

OVERCOMING THE KOREAN CRISIS: SHORT- AND LONG-TERM OPTIONS AND IMPLICATIONS BY A RUSSIAN PERSPECTIVE

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A military solution to North Korean nuclear crisis is now widely regarded as unacceptable. The US administration's new policy was seen by Kim Jong Il as aiming at regime change. The failure to address this concerns in October 2002 led to North Korean creating the "nuclear deterrent." Even short of a war the collapse of Pyongyang regime would mean the disappearance of the country itself—absorption of North by South. The occupation won't be peaceful, given the differences between Northerners and Southerners. "Slow-burning" conflict can continue for decades as a far-eastern edition of Israel-Palestinian conflict. The change in paradigm of the regime could instead ease not only WMD but other concerns. Kim Jong Il's state differs from that of his father, it can no longer be described as Stalinist. The economy has already changed from a centrally planned one to a mixed type, combining state, capitalist, semi-private and "shadow" sectors. Further transformation could include main power bodies (military, party, local, secret services) creating economic conglomerates resembling South Korean "chaebols." Nationalistic ideology becomes a basis for legitimacy of Kim Jong Il's clan power and for deeper integra-

tion with South Korea. But Pyongyang would probably try to keep its nuclear weapons at all costs, even if in the course of 6-party talks which could agree to forego the nuclear program as well as other WMD production and exports (Indian model). Sanctions and isolation cannot be a final option, and provided the conditions for regime transformation would be secured, such a solution could be better than any other.

In the current nuclear standoff, Pyongyang's goals were clear from the start: self-preservation of the regime. It was equally clear from the beginning, at least for those who spent some time studying North Korea's behavioral patterns that Pyongyang is not likely to succumb to pressure or surrender, relinquishing its only trump card for nothing in exchange.¹ One full year elapsed before a formulation of comprehensive and future-oriented concept of Korean policy. The United States' approach, now shared by China, Russia, Japan and South Korea, provides for multilateral security guarantees to the DPRK in exchange for complete dismantlement of the nuclear program.²

Why did it take so long to accept such an elementary equation—the nuclear program and security trade-off—which was in fact suggested by North Korea from the initial onset? The answer is simple; at least

1 See for example simultaneously published in Russia and the USA in February 2003 collectively authored reports by Gorbachev Foundation, "*Russia and Inter-Korean relations*" and the report of a special group on the Korean policy under the leadership of Selig Harrison, "*Turn-point in Korea. New dangers and new possibilities for the USA.*" In August 2003, Russian Center for Contemporary Korean Studies at IMEMO published a comprehensive analysis, "*Fifty Years Without War and Without Peace,*" supporting this logic. The Nautilus institute-sponsored report, "*A Korean Krakatoa? Scenarios for the Peaceful Resolution of North Korea Nuclear Crisis*" is also worth noting as suggesting realistic alternative to then US administration policy.

2 *The New York Times*, Oct. 20, 2003.

from North Koreans' viewpoint. The West, they believe, views toppling Pyongyang regime (either through military actions, inner cataclysm, or at best, the demise of the regime in a "soft landing" manner) as the optimum recipe for final solution of not only the nuclear but also all other involved issues and concerns. While North Korea is ready to engage in a large scale-war, it is imperative to prevent such warfare through the maximum use of national efforts by preparing for such conflict.

Is there any other way out of the impasse? Provided the resolution of the nuclear issue, how long should North Korea remain and be regarded as a threat? Many believe a dictatorship as such cannot be reformed and is incapable of system transformation and modernization. However, our view is different and cautiously optimistic: the undergoing changes in North Korea could provide a key to the solution of the WMD issue in the short run, but it can also ease other concerns in due course. On the other hand, without eliminating the divide between the DPRK and the rest of the world, any efforts to neutralize its consequences—including the over-militarization of the peninsula (and not only in the area of WMD)—will have little effect. Although not a direct aim at this stage, is it possible to work out a viable formula for harmonious co-existence of North and South Korea in a broader international framework in the road to their eventual convergence? We believe such a possibility exists, although currently this may not be the only nor the most probable outcome.

Pyongyang's Logic and Strategy

We can begin by analyzing Pyongyang's internal logic and understanding of the situation; not only in nuclear terms, but in a broader framework encompassing a peaceful solution to the nuclear crisis as well as continuity and change in North Korean society.

North Korean vision and motives are often ignored by its opponents as sheer nonsense, hypocrisy, propaganda or a bluff as they are immersed in their own brand of methodology and ridiculous language. In fact, this is one of the factors that prevented a viable formula for DPRK's continuing interaction with the international community throughout the 1990s. That does not mean we now have to agree with Pyongyang, but certain ideas and possibilities should at least be explored in search for compatibility with policy goals and aims of other nations. Above all, the nuclear problem cannot be isolated and it must be solved as a part of a new security framework in Korea.

