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Reconstituting Korean security

Reconstituting Korean security: A policy primer

Edited by Hazel Smith



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This book is intended to contribute to finding ways to benefit the long-suffering people of North Korea. I hope that it will do so.

Hazel Smith

Foreword

*Ambassador Donald P. Gregg
Chairman of the Board, The Korea Society, New York*

This book should come as meat and drink to those who have been looking for a multidisciplinary, internationally oriented approach to the many problems that will arise when North Korea slowly emerges from its self-imposed isolation. For far too long we have had only the very thin gruel of moralistic demonization of North Korea and its leaders, as practiced by neoconservatives in and around the Bush administration. Their approach is centered on the fallacious theory that “regime change” involving the removal of Kim Jong Il would make North Korea far easier to deal with. This would be no more true in North Korea than it has been in Iraq. Totalitarian leadership of any country creates a myriad of societal issues that remain to be dealt with by successors, whether they are externally imposed or internally produced.

Dr Hazel Smith has spent years in North Korea, dealing with humanitarian issues, and possesses an acute sense of the textures of North Korean society. In her excellent opening chapter, which offers a clear overview of the rest of the book, Dr Smith stresses the point that “history matters.” Dr Smith, a UK citizen and keen observer of the US role on the Korean peninsula, past and present, is well positioned to make that point, particularly as it applies to Americans, because we Americans have a woeful tendency to think that history begins only when we become aware of and involved in a particular issue.

For example, burial mounds on Kangwha Island, containing the bodies of hundreds of Korean soldiers blown up in their mud forts by the US naval incursion into Korea of 1871, the miserable Taft–Katsura Pact of

1905, which opened the way for Japan's occupation of Korea, and our arbitrary division of Korea, made in haste in 1945, are all matters known to virtually every Korean, but are "terra incognita" to us. For the vast majority of Americans, Korean history "begins" on 25 June 1950, when North Korea invaded the South. The continuing American "take" on Korea is that North Koreans are evil, South Koreans are good (but hard to do business with), and that all South Koreans should be eternally grateful to us for rescuing them by our intervention in the Korean War.

For over 30 years I served as a CIA operations officer with an Asian focus. I consider myself well qualified to observe, as I often do, that North Korea is the longest-running failure in the history of American espionage. In 1968, I was serving in Japan when the North Koreans seized the USS *Pueblo*, which had been on an intelligence-gathering mission off the North Korean coast. I was made part of a task force to determine how we should retaliate for what we considered an unprovoked attack. We soon found, to our great frustration, that North Korea was like a turtle with its head and feet pulled into its shell. There were no easy targets to attack, we did not wish to risk starting a second Korean War by hitting a major military installation on the mainland, and so we decided, wisely I believe, to do nothing. The *Pueblo's* crew were eventually released, but the ship itself remains moored on the banks of the Taedong river in Pyongyang and is something of a tourist attraction.

Until al-Qaeda burst upon the scene, North Korea was the hardest of the hard intelligence targets, and our collective ignorance of the thinking of the North Korean leadership remains profound. When I left government in 1993, I was able to move and talk more freely as chairman of The Korea Society, and began to cultivate relations with North Korean officials posted in New York. Through talks with those officials and meetings with Chinese, Russians, South Koreans and Americans, all of whom had had lengthy contact with the North Korean leader Kim Jong Il, a picture emerged of a man interested in strengthening the North Korean economy and in establishing better relations with the United States. My own perspective on North Korea as a country was also enhanced by these contacts and by the four visits I have made to Pyongyang, starting in 2002.

In the fall of 2003, I attended a "track two" version of the Six-Party Talks, hosted by the Chinese in Qingdao. This meeting gave a clear insight into how different each country's view of North Korea was, depending largely on past historical experiences. The Chinese hosts, wishing to avoid either an implosion or an explosion in North Korea, were clearly in the lead in terms of pushing for success in making the Korean peninsula nuclear free, closely followed by the South Koreans, who wanted to avoid war at all costs. The Japanese were already becoming fixated upon

the abduction issue, and as a result were somewhat isolated. The Russians were favorable toward progress being made, largely for economic reasons, but did not take a strong position politically. When asked by the Chinese what the US policy was toward North Korea, the senior American representative, an active duty foreign service officer, said, "All I can say is that North Korea does not have to do everything before we do anything." Our Chinese host replied, somewhat caustically, "That sounds more like an attitude than a policy."

Finally, in early March 2007, the United States seems to have moved toward the establishment of a more coherent North Korean policy. But North Korea, for its part, has become at least a rudimentary nuclear power. This development has increased North Korean pride and self-confidence on the one hand, while bringing down upon it greatly increased pressure from the other members of the Six-Party process, particularly China.

The stage has thus been set for a long-term negotiating process. The publication of this book should be helpful to all those seeking to understand why North Korea is the way it is and to try to help move North Korea away from its current position of isolation. Dr Smith's book, with chapters written by a well-qualified array of international experts, can rescue its readers from the "outside looking in" perspective that has doomed previous efforts to deal effectively with North Korea to frustration and failure.

Contributors

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Abbreviations

APEC	Asia-Pacific Economic Cooperation
APT	ASEAN Plus Three
AREP	Agriculture Recovery and Environmental Protection
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
ASEM	Asia-Europe Meetings
CCA	Common Country Assessment
CIA	Central Intelligence Agency
CSCAP	Council for Security Cooperation in the Asia-Pacific
DMZ	Demilitarized Zone (Korea)
DPRK	Democratic People's Republic of Korea (North Korea)
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GDP	gross domestic product
GNI	gross national income
IAEA	International Atomic Energy Agency
IFAD	International Fund for Agricultural Development
IISS	International Institute for Strategic Studies
IMF	International Monetary Fund
KEDO	Korean Peninsula Energy Development Organization
KINU	Korea Institute for National Unification
NATO	North Atlantic Treaty Organization
NGO	non-governmental organization
NPT	Treaty on the Non-Proliferation of Nuclear Weapons (Nuclear Non-Proliferation Treaty)
NSC	National Security Council

OSCE	Organization for Security and Co-operation in Europe
PRC	People's Republic of China
ROK	Republic of Korea (South Korea)
UN	United Nations
UNDP	United Nations Development Programme
Unicef	United Nations Children's Fund
US	United States
WFP	World Food Programme
WMD	weapons of mass destruction

1

Reconstituting Korean security dilemmas

Hazel Smith

The conventional picture of Northeast Asian security is of stark national security threats caused by the alleged menacing behaviour of a highly militarized, nuclear-armed Democratic People's Republic of Korea (DPRK or North Korea).¹ Not only does this picture obscure the profound human security crisis facing many North Koreans but it offers a skewed, partial and distorted perspective. The conventional perspective thus contributes to the prevalence and circulation of a fundamentally flawed conventional wisdom about what constitutes the security crises for Northeast Asia and, importantly, shapes the policy solutions adopted to deal with those crises. The conventional approach precludes fruitful policy choices that could help to resolve the multidimensional Korean security crisis that is at the heart of short-, medium- and long-term regional stability in Northeast Asia.

This book offers a new analysis based upon an understanding of security as multidimensional and builds that analysis on a historical contextualization of the Korean security crises of the early twenty-first century – summarized in Chapter 2 by Bruce Cumings but also used as a reference point by all the contributors. The message is that “history matters!” The premise of this book, however, is not to underestimate the hard security issues of missiles and nuclear proliferation, which is why an important chapter by Gary Samore and Adam Ward (Chapter 3) outlines and analyses North Korean military capacities. Unlike conventional security analyses, which adopt only a state-centric perspective and do not consider the population as an appropriate security referent, this book also

recognizes that, for most people in the region, economic security is of paramount importance for their everyday lives. Little understood through the conventional security analyses prism, it is the ever-present food security and economic insecurity for the North Korean population and the state that significantly shape the government's domestic and foreign politics. Chapter 4 by Bradley Babson and Chapter 5 by Hazel Smith therefore address economic security and food security, respectively.

The book is also based on the assumption that there is more than one important perspective on Northeast Asian security and that these various perspectives need to be understood as both legitimate and grounded in sometimes diverse interests. These interests are explored separately in chapters on United States policy by Selig Harrison (Chapter 6), South Korean policy by Suk Lee (Chapter 7), Chinese policy by Ren Xiao (Chapter 8), Japanese policy by Gavan McCormack (Chapter 9), and Russian policy by Georgy Bulychev (Chapter 10). It is often forgotten that worldwide concern over instability on the Korean peninsula has seen the involvement of players other than near neighbours and the United States. This book therefore further analyses the continuing involvement of the European Union (EU) in the Korean crisis in Chapter 11 by Maria Castillo Fernandez and charts the small but significant involvement by the Association of Southeast Asian Nations (ASEAN) in Chapter 12 by John Ciorciari.

Conventional security discourses

Security debates these days are often categorized in mutually exclusive terms as concerning either national security or human security.² National security analysts and policy-makers worry about territorial integrity and the military defence of state borders. They regard "security" as the domain of sovereign states. The international is inherently conflictual and in the end states must rely on their own resources to defend themselves and protect their citizens. Security theorists as disparate as Hans Morgenthau, who argued for the concentration of national power such as to defend the national interest, and Kenneth Waltz, who argued that a bipolar balance of power provided stability in the international system, had in common their ruling out of the analytical equation the idea that the security of the individual had much to do with the security of the state and regional and international relations.³

Human security analysts, on the other hand, argue that, for most states, security no longer means only the protection of borders against invasion.⁴ Security must also mean protection against social and economic instability caused by disruption from outside territorial borders. Human se-

curity analysts feel that in this globalizing world of porous borders and easy travel we should be more concerned about transborder threats to individual well-being, not just the threat of military invasion.⁵ Transborder threats may come, for example, from economic downturns, humanitarian and environmental disasters, or transnational crime. Human security perspectives normally also imply a sense that one state can no longer – if it ever could – resolve such problems on its own. Asian bird flu, for instance, is not a problem just for Thailand or Viet Nam or even just for Asia. Human security analysts prefer therefore to respond to human security threats by way of regional and/or global institutions. These institutions offer multilateral solutions designed, in the main, to be implemented through cooperation not coercion.

National security and human security analysts have not been very good at incorporating each other's perspectives such as to offer multisectoral analysis. There is nothing in logic or in practice, however, to prevent a national/human security nexus as the basis for analysis and plenty to recommend it in terms of an increased ability to appreciate the complexity of contemporary security crises. National security concerns in terms of the potential use of weapons of mass destruction (WMD) or terrorism against civilians in fact constitute a threat to life and a threat to survival, the most basic of human security concerns. By contrast, there are few who would argue that simple territorial stability, if also accompanied by the abrogation of basic political and economic rights, offers any kind of meaningful national security to citizens, to the regime that rules over them or to neighbouring countries, which must deal with legal and illegal migration and all manner of negative and unpredictable cross-border spillover effects.

National and human security discourses can also be reconciled through policy choices that push for multinational solutions to global problems. After all, even in the hardest of security cases when military intervention is mooted, most states (including those often conceived of as diehard unilateralists) value multilateral solutions – whether this is through the North Atlantic Treaty Organization (NATO) or through UN and regional peace-keeping forces. This is why the United States has sought to achieve multilateral backing for every international intervention it has made since the Second World War and why China has insisted that only multilateral (preferably UN-sanctioned) interventions are legal.

The prevalence and influence of the conventional security discourse

The dominant international security debate about Northeast Asia focuses on North Korea as the source of most of the region's troubles.⁶ The dis-

course is on WMD, including ballistic missiles and nuclear armaments, and on military threats by North Korea against its neighbours. It is commonly believed that there remains the ever-present threat of war caused by an irrational state and government in the DPRK. If human security concerns are mentioned in the context of Northeast Asia, they are invariably discussed in regard only to North Korea's human rights violations and as evidence of a mad or bad government with which it is impossible to engage in dialogue.⁷ Humanitarian concerns are discussed in the context of the food crisis in North Korea and the consequent inability of the government to feed its people.⁸ Transnational crime and trafficking in women also appear on the agenda of the region's media through the prism of alleged North Korean misdemeanours.

The conventional security discourse on and in Northeast Asia views North Korea as the source of regional security dilemmas that are defined and understood via military parameters. Seen in this way, human insecurity is a direct consequence of the militarization of the DPRK and its government's political intransigence and antiquated economic policies. The implication is that, once the DPRK military problem is resolved such that the DPRK no longer poses a security threat to the region, then human security problems for North Koreans and neighbouring populations will automatically be solved. Human security threats are not, within this conventional security picture, understood as a common problem for all of Northeast Asia – transcending borders and requiring common and cooperative solutions. Neither does the conventional security discourse assign blame to other actors that have been active in relations with the DPRK; thus, it is unusual to see policy prescriptions recommending changes in foreign policy behaviour among the DPRK's international interlocutors as well as in the DPRK.

Conventional security talk is pessimistic about the possibilities of achieving multilateral or cooperative solutions to the perceived security dilemma of Northeast Asia. Northeast Asia has been known for its comparative absence of regional organizations, although in the decade of the 2000s an exponential growth took place in the number of regional institutions that East Asian states joined and participated in.⁹ Recent years have seen some promotion of the idea of a Northeast Asian community, but there remains no appetite for an EU-type integration venture in East Asia – even in the distant future. The conventional wisdom is that it is difficult to identify common interests and culture such as to place regional integration on the agenda for any Northeast Asian state. Nor is Northeast Asia home to even a loose association of states analogous to the Association of Southeast Asian Nations (ASEAN), which operates by putting aside ideological and economic disparity in order to formulate common approaches to shared concerns.¹⁰

The dominant or conventional security discourse is influential globally, informing the foreign policies of major states – including the United States, Japan and all Western states from EU members to Australia and New Zealand. Its analysis permeates ASEAN members even if these states do not share the policy options of isolation and containment that have sometimes flowed from the dominant analysis. ASEAN prefers its own distinct method of conflict resolution and negotiation to achieve elite consensus and cooperative solutions. The dominant approach is by no means universal, however, though it tends to obscure the very varied regional perspectives on Northeast Asian security.

The dominant security discourse on Korean security dilemmas also obscures complex underlying intra-regional security dynamics. In China, for instance, the major Northeast Asian security debate is not about North Korea but about the perceived threat to the region from Taiwanese independence claims. Other concerns highlighted throughout the region, although barely mentioned in the Western media, are the extant territorial conflicts, regional rivalries and ideological differences between Northeast Asia's major states – China, Russia, Japan and both Koreas. The bitterness engendered by the Japanese colonial period of the first half of the twentieth century is still prevalent and a significant factor in domestic politics in China and both Koreas. Ideological differences between communist China and capitalist Japan still play a part in fear, suspicion and mistrust between the two peoples. Nationalist sentiments also motivate Chinese, Japanese, Korean and to a lesser extent Russian irredentist claims in the region.

The conventional approach tells part of the truth but it does so in such a way as to obscure other important truths for those concerned with Northeast Asia. Nuclear proliferation by the DPRK is a clear and present danger to North Korea's own people and to the region because of the risk of war and nuclear accidents; conversely, unpacking and resolving DPRK human security concerns may hold the key to dialogue on military issues. The two sides of the security coin are indivisible.

Conventional approaches reduce knowledge about complex security problems to a "one cause fits all" diagnosis that demonizes the DPRK and makes it almost impossible to conceive of negotiating, let alone reaching any agreement, with such an irrational state. Conventional knowledge about the DPRK also presents worst-case scenarios as factual accounts. Worst-case scenarios are of course appropriate for military planners because it is their duty to plan for such scenarios. It is when worst-case scenarios are used by politicians as a substitute for factual analysis that we risk repeating the mistakes that led to the Iraq war in 2003, but this time in Korea.¹¹ There was a massive failure of intelligence in Iraq, partly because of the inability to distinguish between ideology

and analysis, between aspiration and fact. The lessons of the Iraq war and the subsequent intelligence investigations and reorganization in the United States show among other things that dominant discourses that are not founded on sober analysis and well-substantiated claims do anything but provide wise guidance for policy-makers. Instead they exaggerate and skew data in such a way as to aggravate – rather than merely analyse – security tensions.

Countering the conventional assumptions

A reconstitution of the conventional wisdom should be the aim – to force a belated recognition that the current security policies of major states are informed in important ways by a dangerously deficient understanding of North Korean realities and are therefore built on deeply problematic foundations. Buried within the dominant discourse are two powerful assumptions: first, the DPRK is commonly portrayed as a militarily powerful country, as was Saddam Hussein's Iraq; second, the DPRK remains on the United States' list of countries with links with terrorism. The first of these assumptions is more prominent than the second, although some right-wing Japanese organizations proclaim that the DPRK is a terrorist state because of its historical activities.

The DPRK is not a militarily strong power

It may seem obvious, even logical, that the DPRK, which has suffered well-recorded economic devastation for over 15 years and as a consequence almost total industrial infrastructural collapse, would have little in the way of functioning military hardware or a very fearsome army. Nevertheless, the conventional wisdom is that the DPRK has a formidable arsenal, ready to be unleashed on all comers, from Tokyo to Alaska with South Korea in between. Table 1.1 starkly reveals the actual capacity of the DPRK military.

The DPRK annual defence budget is dwarfed by that of its neighbours, at US\$2 billion in 2005 compared with Japan's US\$45 billion and South Korea's US\$21 billion. In addition, per capita spending on its huge armed forces has to cover food, clothing, housing and health supplies, as well as every aspect of what would normally come from a civilian infrastructure in a developed state – telecommunications, transport, food supplies and agricultural production, and industrial production for everything from weapons to clothing. This is because the social infrastructure barely functions and the civilian industrial fabric has all but disappeared since the economic meltdown of the 1990s. Additionally the data in Table 1.1 as-

Table 1.1 Defence budgets of the parties to the Six-Party Talks, 2004 and 2005

	Population (million)	Defence budget (US\$ billion), 2004	Defence budget (US\$ billion), 2005
DPRK	23	1.8	2.0
Russia	143	15.0	19.0
South Korea	49	16.3	20.7
China	1,306	25.0	29.5
Japan	127	45.1	44.7
United States	295	490.0	505.0

Source: International Institute for Strategic Studies, *The Military Balance 2006*, London: Routledge/IISS, 2006.

sume a formal exchange rate that in practice has been replaced by market rates since at least the mid-1990s. In 2006 the market rate for the *won* was conservatively 2,000 per US dollar – compared with the official exchange rate of 150. Taking this conservative market rate as the actual rate, DPRK per capita expenditure on its soldiers in 2006 was actually around US\$1 a year. This expenditure is not enough to make for a powerful army.

