

North Korea Stressed: Life on the Hamster Wheel

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Abstract

In the past decade, Kim Jong Il succeeded in achieving his foremost goal – his regime survived, augmented its power capabilities, and is taken seriously by the international community. From the viewpoint of a traditional Korean frog that sees the world only from the bottom of a deep well (“*umuranui kkaegurri*”), North Korea’s position today may look much stronger both at home and abroad. Pyongyang has few incentives to cooperate or improve relations with the United States because the second Bush Administration is expected to continue to act as the “American empire of evil,” pursuing a “hostile” policy aimed at overthrowing the North Korean regime. The DPRK government publicly shifted its stance from a policy of “strategic ambiguity” to a policy of “strategic clarity” with respect to the country’s possession of nuclear weapons in order to cope with the perceived “threat of a US preemptive nuclear strike.” Kim Jong Il’s regime will never give up its newly obtained nuclear credentials and agree to “CVID” or “do a Kaddafi” with respect to its elusive nuclear weapons programs. Pyongyang may have decided to turn the clock back to the pre-1991 situation in its relations with the United States, by refraining indefinitely from any substantive contacts with Washington, whipping up anti-American sentiment, and concentrating on enhancing its security through economic restructuring and mobilization of internal military deterrent capabilities, as well as improvement of bilateral relations with its traditional allies and new partners in the region.

Key Words: North Korea, Kim Jong Il, nuclear diplomacy, US-DPRK relations, Six-Party Talks

* The views expressed in this article are personal views of the author, and they do not represent the official positions of the US government, the Department of Defense, and the Asia-Pacific Center for Security Studies.

Why Hasn't North Korea Collapsed?

The year 2005 (Juch'e 95) marked the eleventh anniversary since Kim Jong Il assumed the supreme leadership mantle after the death of his father Kim Il Sung on July 8, 1994. Despite numerous predictions to the contrary, the DPRK has not collapsed and disappeared from the historical scene, the fact that the North Korean propagandists describe as the "true miracle of Songun Korea." It is obvious that Kim Jong Il succeeded in achieving his foremost goal – his regime survived, augmented its power capabilities, and is taken seriously by the international community. The big question is why the North Korean regime survived, despite all its troubles and challenges, whereas all the schools arguing for collapse themselves collapsed in the past ten years.

The official DPRK propaganda predictably credits this "miracle" to the "genuine leadership" of the Dear Leader and usually highlights "ten signal accomplishments of the Juch'e-oriented Songun revolution," achieved in the past decade under the "revolutionary leadership" of Kim Jong Il,¹ all of which are meant to emphasize his strategic thinking and far-sighted wisdom, total control and absolute power at home, the tremendous endurance of the North Korean people and their will to win or die, and increased international prestige and influence abroad.

First of all, the North Korean people are told that "the DPRK, a small country, put a satellite into orbit at the first attempt entirely with its own technique and wisdom in the difficult days of the long Arduous March, in August 1998." Second, in January 1999, Kim Jong Il introduced the Songun ("military-first") notion in politics and launched the era of

¹"Songun Idea and Politics Lauded," *KCNA*, Pyongyang, December 8, 2004, <http://www.kcna.co.jp/index-e.htm>, posted on December 9, 2004.

building a “great, prosperous, powerful nation.”² Third, in June 2000, the Dear Leader “arranged the North-South Summit, the first of its kind in the 55-year long history of national division, and adopted and announced the June 15 North-South Joint Declaration, thus opening a turning phase in the country’s reunification.” Fourth, in 2001, Kim Jong Il brought back to their socialist motherland 63 unconverted long-term prisoners from South Korea. Fifth, “the DPRK has manufactured nuclear weapons and created a reliable nuclear deterrent for self-defense against American imperialism.” Sixth, in summer 2001, the world was swept with the “Kim Jong Il Craze” and the “Kim Jong Il Storm” after the Dear Leader made a 50,000-ri journey across Russia. Seventh, in five years (1998-2003), a major land-rezoning program was implemented in Taebaek-ri, Changdo County, Kangwon Province, with at least 236,360 hectares of crop fields having been rezoned across the country. Eighth, under Kim Jong Il’s guidance, the KPA built a major new canal network (over 150km-long and tens of meters wide) from Taegak-ri, Kaechon City, South Phyongan Province, to Lake Thaesong in Kangso District, Nampho City. Ninth, on August 29, 1999, Jong Song Ok, the DPRK woman marathoner, won the gold medal at the women’s marathon race of the 7th International Athletic Championships held in Sevilla, Spain, demonstrating the endurance and will to win of the North Korean people to the world. Finally, Kim Jong Il is said to have been the mastermind and have personally directed the grand Gymnastic Display and Mass Artistic Show “Arirang” performed by over 100,000 persons at the May Day Stadium in Pyongyang on April 29, 2002.³

² It is noteworthy that some scholars date the introduction of Songun politics to January 1, 1995. For a detailed explanation why the author believes that the Songun politics was launched in early 1999, please read Alexandre Y. Mansourov, “Inside North Korea’s Black Box: Reversing the Optics,” in Kongdan Oh Hassig (ed.), *North Korean Policy Elites* (IDA: Alexandria, VA), June 2004, pp. IV-1 to IV-56.

³ “Miracles of Songun Korea,” *KCNA*, Pyongyang, December 5, 2004, <http://www.kcna.co.jp/index-e.htm>, posted on December 6, 2004. Also see “DPRK’s Tremendous

In other words, in domestic propaganda, Kim Jong Il is credited for making North Korea a space power and a nuclear weapons state. He is presented as the true patriot who can bring two Koreas together, the strong Commander-in-Chief who knows how to enhance and wield military power and does not leave his men behind the enemy lines, the international statesman who can charm skeptical world leaders and captivate foreign publics, the visionary social engineer who can move earth, shake heavens, and inspire his own people to accomplish heroic deeds.

In contrast, outside observers point to a number of external and internal factors that may have contributed to the continued survival of Kim Jong Il's regime and the North Korean state. There are those who emphasize the impact of the multi-billion dollar foreign aid received by the North Korean government since the mid-1990s as the key factor that enabled Kim Jong Il's regime to stay in power for so long. They argue that every year Pyongyang derives from 1.0 to 1.5 billion US dollars in foreign assistance, including up to USD 0.5 billion in food, fuel, and other subsidies from China,⁴ up to 0.5 billion US dollars in international humanitarian assistance from the UN-affiliated international community,⁵ and more than half a billion US dollars in one-way transfers in cash and in kind from the ROK through bilateral humanitarian assistance, Kaesong Industrial Zone project, the Kumgang Mountain Tourism Zone project, inter-Korean railway and

Achievements in Construction," *KCNA*, November 9, 2005, posted at <http://www.kcna.co.jp/index-e.htm> on November 10, 2004.

⁴Samuel S. Kim, "Sino-North Korean Relations Under Kim Jong Il," in Young Whan Kihl and Hong Nack Kim (eds.), *North Korea: The Politics of Regime Survival* (M.E. Sharpe: Armonk, NY, 2005), pp. 183-202. Also, see C. Kenneth Quinones, "Reconciling Nuclear Standoff and Economic Shortfalls: Pyongyang's Perspective," in Young Whan Kihl and Hong Nack Kim (eds.), *North Korea: The Politics of Regime Survival* (M.E. Sharpe: Armonk, NY, 2005), pp. 75-96.

