

SEVEN YEARS OF “HUMANITARIAN” AID: A BALANCE AND A POSSIBLE WAY FORWARD

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This paper is divided into two parts and an annex. Part I takes stock of seven years of supposedly humanitarian aid extended by the international community to North Korea. Three main points are made. First, though large amounts of aid, mainly food, have been flowing in since 1995-96 very little is known for sure about the real extent of the famine that hit North Korea in the mid 90's, its end and the real needs of the ordinary population at present. Second, as a consequence of this lack of information, a number of assumptions widely and conveniently held by both donors and aid operators in North Korea lack verification and should therefore be questioned. Third and most importantly, very little of the aid given to North Korea can be genuinely called humanitarian; it has rather been structural/budgetary support, mainly in the form of “programme” food aid. Part II attempts to indicate a possible way forward. Structural/budgetary support should continue so as to avoid a sudden implosion of the country as this would result surely in a costly, and possibly also dangerous, crisis. However, while structural/budgetary support should continue, it should be negotiated directly by the donor countries as part and parcel of their diplomatic engagement policy towards DPRK. At the same time, genuine humanitarian aid should be augmented to strengthen low-level

foreign relations at people level (rehabilitation micro-projects and personal contacts aimed at progressively opening up the "hermit kingdom"). An effective and cheap tool to do this is through resident NGOs. Donor countries should fund NGOs much more generously and should press DPRK authorities much more firmly to accept genuine humanitarian aid through an increased number of resident NGOs. The annexes analyse the various forms of aid extended by the European Commission to DPRK. It is presented as an embryonic model of the tactical changes advocated for the future aid policy of all other major donors - South Korea, USA and Japan.

I. Taking Stock of Seven Years of "Humanitarian" Aid

Massive aid, mostly food,¹ has been extended to DPRK over the last seven years, following its government appeal for food assistance in September 1995. Since then an increasing number of donors' representatives have been visiting the country. The resident community formed by the staff of the UN Organisations and a variety of other aid operators has also multiplied manifold, in spite of DPRK open reluctance. Nominal access to a growing number of sites outside the capital city has also been gained, albeit always under strict surveillance.

The paper's aim is to take a hard look at foreign aid provided to DPRK and its destitute population (section I) and to draw a chart for a possible better course of action for the future delivery of aid (section II).

1 The UN Office for the Coordination of Humanitarian Affairs (OCHA) has calculated that up to end 2001 foreign aid to North Korea (actual receipts) has amounted to some \$ 1,520 million, not counting contributions to KEDO. Not all donations may have been accounted in full - e.g., those from China are only partially known. Food aid has roughly represented 88.5 per cent of this total.

The first point worth making is that all aid has gone under the label of humanitarian aid, though most of the food aid provided should be more appropriately considered as “programme”² food aid. As such the qualifying adjective “humanitarian,” if not altogether a misnomer, at least calls for inverted commas to highlight the difference with genuine humanitarian aid. This implies *inter alia* unhindered direct access to the intended ultimate beneficiaries of the aid extended. On the contrary, to date freedom of access has remained restricted by DPRK authorities.

The considerations of a general nature hereinafter developed and listed as bullet points—somewhat at random and without any pretence of systematic analysis—serve to underline how little it is generally known to this day about the real situation of the country and of its ordinary citizens. As a matter of fact, by conscious and long-standing design of state, less reliable information has always been available about DPRK than perhaps any other country in the modern world. This situation, to a regrettably large extent, continues to be still the case after seven years of massive aid by the international community.

The “sobering” considerations that follow are also an attempt to see through some of the assumptions and conclusions that, though lacking factual verification, tend to be widely, conveniently and complacently held by donors, aid operators and public opinion at large.

• **First things first.** The starting point cannot be but the famine of the

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- 2 Food aid is commonly classified as either “programme” or “project” food aid. The latter is made available by a donor to a recipient in the framework of a specific project which details the beneficiaries, the objectives, the modalities of distribution and so on (e.g., description and engagements of the project executing partner, rations, work norms, control measures, reporting requirements, etc.). Programme food aid is commonly understood to be food aid provided outside of a specific project and, in general, without strings attached. Programme food aid is a government-to-government affair, usually involving large tonnages often shipped in bulk (bulk food aid is actually a synonymous of programme food aid). Political considerations are usually at the root of “programme” food aid donations. “Project” food aid is much more likely to be genuinely humanitarian.

mid 90's.³ There is no doubt that it has taken place and it is today's conventional wisdom that the worse is over, thanks most of all to massive foreign aid. However, how many people have died as a direct, or indirect, consequence of it? DPRK authorities, against evidence, to this day refuse to acknowledge that a famine has taken place and speak only about "serious food shortages" caused by natural disasters. Health Ministry sources have said officially in mid 2001, at a UNICEF Regional Conference in Beijing, that over a period of only six years, life expectancy has decreased by six years. This would mean 200-250,000 excess deaths, corresponding roughly to one per cent of the whole population. USA documents set the figure at around one million. Other reliable sources have spoken of up to three million (more than 12 per cent of the whole population). This very magnitude of the discrepancy illustrates how deceiving hard facts and figures - in short, reality-