This calls for interaction and engagement with North Korea. Current ideas in Pyongyang are different from those ten years ago. Kim Jong Il's regime is diverging further away from that of his father. The Democratic People's Republic of Korea can no longer be described as a Stalinist country (there are rumors that even its name might change, omitting the reference to a "Western-style" democracy). Therefore, it would be wrong to believe *a priori* that current Pyongyang is aggressive and dangerous as during the time of Kim Il-Sung—the continuer of "Stalin's deed" in advancing the socialist revolution at least in the Korean peninsula, if not in the world scale. Consequently Pyongyang's attempts to guarantee its security should not be deemed illegitimate without a thorough analysis.

The common belief, at least of the 1990s, that Pyongyang cannot be trusted because it did not "keep its word" under a score of treaties, should not be taken for granted. Evidence shows that in most cases, North Korea stopped fulfilling their obligation out of what they considered to be a violation by the opposite party. And although the regime may seem paranoid to the most part of the world, concluding Pyongyang as unpredictable and adventurous would be an inaccurate and dangerous miscalculation. What is usually implied is not the illogical or uncontrollable character of Pyongyang's action, but rather their aims, character, timing and results—which are more often than not dis-

agreeable, incomprehensible and beyond the accepted models or “common sense” to the opponents.

We should not apply conventional wisdom to these actions. Kim Jong Il has come to prove that he is an experienced state leader (his aims are not similar to a democratically elected one and comprise survival of the regime, rather than survival of the people—but this has to be taken for granted) and a seasoned diplomat.³ He, unlike many of his opponents, plans several moves ahead and seems to fully employ Oriental tactics of preparing to fight a stronger adversary. Ancient Chinese stratagems (about three dozen) can elucidate North Korea’s seemingly illogical behavior. To name a few: “to make crazy gestures while keeping the balance,” “extract something out of nothing (to bluff),” “to openly build a bridge, secretly commence the march to Chungquan (let the enemy believe he understands your plans and win with an unexpected maneuver),” “to deceive the emperor to make him cross the sea (to seek for a stronger position for a battle),” and “to change the role of guest to that of a host.” Many of these strategies remind us of crucial moments in the nuclear standoff and subsequent negotiations, where North Koreans did not share the traditional Western moral views that bluffing and deceit are deplorable (if only because the political practices—especially in the wake of the search for Iraqi WMD—testify to the opposite).

From this point of view, the nuclear crisis can be regarded as a case of “clash of civilizations,” wherein different value systems suspiciousness generate conflicts under the guise of a concrete cause. Misunderstanding mounts on both sides—North Korea, feeling discriminated and resented—has assured itself of complete distrust and created its own justifications for its behavior in accordance with its own value system. Based on the priorities of “national sovereignty,” Pyongyang sincerely believes the amoral, hypocritical and malicious nature of West-

3 See *The New York Times Magazine*, Oct. 19, 2003.

ern actions. How would you expect North Korea to tie its hands by abiding to the norms of traditional (Western=alien) morals when fighting for “higher values” in its own understanding? Russia, while sharing the universally accepted civilized values of today, realizes at the same time (through its own bitter Communist past experience) the inflexibility of certain ideological dogmas and strongly advise against any attempts to challenge them in dealing with North Korea. Time should be granted in sparring efforts to let North Koreans fully understand the real aims and concerns of the Western world. This is not impossible to achieve; the explanations provided below are not confrontational and are made with due respect to this difficult partner.

Change of Regime or Change of Paradigm?

Pyongyang views the world as a huge conspiracy against itself, and in fact the concern about its opponents’ is well grounded. The history of the country itself as well as recent international events convinced the North Korean leaders that in the absence of strong allies (like USSR and China in the past) only military might can deter “the enemies of Korean Socialism” from trying to overthrow the regime. This conjecture is probably not totally inaccurate; the US Defense Secretary Donald Rumsfeld’s November 2003 remarks in Seoul regarding the desirability of a regime change in Pyongyang and even the possibility of using US nuclear weapons against North Korea provided useful clues to the real motivations and desires of US conservatives. We omit here the widely publicized possible consequences of a military solution as it would not only amount to a national catastrophe for the whole Korean nation, but also undermine regional stability and enormously impact the world economies. What is usually overlooked is that, even short of a war, the collapse of Pyongyang regime would probably be an unparalleled disaster for the Korean peninsula as well as the region and it

would have much more negative implications than regime change in any other country of the world.

Can we take Iraq as an example? The regime change in Iraq (even bearing in mind the current problems of governing post-war Iraq) in fact produced only minor difficulties in comparison to Korea. The crucial difference from Iraq, or any undivided sovereign country of the world, is that regime change in the North Korean case will mean *the disappearance of the country itself*. North Korean statehood as such would be finished, as South Korea—in referring to its constitution—cannot accept any new power in North Korea formed “on the local base.”