The incapacity of the North Korean army is an important reason why the DPRK tried to build a nuclear weapon. Its nuclear test in October 2006 demonstrated that it could use nuclear weapons as a deterrent and did not have to rely on decrepit military infrastructure and its poorly paid and malnourished armed forces. Relatively cheap investment in nuclear fission means that the DPRK would not have to find billions of dollars to support its hungry and economically unproductive army.

No serious military analyst anywhere in the world views the DPRK as an offensive military threat to its neighbours or to any other state. This is partly because of the weak military capacity of the DPRK and partly because of the lack of a military strategy that argues for either offensive attack against its neighbours or pre-emptive defence. However, the possession of one or more nuclear weapons does make the DPRK a more dangerous place and exacerbates regional security dilemmas – there is no democratic control over the nuclear programme; it is probably being managed in a highly inefficient and risky manner; and there are many incentives for freelance initiatives in terms of the potential for smuggling fissile material.

The DPRK has no links with global terrorism

Despite the DPRK's involvement historically in terrorist attacks against South Koreans (for example, the Rangoon bombing of South Korean

politicians in 1983, its alleged blowing up of a South Korean airliner in 1987 and its abduction of 13 Japanese civilians in the 1970s and early 1980s), it does not have any recent or current connections with global terrorism. Its dramatically improved relationship with South Korea since the June 2000 summit in Pyongyang (when North and South Korean leaders met for the first time since the end of the Korean war in 1953) and its dependence on the South for economic and humanitarian assistance are also likely to preclude such activities against the South. Similarly Kim Jong Il, the DPRK's head of state, has made an intensive effort to improve relations with Japan – resulting in two visits by former prime minister Koizumi to the DPRK, and agreements to return Japanese hijackers residing in Pyongyang since the 1970s along with their families, and to return Japanese abductees and their families. The DPRK's non-involvement in terrorist activities was acknowledged by the Clinton administration, which was in the process of taking the DPRK off its list of states that sponsor terrorism before it went out of office in 2001.

The real military threat from and to the DPRK

The military threat from the DPRK is that, if it were attacked (even in the form of a “surgical strike” or a “limited” bombing campaign against its nuclear or other facilities), it would retaliate militarily. Weak military capacity would not prevent retaliatory military action by the DPRK against South Korea, where some 30,000 US troops are stationed. Seoul, with its population of around 25 million, is only about 50 km from the Korean border.

It is the DPRK's mobilization capacity – not its military hardware – that could potentially cause devastation if war broke out on the peninsula. A determined march south by a mobilized North Korean population, even in the face of undoubtedly punishing bombing from US and South Korean forces, would result in human and economic catastrophe for South Korea. As the Rwandan genocide demonstrated, it is not necessary to possess sophisticated weapons to kill half a million people in two or three weeks. On the other hand, even the DPRK government does not know if a mobilized people and army would continue to fight if war broke out.

The population of North Korea is for the most part hungry and poor, and it blames the party and government officials, not the United States, for the country's economic crisis. Nor does it view South Korea as the enemy. Large sections of the population now know that, contrary to what they were told by their education system and their media, South Korea is a rich country and life chances are better in the South than in the

North. The North Korean population might decide that the nationalist Korean project that is the essential foundation of the “*Juche*” philosophy of self-reliance could easily be satisfied by integration with South Korea.

War is not therefore a policy option for the DPRK government. Rather than mobilizing the people, North Korean policy-makers know that military conflict might provide the catalyst to fatally undermine the current DPRK regime.

Hidden threats to regional security

Proliferation of nuclear technology does cause a threat to regional security and will need to be treated as a priority for international negotiators. Other, less recognized causes of tension in the region arise from serious but often ignored threats to regional security from the economic devastation faced by the North Korean population since the early 1990s and the actual and potential spillover into neighbouring countries of the negative and harmful aspects of the rapid growth of unregulated primitive capitalism in the DPRK since the 1990s. Human (in)security analysis can illuminate these hidden factors and by doing so challenge conventional analysis of what should constitute policy-makers’ only concerns in the DPRK.

National security issues also look different from the perspective of non-dominant discourses. From the perspective of Russia, China and South Korea, for instance, as subsequent chapters in this book indicate, one important fear is the risk to the region from any unilateral US action in Korea.

Markets and poverty

The economic crisis that hit the DPRK with the loss of concessionary markets, cheap oil and technology transfers from the ex-communist states with the end of the Cold War is well known.¹² What is less reported is the consequent marketization – without political liberalization – that has taken place in the DPRK since the early 1990s.¹³ After the food crisis of the 1990s, when nearly 1 million people died of starvation and malnutrition, the state was no longer able to deliver food or any other economic and social goods.¹⁴ The remaining 21 million people survived through recourse to the primitive market that developed to fill the economic allocation and distribution vacuum.

The DPRK is now a nation of small and large business people. The state no longer provides enough for any member of the population to survive without individual entrepreneurship. Yet, at the same time, the state has not moved to create a regulatory framework to shape the work-

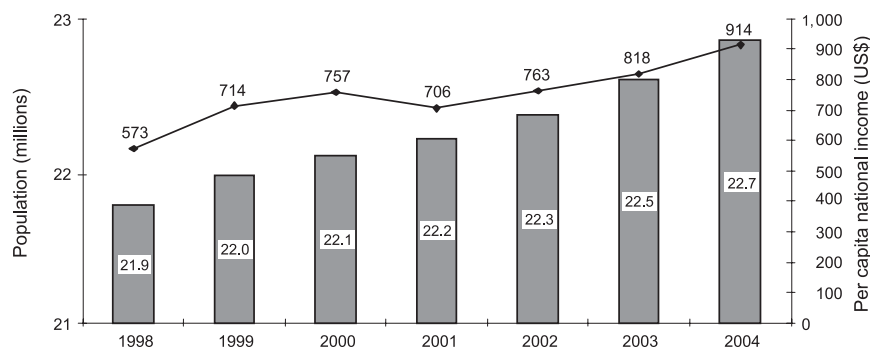


Figure 1.1 DPRK population and per capita national income, 1998–2004.

Source: Bank of Korea, reproduced in Korea Economic Institute, *North Korea's Economy: Economic Data*, Washington, DC, June 2006.

ings of this mass of private economic activity. Thus there is little distinction between what is legal and what is illegal, what is legitimate and what is illegitimate. Corruption in this climate is simply a judgement made in terms of personal ethics. Everything is permissible because the legal system does not recognize – except in the very broad and basic legislation provided by the July 2002 “economic reform” – that the foundations of the economic structure have been transformed.

Much of the population lives in poverty, which is visible nationwide, in Pyongyang and the provinces; in urban and rural areas; in the mountains and in the farming localities. Figure 1.1 shows that annual per capita income has been at poverty levels for a least a decade. In qualitative terms this means that a child growing to adulthood in today's DPRK will have had a lifetime's experience of food shortages; intermittent hunger; inadequate medical and health care; little access to effective medicines when sick; irregular electricity and water supplies; bitter cold winters without adequate clothing or heating; half-time education because the (mainly women) teachers take frequent absences from work to look for food for their families; inadequate educational materials; and little hope from the experiences of their families and friends that much will change when they enter the workforce.

The demographic statistics listed in Table 1.2 give another crude indicator of growing endemic poverty in the DPRK. According to these Unicef figures, which are likely to be underestimated given that they must be agreed with the government before they can be published, the crude death rate – the annual number of deaths per 1,000 people – increased from 8 in 1990 to 11 in 2004. During the same period the crude birth rate – the annual number of live births per 1,000 of the population –

Table 1.2 DPRK demographic indicators

Population annual growth rate, 1970–1990 (%)	1.6
Population annual growth rate, 1990–2004 (%)	0.9
Crude death rate, 1970	9
Crude death rate, 1990	8
Crude death rate, 2004	11
Crude birth rate, 1970	33
Crude birth rate, 1990	21
Crude birth rate, 2004	16
Life expectancy, 1970	61
Life expectancy, 1990	65
Life expectancy, 2004	63
Total fertility rate, 2004 (%)	2
% of population urbanized, 2004	61
Average annual growth rate of urban population, 1970–1990 (%)	1.9
Average annual growth rate of urban population, 1990–2004 (%)	1.3

Source: Unicef website, <http://www.unicef.org/infobycountry/korea_statistics.html> (accessed 8 February 2007).

decreased from 21 to 16. The birth rate did not decrease for the same reasons as in rich countries, when women can choose more easily whether or not to have children. It decreased because women's health had, nationwide, deteriorated to the extent that they could not bring a pregnancy successfully to term and also because women were choosing not to have children because they did not have the means to care for them.

Inequality

Soaring inflation, high unemployment and underemployment, and continuing food and goods shortages mean that those social groups and individuals without access to the benefits of the market remain food insecure whereas those who can take advantage of the new economy are visibly better off. The nouveau riche are not super-rich as for instance are the nouveau riche of the transition countries of Eastern Europe. They do not have access to large amounts of money but they can afford good food, maybe a second-hand Japanese car, a bicycle, a DVD player, medicines and to visit restaurants. Their significance is that they continue to live in the same apartment blocks as their poorer neighbours and they are ostentatiously better off than most.

This visible inequality based on differential access to consumption goods is something new. The old upper class of the Kim family and their cohorts never engaged in conspicuous consumption and preferred to guard their wealth and privacy behind the closed walls of secluded villas.

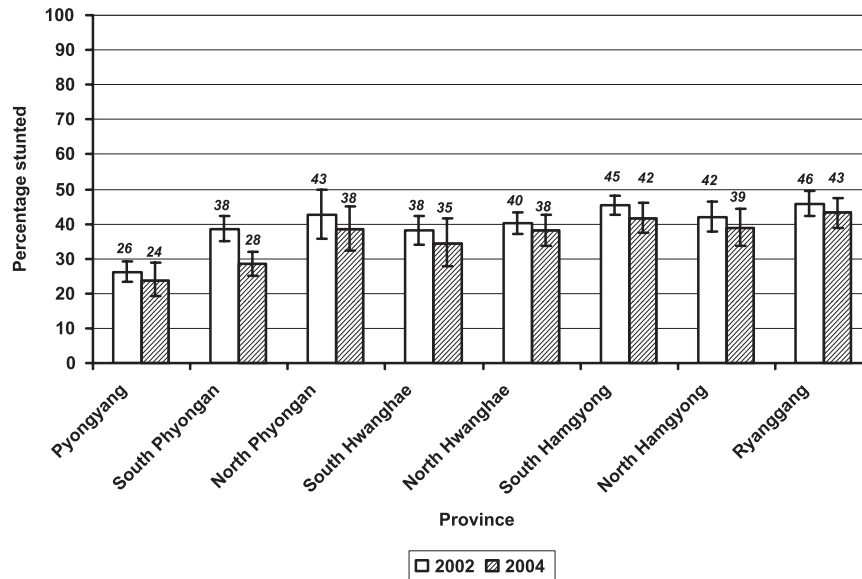


Figure 1.2 The prevalence of stunting (low height-for-age) for children under 72 months in DPRK Nutrition Assessments of 2002 and 2004.

Source: Figures derived from DPRK Central Bureau of Statistics and Institute of Child Nutrition, “DPRK 2004 Nutrition Assessment: Report of Survey Results”, Pyongyang, mimeo, 2005.

In the old system, senior and mid-level officials might be better off economically than their neighbours and have higher status but they did not in the main have access to significantly different goods because the DPRK did not produce quality consumption goods and it was extremely difficult and politically dangerous to possess goods from abroad.

Inequalities are also visible in food accessibility across geographical regions. Figure 1.2 gives data from the 2004 nutrition survey on stunting among children under 6 years of age. The figure shows that, although children’s nutritional status improved in every province between 2002 and 2004, children from Pyongyang were substantially better off than children from the mountainous provinces of the north-east, home to the country’s densely populated and economically devastated industrial and mining towns.

A contrast can be made between parents’ ambitions for their children before and since the economic crisis of the 1990s. In twentieth-century DPRK, parents wanted their children to join the army or to gain a good party job because this was the way to secure income, assets and privileges. In today’s DPRK, parents want their children to avoid the military,

the security forces and the party. This is because most of the hundreds of thousands of middle- and lower-ranked bureaucrats struggle to feed their families and live in poverty. Instead, parents want to save a little capital to start small family businesses – and aspire to emulate the successes of the traders who have made money from the new market economy and whose nouveau riche lifestyle is ostentatiously visible throughout the country.

Cross-border illegality and petty criminality

One consequence of the DPRK's human security crisis is, as one North Korean residing in China told me in March 2005, that "the rich are getting richer and the poor are getting poorer". The social safety-net cherished under the Kim Il Sung development project has all but disappeared. Inequality and absolute poverty serve to keep the threat of starvation acute for probably the majority of North Koreans and propel various kinds of cross-border illegality: economic migration to China, trafficking in women, armed robbery and night-time theft, and smuggling.

The 30,000 or so North Koreans residing illegally in China are generally pushed into illegal migration by economic motives. Their actions are criminalized by both China and the DPRK, however, and they risk severe punishment on their return to the DPRK if they are considered to have been colluding with South Koreans and/or Christians in Yanbian, the border region that is home to China's Korean minority.¹⁵ Both groups are viewed by the North Korean authorities not as humanitarians, but as provocateurs whose major aim is to overturn the North Korean regime. Economic entrepreneurs make money out of trafficking girls and women as brides and prostitutes in north-east China – where single women are in short supply and where Chinese women are increasingly reluctant to enter into the hardships involved in rural living. So far, mainly small-scale cross-border operators have been responsible for the trafficking. Family, friends and local connections arrange the traffic – sometimes with the connivance of the women. One North Korean woman who had introduced another to a Chinese man told me in Yanbian in 2005 that "of course this is an insult to the woman and to the country [North Korea]. But it is better than living without food to eat."

Another consequence of the country's continuing inability to feed its people and provide meaningful economic opportunities for its population is the general rise in crime in the country and especially in the border area with China and Russia, which is particularly important for regional stability. Crime ranges from the nightly forays into China of North Koreans living near the border to steal food and supplies to the more sinister development of armed robberies on the Chinese side of the border.

North Korean soldiers, for instance, robbed a bank in the border town of Tumen in north-east China in 2004 and were caught by the Chinese police after they used the proceeds to buy and consume alcohol in China instead of immediately returning to the DPRK. Violent crime and property theft are carried out by small-scale operators and have not yet been linked to organized crime. However, their prevalence is causing concern among local Chinese authorities, because they have caused a sharp increase in personal insecurity for local Chinese and Chinese Koreans.

Finally, the DPRK's human security crisis and lack of internal regulation have generated widespread smuggling across the Chinese–North Korean border. Lumber is sold into China along with herbs and mushrooms. Smuggling is almost institutionalized, with North Korean local authorities and businesses as well as individuals routinely carrying out cross-border trade in ways that aim to avoid Chinese and North Korean taxation.

People-smuggling

Transnational organized criminal gangs have taken advantage of the DPRK's human security crisis in that it is Chinese “snakeheads” or people smugglers who transport North Koreans from China to Seoul. This is a market-generated activity where the snakeheads, who have the resources and contacts to make transnational operations between two and more countries possible, exchange their services with North Koreans who agree to pay a large part of the resettlement allowance they receive from the South Korean government once they are successfully located in Seoul. Incidentally there are clear gender dimensions to this transnational criminal market. The snakeheads prefer female clients because they consider that women are more likely to pay back the debt accrued. This may be the reason disproportionate numbers of women are turning up in Seoul among the latest waves of North Koreans who have actually reached South Korea.

The regional effects of technical meltdown

The lack of internal regulatory capacity in the DPRK is not confined to economic legislation. The DPRK has no systematic technical arrangements for what is known in engineering parlance as “quality assurance” in any of its industrial or energy sectors. The major train crash in the DPRK in February 2004 that killed dozens of schoolchildren was owing as much to the DPRK's inability to implement regularized safety procedures as to individual human error. This lack of capacity permeates all sectors. Its prevalence means that a nuclear accident is more likely than

not given the recent resuscitation of the DPRK's nuclear reactors.¹⁶ The effects of a nuclear accident could not be confined to the DPRK: South Korea, China, Russia and Japan would suffer the consequences. A nuclear accident is a much more likely cause of a regional nuclear crisis than the launch of a nuclear weapon.

The fear of US unilateralism

A major unspoken worry of all governments in the region is the reluctance of the United States to commit itself to achieving a diplomatic solution to the regional security crisis and the consequent fear of unilateral US military intervention in the DPRK. The governments of the region were not encouraged by the US decision at the Six-Party Talks to read prepared statements and its failure to use the opportunities for informal discussions with the North Koreans on the margins of the formal meetings. In other words, they were dismayed by the unwillingness of the United States to use the normal mechanisms of diplomacy whose very aim is to achieve agreement by way of compromise and trade-offs between conflicting parties that by definition do not share interests and values.

All the region's states fear military intervention by the United States on the peninsula. South Korea fears the annihilation of Seoul and the crippling of its economy, not to speak of the killing, maiming and devastation that would be suffered by millions of Koreans. China does not want a war on its borders – especially when it is making such profound efforts to develop its north-eastern provinces that border Korea. Neither China nor Russia relishes the prospect of being drawn into a hot conflict with the United States. Public opinion in both countries would be outraged if the United States even attempted a limited “surgical strike” against the North Koreans. Both countries have friendship treaties with the DPRK, and China is still formally committed to some form of active support of the DPRK in times of war. Even Japan, whose alliance with the United States forms the foundation of its foreign policy and its existence as a democratic state, has given strong signals to the United States that it prefers conflict resolution through negotiation, not confrontation.

The regional response

The DPRK's neighbours have been so concerned about the high-profile nuclear crisis and the consequent fear of US unilateralism that they have underestimated human insecurities as a cause of potential threats to re-

gional stability. Only China and to some extent South Korea have taken these new security threats seriously. China's approach has been to punish those caught engaged in criminality, as well as to step up its internal security surveillance procedures in order to try to identify North Koreans residing in China without papers. Once identified, they are sent back to the DPRK. Publicly, China has refused to cooperate with the United Nations High Commissioner for Refugees in setting up screening mechanisms to distinguish refugees from economic migrants. Instead it has insisted on a bilateral approach with North Korea and has reiterated its official position that all North Koreans in China are economic migrants.