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- 3 Broad knowledge of the causes at the root of the famine, which led the government to ask for foreign aid, is here taken for granted. In extreme synthesis it could be recalled that: North Korea is not an agricultural country on account of its mountainous configuration and northern latitude; the historical pursuit of self-sufficiency also in food production, in line with *juche* philosophy, was a recipe for mid- and long-term disaster; short-term success in boosting rice production was achieved through an unsustainable and destructive policy of excessive application of chemical products (fertilizers and pesticides), deforestation and intensive utilisation of marginal hilly areas; DPRK economy, already in relative but steadily progressive decline since the late 60's, collapsed with the end of the subsidies provided by the soviet block and China; DPRK stubbornly refused to adjust in any way to the new situation of the world economy its non-viable economic system of national socialism (with strong overtones of quasi-religious nature); lastly, an abnormal string of serious natural calamities did hit North Korea in the mid 90's. The chronic and progressively growing food shortages then turned into a fully-fledged famine. However, the relative weight of the various elements in the chain of events that led to the famine, and its actual extent, remain a matter of considerable debate. To date the only firm point is that DPRK's position that denies the famine and relates "serious food shortages" exclusively to natural disasters is plainly not true. As such, donors should openly challenge it.

can be in North Korea.

- It is not known how many deaths can be actually attributed to the famine. However, it should not be ruled out lightly the thought that many, many more than DPRK authorities admit have been left to fend for themselves and have succumbed. It is known that certain strata of the population, mostly urban, have been protected. But only history, when it will be free to be researched and written, will say what happened to the ordinary⁴ citizens, particularly in certain areas of the country (e.g., the whole North Eastern mountainous region which has always had a particularly serious structural food deficit and remained largely off limits to foreigners).
- It is often said that North Korea was hit by an “unusual” famine, of a type not seen before. As a matter of fact, observers have not seen any of the tragic scenes they have grown accustomed to see on the TV screens from Africa. But this argument proves nothing. In the 20th century there have been similar, man-made famines in Ukraine in the 1930s and in China in 1959-62. People have died by the millions and have not been seen. Actually, a good many western intellectuals and ordinary visitors to Ukraine and China have not seen what was happening under their very eyes. Lack of unequivocal data about the extent of the DPRK famine should be

4 According to the latest classification done in 1983-84, there were in DPRK three loyalty groups: the core class (*haeksim kyechung*), the wavering class (*tong'yo kyechung*) and the hostile class (*joktae kyechung*). The twelve subgroups of the core class were then estimated to constitute some 28 per cent of the population. The wavering class (who can potentially be won over by political education) constituted 45 to 50 percent of the population and was further divided in eighteen groups. Members of the twenty-one subgroups of the hostile class, which constituted 20 to 25 percent of the population, led difficult lives; they had little opportunity for social or political advancement.

frankly admitted and blame put where it belongs: the regime's tight lid on information. Perhaps also the horror stories related by the escapees from North Korea (cannibalism, sale of children and the like) should not be dismissed lightly, as it is generally done.

- Surprise is often expressed at the solidity of the social structure in DPRK, with the regime apparently living unaffected through the famine. Again recent history can provide guidance. Famines have never caused the fall of tightly controlled regimes, as was the case of communism in USSR and China. Moreover, it can be argued that social control mechanisms in North Korea have permeated the society more than in any other country in modern history. Its political system is as close to totalitarianism as a human operated society can be. In spite of the dire straits into which the people have fallen, the fact that, on the surface, DPRK appears remarkably stable and resistant to change should therefore not constitute a surprise.
- Natural disasters have certainly played a role but it should not be forgotten that phenomena such as El Nino have affected the whole globe in the same period. If consequences have been so disastrous in North Korea, there are good reasons to argue that the roots of the disaster lie, essentially or at least to a great extent, in ill-conceived policies pushed too far for too long. De-forestation, poor terracing, improper use of marginal hilly lands come to mind and point to man-made causes. These are all part and parcel of a radical and economically destructive collectivisation of the agricultural system of a country that, in any case, is not an eminently agricultural one. The justification, after seven years, for foreign assistance, humanitarian and not, cannot be an abnormal string of natural disasters. North Korea is facing an "emergency structural crisis bringing an humanitarian crisis with it." Blind

acceptance by donors of the emphasis coming from Pyongyang on an apparently endless series of natural disasters induces donors' fatigue and lessens the credibility of the "technical reports" originating there. Last but certainly not least, such attitude also hinders the advancement of a concrete dialogue between donors and North Korean counterparts about the crux of the matter: structural reforms. It can therefore be argued that, in the long run, such ostrich policy is not even in North Korea's interest.

- In today's mono-polar world, the role of the UN⁵ system has been marginalized and its ability to deploy a neutral and genuinely independent function has been stymied. The main UN actor in North Korea is the World Food Programme (WFP), the food aid arm of the UN system. On one side, it can be said that WFP has deployed, and continues to deploy, a role of great importance as the primary and privileged channel of food aid (it has handled about half of the total tonnage and has been the largest provider of food items other than cereals).⁶ And food aid has indeed saved

5 This is also evident in North Korea where UN Specialized Agencies would have an important technical role to deploy. Agriculture and health come first to mind but only local nationals have represented precisely the Specialised Agencies for these sectors in the country on a continuing basis. This remains the case for FAO. WHO has posted international staff on a permanent basis only in November 2001. The obvious consequence is a credibility gap.