This stands true even if a “hot” conflict is avoided. What would have occurred if Pyongyang complied with seemingly logical demands to confine itself to nuclear non-proliferation in a verifiable manner after being confronted with the accusations of a clandestine uranium enrichment program in October 2002? Pyongyang feared that in case of its obedience to these reasonable demands, even in absence of such a program, there still will be no end to the existing problem. First, the issue of verification, leading probably to intrusive inspections, would rise. Provided none of the nuclear weapons are found, the case of chemical and biological ones would be put on the agenda. Then comes the missile issue, followed by the problems of “excessive” conventional weapons, human rights, religious freedoms, freedom of emigration (does anybody really need North Korean refugees, by the way?), etc. Finally, when the risk of retaliation from North Korea is greatly reduced due to a verified absence of WMD and change in internal situation as a result of the country’s opening, it would suddenly dawn on everybody, that putting up with the existence even of the kneeled totalitarian regime is impossible—it is necessary to be fully sure of the absence of the potential of WMD, to liquidate any possibilities of their reappearance, and finally, to give the oppressed people freedom and democracy. Thus, the regime change would be included in the agenda anyway. Public revelations by the highest-ranking defector Hwang

Jang Yop proves that Kim Jong Il saw this prospect even in 1994; that “in five or six years,” when the issue of international inspections are placed on the agenda, the DPRK would have to confront the US and declare the possession of nuclear weapons.⁴ Thus, at the time being, regime change is really not an option.

Even if Kim Jong Il were removed by “natural causes” or by a palace coup/uprising, the final outcome would still remain the same. Why? First, a more conservative force would ascend to power, as there is no internal opposition in North Korea. The regime takes great care to leave nothing to change, at least for an organized democratic movement to take root. This would further aggravate the situation and increase North Korea’s confrontation with the outer world, making the situation even more dangerous and further away from the final solution, leading us back to “square one.” An alternative figure from the existing leadership (Yong Hyong Muk appears as an option as he appears to be popular among US planners⁵) would not have enough authority among the powerful North Korean military to execute a change in the current situation.

Secondly, a power vacuum and chaos would emerge, inviting foreign interference. Even if we presume that a true democratic government can eventually surface out of this chaos (which is highly unlikely simply because there is no human potential for this in the North in the short run), who is going to wait for such a development under a crisis, involving hordes of refugees, local conflicts with arms falling into the hands of warlords, etc? The conclusion being that the change of regime in North Korean case would boil down to the absorption of the North by the South and the North would become an “occupation zone.”

Will this occupation be peaceful? After the World War II, the Korean nation (in the framework of which anyway, regional contradictions

4 *Choson Ilbo*, Seoul, Nov. 17, 2003.

5 *Dong-A Ilbo*, Seoul, Nov. 10, 2003.

were rather bitter) gave birth not only to two states but to two different civilizations. They have at best 30-40% in common, of which is based on national traditions in the North and South Korean societies (it is enough to mention that even linguistic differences have deepened to an extent that Kim Jong Il, according to his own confession, only understood 80% of Kim Dae-Jung dialogue during inter-Korean summit).⁶ Are more than 20 millions of North Koreans ready to become “second rate people” in a unified Korea? What about the large army (2-3 millions of people) in the North Korean nomenclature? They can expect the worst; not just being left out in the cold like their colleagues in East Germany, but repression (by the way, such a concern is not totally ungrounded, if we refer to the experience of legal prosecution and severe sentences to former presidents on the part of democratic leaders of the ROK, as well as Hyundai’s Chung Moon Hun’s tragic fate). This means that they can resort to armed guerilla-type opposition, which would at least be taken sympathetically by the population. Most likely, the plans of such guerilla activities already exist in the DPRK. Lessons of many centuries of Korean history instruct that this “slow-burning” conflict, involving neighboring countries, can continue for decades. The world would then receive a far-eastern edition of Israel-Palestinian conflict. The Iraqi occupation also offers a valuable example, as even the combined forces of US and ROK probably will not be enough to properly govern North Korea. This would derail prospering South Korean economy even if a large-scale military action is avoided. Not to mention the international implications, especially for China and Japan.

So is regime change really an option? Would it be more practical for the world community to accept the continual of existence of DPRK, provided it behaves responsibly in the international context at least in

6 See K. Pulikovsky. Oriental express. *Through Russia with Kim Jong-Il*, Moscow, 2002, p. 156.

the short term? Does it really pose danger to its neighbors? Both in the early times and for a thousand years of history, Koreans never tried to conquer anybody, and presently, the DPRK does not have any reasons for aggression (for instance, an attempt to dictate its ideology to someone, to capture territory or economic resources). Moreover, it does not have the smallest chances to be successful in case of such adventure, which is not unknown to its leaders. More importantly, in the long run, can the dictatorship really change? Is there any evidence to the probability of evolution of the DPRK, provided its security is guaranteed and national sovereignty is not challenged? In other words, *can the paradigm of the regime change occur without the change of political elite?*

Plenty of recent data, at least those acquired by Russian experts through field research and more importantly through recent exclusive access to the higher echelons of Pyongyang hierarchy, suggest that this option is quite realistic.⁷ One should not be deceived by North Korean propaganda cliches and ideological zeal; all “military-oriented” rhetoric and over-militarization are meant largely to provide strict control over society and to scare off possible aggressors.