⁵L. Gordon Flake and Scott Snyder (eds.), *Paved with Good Intentions: The NGO Experience in North Korea* (Praeger: Westport, CT, 2003), pp. 125-128.

highway reconnection projects, and various other under-the-table direct and indirect financial subsidies from the South to the North.⁶ These regular foreign contributions on so-called humanitarian grounds amount to nearly 5-7.5 percent of the DPRK's annual gross national product, and play a very important role in subsidizing and sustaining Kim Jong Il's regime. Indeed, in 1995-2004, all forms of foreign assistance to the DPRK may have cumulatively exceeded 10 billion US dollars, which could have created a major disincentive for any fundamental change or reform by the North Korean regime.⁷ So the argument for change goes as follows: Cut the aid and the regime will go down, won't it?⁸

Some Korea watchers stress that intensified international isolation and the US-led economic embargoes may actually help Kim Jong Il consolidate his rule by cementing the siege mentality in Pyongyang, making it easier for the DPRK's security apparatus to maintain strict internal controls over the population, and perpetuating the baseless myths created by the DPRK's official propaganda that the US blockade, not the WPK's economic mismanagement and structural inefficiencies of the command-and-control socialist system, is the primary cause of the DPRK's economic and humanitarian crises.⁹ In other words, by isolating and pressuring North Korea, the West helped Kim Jong Il stay in power as long as he did. So the

⁶C. Kenneth Quinones, "Reconciling Nuclear Standoff and Economic Shortfalls: Pyongyang's Perspective," in Young Whan Kihl and Hong Nack Kim (eds.), *North Korea: The Politics of Regime Survival* (M.E. Sharpe: Armonk, NY, 2005), pp. 75-96.

⁷See Mark E. Manyin, *US Assistance to North Korea*, report for US Congress (CRS: Library of Congress), March 17, 2003, pp. CRS-2 to CRS-5.

⁸See Marcus Noland, "Life in North Korea," Testimony on Life Inside North Korea, Subcommittee on East Asian and Pacific Affairs, United States Senate, Washington, DC, June 5, 2003, posted at <http://www.iie.com/publications/papers/paper.cfm?ResearchID=253>, accessed on December 9, 2005.

⁹See Oh Kongdan C. and Ralph Hassig, *North Korea Through the Looking Glass* (Brookings Institution Press: Washington, DC, 2000).

alternative argument for change goes as follows: Engage the Dear Leader and open up the all-out relationship, and Kim Jong Il will be blown away by the winds of internal change, won't he?¹⁰

Another external factor that may have contributed to the continued survival of Kim Jong Il's regime is a "safety valve" of managed human traffic to China. The underground migration to China presents an efficient venue for relieving the socio-economic pressures from the discontented public on the malfunctioning regime institutions. Money remittances from migrant laborers and family members in Manchuria help liquefy the economy. Cross-border Korean-Chinese shuttle traders help satisfy consumer demand outside the broken state-run public distribution system. Locally, frightening stories from the returnees about the horrors accompanying the escape and dangers of life under unbridled Chinese capitalism help deter and discipline new potential opportunists.¹¹ For the Kim regime to suffer, China either has to open up its border widely and begin encouraging a mass exodus from the North, which will probably never happen, or it has to shut down its border completely in order to let the steam of destabilizing discontent to build up inside North Korea, which is also quite unlikely. However, as long as the current situation of manageable human traffic on demand continues, Kim Jong Il is sure to take advantage of it to ensure his regime's survival.¹²

¹⁰ See Chung-in Moon, "North Korean Foreign Policy in Comparative and Theoretical Perspective," in Byung Chul Koh (ed.), *North Korea and the World: Explaining Pyongyang's Foreign Policy* (IFES: Kyungnam University Press, Seoul, 2004), pp. 327-368.

¹¹ See Alexandre Y. Mansourov, "Giving Lip Service with an Attitude: North Korea's China Debate," in Satu Limaye (ed.), *Asia's China Debate* (APCSS: Honolulu, 2003), pp. 1-9 to 9-10.

¹² Some US lawmakers and human rights activists are drawing up a bill to impose trade sanctions on China unless it stops the practice of deporting North Korean refugees back to the DPRK. Although Washington has warned Beijing of punitive measures if it continues to expatriate North Korean refugees, but has so far taken no legislative action. Under the draft bill, the US would freeze imports from China at the 2003 level and reduce them if Beijing continues to violate international

Many conservative analysts argue that internal self-defensive mechanisms of the North Korean state proved to be more efficient, resilient, and durable than expected.¹³ The DPRK is after all a model police state towering over the poor society enslaved, known for its popular repressions, mass brainwashing, and political indoctrination. The shift to military rule in the late 1990s allowed Kim Jong Il to further consolidate his power and suppress any seeds of dissent within the ruling class, let alone the general population, which suffered from mass fatigue and apathy, following many years of mass starvation and persistent malnutrition.¹⁴

Among other internal factors that may contribute to the continued survival of the North Korean regime, some neo-conservative observers focus on what they label as the “dirty businesses of the Soprano-like Kim family,” worth 0.5-1 billion US dollars annually, including foreign exchange proceeds from missile sales (allegedly several hundred million US dollars annually), and possibly, WMD proliferation, illicit drug trafficking (from 75 to 500 million US dollars per year), counterfeiting of foreign currency (several dozen million US dollars per year), abductions for ransom (millions of US dollars), and some sort of dividends from state-sponsored terrorism around the world.¹⁵ The US-led Proliferation Security Initiative is

treaties on refugees, impede access by the UN High Commissioner for Refugees, and fails to stop trafficking of North Korean women. The bill, dubbed the “Scoop Jackson National Security and Freedom Act 2005,” is modeled after the Jackson-Vanik bill that imposed trade sanctions on the Soviet Union in 1975, in what lawmakers believe enabled the mass migration of Russian Jews to Israel and the US. See “US Draft Bill to Punish China for Deporting N. Koreans,” *Chosun Ilbo*, October 12, 2005 at englishnews@chosun.com.

¹³ See Ilpyong J. Kim, “Kim Jong Il’s Military First Politics,” in Young Whan Kihl and Hong Nack Kim (eds.), *North Korea: The Politics of Regime Survival* (M.E. Sharpe: Armonk, NY, 2005), pp. 59-74.

¹⁴ See Michael Breen, *Kim Jong-Il: North Korea’s Dear Leader* (John Wiley & Sons (Asia) Ltd: Hoboken, NJ, 2004), pp. 1-200. Also, see Kang Chol-hwan, *The Aquariums of Pyongyang: Ten Years in a North Korean Gulag* (Basic Books: NY, 2001), pp. 1-238.

¹⁵ See Raphael F. Perl, *Drug-Trafficking and North Korea: Issues for US Policy*,

designed to stop these alleged transnational criminal activities and curtail the above-mentioned flow of dirty money that allegedly supports the North Korean regime.¹⁶ However, how realistic is this highly ideological view? Could it be just another reincarnation of American Don Quotes fighting the North Korean windmills in his imagination? The 40-year old Cuban example may offer some clues that the US-led naval blockade and strict enforcement of the PSI outside the DPRK's territorial waters may be insufficient to prompt the collapse of the North Korean regime any time soon.