6 Food aid statistics recorded by WFP report the following yearly quantities (all tonnages in MT/000):

Year	Total	Of which MT	WFP %	Major direct bilateral donations of "programme" aid (government-to-government)
1995	544	7	1	Rice: Japan 150 (+237 loan) and RoK 150.
1996	505	64	13	Cereals: China 100 and Syria 140. Cuba 10 sugar. Japan 122 rice (loan).
1997	904	493	55	China 110 corn + 40 rice. Cuba 10 sugar. Red Cross 104 cereals + 7 wheat flour + 4 various. Romania 25 miscellaneous. Switzerland 12.5 corn.

innumerable lives; it is thanks to massive food aid from abroad that, as already mentioned, the famine can be considered over. Probably, also now some lives continue to be saved thanks to food aid. On the other side, several donors—in particular, the main one, the USA - have been, to date, reluctant to give food aid openly on a government-to-government basis, as “programme” food aid handed over to the DPRK government to replace the food imports that this cannot finance commercially. Under stringent political pressure, the WFP has lent, and continues to lend, itself to present as “project” food aid (i.e., food used in the framework of specific “projects,” with specific, pre-agreed beneficiaries, objectives, rations, work norms, control mechanisms, etc.) what essentially constitutes “programme” food aid. Food aid channelled through WFP, though presented as “project” food aid, has been handled by North Korean authorities, more or less, at will to prop up their rationing system. The clauses and conditions that give shape to WFP “projects” remain, to a great extent, not enforced; they are underwritten by North Korean authorities but remain just words written on paper. It is, for all practical

1998	791	390	49	China: 126 corn, 9 rice, 17 wheat flour. EC: 37 corn, 51 rice, 10 various. Pakistan 30 rice. Red Cross: 44 corn, 13 rice, 6 wheat flour.
1999	1,000	672	67	Corn: 110 China, 40 EC, 10 RoK, 55 USA. Wheat: China 5
2000				Syria 42 Rice: 60 China.
2001	1,231	473	38	China: 197 corn, 53 rice, 31 Wheat flour. EC: 57 soya-fortified wheat, 3 sugar, 5 oil. RoK loan: 202 corn, 149 rice. USA: 50 corn, 5 rice.
2002	1,507	930	62	China: 301 corn, 75 rice, 44 wheat flour. Cuba 5 sugar. Germany 12 frozen meat. ROK loan 98 corn. Viet Nam 5 rice.
Total	6,482	3,029	47	

The above statistics also evidence that the supposedly “humanitarian” food aid has increased in recent years, when the peak of the famine crisis was over.

purposes, “programme” food aid in disguise; in other words, budgetary/structural support extended to the North Korean regime and as such used by this. Access and monitoring granted to WFP may have indeed progressed since 1996 but remain a far cry from what WFP would require anywhere else in the world to implement genuine “projects.” WFP “monitors” are distrusted and led by the nose by the Koreans. The beneficiaries targeted under WFP projects (children, women, etc.) receive very little, if any, of the international food aid in addition to what they would otherwise have received from the rationing system. The other UN Specialised Agencies, as well as many bilateral donors, often appear to be inclined to similarly whitewash DPRK handling of foreign aid. This ambiguity particularly evident in the case of food aid channelled via WFP is often argued to be unavoidable, given the state of relations with North Korea. This was perhaps the case at the very beginning but the ambiguity has protracted for too long. With negative consequences: donors and the public opinion at large are not said all the truth about the real nature of aid given to North Korea and the actual utilisation thereof by the regime. There is in fact enough evidence to fear that the actual utilization of aid by North Korean authorities is well below the normally acceptable standards for genuine humanitarian aid on behalf of those most in need. Utilisation by North Korea of the massive aid, mainly food, all extended under the compassionate—but incorrect—denomination of “humanitarian” aid, has been purposely painted as much rosier than it would be justified by the actual situation on the ground. An important negative outcome of this situation is that the notion of genuine humanitarian aid, as different if not outright opposed to budgetary support, has become blurred in the North Korean context.

- As a corollary to the previous point, it should be pointed out that

genuine humanitarian work, particularly that of resident non-governmental-organisations (NGOs), remains severely restricted, or altogether forbidden, also in areas where other donor organisations are nominally allowed to "work." In particular, the UN list of so-called "open" counties (some 160-165 over a total of 211) is not automatically extended to resident NGOs. It can therefore be argued that the UN concept of "openness" is relative; it relates more to guided periodical visits than to the unrestricted access to the beneficiaries, which is required for genuine humanitarian work (people-to-people contact).

- The conventional wisdom, strongly propagated by North Korean authorities and uncritically accepted by many donors, is that urban population is more in need than the rural one. It would stand to reason that in the countryside there would be more access to food but history teaches us that in the man-made famines of Ukraine and China city dwellers hardly suffered whilst famine deaths were concentrated in the agricultural lands, often in the grains' most productive areas. Indeed the government cadres who can be met in the state farms or the farming cooperatives of North Korea do appear well fed; but what does this say about the real state of the ordinary countryside dwellers? Which portion of the agricultural crops is really left to those who actually produce them? Why do peasants look so much poorer? Why would ejection from the city be sentenced as an administrative measure of punishment if life in the city were truly harder? Once again reality in the North Korean context becomes shady.
- It has often been observed that all in-country aid Agencies, not only those of the UN system, "have been coy to challenge" the continuation of irrational policies by the North Korean regime. The most recent case in point can be considered the policy of

rezoning⁷ started in 2000. Nothing has been said about the nefarious consequences that this policy is likely to have, at least in the immediate future. This silence easily lends itself to be misinterpreted as silent consent.