It seems that current North Korean leaders are to understand the inefficiency of the system as well as recognizing the fact that the population’s patience is on the threshold. They are thinking of changes without endangering their power. In fact, unlike former East European socialist countries where evolution proved to be impossible, changes do not seem unlikely in the DPRK simply because this country today, in essence, is not a socialistic country but a bureaucratic monarchy (or theocracy).

Since the beginning of the 1990s, the North Korean leaders started to transfer accents from Marxism-Leninism postulate to a traditional Confucian and feudal-bureaucratic one, appealing to national tradi-

7 *The Korean Peninsula and Challenges of the XXI Century*. Reports presented at the VI scientific conference of Korean researchers (Moscow: IDV Publishers, 2003), p. 21.

tions and history and promoting the thesis of inheriting the legacy of the ancient Korean states—Goguryeo and Goryeo.⁸ The legendary father of Korean nation, Dangun, who lived two thousand years B.C. was declared to be a living person and even a tomb was constructed, a significant venue for a joint North-South celebration in October 2003.⁹ A clear sign of resurrection of Confucian values was illustrated in Kim Jong-Il's three years' mourning following the death of his father Kim Il-Sung. A revival of traditional holidays such as Lunar New Year and Choosuk (Thanksgiving), as well as formal reconstruction of religious rights became an integral part of course for cultivation of Confucian heritage and foundation of national-cultural identity. A new concept of state ideology is now a "creation of a powerful state"—without specifications on what kind of social-economic system should be the basis for such a state. The only clue might be "songun"—a military first policy, wherein the army will be the backbone of the state. Does this mean that military leaders will have a say no only in political, but also in economic matters and redistribution of property rights?

The transformation is obvious not only in ideology- although in a highly ideological society it is already a major factor of change. However for Kim Jong Il, any change is a task made twice as difficult because he cannot openly revise the heritage of his father (although sometimes he tried to—for example, apologizing for the Japanese kidnapping incidents). After consolidating his power base in late 1990s, he chose not to risk disorder in the established power structure. However, coming out of the isolation, bridging the gap with the South Korea, pursuing normalization of relations with Japan, European Union, Australia, attempting economic reforms, and creating "open sector" in the economy, Kim clearly showed where the vector of his interest is directed.¹⁰

8 G. B. Bulychev, *Political Systems of the Korean Peninsula States* (Moscow: MGIMO University Press, 2002), p. 129.

9 *Korean Central News Agency*, Pyongyang, Oct. 6, 2003.

10 A. Vorontsov, "Korean Nuclear Crisis in International Context," In G. Toloraya et al.

This is exactly the reason why the Russian President Vladimir Putin called Kim “an absolutely modern person” and started to assist him, including his efforts to be an intermediary in the stand-off between the US and the DPRK.

However, amidst the real politic world of Gulf War and Yugoslavia, how can Kim Jong-Il from the onset of his rule forget about strengthening the military and the system of enemies’ containment, which could make use of the period of changes to overthrow his regime? He is always reminded of that by the conservatives in his retinue who are afraid of repetition of Gorbachev’s experience and loss in the decisive competitive edge, the inner unity. Notwithstanding the poverty due to the absence of resources, an irrational structure of the economics and the isolation and the lack of personal freedom the country, particularly due to the relative homogeneity of the society, is characterized with an enviable stability, a fact westerners cannot fully grasp. Of course, Kim Jong-Il wants to keep his power and the state. He is neither Nero, nor Louis XY, who said - ‘après moi—deluge.’ But does that necessarily mean that he, known for his interest for bourgeois life, would see the “barrack-room socialism” as an ideal? More likely he would want “an enlightened monarchy” or an authoritarian state, (resembling a mix of Brunei, Malaysia, South American states and Park Jung Hee’s South Korea or some of the Central Asian states) which is a more attractive option for making his nation independent and accumulating at least minimum wealth (the source of which would be extremely cheap and sufficiently qualified labor force).

Practical actions of the North Korean leadership after a lengthy and cautious study in the international experience of reforms in China, Russia, Vietnam taken last year, confirmed the possibility to realize the above-mentioned scenario. In July 2002 Pyongyang made a number of

(eds.), *Fifty Years without War and without Peace* (Moscow, IMEMO press), 2003, pp. 201-203.

important, though naive and insufficient from the modern post-industrial market economic point of view, steps to broaden of use of market levers. Rationing system was *de facto* abolished. Wages of workers and employees were increased sharply (by 15-20 times) and the prices for commodities, services and tariffs were increased. Directors of the enterprises were given broad rights to vary wages of the employees and to apply other means of material stimuli and peasants were given the opportunity to engage in individual labor activity.¹¹ Limited convertibility of national currency was introduced.¹² In autumn of 2003 Pyongyang introduced *de facto* floating rate of won, which is close to market - about 900 won for 1 US dollar.¹³ Although this means accepting the hyperinflation (more than 400% in a year elapsed after the start of the reforms), this is the indicator that the market mechanism has started to develop.