Finally, a number of constructivist observers, especially in the ROK, believe that the North Korean state was able to survive and overcome the worst consequences of the trade shocks, macro-economic breakdown, and famine of the first half of the 1990s because, instead of cracking down on the burgeoning informal economic activities, Kim Jong Il's regime chose to adapt to the new realities by accommodating the growth of the informal sector and shedding off the burden of public subsidies. After unveiling his vision of building a great, prosperous, powerful nation, beneath the

CRS report (CRS: Library of Congress), March 5, 2005; David L. Asher, "The North Korean Criminal State, its Ties to Organized Crime, and the Possibility of WMD Proliferation," *Policy Forum Online* 05-92A (The Nautilus Institute: Berkeley, CA), November 15, 2005; Sheena E. Chestnut, *The 'Sopranos State'? North Korean Involvement in Criminal Activity and Implications for International Security*, honors' thesis (Stanford University: Stanford, CA), May 2005; "North Korean Drug-Trafficking," Joint Interagency Task Force West assessment, US DoD, 2000; "Drugs, Counterfeiting, and Weapons Proliferation: The North Korean Connection," complete transcript, hearing before the Financial Management, Budget, and International Security Subcommittee of the Committee on Governmental Affairs of the US Senate, 108th Congress, May 20, 2003; Even the US Ambassador to the ROK Alexander Vershbow referred to the North Korean authorities as the "criminal regime" in his speech at the Kwanhun Club in Seoul. When the subject of North Korea's alleged currency counterfeiting came up, Vershbow said North Korea was the first regime involved in government-sponsored currency counterfeiting "since Adolf Hitler." See "US Envoy Calls Pyongyang a 'Criminal Regime'," *Chosun Ilbo*, December 8, 2005.

¹⁶Balbina Y. Hwang, *Curtailing North Korea's Illicit Activities*, Background Paper #1679 (The Heritage Foundation: Washington, DC), August 25, 2003. Also see David L. Asher, *op. cit.*

military-first policies, Kim Jong Il in reality began to promote the economy-first policy, which produced uninterrupted modest economic growth for six years in a row from 1999 to 2005.¹⁷

“A Frog at the Bottom of the Well”

In July 2002, the DPRK government went a step further by launching the market-based rehabilitation of the formal sector of the economy - “the July 1 economic improvement measures,”¹⁸ labeled as the “biggest reform measures taken by the government since land reform of 1946.”¹⁹ These reforms reduced the double distortion in relative prices between goods and relative prices between the formal and informal sectors, as well as substantially increased differentiation in salaries and wages, introduced performance-based incentives, and moved the economy from de facto rationing to all-out monetization of goods and services.²⁰ At the same time, the regime went through a series of ideological contortions, reinterpreting the *Juch’e* ideology by emphasizing creativity rather than infallibility and underscoring the need for changes because “times have changed,” although the changes were still aimed at “perfecting and improving” socialism without rejecting the past.²¹

¹⁷ See Choong Yong Ahn (ed.), *North Korea: Development Report 2002/03* (Korea Institute for International Economic Policy: Seoul, 2003); Choong Yong Ahn (ed.), *North Korea: Development Report 2003/04* (Korea Institute for International Economic Policy: Seoul, 2004).

¹⁸ Some analysts believe that, on July 1, 2002, the government simply legalized many of the quasi-marketization processes that had been under way in the informal sector of the economy for years.

¹⁹ See *Choson Sinbo*, Tokyo, July 20, 2002.

²⁰ See “The Creation and Reform for the Economic Revival,” *Choson Sinbo*, Tokyo, July 26, 2002; “Price Adjustment for Manufacturers,” *Choson Sinbo*, Tokyo, August 2, 2002; “Farmers, Production’s Owners,” *Choson Sinbo*, Tokyo, August 2, 2002.

²¹ See Kang Il-chun, “Evaluation of North Korea’s July 1 Economic Reform,” paper

The economic reforms are still a work in progress.²² A limited supply response has resulted in a situation when too much money is chasing too few goods, leading to creeping inflation. However, a limited monetary accommodation allows the government to avoid the price-wage spiral. The government's ability to mobilize local resources for economic production is constrained by the scarcity of internal investment capital and lack of access to and the credibility problem on the international capital markets. This notwithstanding, it looks like the guided decentralization of economic management is going to continue under the auspices of the Cabinet of Ministers through further proliferation of regulated markets and increasing managerial autonomy at the large- and medium-size state-owned enterprises, as well as intensifying national efforts to attract foreign direct investment (primarily Chinese, South Korean, and Middle Eastern) into the special economic zones in Kaesong, Rajin-Sonbong, Nampo, Wonsan, and Sinuiju.²³

In sum, the North Korean state may have survived because it was able to initiate and accelerate vital economic reforms while skillfully preserving social peace and stability. This is not to say that the ruling class did not have to pay a certain price for the ongoing economic

presented at the international conference held by the Department of North Korean Studies of the Korea University in July 2003.

²² It is noteworthy that, in July 2005, the DPRK government decided to revive the nation-wide public distribution and food rationing system, starting on October 1, 2005, which was interpreted by outside observers as a sign of improving economic performance, growing confidence of conservative forces, and a step back on the road towards further market-oriented reforms. It remains to be seen if this new policy will survive the upcoming winter and to what extent the government will be able to satisfy the surging consumer demand, relying on the now discredited old centralized resource allocation system, as well as whether this partial reversal of recent economic reforms will provoke some sort of expression of any anti-government sentiment around the country in the months to come.

²³ "Part V. The Recent Economic Policy Changes," in Choong Yong Ahn (ed.), *North Korea: Development Report 2003/04* (Korea Institute for International Economic Policy: Seoul, 2004), pp. 287-369.

liberalization. The four pillars of the existing regime began to show some cracks: There is less fear, less isolation, less ideology, and less elite unity in the country.²⁴ To cope with these growing internal fissures, the Kim Jong Il regime began to rely increasingly on the military rule under the slogans of the Songun (military-first) revolution. At the same time, while the Kim clan, the national security establishment, the technocrats, the ideologues, and local elites - all major players in North Korea - are focused on preserving their monopoly on power and its benefits, are increasingly under pressure from the blowing “foreign winds” and potential popular discontent, there is considerable elite and popular support for the idea of “gradual reforms without losers” and greater exchanges with the outside world, albeit on an increasingly nationalistic basis.²⁵

It is obvious that from Kim Jong Il’s perspective, the economy seems to be improving, his grip on power appears to be rock-solid, and the regime future looks unchallenged. In 2005, the Kim family marked the 60th anniversary of the national liberation, founding of the WPK, and enthronement of the Kim dynasty in 1945, and they are eager to extend their rule well into the twenty-first century. In the past two years, the North Korean propaganda machine even developed a new forward-looking concept of *Jiwon* (“aim high”)²⁶ as another reincarnation of the anti-Japanese traditions of the national liberation

²⁴ See Alexandre Y. Mansourov, “Inside North Korea’s Black Box: Reversing the Optics,” in Kongdan Oh Hassig (ed.), *North Korean Policy Elites* (IDA: Alexandria, VA), June 2004, pp. IV-1 to IV-56.

