North Korea continued to claim – as Kim reportedly recently told Chinese Vice Premier Li Keqiang³⁴ – that the Six-Party Talks agreement of September 19, 2005 should be the basis for future discussions. Since that document carefully declined explicitly to address the issue of North Korea's uranium program – merely referring to the DPRK “abandoning all nuclear weapons and existing nuclear programs” and returning to the NPT,³⁵ since Pyongyang then refused to admit the existence of its uranium program³⁶ – or to discuss its weapons complex and proliferation activities, this is hardly a promising point from which to begin even if the DPRK had not made clear that it does not wish to relinquish its nuclear weapons anyway.

Today, Pyongyang seems to be dangling the possibility of a uranium “freeze” in front of Western negotiators, but as the world discovered after 1994, a mere freeze is worlds away from denuclearization – which is another way of saying that however attractive *talks* may seem to the diplomats whose job it is to engage in them, the odds of a real *resolution* through such means are low indeed. In any event, the issues of plutonium weapons and the DPRK's proliferation of nuclear technology to other countries (e.g., Libya, Syria, and perhaps even Burma) remain unmentionable.

34. Stephanie Nebehay, “U.S. and North Korea conclude Geneva Talks,” *Reuters* (October 25, 2011), <http://www.reuters.com/article/2011/10/25/us-korea-north-us-idUSTRE79N7GV20111025>.

35. Joint Statement of the Fourth Round of Six-Party Talks, *supra*.

36. “North Korea denies uranium program: U.S. envoy,” *Reuters* (February 20, 2008), <http://www.reuters.com/article/2008/02/20/us-korea-north-uranium-idUST32775720080220>.

The DPRK's Outlook

The shadow of Kim Jong-il's worsening health in the latter years of the first decade of the century raised increasing questions not only about the future of the nuclear negotiations, but about the future of the DPRK regime. Various reports of the elder Kim's alleged ill health began to surface in 2008 – among them stories of one or more strokes, epilepsy, and/or pancreatic cancer³⁷ – and by early 2010, such questions had come to focus outside attention upon leadership issues.³⁸ By late 2011, it was widely believed in the outside world that the challenges of the leadership transition process, into which the country had clearly begun to move, would likely make it harder than ever for Pyongyang to revise its now apparently steadfast commitment to retaining nuclear weaponry (i.e., to not negotiating seriously about denuclearization). At the time of this writing, there is no sign that Kim Jong-il's sudden death in December 2011 has done anything but accentuate this.

What passes for “politics” in North Korea is a world which most outsiders presume to be a hothouse of secretive conspiratorial maneuvering, in which the revolutionary struggle and the threats allegedly presented by outside powers are constantly invoked, and

37. “U.S. embassy cables: Kim Jong-il's power weakens after stroke,” *The Guardian* (November 30, 2010) (reprinting leaked U.S. cable traffic on Kim's stroke and consequent political prospects), <http://www.guardian.co.uk/world/us-embassy-cables-documents/243031>; “Grief and Fear,” *supra* (describing stroke); Herb Keinon et al., “Ahmadinejad is Hitler; Sarkozy is a Naked Emperor,” *JPost.com* (November 28, 2010) (discussing leaked U.S. cables suggesting, *inter alia*, that Kim Jong-il suffers from epilepsy), <http://www.jpost.com/DiplomacyAndPolitics/Article.aspx?id=197115>; Choe Sang-hun, “N. Korean Leader Dying of Cancer, Report Says,” *New York Times* (July 13, 2009) (discussing media report citing Chinese and ROK intelligence sources about Kim's alleged pancreatic cancer, as well as his stroke in August 2008), <http://www.nytimes.com/2009/07/13/world/asia/13korea.html>.

38. Justin McCurry, “Kim Jong-il birthday overshadowed by health and economic fears,” *The Guardian* (February 16, 2010), <http://www.guardian.co.uk/world/2010/feb/16/kim-jong-il-birthday-celebrations>.

in which the penalty for being accused of weakness (i.e., not just disgrace but quite possibly death or a short but brutalizing life of incarceration in the DPRK's vast network of political prison camps³⁹) is vastly higher than the cost of being known for an almost psychotically paranoid and militaristic vigilance. In this environment, and especially in a time of leadership uncertainty, it seems quite unlikely that any protagonist would be willing to contemplate any step that could conceivably be painted as "giving in" to the hated Americans. Indeed, many observers already credit DPRK leadership succession politics, and the presumed imperative of militarist chest-thumping in order to appease hardliners in the armed forces, as the reasons for that country's belligerence in 2010, when it sunk the patrol craft Cheonan and shelled Yeonpyeong Island.⁴⁰

At the time of this writing, the dynastic heir apparent, Kim Jong-un – a callow young man apparently in his late 20s, not long out of an expensive Swiss boarding school, who seems to have no meaningful experience of anything, but who was declared a four-star general and made chairman of the Central Military Commission shortly before his father's death – has officially assumed proprietorship of the family business. It is not clear, however, the degree to which he actually rules North Korea. How capable he is of fulfilling his notional responsibilities – and, perhaps more importantly, how prepared various institutional elements within the regime are to accept him as a genuine leader (or, alternatively, how prepared he is to accept merely a figurehead or "puppet" role⁴¹) – are very hard to ascertain. The odds

39. David Hawk, *The Hidden Gulag: Exposing North Korea's Prison Camps* (Washington, DC: U.S. Committee for Human Rights in North Korea, 2003) (describing penal institutions administered by the People's Safety Agency and the National Security Agency, as well as detention labor centers run by police forces).

40. Stephen McDonnell, "North Korea attack linked to leadership succession," *ABC News* (November 26, 2010) (noting that according to DPRK media, just before the artillery attack, both Kims visited the artillery base that mounted the assault, and that "[m]any analysts say the shelling of Yeonpyeong Island was a way for North Korea's leader in waiting to bolster his military credentials").

41. Western coverage of the purported Kim Jong-un accession has noted that at

of an easy transition are by many accounts quite low, particularly since the youngest inheritor of the DPRK's *de facto* crown is likely to have an even more tenuous hold than his father did upon the kind of besotted and all-forgiving personality cult that surrounded his grandfather, the regime's founder, Kim Il Sung.

Many observers, in fact, feel there to be a considerable danger of internal conflict in connection with internal succession-related struggles – and such predictions seem only to have intensified with Kim Jong-il's sudden death.⁴² This is a troubling possibility in its own right, of course, which will surely necessitate more focus upon “worst-case” contingency planning for the DPRK's neighbors – some of which is rumored already to have begun, as indeed U.S. Pacific Command officials and South Korean think tanks were said to be discussing in early 2010,⁴³ and which American officials may have first urged upon their Chinese interlocutors during the George W. Bush Administration.

Internal tensions attendant to this transitional period also present a real danger of additional provocations in 2012, perhaps of the sort in which North Korea engaged in 2010. Given that the DPRK's assault upon Yeonpyeong Island in 2010 closely followed the Kims' father-son visit to the artillery base that perpetrated the attack⁴⁴ – leading many observers to see the shelling as signaling some perverse kind of bonding between the family dynasty and belligerent military

the highly-choreographed state funeral for Kim Jong-il, several key figures closely associated with the deceased stood close behind the young Kim – all of whom, it has been suggested, might play a role as powers behind his throne or “regents”: Kim's aunt Kim Kyung Hui, her husband Jang Sung Taek, and General Ri Young-ho. See “Grief and Fear,” *The Economist* (December 31, 2011), pp. 15, 16.

42. Cha, “China's Newest Province?” *supra*.

43. Lauren Frayer, “North Korea Threatens Nuclear Strikes on United States, South Korea,” *AOL News* (March 26, 2010), <http://www.aolnews.com/2010/03/26/north-korea-threatens-nuclear-strikes-on-south-us/>.

44. Jeremy Laurence, “North Korean leader and son visited artillery site: reports,” *Reuters* (November 25, 2010), <http://www.reuters.com/article/2010/11/25/us-korea-north-kim-idUSTRE6AO0AT20101125>.

hardliners⁴⁵ – and given the regime’s history of provocative “crisis diplomacy” in search of attention and diplomatic concessions, some new violence could occur in 2012.

In November 2011, for instance, Pyongyang was already making additional threats, speaking on the anniversary of the Yeonpyeong attack of unleashing a “sea of fire” upon South Korea’s presidential palace,⁴⁶ a threat that resurfaced in the Central Committee/Central Military Commission proclamation after Kim Jong-il’s death.⁴⁷ New provocations would not necessarily fit well with the DPRK strategy of trying to “buying time” to sort out internal leadership succession issues, of course. Nonetheless, if they were perceived – in Pyongyang at least – as being the result of some kind of foreign provocation, such belligerent steps remain quite easy to imagine. At the very least, all of this bodes ill for the chances of the DPRK regime being able to show strategic flexibility by reversing its nuclear policy.

Attitudes of Other Regional Players

For various internal reasons, moreover, no other potential participant in any resumed talks seems likely soon to develop any significant interest in taking new positions in the long-stalled nuclear dialogue either.

United States

The U.S., of course, is heading into a presidential election in 2012,

45. Bill Powell, “Behind the Koreas’ Artillery Fire: Kim’s Succession,” *Time* (November 23, 2010), <http://www.time.com/time/world/article/0,8599,2032806,00.html>.

46. “North Korea threatens ‘a sea of fire’ upon South Korea,” *CNN* (November 25, 2011), <http://www.cnn.com/2011/11/24/world/asia/north-korea-sea-of-fire/index.html>.

47. “Joint Calls of Central Committee and Central Military Commission of WPK Published,” *supra*.

the opening rounds of which are already well underway at the time of writing, and in which President Obama will be preoccupied not only by the mechanics and psychology of campaigning but by the imperative of deflecting criticism from the political right. At the time of writing, his greatest vulnerabilities lie in the arena of domestic economic policy: issues such as the country's debilitating national debt (which has already increased by a staggering \$4 trillion on his watch⁴⁸) and the maddeningly slow pace of job creation. Especially as Obama pulls out of Afghanistan apparently against the advice of his generals – and with his recently-announced withdrawal of 30,000 troops scheduled to coincide with the November 2012 election⁴⁹ – the White House will presumably not wish to add additional foreign policy “weakness” to his list of concerns. Almost all of the president's Republican political challengers tend to take more hawkish positions on national security issues than he does, not least on North Korean matters.⁵⁰ Accordingly, there is unlikely to be any significant political

48. Mark Knoller, “National debt has increase \$4 trillion under Obama,” *CBS News* (August 22, 2011), http://www.cbsnews.com/8301-503544_162-20095704-503544.html.

49. Ewen McAskill, Nick Hopkins, & Patrick Wintour, “Barack Obama and Pentagon split on Afghanistan pullout,” *The Guardian* (June 21, 2011), <http://www.guardian.co.uk/world/2011/jun/21/barack-obama-and-pentagon-split-on-afghanistan>.

50. The Republican front-runner at the time of this writing, Mitt Romney has committed himself in his campaign literature, for instance, to “eliminating North Korea's nuclear weapons and its nuclear weapons infrastructure.” According to Romney, “[a] key mistake in U.S. policy toward North Korea has been to grant it a series of carrots in return for only illusory cooperation. Each step the world has taken toward North Korea has been met with further provocations and expansion of its nuclear program. Over the years, North Korea has found that its pursuit of a nuclear weapon reaps it material and diplomatic rewards, taking away any incentive for it to end its program.” He promised to “reverse that dynamic” by making it “unequivocally clear to Pyongyang that continued advancement of its nuclear program and any aggression will be punished instead of rewarded.” Romney for President, *An American Century: A Strategy to Secure America's Enduring Interests and Ideals* (October 11, 2011), pp. 28-29, http://www.mittromney.com/sites/default/files/shared/AnAmericanCentury-WhitePaper_0.pdf.

pressure on Obama to make concessions to Pyongyang – and some political reasons not to.