Concurrent with the official harsh approach, China has also taken a more flexible approach to North Koreans seeking support in China. Despite the fact that it has deployed some 100,000 troops to the border area, it has not militarized the still porous and open 1,000 mile border. There are no fences, barbed wire, military emplacements or demarcation lines, except for the river that separates the two countries. This means that in practice China tolerates North Koreans coming over the border at night to obtain food from relatives or other sources. It has facilitated the transport to Seoul of North Koreans who invaded foreign embassies and consulates in Beijing and Shenyang. It has also discussed with non-governmental organizations how to regularize the status of the estimated 5,000 children born to mixed marriages between non-authorized resident North Koreans and Chinese citizens.

On the whole, however, regional actors have not taken seriously the potential threats to regional stability from the continuing structural impetus to growth in cross-border illegality and criminality arising from the DPRK human security crisis. Regional actors have not seriously addressed the potential consolidation of transnational criminal networks in the border areas of China, Russia and the DPRK. These subjects remain off the security agenda – partly because of the very fact that they contradict the established discourse, which is that North Korea is the cause of all the region's troubles.

The "common knowledge" security paradigms that argue for the fearsome nature of the North Korean military are so strong and strengthened by every kind of cultural and ideological reinforcement that it becomes almost impossible to "see" data that do not fit pre-existing perceptions. And, in many cases, keeping some subjects off the public agenda serves domestic political interests. For example, it is far easier to persuade the Japanese public to support changes in Japan's constitution to allow a more active role for Japanese military forces if the enemy can be shown as demented, irrational, nearby and of imminent threat. It would be much harder to justify such changes as part of conformity to the reformu-

lated Japanese–US strategic alliance, which requires more proactive participation from Japan in regional and global military activities.

Regional cooperation as policy solution

The conventional approach to regional security analysis argues that there is little commonality between the five major Northeast Asian states such as to build a regional security coordination mechanism. In fact, there are a number of ways in which Northeast Asians are economically and politically more institutionally bound together than ever before. Rapid Chinese economic growth provides the meshing factor – with Japan, South Korea and Russia looking for and obtaining trade, markets and investment relationships with China so as to boost their own economic fortunes. The “ASEAN plus 3” formula has brought Japan, China and South Korea together in a multilateral forum and all participants in the Six-Party Talks are members of the ASEAN Regional Forum (ARF).¹⁷ Five of the six – not including North Korea – are members of the Asia-Pacific Economic Cooperation (APEC) Forum. In addition, the talks themselves provide potential avenues of cooperation between the six parties and the possibility of building more institutionalized cooperation mechanisms in the future.

By misconceiving nascent regional cooperation, the conventional wisdom rules out consideration of what could be innovative but pragmatic solutions to the region’s security crisis. Multisectoral security problems require fine-tuned analysis. Such solutions also provide the possibility for trade-offs and bargaining across sectors and countries, such as to provide multilateral solutions to the multifaceted security dilemma of Northeast Asia today. The decision of the Six-Party Talks to convene working groups, for instance, could have provided an acceptable forum to all parties to discuss the controversial issues of not just nuclear weapons and missiles, but human rights and humanitarian issues as well as economic and development matters.

It would not be very difficult to envisage a process akin to the Helsinki “basket” diplomacy where security, economics and human rights issues were negotiated by the Cold War adversaries but progress in each was not directly linked to simultaneous progress in all. Thus incremental negotiations provided confidence-building exercises in themselves as well as substantive positive outcomes at the end of the process. An analogous approach is feasible for Northeast Asia by way of an extension of the Six-Party Talks. It will, however, require a rejection of unicausal analysis and the conventional wisdom, and an adoption of security analysis that

accepts the multidimensional nature of security threats in Northeast Asia and the subsequent possibilities of multilateral and multisectoral solutions.

Old and new security analyses

Facing the myths and realities of Northeast Asia's security dilemmas would bring advantages to policy-makers. The insecurity facing the North Korean government and its consequent decision to advertise possession of a nuclear deterrent (whether based on a fully functioning or partially functioning weapons capacity is almost irrelevant in this context) provide part of the security puzzle of Northeast Asia. Élite discourse, however, needs to recognize that focusing on the alleged military threat from North Korea to the exclusion of all other factors postpones the resolution of real security threats to regional stability and downplays other potentially dangerous conflicts between states and peoples in the region. Historical antagonisms are not disappearing and, because they have little purchase in inter-élite political discussion and are not the focus of many official attempts at conflict resolution, they are in many ways worsening.

Old security analysis masks the serious but multidimensional nature of North Korea's national security problems. Real security threats derive not from the DPRK as a military threat but from generalized human insecurities generated by the breakdown of economic structures within the DPRK and the resulting transborder spillover effects. Innovative security analysis should identify these new features of the regional socio-economic and political landscape in order to help policy-makers build common, more cooperative futures.

The contribution of this book

The contributors to this book identify the multifaceted and interrelated nature of the Korean security crises. The paradox is that progress on improving military security cannot be made without progress in economic and food security for the DPRK. This is because, as the contributors show, the top priority for the DPRK government is regime survival and that survival cannot be guaranteed by military means. Unless and until the DPRK government secures the means to rebuild its economy, and at the same time considers itself secure from external attack, it will continue to follow an isolationist policy that cannot deliver human security for its people or regional security for its neighbours. The task for policy-makers is to unravel this conundrum. The contributors show how that can be

done, offering well-informed analysis from established experts in the field and suggestions of how to break the policy impasse towards Korea.

The contributors were asked to take old and new security threats seriously but also to consider the policy ramifications of a reconstituted Korean security analysis so as to offer guidance for global policy-makers. Given the unresolved security crises on the peninsula and the day to day misery faced by many North Koreans, that task is manifestly still necessary.

Notes

1. This book is based on a 10-year research project that has resulted in a series of scholarly publications as well as a series of policy analyses for international organizations and specialist journals such as *Jane's Intelligence Monthly*. Those readers interested in following up sources and literature are recommended to peruse the extensive bibliography and detailed footnotes in Hazel Smith, *Hungry for Peace: International Security. Humanitarian Assistance and Social Change in North Korea*, Washington DC: USIP Press, 2005. Those interested in particular aspects of the issues mentioned here may wish to follow up detailed argumentation in my various publications listed in the bibliography to this book. Some of the specific argumentation for this chapter was first developed in Hazel Smith, "North East Asia's Regional Security Secrets: Re-envisioning the Korean Crisis", *Disarmament Forum*, No. 2, Geneva: United Nations Institute for Disarmament Research, 2005, pp. 45–54; translated into French as "Les Secrets de la sécurité régionale en Asie du Nord-Est", *Forum du désarmement*, No. 2, Geneva: United Nations Institute for Disarmament Research, 2005, pp. 47–56.
2. The focus of this chapter is on how the shaping of the security debate has been detrimental to policy analysis and policy choices on Korean security. Readers who wish to delve further into the theoretical alternatives shaping conventional security approaches should consult the useful Harald Müller, "Security Cooperation", in Walter Carlsnaes, Thomas Risse and Beth A. Simmons (eds), *Handbook of International Relations*, London: Sage, 2005.
3. Hans Morgenthau, *Politics among Nations: The Struggle for Power and Peace*, 6th edn, New York: Alfred Knopf, 1985; Kenneth Waltz, *Theory of International Politics*, New York: Random House, 1979.
4. For an overview of human security analysis, see Edward Newman, "Human Security and Constructivism", *International Studies Perspectives*, Vol. 2, No. 3, August 2001.
5. See United Nations Development Programme, "An Agenda for the Social Summit", in *Human Development Report 1994*, Oxford: Oxford University Press, 1994; available at <http://hdr.undp.org/reports/global/1994/en/> (accessed 29 January 2007).
6. Books shaped by this perspective include serious scholarly work, policy analysis and the polemical. Examples of the first include Victor D. Cha and David C. Kang, *Nuclear North Korea: A Debate on Engagement Strategies*, New York: Columbia University Press, 2003; Michael J. Mazarr, *North Korea and the Bomb*, London: Macmillan, 1995; Marcus Noland, *Avoiding the Apocalypse – The Future of the Two Koreas*, Washington DC: Institute for International Economics, June 2000; and United Nations, "DPR Korea Common Country Assessment 2002", Pyongyang, mimeo, February 2003. Examples of the second include Michael O'Hanlon and Mike Mochizuki, *Crisis on the Korean Peninsula: How to Deal with a Nuclear North Korea*, New York: McGraw-Hill, 2003; and

- Scott Snyder, *Negotiating on the Edge: North Korean Negotiating Behavior*, Washington DC: United States Institute of Peace, 1999. Examples of the last include Jasper Becker, *Rogue Regime: Kim Jong Il and the Looming Threat of North Korea*, Oxford: Oxford University Press, 2005, and the rather hysterical Gordon Chang, *Nuclear Showdown: North Korea Takes on the World*, London: Random House, 2006.
7. For discussion, see Hazel Smith, "Bad, Mad, Sad or Rational Actor: Why the 'Securitization' Paradigm Makes for Poor Policy Analysis of North Korea", *International Affairs*, Vol. 76, No. 1, January 2000, pp. 111–132.
 8. For a critique, see Chapter 1 of Hazel Smith, *Hungry for Peace*.
 9. For discussion see Kyu-ryoon Kim, *Regional Cooperation in Asia: Suggestions for Future Development*, KINU report PA 06-12, Seoul: Korea Institute for National Unification, 2006, available at <http://www.kinu.or.kr/eng/>.
 10. See Chapter 12.
 11. Hazel Smith, "Intelligence Matters: Improving Intelligence on North Korea", *Jane's Intelligence Review*, April 2004, pp. 48–51.
 12. Humanitarian and Development Working Group, "DPR Korean Economic Reforms", 6 August 2002, available at <http://www.cankor.ca/issues/95.htm#1> (accessed 29 January 2007).
 13. Hazel Smith, "La Corée du Nord vers l'économie de marché: Faux et vrais dilemmes", *Critique Internationale* (Paris), April 2002, pp. 6–14.
 14. The most useful and thorough analysis of the famine of the 1990s and the chronic food shortages that have beset the DPRK throughout its history is Suk Lee, "Food Shortages and Economic Institutions in the Democratic People's Republic of Korea", unpublished PhD thesis, Department of Economics, University of Warwick, UK, January 2003.
 15. Hazel Smith, "Asymmetric Nuisance Value: The Border in China–Democratic People's Republic of Korea Relations", in Timothy Hildebrandt (ed.), *Uneasy Allies: Fifty Years of China–North Korea Relations*, Washington DC: Woodrow Wilson Center Asia Program Special Report, September 2003, pp. 18–25; Hazel Smith, "Brownback's Bill Will Not Help North Koreans", *Jane's Intelligence Review*, February 2004, pp. 42–45; Hazel Smith, "North Koreans in China: Defining the Problems and Offering Some Solutions", in Tsuneo Akaha and Anna Vassilieva (eds), *Crossing National Borders: Human Migration Issues in Northeast Asia*, Tokyo: United Nations University Press, 2005, pp. 165–190; Hazel Smith, "North Korean Migrants Pose Long-Term Challenge for China", *Jane's Intelligence Review*, June 2005, pp. 32–35.
 16. For detail, see Hazel Smith, "North Korean Nuclear Plant Poses Threat of Meltdown in North Korea", *Jane's Intelligence Review*, October 2005, pp. 24–27.
 17. See Chapter 12 for detail.

2

Creating Korean insecurity: The US role

Bruce Cumings

Reconstituting Korean security involves rethinking the fundamentals of the US position in Korea going back to the end of the Second World War, and that rethinking in turn requires a comprehension of what those fundamentals are – but, for most purposes and for many reputable experts, they are often poorly understood. Yet these fundamentals not only explain much about contemporary issues on the peninsula, such as the North Korean nuclear programme, but provide a framework, a set of limits, within which leaders of both Koreas and every US administration must work, however much they may dislike them. I shall draw on post-war history to make 10 basic points about the confrontation in Korea. I shall then examine the one attempt since the Korean war to completely rethink Korean security, which happened in the late 1990s, and discuss the extraordinary dangers to Korea presented by the pre-emptive doctrines of George W. Bush. I conclude with some reflections on how an informed and sustained diplomacy might still provide solutions and benefits for international and human security in Korea.

US and Korean security in the light of history

The history of US–Korean relations is really the most important thing we need to know in figuring out the United States’ difficulties with the Democratic People’s Republic of Korea (DPRK, or North Korea), North–South relations (or the lack of them), and how the United States might

*Reconstituting Korean security: A policy primer, Smith (ed),
United Nations University Press, 2007, ISBN 978-92-808-1144-5*

contribute to Korean reconciliation and reunification and to solving issues of human security.¹

North Korean leaders are close students of this history, because they have to be; indeed, their behaviour since the end of the Cold War presents a textbook case of how an enemy who knows a particular history in its bones would act and react. A corollary is that the North Koreans know little about US policy and US politics, seeing what they see only on the distant receiving end. Likewise, most US leaders have next to no knowledge of North Korea, but, much more damaging, they usually have had little understanding of the US role in Korea going back to the end of the Second World War and the profound responsibility that the United States bears for Korea's division, the coming of the Korean war, the failure since 1953 to end that war, the nuclear confrontation, and the kind of country that we witness across the Demilitarized Zone.

So let me survey in 10 brief points what I take to be the most important historical lessons of US involvement with Korea since 1945 (with most of these lessons coming from the declassified record of US diplomacy):²

- (1) The United States bears the major responsibility for the division of Korea at the 38th parallel in 1945, because it took this decision unilaterally in mid-August 1945 without consulting any of its wartime allies (and of course no Koreans), and then proceeded to set up a full military occupation – something that the State Department had been planning for since 1943. The Soviet Union accepted this division in 1945 and fashioned a communist regime in the North. However, it pulled its troops out in December 1948 and never had the long-term interest in North Korea that it had in various satellite regimes in Eastern Europe.
- (2) The United States had a much greater stake in Korea than did the Soviet Union, because it saw South Korea as the front-line of Japanese defence, and because the government of the Republic of Korea (ROK) that emerged in 1948 after three years of US military government was more a US creation than any post-war government in East or Southeast Asia. The United States created this longstanding stake in the security of the ROK as a pro-US state in the famous “fifteen weeks” in 1947, when the Cold War containment doctrine and the Marshall Plan came to fruition. US President Harry Truman and Under-Secretary of State Dean Acheson saw the ROK in the same light as Greece and Turkey, and dispatched a military advisory group and Marshall Plan-type aid in 1948. The rationale for this commitment was the “reverse course” in Japan, which established Japan once again as a regional industrial power but one shorn of its previous military and political clout. Here Washington deployed a subtle containment strategy, keeping communism out of

Japan but also constraining this just-defeated enemy from developing strong military forces of its own. To this day Japan remains a semi-sovereign state; it is the second leading economy in the world but lacks the commensurate military and political power.

National Security Council (NSC) document 48, signed by Truman at the end of 1949, not only brought containment to East Asia but sought to bring Japanese economic influence back into its former colonial economies and dependencies (the ROK, Taiwan, Southeast Asia). Because Congress refused to fund the US\$600 million bill that would have put the ROK on a par with Greece and Turkey, however, the commitment had to remain secret. Nonetheless, Dean Acheson told a Senate committee in secret testimony in 1947 that the United States had drawn the line in Korea, and this commitment governed the Truman/Acheson decision to come to the defence of the ROK in 1950.

- (3) Because of the revolutionary challenge presented by the new North Korean government and the volatility of the Syngman Rhee government with its frequent threats to march against the North, Acheson fashioned a civil war deterrent: the United States would contain the North and constrain the South. This is the essence of what he meant to say in his famous “Press Club” speech in January 1950 that appeared to leave the ROK out of the US defence perimeter; Acheson was trying to keep both Kim Il Sung and Syngman Rhee off balance.³ Washington has not departed from that civil war deterrent to this day, and it is the primary reason for the continued presence of US troops in Korea – US leaders do not trust the Koreans to be alone together. Nor have they departed from a subtle containment strategy vis-à-vis Japan, where tens of thousands of US troops remain.
- (4) The Korean war erupted in June 1950. Within days Truman committed US combat forces and, after the successful amphibious landing at Inchon in September 1950, the United States decided to march into the North to overthrow the communist regime. That brought Chinese forces into the war, pushing US forces out of the North and creating a stalemate by the spring of 1951 that became the basis for ending the war in 1953. The undulating line of the Demilitarized Zone (DMZ) marks where the fighting stopped. The Truman/Acheson war for containment in the summer of 1950 to protect South Korea was a success, but the Truman/Acheson/MacArthur war for “roll-back” (in the terms of the operative document, NSC 81, in September 1950) got the United States into a war with China, and that debacle took any serious effort at the “liberation” of established communist regimes off the table until the end of

the Cold War. This bipartisan consensus on containment, laid down in the winter of 1950 primarily by Acheson and John Foster Dulles (subsequently President Dwight Eisenhower's Secretary of State), later structured the Viet Nam war, making President Lyndon Johnson fear the military (and domestic) political repercussions of invading North Viet Nam. Meanwhile, the occupation of nearly all of its territory was the worst trial-by-fire that North Korea ever experienced, and would govern its reaction to any contemporary attempt at "regime change". The Korean war "demolished the Truman administration", in the words of Dean Acheson, making it impossible for Harry Truman to stand for election in 1952.