- Reports on “reforms” in North Korea have often originated from the foreign aid community based in Pyongyang in the last two or three years. These reports have been prompted by a desire to raise the level of donors’ response but were mostly based on mere wishful thinking. The truth of the matter is that a coherent national strategy to deal with the structural crisis of DPRK has not been worked out, let alone implemented, by the DPRK regime. *Et pour cause*—preservation of power is the paramount, if not unique, concern of the North Korean leadership. Propaganda is a poor substitute for good governance; therefore decline, though in slow motion, continues. The danger is that of an ultimate collapse. But this appears to be less unsettling to North Korean leadership than the vision of far-reaching systematic reforms.

Several relevant conclusions can be safely drawn from the above-listed considerations. First and foremost, after seven years of massive aid, mainly food, it must be conceded that the realities of the North Korean famine, and of its end, remain elusive. In line with the wise saying of classical Greece, it would be appropriate to conclude, “We only know that we do not know.”

It follows that a number of assumptions widely and conveniently

7 Rezoning is the levelling of existing rice fields into much larger units. With the huge earth movement that this implies, an already precarious water control system is thus subverted for many years. The extensive mechanization that would be required for a rational exploitation of enlarged paddy fields is simply not available. The same can be said for the larger quantities of chemicals that would be needed. Rezoning is a purely politically motivated measure of further collectivisation with sure short-term production losses and dicey long-term gains.

held by donors, aid operators in North Korea and public opinion at large lack factual verification and should therefore be questioned. The aid community based in DPRK should only believe what they can freely observe and analyse not what they are shown and, even less, what they are told. Uncritical endorsement of North Korean aid requests may have the good intention of raising donors' response but does not conform with the basic guiding principle of genuine humanitarian aid - i.e., to target it exclusively on those more in need, no matter who they are and where they are, and to deliver it with impartiality, neutrality and detachment. The ranking of needs and the choice of beneficiaries done by North Korean authorities can hardly be trusted to conform to truly humanitarian principles.

While all aid extended to DPRK has gone under the label of humanitarian aid, the great majority of it has in reality been "programme" food aid. Hardly a synonymous of purely humanitarian aid; more correctly a budgetary/structural support to replace the commercial imports that DPRK was—and still is—not in a position to finance. The local government was—and still is—allowed to use food aid almost at will, even when supplied under the disguise of "project" food aid through the WFP. But this is precisely what major donors—which coincide with the front line countries, South Korea, USA and Japan—intended in the first place: to avoid a sudden collapse of North Korea with possible unfathomable dangerous consequences. This, however, has little to do genuine humanitarian aid even if, on account of internal politics constraints in the donor countries (in particular, in the USA), it had to be painted as such.

North Korea, and its regime, is there to prove that aid has worked; the feared, abrupt collapse has not taken place. At least up to now, and the worse of the crisis seems over. It can therefore be concluded that the paramount objective of the donors' policy has been reached. The DPRK regime has used food aid to extend the reach of its long-existing rationing system that it could no longer fund adequately. Food aid has

been integrated in and distributed through the Public Distribution System (PDS). Effectively to the extent that the famine can, by and large, be now considered over. PDS, however, has not worked without the typical preferential arrangements for Party and Military. Certainly food aid distributed by North Korean authorities through the PDS, even when disguised under the appearance of a WFP “project” can hardly be considered “humanitarian” aid in its proper strict sense. Only a very small portion of the overall aid extended to North Korea can thus be qualified as truly humanitarian, without inverted commas. Actually, North Korean authorities, with deliberate determination, have severely restricted truly humanitarian work, as it requires unrestricted access and multiplies people-to-people contacts in a framework of impartiality, neutrality and detachment. This situation continues to date and donors should do more to change it.

II. A Possible Way Forward for Foreign Aid

Three preliminary reflections may be of help to introduce the search for a possible better course of action for the future delivery of aid:

1. Current conditions in North Korea hold the potential for both engagement and confrontation.
2. Aid counts for relatively little⁸ in the much larger game-board of

8 The importance of foreign aid, however, should not be underestimated. For the small economy of a poor country also aid in kind, such as food aid, can be of significant importance. A case in point can be that of Viet Nam in the early 80's. Assistance from the UN system, amounting to a mere \$ 40 million per year, was the largest source of foreign aid ahead of that coming from Sweden (with the obvious exception of the unknown, but presumably very large, aid from the USSR, mostly military). UN assistance played an important role, in more than one way, in the passage from a rigid command economy to “market socialism.” At least half of the UN aid was project food aid from WFP and Viet Nam, though it is an agricultural country, took full advantage of food aid, thanks to an excellent implementation of

relations with DPRK at the political, economic, and most of all, security level.

3. A certain degree of politicisation of foreign aid can be justified when the problem that created the need for aid is political. This is without doubt the case of North Korea.