Accordingly, Washington has incentives to be cautious about any re-engagement with the DPRK unless something very dramatic indeed can be gained in return. Having previously staked out a strong position against reinforcing the traditional U.S. dynamic of concessionary negotiations predicated upon “crisis diplomacy” provocations by Pyongyang,⁵¹ Obama has some reason to avoid doing anything now except holding a fairly firm line. This tendency, moreover, is likely to be strengthened by his determination to project the image – and apparently build the reality⁵² – of a United States resolutely “back” in East Asia by building and maintaining a vigorous regional presence and firm alliance commitments.⁵³

To be sure, U.S. and North Korean representatives did meet for exploratory discussions in Geneva in late October 2011, and as we have seen, it was reported just before the announcement of Kim Jong-il’s death that some kind of tentative agreement may have been reached about the DPRK resuming nuclear discussions in return for payments of U.S. food aid. Quite apart from the fact that there is no sign that Pyongyang is remotely interested in genuine denuclearization, however – as opposed to more rounds of endless and fruitless talk in return for outside help in feeding its starving population – it is not clear how seriously such talks are really taken even on the American side.

Seeming to highlight the unlikelihood of any real movement, in fact, the U.S. State Department announced shortly *before* the October

51. See Joint Remarks by President Obama and President Lee Myung-bak, *supra*.

52. “U.S., Australia Agree to Military Force Deployment,” *VOA News* (November 16, 2011), <http://www.voanews.com/english/news/asia/US-Australia-Agree-to-Military-Force-Deployment-133946093.html>.

53. The current American phrasing about being “back” may be analytically and historically confused, but the impression of continuing presence and renewed commitment seems clear enough. “Tension grows as U.S. ‘Back in Asia,’” *Xinhuanet* (November 22, 2011), http://news.xinhuanet.com/english/2010/video/2011-11/22/c_131261603.htm.

2011 discussions that its nuclear envoy Stephen Bosworth would be resigning effective just *after* the Geneva meetings.⁵⁴ (Whatever this step might actually have been, this certainly did not *look* like a vote of confidence.) Before the Geneva discussions, moreover, U.S. officials described the talks as being designed merely to keep Pyongyang engaged in order to prevent “miscalculations.”⁵⁵ Victor Cha, for one, interpreted this as representing modest goals indeed – specifically, the Obama Administration’s desire to “avert a crisis in an election year,”⁵⁶ presumably by giving Pyongyang an incentive not to engage in the traditional provocative “crisis diplomacy” it has frequently tried to use in the past to rattle foreign partners and bring them back to the negotiating table in a more concession-minded mood.⁵⁷ As John Park of the U.S. Institute of Peace put it, the point of these talks seemed simply to be “to try to engage North Korea in some kind of talks as a way to prevent future provocations.”⁵⁸

In this respect, perhaps, and with an election year looming, Washington may have acquired an incentive, in effect, to quasi-collaborate with Pyongyang, not in *resolving* the nuclear problem but rather in making a show of *talking* about it as a temporizing strategy – that is, as a way of creating and maintaining the fiction

54. U.S. State Department Deputy Spokesman Mark C. Toner, daily press briefing (October 19, 2011), <http://www.state.gov/r/pa/prs/dpb/2011/10/175871.htm>.

55. Stephanie Nebehay, “U.S. and North Korea hold ‘useful’ talks in Geneva,” *Reuters* (October 24, 2011) (quoting Cha), <http://www.reuters.com/article/2011/10/24/us-korea-north-us-idUSTRE79N1Y020111024?feedType=RSS&feedName=topNews>.

56. Matthew Pennington, “New U.S. envoy seasoned in nuclear diplomacy but faces tall order in getting N. Korea to disarm,” *Associated Press* (October 20, 2011), http://hosted.ap.org/dynamic/stories/U/US_US_NKOREA?SITE=KTVB&SECTION=HOME&TEMPLATE=DEFAULT (quoting Cha).

57. Chuck Downs, *Over The Line* (Washington, DC: AEI Press, 1999), pp. 101, 117-118 (giving examples).

58. David Gollust, “U.S. North Korea ‘Narrow Differences’ in Geneva Talks,” *Voice of America* (October 25, 2011) (quoting Park), <http://www.voanews.com/english/news/asia/US-North-Korea-Narrow-Differences-in-Geneva-Talks-132567108.html>.

that negotiated progress is possible in order to put off wrestling with the implications of a conclusion to the contrary. Preparing to fight for his political life against the Republican nominee, Barack Obama's White House may be eager to put off these implications; faced with the imperatives of consolidating power, Kim Jong-un (and his backers or handlers, whomever they may be) may find himself unready as well. These dynamics may perhaps end up encouraging things that *look* like preparations for nuclear negotiation, but there may be no necessary connection between such noises and the prospects of reaching real agreement.

Even if present U.S. policy is motivated by simplistically parochial political calculations related to the 2012 U.S. presidential elections, of course, forestalling DPRK provocations – through pointless talks if necessary – is not necessarily an unworthy goal. But it is not denuclearization either, and of *that* there still seems little likelihood.

China and Russia

Leadership contests are also both underway in both Beijing and Moscow, though “contest” may not be quite the right word with to describe Vladimir Putin's self-re-anointment as Russia's president.⁵⁹ Neither of these succession processes is characterized by U.S.-style electoral politics – with the process in Beijing, in particular, being a famously opaque one of personal and factional maneuvering behind closed doors within the Chinese Communist Party – but in both

59. With his hand-picked successor Dmitry Medvedev having occupied the presidency for him long enough to Putin to be constitutionally permitted to run for a third term – more than two *consecutive* terms being unlawful – Medvedev will now conveniently step aside. Maxim Tkachenko, “Medvedev said he cedes presidency bid to Putin because he is more popular,” CNN (September 30, 2011), http://articles.cnn.com/2011-09-30/world/world_europe_medvedev-putin-popularity_1_putin-or-medvedev-ruling-united-russia-party-levada-center?_s=PM:EUROPE. Putin is thus slated to be returned to the highest office in Russia in 2012, presumably for another two terms; no outside observer questions his inevitable success in the “managed democracy” of modern Russia.

cases it seems an improbable time to expect new diplomatic flexibility on the DPRK nuclear issue. Russia and China had long been the Six-Party partners least interested in pressing the DPRK toward denuclearization, with the People's Republic of China (PRC) being especially reluctant in recent years, and their anticipated leadership changes are unlikely to alter this.

If anything, the once and future Russian President, Vladimir Putin – who has more of a penchant for anti-American posturing than his more emollient time-serving stand-in Dmitry Medvedev – may take a *stronger* line protecting Pyongyang from foreign pressure. The DPRK-related inclinations of China's presumptive next leader Xi Jinping are unknown, but in this era of relatively colorless CCP collective leadership, the man most observers expect to emerge as China's next top man is not expected to bring much that is new to the DPRK equation. Indeed, the tendency of modern CCP leaders to take what are in some ways more assertive foreign policy positions (at least over Taiwan) in the wake of a succession struggle, as did Jiang Zemin in 1995-1996 (with military exercises) and Hu Jintao in 2004 (with new anti-"secession" posturings)⁶⁰ – dynamics which are perhaps the result of internal needs to placate or solidify support from hawkish military and security interests, or to offer a sop to the country's increasingly potent popular nationalism, or both – might even make China more recalcitrant on DPRK denuclearization than ever. (America's renewed posture as being "back" in Asia is also unlikely to make Beijing keen to contemplate anything other than playing a continuing role as the key regional "enabler" of the North Korean regime, which plays some role as a "buffer" between the PRC and the U.S.-allied ROK.)

60. Richard McGregor, *The Party: The Secret World of China's Communist Rulers* (New York: HarperCollins, 2010), pp. 128-129.

Japan

For its part, Japan's leadership remains preoccupied by domestic political maneuvers and the continuing aftereffects of the Fukushima nuclear disaster, with the resignation of Prime Minister Naoto Kan in the summer of 2011 having led to what one Japanese political scientist called a period of "real chaos."⁶¹ Japanese Foreign Minister Koichiro Gemba visited Seoul in October 2011 to discuss the DPRK issue – along with a good many other subjects – in talks with his South Korean counterpart, Kim Sung-hwan.⁶² Kan's successor, Yoshihiko Noda, is the country's sixth prime minister in five years, however, and he seems likely to remain preoccupied by domestic challenges, and will probably be disinclined to invest much political capital in the DPRK nuclear question – especially absent clear signals of some new approach from Washington and Seoul.

Republic of Korea

The most interesting potential domestic political dynamics relevant to the DPRK nuclear situation are in South Korea, where constitutional term limits preclude President Lee Myung-bak's re-election and where Lee's party faces a serious electoral challenge not from the Right but from the Left – from what, by late 2011, at least, was shaping up to be a coalition between two left-of-center parties, the Democratic Labor Party (DLP) and the New Progressive Party (NPP). Having succeeded Roh Moo-hyun, a president who largely continued the comparatively indulgent "Sunshine Policy" toward the North articulated by his predecessor, Kim Dae-jung, President Lee took a conspicuously

61. Sachiko Sakamaki and Takashi Hirokawa, "Japan Politics 'Chaos' with Kan Resignation Vow," *Bloomberg* (June 3, 2011), <http://www.bloomberg.com/news/2011-06-02/japan-in-real-chaos-as-kan-succession-maneuvering-delays-reconstruction.html>.

62. "S. Korean, Japanese FMs set for talks on N. Korea, bilateral ties," *Yonhap News Agency* (October 6, 2011), <http://english.yonhapnews.co.kr/national/2011/10/06/16/0301000000AEN20111006003200315F.HTML>.

tougher line – especially in reaction to the DPRK provocations of 2010 – and enjoyed much closer relations with the Americans. Given that both the DLP and NPP are said to favor a “few-questions-asked outreach to North Korea and rarely, if ever, question the legitimacy of its dictatorship,”⁶³ such electoral pressures as there may be that relate to the DPRK nuclear issue are likely to be toward greater compromise and more concessions to Pyongyang. (As we have seen, in fact, Kim Jong-il’s death has already provided Lee himself with the opportunity to call for a “new era” of cooperation, though this has so far been caustically spurned by officials in the North.) Seoul’s approach to DPRK issues, therefore, could change – either as a result of pre-election posturing, or in the event of a change of party in the Blue House.

That said, there is very little that the ROK can do, *on its own*, on the DPRK nuclear issue. (Other aspects of engagement might be another story, particularly with regard to the economic and other contacts that characterized the older “Sunshine Policy.”) Pyongyang covets the political and nuclear weapons legitimacy that it feels Washington alone can supply, and although engagement with Seoul has been welcomed in the North where this involves the receipt of fuel oil, economic assistance, payments in return for diplomatic exchanges,⁶⁴ or other benefits, the DPRK seems to feel that it cannot get the recognition and international status it desires without a deal with the Americans.⁶⁵ Accordingly, while the ROK elections do present

63. Evan Ramstad, “Positioning Accelerates for 2012 Elections,” *Wall Street Journal/Korea Real Time* (June 7, 2011), <http://blogs.wsj.com/korearealtime/2011/06/07/positioning-accelerates-for-2012-elections/>.

64. “N. Korea still Expects Payment for Summit,” *Chosun Ilbo* (October 7, 2011), http://english.chosun.com/site/data/html_dir/2010/02/26/2010022600353.html.

65. Another complication is that neither Korean government – at a fairly basic constitutional level – recognizes the legitimacy of the other. Article 1 of the DPRK constitution defines its government as “representing the interests of all of the Korean people,” including, pursuant to Article 15, all Koreans overseas. (Article 9 also commits the DPRK to a “struggle” to reunify the peninsula.) *Constitution of the Democratic People’s Republic of Korea* (April

something of a potential “wild card” with respect to international engagement with Pyongyang in general, *the nuclear stalemate* itself seems unlikely to change much as a result of political and leadership developments in Seoul.