A new legislation was adopted in September 2003 by the Supreme People's assembly, providing for more commercial activities of the populace. New free markets opened in Pyongyang and they are not only trading vegetables as in the past but also manufacture household goods,¹⁴ much of which arriving from China carried by what the Russians call a "shuttle merchant"—this new occupation seems to gain ground and becomes an important source of employment and income, like Russia in early years of reforms.¹⁵ According to Chinese officials, Dandong city annually exports US\$200 million worth of goods to North Korea.¹⁶ You can see the peasant "ajumas" (grannies) selling fruit and vegetables along the roads and lots of "kiosks" are selling essen-

11 Marina Trigubenko, "Attempts to Renovate Socialism" in DPRK, *Fifty Years Without War and Without Peace...*, pp. 58-60.

12 Alexander Vorontsov, "North Korea at the end of 2002 through the eyes of a Koreanologist," *KORUS FORUM*, Moscow, no. 5, 2003, p. 65.

13 *Korean Overseas Information Service*, Oct. 5, 2003.

14 *Joongang Ilbo*, Seoul, Oct. 6, 2003.

15 *Vremya Novostei*, Moscow, Oct. 10, 2003.

16 *Korea Insight*, Washington, vol. 5, no. 11, 2003, p. 3.

tials in the cities. Lots of bicycles have appeared in Pyongyang and the first-ever ads offer even locally-assembled Pyonghwa cars (they are made at the facility, invested by Rev. Moon's business empire). Even mobile phones are now a cool gadget among Pyongyang's nomenclature. A new technocrat prime-minister, who was on a mission to the ROK late last year to study South Korean economy, was appointed along with several other technocrat ministers in September 2003.

Cooperation with South Korea is becoming the major driving force of the reforms. North-South cooperation unexpectedly survived the nuclear crisis and even flourished despite political tensions. South Korean investment in the DPRK amounted to US\$1.15 as of August 2003¹⁷ and 400 ROK companies took part in 557 projects producing US\$340 million dollars in bilateral trade.¹⁸ In the end of autumn 2002, legislative acts giving green light for large-scale projects creating Gaesong industrial park of 3.3 million square meters in Gumgang tourism zone, tailored for South Korean needs.¹⁹ The project in Gaesong was officially inaugurated on June 30th, 2003 and (South) Korea Land Corp. plans to build a "model industrial park" of 33 thousand square meters as early as the second half 2004.²⁰ Seoul sees the Gaesong project as a first step to creating an "economic community" of the North and the South and Geumgang, as a territorial linkage, a joint tourist zone connecting the resorts of the same mountain chain: North Korea's Geumgang and South Korea's Seoraksan.²¹ Another grand project, joining the railways of the North and the South of Korea, eventually reaching the Trans-Siberian Railroad (Transsib), is progressing despite the military uneasiness on both sides of DMZ (the official ceremony of the beginning of the railway traffic through DMZ took place

17 *Yonhap News Agency*, Seoul, Oct. 28, 2003.

18 *The New York Times*, Nov. 19, 2003.

19 *Korea Unification Bulletin*, Beijing, no. 49, November 2002, p. 8.

20 *Asia Pulse*, Seoul, Nov. 7, 2003.

21 *Korea Focus*, Seoul, vol. 10, no. 5, Sept., Oct. 2002, p. 82, 83.

on June 14, 2003). The start of inter-Korean integration is already a fact of life and a factor to be increasingly reckoned with.

In fact DPRK economy has already changed from a centrally planned socialist form to a mixed form, combining state sector, capitalist sector (joint ventures and trading companies), semi-private sector (especially in agriculture and services) and “shadow” (criminalized) sector. And there is no way back.

The transformation could have been faster and more successful. We should take into account the fact that in starting the reforms, Pyongyang hoped for improvement of its position in the world, not confrontation with Washington. Most importantly, it probably believed the rapprochement with Japan would result in the inflow of Japanese “compensation” money and goods to the commodity-starved economy, while progress in the North-South relations would bring in even more South Korean capital and technologies.

How might North Korea change in a longer perspective? The most probable transformation would be a mix of Chinese, Vietnamese and Russian experience with certain North Korean flavor. These changes are in fact already discreetly underway.²²

First, the changes already started in the economic domain would evolve to transform the very nature of the state. Creeping privatization of the state property with the blessing of the higher authority could be a start of a change in political superstructure. Main power bodies (military, party, local, secret services) and their top-managers could benefit. Kim Jong Il’s personal know-how might be granting the right to use the facilities and eventually property rights to military and security service’s leaders, which in turn would guarantee stability of the regime. The result would be a creation of economic conglomerates resembling South Korean “chaebols” but with a greater role of the state. They

22 Alexander Zhebin, “DPRK: in Search of the Way Out,” *Fifty years Without War and Without Peace...*, pp. 27-35.

would bring the economy out of the permanent crisis by attracting foreign (and first of all South Korean) capital and becoming export oriented, employing the most important resource the country boasts - cheap and disciplined workforce.