Confrontation versus engagement. The train of thought that advocates a policy of confrontation with North Korea deems that the demise of DPRK is inevitable and that the cost of having to face the consequences will increase with time. Therefore all concerned countries should purposely seek "The End of North Korea" - to quote the title of a famous book. Legitimate as it is this position, it is not the one here proposed. The engagement approach is deemed preferable. Actually, it is firmly believed that there is no viable, or sensible, alternative to a policy that seeks to engage North Korea, separating aid and business issues from military and strictly political issues. Given North Korea's track record of on-again, off-again negotiations and broken promises, nobody can be sure that such a policy of engagement will work. It can also be endlessly debated whether it should be conditional or not, if "carrots" should be accompanied by "sticks," if the emphasis should be on the former or the latter and so on and on. It remains, however, certain that there are no alternatives: the "choice between the disastrous and the unpalatable"⁹ is what has to be faced.

The South Korean Government under Kim Dae-jung has actively pursued such a policy of engagement, commonly known in English as "sunshine" policy, with mixed results that can be aptly summarized as "asymmetrical reciprocity." The paramount goal pursued by "sunshine" policy (or, for this matter, by any sort of engagement

the projects.

- 9 The words of an unlikely South Korean dove, General Park Chung-hee, former RoK dictator, could be appropriately recalled here. He is quoted as saying back in 1972: "As long as you can touch an opponent with at least one hand, you can tell whether he will attack."

policy) is to avoid - almost at any cost - a sudden implosion of North Korea as it could have devastating effects on the neighbouring economies, and it is feared that it could even lead to totally irrational, desperate and unpredictable acts of destruction. Indeed the conventional wisdom, shared by this paper, is that the implosion of North Korea would be too costly, and possibly too dangerous, an option. The second, in a way ancillary, objective of the “sunshine” policy is to encourage North Korea to reform, guiding it towards a so-called “soft landing.” Here again the debate rages about the timeframe, the means to be employed and the ultimate goal of at least improved “governance.”

The well being of North Koreans, as individuals in need to receive truly humanitarian aid, has had to take a back seat, well behind the two paramount objectives of the engagement policy towards DPRK (which are—*repetita juvant*—in order of importance: first to avoid the implosion of the country and second to encourage its leadership to progressively undertake systematic reforms).

As seen in section I, the massive food aid extended to North Korea since 1995-6 is part and parcel of government-to-government relations. More precisely, the flow of food aid commenced slowly in 1995-6, when the famine raged. It grew to massive proportions only later on, in parallel with the deployment of the “sunshine” policy, in a sort of reverse relationship with the severity of the needs. Government-to-government relations have seen a similar progress on the diplomatic front as from the beginning of year 2000 - also this development has been explicitly prompted by the “sunshine” policy.

Role of aid and politicization thereof. Regrettably, progress in government-to-government relations has not been matched with equal progress in people-to-people relations with negative reflections on the delivery of truly humanitarian aid. This situation is not of donors’ choice. The reason, at least to date, lies with the North Korean regime

that continues to seriously limit the access to those strata of the population who are believed to be more in need as well as the daily work of all aid agents engaged in genuine humanitarian work. Foreign aid is thus held hostage—one could say—to the self-imposed policy of seclusion pursued by North Korea. Its ordinary citizens are prevented from coming into contact with foreigners, therefore preventing them from learning about the outside world. At the same time foreigners are prevented from learning about the real situation and needs of the local population. In short, as repeatedly highlighted in section I, the effective and efficient delivery of humanitarian aid, with its inherent prerogatives of impartiality, neutrality and detachment, has always been restricted, and continues to be restricted, by North Korean authorities.

In the absence of a magic wand to change, or at least to foresee, the future, the safest policy seems to stick to what has, more or less, worked so far. Aid has been an essential component of the engagement policy and the rationale for the provision of aid to North Korea remains valid, as long as an engagement policy continues to be pursued. Therefore aid should continue to be extended to North Korea, if engagement policy remains a strategic choice: in the form of both budgetary/structural support and humanitarian aid in strict sense. However, it is here argued, important tactical changes should be implemented in both components of the two-pronged approach into which foreign aid is delivered.

- Aid is needed to avoid an implosion of North Korea. Essentially food,¹⁰ and a *modicum* of many other things, so as to allow North Korea to continue to “muddle through” until such time when—if ever—it will be ready to face the substantial changes needed by its

10 North Korea is not an agricultural country. Also under a different economic system it would have a structural food deficit that would have to be covered with imports. Food aid is required until such time as DPRK can fund the commercial imports needed to feed its population.

economic system. This type of “bulk” aid is typical of government-to-government relations; this should also be the case for North Korea. All major donor countries should stop using the UN system as a proxy conduit for “bulk” aid. They should deal directly with North Korea, treating “bulk” food aid for what it really is: budgetary/structural support to be negotiated at a political level.¹¹ Donor countries should also be extremely careful not to cover more than survival needs. The fig leaf of “humanitarian” aid lent by WFP (and the UN system at large) to structural/budgetary aid should be dropped. As a matter of fact UN does not have any privileged access to North Korean leadership.¹² The front line countries, those that have a direct immediate interest in the situation of the Korean peninsula - South Korea, USA and Japan - should continue to foot the bill for structural/budgetary aid. However, without the UN filter, DPRK government should be made to feel the tough realities of conditionality inherent in deal making between partners that - it should not be forgotten - are not even equal: DPRK is on the requesting and receiving end, donor countries are on the giving end. At times, particularly in 2000 and 2001, these roles have appeared almost reversed.