So far, moreover, the South Korean government seems to remain firmly committed to denuclearization. After a July 2011 meeting between DPRK and ROK officials, a joint statement by South Korea, the United States, and Japan stressed both that Pyongyang must “make sincere efforts” to improve relations with the ROK before any talks could resume under the Six-Party aegis, and that the DPRK uranium program must be addressed in any such talks. This represents a tougher position than at the last point at which there was any sort of Six-Party agreement – in July 2008, when these same countries were content to put off indefinitely any effort to deal with the uranium problem. At that time, it was agreed, rather limply, merely that the DPRK would “acknowledge” U.S. concerns about uranium.⁶⁶ (North Korea’s 2010 enrichment revelations have made such evasions impossible now.) More recently, South Korean officials have told the press that they do not expect new talks any time soon, stressing that “[w]e cannot go to Six-Party Talks when [the DPRK’s various] nuclear programs are up and running.” Seoul and Washington have continued their insistence that North Korea demonstrate a

2009), <http://asiamatters.blogspot.com/2009/10/north-korean-constitution-april-2009.html>. For its part, the ROK constitution’s Article 3 defines ROK territory as “the Korean peninsula and its adjacent islands.” (Article 4, however, stresses the importance of “peaceful reunification based on the principles of freedom and democracy.”) *Constitution of the Republic of Korea* (as amended October 29, 1987), http://english.court.go.kr/home/att_file/download/Constitution_of_the_Republic_of_Korea.pdf. DPRK officials have said that “the U.S. does not acknowledge the DPRK as a legitimate sovereign state,” but no *constitutional* obstacles, at least, would impede the kind of accord Pyongyang desires in order to achieve “normalization of relations between the two countries.” Cf. Choe Son Hui, *supra*, pp. 52-53.

66. Assistant Secretary of State for East Asian and Pacific Affairs Christopher Hill, statement to the Senate Committee on Armed Services (July 31, 2008), p. 3, http://www.ncnk.org/resources/publications/Amb_Hill_Testimony_SASC_July_08.pdf.

commitment to denuclearization before talks could resume.⁶⁷ So far, at least, Kim Jong-il's demise has not shaken this insistence: as noted earlier, Lee Myung-bak's January 2012 call for a "new era" of peninsular cooperation⁶⁸ was predicated upon the DPRK showing its "sincerity" by shifting on the nuclear issue.

Alternative Approaches?

Despite claims that the October 2011 discussions between U.S. and DPRK officials in Geneva were "positive and generally constructive,"⁶⁹ and notwithstanding reports just before Kim's death of a tentative talks-for-food agreement, therefore, there would seem little chance of real movement on the underlying nuclear issue. This substantive impasse has led some observers to speculate about what alternatives might be possible. For better or for worse, there seem to be few.

The "Libyan Model"

In early 2011, this author argued in a paper presented to DPRK interlocutors at a "Track II" dialogue sponsored by the Aspen Institute Germany, that the example of Libyan policy in 2003-2004 might provide a model for how the North Korean nuclear situation can be resolved.⁷⁰ Libya, I pointed out, had managed to turn around a terribly poisonous and adversarial relationship with the United States by abandoning

67. Peter Crall, "U.S., North Korea Hold Bilateral Talks," *Arms Control Today* (September 2011), http://www.armscontrol.org/2011_09/U.S._North_Korea_Hold_Bilateral_Talks.

68. Jin Sung-chul, "S. Korean president sees 'window' to deal with North," *supra*.

69. "Progress in U.S. – N. Korea talks but no deal on resuming full nuclear negotiations," *Associated Press* (October 25, 2011), http://www.washingtonpost.com/world/europe/us-north-korea-talks-over-pyongyangs-nuclear-program-show-some-progress-in-geneva/2011/10/25/gIQA84pkEM_story.html.

70. Ford, "Challenges of North Korean Nuclear Negotiation," *supra*, pp. 77-80.

its longstanding support for international terrorism and relinquishing its weapons of mass destruction (WMD) programs through a cooperative, trilateral (U.S.-UK-Libyan) elimination and verification program.⁷¹ As a result, the United States was willing to restore diplomatic relations with the regime of Libyan dictator Muammar Qaddafi, and to permit a wide range of new economic and commercial relationships with his government, including lucrative oil contracts with American firms. Perhaps, I speculated, North Korea – which desires just such normalization from Washington – could learn from this.

Unfortunately for DPRK denuclearization – though quite fortunately for the Libyan people themselves – events in North Africa have developed in ways that make “the Libyan model” of WMD relinquishment quite politically unsaleable in Pyongyang. As seen through the eyes of the DPRK regime, Qaddafi’s relinquishment of his WMD programs in 2003-2004, the NATO-facilitated ouster of his government in 2011, and Qaddafi’s own gruesome death at the hands of his own people on October 20 of that year⁷² are not unrelated events, but rather a sinister Western stepping-stone strategy that first disarmed and then destroyed the Libyan tyrant. As it was put

71. In retrospect, this elimination program – while clearly a great success overall – was perhaps not quite as complete as originally hoped. In late 2011, for instance, Libyan rebels overran and captured a 9.5-ton cache of mustard gas that the Qaddafi regime had apparently hidden away in contravention of its earlier claims to have destroyed all Libya’s chemical weaponry. (By some accounts, moreover, Iran may have provided Libya with specialized artillery shells for this secret gas stockpile.) Ian Black, “Libyan rebels discover Gaddafi’s chemical weapons,” *The Guardian* (September 22, 2011), <http://www.guardian.co.uk/world/2011/sep/22/libyan-rebels-gaddafis-chemical-weapons>; R. Jeffrey Smith, “Iran may have sent Libya shells for chemical weapons,” *Washington Post* (November 20, 2011), http://www.washingtonpost.com/world/national-security/iran-may-have-sent-libya-shells-for-chemical-weapons/2011/11/18/gIQA7RPifN_story.html. That said, there have been no reports of Libyan cheating on the nuclear aspects of its 2003 relinquishment agreement with the United States and the United Kingdom.

72. Kareem Fahim, Anthony Shadid, & Rick Gladstone, “Violent End to an Era as Qaddafi Dies in Libya,” *New York Times* (October 20, 2011), http://www.nytimes.com/2011/10/21/world/africa/qaddafi-is-killed-as-libyan-forces-take-surt.html?_r=1&hp.

by the DPRK's official news agency, KCNA, events in 2011 are said in Pyongyang to have demonstrated that

“Libya’s nuclear dismantlement’ much touted by the U.S. in the past turned out to be a mode of aggression whereby the latter coaxed the former with such sweet words as ‘guarantee of security’ and ‘improvement of relations’ to disarm itself and then swallowed it up by force.”⁷³

It does not matter much that this analysis is deeply flawed, both factually and analytically, and that the “Libyan model” in truth still has great salience for DPRK denuclearization. Pyongyang interprets Libya as proving that denuclearization would be the prelude to disaster for the Kim family regime – and this impression is likely only to be highlighted by the gory snapshots and videos of Qaddafi’s impromptu execution that so quickly went “viral” on the Internet (Such footage must have seemed troubling indeed to Kim Jong-il and his son). The DPRK’s conclusion in this regard, false though it may be, makes negotiated denuclearization on the Korean peninsula more unlikely now than ever.

Other Possibilities

Other alternatives to addressing the dangers of the DPRK’s nuclear weapons programs also seem unlikely to bear fruit. Let us examine three of these possibilities: (1) U.S.-DPRK dialogue or cooperation on nuclear weapons safety and security; (2) the establishment of International Atomic Energy Agency (IAEA) safeguards in North Korea as some kind of interim measure pending final agreement on the underlying nuclear issue; and (3) incorporating the DPRK into the nuclear security process represented by the 2012 Nuclear Security Summit in Seoul and any follow-up summits that may occur.

73. “Foreign Ministry Spokesman Denounces U.S. Military Attack on Libya,” KCNA (March 22, 2011), <http://www.kcna.co.jp/item/2011/201103/news22/20110322-34ee.html>.

Safety and Security Cooperation

The history of the U.S.-Soviet nuclear relationship might seem to suggest some chance of U.S.-DPRK contacts aimed at improving the safety and security of North Korean nuclear weaponry until such time as these devices can be eliminated pursuant to a future denuclearization agreement. Alarmed by their receipt of information suggesting that Soviet nuclear warheads were inadequately secured against accidental or unauthorized use, one might recall, U.S. officials were willing to meet with their communist counterparts in 1962 – at time when both countries perceived themselves still to be locked in a struggle over the future of the world – in order to pass along some details about how the American military secured its nuclear weapons in order to encourage Moscow to take similar steps. (This allegedly led to real improvements in Soviet nuclear weapons safety, with potentially enormous benefits to international peace.)⁷⁴ In 1971, moreover, the United States and the USSR signed an agreement on mutual consultation and notification procedures designed to reduce the risk of accidental nuclear war between them.⁷⁵

Applying this historical precedent to the U.S.-DPRK situation, however, is more problematic than it might at first appear, for American officials would find it extremely difficult to escape the implication that any such steps served to *legitimate* the very North Korean nuclear weapons program Washington seeks to eliminate, and to which it remains firm U.S. (and South Korean, and Japanese) policy to deny legitimacy. Soviet “denuclearization,” after all, was never seriously on the Cold War negotiating agenda after Moscow had rejected the Americans’ Baruch Plan for international control of

74. Herman Kahn, *Thinking about the Unthinkable in the 1980s* (New York: Simon & Schuster, 1984), p. 193.

75. Agreement on Measures to Reduce the Risk of Outbreak of Nuclear War between the United States of America and the Union of Soviet Socialist Republics (September 30, 1971), <http://www.state.gov/www/global/arms/treaties/accident.html>.

nuclear technology⁷⁶ and forged ahead with its own nuclear weapons build-up after 1949. With that predicate, and with the possibility of *deliberate* nuclear war still looming over the two countries' Cold War competition, it seemed reasonable to cooperate at least on preventing such a conflict from happening *inadvertently*. In the contemporary DPRK context, however, it would be difficult to avoid creating the impression that any such accident-avoidance measures did not amount to a *de facto* U.S. concession of Pyongyang's legitimate possession of nuclear weaponry. North Korea might welcome such discussions precisely for this reason, of course, but this is also precisely why Washington would surely balk.

The apparent precedent of reported clandestine U.S. assistance to Pakistan in order to improve nuclear weapons and materials security⁷⁷ might also be difficult to apply in the DPRK. Here, however, the likely problem is North Korean rather than American. As troubled as the U.S.-Pakistan relationship has sometimes been – and as further troubled as it is becoming as increasing evidence emerges of collusion between Pakistani security forces and anti-American terrorists in the region⁷⁸ – it has been for many years fundamentally a relationship of allies (e.g., against the Soviet Union during the Cold War).

Even so, however, the Pakistanis have shown an extraordinary sensitivity about the issue of alleged U.S. nuclear security assistance, coupled with a notable degree of public paranoia over whether the United States actually intends to swoop in to seize Pakistan's nuclear weaponry in order to keep these devices from falling into the hands

76. "Statement by the United States Representative (Baruch) to the United Nations Atomic Energy Commission" (June 14, 1946), in U.S. Department of State, *Documents on Disarmament: 1945-1959*, Volume I (Washington, DC: Department of State Historical Office, 1960), p. 7.

77. David Sanger & William Broad, "U.S. Secretly Aids Pakistan in Guarding Nuclear Arms," *New York Times* (November 18, 2007), <http://www.nytimes.com/2007/11/18/washington/18nuke.html?pagewanted=all>.

78. Martha Raddatz, "Mullen: Pakistan's Spy Agency Supported Attacks on Americans," *ABC News* (September 22, 2011), <http://abcnews.go.com/blogs/politics/2011/09/mullen-pakistans-spy-agency-supported-attacks-on-americans/>.

of radical jihadists.⁷⁹ (Investigative journalists alleged in late 2011, in fact, that Pakistan was for this reason secretly moving its warheads around in low-security unmarked vehicles in order to hide them from U.S. intelligence.⁸⁰ The government in Islamabad has denied these claims,⁸¹ but whatever the truth of the story, Pakistan's neuralgia on the topic of nuclear security is clearly acute.) Even if the U.S.-Pakistan relationship were not itself steadily deteriorating in late 2011 and early 2012, it would be difficult to imagine the even more paranoid DPRK regime agreeing to any sort of analogous arrangement.