- (5) To stabilize the Korean civil war, amid frequently voiced fears that the North or the South would start the war up again, Dulles reluctantly decided in 1957 to introduce nuclear weapons into the Korean peninsula (he was reluctant because the decision broke article 13D of the armistice agreement).⁴ The United States was thus the first country to introduce nuclear weapons to the peninsula, and they remained in Korea until the end of 1991, when President George H.W. Bush removed them – because it would be impossible to pressure Pyongyang over its Yongbyon nuclear reactor while maintaining such weapons in the South, and because the Army came to see battlefield or tactical nuclear weapons as obsolescent, given the availability of precision-targeted, high-yield conventional weapons. Nonetheless, the standard operating procedures of US war plans since 1958 have called for the early use of nuclear weapons in any new Korean war, and this is a critical reason for the forward stationing of so many North Korean divisions (so they can get into the South and "mingle" before nuclear weapons are used).
- (6) Pyongyang's desire to eliminate or counter that nuclear threat has been palpable since the 1950s, and this threat gave it rights of self-defence under the Treaty on the Non-Proliferation of Nuclear Weapons and international law more generally.⁵ North Korea has argued since 1991 that it is merely engaged in nuclear deterrence, that is, the classic argument that, once both sides have nuclear weapons, the resulting Mexican standoff negates the possibility of use.
- (7) The United States spies on North Korea with every technical means available to it, because it lacks effective human intelligence ("hum-int") inside the North, and the North responds by putting its facilities underground and engaging in elaborate shell games – such as the flurry of reports in the spring of 2005 that it was preparing to test a nuclear weapon. The United States began aerial and electronic surveillance of North Korea before the Korean war began,

and has maintained an ever more intensive surveillance regime ever since; one can therefore assume that anything that can be seen above ground (such as the famous Yongbyon “waste site” where the North put its plutonium residues) is meant to be seen. The Japanese began vast underground military installations in Korea in the later stages of the Second World War, and the North Koreans put nearly everything underground (schools, hospitals, factories, airplane hangars) between 1950 and 1953 because of US control of the air during the war. They have built underground ever since, with an estimated 15,000 underground installations of security interest; the US commander in the South estimated in 1999 that nearly all military facilities in the North were underground. This is a rational response to a condition that former US Defense Secretary William Perry once referred to at the beginning of the era of “smart” weapons: given precision targeting, “anything that can be seen is lost”.

- (8) North Korea privileges one value over all others – the doctrine of the sovereign equality of all nations. When they say “sovereignty is life” and its absence is death, they express the decision rules of the only communist country ever to be occupied by a US army – but it survived. Thus it is foolish to expect that the regime will collapse; this regime may go down but, in its present configuration and at any point since 1948, it will go down fighting.
- (9) The United States has committed itself to Korean unification only once, in July and August 1950 in preparation for the march to the Yalu; otherwise it has shown little interest in ending the Korean division, before or after the war. Until 1998 no South Korean government had any serious interest in unification, if that meant a prior reconciliation with North Korea and some sort of prolonged autonomy for the northern leadership within a Korean nation. Unification by “overcoming communism” was the preferred strategy of all previous governments. The North Korean government has made unification the cornerstone of its policy toward the South since 1948, but until the 1990s it never contemplated a unification in which the southern leadership would still hold power and the capitalist economy would remain – much lip-service to the contrary notwithstanding. Since the end of the Cold War, though, it has had to acknowledge, in effect, that any likely reunification would place the dominant South first – and thus it desires (if secretly) continued separation.
- (10) The only serious change since the Korean war in US and South Korean strategy toward the North came in the 1990s, highlighted by the 1994 agreement that froze the North’s nuclear complex for eight years and the engagement or “Sunshine” policy of ROK President

Kim Dae Jung (1998–2003). The 1994 accord represented the first time since the Korean war that give-and-take diplomacy had solved any serious problem in Korea. Kim Dae Jung sought a long period of peaceful coexistence with the North, during which a general reconciliation could occur, prompted and stimulated by increasing economic ties between the two Koreas. He predicated this strategy, often derided as naive and idealistic, on two *realpolitik* principles: first, the North was unlikely to collapse, and therefore had to be dealt with as it is; second, the North had made clear that it would not oppose the continued stationing of US troops in the South *if* the United States were to normalize relations with Pyongyang. The Clinton administration came to accept a similar strategy in 1999–2000. (The only serious change in North Korea's strategic position since the war came in 1991–1992, and it was a dramatic one: the Soviet Union collapsed and China normalized relations with Seoul; Pyongyang thus lost its major power backing and has since been unable to trust Beijing or Moscow to come to its aid in the event of war. This precarious position has also, of course, biased the North toward a nuclear option.)

With these clipped outline points as background, I would like to treat four questions: what has made the unification policies of the DPRK and the ROK different since 1998; what changes did this help induce in US policy; what are the lingering constraints of history; and what should the United States do finally to realize a unified Korean peninsula?

Diplomacy matters, and diplomacy works

Long before the June 2000 summit, when the two Korean heads of state shook hands for the first time since 1945, hopes of reconciliation in Korea had been raised by the two sides before, only to be dashed. I remember vividly the atmosphere of joy and high expectations in Seoul on 4 July 1972, when the ROK and the DPRK jointly published several principles for reunification. Within a few months, however, not only had a full Cold War confrontation reappeared but ROK President Park Chung Hee (1961–1979) had declared martial law and made himself president for life. More joint principles on reconciliation and reunification were issued in late 1991, hardly any of them honoured by either side, and in June 1994 Kim Il Sung proposed a first-ever summit with his southern counterpart – and then died two weeks later. The presumably “epochal” principles from the 1972 and 1991 meetings were as fleeting as the proposed summits. So, what made the difference since 1998?

The main difference lies in several years of diplomacy that prepared the ground for success, through dramatic changes in South Korean and

US policy, through a steady Chinese policy of equidistance and trying to bring North Korea into diplomatic interaction with its enemies, and through compromises by the North that belie its obstinate, nasty image. A three-year crisis over the North's nuclear programme nearly led to war in June 1994, but energetic diplomacy got the North's nuclear complex frozen with the October Agreed Framework in 1994 – and it remained frozen until 2002, locked, sealed and under constant video surveillance, with United Nations inspectors on the ground; 8,000 plutonium fuel rods that the North removed from its reactor in 1994 were immobilized in concrete casks. In 1997 the North agreed to “four-power talks” (the United States, China, both Koreas) to replace the continuing technical state of war, while quietly dropping its previous refusal to deal with a South that never signed the 1953 armistice. Those talks, now lapsed, were very important because their stated goal was to bring a final end to the Korean conflict through a peace settlement. A hullabaloo in 1998–1999 over a huge underground installation said to harbour nuclear facilities ended with the North yielding to unprecedented US inspections of this site and other security facilities. There were many other positive steps in the mid- and late 1990s.

At the end of August 1998 the North launched a rocket that entered the stratosphere over the northern tip of Japan's Honshu Island, in a failed attempt to put a satellite in orbit to herald the fiftieth anniversary of the DPRK on 9 September 1998. This event was widely (and easily) construed as a massive new threat of long-range missiles from the North, a threat perceived as uncomfortably genuine by wide sectors of the Japanese population, but a heaven-sent gift to US advocates of National Missile Defense. In the United States, another “North Korean crisis” occupied the media for many months, generating much more heat than it did light about the realities of North Korean missiles.⁶

From the inception of the regime, the North has always enjoyed fostering a fearsome image, but its missiles, like its Yongbyon nuclear reactor, were mainly useful as bargaining chips with the United States. The provocative missile launch was followed by a major agreement with Washington in September 1999 to halt missile tests in return for a slow and partial lifting of the 50-year-old US economic embargo on the North and a US turn toward an engagement policy. Then the North came close to selling its entire missile programme to the United States, as we will see.

The year 2000 was one of great hope for peace and reconciliation in Korea until its very end. The new millennium heralded a major turning point in North Korean foreign policy; in January 2000 Pyongyang began a diplomatic offensive, opening relations with Italy, Germany, the United Kingdom, the Philippines and Canada, and it has held discussions about doing the same with France, Japan and, of course, Washington. A first-ever high-level North Korean delegation arrived at the ASEAN meetings

in July 2000, where US Secretary of State Madeleine Albright met the North Korean foreign minister for the first time. It seems clear that Kim Jong Il intended to greet the new century with a diplomatic posture very different from his father's in the previous century. When the Clinton administration finally got around to lifting parts of the embargo in mid-June 2000, just ahead of the summit, the North reaffirmed its commitment to a moratorium on missile tests. It was Kim Dae Jung, however, who really led the process of reconciliation.

Kim Dae Jung's "Sunshine" diplomacy

After he came into office, President Kim did more to change policy toward the North than any previous South Korean or US president, in spite of Seoul facing a far greater immediate threat than anyone else. His patient and persistent "Sunshine policy" grew out of his long-term study of the North-South problem and his experience as a leader whose adult lifetime spans the entire existence of the national division and both Korean states. When Kim Dae Jung finally won election in December 1997, the significance of his victory was simply this: he could never have been elected during the Cold War; security agencies in Korea would have prevented it. But in a different era, he and his supporters organized the first genuine democratic transition to the opposition since the ROK was founded. This elemental fact and the new orientation toward the North speak volumes to the benefits that democracy has brought to the South, and will someday bring to the North. His protégé and successor, President Roh Moo Hyun, remained committed to this engagement policy and, unlike Kim Dae Jung, won a dominant position in Korean politics in the spring of 2004 by virtue of his ruling party gaining a majority in the National Assembly. Given the nature of the ROK's single five-year-term political system, President Roh is guaranteed a strong position until his tenure comes to an end in February 2008.

At his inauguration in February 1998 Kim pledged to "actively pursue reconciliation and cooperation" with North Korea, and declared his support for Pyongyang's attempts at better relations with Washington and Tokyo – in total contrast with his predecessors, who hated any hint of such rapprochement. Kim Dae Jung was also the first head of state publicly to call for an end to the 50-year-old US embargo against the North, which he did during a visit to Washington in June 1998. The Clinton administration received that suggestion with noticeable coldness at the time, but in September 1999 it finally began to do what Kim had asked, by committing itself to engagement and to a slow lifting of the embargo restrictions. Kim also shipped huge amounts of food and other forms of

aid to the North without demanding concessions, and he refused to allow himself to be provoked by North Korean hard-liners – thus ending the tit-for-tat practice of each side never moving an inch further than the other side, which for decades had ensured that there could be no progress in North–South relations.

Kim encouraged many South Korean businesses to invest in the North, and supported especially massive investment by the late Hyundai founder and native of northern Korea Chong Ju Yong, who was at the forefront of North–South economic relations for years. In August 2000 he again went to Pyongyang for talks with Kim Jong Il, and returned with a signed agreement to open hundreds of factories employing up to 700,000 North Korean workers in and around Kaesong (700,000 is the current maximum figure). Several of these facilities are now up and running in this city, bisected by the 38th parallel but firmly in the DPRK since the war ended.

But it was of course the June 2000 summit that dramatized this many-sided diplomacy, while also marking the emergence of Kim Jong Il as something of a statesman. When he welcomed Kim Dae Jung at the airport he showed him a Confucian's courtesy, walking slowly behind his elder counterpart with a body language so culturally appropriate that even South Korea's right-wingers decided Kim Jong Il could not be a complete barbarian. He proceeded to discourse with Kim Dae Jung (and everyone else) with apparent aplomb and ease of command.

From the mid-1990s onward, of course, North Korea faced extraordinary disasters and near extinction as its economy basically collapsed – resulting in a continuing famine and an apparently bottomless requirement for external aid. Here is an acute crisis of human security that is still not solved, even if by most accounts famine conditions have been largely mitigated today. In spite of these crises the North persevered and, by 1998 when Kim Dae Jung was inaugurated, nearly a decade had passed since the Berlin Wall fell and so one had to assume that North Korea was not going to collapse and would be around for some time to come. Thus Kim Dae Jung pledged his government to peaceful coexistence and to refrain from trying to provoke a North Korean collapse or to “absorb” the North, on the German model of unification. These are the critically important points in all of Kim Dae Jung's (and Roh Moo Hyun's) strategy, in my view, and explain why North Korea had the confidence finally to decide upon its own new diplomacy. It had not collapsed, had not disappeared, and, because the South pledged itself to live amicably with the North for at least another generation (without expecting a quick unification), the Clinton administration came to understand that it would have to deal with North Korea as it exists, rather than hoping that it would somehow go away.

There was another deeply serious element in the non-collapse of North Korea, because Pyongyang's leaders warned many times that for the world to hope for its collapse was to hope for the next Korean war. Perhaps the most dramatic statement came in March 1996, on the heels of CIA Director John Deutch's testimony in the US Congress that it was not a question of *whether* North Korea would collapse but only a question of *when*. Within 48 hours, Vice-Marshals Kim Kwang Jin retorted, "the point now is not whether a war will break out in the Korean peninsula ... but when it will be unleashed".

A new US policy toward the North: "As it is, not as we would like it to be"

In spite of a hotbed of noisy opposition in the US Congress and a seemingly endless US media commotion about the North Korean threat, middle-level State Department officials patiently negotiated one agreement after another with Pyongyang, in a long series of talks on various problems beginning in January 1991. This culminated in the Department's review of the United States' Korea policy, begun in the fall of 1998, which markedly changed the direction of US policy. The US civil-war-deterrent structure provided an unspoken realpolitik basis for the changes of policy in Seoul and Washington. The United States wants to keep its troops in Korea for the long term (and even after unification according to Defense Secretary William Cohen's statement in June 1998), which is mildly surprising given the end of the Cold War so many years before, but much less surprising than North Korea's acquiescence and even support for that same strategy. US troops thus continue being a general stabilizer for Northeast Asia, but both Korean leaders want them to stay because they are the guarantor of peaceful coexistence – that the South will not be attacked and the North will not be swallowed or "absorbed" by the South, a kind of "Hong Kong" solution to the border (or DMZ) problem in Korea.

In the 1990s North Koreans began telling Americans privately that US troops should stay in the South to help Koreans deal with a strong Japan and a rising China, but also to protect the DPRK against absorption by the South. In 1997 Selig Harrison interviewed a North Korean general who told him that, although the North might call publicly for the withdrawal of US troops, in reality US troops should stay in Korea.⁷ During the June 2000 summit, Kim Jong Il said essentially the same thing directly to Kim Dae Jung.

In the fall of 1998 the US State Department had begun a review of US policy toward Korea, led by Ambassador William Perry and Wendy

Sherman. In May 1999 this group travelled to Pyongyang to meet with First Vice-Minister of Foreign Affairs Kang Sok Ju and officials close to Kim Jong Il. Perry and his entourage were afforded every courtesy, and the North seemed to have been quite satisfied with the visit.⁸ Perry finally issued a public version of this policy review in October 1999, the essence of which was a policy of “engagement” predicated on the coexistence of two Koreas for another considerable period of time, a progressive lifting of the 50-year-old US embargo against the North, establishment of diplomatic relations between the two sides, and a substantial aid package for the North. The North, for its part, agreed to continue to observe the 1994 agreement, to put a moratorium on missile testing, and to continue talks with the United States about ending its missile programme, including sales of missiles to the Middle East. All this was predicated on the recognition that the DPRK was not likely to go away and therefore had to be dealt with “as it is, not as we would like it to be”, in the words of Perry. This helped to set the stage for the June 2000 summit, when Kim Jong Il welcomed Kim Dae Jung to Pyongyang.

Kim Dae Jung had said many times that North Korea did not oppose a continuing US troop presence in Korea if Washington were to pursue engagement with Pyongyang rather than confrontation (US troops would continue to be useful in policing the DMZ, in ensuring that the South’s superior armed forces do not swallow the North, and in keeping Japan and China at bay). At the June summit Kim Jong Il confirmed this view, telling Kim Dae Jung directly that he did not necessarily oppose the continuing stationing of US troops in Korea. This summit and the US State Department’s major review of policy prepared the ground for a deal on North Korea’s missiles that was deeply in the Korean, US and world interest.

North Korea was willing to forgo construction, deployment and international sales of all missiles with a range of more than 300 miles. If President Clinton were to do Kim Jong Il the favour of a summit in Pyongyang, US negotiators were convinced that Kim would also have agreed to enter the Missile Technology Control Regime (MTCR), which would limit all North Korean missiles to an upper range of 180 miles (and thus remove a threat felt deeply in nearby Japan). In return, the United States would have provided US\$1 billion in food aid to the regime for an undetermined number of years.⁹ In other words, getting North Korea into the MTCR would cost US\$1 billion annually and a summit meeting between the US president and Kim Jong Il; National Missile Defense – said by spokespeople of the Bush administration in 2000 to be directed particularly at North Korea – had already cost US\$60 billion by that time.

Kim’s missiles are commodities for sale, indeed they are the biggest earners of foreign exchange for the regime, and President Clinton rightly

wanted to buy them out. In a fateful month – November 2000 – everything was poised for a Clinton visit to Pyongyang. Clinton wanted to go, and his negotiators had their bags packed for weeks in November – but, as National Security Adviser Sandy Berger later put it, it was not a good idea for the president to leave the country when they did not know “whether there could be a major constitutional crisis”.¹⁰ After the Supreme Court stepped in to give the 2000 presidential election to George W. Bush, there was a touch-and-go moment when it looked as if Clinton might still go; along with some other scholars, I met Kim Dae Jung in Seoul on 22 December 2000, and he said he was waiting to hear from the White House if Clinton was on his way, that day or the next. Then I flew back to the United States, in time to read morning headlines saying Clinton had decided against the trip. Later on it became clear that the Bush transition team did not like the deal; even if Clinton had signed off on it, they said they would have undone it, according to former officials in the Clinton administration. Since this plan nearly came to a conclusion, however, history will not be kind to those who pushed it aside in the interests of renewed confrontation.

The changes in the Korean situation initiated by Kim Dae Jung at his inauguration in 1998 and later sustained by major changes in US and North Korean policy represent the first genuine attempt to achieve peace, reconciliation and a final end to the Korean war *within* the existing post-Second World War security structures. US troops would remain in the South for the foreseeable future, two Korean states would remain and coexist, US power would still keep one side from trying to overcome the other, and North Korea would accede to this strategy because of its survival needs, because of its morbid fears about its own security, and because of the proximity of Japan and China, which are strong nations at the same time – for the first time in modern history.

These facts can help us appreciate the extent of the change that Kim Jong Il has wrought in North Korean strategy, which is to find a way to keep those troops on the Korean peninsula in spite of six decades in which the DPRK has shouted itself hoarse to get them out. North Korea quietly reconsidered its strategic orientation after the Soviet Union collapsed in 1991 and China recognized Seoul in 1992, and sought somehow to involve the only remaining superpower in saving its skin. The superpower, however, wanted the opposite, and North Koreans were hard pressed to communicate this new reality to anyone, including their own people. Eight years of dangerous cat-and-mouse diplomacy ensued, with Pyongyang playing, often dangerously, the hole card of its nuclear programme and its missiles, and external observers assuming that North Korea was an unregenerate terrorist monster suddenly let loose as a post-Cold War “rogue state”.