²⁵ See Alexandre Y. Mansourov, “Emergence of the Second Republic: The Kim Regime Adapts to the Challenges of Modernity,” in Young Whan Kihl and Hong Nack Kim (eds.), *North Korea: The Politics of Regime Survival* (M.E. Sharpe: Armonk, NY, 2005), pp. 37-58.

²⁶ What comes to mind is a parallel between Kim Jong Il’s *Jiwon* idea and the concept of “Think Big, Aim High” promoted by the former ROK business tycoon Kim Woo-choong. It may be a pure linguistic coincidence, especially given the ultimate shameful fate of the Daewoo’s founder, but it shows a potential bridge in the ambitious pan-Korean nationalist discourse.

movement complementary to the revolutionary cause of *Juch'e*, *Pulgyngi* (“red flag”) ideology, and *Songun* (military-first) politics. Since “all the thinking and activities of Kim Jong Il, who is steering the 21st century with his great *Songun* (army-based) politics, are also based on *Jiwon*,”²⁷ one can assume that his clan will “continue the revolutionary struggle generation after generation until the day when the entire Korean Peninsula is liberated and unified” under the Kim family rule.

An improved domestic position adds confidence to the North Korean government on the international arena. Kim Jong Il’s foreign policy report card looks much more reassuring these days. In the past three years, North Korea appears to have discovered and joined China’s economic juggernaut: Now the DRPK-PRC relations, including booming bilateral trade and investment, can be described as the “re-inflated lips and reconstructed teeth.”²⁸ With respect to Russia,

²⁷ See “‘Aim High’ inherited in Korea,” *KCNA*, Pyongyang, March 25, 2003, accessed at <http://www.kcna.co.jp/index-e.htm>, on March 26, 2003. According to this North Korean propaganda, “The idea of *Jiwon*, founded by Kim Hyong Jik, the Great Leader’s father and outstanding leader of the anti-Japanese national liberation movement in Korea, in the early 1920s, is an indomitable revolutionary one that the country should be liberated through the struggle continued generation after generation. Inheriting the idea, President Kim Il Sung triumphantly waged the anti-Japanese armed struggle and achieved the country’s liberation. He built a socialist state independent, self-reliant, and self-supporting in national defense, and devoted his all to the cause of national reunification until his last moment... Kim Jong Il has successfully overcome the difficult situation of the country with a strong will to defend socialism and accomplish the revolutionary cause of *Juche* with arms and turn Korea into a powerful socialist country as wished by the president in his lifetime. *Jiwon* is an ideological and spiritual source of the Korean people advancing under the banner of socialism, undaunted by the imperialists’ persistent efforts to isolate and stifle the country.”

²⁸ Michael Rank, “Minerals, railways draw China to North Korea,” *Asia Times Online*, November 18, 2005, accessed at <http://www.atimes.com/atimes/China/Business/GK18Cb06.html>, on December 12, 2005. As Mr. Rank writes, “Border trade in consumer items from televisions to beer has been booming since the 1990s, but now the focus is turning to the industrial sector. Deals are being reached on mines, railways, and leasing a North Korean port to a Chinese company, but North Korea is notoriously secretive and few details have been published outside China.” The deals include an agreement to “completely open” North Korea’s

Kim Jong Il looks at his great Northern neighbor and sees the neo-Soviet restoration under way and a lot of pro-authoritarian changes taking place there to his liking; perhaps, he does not even mind being regarded as a little Putin or Putin's clone in his own land - modern on economy yet authoritarian in politics, iron-fisted with opposition yet popular among the subordinated elites and the impoverished masses, strong at home and confident abroad.²⁹ From Pyongyang's perspective, the DPRK-ROK relations are well on the right track where Kim Jong Il may want them to be, whereby the North increasingly uses the South to prop up its own economy and deflect the US military and political pressure, thus succeeding in its long-term strategy of driving a deep wedge in the US-ROK alliance and co-opting the South to pursue his own developmental and security objectives on the peninsula.

On the negative side of the diplomatic ledger, despite strong protestations from Pyongyang, KEDO was slowly dismantled and finally buried without much fanfare in New York, in late November 2005.³⁰ The US-DPRK relationship remains hostile, as it always used to be, with the exception of a brief thaw in the second half of the 1990s.³¹

railways to a Hong Kong millionaire (Tumen-Chongjin rail link) and moves to modernize and expand the port of Rajin in order to give Chinese companies direct access to the Sea of Japan. In addition, China and DPRK concluded agreements to revive ailing coalmines in Anju for Chinese market sales, iron mines in Musan (between Tonghua Steel of Jilin and Musan Iron ore mine) and gold mines (between Guoda Gold Co. Ltd. Of Zhaoyuan in Shandong and Sangnongsan gold mine).

²⁹ See Alexandre Y. Mansourov, *ibid.*

³⁰ See "DPRK FM Spokesman Demands US Compensate for Political and Economic Losses," *KCNA*, Pyongyang, November 28, 2005, accessed at <http://www.kcna.co.jp/index-e.htm> on November 29, 2005. Also, see "KCNA Blasts US and KEDO's Total Stoppage of LWR Construction," *KCNA*, Pyongyang, December 6, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on December 7, 2005.

³¹ Some of the best accounts on the evolution of the DPRK-US relations in the past 15 years are given in Leon V. Sigal, *Disarming Strangers: Nuclear Diplomacy with North Korea* (Princeton University Press: Princeton, NJ, 1998); Victor D.

Despite some promising signs in 2000-2001, relations with Japan are going downhill and need an electric shock for a course reversal and miraculous recovery.³² However, Japan has never been an independent and reliable player in Kim's eyes; hence, he must have low expectations about reconciliation with Japan anyway. The bottom line is that from the standpoint of a traditional Korean frog that sees the world only from the bottom of a deep well ("umuranui kkaegurri"), North Korea's position at present may look indeed much stronger both at home and abroad.

From "Strategic Ambiguity" to "Strategic Clarity"

It took the North Korean government only three weeks after the inauguration of President George W. Bush on January 20, 2005 to complete a policy review and produce its own evaluation of the likely US policy towards the DPRK in the second Bush term. The verdict from Pyongyang is scathing: "The true intention of the second-term Bush Administration is not only to further its policy to isolate and stifle the DPRK, pursued during the first term, but to escalate it."³³

Cha and David C. Kang, *Nuclear North Korea: A Debate on Engagement Strategies* (Columbia University Press: New York, 2003); Joel S. Wit, Daniel Poneman, and Robert L. Gallucci, *Going Critical: The First North Korean Nuclear Crisis* (Brookings Institution Press: Washington, DC, 2004), as well as C. Kenneth Quinones, "Kim Jong Il's Strong and Great Nation' Campaign and the DPRK's Deterrence of the US 'Imperialist Threat'," in Alexandre Y. Mansourov (ed.), *Bytes and Bullets: Information Technology Revolution and National Security on the Korean Peninsula*, (APCSS; Honolulu, 2005), pp. 276-298.

³² See Hong Nack Kim, "Japanese-North Korean Relations Under the Koizumi Government," in Young Whan Kihl and Hong Nack Kim (eds.), *North Korea: The Politics of Regime Survival* (M.E. Sharpe: Armonk, NY, 2005), pp. 161-182; Young C. Kim, "North Korea Confronts Japan: Politics of Normalization and Rice," in Byung Chul Koh (ed.), *North Korea and the World: Explaining Pyongyang's Foreign Policy* (IFES: Kyungnam University Press, Seoul, 2004), pp. 133-198.