IAEA Safeguards

It also seems unlikely that officials in North Korea would agree to permit the application of IAEA safeguards on the DPRK's plutonium production and uranium enrichment infrastructure as an interim confidence-building measure pending some more general resolution pursuant to the Six-Party process. Technically, such an arrangement remains possible, for not all possible IAEA safeguards arrangements would require that North Korea first return to the NPT, from which Pyongyang withdrew in 2003 after having been caught in violation of that Treaty and of its nuclear agreements with the United States and South Korea.⁸² Specifically, while safeguards agreements reached pursuant to the IAEA's INFCIRC/153 process are built upon the

79. Yochi J. Dreazen, "Fear that U.S. Can Grab Nuclear Arsenal Heightens Pakistani Anger," *National Journal* (May 19, 2011), http://www.nationaljournal.com/nationalsecurity/fear-that-u-s-can-grab-nuclear-arsenal-heightens-pakistani-anger-20110509?page=1&sms_ss=twitter&at_xt=4dc7c790a8ec72c6,0.

80. "Pakistan's nuclear weapons vulnerable to theft, alleges report," *AFP* (November 5, 2011), <http://tribune.com.pk/story/287867/pakistan-hiding-nuclear-bombs-by-moving-them-in-civilian-vans-on-congested-roads/>.

81. "Pakistan Dismisses Report on Lax Warhead Security," *Global Security Newswire* (November 7, 2011), http://gsn.nti.org/gsn/nw_20111107_8685.php.

82. U.S. Department of State, *Adherence to and Compliance with Arms Control, Nonproliferation, and Disarmament Agreements and Commitments* (August 2005), pp. 87-92, <http://merln.ndu.edu/archivepdf/wmd/State/52113.pdf>.

assumption that the country in question is an NPT non-nuclear weapons state,⁸³ agreements may alternatively be had under INFCIRC/66,⁸⁴ which does not require this. Indeed, North Korea agreed in 1977 to apply INFCIRC/66 safeguards to its IRT-2000 reactor, which duly came under IAEA inspections in 1978.⁸⁵ (The DPRK expelled IAEA inspectors in December 2002, however.⁸⁶)

Trying to bring all the DPRK's nuclear facilities under the INFCIRC/66 safeguards aegis today, however, would require long and complex negotiations with the IAEA, and would be unlikely to permit Agency inspectors the authority they would need in order to provide meaningful verification assurance against North Korean cheating in any event. Since the mid-1990s, the IAEA has been promoting its "Additional Protocol" (AP)⁸⁷ as a supplement to other inspection authorities, because experience – e.g., in Iraq before 1991 – has shown that traditional approaches were entirely inadequate. Furthermore, the IAEA has long since admitted that even the AP provides insufficient inspector authority in dealing with denial and deception efforts by a determined violator.⁸⁸

83. International Atomic Energy Agency, *The Structure and Content of Agreements between the Agency and States Required in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons*, INFCIRC/163 (Corrected) (June 1972), <http://www.iaea.org/Publications/Documents/Infircs/Others/infirc153.pdf>.

84. International Atomic Energy Agency, *The Agency's Safeguards System*, INFCIRC/66 Rev. 2 (September 16, 1968), <http://www.iaea.org/Publications/Documents/Infircs/Others/infirc66r2.pdf>.

85. Operations of this reactor were not frozen as part of the 1994 "Agreed Framework" between the DPRK and the United States, even though it had already provided spent fuel for use in early North Korean plutonium separation work. See Nuclear Threat Initiative, *Country Profile: North Korea* (January 2011), http://www.nti.org/e_research/profiles/NK/Nuclear/facilities_reactors_assemblies.html.

86. "N. Korea to expel U.N. nuclear inspectors," *The Guardian* (December 27, 2002), <http://www.guardian.co.uk/world/2002/dec/27/northkorea1>.

87. International Atomic Energy Agency, *Model Protocol Additional to the Agreement(s) between State(s) and the International Atomic Energy Agency for the Application of Safeguards*, INFCIRC/540 (September 1997), <http://www.iaea.org/Publications/Documents/Infircs/1997/infirc540c.pdf>.

88. International Atomic Energy Agency, *Implementation of the NPT Safeguards*

Since North Korea built and retains its nuclear facilities precisely in order to produce nuclear weaponry, moreover, no IAEA safeguards model really fits its circumstances: IAEA safeguards are designed to prevent the use of facilities for nuclear weapons purposes, there is no historical precedent for international inspections of a working weapons production infrastructure, and the IAEA is neither really authorized to deal with nuclear weapons design information nor equipped for the information-security challenges of such a portfolio. Most importantly, it seems vanishingly unlikely that Pyongyang would in fact agree to inspections of its weapons plants in any event, nor to any IAEA authorities that would be sufficient to provide reasonable assurances that further DPRK facilities were not being concealed.

Nuclear Security Summit

Some observers have suggested that the (second) Nuclear Security Summit in Seoul in March 2012 – or, more specifically, the process it represents, for follow-on summits may well also occur as diplomats try to move forward with a global agenda of improving nuclear materials security – might provide an opportunity to engage the DPRK on specific security issues, thus potentially providing a first step toward a more comprehensive agreement.⁸⁹ There is also said to be considerable interest among the South Korean public in such an effort, though perhaps unfortunately coupled with widespread misunderstanding about the focus of the actual 2012 Summit.⁹⁰

Agreement in the Islamic Republic of Iran, GOV/2005/67 (September 2, 2005), p. 50 (noting need for IAEA authorities in Iran “beyond the formal requirements of the Safeguards Agreement and Additional Protocol”).

89. Kenneth Luongo, “Denuclearize the DPRK: A Dialogue on Radiological Source Security,” *38 North* (undated), <http://www.partnershipforglobalsecurity.org/PDFFrameset.asp?URL=http://38north.org/2011/05/luongo051111/>.

90. Woo Jung-yeop, “Public Understanding of Nuclear Security Summit,” *Korea Herald* (September 8, 2011) (citing public opinion survey data from Asian Institute for Policy Studies), <http://www.koreaherald.com/opinion/Detail.jsp?newsMLId=20110908000794>.

Such a step, however, seems unlikely, not least because U.S. and South Korean officials are resisting any NSS involvement by DPRK officials absent just the sort of clear commitment to the goal of denuclearization that Pyongyang today seems unwilling to make. North Korean officials have indeed indicated willingness to participate in the Seoul Summit, but – as noted above – only as an opportunity to get international acceptance as a legitimate nuclear weapons possessor state. As described earlier, DPRK officials have proclaimed their “willingness to join the international efforts for nuclear non-proliferation and on nuclear material security,” but they specify that this involvement would have to be “on an equal footing with other nuclear weapons states.”⁹¹ South Korean President Lee Myung-bak, however, has countered that North Korea is welcome to attend if it “firmly agrees on denuclearization.”⁹² One should not expect this stalemate to be resolved soon.

Prospects for the Future

All in all, therefore, the DPRK nuclear situation seems well on its way into a future in which, whether or not talks are notionally underway about denuclearization, there is almost no real chance of achieving it on a negotiated basis. In this context, whatever the state of diplomatic engagement – or pseudo-engagement – the United States and its allies would face increasing pressures to default to a pressure-based policy of working to ensure North Korea’s continued isolation and painful “containment” until such point as Pyongyang either makes a strategic commitment to change course on nuclear weaponry, or its regime simply collapses.⁹³

91. “Foreign Ministry Issues Memorandum on N-issue,” *supra*.

92. Kim So-hyun, “Lee Myung-bak makes conditional invitation to Kim Jong-il for nuke summit,” *Korea Herald* (October 5, 2011), <http://www.asianewsnet.net/home/news.php?id=18850>.

93. Ford, “Challenges of North Korean Nuclear Negotiation,” *supra*, p. 71.

Interestingly, moreover, before Kim Jong-il's death, both North and South Korea seemed to be shifting their diplomatic approaches to what one might call an "away game" of diplomatic outreach not directly related to the prospect of renewed Six-Party denuclearization talks. As noted above in connection with Pyongyang's overture about potentially joining the upcoming NSS, the DPRK seemed to be casting about for ways to bolster its purported legitimacy as a nuclear weapons possessor state. More significantly, however – and very much more successfully – South Korea has been building for itself an augmented international diplomatic and political stature in ways quite independent of the ongoing DPRK nuclear situation.

The ROK under President Lee has been pursuing what it calls a "Global Korea" strategy, pursuant to which Seoul aims to play a more significant role than ever before in the international community. Explicitly conceived as being in significant part a *security strategy* – one in which, as the country's 2008 Defense White Paper put it, "enhancing competence and status internationally" is a core national security objective, and in which the ROK armed forces are to play a major role in "enhancing [South] Korea's stature on the international stage" and "building 'A Country that Stands Tall in the World Through Advancement'"⁹⁴ – the ROK is pursuing every available opportunity to develop an expanded world role and become an indispensable player in regional and global affairs. Hosting the 2012 nuclear security event is only part of this effort, for the ROK has also emerged as the first newly industrialized country to host a G20 summit, has joined the Donor Assistance Committee of the Organization for Security and Cooperation in Europe, and, among other things, is working to develop "the capacity and desire to participate in [far-ranging] maritime security, peacekeeping, and post-conflict stabilization missions."⁹⁵

94. Republic of Korea Ministry of National Defense, *Defense White Paper 2008*, from the introduction by Defense Minister Lee Sanghee, p. 45, http://www.mnd.go.kr/cms_file/info/mndpaper/e2008_all.pdf.

95. Scott A. Snyder, "South Korea's Emerging Global Security Role," *World Politics Review* (March 23, 2010), <http://www.cfr.org/international-peace-and-security/south-koreas-emerging-global-security-role/p21717>.

Seoul is also approaching a major symbolic and operational milestone with the transfer to the ROK – somewhat delayed from its original date, but now anticipated for 2015⁹⁶ – of wartime operational control (OPCON) for joint U.S.-ROK forces in the peninsula. To be sure, much work apparently still remains to be done in ensuring that ROK forces are prepared for this transfer. In fact, its delay from 2012 to 2015 may have been based upon the perception that it would not be possible to do enough by the earlier date to ensure the “reconfiguration of South Korea’s command and control” and to “fill the existing gaps in [ROK] defense capabilities (in terms of missile defense, command and control systems, critical logistical capabilities, etc.).”⁹⁷

Nevertheless, provided it is successfully accomplished, the pending OPCON transfer is of enormous political significance, inasmuch as it could be said to mark the ROK’s long-delayed emergence as a mature player, *in its own right*, in regional and global security affairs, as a country fully empowered both with the lead responsibility for its own defense and with a leadership role, to this end, *vis-à-vis* local military operations by the forces of its huge trans-Pacific ally. U.S. authorities apparently envision no lessening of Washington’s commitment to defending the ROK against foreign aggression, and no lessening of U.S. military involvement on the peninsula. (In fact, it might even be that U.S. capabilities in the area *increase* in some respects, not merely as a result of increased diplomatic and strategic attention Washington is giving to Asia but also because a major new ROK naval base now under construction on Jeju Island is expected to permit visits by U.S. Navy ships.⁹⁸) Accordingly, the OPCON

96. “U.S., S. Korea delay OPCON transfer until 2015,” *Stars & Stripes* (June 27, 2010), <http://www.stripes.com/news/pacific/korea/u-s-s-korea-delay-opcon-transfer-until-2015-1.108947>.

97. Leslie Forgach, “U.S.-ROK OPCON Transfer Should Wait,” *AEI Center for Defense Studies* (March 5, 2010), <http://www.defensestudies.org/cds/us-rok-opcon-transfer-should-wait/>.