- Truly humanitarian aid should be greatly increased. Primarily to help more of those North Koreans who are found to be most in

11 At the same time, a change in DPRK counterpart should be sought to underline the new direct relationship between the donor countries on one side and DPRK on the other, requesting and eventually receiving, side. The Flood Disaster and Rehabilitation Committee (FDRC) was created at UN request seven years ago as an *ad hoc* counterpart. After seven years from the occurrence of the flood disaster, it is high time that FDRC be dissolved. Contact with line ministries should become the norm.

12 Moreover it can be argued that the UN system has not pushed a genuine humanitarian agenda as forcefully as it could have. Over the years it has developed a sort of self-serving, bureaucratic agenda that tends to perpetuate its high-profile role that back in 1995-6 was only a choice of expediency on the part of the donors, USA *in primis*. This situation suits the North Korean leadership only too well.

need in accordance with objective criteria, independently verified. Secondly as an indirect, but efficient and cheap, means to progressively open up the "hermit kingdom." The famine helped to break down some of the rigid social order (e.g., black markets sprang up, multiplied and had to be institutionalized). If an increasing number of ordinary citizens receive directly foreign aid and thus get a glimpse of the outside world, the strategy of reforms from the bottom would receive a boost. In the absence of an up-to-date independent nutritional survey, in the absolute absence of any sort of income survey, and with severely limited access, not only the delivery of humanitarian aid has been restricted, aid operators have to date been forced to operate almost without compass. All this should change. Besides, humanitarian aid is, almost by definition, more cheaply delivered by NGOs. In some cases, NGOs also perform better. No effort should therefore be spared to increase the number of resident NGOs and to extend their operations in a concerted effort to gain access to those most in need, wherever they are. The real structure of North Korean society should not be forgotten and a continuous endeavour to reach the less protected strata of the population should be the guiding principle of external aid that wants to be genuinely humanitarian. All North Koreans are in need but surely there are those more in need than others are. Donors, and in particular those who provide most of the financing of the massive "bulk" aid, should actively prod DPRK government into accepting more resident NGOs.¹³ At the same time, donor countries should also be prepared to fund resident NGOs much more generously than they have done thus far.¹⁴ Donor countries should also firmly

13 In DPRK to date there are no resident NGOs from South Korea, USA and Japan. ROK NGOs are particularly restricted in their operations in DPRK. Too often their aid ends up where is needed the least - distributed to the privileged and relatively well off inhabitants of the capital.

encourage NGOs to move away from the mere distribution of goods and undertake more ambitious projects, preferably with a rehabilitation component.¹⁵

A link should thus be created between “high” foreign relations at government level (diplomacy and budgetary/structural aid) and “low” foreign relations at people level (personal contacts and micro-projects implemented through resident NGOs). At the same time, a more appropriate balance should be sought between the funding allocated to the two types of aid - i.e., structural/budgetary aid in “bulk” in the framework of direct government-to-government negotiations and humanitarian aid, without inverted commas, to be delivered through a greatly increased number of resident NGOs from all donors. If the former remains essential to avoid a sudden implosion of North Korea, the latter is a better investment for the future, an effective and cheap tool to pursue a “soft landing” strategy. It should be increased as much as possible. North Korean ordinary¹⁶ people are in need of genuine humanitarian aid, at least as much as the regime needs structural/budgetary aid to prevent a sudden collapse.

No better proof can be given of the effectiveness of the policy here advocated than by the diverging attitudes of North Korean authorities at different levels. At the local level, usually lower, NGOs are welcome and the cooperation extended to them is generally good, sometimes very good and occasionally even warm. At the central higher level, in

14 But the right type of NGOs, it should be further specified. North Korea is not the right assignment for softies.

15 It goes without saying that also the UN system could, and should have a major role in the delivery of truly humanitarian aid but there should be no ambiguity left about its role and *modus operandi*.

16 Ordinary people are all those that do not belong to the “core” class. To this, mainly urban, class the regime tries to concentrate all local resources as well as foreign aid. The real situation of all those who are left outside of this protective safety net is not well known.

Pyongyang, the words of a Deputy Foreign Minister speak by themselves: "DPRK is not really interested in NGOs and has accepted them until now because of the wishes of the donor countries."

It can therefore be taken for granted that the *nomenklatura* in Pyongyang will try to resist the tactical changes that have been briefly outlined here above for the delivery of both components of foreign aid. The loss of the fig leaf that extends a pretended "humanitarian" coverage to structural/budgetary aid may be hard to swallow for the DPRK regime. Similarly the regime can be expected to be reluctant - to say the least - to allow the direct delivery of humanitarian aid to their population through an increased number of resident NGOs.

Donor countries, however, should not be overly concerned nor North Korea should be overvalued on account of its proverbial tactical ability at brinkmanship negotiation. DPRK government has grown accustomed to receiving massive doses of bulk aid, mostly food, with little or no strings attached. Precisely hundreds and hundreds of thousand of tons of food desperately needed constitute something of value that would be hard to lose in negotiations. Aid is one of the tools that foreign countries have to attempt to exercise pressure on DPRK. It is time to use the aid tool more effectively and more efficiently.¹⁷

Negotiating this change of tack for donor countries will not be different from any other negotiation with the DPRK government - invariably intense, protracted and unpleasant.