³³ See "DPRK FM on Its Stand to Suspend Its Participation in Six-Party Talks for Indefinite Period," *KCNA*, Pyongyang, February 10, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on February 11, 2005.

The United States is expected to continue to regard the DPRK as an “enemy state,” “a rogue state,” “a terror-sponsoring state,” “a part of the axis of evil,” and an “outpost of tyranny”; and, therefore, it is unlikely to renounce its “hostile policy” toward the DPRK and switch to peaceful coexistence between the two countries. Instead, Washington is sure to seek a “regime change” in Pyongyang in one way or another since its final goal is declared to be “to terminate tyranny,” i.e. the DPRK, at any cost, even “by the use of force if necessary, threatening the DPRK with a nuclear stick.” Consequently, the North Korean government decided not only to announce in specific terms (see February 10, 2005, MOFA statement) that instead of building an opaque “nuclear deterrent force,” it has “manufactured nuclear weapons,” but also that it intends “to bolster its nuclear weapons arsenal for self-defense in order to protect the ideology, system, freedom, and democracy chosen by its people.”³⁴

Many outside observers and Western governments discounted the DPRK MOFA statement as a negotiating tactic aimed at repositioning North Korea in preparations for the next round of the six-party nuclear talks, as “typical whimsical grandstanding” and another example of “irresponsible brinkmanship” designed to blackmail its negotiating counterparts, which drives a wedge between the other five participants, and up the ante before the final settlement.³⁵ They interpreted the North Korean “antic” as a “sign of weakness” in Pyongyang and urged their allies and partners to stay united and firm on their principle of “no rewards for bad behavior.”³⁶

³⁴ *Ibid.*

³⁵ See Ralph A. Cossa, “Pyongyang Raises the Stakes,” *PacNet* No. 6, Pacific Forum (CSIS: Honolulu, HI), February 10, 2005; Sohn Jie-Ae, “World Regrets North Korea’s Quitting Nuke Talks: Rice Says Country Risking Further World Isolation,” *CNN*, accessed at <http://www.cnn.com/2005/WORLD/asiapcf/02/10/nkorea.talks/>, on February 10, 2005; Anthony Faiola, “North Korea Declares Itself a Nuclear Power,” *The Washington Post*, February 10, 2005.

³⁶ See US-Japan Joint Statement on North Korea, Washington, DC, accessed at

It is hard to believe that it was just a tactical move for bargaining purposes or another linguistic exercise in improving the demonization skills of Pyongyang propagandists. Neither timing nor substance of the move seems to be incidental. The February 10, 2005, MOFA statement reflects the outcome of a policy review conducted by Pyongyang with respect to the evolution and future course of the DPRK-US relations in light of the election of George W. Bush for the second term. It appears to be the product of strategic reassessment of the desirability and feasibility of seeking a new more positive relationship with Washington in the next four years. In the words of the MOFA spokesman, “we have shown utmost magnanimity and patience for the past four years since the first Bush Administration was sworn in. We cannot spend another four years as we did in the past four years and there is no need for us to repeat what we did in those years.”³⁷

From Pyongyang’s perspective, President George W. Bush’s first term was a complete disaster, resulting in a total breakdown of the DPRK-US relations. In late 2000, they had waited in vain for a better deal with the newly-elect Republican President Bush, refusing to accommodate the modest demands by the outgoing Clinton team. However, instead, they had to face off the American leader who cursed the Dear Leader as a “pigmy,” branded their country as a “member of the axis of evil,” walked away from the path-breaking Cohen-Cho Myong-rok Memorandum of Understanding and the landmark Agreed Framework, single-handedly terminated badly-needed heavy fuel oil shipments in November 2002, and refused to

<http://www.state.gov/r/pa/prs/ps/2005/42491.htm>, on February 19, 2005; “North Korea Wants Talks with the United States,” *AP/CBS*, Seoul, February 11, 2005, accessed at <http://www.cbsnews.com/stories/2005/02/11/world/main673271.shtml>, on February 11, 2005; “North Korea Admits Having Nuclear Weapons,” *AP/USA Today*, accessed at http://www.usatoday.com/news/world/2005-02-10-nkorea-nukes_x.htm, on February 10, 2005.

³⁷ See DPRK MOFA statement in full, as cited by *BBC* at <http://news.bbc.co.uk/2/hi/asia-pacific/4252515.stm>, February 10, 2005.

rule out any options, including a “threat of preemptive nuclear strike,” in his fight against global terrorism and its sponsoring states, pointing a finger at North Korea.³⁸

In the past five years, the United States is said to have repeatedly revealed its “hostile intent” towards the DPRK, foremost, through “belligerent military activities” on and around the Korean Peninsula. Once a month, spokesmen for the Committee for Peaceful Reunification of the Fatherland and the National Reconciliation Council publish statements analyzing and denouncing OPLAN 5026, 5027, 5030, 8022, and augmentation plans as “new invasion plans aimed at destroying our country and overthrowing our government.”³⁹ At the end of every month, the KPA spokesman publicly lists in detail and denounces “hundreds of cases of aerial espionage against the DPRK conducted by the US strategic and tactical reconnaissance planes on the east and west seas of the DPRK, areas along the Military Demarcation Line and the whole area of the DPRK.”⁴⁰

³⁸ See “Conclusion of Nonaggression Treaty Between DPRK and US Called For,” statement by DPRK MOFA spokesman, *KCNA*, October 25, 2002, accessed at <http://www.kcna.co.jp/index-e.htm>, on October 25, 2002; “US Indicted for Ditching the DPRK-US Agreed Framework,” *KCNA*, Pyongyang, October 21, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on October 22, 2005; “Spokesman of DPRK Foreign Ministry on Its Nuclear Deterrent Force,” *KCNA*, Pyongyang, October 18, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on October 19, 2005.

³⁹ For instance, see “US urged to withdraw new war scenario Operation Plan 5030,” *KCNA*, July 18, 2003, accessed at <http://www.kcna.co.jp/index-e.htm>, on July 19, 2003; “US Accused of War Plan (5029-05) against DPRK,” *KCNA*, April 26, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on April 27, 2005; “US New Operation Plan 5026 Against DPRK Denounced,” *KCNA*, Pyongyang, February 13, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on February 14, 2005; “Rodong Sinmun on Scenario for War of Aggression (OPLAN 5027-04),” *KCNA*, October 25, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on October 26, 2005; “KCNA Blasts US Attempt at “Regime Change” in DPRK (CONPLAN 8022-02),” *KCNA*, June 7, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on June 8, 2005.