This would create a new ideological and political reality. Nationalistic ideology, based on exclusiveness of Korean nation, would probably become a basis for legitimacy of Kim Jong Il's clan power as well as for deeper integration with South Korea. The new (or, rather old) elite would combine political power through the political and security institutions with economic power through semi-privatized economic entities. This is, of course, a far cry from a real democracy, but a step forward from a totalitarian dictatorship. The life of the populace would not improve overnight but it would stop the starvation, and the transfer would not be turbulent. Receiving a certain amount of economic freedom and being constantly brainwashed for generations (don't forget the Confucian tradition of reverence to state), North Koreans, seeing their life improving, probably would not oppose these processes. The heir of Kim Jong-Il (and he or she, under the North Korean tradition should be nominated now) 15-20 years from now would reign a completely different country—with mixed government-capitalist economy along with a strong state sector, though not truly democratic, but not less acceptable for the world than many current Islamic, African or Central Asian states.

This new North Korea would have much closer relations with the South and its economy would inseparably be connected with the South Korean economy. This would provide far more stability on the peninsula for the rise of mutual trust will be based on strong nationalistic sentiment. After changes of a couple of generations, when the new ones would not have personal grudges against each other based on 20th century hostilities and unification of Korea could be on the agenda. At the initial stage, it could take the form of a confederation or a commonwealth of the states as life would prompt under circumstantial

development.²³

The Origin of the Current Crisis and Possible Solutions in an International Context

To put it in a nutshell, the root of the nuclear crisis lies in the conflict of two concepts - that of regime transformation and that of regime change.

In late 1990s, after Kim Jong Il first started making above-mentioned meaningful steps inside and outside the country, China, Russia, the ROK administration of Kim Dae-Jung, European Union and the Koizumi government of Japan saw the window of opportunity for the possible evolution of the regime, although they may disagree in particularities. US President Clinton also opted for “engagement” of the DPRK aiming at its evolution (which, surely, on the tactical level did not exclude and was more likely on the contrary suggested corrosion and elimination of the current regime). It was coined “the Perry process” based on the Agreed Framework of 1994, which provided for normalization of relations and diplomatic recognition.

However, since 2001 the US Republican administration opted for not simply a tougher, but a principally different course, which was perceived by Kim Jong Il as aiming at regime change. The “last stronghold of communism” is not only the ideological dislike of neoconservatives to blame. It could be supposed that the perspective rapprochement of the two Koreas could endanger strategic interests of the US in North-east Asia, including containment of China and control over Japan. On the contrary, a local crisis could offer a valuable opportunity to engage

²³ See also Georgy Bulychev, “Two scenarios for Korean peninsula,” *Russia in Global Politics*, Moscow, vol. 1, no. 2, 2003, p. 93, 94.

China in a new international system of crisis management under the American guidance.

This is why Kim Jong Il very seriously took the “axis of evil” speech, seeing it as a prelude to hostile actions. North Koreans suspected that for the US hawks, the aim was two-fold: first, to avoid discussing US own violations of a number of clauses of the Agreed Framework—instead, accusing Pyongyang of breaching the agreement and to torpedo the agreement itself,²⁴ and second, isolating and weakening North Korea to prepare conditions for an eventual regime change.

When confronted in October 2002 by the accusations of a clandestine uranium enrichment program, Pyongyang saw it only as a pretext for unwinding the spiral which would eventually lead to its demise, simply a *casus belli*. North Koreans decided to create ambiguity only with the aim to force the US to agree for negotiations and compromise: they stated that they “could own not only nuclear, but also a more powerful weapon” to oppose the American threat.²⁵ Contrary to what is publicly believed, they never “confessed” to an existence of any uranium enrichment program and no such evidence has emerged ever since. Now, even CIA grudgingly admits it is “not certain there even is a uranium enrichment plant” [in North Korea] in the first place.²⁶ In reality, the DPRK probably only had plutonium, or only even crude nuclear devices, produced before 1994, which the US already knew about. North Koreans acted based on the experience of interaction with the administration of Bill Clinton, to whom in case of his visit to Pyongyang, Kim Jong-Il allusively promised to “hand in” the WMD program inherited from his father.

At that point in time, any concerns about North Korean nuclear pro-

24 This is now recognized by American “experts” themselves. See B. Slavin and J. Diamond, N. Korea nuclear efforts looking less threatening, *USA Today*, Washington, Nov. 5, 2003.

25 *Nodong Shinmun*, Pyongyang, Nov. 27, 2002.

26 *USA Today*, Washington, Nov. 5, 2003.

gram might have been solved through negotiations. If the negotiations had found out the truth and returned to the process so that the US-DPRK normalization would have started right away, we could have not only forgotten about the nuclear program today, but probably would have had a breakthrough in the DPRK's relations with the international community, active cooperation with the South and far-reaching economic reforms, etc.