The year of 2002 has been a year full of events for the Korean peninsula. The broader scenario into which aid, with its relatively small weight, must fit has greatly evolved. It suffice here to recall: the inclusion of DPRK in the "axis of evil" by President Bush at the beginning of

17 A case in point is perhaps offered by the assistance provided by the European Union (EU) to DPRK. EU case upholding truly humanitarian aid is briefly presented in the following three Annexes. *Mutatis mutandis* it can serve as a model for other donor countries wishing to shift partially the focus of their assistance from pure budgetary support to truly humanitarian aid.

the year; the concrete reconciliation gestures long requested by South Korea suddenly conceded by DPRK; the resumption of dialogue between DPRK and Japan following the unexpectedly successful visit to Pyongyang of Prime Minister Koizumi in September; the likely resumption of direct negotiations between DPRK and USA.

Far-reaching economic reforms have been announced. As regards the specific issue of aid, it must be recorded that North Korean authorities have announced the termination of the food rationing system accompanied by a hefty increase in salaries. It is much too early to say whether the announced reforms will be really implemented and how. However, if food will be made available to North Koreans only for sale, this would indeed be a major systematic reform that would have an enormous impact also on foreign aid.

While it would be foolish to pretend that the tail wagged the dog, nonetheless it can be safely argued that the aid tool has carried its weight in prompting these long-awaited reforms. Besides, it can also be argued that the leverage of foreign aid will increase in the future. As a matter of fact, the reforms will unavoidably stimulate inflation as the increase of the monetary mass in circulation will not be matched by that of goods available. DPRK will therefore be in need of foreign aid and foreign supplies to prevent a steep climb of inflation.

The tactical changes advocated in this paper for the future delivery of aid - both as budgetary support and as truly humanitarian aid - remain valid.

Annex 1

European Union's Assistance to DPRK

Europe has mightily contributed to peace and stability in the Korean Peninsula through its actions in the fields of humanitarian assistance and food security its contributions to the KEDO project

and by beginning a political dialogue with Pyongyang. The essential motivation of the European Union's (EU) policy is to extend its whole-hearted support to South Korean President Kim Dae-jung's "sunshine" policy.

The high point of this policy was the fielding, at the beginning of May 2001, of a high-level mission to Pyongyang, in an effort to kick-start the then stalled inter-Korean reconciliation process.¹⁸

Soon afterwards, the European Commission (EC), in consultation with the Member states of the EU, agreed to the establishment of diplomatic relations between the DPRK and the EC.¹⁹ The EU does furthermore envisage expanding its assistance efforts in a measured way linked to North Korea's response to international concerns in regard to progress on inter-Korean reconciliation, non-proliferation issues, respect for human rights and economic structural reform in the DPRK.

As detailed in Annex 2 hereinafter, to end 2001 assistance from Europe through the various EC instruments has amounted to Euro 330.45 million, including 95 million for KEDO. These amounts do not include bilateral assistance provided directly by EU Member Countries and/or other European Organisations. Europe does thus belong to the small group of large donors, together with the USA, South Korea and Japan (and possibly also China). Assistance from Europe, already very generous in absolute terms, takes an altogether particular relevance if due consideration is given to the geographic distance and the absolute

18 The Prime Minister of Sweden, Mr. G. Persson, then holding the rotation presidency of the European Council, led the mission. He was accompanied by Mr. J. Solana, EU's foreign and security policy, High Representative, and by EC Commissioner C. Patten.

19 At present 13 of the 15 members of the European Union - all countries except France and Eire - have diplomatic relations with DPRK. Three of them - namely, Sweden, Germany and U.K. - have an Embassy in Pyongyang. At the end of 1999 only four had diplomatic relations with DPRK and only Sweden had an Embassy. Italy, in a clear sign of support to South Korea's engagement policy, established diplomatic relations with DPRK in January 2000. Since then eight other EU countries have done the same.

lack of military pressure on one hand or the dim inducement of commercial prospects on the other hand.

Emergency humanitarian assistance through European resident NGOs, and the IFRC, started in 1995. Since 1997, the EC has also been providing significant food aid, trying to reach the more vulnerable people in North Korea. Initially a food assistance programme, EC aid has increasingly become oriented towards agricultural rehabilitation and production with a view to a more sustainable approach towards increased food security. In this connection, it must be highlighted that since 1999 the EC stopped direct provisions of food aid, being dissatisfied with monitoring arrangements (some Euro 5.3 million were, however, allocated in 2000 through WFP). At the same time and for the same reason, the allocation of Euro 30 million in 1999 was reduced to 20 million in 2000 (10.3 million fertilisers, 8.2 million agricultural rehabilitation projects in sectors such as re-forestation, dykes rehabilitation, water and sanitation, supply of agricultural machinery, tree nurseries, etc., and 1.5 million technical support costs).

Acknowledging that emergency aid must be combined with long-term development assistance programmes, in 2001 the EC has fielded first a fact-finding and then a formulation mission to assess technical assistance (TA) needs and identify areas in which pilot projects could then be launched. A programme of Euro 2 to 3 million per year to meet the most pressing TA requirements is being finalised. The EC can thus be considered the most substantial provider of TA to North Korea.

The EC has consistently pushed forward the humanitarian aid agenda, especially in support of the work of the European resident NGOs, perhaps more forcefully than any other major donors, unconditioned as it is by other more immediate, pressing and important considerations of political, economy and, most of all, security nature. North Korea's desire to have better relations with European countries, as shown by the diplomatic offensive started in January 2000 with Italy, has opened a window of opportunity that the EC has exploited

fully, also to push forward the agenda of truly humanitarian aid.