⁴⁰ The latest example of the KPA monthly releases was published by KCNA on December 1, 2005, under the title “US Aerial Espionage against DPRK in November under Fire,” *KCNA*, Pyongyang, accessed at <http://www.kcna.co.jp/>

The North Korean official propaganda outlets such as KCNA, Rodong Sinmun (WPK Central Committee), Minju Choson (Cabinet of Ministers), Chosun Inmingun (KPA), and Chongnyon Chonwi (Central Committee of the Kim Il Sung Socialist Youth League) are filled with critical articles on “anti-American class education,” blasting the Bush Administration’s “doctrine of preemption,” the “reduction and relocation of USFK” as “pre-staging for a preemptive nuclear strike against the DPRK,” criticizing the US plan to spend 11-13 billion US dollars to enhance the ROK’s military strength as an “arms build-up” promoted in real earnest under the cloak of “cutback” of the US forces in South Korea, which is aimed at “choking the DPRK by military force,” and denouncing the “development of an earth-penetrating low-yield nuclear warhead” as being aimed at “busting our bunkers and stifling us with nuclear means.” On a daily basis, these publications run condemnatory articles regarding various US military preparations for the alleged forthcoming invasion of the DPRK, including the US Air Force redeployment of a squadron of F-15E fighter-bombers from Alaska to the ROK in September 2004 and deployment of more than 10 F-117 Stealth fighter-bombers in an air force base in Kunsan,⁴¹ the US deployment of “PAC-3” and 450 troops at the air force base in Kwangju in November 2004,⁴² the US deployment of Aegis destroyers of the 7th Fleet, equipped with an ultra-modern missile interceptor system in the East Sea of Korea,⁴³

index-e.htm, on December 2, 2005. The KPA estimates that the US forces in Korea conduct on average about 200 missions of aerial espionage a month, totaling approximately 2,400 missions a year.

⁴¹ See “US Intensified Moves for Preemptive Nuclear Strike at DPRK under Fire,” *KCNA*, December 18, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on December 20, 2004.

⁴² For instance, to see a sample North Korean reaction to the deployment of two battalions of PAC-3 in Kwangju, one can read “US Massive Military Build-up against DPRK under Fire,” *KCNA*, January 4, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on January 5, 2005.

⁴³ For example, to see a sample DPRK reaction to the deployment of the AEGIS

the military exercises of the Okinawa-stationed US Marines around DMZ, the “war games”⁴⁴ such as RSOI, Freedom Banner, Ulji Focus Lens, “daily bomber runs by the US Air Force from Japan against mock targets in the DPRK during Iraq war,” and the “PSI-related naval exercises in Tokyo Bay,”⁴⁵ all of which are allegedly designed “to intimidate the DPRK government and to prepare for a new American invasion of Korea.”

The US “hostile intent” is said to have been demonstrated convincingly through “aggressive and hostile psychological warfare” conducted by the United States and aimed at toppling the DPRK’s political system and bringing down its leadership.⁴⁶ Since 2002, spokesmen for the DPRK Ministry of Foreign Affairs and such government counter-propaganda agencies as KCNA have repeatedly denounced what they called “the US government smear campaign against the DPRK’s leadership and system”⁴⁷ and blustered Washington for “fabricating and spreading rumors, allegations, and innuendoes” about “anti-state and anti-system activities in our country,” “removal of Kim Jong Il portraits,”⁴⁸ “the lawless or criminal state of

destroyers in the East Sea of Korea, one can read “US Madcap Arms Build Up Under Fire,” *KCNA*, October 29, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on October 30, 2004.

⁴⁴ For instance, see “Frequent War Exercises Bound to Lead to War,” *KCNA*, March 22, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on March 23, 2005.

⁴⁵ See “Spokesman for DPRK FM Blasts; Joint Naval Exercise to be hosted by Japan,” *KCNA*, August 7, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on August 8, 2004; “KCNA Blasts US ‘Proliferation Security Initiative’,” *KCNA*, July 20, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on July 21, 2004.

⁴⁶ See “Rodong Sinmun Calls for Shattering Imperialists’ Psychological Warfare,” *KCNA*, Pyongyang, July 6, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on July 7, 2005.

⁴⁷ See “FM Spokesman Slams Bush’s Vituperation against DPRK’s Supreme Headquarters,” *KCNA*, Pyongyang, April 30, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on May 1, 2005.

⁴⁸ See “KCNA Warns Hack Writers against Involvement in Anti-DPRK Psychological Warfare,” *KCNA*, Pyongyang, November 27, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on November 28, 2004.

DPRK,”⁴⁹ about “state-sponsored drug-trafficking,”⁵⁰ “North Korea-China oil pipeline switch-off,”⁵¹ “human smuggling,”⁵² “the state sponsorship of counterfeit money,”⁵³ “training of computer hackers,” “suppression of religion,” and “a sheer lie that the DPRK tested a chemical weapon on prisoners,”⁵⁴ as well as an “utter lie about 20 nuclear scientists of the DPRK who allegedly sought asylum in the United States and other countries via China.”⁵⁵ They put special emphasis on publicly countering the US nuclear proliferation accusations alleging the DPRK’s clandestine nuclear trade with Lybia, Iran, and Pakistan.⁵⁶ The North Korean security services had to compete with the Voice of America broadcasting and track down the recipients of the alleged US-sponsored drops of short-wave radios,

⁴⁹ See “KCNA Refutes US Smear Campaign (about the ‘lawless/criminal state’) against DPRK,” *KCNA*, Pyongyang, November 30, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on December 1, 2005.

⁵⁰ See “US Condemned for Pulling Up DPRK over Drug Issue,” *KCNA*, Pyongyang, March 5, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on March 6, 2004.

⁵¹ See “US Anti-DPRK Smear Campaign under Fire,” *KCNA*, Pyongyang, October 27, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on October 28, 2004.

⁵² See “Spokesman for DPRK FM Lambastes US Smear Campaign against DPRK,” *KCNA*, Pyongyang, February 5, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on February 6, 2004.

⁵³ See “KCNA Refutes US Smear Campaign Against DPRK,” *KCNA*, Pyongyang, November 30, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on December 1, 2005.

⁵⁴ See “KCNA Blasts CNN’s Anti-DPRK Diatribe,” *KCNA*, November 26, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on November 26, 2005.

⁵⁵ See “KCNA assails US psychological war against DPRK,” *KCNA*, May 26, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on May 27, 2004; “KCNA Dismisses Misinformation Spread by S. Korean ‘Ministry of Unification,’” *KCNA*, August 4, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on August 5, 2004.

⁵⁶ See “KCNA Refutes Story about DPRK’s ‘Secret Sale of Fluorine Gas’ to Iran,” *KCNA*, November 23, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on November 24, 2004; “DPRK FM Spokesman Refutes US Story about ‘Transfer of N-Technology’ to DPRK by a Pakistani Scientist,” *KCNA*, February 10, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on February 11, 2004.

small TVs, and cell phones, as well as prevent the dissemination of anti-regime leaflets and PC games in the country.⁵⁷ In other words, from Pyongyang's standpoint, Washington continues to demonize the North Korean leadership and vilify its political system. The passage of the North Korea Human Rights Act in October 2004 proves to them that the Bush Administration is bent on regime change and likely to intensify its subversive anti-regime campaign against Kim Jong Il's regime.⁵⁸

Finally, the United States is said to expose its "hostile intent" through its refusal to conduct any kind of political dialogue with Pyongyang at the leadership level and through its diplomatic strategy of isolating the DPRK in the international arena.⁵⁹ From Pyongyang's standpoint, Washington uses the Six-Party Talks not to "find a peaceful and diplomatic solution to the nuclear issue," but to "mislead the world public opinion" and "to isolate, blockade, and strangulate the DPRK economically, while letting the talks proceed without any results, pursuing the aim of buying time, and creating an environment for putting collective pressure on the DPRK in the long run." Pyongyang accuses Washington of seeking to halt North-South

⁵⁷ See "High Vigilance against US Disintegration Moves Urged," *KCNA*, January 23, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on January 24, 2005; "US Psychological Warfare and Espionage Scenario against DPRK Assailed," *KCNA*, November 27, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on November 28, 2004; "Planned Distribution of US-Made Anti-DPRK Computer Games under Fire," *KCNA*, September 23, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on September 24, 2004.