98. Choe Sang-hun, “Island’s Naval Base Stirs Opposition in South Korea,” *New York Times* (August 18, 2011), <http://www.nytimes.com/2011/08/19/world/asia/19base.html?pagewanted=all>.

transfer would seem to represent not something analogous to the U.S. retrenchment of “Vietnamization” in the 1970s, but instead a still-engaged America’s formal recognition of the ROK as a full-spectrum security *partner* – and in some respects a regional *leader* – in advancing common goals of stability and the maximization of regional democracies’ prosperity and autonomy.

Meanwhile, the ROK is engaged in an ambitious push to build itself an increasingly sophisticated high-technology aerospace and defense sector, from trying to develop an indigenous space-launch capability to the production of modern manned and unmanned aerial vehicles (including advanced low-observable – a.k.a. “stealth” – platforms⁹⁹) for military reconnaissance and strike missions,¹⁰⁰ as well as long-range precision attack tools.¹⁰¹ If anything, these plans are perhaps *too* ambitious. (Seoul’s venture into the “first rank” of the stealth aircraft business, for instance, relies upon an aerospace sector that has never before built *any* manned combat aircraft,¹⁰² and its first two indigenous space launch attempts have been failures.¹⁰³) Nevertheless, the ROK has proven itself a very sophisticated high-technology player in other fields, and its scientists and engineers may prove to be quick studies in these new areas too. Either way, however, South Korea’s *ambition* is very clear: it envisions itself as a global player.

Already possessed of a sophisticated nuclear power sector, moreover – including a reactor-production industry that has become quite competitive as a provider on the international market, recently winning a major contract to build reactors for the United Arab

99. Bradley Perrett, “Leaping Forward,” *Aviation Week & Space Technology* (October 24-31, 2011), p. 34.

100. Gordon Feller, “South Korea’s Push for the UAV,” *Airforce-Technology.com* (April 28, 2010), <http://www.airforce-technology.com/features/feature83412/>.

101. *Defense White Paper 2008*, *supra*, pp. 107-108.

102. Perrett, *supra*, p. 34.

103. “South Korea rocket ‘explodes’ moments after takeoff,” *BBC News* (June 10, 2010), <http://www.bbc.co.uk/news/10281073>.

Emirates¹⁰⁴ – South Korea also now also seeks the means to produce plutonium for a breeder reactor program¹⁰⁵ that would allow it to “close the nuclear fuel cycle” along the lines of what I have heard ROK officials describe as the “Japanese model.” Some observers worry about this plutonium proposal on account of the (perhaps also “Japanese”-modeled) nuclear weapons “option” it would provide to strategic planners in Seoul,¹⁰⁶ but there is little doubt that South Korea is emerging as a very serious techno-economic “player” on the world stage.

In sum, particularly given the continuing dysfunction of the DPRK’s isolated, politically-deformed, and inefficient state-planned system¹⁰⁷ – especially in comparison to the ROK’s vibrant modern high-technology economy, which recovered fairly quickly after the global financial crisis of 2008, and by early 2010 was expanding faster than any other OECD country¹⁰⁸ – the long-term strategic prospects for North Korea look dim, and its position vis-à-vis its

104. Rod Adams, “South Korean Consortium Wins UAE Reactor Deal,” *Atomic Insights* (December 27, 2009), <http://atomicinsights.com/2009/12/south-korean-consortium-wins-uae-reactor-deal-bid-was-16-billion-40-lower-than-areva-led-consortium.html>.

105. Choe Sang-hun “U.S. Wary of South Korea’s Plan to Reuse Nuclear Fuel,” *New York Times* (July 13, 2010), <http://www.nytimes.com/2010/07/14/world/asia/14seoul.html?pagewanted=all>. In 2004, it should also be remembered, South Korean scientists were revealed to have engaged in earlier, laboratory-scale experiments with uranium enrichment and plutonium processing that were not properly declared to the International Atomic Energy Agency. Daniel A. Pinkston, “South Korea’s Nuclear Experiments,” *Center for Nonproliferation Studies* (November 9, 2004), <http://cns.miis.edu/stories/041109.htm>.

106. Frank N. von Hippel, “South Korean Reprocessing: An Unnecessary Threat to the Nonproliferation Regime,” *Arms Control Today* (March 2010), http://www.armscontrol.org/act/2010_03/VonHippel.

107. Nicholas Eberstadt, “Is Effective International Economic Assistance to the DPRK Conceivable?” in *Aspen DPRK-USA Dialogue*, *supra*, pp. 221, 224-225.

108. Yoon Young-kwan, “South Korean economy bounces back despite the politics,” *East Asia Forum* (January 3, 2010), <http://www.eastasiaforum.org/2010/01/03/south-korean-economy-bounces-back-despite-the-politics/>.

southern rival is likely to erode more and more with every passing year. In its implicit intra-peninsular rivalry with Seoul, Pyongyang finds itself grossly overmatched in almost every relevant respect.

Pyongyang's continuing strategic slide, however, presents its own problems for the North Korean nuclear crisis. Most obviously, it probably increases the DPRK's incentive to hang onto its nuclear weapons programs under any and all circumstances. These programs, of course, are not the only capability North Korea possesses that worries the United States, the ROK, and Japan. (Here one must also count Pyongyang's arsenal of tube artillery within range of downtown Seoul,¹⁰⁹ its large stocks of chemical¹¹⁰ and probably biological weaponry,¹¹¹ and its ballistic missile program.¹¹²) Nonetheless, rightly or wrongly, officials in Pyongyang do seem to consider nuclear weapons to be their only real "trump card" against foreign threats real and imagined.

This perception has helped seal in place a depressing cycle of dimming expectations: the ongoing, long-term degradation of the DPRK's strategic situation simultaneously makes Pyongyang more and more resistant to denuclearization and ensures that its prospects for actually getting anything like a "good" denuclearization deal steadily diminish with the passage of time. North Korea, in other words, is losing its window of opportunity even as it becomes harder and harder for DPRK officials to contemplate taking advantage of what poor opportunities remain.

109. "N. Korea has world's largest artillery force," *Breitbart.com* (April 22, 2008) (quoting U.S. general Walter Sharp), <http://www.breitbart.com/article.php?id=CNG.9b44fd30ac49d58176d74d2962680917.101>.

110. Jon Herskovitz, "North Korea chemical weapons threaten region," *Reuters* (June 18, 2009), <http://www.reuters.com/article/2009/06/18/us-korea-north-idUST32127420090618>.

111. U.S. Department of State, *Adherence to and Compliance with Arms Control, Nonproliferation, and Disarmament Agreements and Commitments* (July 2010), pp. 20-21, <http://www.state.gov/documents/organization/145181.pdf>.

112. Daniel Pinkston, "The North Korean Ballistic Missile Program," Strategic Studies Institute (February 2008), <http://www.strategicstudiesinstitute.army.mil/pdffiles/pub842.pdf>.

As a result, it seems increasingly likely that outsiders assessing the DPRK nuclear situation will turn from hoping to restart denuclearization negotiations to the grimmer tasks of contingency planning for how they might handle future North Korean *Cheonan*-style provocations, potential regime collapse in Pyongyang, or even factional civil war in the North. Ironically, such dark possibilities may actually help serve – albeit quietly – to bring the other five partners in the moribund Six-Party Talks process back into constructive and cooperative dialogue.

The five capitals may have difficulty agreeing on precisely how to approach DPRK nuclear negotiations, but the United States, Russia, China, Japan, and South Korea share a powerful interest in preventing events on the peninsula from spiraling disastrously out of control, in preventing onward nuclear proliferation from North Korea, and in preparing to coordinate any future efforts that might be necessary to contain and manage a regime crisis in the North or cope with its humanitarian, economic, and potential strategic consequences. Accordingly, it might perhaps be possible to build on such recent precedents as the May 2011 joint China-Japan-ROK agreement on disaster management and nuclear reactor safety¹¹³ in quietly developing Five-Party plans for future crisis management on the Korean peninsula.

In short, one might conclude today that East Asia is already well on its way to building a *post*-DPRK regional order, one in which Pyongyang is increasingly irrelevant except insofar as others anticipate having to cope with provocations it might decide to undertake, or with its domestic implosion. The dirty secret of the North Korean nuclear negotiations, therefore, is that the current stalemate could indeed last for what is functionally “forever” – that is, until the demise of the DPRK regime.

113. “China, Japan, S. Korea vow to strengthen cooperation on disaster management, nuclear safety,” *Xinhua* (May 22, 2011), http://news.xinhuanet.com/english/2010/china/2011-05/22/c_13888126.htm.

Conclusion

The prospects for a successful return to the Six-Party Talks are therefore very dim. Denuclearization – that is, the verified abandonment of North Korea’s nuclear weapons programs – seems now to have been, for all purposes except rhetorical posturing, entirely ruled out by the regime in Pyongyang. The DPRK seems more committed to its nuclear weapons than ever, and indeed now freely admits not just to the possession of a weapons production infrastructure but indeed now also a uranium enrichment pipeline elaborate enough to make it very difficult to imagine that it would ever agree to the stringent and intrusive verification measures that would be required even if denuclearization were ever theoretically accepted. With the Kim dynasty today facing domestic political circumstances of great potential uncertainty – and of a sort that seem likely to encourage intransigence and bellicosity more than diplomatic flexibility – there appears to be little chance of a strategic change of course by the regime in Pyongyang for the foreseeable future.

Meanwhile, North Korea’s evolving nuclear posture and ongoing cross-border provocations have also hardened outside attitudes against further nuclear negotiations, while domestic political factors (e.g., leadership changes) in various other Six-Party players also disfavor concessionary diplomatic “flexibility” aimed at deal-making with the DPRK. (South Korea is a potential exception here, but this is unlikely to change the overall picture, at least with respect specifically to *nuclear* negotiations. The U.S. administration of Barack Obama seems interested at least in some sort of *apparent* negotiating, if perhaps for no other reason than in order to reduce the potential for election-year trouble, but there seems little chance that any such talks could produce any real resolution even if they do develop.) Other avenues of approach to North Korean nuclear issues could perhaps be imagined – including an elimination protocol modeled on the Libyan successes of 2003-2004, extra-NPT safeguards through the IAEA, or other forms of safety and security cooperation – but these alternatives presently seem unpromising.

Though the nuclear impasse thus currently seems all but unbreakable, South Korea is steadily developing into an important and formidable “full-spectrum” player in the region and the world. With the DPRK falling farther and farther behind the ROK in all meaningful indices of political, economic, and military power *except* nuclear weaponry – and with Seoul possessing what might be said to be a “baseline” capability even there, upon which it may yet develop the technical wherewithal to build if provoked – this creates a paradoxical dynamic in which nuclear weapons are *more* important than ever to Pyongyang but the DPRK is steadily *less* important, even the point of insignificance, in regional affairs *except* as a source of episodic troublemaking or destabilizing collapse.

As East Asia develops an increasingly robust “post-DPRK” order, the security of which can be ensured only by ending the ongoing danger of problems originating in North Korea, it is thus likely that some regional players will increasingly find it necessary to develop policy options focused not merely upon deterring North Korean provocations, but also upon more overt contingency planning for (or even promotion of) potential DPRK regime-collapse scenarios. Rather than continuing to hold out hopes for negotiated denuclearization, in other words, regional policy alternatives may end up converging on harder-nosed strategies of pressuring and coercively containing the North Korean regime until it accepts a fundamental change in course, or until it simply falls apart – with or without outside encouragement.