The visit of the EU delegation in May 2001 has been the most recent occasion to convey to the highest possible level Europe's demands to bring genuine humanitarian work in DPRK progressively more in line with internationally acceptable standards (such as, professional appraisal of needs for programming purposes, improved access, more freedom of movement for monitoring purposes, cooperative work with the line ministries and better working conditions in general). In Annex 3 a copy is attached of the briefing note prepared by EC head office in Brussels for this high-level delegation. It is an explicit list of what remains to be achieved in order to be able to deliver genuine humanitarian aid to DPRK, mainly through resident European NGOs, so that these are put in a position to operate more effectively and efficiently in the country. The messages were delivered loud and clear in its entirety.

As a matter of fact, some progress promising albeit modest has been made. Two more European NGOs have been authorised to operate in North Korea during 2001 and a third one has joined in January 2002.²⁰ Besides, since year 2000, North Korean counterparts have accepted to sign a detailed Letter of Understanding (LoU) for each EC-funded project. In particular, through a so-called EC Clause, these LoUs are meant to stipulate the respective obligations for both the European NGOs and the North Korean counterparts in order to gain access to EC funding. All main points of contention with North Korean authorities are adequately covered therein - i.e., appraisal of real needs, unhindered direct access to beneficiaries, random monitoring visits and

20 The three new NGOs are Triangle (F), Handicap International (B) and Premiere Urgence (F). They join a group of four: CESVI (I), Children's Aid Direct (UK), Concern (IRL) and German Agro Action (GAA). It should not be forgotten, however, that between 1998 and January 2000 four major, world-famous NGOs had left, stating that they were prevented from carrying out their duties in accordance with basic, genuine humanitarian principles. They were: Medecins sans frontieres, Medecins du monde, OXFAM and ACF.

focus on the more vulnerable groups. The main task, however, still lies ahead to be accomplished. The principles formally agreed to by North Korean counterparts through the LoUs signed for each EC-funded project should also be respected in every aspect of the daily humanitarian work. Alas! North Koreans seem to ignore that agreements must be respected.²¹

The road undertaken since 1995 by EC to deliver truly humanitarian aid to DPRK has been and remains uphill. Though progress vis-à-vis the initial conditions in 1995-6 has undoubtedly taken place several setbacks have also occurred. Periods when cooperation was good and progress was made have alternated with others when DPRK attitude towards EC's humanitarian aid became obstructive. This seesaw pattern is not over and can be expected to continue in the future.

The approach spearheaded by the EC for the delivery of truly humanitarian aid to the North Korean population in need through resident European NGOs can serve as an example for other donor countries to follow suit.

Annex 2 EC INTERVENTIONS IN DPRK (million Euros)

EC ASSISTANCE INSTRUMENTS	1995	1996	1997	1998	1999	2000	2001	Total 1995-2001
Humanitarian Assistance Through ECHO	0.29	0.5	19.7	4.7	4.8	7.64	7.4	45.03
Food Aid & Food Security	-	-	57.9	55.2	30	5.3** 20**	20	188.4

21 The time old principle that "*pacta sunt servanda*" is not much respected in North Korea (quite justifiably Latin does not feature prominently in the North Korean scholastic curriculum but this does not appear to be the real root of the problem).

KEDO	-	15*	15	15	15	15	20	95
Technical Assistance Through REL.EX.	-	-	-	-	-	-	2	2
TOTAL	0.29	15.5	92.6	74.9	49.8	47.94	49.4	330.43

* 15 millions budgeted. 10 millions actually paid in 1997.

** Direct food aid discontinued since end 1999. In 2000, 20 millions provided as Food Security Programme and 5.3 millions as food aid through WFP.

Annex 3

Briefing notes prepared by the European Commission Head Office in Brussels for Mr. Chris Patten, EC Commissioner in charge of External relations.

1. Joint appraisal of needs for programming purposes so as to identify and possibly reach those more vulnerable and most in need, wherever they are. Currently programmes/projects are being prepared on the basis of the information provided by the Government without the possibility for NGOs to undertake an assessment of the real needs. Also evaluation of the programmes already implemented is problematic due to lack of freedom of movement and will on the part of Government. We should encourage a joint appraisal of needs as a way to encourage better interaction between the Government institutions and the NGOs. For example: for 2001 water sanitation is being considered one of the key sectors for intervention, but North Korean authorities do not even allow for water quality tests.

2. Access: it has improved considerably since 1995, but equally considerable constraints on movements remain. Deviation from agreed travel plans are usually rejected. Freedom to travel without prior

permission and unscheduled visits to beneficiary locations remain a goal. Counties open to UN agencies remain closed to NGOs. We need to encourage better access for NGOs and, in particular, freedom of movement for programming purposes and random monitoring visits.

3. Encourage increased resident NGOs presence in the DPRK and permit larger numbers of international staff to work in the country: 10 NGOs operate at present in the DPRK (6 under EU activities). Two have been allowed to join last year, thus partially offsetting the departure of four major ones (MSF, MdM, Oxfam and ACF). More resident NGOs would provide a greater geographical coverage of the country and would address a wider range of sectors that is now possible (e.g., nutrition and health).

4. NGOs should gain access to technical line ministries and institutions and FDRC should really work as a facilitator, not as a stumbling block.