These dramatic shifts are the key to understanding how the ongoing reconciliation and diplomacy might finally dissolve the extraordinary tensions that have inhabited Korea for half a century. This explains why Kim Dae Jung and Roh Moo Hyun have both said they wanted to end the Korean war before leaving office, but that Korean reunification is still 20 or 30 years in the future. Above all, it explains why Pyongyang does not fear the consequences of the ongoing reconciliation. Success simply requires that the United States transform its role, from being the coach, cheerleader and often the quarterback of the southern side, to being an honest broker in bringing the two Koreas together (or keeping them apart, as the case may be). Until the Bush administration came in, that strategy did not seem difficult because the Pentagon wants to stay in Korea – forever, it would seem.

The continuing US commitment to Korea is, moreover, still just one aspect of the US strategic position in East Asia and the Pacific. Japan also remains within the post-war settlement hammered out in 1947–1951 and shows no signs of getting out of it, Okinawan protests and nationalist stirrings to the contrary. In 1995 the Pentagon projected two more decades of stationing some 100,000 troops in Japan and Korea, but US strategy now places no end-point on how long the troops will stay in the region. In recent years the Pentagon has raised its guard against a new challenger for control of Pacific security; Pentagon annual reports do not name that “challenger” but recent events – such as the warming of relations with Viet Nam, India and North Korea (until 2001), rumours that the United States might defend Taiwan against a mainland attack, and a string of new US bases in central Asia since the attacks of 11 September 2001 – have led many Chinese to see a growing US encirclement of China. Other nations in East and Southeast Asia, however, do not voice much dissatisfaction with this outcome. In the light of a continued strong US commitment to the security of East and Southeast Asia, a pacified Korean peninsula in which the two states coexist, if not a unified Korea, fits the logic of US strategy in Asia for the first time since Dean Rusk first drew a line at the 38th parallel in August 1945.

The confrontation between Washington and Pyongyang since 2000: Pre-emptive intelligence or pre-emptive strikes?

US President George W. Bush resisted high-level talks with Pyongyang for more than a year after assuming office, in spite of the outgoing Clinton administration having left on the table a tentative agreement to buy out all of the North’s medium- and long-range missiles, as we have seen. When Bush finally dispatched US Assistant Secretary of State James

Kelly to Pyongyang in October 2002, Kelly accused the North of having a second nuclear programme, to enrich uranium and build more atomic bombs. According to Kelly, his counterparts at first denied that they had such a programme, then reversed themselves to admit that they were developing not only an enriched-uranium bomb but more powerful weapons as well. All we have to go on from this strange episode is what Kelly chose to tell the press about his new intelligence evidence and what he chose to say about what the North Koreans allegedly told him.

Within days of Kelly's return, administration officials told the *New York Times* that the 1994 Agreed Framework was dead,¹¹ and shortly thereafter they cut off the heavy heating oil that Washington had been providing as interim compensation under the 1994 agreement. In quick response, Pyongyang declared that the 1994 agreement had collapsed and proceeded to withdraw from the Non-Proliferation Treaty, kick out UN inspectors, remove the seals and closed-circuit cameras from the Yongbyon complex, regain control of 8,000 fuel rods that had been encased for eight years, and re-start the reactor. (Basically this was a lock-step recapitulation in a few short weeks of what the North had done in 1993–1994 to get Clinton's attention.) The North hinted darkly that the hostile policies of the Bush administration left it no choice but to develop "a powerful physical deterrent force". In spite of all this, in the run-up to the invasion of Iraq the Bush administration continued to downplay its own evidence that the North now had not one but two bomb programmes and refused to call the situation a "crisis". This clearly befuddled the North: as one DPRK general told a Russian visitor, "When we stated we don't have a nuclear weapon, the USA [said] we do have it, and now when we are [saying] we created nuclear weapons, the USA [says] we're just bluffing."¹²

What happened in October 2002 is that both governments, in the words of a knowledgeable specialist who spent most of his career at the RAND Corporation, "opted to exploit the intelligence for political purposes". And thus began the unravelling "of close to a decade of painfully crafted diplomatic arrangements designed to prevent full-scale nuclear weapons development on the Korean peninsula. By year's end both countries had walked away from their respective commitments under the U.S.-DPRK Agreed Framework of October 1994."¹³ RAND veteran Jonathan Pollack is not the sort of analyst who usually departs from judgements of Washington insiders, but he found that Bush's intelligence estimates "offered more definitive claims" about the North's nuclear capabilities than previous intelligence reports had, and seemed to fudge the date when the CIA discovered evidence of the North importing enriched-uranium technology. The discovery occurred in 1997 or 1998, and the Clinton administration had fully briefed the incoming Bush people in 2000–2001 on the

evidence. Yet Kelly and others in the Bush administration sat on this evidence for 18 months and then left the impression that the programme had just been uncovered in the summer of 2002. Kelly never presented “specific or detailed evidence to substantiate” his claims, either in Pyongyang or to the press when he returned home, nor did he ask his DPRK interlocutors for explanation or clarification of whatever evidence he may have brought with him.

The US press immediately accepted Kelly’s judgement that the North Koreans were big cheats who had failed to honour their agreements, and the highly enriched-uranium programme took on a life of its own in the mimetic US media – repeated endlessly to tar and denigrate North Korea. Left unmentioned in any press articles that I came across, however, was the extraordinary utility of an enriched-uranium programme for the Light-Water Reactors (LWRs) that were being built to compensate the North for freezing its graphite reactors in 1994. The virtue of the LWRs from the US standpoint was that their fuel would have to come from outside the DPRK, thus establishing a dependency relationship that could easily be monitored; but this was precisely the vice of the LWRs for the independent-minded North. As Pollack put it, “it seems entirely plausible that P’yôngyang envisioned the need for an indigenous enrichment capability ... [because] the fuel requirements for a pair of thousand-megawatt [light water] reactors are substantial and open-ended”.¹⁴ Furthermore, uranium enrichment to a level useful for LWR fuel is much easier than the further refinement necessary to create fissile fuel. But the Bush administration smothered all discussion of this issue with widely trumpeted claims of a second nuclear bomb programme.

One interpretation of Kelly’s behaviour in Pyongyang is that he pre-emptively used a bunch of intelligence reports (ones never divulged in any detail to the media) to make sure no diplomatic progress could occur between Washington and Pyongyang. But his visit also came in the wake of Bush’s new pre-emptive doctrine, announced in September 2002. (In any case, relations between the United States and North Korea have not moved beyond the stalemate created in late 2002, except for the Six-Party Talks that China sponsored beginning in 2003, which have achieved nothing as of this writing, and the North’s successful test of a 1 kiloton plutonium bomb on 9 October 2006, widely interpreted as a distinct failure for US policy.)

The acute danger in Korea today derives from a combination of typical and predictable North Korean cheating and provocation, longstanding US war plans to use nuclear weapons in the earliest stages of a new Korean war, and this new “Bush Doctrine”. The “Bush Doctrine” conflates existing plans for nuclear pre-emption in a crisis initiated by the North, which have been standard operating procedure for the US military for

decades, with the apparent determination to attack states such as North Korea simply because they have or would like to have nuclear weapons like those that the United States still amasses by the thousands – pre-emptive wars in the name of non-proliferation.

US Secretary of Defense Donald Rumsfeld made matters worse in the spring of 2003 by demanding revisions in the basic war plan for Korea (“Operations Plan 5030”). The basic strategy, according to insiders who have read the plan, was “to topple Kim’s regime by destabilizing its military forces”, so they would overthrow him and thus accomplish a “regime change”. The plan was pushed “by many of the same administration hard-liners who advocated regime change in Iraq”. Unnamed senior Bush administration officials considered elements of this new plan “so aggressive that they could provoke a war”. Short of attacking or trying to force a military coup, Rumsfeld and company wanted the US military to “stage a weeks-long surprise military exercise, designed to force North Koreans to head for bunkers and deplete valuable stores of food, water, and other resources”.¹⁵

This is precisely how the invasion began in 1950. North Korea announced a long summer military exercise along the 38th parallel, mobilizing some 40,000 troops. In the middle of these war games, several divisions suddenly veered south and took Seoul in three days; only a tiny handful of the highest officials knew that the summer exercises were the prelude to an invasion. Half a century later came Rumsfeld with his provocative plans, a man who according to two eyewitnesses was surprised to learn when he joined the Pentagon that the United States still had nearly 40,000 troops in Korea.

The US military has often provided a salutary limit on plans that would upset the fragile stability of the Korean confrontation. In October 1998, Marine Lieutenant General Raymond P. Ayres spoke publicly (on a not-for-attribution basis, but his name leaked to the press) about plans for regime change in the DPRK, acting pre-emptively if the United States had “unambiguous signs that North Korea is preparing to attack”. Ayres said that “the entire resources” of the US Marines would be thrown into the battle, to “abolish North Korea as a state and ... ‘reorganize’ it” under South Korean control. “We’ll kill ’em all.”¹⁶ But a retired officer who commanded the US-ROK First Corps in Korea, Lt. Gen. John H. Cushman, said that, if pre-emptive strikes were part of a US war plan, “it would be very dangerous and would represent a fundamental departure from the past. No commander wants to wait for the other side to strike first if he can see it coming. But there is a very delicate calculation on both sides and it’s very important to give North Korea assurance that we will not be the first to attack.”¹⁷ Yet in September 2002, in spite of the “very delicate calculation” in Korea that is often likened to a hair trigger,

the Bush administration made pre-emption the centrepiece of its strategy in “the war on terror”.

Larry Niksch, a long-time specialist on Asian affairs at the Congressional Research Service and a person never given to leaps toward unfounded conclusions, cited Rumsfeld’s war plans and wrote that “regime change in North Korea is indeed the Bush administration’s policy objective”. If recent, sporadically applied sanctions against the DPRK and interdiction of its shipping do not produce a regime change or “diplomatic capitulation”, then Rumsfeld planned to escalate from a pre-emptive strike against Yongbyon (which Clinton came close to mounting in 1994) to “a broader plan of massive strikes against multiple targets”.

The vehicles for Rumsfeld’s “massive strikes” were newly developed missiles that are said to penetrate deeply underground before detonating a “small” nuclear explosive. In 2003 he sought a congressional repeal of the decade-old ban on manufacturing small nuclear weapons (although he did not succeed in getting it before he left office). The Bush administration thought “low-yield” nuclear weapons could be effective in deterring “emerging nuclear powers like North Korea and Iran”. These new earth-penetrating weapons would have hardened casings (probably made of depleted uranium) enabling them “to crash through thick rock and concrete”.¹⁸ Senate opponents argued that repealing this bill would signal the death-knell of efforts at non-proliferation: “We’re driving recklessly down the road that we’re telling other people not to walk down”, said Senator Carl Levin.¹⁹ The only problem with Rumsfeld’s war plan was that it defied the laws of physics: there is no technology yet developed or imagined that can penetrate the earth’s surface more than about 50 feet. So the only answer is larger and larger nuclear warheads, such that you target Kim Jong Il and wipe out a large urban neighbourhood, or maybe a city.²⁰ (Perhaps the only silver lining in the very dark storm clouds over Iraq is that, by getting bogged down in a war of choice, Bush has barely a single combat brigade available were a conflict to develop in Korea, and thus a pre-emptive attack is now highly unlikely.)

The history of nuclear terror in Korea is by no means one-sided, and remains today the worst-case scenario for a total catastrophe in the human security of the peninsula.²¹ The United States terrorized the DPRK with nuclear weapons during and after the Korean war and was the only power to introduce nuclear weapons to Korean soil, as we have seen. They remained there until 1991, when the first President Bush withdrew battlefield nuclear weapons from around the world – which of course did not end the nuclear threat to the North, since Trident submarines (sometimes called a holocaust in one delivery package) can glide silently up to its coast at any time. In the aftermath of the initial nuclear deployments in the late 1950s, Kim Il Sung openly said that the North’s only recourse

was to build as widely and as deeply underground as possible, on the assumption that anything visible above ground would be wiped clean in a war. When Hans Blix conducted the first UN inspections of the Yongbyon nuclear site in 1992, he was astonished to find “two cavernous underground shelters”, access to which required “several minutes to descend by escalator”. They were built, Blix was told, in case someone attacked the complex with nuclear weapons.²² It was bunkers like this that Rumsfeld hoped to reach with his “low-yield” nuclear weapons.

The United States remains a belligerent in the war that never ended in Korea, just as does North Korea. The provocative actions in the spring of 2003 might well have instigated another Korean war, given what had just happened in Iraq. On 18 April 2003, North Korea stated in a news release that “the Iraqi war teaches a lesson that in order to prevent a war and defend the security of a country and the sovereignty of a nation it is necessary to have a powerful physical deterrent force” (the euphemism it has used since Kelly’s October 2002 visit to suggest that it might possess nuclear weapons).²³ Clearly, however, the North Koreans do not want war; even amid these dire US threats, they used the same brief news release to signal for the first time that they were willing to meet the United States in multilateral talks: “if the U.S. has a willingness to make a bold switchover in its Korea policy, we will not stick to any particular dialogue format.” A few months later, Six-Party Talks on North Korea opened in Beijing. These talks represented a salutary return to diplomacy, but it would be a foolish mistake to assume that, if war comes to North Korea, it won’t go down fighting.

What is to be done?

For more than a decade North Korea has sought a “package deal” with the United States. The North has maintained that it would give up its nuclear programme and its missiles in return for a termination of mutual hostility, a formal end to the Korean war, the lifting of various embargoes that the United States maintains on the North, diplomatic recognition, and direct or indirect compensation for relinquishing these very expensive programmes. Its will to do so was tested in 1994, when it froze its entire nuclear complex and kept it frozen under the eyes of UN inspectors for eight years, until Bush made it crystal clear that he would not fulfil the US side of the 1994 bargain. In a 2003 book, Michael O’Hanlon and Mike Mochizuki revived a “grand diplomatic bargain” to accomplish a similar package agreement, an ambitious and complex programme that is worth a careful perusal by anyone concerned with the issues.

In return for a verifiable end to the North's nuclear programmes, a ban on selling and testing its missiles, a steep cut in its conventional forces, outward-opening economic reforms and the beginnings of a dialogue about human rights in the North (or the lack thereof), the authors write, Washington should be ready to respond with a non-aggression pledge, a peace treaty that would finally end the Korean war, full diplomatic relations, and an aid programme of "perhaps \$2 billion a year for a decade" (that burden to be shared with its allies). The authors muster a host of nuanced, clever and convincing arguments on behalf of their strategy, with the ultimate goal being "a gradual, soft, 'velvet' form of regime change – even if Kim Jong Il holds onto power throughout the process".²⁴

The denouement to the Korean confrontation described above is better than the decades of tension that preceded it, but it cannot be the final outcome. As recent years have shown, a rapprochement can easily be reversed, returning the situation almost overnight to the peculiar, antique cold war that has occupied Korea for decades. Furthermore, any prolonged division of Korea ineluctably calls forth people who either want to keep the peninsula divided (through the well-rooted "division systems" on both sides and the interests of foreign powers), or want to solve the division by force. I would therefore like to end this chapter with a few more points for debate and discussion.

First, a *neutralized* Korea could also solve the problems of security and unity, predicated on the withdrawal of US troops and solemn and verifiable agreements with the other powers to respect Korean sovereignty and neutrality. One of the wisest US experts on East Asia, the late Senator Mike Mansfield, was the first to table the idea of neutrality in 1961, on the model of Austria's unification and Cold War neutrality in 1955. The diplomatic record, going back to the first discussions over Korea between the United States and the Soviet Union at Potsdam in July 1945, illustrates the maxim that no great power had an interest in dominating all of Korea, and all eventually settled for half a loaf. Why could they not now settle for a full loaf, run by Koreans and for Koreans? After all, a species of neutrality and autonomy was fundamentally Korea's position in the Northeast Asian world order for hundreds of years before the imperial scramble of the nineteenth century. Neutrality also would enable the United States to make a graceful exit from a troop commitment that seems to grow more unpopular and anachronistic by the day in South Korea. Neutrality amid radical disarmament by both sides would be the essential enabling condition that would move the current Korean track of *reconciliation* onto a realistic future track of *reunification*. Selig Harrison has a learned discussion of Korean neutrality in his book *Korean Endgame*;²⁵ this is the "first-best" solution for US diplomacy, in my

view, because it would finally extricate the United States from a Korean problem that it has never been able to solve.

The second-best solution is the one Kim Dae Jung and Bill Clinton were driving toward when the Democratic Party train derailed in November 2000 – eliminating North Korea’s nuclear programme and missiles and ending the US non-recognition and sanctions policy toward the North, which has never served to change North Korean behaviour. This engagement strategy has the virtue of being founded on the realities of security on the peninsula over the past half-century and protects the security interests of all parties, but it puts off reunification until the next generation – and it can easily be reversed.

The worst solution, however, is the one we have been moving toward in recent years: a nuclear-armed North Korea, which may well provoke Japan and/or the ROK to go nuclear and thus break the very structure of US security in Northeast Asia fashioned so long ago, in the time of Harry Truman and Dean Acheson.

The “North Korean problem” is an outgrowth of a truly terrible history going all the way back to the collapse of the international system in the Great Depression and the world war that followed it, a history through which the Korean people have suffered beyond measure and beyond any American’s imagination. The United States and its leaders could have solved the North Korean problem decades ago but US leaders have chosen not to try (with the exception of Bill Clinton), and in this new century we are all the worse for it. It is high time, and there is still time, for an enlightened diplomacy to emerge that could solve most of the outstanding problems between the United States and North Korea and provide an enormous movement forward in solving the North’s human security difficulties – if only there were the will to do so.