⁵⁸ See "US "North Korean Human Rights Act" under Fire," *KCNA*, November 20, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on November 21, 2004; "US "Human Rights Offensive" under Fire," November 13, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on November 14, 2004; "Respecting Human Rights Called for," *KCNA*, December 10, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on December 11, 2005.

⁵⁹ See "US hit for its attempt at intensified blockade against DPRK," *KCNA*, June 8, 2003, accessed at <http://www.kcna.co.jp/index-e.htm>, on June 9, 2003; "US Economic Sanctions against DPRK under Fire," *KCNA*, February 5, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on February 6, 2005.

reconciliation and blocking the ROK's transfer of technology and investment in Kaesong industrial zone, bad-mouthing Pyongyang in front of Moscow and Beijing and pressuring Russia and China to abandon their position of understanding of the DPRK's security and economic development needs, derailing the DPRK-Japanese normalization process and aggravating their relations by urging Tokyo to impose economic sanctions against the DPRK and to pass the Japanese version of the North Korea Human Rights Act, denying North Korea access to various international organizations, and implementing the Proliferation Security Initiative aimed at cutting off the DPRK's maritime trade and overseas sources of revenues, which Pyongyang labeled as "a product of the Bush Administration's sinister attempt to escalate its policy to isolate and blockade the DPRK."

With the exception of the fourth round of the Six-Party Talks in Beijing in September 2005, there have been very few positive elements (such as irregular deliveries of American humanitarian aid and sporadic diplomatic contacts in New York and Beijing) to the DPRK-US relationship in the past five years. Pyongyang hoped very much that President Bush would lose his electoral bid for the second term and would be replaced with a more moderate Democratic Administration. The North Korean propaganda machine promised "milk and honey" and a quick comprehensive settlement of the nuclear dispute if Senator Kerry were elected to the White House.⁶⁰ However, "America hands" in Pyongyang miscalculated. Their best hope proved to be wishful thinking. Their worst nightmare in the White House came to life, and the DPRK leadership had to decide how to structure its relationship with the second Bush Administration.

It is safe to assume that Kim Jong Il does not believe in the human ability to change much, especially after a certain age. When he

⁶⁰ See "US Must Approach Six-way Talks with Sincerity," *KCNA*, February 23, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on February 24, 2004.

looks at George W. Bush, he must see essentially the same man who loathed him and sought to deprive him of his throne for the previous four years. President Bush's ideals have not changed since his re-election: If anything, his inaugural address and State of the Union speech in January 2005 may indicate that he is more eager than ever "to bring the torch of freedom to the North Korean shores" in the next four years. However, in the words of the DPRK MOFA spokesman, "the US campaign to light up the fire of freedom everywhere in the world may result in transforming the world into a sea of fire."⁶¹

Although American priorities seem to have shifted to the Middle East for now, no one knows how long that favorable development may last: After Iraq, Iran is publicly made the next target, which gives Kim Jong Il some breathing space, but also is ominous for North Korea, the would-be last standing charter member of the "axis of evil."⁶² President Bush's top advisors (Vice-President Cheney, Defense Secretary Rumsfeld, Secretary of State Ms. Rice) known for their hard-line views on North Korea remained in place. His second-tier team responsible for formulating Korea policy has changed, but the departure of some neo-conservative policymakers from the State Department and Department of Defense was balanced off by the departure of their more liberal counterparts like Mr. Armitage, Mr. Kelly, and Mr. Reiss, as well. Besides, the newcomers at the DoD, State, and National Security Council may be of the same neo-

⁶¹ See DPRK MOFA Memorandum of March 2, 2005, *KCNA*, March 3, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on March 4, 2005.

⁶² For the lessons drawn by Pyongyang from the US war in Iraq, see "Aggressor's True Colors Can Never Be Veiled," *KCNA*, February 9, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on February 10, 2004; "KCNA on Lesson Drawn from Situation in Iraq," *KCNA*, March 18, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on March 19, 2004; With respect to Iran, "US Termed Harasser of Peace and Stability," *KCNA*, October 30, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on October 31, 2004; "Iraqi War Shows US Hoodwinks World People," *KCNA*, March 19, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on March 20, 2005.

conservative persuasion or may not have the political clout required to orchestrate a policy course correction.

In other words, the DPRK government has few incentives to cooperate or improve relations with the United States because the second Bush Administration is expected to continue to act as the “American empire of evil” (in the words of KCNA), seeking “to topple our system and leadership with nuclear arms,” and being not interested in a “bold switchover” of its Korea policy, in recognition of Pyongyang, and in peaceful coexistence with the DPRK.⁶³

North Korea’s Alternative Futures

Key drivers of change in the internal and foreign behavior of the North Korean state in the years to come will be economic reform and softening of the “hard state” at home and the degree of external cooperation (political, economic, diplomatic, financial, military, etc.) it can obtain from abroad.

Assuming that the current developmental trajectory of the North Korean state remains intact, one can think of four different scenarios of North Korea’s future evolution. First, if the North Korean government chooses to pursue limited economic reform, while refusing to resolve the existing security issues with the United States and the international community, then the country is likely to remain largely isolated from the outside world, with only a minimum amount of economic assistance, primarily on humanitarian grounds available. In this case, the Songun nation is likely to revert itself to the “arduous march” of the mid-1990s, with the annual GDP growth rates hovering around 0-1 percent.

⁶³ See “Memorandum of DPRK Foreign Ministry,” *KCNA*, March 3, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on March 4, 2005.

Secondly, if the North Korean leadership decides to accelerate the pace and increase the scope of economic reforms, but opts to refrain from the nuclear and other security talks and foregoes the normalization of relations with the United States and Japan, then it can benefit only from a limited amount of economic assistance from China, Russia, and South Korea because of continued economic sanctions and embargoes imposed by Washington and Tokyo. Therefore, it can develop its economy only slowly at the annual GDP growth rate of 2-3 percent. In essence, this course of action, based on mercantilism (i.e. “economic nationalism for the purpose of building a wealthy and powerful state”) and political opportunism, will constitute the perpetuation of the current situation. It may well be suitable and acceptable to the North Korean leaders because it allows them to build up their power capabilities while controlling the pace of reforms and the degree of external opening. Additionally, it may help them screen out undesirable influences and elements from abroad.

Thirdly, if the DPRK government pursues only limited reform, but chooses to resolve major security issues and normalize relations with its former enemies, then a significant amount of economic assistance can become available, although due to the limited nature of reform, private-sector capital inflows may be restricted. The annual GDP growth rate is likely to be 4-5 percent. North Korea will no longer be regarded as a rogue state, more like East Germany, but it will fall short of becoming an Asian tiger.