But North Koreans miscalculated. Notwithstanding the intentional ambiguity of this statement, US hawks declared it “confessions” of the DPRK in pursuing the secret nuclear program and the situation began to aggravate: the US stopped heavy oil deliveries, the DPRK “de-froze” the real, not imaginary, plutonium nuclear program, left the NPT and set the task of creation of the “physical deterrent,” which might have been avoided before. Reactions other than trying to create the deterrent could not have been expected from the regime with the mentality of a “besieged fortress.” And all the competent specialists warned the US administration about this. In this case, it was clear from the start that the medicine prescribed by the hawks, was worse than the ailment itself.

The start of the multilateral dialogue in Beijing, in the logic of Pyongyang's own conservatives, was meant to serve only a “diplomatic cover” for Washington's preparations for a hard-line scenario, with the aim to assure allies who were hesitating that there is no other way to solve the problem with intractable Pyongyang. But Kim Jong Il decided to give it a try at least to learn what could be achieved by diplomacy. Several variants seem now to be on the drawing board—US Presidential statement, undersigned by China, Russia, ROK, Japan, or a treaty similar to a three-party declaration on the liquidation of nuclear weapons in Ukraine (1994), or a six-party treaty, or a five-way armistice treaty, including Japan and the ROK.²⁷ After

27 *ITAR-TASS*, Oct. 26, 2003; *The New York Times*, Oct. 26, 2003; *Nihon Keizai*, Tokyo,

some hesitation, probably caused by struggle between hawks and doves, North Korean accepted the initiative about “written assurances of non-aggression,” seeing it as a first step of building confidence and “peaceful coexistence.”²⁸

But that might be too little, too late. Politics is the art of possibilities. Usually we have to agree not on the best option, but to one that least unacceptable. And such an option today, unlike a year ago, might be a *responsibility for North Korea - but still with a limited nuclear capability*.

In explaining Pyongyang’s rationale, it should be taken in account that even the absence of direct invasion plans of the DPRK, stressed by American officials, changes little in its eyes. North Koreans see the cause of undesirability of a military solution for the US in an unacceptably high price because of the damage from the counter-strike from the DPRK.²⁹ But Pyongyang may fear that the US could try economic and political blockade to “stifle” the regime, or try to undermine it through demands of openness and democratization. Unlike the USSR case, the US may miscalculate with regard to the DPRK, as it did in the past, on the speed of this process and grow frustrated. Under such a logic, even a “non-aggression treaty” is not a sufficient guarantee—only a “physical deterrent” can be regarded as one—both for containment and as a bargaining chip. In that case (as Pyongyang “hawks” might think) negotiations are useful for sounding out the intentions of their opponents and buying time for increasing the “physical deterrent.”

At the moment of writing there is still no clear answer to whether North Korean nuclear bomb is a bluff or a reality. In the first case, there

Nov. 5, 2003.

28 *Korean Central News Agency*, Oct. 25, 2003.

29 Yu Fedorov, *Korean Nuclear Problem*, Institute for Applied International Research, Moscow, analytical notes. no. 1, vol. 2, 2003, p. 3, 4; James Laney, Jason Shaplin, “How to Deal with North Korea?,” *Russia In Global Politics*, Moscow, vol. 1, no. 2, 2003, p. 84.

is a chance that North Korea would agree to dismantle its plutonium program and come clear on the uranium enrichment issue, reenter the NPT and let the IAEA or international inspectors into the country in exchange for guarantees of security and recognition on the part of the US.

However it is more likely that in the name of survival and consolidation of the regime, Kim Jong Il will have irreversibly decided to obtain and keep the nuclear deterrent at any cost. Does Pyongyang aim to continue the nuclear program using the lack of control and verification as the negotiations slowly progress? And more importantly, is Kim Jong Il going to keep whatever nuclear devices he has as a deterrent and make the world regard the DPRK as a nuclear power, even if he agrees to tear down the production facilities and to exercise restraint in testing the nuclear weapons, let alone exporting it?

That would mean that the world community could be *de facto* offered to accept a new type of relations with North Korea, similar to those with India and Pakistan. In this case the DPRK will have to exist—at least for some time—in isolation and in the conditions more or less in a sharp confrontation with the whole world, but Kim Jong Il might consider that kind of existence better than total annihilation of his state.

How is it possible to minimize the negative fallout under such a scenario, provided we see a catastrophic military solution as unacceptable? It should be noted that Russia, using its capabilities of interaction with Pyongyang and its own assessments, developed a concrete plan of step-by-step synchronized measures for defusing the crisis, known as “package deal” at the end of 2002.³⁰ The so-called “main elements of a package decision” developed by Russian experts were handed down by the special envoy of the President of the Russian Federation A. Losukov in January 2003 to the North Korean leaders and afterwards

30 Georgy Toloraya, “Korean Peninsula and Russian Interests,” *Mezhdunarodnaya Zhizn* (International Affairs), Moscow, no. 12, 2002, p. 47.

to the US (China, South Korea and Japan were also acquainted with them).³¹ In summer of 2003, Russia presented the idea of multilateral guaranties to Pyongyang and Seoul.³² Pyongyang reacted cautiously to the idea, but did not reject it.³³

Is the deal still possible under these new, more challenging and gruesome circumstances? Unfortunately, yes. Unfortunately because the terms of such a deal would be much worse for the cause of non-proliferation and the DPRK itself than a year ago.