Notes

1. This section is drawn in revised form from my unpublished contribution to the Task Force on U.S. Korea Policy that Selig Harrison and I organized, sponsored by the Center for International Policy and the Center for East Asian Studies, University of Chicago.
2. For full documentation see Bruce Cumings, *The Origins of the Korean War*, 2 vols, Princeton, NJ: Princeton University Press, 1981, 1990.
3. As the US Ambassador to Korea, John Muccio, put it in November 1949, the problem was in getting sufficient military assistance “to enable the Koreans to defend this area and at the same time keep them from getting over-eager on moving North”. Later he remarked bluntly: “We were in a very difficult position, a very subtle position, because if we gave Rhee and his cohorts what they wanted, they could have started to move north the same as the North started to move south. And the onus would have been on

- us.” State Department 895.00 file, box 946, Muccio to Butterworth, 1 November 1949; Truman Library, Muccio oral history interview no. 177, 27 December 1973.
4. The best source on this complicated issue is Donald Stone Macdonald, *US–Korean Relations from Liberation to Self-Reliance, The Twenty-Year Record: An Interpretive Summary of the Archives of the US Department of State for the Period 1945 to 1965*, Boulder, CO: Westview Press, 1992, pp. 18–20, 23, 78–79.
 5. On 8 July 1996, the International Court of Justice at the Hague stated that the use or threat of nuclear weapons should be outlawed as “the ultimate evil”. It could not decide, however, whether the use of nuclear weapons for self-defence was justified: “The Court cannot conclude definitively whether the threat or use of nuclear weapons would be lawful or unlawful in an extreme circumstance of self-defense, in which the very survival of a state would be at stake” (*New York Times*, 9 July 1996). By this standard, North Korea is far more justified in developing nuclear weapons than the United States is in threatening a non-nuclear North Korea with nuclear annihilation.
 6. North Korea’s three-stage missile does not have enough lift capacity to carry a nuclear warhead, nor does the North apparently have the technology either to lighten missile throw-weight (for example by using aluminium alloys) or to manufacture a sufficiently small nuclear warhead (which would require high-speed X-ray cameras that the North does not have); North Korea does not appear to have heat-resistant technologies that would keep the warhead from burning up upon re-entry into the atmosphere. See Selig Harrison, “The Missiles of North Korea: How Real a Threat?”, *World Policy Journal*, Vol. 17, No. 3, 2000, pp. 13–24.
 7. See Selig Harrison, “Promoting a Soft Landing in Korea”, *Foreign Policy*, No. 106, Spring 1997.
 8. “Talks between Kang Sok Ju and William Perry”, Korean Central News Agency (Pyongyang), 28 May 1999.
 9. See Michael R. Gordon’s excellent investigative report, “How Politics Sank Accord on Missiles with North Korea”, *New York Times*, 6 March 2001, pp. A1, A8. I also confirmed the details of his report during a meeting with Ambassador Perry at Stanford University, USA, in March 2001.
 10. Gordon, “How Politics Sank Accord”.
 11. David E. Sanger, “U.S. to Withdraw from Arms Accord with North Korea”, *New York Times*, 20 October 2002, p. A1.
 12. Dr Alexander V. Vorontsov visited the DPRK recently, and I am grateful to him for sending me a copy of his recollections of the visit.
 13. Jonathan D. Pollack, “The United States, North Korea, and the End of the Agreed Framework”, *Naval War College Review*, Summer 2003, pp. 1, 13 (I read this on the Internet so my pagination may not follow that of the published article). Pollack is now teaching at the Naval War College.
 14. Pollack, “The United States, North Korea, and the End of the Agreed Framework”, p. 15.
 15. Bruce B. Auster and Kevin Whitelaw, “Pentagon Plan 5030, A New Blueprint for Facing Down North Korea”, *U.S. News and World Report*, 21 July 2003.
 16. Richard Halloran, a veteran correspondent, was in this audience and reported Ayres’ statements on the Internet on 14 November 1998; when I asked him to identify the source by name, he declined. However, Selig Harrison later identified the source as General Ayres.
 17. Quoted in Selig Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, Princeton, NJ: Princeton University Press, 2002, p. 122.
 18. James C. Dao, “Senate Panel Votes to Lift Ban on Small Nuclear Arms”, *New York Times*, 10 May 2003, p. A2.

19. Ibid.
20. I am indebted for this information to several discussions with Stephen Schwartz, the editor of the *Bulletin of the Atomic Scientists*.
21. I develop my arguments in this section in much more detail in my co-authored book (with Ervand Abrahamian and Moshe Ma'oz), *Inventing the Axis of Evil: The Truth about North Korea, Iran, and Syria*, New York: The New Press, 2004.
22. "Nuclear Site in North Korea Provides Clues on Weapons", *New York Times*, 17 May 1992.
23. Korean Central News Agency (Pyongyang), 18 April 2003.
24. Michael O'Hanlon and Mike Mochizuki, *Crisis on the Korean Peninsula: How to Deal with a Nuclear North Korea*, New York: McGraw-Hill, 2003, pp. 19, 50.
25. Harrison, *Korean Endgame*.

3

Living with ambiguity: North Korea's strategic weapons programmes

Gary Samore and Adam Ward

North Korea's nuclear test on 9 October 2006 established beyond doubt that North Korea has acquired a nuclear weapons capability, but many uncertainties remain concerning the sophistication and size of North Korea's nuclear arsenal. In general, the task of assessing North Korea's weapons programmes is arduous for many reasons. Based on public information, conclusions about North Korea's nuclear, chemical and biological weapons capabilities, ballistic missiles programme and conventional forces are woven from a cloth of different strands. One strand of information is official reports from governments seeking to penetrate North Korea's veil of secrecy, such as public reports from the United States, South Korea and Russia. However, this information is qualified. North Korea is a notoriously "hard target" for intelligence collection. Reliable human sources are sparse, communication intercepts are fragmentary, and satellite and other remote sensing means provide limited information, subject to multiple interpretations. Governments must also be cautious that information released in public does not jeopardize already fragile sources and methods, assisting more effective North Korean concealment and deception efforts.

Given the difficulties of collecting information, government "assessments" of North Korea are analytical judgements, based on evaluations and estimations of capabilities and motivations, rather than hard conclusions based on conclusive evidence. Moreover, in assessing ambiguous and uncertain foreign threats, intelligence agencies naturally lean towards "worst-case" assessments to err on the side of caution. This is a

universal and understandable tendency. Prudently, governments prefer to plan on the worst case rather than be surprised by it.

Another strand of information on North Korea comes from direct observations. For nearly a decade, North Korea's main nuclear facilities at the Yongbyon nuclear centre have been inspected and monitored by the International Atomic Energy Agency (IAEA), which provides a technological baseline for evaluating their capabilities. Observation of North Korean missile tests provides some technical characteristics and parameters of missiles under development, and periodic interdictions of missile-related exports provide technical details of missiles that are being produced. This information is also limited. IAEA inspections have not extended to clandestine facilities, such as those presumed to exist in association with North Korea's enrichment programme, or to facilities and activities linked to nuclear weapons development, which are beyond the mandate of IAEA inspectors. Observations of missile tests and interception of missile exports cannot illuminate less observable research and development activities or answer questions of overall North Korean missile production, deployment and armament.

There are a number of weaker strands of information. Purported "leaks" of government intelligence may provide insight into sensitive information, but they must be treated with caution. Leaked information is not necessarily accurate information. Officials who disclose classified intelligence to the media may have a political agenda, and it is often difficult to ascertain the veracity of such information. Over the past decade, a number of North Korean defectors and refugees have come forward with intriguing information on North Korean military programmes. Some of this information has proved to be credible, some of it is implausible, and some cannot be confirmed. Finally, there is information from the North Korean government itself. Obviously, this information has to be measured against Pyongyang's interest in manipulating the outside world's perceptions of its capabilities. With all these pitfalls in mind, this chapter tries to present a balanced and cautious set of assessments.

The nuclear programme

North Korea's nuclear efforts over the past 25 years can be divided into four distinct phases.

Phase 1: Origins of North Korea's nuclear programme

North Korea's nuclear programme was born with assistance from the Soviet Union. A 1959 agreement enabled a variety of technical and scien-

tific exchanges and projects, including construction of the Yongbyon Nuclear Research Centre, training of North Korean scientific and technical personnel, and geological surveys for nuclear applications. Soviet assistance was not specifically intended to assist the development of nuclear weapons, but it allowed Pyongyang to master the basic technologies needed to produce and separate plutonium, which North Korea later employed in its nuclear programme.

Initially, the principal facilities housed at Yongbyon comprised a small research reactor, the IRT-2000, designed to conduct basic nuclear research and to produce small quantities of medical and industrial isotopes, and an adjacent radiochemical laboratory for extracting isotopes from “targets” irradiated in the IRT-2000. The materials and equipment also provided North Korea with the means to experiment with the production and extraction of small amounts of plutonium, which Pyongyang acknowledged to the IAEA in 1993. These Soviet-supplied facilities were placed under IAEA inspections in 1977. However, owing to IAEA procedures for monitoring facilities of this type, they were not subject to close scrutiny. The total amount of plutonium produced is, therefore, uncertain.

Phase 2: North Korea's plutonium production programme

Around 1980, North Korea launched a concerted national programme to build a series of industrial-scale facilities capable of producing significant amounts of plutonium for a nuclear weapons programme, as well as for the country's nuclear power industry. The core of this programme was three gas-cooled, graphite-moderated, natural-uranium-fuelled reactors:

- a small 5 MW(e) research reactor at Yongbyon;
- a larger 50 MW(e) prototype power reactor at Yongbyon; and
- a full-scale 200 MW(e) power reactor at Taechon.

Around this trio of reactors, North Korea also constructed facilities for the full plutonium fuel cycle.

Uranium mining and milling

North Korea began large-scale uranium mining operations at various locations near Sunchon and Pyongsan in the late 1970s or early 1980s. The raw uranium-bearing ore was shipped to uranium milling factories, where it was crushed and chemically processed to produce U-308 or “yellow cake”, which was then transported to the Yongbyon nuclear centre for further processing and fabrication into nuclear reactor fuel. Actual production of yellow cake in the decade before the 1994 nuclear freeze is unknown. North Korea's current mining and milling capacity is also un-

known, but it appears unlikely that yellow cake production is a significant constraint on its immediate nuclear requirements.

Uranium conversion and fuel fabrication

Between 1980 and 1985, North Korea built a substantial factory at Yongbyon to refine yellow cake and to produce uranium metal fuel elements for its graphite-moderated reactors. North Korea is known to have produced enough fuel prior to the freeze for the initial core load for the 5 MW(e) reactor and at least one fresh core load. It is also known to have produced slightly more than one-half of the fuel required for the 50 MW(e) reactor under construction. North Korea could have produced a significant amount of additional fuel before 1992 that it failed to declare to the IAEA.

A 5 MW(e) experimental power reactor

During the 1980s, the most important facility in North Korea's plutonium production programme was a small research reactor located at the Yongbyon Nuclear Research Centre, which was designated an "experimental power reactor".

Reactor construction began in 1980, and the reactor went critical in August 1985. It operated intermittently from 1986 until 1994, when it was shut down under the Agreed Framework. In theory, operating at full power for 300 days per year, this reactor could produce approximately 7.5 kg of weapons-grade plutonium annually in the discharged spent fuel. The operational history of the reactor between 1986 and 1994 (and hence how much plutonium was produced) is shrouded in mystery.

The 50 MW(e) prototype power reactor

In 1984, North Korea began construction of a larger reactor at Yongbyon, using the same basic materials and technology as utilized in the 5 MW(e) reactor. According to North Korean officials, the reactor was within a year of initial service at the time of the nuclear freeze, although this claim was never verified. Because it was never completed, it is unknown whether the reactor would be capable of full-power operations, and there are no clear signs that construction on the reactor has resumed since the nuclear freeze ended in 2002.

The 200 MW(e) power reactor

In the late 1980s, North Korea began construction at Taechon of a full-scale version of the 50 MW(e) reactor, based on the same technology. This reactor would, theoretically, be capable of producing up to 220 kg of weapons-grade plutonium annually if operated at full power for 300

days per year. It was in the early stages of construction when the nuclear freeze came into effect in 1994 and no work has resumed at the reactor site since the freeze ended in 2002.

Radiochemical laboratory/reprocessing plant

In 1984, North Korea began construction of an industrial-scale reprocessing plant to separate plutonium from spent nuclear fuel at the Yongbyon Nuclear Research Centre. During construction, the exact purpose of the facility was debated within the US intelligence community. Some analysts believed that it was most likely a reprocessing facility, whereas others argued that it could be engaged in non-nuclear industrial activities. It was not until the IAEA conducted inspections in 1992 that it was confirmed as a reprocessing plant, which Pyongyang euphemistically called a “radiochemical laboratory”. In 1992, IAEA inspectors discovered that one reprocessing line had been completed at the plant and that a second was under construction. If both lines were operating continuously for 300 days per year, the plant would have a total nominal capacity to process annually some 200 tonnes of Magnox spent fuel, more than sufficient to handle the spent fuel that would typically be discharged each year by the 5 MW(e) and the 50 MW(e) reactors. In 1994, when IAEA inspectors returned to monitor the nuclear freeze, they found that North Korea had made considerable progress in installing equipment for the second reprocessing line, which was scheduled for completion in 1996.

The 1992 plutonium mystery

North Korea's accession to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) in December 1985 necessitated that it place all its nuclear facilities and materials under international inspection and pursue nuclear technology solely for peaceful purposes. Although North Korea had 18 months under the treaty to negotiate a comprehensive safeguard agreement with the IAEA, it did not sign this agreement until January 1992. In all, six official inspection missions took place in North Korea in 1992, before Pyongyang denied inspectors access to suspect nuclear waste storage facilities and threatened to withdraw from the NPT.

During the first inspection in 1992, North Korea told the IAEA that it had test-run the reprocessing plant between March and May 1990, during which 86 damaged fuel rods (which had been removed from the 5 MW(e) reactor in 1989), as well as 172 fresh fuel rods, were reprocessed in a single campaign of three batches. To verify the accuracy of North Korea's declaration, the IAEA took samples from the extracted plutonium, as well as from the waste tanks and work areas at the reprocessing plant. Such samples contained individual dust particles that could be analysed

to deduce the fractional content and ratio of different isotopes produced in the irradiated fuel. Analysis of these samples highlighted several technical discrepancies in North Korea's initial declaration to the IAEA.

As the IAEA began to discover these discrepancies, the United States reviewed the record of satellite imagery of the 5 MW(e) reactor. Based on the absence of steam plumes from the cooling tower, the reactor appeared to have been shut down for about two months in early 1989. US analysts estimated that, in the worst case, North Korea could in fact have unloaded the entire core load during the two-month shutdown. This conclusion was based on a calculation of how quickly one or two fuel machines could unload spent fuel and load fresh fuel, assuming the North Koreans worked around the clock. Based on Pyongyang's account of the reactor's operating history prior to the 1989 fuel discharge, the entire core would have contained about 9.5 kg of plutonium, which, assuming a likely range of potential 10–30 per cent reprocessing losses, could have yielded as much as 6.5–8.5 kg of plutonium. If the most heavily irradiated half of the core fuel rods were discharged in 1989, they would have contained about 7 kg of plutonium, which could have yielded about 5–6 kg of separated plutonium if reprocessing losses ranged between 10 per cent and 30 per cent. In this scenario, North Korea could have loaded a new core or a substantial portion of a new core in 1989 and then falsified the operating records between 1989 and 1992 to make it appear to be the original one.

To add credence to this scenario, US analysts accumulated satellite evidence that North Korea had built, operated and concealed two underground waste storage sites at Yongbyon. Tipped off by US information, the IAEA sought access to the two suspect waste sites to determine whether radioactive waste, produced by undeclared reprocessing activity, was stored at the sites. In September 1992, IAEA inspectors were allowed to visit one facility but were told it did not have a basement. After North Korea refused repeated demands for greater access, including for the extraction of samples from underneath the building, the IAEA requested a "special inspection" of the two suspect waste sites in February 1993. Pyongyang responded, in March 1993, by invoking its right to withdraw from the NPT, setting in motion the 1993–1994 nuclear crisis.

Washington's assessment that North Korea might have produced "enough plutonium for one or possibly two nuclear weapons" or 8–12 kg of separated plutonium before 1992 was, then, based on five factors:

- Analysis by the IAEA strongly indicated that North Korea had not fully declared its plutonium production prior to 1992, although sampling "discrepancies" could not determine how much plutonium North Korea was hiding.
- Based on satellite surveillance of past operations of the 5 MW(e) reac-

tor and estimates of North Korea's de-fuelling capability, the United States estimated that most or all of the core could have been unloaded in April–May 1989, containing some 6.5–8.5 kg of plutonium after re-processing. Pyongyang could have falsified the reactor's operating records in order to disguise the insertion of a second fresh core in 1989. North Korea's decision to unload the reactor in June 1994 in a manner that made it impossible to reconstruct its operating history reinforced suspicion that it wanted to conceal such information.

- North Korea could have employed the small IRT-2000 research reactor to produce small amounts of plutonium every year, perhaps generating 2–4 kg in total.
- Two suspect nuclear waste sites provided plausible locations for North Korea to divert and hide substantial quantities of nuclear waste produced as a result of undeclared reprocessing.
- North Korea's unwillingness to cooperate with the IAEA convinced many in Washington that Pyongyang must be hiding something significant.

In short, there was substantial evidence to support the conclusion that North Korea was concealing some plutonium, and plausible scenarios could be constructed to account for enough plutonium for “one or possibly two” nuclear weapons. The actual amount of plutonium acquired by North Korea before 1992, though, is unknown.

Phase 3: Plutonium programme frozen (1994–2002)

Under the terms of the 1994 Agreed Framework, North Korea agreed to freeze and eventually to dismantle the key facilities associated with its plutonium production programme. The IAEA placed seals on the main access points, installed monitoring devices, and stationed a small team of resident inspectors. But Pyongyang resisted any Agency activities that it believed could shed light on its past plutonium production efforts, such as the installation of IAEA monitoring equipment at nuclear waste tanks, additional sampling at the reprocessing facility or the taking of measurements to determine the plutonium content of the 5 MW(e) reactor's spent fuel rods.

The Agreed Framework called on the United States to help North Korea to “stabilize” the 8,000 spent fuel rods discharged from the 5 MW(e) reactor in May–June 1994. After their removal from the reactor, these rods had been stored in a spent fuel pond next to the reactor building for over two years, during which time a considerable amount of corrosion had occurred. Over the course of the next few years, under IAEA monitoring, the spent fuel rods were placed in 400 stainless-steel canisters, each containing approximately 20 rods or fragments.

During the nuclear freeze, the United States and its allies remained vigilant to the possibility that North Korea might seek to evade the restrictions and continue with its nuclear efforts at clandestine facilities. In early 1998, the US intelligence community concluded that North Korea was constructing a large underground facility near Kumchang-ri, which potentially could house a secret reactor and reprocessing facility to produce plutonium. US inspections in May 1999 revealed that the site was not configured to house an underground reactor and reprocessing facility, much to Washington's embarrassment.