Finally, if the North Korean government decides to proceed with fundamental reform and resolve the nuclear issues in a comprehensive manner (for instance, nuclear CVID in exchange for security guarantees, economic and energy assistance, as well as full normalization of relations with the United States and Japan), large-scale economic assistance may become available: The FDI inflows on a commercial basis may begin to rise, and the rapidly marketizing national economy

may display an average annual 6-7 percent GDP growth. In this case, North Korea may follow the example of an outward-oriented developmental dictatorship based on state monopoly capitalism backed by monolithic rule by the national security establishment like in the Republic of Korea in the 1960s-1970s. More extreme developmental outcomes appear to have much lower probabilities at the present moment.

Hermit Hamster on the Wheel?

It seems to me that North Korea spends all its days hopelessly trying to make progress, only to find itself right back where it started. The Hermit Wheel Runner is like a little mechanical battery-powered hamster, who scurries inside a running wheel. As the poor and hungry critter tries to run, the wheel spins under him so he can never progress very far. What's more, if this isn't depressing enough, batteries are not included.

It appears that Pyongyang may have decided to turn the clock back to the pre-1991 situation in its relations with the United States, by refraining from substantive contacts with Washington, reinforcing "anti-American class education" in schools and at the workplace, concentrating on enhancing its security through the mobilization of domestic deterrent capabilities, rebuilding its traditional alliances with China and Russia in addition to courting a risky friendship based on blood ties with its former nemesis and newly discovered benefactor – South Korea, and de facto stimulating the non-conventional arms race on the peninsula.

The difference today is that the DPRK government has publicly shifted its stance from a policy of "strategic ambiguity" to a policy of "strategic clarity" with respect to the country's possession of nuclear

weapons.⁶⁴ The lessons of Iraq were clear: The declared absence of nuclear weapons and UN inspections failed to prevent the US attack.⁶⁵ Hence, on February 10, 2005, Pyongyang officially declared that it had manufactured nuclear weapons and stressed its intention to build up a nuclear weapons arsenal and a potent missile force capable of delivering the weapons of mass destruction to their intended targets, despite its earlier repeated reassurances that total denuclearization of the Korean Peninsula was its ultimate goal. Kim Jong Il's regime will never give up its newly obtained nuclear credentials or agree to "CVID" or "do a Kaddafi" with respect to its elusive nuclear weapons programs.⁶⁶ The hermit bomb can be found and eliminated only with the dismantlement of the hermit kingdom itself.

What should one make out of the DPRK's often stated "commitment to the denuclearization on the Korean Peninsula?"⁶⁷ Pyongyang appears to uphold the principle of denuclearization in general, but hardly more than that. In practical terms, Pyongyang makes an argument that in accordance with the 1968 Nuclear Nonproliferation Treaty, the five nuclear weapon states are also theoretically and legally committed to global nuclear disarmament (Article VI). However, in reality, although the United States, Russia, China, UK, and France talk about it from time to time, they do nothing

⁶⁴ On March 31, 2005, the DPRK MOFA spokesman publicly stated that "Now that the DPRK has become a full-fledged nuclear weapons state, the Six-Party Talks should be disarmament talks where the participating countries negotiate the issue on an equal footing." See "DPRK Foreign Ministry Spokesman on Denuclearization of Korea," *KCNA*, March 31, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on April 1, 2005.

⁶⁵ See "KCNA on Lesson Drawn from Situation in Iraq," *KCNA*, March 18, 2004, accessed at <http://www.kcna.co.jp/index-e.htm>, on March 19, 2004.

⁶⁶ See "Memorandum of DPRK Foreign Ministry," *KCNA*, March 3, 2005, accessed at <http://www.kcna.co.jp/index-e.htm>, on March 4, 2005.

⁶⁷ One can find the latest evidence of such commitment in the joint statement issued at the end of the Fourth Round of the Six-Party Talks in Beijing on September 19, 2005. See <http://www.fmprc.gov.cn/eng/zxxx/t212707.htm>, accessed on September 19, 2005.

but modernize and often increase (during the Cold War) their nuclear arsenals. Moreover, the international community has acquiesced to living with this duplicitous reality for almost four decades. In the same vein, the North Korean leadership may believe that it is possible to talk about its commitment to the nuclear disarmament on the Korean Peninsula – one day, somehow, and somewhere, while feeling entitled and obligated to build up its nuclear arsenal – here and now.

Correspondingly, with respect to the nuclear issue, Pyongyang may occasionally return to the negotiating table with Washington under different formats, including the on-again, off-again Six-Party Talks in Beijing – if the price is right. The driving motives behind the North Korean participation in various nuclear disarmament talks seem to include the followings:

- Pecuniary compensation (both ad hoc and long-lasting; in cash and in kind; for instance, monetary transfers, energy subsidies, food assistance, infrastructure development, etc.)
- Political legitimization of the regime (such as a security blanket for Kim Jong Il’s family clan) and its nuclear ambitions (including minimization of the international costs of “coming out of the closet” and juch’e-style transition from a nuclear threshold state to a nuclear weapon wannabe state to an internationally recognized and accepted nuclear weapon state)
- Geopolitical repositioning of the North Korean state in the light of the WPK’s long-standing unification aims.

In addition to serving as a strategic deterrent against the perceived “US nuclear threat,” the DPRK’s nuclear monopoly on the Korean Peninsula places the Republic of Korea in a strategically inferior position, demoralizes its military, and undermines its will to fight. North Korea’s war strategy may be not merely to overrun the South so rapidly that reinforcement would become impossible, as the

first Korean War experience seems to suggest. Rather, KPA operational planners may be preoccupied with finding ways of how to prevent reinforcement from ever taking place by threatening to use the KPA missiles tipped with nuclear warheads against Japan, should the US intervene. It remains to be seen to what extent the nuclear North will be able to blackmail and annex the non-nuclear South, which appears to be all too eager to loosen its military alliance ties with the United States at the moment.

It is hard to expect any substantive progress at the nuclear talks until mutual trust is rebuilt, which is a tall order. Only then will the North Korean leaders be compelled to recalculate the potential costs and benefits to be accrued from their re-engagement with the United States. At that time, in addition to security guarantees, economic assistance, and respect for sovereignty, as conditions of any nuclear settlement, Pyongyang may step up its long-standing demands for the complete withdrawal of USFK, removal of the US nuclear umbrella over South Korea, and dissolution of the US-ROK military alliance. One cannot exclude the possibility that North Korea may resort to nuclear diplomacy as a vehicle to meet the long-term objectives of its revolutionary unification strategy.

In the meantime, the DPRK may seek to keep a relatively low but assertive nuclear profile. Although Pyongyang may refrain from ratcheting up nuclear pressure until the December 2007 ROK presidential elections or November 2008 US presidential elections, under appropriate circumstances, the limited North Korean nuclear deterrent “in the basement” coupled with a potent missile force (“a proxy strategic deterrent”) deployed against American military bases and US allies in the region may score Pyongyang some points in China and Russia, thanks to growing tensions between the United States and China (aligned in “strategic partnership” with Russia) and against the background of deteriorating relations between Japan and its Northeast

Asian neighbors.

The mini-Cold War-type confrontation and arms race between the DPRK and the United States is likely to continue for more years to come. However, Pyongyang may be reluctant to precipitate any major escalation, while it is “publicly” building up its mysterious nuclear weapons arsenal. The North Korean hamster will try hard to scurry faster on the running wheel, but he is unlikely to make much progress.