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The Prospects for Economic Reform in North Korea after Kim Jong-il and the China Factor

Troy Stangarone and Nicholas Hamisevicz

In recent years, it has become clear that China is the most important external partner for North Korea. Total trade with China represented 32.7 percent of North Korea's trade in 2003, and in four short years grew to 67.1 percent, excluding inter-Korean trade. China during its economic growth has tried to encourage North Korea to undertake a similar path of economic reform. Nearly every time Kim Jong-il has visited China, Chinese government leaders have made statements demonstrating China's support for North Korea's economic reform. Moreover, Chinese officials often try to highlight their economic successes to Kim Jong-il when he visits China. Often, Kim Jong-il made statements suggesting North Korea would reform, especially through Special Economic Zones, following these trips. Yet real economic reform and success has yet to be seen in North Korea. Interestingly, as North Korea's relationship with China has grown closer in recent years, North Korea has also taken steps to build relationships with other partners. Kim Jong-il visited Russia in 2011 to discuss economic projects. But among Pyongyang's top trading partners, Russia only breaks into the top ten on the import side as North Korea's fifth largest import partner in 2010. Overall, North Korea has more trade with Egypt and Brazil than Russia, and almost as much with Mexico. North Korea also did around \$50 million in trade with Germany, from whom it imported machinery to make wine and press fruit, while exporting apparel. Ultimately, only North Korea can determine the direction of its economic development. Provocations against South Korea have hurt inter-Korean trade, limiting this option of economic interaction. North Korea still restrains itself from fully engaging in Chinese-style reforms though the passing of Kim Jong-il may open opportunities for greater economic change. Moreover, despite its outreach to other countries like Russia, Egypt, and Brazil, North Korea still needs more trade and financial engagement with other countries to fully develop in the dynamic global economy.

Key Words: Korea, China, economics, trade, investment

While the death of Kim Jong-il in December brings a change of leadership to North Korea and prospects for reform, the most significant change it brings in the near term is increased uncertainty. From the outside, the transition from Kim Jong-il to his youngest son, Kim Jong-un, seems to be going smoothly. At his father's funeral Kim Jong-un mirrored the role of Kim Jong-il at the funeral of Kim Il Sung, and he has publically received the backing of the military while quickly taking on many of the titles of leadership. What may not be known for years is whether Kim Jong-un has truly taken on the absolute authority held by his father and grandfather, or whether the decision-making process in North Korea has changed. What we do know is that China will likely play a key role in the leadership transition.

In recent years it has become clear that China is the most important external partner for North Korea. When it comes to trade, aid, or political assistance, it is Beijing that Pyongyang looks to. With the passing of Kim Jong-il, North Korea will now look to China for support and legitimacy during the leadership transition. China's influence in North Korea is interesting since, despite rhetoric such as Mao Zedong's comment that North Korea and China are as close as lips and teeth, it seems clear that North Korea would prefer to diversify its partnership if possible. Interestingly, as North Korea's relationship with China has grown closer in recent years, it has also taken steps to build relationships with other partners. Only a few years ago, it reached out to Orascom to build a cellular network, and in recent months it has sought increased economic ties with Russia. In addition, when one looks closer at North Korea's economic ties, there may be other opportunities for economic engagement with nations outside of Northeast Asia. This is the challenge and question that the new regime in Pyongyang faces: does it further increase its ties with China to maintain stability throughout the transition, or does it consider other avenues of political and economic engagement? This paper will largely focus on the latter.

China's Role in North Korea's Succession

Unlike his father, who had two decades to prepare to assume leadership before Kim Il Sung died in 1994, Kim Jong-un has only had three years to develop the knowledge, skills, and ties he will need to govern North Korea. With little time to develop internal support for his rule, external support could prove critical. As North Korea's chief patron, China will likely have a significant say in the transition process as it seeks to protect its own interests and the new regime works to ensure its own survival. For both parties stability through the transition will be the most important goal.

Despite concerns, China has been supportive of Kim Jong-un. In May 2011, rumors abounded that Kim Jong-un traveled with his father to China on an official state visit that many suspect was designed to gain Chinese approval for a third generation of rule by the Kim family.¹ Kim Jong-un was then seen welcoming officials back to North Korea from the China trip. At the time, it was widely believed that China had reluctantly agreed to the plan despite its aversion to dynastic succession in communist regimes, as the continued rule of the Kim family largely aids China's own security and economic development goals.

In the aftermath of Kim Jong-il's death, China moved quickly to express support for Kim Jong-un.² While the condolences expressed by China for the passing of Kim Jong-il were strikingly similar to those expressed in 1994 for the passing of Kim Il Sung, it is interesting to note that China was much more firm in showing its support this time, with Hu Jintao and other leading party figures visiting Pyongyang's

1. Lee Moran, "The Snappiest Dresser in North Korea: Kim Jong-un Eschews Father's Boring Beige for Blue Suit on Visit to China." *The Daily Mail*, May 20, 2011 (January 12, 2012).

2. Sangwon Yoon, "China Expresses Support for Kim Jong-un, Yonhap Says." *Bloomberg News*, December 19, 2011, <http://www.bloomberg.com/news/2011-12-19/china-expresses-support-for-kim-jong-un-yonhap-says.html> (January 14, 2012).

embassy in Beijing to express their condolences.³ Unlike Kim Il Sung's funeral in 1994, which was a uniquely North Korean affair, this time China's ambassador to North Korea attended the funeral to demonstrate Beijing's solidarity with the regime in Pyongyang.⁴ Additionally, editorials in Chinese state-run newspapers stressed the need for a stable transition, while the *Global Times* said that China should be "a powerful and secure backer for a smooth transition of power."⁵

North Korea's Economic Dependence on China

North Korea was not always dependent upon China. Throughout the Cold War North Korea had been economically reliant on the Soviet Union, which served as its patron, and trade ties with Japan. However, with the collapse of the Soviet Union trade between the two began to decline, and North Korea also had a decent trade relationship with Japan, but by the middle of the 2000s trade with Japan would slow to a trickle. Trade with Japan began to decline after North Korea's revelation to Prime Minister Junichiro Koizumi that it had abducted Japanese citizens. Furthermore, Japan has "completely banned both exports to and imports from North Korea since its other nuclear test in 2009."⁶

While North Korea's trade dependence on China was on par with its dependence on Japan up until 2000,⁷ that would change for

3. Sarah K. Yun, "China's Response to Kim's Death: 1994 and 2011." *The Peninsula Blog*, December 21, 2011, <http://blog.keia.org/2011/12/chinas-response-to-kims-death-1994-and-2011/>.

4. Chad O'Carroll, "What to Make of Kim Jong-il's Funeral." *The Peninsula Blog*, December 28, 2011, <http://blog.keia.org/2011/12/what-to-make-of-kim-jong-ils-funeral/>.

5. Michael Forsythe, "Hu Jintao Visits North Korean Embassy as China Backs Kim Jong-un." *Bloomberg Businessweek*, December 21, 2011 (January 14, 2012).

6. Jinhwan Oh and Jiyong Ryu, "The Effectiveness of Economic Sanctions on North Korea: China's Vital Role," *The Korean Journal of Defense Analysis*, Vol. 23, No. 1, March 2011, p. 121.

7. Byung-Kwang Park, "China-North Korea Economic Relations during the

reasons beyond Japan's disengagement. China's own economy was changing and undergoing one of the most significant periods of economic growth in modern economic history. As China consumed more of the world's commodities for its own economic development, North Korea began to export an increasing amount of its own mineral fuels and ores to fire China's economy. As North Korea's traditional economic partners went into decline or cut off trade from sanctions over North Korea's nuclear actions, an increasingly prosperous China became an attractive new patron.

Since then, North Korea's dependence on China has only grown, especially as North Korean provocations have limited the growth of its economic ties with South Korea, which had introduced a policy of engagement under previous liberal governments that provided North Korea with an additional avenue for economic exchange.⁸ Total trade with China represented 32.7 percent of North Korea's trade in 2003, and in four short years grew to 67.1 percent, excluding inter-Korean trade.⁹ By 2010, China accounted for 72.4 percent of North Korea's imports and 64.2 percent of its exports. Pyongyang was dependent on China for imports of fish, basic cereals, animal fats, and fertilizer. The same was true of mineral fuels, machinery, and electrical equipment. The only exception to this was imports of ores and slag (see Table 1).

On the export side the picture is fairly similar. Exports of fuels, ore, iron and steel, as well as apparel, predominately go to China. The one exception to this is electrical equipment, where Mexico is

Hu Jintao Era," *International Journal of Korean Unification Studies*, Vol. 19, No. 2, 2010, cited footnote in article on page 138; "In 2000, North Korea's trade volume with China was 488.03 million USD, and its trade volume with Japan was 463.65 million USD," *North Korea's Trade Trends 1999-2000*, Korea Trade-Investment Promotion Agency (Seoul: KOTRA, 2001), pp. 73, 91.

8. Jinhwan Oh and Jiyong Ryu, "The Effectiveness of Economic Sanctions on North Korea: China's Vital Role," *The Korean Journal of Defense Analysis*, Vol. 23, No. 1, March 2011, p. 123.

9. Byung-Kwang Park, "China-North Korea Economic Relations during the Hu Jintao Era," *International Journal of Korean Unification Studies*, Vol. 19, No. 2, 2010, p. 138. Parenthetical note is on page 135.

Table 1. North Korea's Top 5 Imports and Percentage from China

(Unit: Thousands of U.S. Dollars)

Product	Total Imports	Imports from China	Percentage from China
Mineral fuels, oils, distillation products, etc.	800,787	478,779	59.8
Machinery, nuclear reactors, boilers, etc.	261,436	245,498	93.9
Ores, slag, ash	250,388	88	0
Electrical, electronic equipment	215,917	190,799	88.4
Vehicles other than railway, tram	166,590	159,826	95.9

Source: WTO Trade Map.

Table 2. North Korea's Top 5 Exports and Comparison with China

(Unit: Thousands of U.S. Dollars)

Product	Total Exports	Total Exports to China	Percent Export to China
Mineral fuels, oils, distillation products, etc.	510,914	397,629	77.8
Ores, slag, ash	251,934	251,571	99.9
Articles of apparel, accessories, not knit or crochet	192,777	160,577	83.3
Iron and steel	164,084	108,547	66.2
Electrical, electronic equipment	120,766	20,924	17.3

Source: WTO Trade Map.

North Korea's largest export market and China only accounts for 17.3 percent of exports (see Table 2).

North Korea's dependence on China is partially a factor of its own policies. A series of missile and nuclear tests have led to increasing international sanctions on Pyongyang, forcing it to look even more to China for aid and economic interaction. Despite China's efforts to restrain North Korea's weapons programs out of concern about stability on the peninsula, North Korea has often found a reluctantly willing partner in China. Less than a year after missile and nuclear tests China and North Korea announced a series of deals related to bilateral aid and economic cooperation during a visit by Chinese Premier Wen Jiabao in October 2009. The package, consisting of \$20 million and deals in tourism, trade, and software,

signaled China's efforts to prevent North Korea from destabilizing due to international pressure and sanctions.¹⁰

China's supportive signals and economic lifeline to North Korea have raised concerns about the effectiveness of sanctions. Based on the work of researchers in both the United States and South Korea, these concerns appear to be valid, as "North Korea's trade volume and pattern [has] not [been] affected significantly by trade sanctions imposed by several countries. This is because most exported/imported goods are substitutable, and China does not participate in these sanctions."¹¹ In fact, North Korea's "total trade volume has been increasing for the past two decades."¹²

Marcus Noland makes two interesting caveats for these trade numbers. First, he suggests that North Korean consumer behavior has changed and people in North Korea are demanding more imports of new products, especially from South Korea and China.¹³ Second, the main purpose of the sanctions was to target the military and luxury goods; thus, more goods coming into North Korea would not necessarily mean the sanctions were ineffective. Yet, vague definitions of the luxury goods sanctioned by various countries, along with an increased prominence of automobiles and other apparent luxury items in North Korea, suggest the sanctions are not having their desired effect. Moreover, data suggests no matter how one defines luxury goods, China does not appear to be implementing the sanctions resolutions.¹⁴

10. Scott Snyder and See-Won Byun, "China-Korea Relations: China Embraces South and North, but Differently," *CSIS Comparative Connections*, January 2010, at http://csis.org/files/publication/0904qchina_korea.pdf (November 6, 2011).

11. Jinhwan Oh and Jiyong Ryu, "The Effectiveness of Economic Sanctions on North Korea: China's Vital Role," *The Korean Journal of Defense Analysis*, Vol. 23, No. 1, March 2011, p. 121.