The secret uranium enrichment programme

Under the Agreed Framework, North Korea's capacity to produce additional plutonium at the Yongbyon complex was effectively frozen. As a consequence, its presumed nuclear arsenal was limited to one or two nuclear weapons. Moreover, North Korea would eventually be required to account for its undeclared plutonium holdings and to dismantle its plutonium production facilities as a condition for receiving two civilian Light-Water Reactors. Unless Pyongyang decided to pay the political costs of openly reneging on the provisions of the agreement, it would be forced to give up whatever nuclear weapons capability it had acquired before 1992. To the extent that maintaining a nuclear hedge was perceived as essential to the survival and defence of the regime, Pyongyang thus had a strong incentive to develop an alternative means of producing nuclear material, which would allow it ostensibly to comply with the Agreed Framework while preserving a secret nuclear weapons programme.

Although neither country has acknowledged the arrangement, it is widely reported that North Korea provided Pakistan with No-dong missiles and production technology in exchange for gas centrifuge technology and perhaps other assistance for North Korea's nuclear weapons programme, probably around 1997. There are many different kinds of centrifuge technology, but the basic principle involves rapidly spinning uranium in gaseous form (uranium hexafluoride) in tubes called rotors. The centrifugal forces inside the rotor cause a slight separation of lighter U-235 and heavier U-238 atoms and the two "streams" of uranium hexafluoride are siphoned off under separate withdrawal systems. Each centrifuge machine is capable of a small amount of separation – measured in Separative Work Units (SWUs) – but by passing the slightly enriched stream through an interconnected series of hundreds or thousands of machines, known as a cascade, it is possible to increase the percentage of U-235 from the low level (0.7 per cent) found in nature to the higher percentages necessary for nuclear reactor fuel or nuclear weapons.

It is not known exactly what kind of nuclear assistance North Korea received from Pakistan, but it is generally assumed that it could have in-

cluded technical specifications, sample centrifuge machines and training that would allow North Korea to duplicate the technology and to assemble a production-scale centrifuge facility. Certainly, by 2000, US intelligence had begun to detect North Korean attempts to procure equipment and materials that could be used in a centrifuge programme. However, the quantities were small, suggesting a research and development effort, and technical opinion was divided on whether the items were intended for use in centrifuges or for other purposes, such as in missiles. Nonetheless, there was sufficient concern that, in March 2000, US President Clinton waived a legislative certification that required him to certify that "North Korea is not seeking to develop or acquire the capability to enrich uranium". In 2001, a source – said to be a North Korean defector – reported that North Korea had been pursuing a centrifuge enrichment programme for several years, although the location of the production plant and related facilities were apparently not identified. Moreover, North Korea reportedly began seeking large quantities of materials and components that were uniquely associated with centrifuge production, such as high-strength aluminium tubes of specific dimensions and equipment suitable for uranium feed-and-withdrawal systems.

Based on this information, the US intelligence community concluded in June 2002 that North Korea had embarked on an effort to build a clandestine production-scale centrifuge facility to produce weapons-grade uranium. In November 2002, the US Central Intelligence Agency (CIA) stated publicly that North Korea was "constructing a plant that could produce enough weapons-grade uranium for two or more nuclear weapons per year when fully operational – which could be as soon as mid-decade".¹ However, the status of North Korea's centrifuge programme, and, particularly, how close it is to completion, is very difficult to ascertain, given various uncertainties and Pyongyang's attempts to conceal its activities. First, it is unclear exactly how much and what type of assistance Pakistan provided. Even if it supplied a full set of machines for a pilot-scale cascade, normally consisting of a few hundred machines, North Korea would need to manufacture or assemble additional machines for a production-scale facility, which typically requires a few thousand centrifuges in order to produce enough weapons-grade uranium annually for a few nuclear weapons.

Secondly, and more importantly, it is not known whether North Korea has been able to purchase all of the components, materials and equipment necessary to assemble a production-scale centrifuge plant or to what extent it is able to manufacture such items indigenously. There is at least some fragmentary evidence to suggest that North Korea is still shopping around. In April 2003, French and German authorities cooperated to halt a shipment of 22 tonnes of high-strength aluminium tubes,

the first instalment of a larger order for 200 tonnes of such tubes. The particular type of aluminium and the dimensions of the tubes closely match the requirements of the rotor casings for the G-2 centrifuge (which Pakistan operates). Allowing for some loss in processing, the 200 tonnes of tubes could be used to manufacture around 3,500 G-2 centrifuges, enough to produce about 75 kg of weapons-grade uranium a year or about enough for three nuclear weapons of a first-generation uranium-based implosion design, assuming 20–25 kg per weapon. Also in April 2003, Japanese authorities, working with officials in Hong Kong, thwarted a North Korean effort to obtain three inverters – electronic devices used to generate the direct current power necessary for the operation of centrifuges (although they also have an application in missile guidance systems). Hundreds of inverters would be required for a production-scale centrifuge plant because each centrifuge machine is run by its own motor.

The interception of the aluminium tubes shipment in April 2003 reinforces the conclusion that North Korea is seeking to build a production-scale centrifuge facility, but these failures in Pyongyang's procurement effort suggest that North Korea may still lack key components. Moreover, aluminium casing tubes are only the "tip of the iceberg" in relation to the necessary components. Other critical components, even more difficult to manufacture, include nuclear-grade maraging steel rotors and caps, rotor bearings and electrical systems. Of course, it is possible that North Korea has been able to establish a completely undetected procurement apparatus to obtain such items. It seems more likely, though, that North Korea is still in the process of acquiring at least some of the necessary items.

Thirdly, the locations of North Korea's centrifuge facility and key ancillary facilities are unknown. Intelligence and military experts believe it is likely that North Korea would choose to build a centrifuge plant underground to guard against detection and military attack. However, press reports identifying possible locations for an underground centrifuge plant are mostly based on conjecture.

In addition to the actual centrifuge facility itself, a North Korean uranium enrichment programme would also require the production of large quantities of uranium hexafluoride (UF_6) feed material, the gaseous form of uranium required for centrifuges. For example, a centrifuge plant consisting of 3,500 G-2-style centrifuge machines would require around 13.5 tonnes of UF_6 feed material per year. North Korea's fuel fabrication facility at Yongbyon was able to process large amounts of natural uranium yellowcake (U-308) into uranium dioxide (UO_2) and then into uranium tetrafluoride (UF_4), the immediate precursor to the production of UF_6 . But the fluoride-processing lines at the facility are badly corroded, and

would need to be rebuilt and refitted to resume UF₄ production. Of course, North Korea could decide to build a UF₆ feed plant at another location. In the end, production of sufficient UF₆ feed material should not be a major technical hurdle for North Korea's enrichment programme.

Finally, assuming that North Korea is able to complete a production-scale centrifuge plant, a lengthy period of testing is normally necessary before full-scale sustained production can commence. Centrifuge machines are notoriously temperamental. Operating at high speeds, they can suffer catastrophic failure (known as "crashing") as a result of manufacturing or operational errors, requiring that the entire line be shut down in order to replace or bypass the damaged machine. For example, any fluctuation in, or interruption to, the electrical current can prove fatal for centrifuge machines, and North Korea's electrical system is known to be highly unreliable.

In conclusion, Washington's assessment that a production-scale centrifuge facility could be completed by "mid-decade" is a "worst-case" estimate based on analytical judgements and assumptions, rather than on a wealth of factual information. The US estimate draws from a sense of how long it would take a country of North Korea's perceived industrial, scientific and engineering potential to complete a production-scale centrifuge facility, assuming that it possessed the necessary technology and that it made a political decision to devote the necessary resources to it. It is possible that North Korea's enrichment programme is even more advanced than US assessments suggest, especially if it has been able, undetected, to obtain significant quantities of materials and equipment from foreign sources. However, it probably still faces a number of technical obstacles, which would put the estimated date of completion at the far end of "mid-decade" or even later. In the absence of additional information, it is impossible to make a decisive judgement either way.

Phase 4: The plutonium programme unfrozen (2002–present)

Following the revelation of North Korea's clandestine enrichment programme and the collapse of the Agreed Framework in late 2002, North Korea disabled IAEA monitoring equipment at the 5 MW(e) reactor, the spent fuel storage pond and the reprocessing facility, expelled IAEA inspectors from the Yongbyon Nuclear Research Centre and took steps to revive its plutonium production programme, which had been suspended since 1994. In the absence of inspectors, it is very difficult to determine the exact status of North Korea's plutonium production programme, although satellite photography and other forms of international monitoring do give some clues. To complicate matters, North Korean of-

officials have made a variety of public and private statements regarding their country's nuclear activities since inspections ended, but these may be for political effect and they cannot be taken at face value. Whatever the uncertainty about the exact status of North Korea's plutonium production facilities, enough is known about the technical capabilities of these facilities to produce an informed assessment of North Korea's ability to manufacture additional plutonium in the short term.

Of greatest immediate importance is the fate of the nearly 8,000 irradiated fuel rods discharged from the 5 MW(e) reactor in 1994 and stored in an adjacent pond, near to the reprocessing facility. Although the IAEA was not allowed to measure the irradiation levels of the rods, it believes that they contain some 25–30 kg of plutonium. Notionally, this is enough for between two and five nuclear weapons, depending on the amount of plutonium lost in the reprocessing process and on the quantity required for each nuclear weapon of any North Korean design. If the spent fuel contains 25–30 kg of plutonium, the amount actually recovered from reprocessing could be 17.5–27.0 kg, assuming a reprocessing loss of 10–30 per cent. Furthermore, assuming that a first-generation implosion design requires 5–8 kg of plutonium for each weapon, the separated plutonium would be enough to produce as few as two or as many as five nuclear weapons.

The reprocessing facility was mothballed for nearly eight years, but some maintenance work occurred during the freeze. Most experts believe that North Korea could have restored the facility to operational status within a few months and had likely done so since the inspectors were expelled in December 2002. In theory, the single completed line in the reprocessing plant was seen as capable of reprocessing the 8,000 fuel rods (50 tonnes of uranium) if operations ran continuously for approximately five months, assuming no technical difficulties.

In early 2003, satellite imagery detected the presence of lorries at the storage site, suggesting that the fuel rods were being removed from the area. In theory, the fuel rods could have been moved to the reprocessing facility, or potentially to some other location for processing or protection from military attack. In April 2003, North Korean diplomats told US officials in private that the country had begun reprocessing, and in July they said that reprocessing was completed. In October 2003, North Korea announced publicly that reprocessing of the rods had been completed successfully by the end of June and that the state was using the resulting plutonium to increase its “nuclear deterrent force”. In September 2004, North Korean Vice Foreign Minister Choe Su Hon indicated that the 8,000 spent fuel rods had indeed been reprocessed and the material used to fabricate nuclear weapons.

North Korea's ability to produce fresh plutonium in the near term is limited. Since the end of the freeze, it is believed to have refuelled the 5

MW(e) reactor at Yongbyon, and restarted it in March 2003 – a view based on the observation of steam plumes from the reactor's cooling tower. The reactor apparently experienced some start-up problems, which is not surprising after eight years of inactivity, but such difficulties are not likely to be insurmountable. Assuming maximum power for 300 days, the reactor is capable of producing up to 7.5 kg of plutonium per year, perhaps enough for one nuclear weapon, depending on assumptions concerning reprocessing losses and the amount of plutonium required for a nuclear weapon of North Korean design. In its October 2003 statement, Pyongyang vowed to reprocess spent fuel from the 5 MW(e) reactor as it became available. In April 2005, the South Korean government stated that Pyongyang had again shut down the 5 MW(e) reactor, and on 11 May Pyongyang announced that it had extracted more spent fuel rods with the intention to "increase its nuclear arsenal".

In the longer term, North Korea's ability to produce much larger amounts of plutonium depends on how quickly it can complete the two larger nuclear reactors that were under construction when the nuclear freeze came into effect in 1994. Of the two, the 50 MW(e) reactor was closest to completion in 1994. At that time, North Korean officials told the IAEA and the United States that the reactor was 9–12 months from initial service. However, Pyongyang had an incentive to exaggerate the status of construction because the amount of heavy fuel oil delivered to the country under the Agreed Framework was calculated according to the time when the 50 MW(e) reactor was expected to be completed. No technical assessment of the reactor's status in 1994 was conducted. According to IAEA inspectors who visited the reactor throughout the period of the freeze, external work on the main reactor building was complete and the reactor pressure vessel was installed. However, the IAEA was not able to determine the status of several major pieces of equipment and components essential for completing the reactor. Since the end of the freeze in late 2002, there have been no reports of increased activity at the 50 MW(e) reactor suggesting that construction has resumed, although some work on essential components could be occurring undetected off-site. Even assuming that key components such as the fuel-loading machine and blowers are ready for installation, it would still likely take a few years to complete the reactor. Fuel fabrication, in particular, could pose a delay.

Thus, assuming no major technical problems and that Pyongyang takes the political decision to complete the 50 MW(e) reactor, full power operations could be under way in a few years at the earliest. Resumption of large-scale construction at the site and installation of critical equipment and components would probably be detected by satellite, giving advance warning that North Korea was seeking to finish the reactor. In the same timescale that it would take to finalize the 50 MW(e) reactor, North

Korea could also probably expand its reprocessing capability by completing the second line at its reprocessing facility at Yongbyon. This would provide surplus redundant capacity to process the normal 100 tonne annual spent fuel discharge from the 50 MW(e) reactor.

In theory, operating at full power for 300 days a year, the 50 MW(e) reactor could produce about 55 kg of plutonium per annum, enough for about 5–10 nuclear weapons, depending on reprocessing losses and the amount of plutonium required for each weapon of North Korean design. Operating at lower power levels for shorter periods would generate correspondingly less plutonium. Of course, there is no way to know the actual performance capability of the 50 MW(e) reactor.

Compared with the 50 MW(e) reactor, the much larger 200 MW(e) power reactor at Taechon was at an early stage of development in 1994, and has suffered from poor maintenance and exposure to the elements during the period of the Agreed Framework. As far as is known, none of the key components, graphite blocks or fuel for the reactor have been fabricated. Notionally, it could produce hundreds of kilograms of plutonium annually, enough for tens of nuclear weapons, but there seems little prospect that it could be completed for many years.

Nuclear weapon design and fabrication

On 9 October 2006, North Korea conducted an underground nuclear test of a plutonium-based device with an explosive yield less than 1 kiloton. Although the test demonstrated that North Korea has acquired a basic nuclear weapons capability, much remains unknown about the sophistication – and therefore the deliverability – of North Korea's nuclear arsenal. In particular, the yield of the North Korean test is at least 10 times smaller than the first tests conducted by all of the other seven declared nuclear powers, raising the possibility that the North Korean test device failed to achieve its design yield. According to diplomatic sources, Pyongyang gave Beijing advance notice of the impending test, informing Chinese officials that the test would be approximately 4 kilotons. It is impossible to determine from this information, however, the nature of the North Korean nuclear device. One theory is that North Korea deliberately sought to produce a low yield from a large, simple device in order to ensure that the underground explosion was contained. Another theory is that North Korea was testing a more sophisticated design capable of being delivered by missile, but a flaw resulted in reduced yield. In the absence of further information, it is impossible to determine which of these competing theories is correct and therefore how close North Korea is to fielding a nuclear weapon that is deliverable by its existing missile forces.

There is virtually no substantial information on North Korean efforts to design and manufacture nuclear weapons, although certain assumptions can be derived from the basic principles that apply to all countries. The common assumption is that North Korea's nuclear weapon design is based on a first-generation implosion device, the logical choice for states in the initial stage of nuclear weapon development. In a first-generation implosion device, such as the atomic bomb dropped on Nagasaki in 1945, a solid ball or core of fissile metal – either plutonium or high enriched uranium (HEU) – surrounded by a metal tamper/reflector (usually natural uranium) is compressed by a spherical system of shaped high explosives, known as a lens. To produce supercriticality, a burst of neutrons is introduced at a key instant of compression. The main technical challenge lies in creating a spherical implosion of high explosives, which requires precise fabrication of the high-explosive lens and exact timing. Failure to achieve this could result in significant loss of nuclear yield or even a dud. Another technical challenge concerns the design of the neutron generator needed to release a burst of neutrons to trigger a chain reaction in the compressed fissile core. The Nagasaki weapon had about 6 kg of plutonium in its core and produced a yield of slightly more than 22 kilotons. Overall, the weapon was some 1.5 metres in diameter and 3.6 metres long, and weighed approximately 4.9 tonnes. Over the years, the advanced nuclear weapon states have developed a number of different techniques to reduce the amount of plutonium or HEU needed to achieve a desired yield, and to decrease significantly the size and weight of implosion weapons.

An alternative to an implosion design is a gun-type device in which a smaller piece of weapons-grade uranium is fired into a larger piece of weapons-grade uranium in order to create a supercritical mass. A chain reaction is initiated with the introduction of a burst of neutrons at a key moment. Unlike an implosion device, which can have either plutonium or uranium as its fissile core, a gun-type device can be built only with highly enriched uranium because the spontaneous neutrons emitted by plutonium are likely to cause premature criticality (that is, before the nuclear core is fully assembled), significantly reducing the overall explosive yield. Gun-type devices are generally simpler to design and construct than implosion devices, but they require considerably more nuclear material to achieve the same yield. Consequently, implosion designs are generally more attractive to countries with limited amounts of nuclear material.

In estimating the number of nuclear weapons that North Korea might be able to produce, this study assumes that it would require 5–8 kg of weapons-grade plutonium and 20–25 kg of HEU for each implosion device, which roughly corresponds to the range of fissile material used by the nuclear weapon states in their early designs. Using more advanced techniques or aiming to achieve lower yields, nuclear weapons can be

built with smaller amounts of plutonium or weapons-grade uranium. This study, though, presupposes that North Korea may not have access to such advanced techniques and therefore is more likely to pursue simpler and more reliable designs in the range of 10–20 kilotons. However, without knowing the details of North Korea's nuclear weapon design, the actual amount of fissile material used in such a device cannot be determined. The ranges posited here cover the most likely possibilities.