What has changed from a year ago is that now multilateral mechanisms have emerged which can become an important framework for the regional security. The ideal goal of the current six-party talks (which could be succeeded in years to come by more comprehensive ones) could be described as follows: the DPRK winds up its nuclear program through a verifiable method (nuclear materials and equipments are taken away from the country) and perhaps the export of missiles, production of chemical and biological weapons are terminated. The US in response lifts sanctions and embargoes, officially recognizes the DPRK, takes on an obligation not to use force and other means of pressure against the North under the UN Charter, as well as provides the DPRK with assistance, first aimed at meeting its energy demands. The 6-party talks, as some insiders suggest, could even become a nucleus of the future Northeast Asian organization of cooperation and security, much along the lines which Shanghai Cooperation Organization (SOC) was created.³⁴ We will keep our fingers crossed for such beautiful developments to take place.

But what if in the course of the talks North Korea declares itself a nuclear country and insists on keeping its existing (even if imaginary)

31 *Kommersant*, Moscow, Jan. 16 & 23, 2003.

32 *Nezavivsimaya Gazeta*, Moscow, Oct. 21, 2003.

33 *The New York Times*, Aug. 14, 2003.

34 Materials of the international conference, "*Japan and East Asia in a Globalizing World*," Tokyo, Sep. 28 - Oct. 2, 2003.

nuclear devices while pledging to forego all future nuclear programs and even to discontinue production of other types of WMD and/or their deployment and exports? Would the world be ready to buy such a solution? Certainly not at once.

But the choice boils down to an alternative—war or compromise. Blockade, isolation, sanctions and pressure on Pyongyang are not final decisions: it is just a prelude (more or less lengthy) to either of these choices.

If and when a compromise is found, the crux of the matter is not the essence of the bilateral concessions on the part of the DPRK and the US, but *the international control mechanism of their fulfillment*. Past experiences, including the one of the Agreed Framework showed that bilateral agreements between the two partners with distrust of one another necessitates a “monitoring mechanism.” Under the conditions of weakening (in the eyes of the US and the DPRK) of the UN role, such a “monitoring mechanism” can be created with the participation of the six countries. They could also be instrumental in making arrangements for the fulfillment of the deal itself and its economic implications.

Speaking of the Russian role, it could be unexpectedly significant. Russia could act as a unique “mediator” role in the successful search for compromise between the DPRK and the US. Its role is quite different from much hyped role of China. Beijing, on the one hand, exerts pressure on Pyongyang which the latter deplores and on the other hand is less and less trusted by North Koreans who think it might have egoistic interests (among other things being horrified by a nightmare prospect of receiving nuclear Taiwan after nuclear North Korea). Moscow believes its mission is to prevent the DPRK from escalating its demands (like withdrawal of US troops from South Korea) and provocative hard-line position on the one hand, and on the other—to assist the US to “save the face” and not to allow the compromise be regarded as a defeat.

Russia could also be a part of eventual deal. For example, Russia (as the country most trusted by Kim Jong Il) could take for safe-keeping the DPRK nuclear “weapons” or “devices” and materials with a pledge to return them in case the DPRK becomes the object of aggression or “the other party” would not fulfill its obligations properly. Russia has the facilities (though it would need some external financing and new legislation) to properly keep these dreadful objects and has the right to do so under current non-proliferation regimes. The question of what to do with North Korean nuclear materials will have to be solved and there is lots of doubt Pyongyang would agree to have them be taken to the US for scrutiny.

An important issue is the destiny of KEDO program, currently suspended, causing new frictions with the DPRK.³⁵ If the construction of LWR is categorically out of question for the US, an alternative for satisfying the DPRK energy needs should be sought. Ministry of Atomic Energy of Russia suggested construction of LWR, supplying electricity to the DPRK on the Russian territory bordering this country (then it would be located on the territory of a nuclear state).

Should the nuclear choice be totally abandoned, the probable alternative may be a thermal power plant in the DPRK operating on Russian gas. The outwardly attractive pipeline project from Sakhalin through North Korea to South Korea is unlikely to become a reality because South Korea would become a hostage of North Korean goodwill in the transit of gas in this case. Supplying LNG from Sakhalin to a terminal in the Republic of Korea near the demilitarized zone with further distributions through pipelines’ net in the ROK and across the 38th parallel to the DPRK seems more reasonable (than a thermal power plant could be constructed not only in the area of the current activity of KEDO in Shinpo but, for instance, in Gaeseong, where an industrial zone based on South Korean investment is about to take off).

35 *The New York Times*, Nov. 5, 2003.

Concerns of North Korea on the possibility that the South would use gas delivery as a political weapon, could in this case be eliminated with the guaranties of Russia as a gas supplier—in particular, by a corresponding bilateral agreement with the ROK.

But before a basic solution is found, it all remains no more than a wishful thinking. Such a solution should be sought for in the coming months—certainly before November 8, 2004, when the US presidential election is to be held.