12. *Ibid.*

13. Marcus Noland, "The (Non-) Impact of U.N. Sanctions on North Korea," *Asia Policy*, Number 7, January 2009, p. 72.

14. Stephan Haggard and Jaesung Ryu, "The Lap of Luxury," *North Korea: Witness to Transformation Blog*, October 3, 2011, at <http://www.piie.com>

While trade between North Korea and China is growing, there are some concerns for North Korea about impact of this economic relationship. Most of North Korea's exports to China are minerals and natural resources necessary for China's growth and manufacturing; on the other hand, North Korea seems to be importing just the materials it needs to survive, especially "fuel, machinery, and steel in addition to everyday necessities such as meat products, grains and other products from China."¹⁵ Second, North Korea has a huge trade deficit with China that it will be unable to balance out from trade with other countries in the near future. Third, Chinese investments in North Korea are still comparably smaller relative to trade volume.¹⁶ Moreover, Chinese investments to the rest of its neighbors are much larger than those to North Korea.¹⁷

Another important issue is whether North Korea will emulate Chinese-style economic reforms. Over the past decade, China has emphasized its economic transition and pathway to reform when interacting with North Korea. Chinese government officials offer their assistance when visiting North Korea and often attempt to demonstrate their economic successes when Kim Jong-il visits China. Wen Jiabao told Kim Jong-il during his trip to China in May 2010 that "China will, as always, support North Korea for developing the economy and improving people's livelihood and is willing to introduce to North Korea the experience of China's reform and opening-up and construction."¹⁸ Then in August 2010, Chinese President Hu

/blogs/nk?p=3004 (November 6, 2011).

15. Byung-Kwang Park, "China-North Korea Economic Relations during the Hu Jintao Era," *International Journal of Korean Unification Studies*, Vol. 19, No. 2, 2010, p. 139.

16. *Ibid*, p. 137.

17. Drew Thompson, "Silent Partners: Chinese Joint Ventures in North Korea," *U.S.-Korea Institute at SAIS*, February 2011, at http://uskoreainstitute.org/wp-content/uploads/2011/02/USKI_Report_SilentPartners_DrewThompson_020311.pdf (November 6, 2011).

18. "Kim Jong-il Earns Economic, Diplomatic Assistance from China Trip," North Korea Newsletter No. 106, May 13, 2010, at <http://english.yonhapnews>

Jintao further encouraged Kim Jong-il to consider economic reforms, saying "Economic development should be self-reliant and also cannot be separated from opening up and cooperation," referencing the *juche* ideology promoted in North Korea.¹⁹

Many of Kim Jong-il's visits to China have included stops or tours that highlight China's economic reforms. Important officials for North Korean economic policy accompany Kim Jong-il on these trips or pay visits to China shortly after his departure. His 2006 visit seemed very similar to Deng Xiaoping's 1992 southern tour promoting his economic reforms.²⁰ Moreover, Kim Jong-il's brother-in-law, Jang Song-taek, followed up the trip with another large North Korean delegation.

After almost all of Kim Jong-il's trips to China, including his most recent visits, speculation arises that North Korea may really try to implement reforms similar to China's. Quotes from Kim Jong-il about reform, new economic goals, and new projects, especially work in special economic zones, usually ensue after his visits to China. Special economic zones were important to China's early development; moreover, the Chinese hope that special economic zones in North Korea can help with China's goals of increasing the economic prosperity of its northeast provinces and providing stability to North Korea.

.co.kr/northkorea/2010/05/12/20/0401000000AEN20100512004000325F.HTML (November 6, 2011).

19. Chris Buckley, "North Korea's 'family firm' sidles up to China," *Reuters*, August 31, 2010, at <http://www.reuters.com/article/2010/08/31/us-korea-north-china-analysis-idUSTRE67U11U20100831> (November 29, 2011).

20. Mika Marumoto, "North Korea and the China Model: The Switch from Hostility to Acquiescence," *On Korea*, Vol. 1, 2008, Korea Economic Institute, p. 109.

SEZs and Border Projects with China

Rajin-Songbong Special Economic Zone

Kim Il Sung visited China in October 1991, and an aftereffect of the visit was the establishment of the Rajin-Sonbong economic and trade zone in December 1991. The Rajin-Sonbong Special Economic Zone (SEZ) is located near the border of China and Russia and was a first tentative step by North Korea in experimenting in Chinese-style economic reforms. However, the zone remained largely undeveloped for nearly two decades. Slow inflows of foreign investment into the area, poor infrastructure, no real linkages between the SEZ and the rest of the North Korean economy, and ambivalence on the part of the North Korean regime towards capitalism have prevented the flourishing of real commercial prosperity in the Rajin-Sonbong SEZ, now the special city of Rason.²¹

However, this attitude towards the Rason SEZ began to change in the first half of 2011. The new commitment comes as North Korea approaches the 100th anniversary of Kim Il Sung's birth and its date for becoming a "powerful and prosperous nation." From its experience with the Kaesong Industrial Complex, North Korea has learned that projects of this nature can be an important source of hard currency at a time when sanctions have largely blocked North Korea's earning potential abroad.

North Korea is taking a number of steps to make the Rason SEZ attractive to investors. The monthly minimum wage for the zone has been set at \$80, which is less than the \$167 wage workers in China receive, but above the \$63.81 workers are paid at the Kaesong Industrial Complex. A series of tax benefits have been established as well. The corporate tax rate is set between 10 to 14 percent, while

21. Chico Harlan, "In a North Korean port city, foreign investment starts to flow," *Washington Post*, September 26, 2011, http://www.washingtonpost.com/world/asia-pacific/in-a-north-korean-port-city-foreign-investment-starts-to-flow/2011/09/24/gIQAM4R8yK_story.html.

companies that invest in excess of 30 million euros will be exempt from corporate income taxes for four years after they make a profit, and will also receive a 50 percent deduction for the next three years.²² The corporate tax structure is fairly similar to that of the Kaesong Industrial Complex, where the rates are the same, but taxes are waived for the first five years after making a profit rather than four. Both receive a 50 percent reduction for the next three years.²³ Investors who purchase their buildings will receive a five year property tax exemption and sales taxes have been set between 0.6 to 5 percent.

Much as South Korea oversees the Kaesong Industrial Complex, China is overseeing the development of Rason. The project at Rason is part of China's economic development plan for its northeastern provinces. China is looking to develop an integrated economic region between Jilin and Liaoning Provinces and North Korea's border region. This includes overseeing the development of an all-season road between China and the all-weather port at Rason to provide China's northeastern provinces access to a warm water port for exports. Additionally, in 2002 North Korea established the Sinuiju Special Administrative Region (SAR) across the Yalu River border near the Chinese city of Dandong. This area could potentially serve as an industrial park along the lines of the Kaesong Industrial Complex on two islands situated between Dandong in China and Sinuiju in North Korea.²⁴ China and North Korea are working on joint development projects on Hwanggumpyong Island. Jang Song-taek, Kim Jong-il's brother-in-law and seemingly the official in charge of most major state-run economic projects, especially those connected with China, was at the groundbreaking ceremony with the Chinese on

22. "Rajin-Sonbong Minimum Wage Set at 80 Dollars," NK Briefs, Institute for Far Eastern Studies, September 21, 2011, http://ifes.kyungnam.ac.kr/eng/FRM/FRM_0101V.aspx?code=FRM110921_0001.

23. Mark Manyin and William Cooper, "The Kaesong North-South Korean Industrial Complex," Congressional Research Service, April 18, 2011.

24. Dick K. Nanto, "Increasing Dependency: North Korea's Economic Relations with China," *Korea's Economy*, Korea Economic Institute, 2011, pp. 75–83.

Hwanggumpyong Island.

While it will take years to see if the Rason SEZ will develop along the lines of the Kaesong Industrial Complex, such a development model would likely be a significant revenue earner for North Korea. Current estimates indicate that North Korea earns \$20 million a year from the Kaesong Industrial Complex.²⁵ However, given the uncertainty with which North Korea has handled the Kaesong Industrial Complex, China may choose not to develop a robust industrial complex. Rather, once the road and rail links to the port of Rason are complete, there will be an incentive for China to utilize those for the development of their own regions rather than additional development in North Korea, which the North itself may not want. The Chinese government may also try to use its economic leverage to maintain stability on the peninsula; however, for North Korea, China is its best option for political and economic support at the moment.

Alternatives to China?²⁶

Under North Korea's military-first policy the economy has stagnated and its dependence on China has grown over the last decade. One consequence of North Korea's pursuit of nuclear weapons is that it has curtailed North Korea's trade in Northeast Asia which was significantly more balanced, in terms of partners, only a decade ago. This is one of the key challenges the new regime in Pyongyang will have to address.

In 2001, North Korea did roughly \$1.3 billion in trade with Japan, in contrast to \$740 million with China. Trade with Japan fell progressively throughout the decade for a series of reasons, falling to just below \$200 million by 2005. Then, in response to North Korea's nuclear test in 2006 and United Nation sanctions, trade became virtually non-existent by 2007. While North Korean trade

25. *Ibid.*

26. All trade data in this section was compiled from the World Trade Organization International Trade Center Trade Map.

with Russia expanded in the middle part of the decade, it has decreased in recent years as well.

In addition to sanctions from North Korea's nuclear tests impacting trade with Japan, its provocations in 2010 directed at South Korea have impacted its trade with South Korea. In the first half of 2011, inter-Korean trade was down 16.2 percent from 2010 due to sanctions eliminating inter-Korean trade aside from the Kaesong Industrial Complex.²⁷ Prohibitions on expansion within the complex and on previously stalled construction projects have only recently been lifted.²⁸ However, the complex itself faces challenges from the reluctance of the United States and the European Union to accept products made there, along with additional U.S. sanctions which prohibit even the indirect importation of products produced in North Korea.

One option for North Korea to reduce its dependence on China would be to resolve the concerns over its nuclear program. This would open the door to normalized relations with many of its neighbors and an increased prospect of trade and investment. Given the unlikelihood that North Korea will give up its nuclear program in the near future, it may need to pursue a process of strengthening ties with countries that it has more traditional interaction with, as well as countries outside of Northeast Asia.

Will the New Regime Consider Economic Reform?

For years the Chinese and others have tried to no avail to encourage North Korea to engage in economic reforms. Some have speculated that because of his education in Switzerland, Kim Jong-un understands

27. Nam-sub Sim, "Comparison between the Trends of Inter-Korean Trade and North Korea-China Trade in 2011," Korea International Trade Association, September 8, 2011, <http://www.kita.org/>.

28. Gwang-lip Moon, "Seoul Says it will Resume Construction in Kaesong," *Korea JoongAng Daily*, October 12, 2011, <http://koreajoongangdaily.joinsmsn.com/news/article/html/674/2942674.html>.

the necessities of reforming North Korea's economy. Additionally, Jang Song-taek, who is expected to serve as some type of regent for Kim Jong-un, is also thought to be open to greater economic activity.

If the new regime is to engage in greater economic opening, it would be unrealistic to expect any major announcements or initiatives while the regime is still consolidating its hold on power. Thus it is unsurprising that North Korea has warned not to expect change in its policies,²⁹ that foreign currency has been banned,³⁰ and that there was little emphasis on economic reform in the Joint New Years Editorial. Much like an American politician seeking his party's nomination, the new regime in Pyongyang must rhetorically say what is needed to ensure support until its hold on power is firm.

This means that if the new regime does intend to pursue economic reform, which we cannot be sure of, we will likely know only after the fact. It may come from small projects or increased openings to specific countries. This raises the question: if North Korea did seek to diversify its economic engagement, which countries might it turn to?

Russia

Of the potential options North Korea might have to lessen its dependence on China, Russia would seem to be a natural choice. Russia and Korea have ties going back to the 19th century, and the Soviet Union was responsible for the creation of the North Korean state, financially supporting it throughout the Cold War. Throughout the Cold War, Russia served as North Korea's main trading partner and built ninety-three factories that served as the backbone of the country's heavy

29. Chico Harlan, "North Korea condemns South Korea, vows no policy changes." *Washington Post*, December 30, 2011, http://www.washingtonpost.com/world/asia_pacific/north-korea-blasts-south-korea-vows-no-policy-changes/2011/12/30/gIQAnB2FQP_story.html (January 12, 2012).

30. Choi Cheong Ho and Cho Jong Ik, "Authorities Move to Block Currency Usage," *Daily NK*, January 2, 2012, <http://www.dailynk.com/english/read.php?cataId=nk01500&num=8631> (January 12, 2012).

industry, while educating hundreds of thousands of North Koreans.³¹ Even with occasional political conflicts, the relationship was a strong one during the Soviet era.

However, despite Soviet support for North Korea during the Cold War, the relationship began to change as the Soviet Union began undertaking reforms towards the end of the Cold War. In the late 1980s, Mikhail Gorbachev decided to convert trade with the states of the communist bloc to commercial terms and demand payment in hard currency. This precipitated a decline in production across the communist bloc and saw trade between Russia and North Korea fall from \$2.4 billion in 1990 to a mere \$65 million in 1998.³² Politically, the relationship changed as well. As the Soviet Union ended and its successor state, the Russian Federation, began to reorient its foreign policy towards the West, views in Moscow began to change towards the Korean peninsula as well. Moscow began to reorient its policy on the peninsula towards Seoul and the economically vibrant, democratic half of the peninsula. At the same time it downgraded its ties with North Korea, suspending aid and arms sales, and revising the prior Cold War treaty with North Korea to remove provisions for mutual defense.³³

Having realized that by downgrading its ties with North Korea it had lost influence on the Korean peninsula and East Asia, Russia has sought to bring more balance to its relations with both states under Vladimir Putin's leadership, based on economic and regional cooperation.³⁴ More recently, Russia's interests on the peninsula have focused on preventing a nuclear North Korea, while retaining

31. Alexander Voronstov, "Current Russia – North Korea Relations: Challenges and Achievements," *The Brookings Institution*, February 2007.

32. International Crisis Group, "North Korea-Russia Relations: A Strained Friendship," *Asia Briefing* No. 71, 4, December 2007.

33. Alexander Lukin, "Russia's Korea Policy in the 21st Century," *International Journal of Korean Unifications Studies*, Vol. 18, No. 2, 2009, pp. 30–63.

34. Seung Ham Yang, Woosang Kim, and Yongho Kim. "Russo-North Korean Relations in the 2000s: Moscow's Continuing Search for Regional Influence," *Asian Survey*, Vol. 44, No. 6 (November/December 2004), pp. 794–814.

influence on the peninsula and in the Asia-Pacific region.³⁵ At the same time, Moscow has sought to deepen its ties with East Asia as part of its efforts to modernize and integrate the Russian Far East into the Asia-Pacific region.³⁶

As China's influence has grown, Pyongyang has looked to Moscow to provide a counter weight, and both sides have expressed a mutual interest in expanding economic cooperation, although two-way trade in 2010 fell below \$65 million according to statistics from the World Trade Organization. North Korea has expressed interest in gaining Russian aid to revive production at 38 factories built with Soviet help, and Russia maintains an interest in linking the Trans-Siberian Railroad to the Trans-Korea Railroad to connect South Korea to Europe. Russia would also like to construct a pipeline through North Korea to provide natural gas from Siberia to South Korea. However, while these potential projects would deepen economic ties between the two countries, progress has been hindered by North Korea's debt to Russia from the Soviet era, as well as its inability to pay for future transactions and provide a viable investment environment.³⁷

However, Moscow and Pyongyang have recently made progress on resolving these issues, perhaps paving the way for the pipeline and rail projects to move forward. At a September 2011 summit between Russian President Dmitry Medvedev and Kim Jong-il, it was announced that Russia and North Korea had reached a tentative deal for Moscow to write off 90 percent of North Korea's debt and to reinvest the remaining 10 percent into projects in North Korea.³⁸

35. Leszek Busynski, "Russia and North Korea: Dilemmas and Interests," *Asian Survey*, Vol. 49, No. 5 (September/October 2009), pp. 809–830.

36. Richard Weitz, "Moscow Ponders Korea Unification," *International Journal of Korean Unification Studies*, Vol. 20, No. 1, 2011, pp. 123–154.

37. Alexander Lukin, *Ibid.*

38. Sergei Blogov, "Moscow Considers North Korean Debt Write-Off," *Eurasia Daily Monitor*, Vol. 8, Issue 181, October 3, 2011, at http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=38485&tx_ttnews%5BbackPid%5D=7&cHash=50a1fa3e2cc5243d67e3df75f6a35065 (November 29, 2011).

At the same summit meeting, North Korea gave its initial approval for the construction of a pipeline through its territory to provide Russian natural gas to South Korea. The project is expected to provide North Korea \$100 million annually in transit fees, which is more than five times the hard currency revenue that it receives from wages at the Kaesong Industrial Complex.³⁹

Russia also has interest in the projects at the Rason SEZ. It is building a rail line at the port to link Rason with the Trans-Siberian Railway and has leased one of the three piers in the port.⁴⁰ By leasing part of the port and setting up rail access, Russia would also gain a year-round Pacific port for its Far East territories and easier access to lucrative markets in both Japan and South Korea. Better transportation links would aid Russia in its efforts to integrate its Far East into the Pacific economy and spur development.

While the pipeline project and efforts in Rason, if successfully concluded, would provide North Korea with needed hard currency and a constant revenue stream, Russia is unlikely to provide a long-term solution to North Korea's economic dependence on China without significant reforms. North Korea has only two commodities to supply the international market with mineral resources and cheap labor. Russia is already well-endowed with mineral resources and it has limited interest in cheap North Korean labor. Ultimately, from the Russian perspective, economic projects with North Korea are not so much about developing the North Korean economy as they are about providing better access to the more lucrative South Korean market.⁴¹

39. Troy Stangarone, "Five Considerations for a Gas Pipeline Through North Korea," *The Peninsula Blog*, September 29, 2011, <http://blog.keia.org/2011/09/five-considerations-for-a-gas-pipeline-through-north-korea/>.

40. "Rason Economic Trade Zone with Bright Prospect of Development," *North Korea Economy Watch*, August 25, 2011, <http://www.nkeconwatch.com/category/economic-reform/special-administrative-regions/rajin-sonbong/> (November 6, 2011).

41. Andrei Lankov, "Russia-North Korea Trade," *East Asia Forum*, October 6, 2011, <http://www.eastasiaforum.org/2011/10/06/russia-north-korea-trade/>.

Options Outside of Northeast Asia

Despite North Korea's heavy dependence on China, the perception that China and South Korea are Pyongyang's only two trading options may not be the case. Among North Korea's top ten import partners, imports from the other nine (excluding inter-Korean trade) account for 41.5 percent of North Korea's imports from China. On the export side the figure is 39.9 percent. If North Korea was able to expand its trading relationship with these nations, it could lessen its dependence on China.

Looking deeper at North Korea's trade shows some potentially interesting trends (see Tables 3 and 4). Among Pyongyang's top trading partners, Russia only breaks into the top ten on the import side as North Korea's fifth largest import partner in 2010. Overall, North Korea has more trade with Egypt and Brazil than Russia, and almost as much with Mexico. Trade with Egypt topped \$335 million in 2010, with North Korea exporting steel and steel pipes while importing mineral fuels. In the case of Brazil, North Korea has almost a \$100 million surplus from exporting computer and office machine parts, as well as flat-rolled steel, while importing iron ore and tobacco products. In the case of Brazil, North Korea also trades in a wide

Table 3. North Korea's Top 10 Export Markets in 2010

(Unit: Thousands U.S. Dollars)

Total	1,852,406
China	1,189,728
Brazil	121,419
Netherlands	94,866
Egypt	66,225
Mexico	45,879
Sri Lanka	35,952
Venezuela	35,091
Germany	33,942
Thailand	21,367

Source: WTO's Trade Map.

Table 4. North Korea's Top 10 Import Partners in 2010

(Unit: Thousands U.S. Dollars)

Total	3,146,112
China	2,277,611
Egypt	269,876
South Africa	216,376
Singapore	47,761
Russian Federation	45,935
Italy	43,562
Thailand	29,685
Dominican Republic	29,563
Germany	24,477
Brazil	21,466

Source: WTO's Trade Map.

range of other products. North Korea also has a trade surplus with Mexico, with whom it imports zinc and exports electronics. Interestingly, North Korea did around \$50 million in trade with Germany, from whom it imported machinery to make wine and press fruit, while exporting apparel.

When discussing trade with North Korea, countries like Brazil, Mexico, and Germany are not often mentioned as trading partners. However, it is interesting to note that much of the trade between these countries consist of products produced in each country, unlike prior examples of trade partners, such as India, where North Korea's imports primarily consisted of mineral fuels, as is currently the case with Egypt. If North Korea could expand its trade with countries it has not traditionally had strong trading relationships with, it could lessen its dependence on China. Additionally, trade with a growing power, such as Brazil, that is not as invested as others in the nuclear issue could be a promising alternative to China.

Conclusion

One of the great changes in the last decade has been the role of China in international trade. Just a decade ago, China's trade with South Korea was only \$31.5 billion, or \$22 billion less than South Korea's trade with the United States; moreover, China's trade interaction with South Korea was also \$12 billion less than its trade with Japan. A decade later, China's trade with South Korea dwarfs the United States, Japan and the European Union at some \$118 billion. That represents twice the United States' current trade with South Korea, and more than that of the United States and Japan combined.⁴²

Given the trends in China's trade with South Korea, perhaps we should not be surprised at how important a trading partner China has become for North Korea. As the Chinese economy continues to expand at nearly 10 percent per annum and to draw in an ever increasing amount of natural resources, trade with North Korea was bound to rise given the complementary nature of their economies and close proximity.

While China's trade with North Korea will continue to grow, especially if an industrial complex is developed in the Rason SEZ, North Korea may not be destined to become dependent on China. If North Korea were to refrain from provocations and resolve concerns over its nuclear program, trade with South Korea and Japan would likely increase, and there would be a better prospect of foreign investment from other countries. Concurrently, North Korea may be able to develop mutually beneficial relationships with emerging economies such as Brazil, with which it already has growing trade relations.

At the same time, North Korea's growing economic dependence on China has not measurably increased China's political influence over the regime. North Korea has yet to engage in Chinese-style economic reforms despite years of encouragement to do so, and it undertook its second nuclear test despite clear signals from China

42. Trade data from the Korea International Trade Association.

that it should refrain from doing so. More recently, despite China's concern about the idea of a third generation Kim ruling North Korea, China ultimately gave its consent to the transition to Kim Jong-un. Of course, that influence may not grow with the new regime.

However, if China's economic gains in North Korea continue to be curtailed by limited political influence, policy in South Korea could focus on how better to manage increasing Chinese economic interests in North Korea rather than concerns that it will lead to increasing political control. At the same time, South Korea could choose to encourage North Korean engagement with countries such as Brazil and Mexico that North Korea may not feel as ideologically threatened by as it feels about its neighbors. This could allow South Korea to help to diversify North Korea's economy away from China and slowly introduce it to more market based economies.

Ultimately, however, only North Korea can determine the direction of its economic development. While the Kaesong Industrial Complex offered one prospective model of industrialization and economic liberalization and the potential for greater opening to the wider world, North Korea has instead chosen a course that has limited its options. As long as it continues on that path, China will be an increasingly important economic partner for its development. This ultimately is the conundrum that Kim Jong-un and the new regime face.

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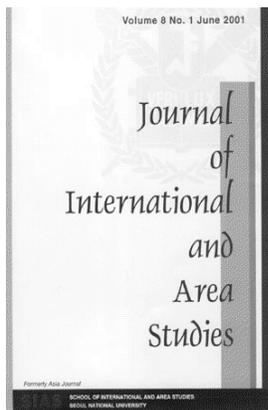
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