Since at least the mid-1980s, North Korea has conducted a series of high-explosive tests, which appear to be related to the development of an implosion system for a nuclear weapon. Prior to 1992, North Korea carried out high-explosive nuclear-related development tests at the Yongbyon Nuclear Research Centre in a nearby stream bed. According to a KGB report of 22 February 1990, leaked to the Russian press in March 1992, the Soviet intelligence agency had already concluded that North Korea had succeeded in developing a “nuclear explosive device” at the Yongbyon Nuclear Research Centre. The IAEA visited this test site during its various inspections of the Yongbyon establishment in 1992, but it found no evidence of nuclear materials. Later, high-explosive tests were conducted at a nearby site with more sophisticated facilities, known as Youngdoktong. According to a South Korean intelligence report leaked to the country's National Assembly, satellites detected some 70 high-explosive tests at Youngdoktong.

It is difficult to evaluate these North Korean tests with the information available. Whether these tests indicate that North Korea is having difficulty establishing a reliable system, or is seeking to improve on an existing design or to develop new design types, cannot be determined from the available evidence. Given the length of time over which North Korea has apparently conducted nuclear-related high-explosive tests, its ability to manufacture shaped high-explosive charges for conventional munitions and the availability in the public domain of basic information on early implosion designs, the United States has believed – since the mid-1990s – that North Korea is capable of designing and building a simple implosion-type nuclear weapon, assuming that it has sufficient stocks of plutonium or highly enriched uranium for such a device. Since North Korea has continued high-explosive testing over the past decade, the current US assessment – that North Korea has built “simple fission-type” nuclear weapons without nuclear testing – has become more confident.

If this assessment is correct, a key uncertainty would concern the size and weight of the nuclear weapons, which determine the means of delivery. Clearly, from Pyongyang's standpoint, it would be highly desirable to develop a nuclear weapon small enough and light enough to be delivered by the missiles in its inventory, such as the No-dong, which is likely to be more survivable and effective than military aircraft. North Korea's ability

to threaten targets beyond the Korean peninsula, such as Japan or, eventually, the United States, would be much more credible if it was able to deliver a nuclear warhead using missiles in its inventory.

In this regard, the question of Pakistani assistance is critical. According to press accounts, US intelligence believes that Pakistan may have provided North Korea with nuclear weapon design information and even supplies of HEU under the missile-for-nuclear barter agreement of the late 1990s. With North Korean and Pakistani nuclear and missile personnel apparently working closely together for several years, it is plausible that some discussion of weaponization would take place. Pakistan's nuclear weapon design, an implosion system utilizing HEU instead of plutonium, is based on an early Chinese design, and it is small and light enough to be delivered using the No-dong missile – one of the reasons Pakistan wanted to acquire the No-dong. In the worst case, if Islamabad provided North Korea with nuclear weapons design information, it would substantially assist North Korean efforts to develop nuclear weapons that could be delivered by No-dong missiles. Even without Pakistani assistance, North Korea may have been able to develop a warhead over the past decade that is small and light enough to be delivered using a No-dong missile, but there is insufficient information to make a confident assessment.

In conclusion, the current US assessment that North Korea “has one or possibly two” nuclear weapons is based on analytical judgements that North Korea has sufficient fissile material and is technically capable of building a simple implosion device, without requiring a full nuclear test, and that Pyongyang has made the political decision to exercise its nuclear option. The original bases for these judgements were developed during the 1993–1994 nuclear crisis, and the judgements have become more confident over time. If analysts judged that North Korean scientists and technicians could probably build a first-generation device in the early 1990s, it makes even more sense that they could do so a decade later. High-explosive testing has continued during that period, and Pakistani experts may have provided assistance to help North Korea develop a nuclear warhead deliverable by the No-dong missile.

Nebulous nukes

Assuming one or two nuclear weapons from plutonium separated before 1992, between two and five nuclear weapons from plutonium in North Korea's existing spent fuel, and approximately one additional bomb's worth annually from plutonium produced by the 5 MW(e) reactor, North Korea's maximum nuclear arsenal is likely to be limited to 6–12 nuclear weapons over the next several years, if no new facilities to produce plu-

onium or HEU are completed. This assessment does not include the possibility that North Korea acquired additional nuclear weapons usable material from foreign sources, such as weapons-grade uranium from Pakistan.

As for the enrichment project, the United States claims that a production-scale centrifuge facility that is able to produce enough weapons-grade uranium for “two or more nuclear weapons per year” could be operational as soon as “mid-decade”. A more conservative estimate is that completion of the plant could be delayed until the end of the decade, especially if interdiction efforts (several of which took place in 2003) can slow the acquisition by North Korea of foreign equipment and materials.

In short, it is impossible to reach a firm conclusion about North Korea’s current nuclear weapons capability. On the one hand, a plausible case can be made that North Korea has enough plutonium for a very small number of nuclear weapons, including plutonium that it may have separated before 1992 and plutonium that it may have separated since 2002, and that it is technically able to manufacture a deliverable nuclear weapon from this plutonium. On the other hand, we cannot confirm how much plutonium North Korea has and whether it is able to fabricate a deliverable nuclear weapon from this material. From a public policy standpoint, and given the stakes involved, the case is strong enough that it would be imprudent to conclude that North Korea does not have nuclear weapons.

Chemical and biological weapons

Even greater ambiguity surrounds precise chemical and biological weapons capabilities. North Korea has probably produced and stockpiled chemical weapons, although the amount and types of agents that have been produced, the number and types of munitions that have been stockpiled, and the location of key research, production and storage facilities cannot be determined with high confidence. This assessment is heavily based on perceptions of North Korean capabilities and motivations. North Korea’s large – but ageing – chemical industry is capable of producing a variety of traditional chemical weapons agents, although some imported precursors may be needed for nerve agent production. North Korea’s munitions industry is capable of producing a variety of chemical weapons, such as chemical-filled artillery shells or warheads for rockets and missiles. Plausibly, Pyongyang would see the utility of chemical weapons both as a military asset for tactical battlefield use and as a strategic asset to threaten civilian casualties. Arguably, the perceived value

of chemical weapons increased after the mid-1990s, when North Korea's plutonium production was frozen and its conventional forces continued to suffer from financial restrictions. North Korea denies that it has any chemical weapons, but it has refused to join the Chemical Weapons Convention.

There is general agreement that North Korea has conducted research and development on biological agents, but not enough information to conclude whether it has progressed to the level of agent production and weaponization, although North Korea is most likely technically capable of both. Compared with chemical weapons, even less is known about a possible biological weapons programme. Official US, Russian and South Korean government reports agree that North Korea has conducted research on a variety of biological weapons agents, including anthrax, cholera, plague and smallpox, but only official South Korean sources claim that North Korea has weaponized one or two biological agents. Official US and Russian sources characterize North Korea as capable of producing a variety of agents, without judging that North Korea has actually produced biological weapons. Given the dearth of information, it is impossible to make a firm judgement either way.

Ballistic missiles

Assessments of North Korea's deployed short- and medium-range missiles are more certain than estimates of its efforts to develop long-range missiles capable of attacking the United States with nuclear weapons. North Korea has produced and deployed short-range Scud B/C missiles (known in North Korea as the Hwasong-5/6), which can reach targets throughout South Korea, and medium-range No-dong missiles, which can reach targets throughout Japan. The exact size, disposition and armament of these missile forces are unknown. There is no doubt that North Korea can produce a variety of single-stage, liquid-fuelled ballistic missiles, based on Scud technology. However, there is little public information on the location and capabilities of missile production facilities, beyond a handful of major facilities associated with research and development, assembly and flight-testing. There is also no doubt that North Korea has deployed Hwasong-5/6 and No-dong missile units, probably organized along the lines of Soviet-style launch battalions, with four to six mobile launchers per battalion. Conservatively, we estimate a deployed force of about 120 Hwasong-5/6 missiles and about 40 No-dong missiles, but these numbers are approximate and North Korea could deploy additional missile forces if necessary. Including missiles held in reserve, official US and South Korean reports estimate that North Ko-

rea's overall ballistic missile inventory includes over 500 Scuds of various types and a few hundred No-dongs. A number of different underground bunkers, shelters, hide positions and tunnels thought to be associated with deployed missiles forces have been identified.

As demonstrated by the August 1998 Taepo-dong-1 launch, North Korea has begun to pass technological hurdles to develop multiple-stage long-range missiles, but the status of this effort cannot be accurately determined, especially since North Korea has refrained from additional flight tests since 1998. On 31 August 1998, North Korea launched a three-stage Taepo-dong-1 (or Paektusan-1 as it is known in North Korea) rocket in an attempt to place a small satellite into orbit. Stage separation was successful (a No-dong first stage, Scud second stage and solid rocket motor third stage), but the third stage exploded and destroyed the satellite. In a ballistic missile configuration, the Taepo-dong-1 would provide little military utility beyond that offered by the No-dong, in terms of it being able to deliver a nuclear warhead to medium ranges.

A more credible intercontinental range system, thought to be under development, is the Taepo-dong-2 (TD-2), which consists of a first stage of four clustered No-dong engines and a second stage of a single-stage No-dong engine. On paper, assuming maximum capabilities, the United States estimates that a two-stage TD-2 could deliver a "nuclear weapon sized" payload to targets in the western United States. With a solid rocket motor third stage, the TD-2 is theoretically capable of delivering a "nuclear weapon sized" payload anywhere in the United States, although accuracy would be extremely poor with known North Korean capabilities. Between 1998 and 2006, the United States had estimated that the TD-2 "may" be ready for testing at any time. North Korea refrained from additional flight tests, having agreed to a moratorium on long-range missile tests in September 1999. However, in July 2006, it conducted a series of missile tests, including of a TD-2. Although that test was generally judged a failure, Pyongyang will nevertheless have learnt valuable lessons from it and garnered technical data that it will be able to apply to the future development of the missile. Advances in this area will be key in rendering a North Korean deterrent capability credible and effective.

The balance of conventional forces

Over the years, the conventional military balance on the peninsula has shifted against North Korea. US and South Korean forces have modernized and strengthened their military capabilities, while North Korea's forces suffer from economic deprivation, obsolete equipment, poor main-

tenance and inadequate training. As a result, the credibility of North Korea's threat to invade South Korea using forward-deployed forces near the Demilitarized Zone (DMZ) has diminished. North Korea could not invade the South without inviting a fatal counterattack from the United States and South Korea, supported by Japan.

At the same time, Pyongyang's conventional forces are sufficiently strong to make an allied invasion to overthrow North Korea's regime an extremely unattractive option. Even with outdated equipment, poor readiness and adverse living conditions, North Korean soldiers are seen as tough fighters. With its massed artillery near the DMZ, North Korea retains the ability to inflict heavy casualties and collateral damage on allied forces and civilians – North Korean forces may not be able to seize Seoul, but they can devastate it. In theory, US forces could carry out limited pre-emptive attacks to destroy known North Korean nuclear facilities and missile emplacements, but such an attack would be unlikely to destroy all secret facilities and hidden weapons and would risk provoking North Korean retaliatory action that could trigger a catastrophic war. The possibility that North Korea has acquired nuclear, chemical and biological weapons makes the prospect of a general war even more difficult to contemplate. With its back against the wall, the North Korean regime might take desperate and even suicidal actions.

Implications for policy

In September 2004, and again in February 2005, North Korea stated that it had developed nuclear weapons for the purpose of self-defence. Although far from technically detailed, these were statements of greater clarity than the opaque and qualified hints (and denials) Pyongyang had issued on previous occasions. The international response, however, was tellingly mixed. At one extreme, it featured claims of vindication by those who had long argued that North Korea's ostensibly civilian nuclear programme constituted an immediate military threat, warranting a tough concerted response; at the other extreme, there were expressions of grave, even dismissive, doubts by those who saw Pyongyang's claims as characteristic swagger and bluff, aimed at extorting strategic rents from the outside world. Both of these reactions grew out of North Korea's habit of husbanding ambiguity and imprecision as a prime strategic asset in its fraught diplomacy and of seeking to manipulate the outside world's perceptions of its military capabilities. At times, its interest may dictate denial of capabilities that actually exist; at other times, national interest may dictate invention of capabilities that do not exist. Secrecy may be intended to veil weaknesses as well as to conceal strengths. For these rea-

sons, and because of the problems associated with collecting intelligence in such a closed and secretive society, it is very hard to draw definitive conclusions about North Korea's strategic weapons holdings – and therefore Pyongyang's overall bearing on matters of regional security.

North Korea's nuclear test of October 2006 removed any ambiguity about Pyongyang's basic nuclear prowess, but many uncertainties remain, especially with respect to the deliverability of North Korea's nuclear arsenal. North Korean officials claim that the test was a complete success and boast that Pyongyang has joined the ranks of nuclear powers. Other evidence suggests that the test was at least a partial failure, which would explain the relatively low yield. Without further information, however, it is impossible to determine the extent to which the test device failed to perform and, if so, what went wrong. Therefore, we cannot be certain how close North Korea is to deploying a nuclear arsenal that could be delivered by No-dong missiles.

This is inevitably a source of frustration to policy-makers, who ideally seek to fashion their diplomacy on the basis of certainty and confidence in their understanding of North Korea's military capabilities and strategic intentions, and the interplay between them. The dangers inherent in ambiguity are significant: the more imperfect the understanding of capabilities, the faultier may be assessments of intentions; the bolder the assumption of intentions, the starker or more casual might be the inferences made about the capabilities that North Korea has or may desire. Responsible diplomacy towards Pyongyang will recognize these dangers. It will acknowledge that the manifold ambiguities, caveats and gaps in knowledge of North Korea's capabilities – and the factors that give rise to them – are as important as established facts when calculating Pyongyang's current intentions and future options.

Acknowledgements

This chapter is based on the International Institute for Strategic Studies' "Strategic Dossier", *North Korea's Weapons Programmes: A Net Assessment*, January 2004.

Note

1. CIA unclassified point paper distributed to Congressional staff on 19 November 2002.

4

Economic security in the DPRK

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Economic security is viewed as a critical dimension of the overall security equation for the Democratic People's Republic of Korea (DPRK), and thus an understanding of the economic dynamics at work in the North Korean situation will be fundamental for resolving the country's security dilemmas.¹ The principal argument is that any sustainable future security framework for the DPRK will need to meet the needs of all stakeholders in a mutually reinforcing way. But the transformations required to achieve such a stable state of economic security pose major challenges for both the DPRK and the international community.

The combination of military-first and socialist economic policies has created a systemic crisis for the DPRK economy. It is no longer possible for the DPRK both to meet its military security objectives and to provide general economic well-being for its population of 22 million. In view of the policy choice by the DPRK's leadership to pursue asymmetric military security in the face of a weakening economy, the DPRK has opted for continued isolation from the international community and a condition of economic insecurity for all of the principal stakeholders in the system. Although economic reforms are necessary, and partial reforms have been implemented, these cannot succeed without a more fundamental realignment of policy in which the military-first policy would no longer be pursued and priority would be given to overhauling the DPRK's failed economic system by introducing market economic mechanisms and expanding aid, trade and investment relations with neighbouring countries and the international community more generally.

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The DPRK's economic security dilemma

Economic security in the DPRK context needs to be viewed from three complementary perspectives: the state, the production enterprise and the household. In the DPRK, all three of these stakeholders have been bound in a social contract grounded in mutual dependency and obligations in which the state exercises totalitarian control of the economy and socialist provision of security, livelihood, basic necessities and social services to the population. Enterprises have been expected to meet production and tax quotas established through the national planning process, and households have been expected to put the interests of the state and of collective society above personal welfare. Profit maximization and individual initiative were repressed, and the political philosophy of *Juche*, or self-reliance, was a concept that applied to the state but not to the enterprise or household. The dilemma that emerged in the 1990s was that a combination of internal and external factors caused the social contract to fail. The DPRK state could no longer finance a military that would ensure national security and regime survival and at the same time meet the basic human needs of the DPRK society or provide capital to enterprises to retain production viability.

Basic economic interests of the stakeholders

At the level of the state, economic security is essential to maintain regime viability and legitimacy. Economic failure threatens the ability of the regime to retain control over national security and domestic stability, whereas economic success permits the state to expand its ambitions.

At the level of the production enterprise, economic security is defined by the ability to remain in business. In physical terms, this means access to labour, capital and technology; availability of public infrastructure for transport, power and communications; and access to buyers of final products and to suppliers of raw materials and intermediate inputs.

At the household level, economic security has both physical and psychological aspects. Physically, households require housing, food and access to education and health care. Employment and social protection are also important. In the DPRK, the state assumed responsibility for meeting all such household needs in exchange for nearly total control over the lives of its citizens. Freedom of choice at the household level has been perhaps the most circumscribed of any society in today's world. Psychologically, human security depends critically on perceptions of insecurity.² Understanding these perceptions in the DPRK context is important for assessing the impact of changes on household-level well-being and behaviours. Important considerations are the fears of freedom and

unknown alternatives, values of communalism, political indoctrination, and socio-economic class (*songbun*). Use of coercive social control practices by the state, such as intimidation and internment, are also factors affecting perceptions of security at the household level that have an impact on economic as well as political behaviours.

Determinants of growing economic insecurity

Economic decline and reform initiatives

The DPRK economy has been in decline since the early 1980s and experienced shocks in the early 1990s that precipitated sharp contractions in both industrial and agricultural production. The consequences of this decline have undermined the economic security interests of all three stakeholders. Efforts to initiate economic reforms have further accentuated the breakdown of the socialist social contract.

The contraction in the mid-1990s and the attainment of fragile stability by the end of the decade are illustrated in nominal gross national income (GNI), GNI per capita and the budget in Table 4.1.³

Impact on the state

The scale of the contraction of the mid-1990s, which was accompanied by famine, severely challenged the state, which was forced to curtail spending for national security as well as for the People's economy, and for the first time in its history the DPRK appealed to the international community for humanitarian assistance. This admission of failure to provide for the needs of the people and acceptance of foreign aid workers contributed to a perception of heightened vulnerability and a changing relation-

Table 4.1 DPRK gross national income and budget, 1990–2004

	1990	1994	1998	2000	2002	2004
Nominal GNI (US\$ billion)	23.1	21.2	12.8	16.8	21.3	23.8
GNI per capita (US\$)	1,146	992	573	757	762	914
Budget (DPRK <i>won</i> billion)	35.7	41.4	20.0	21.0	NA	364.0

Source: Bank of Korea, “Comparison of South and North Korean Macroeconomic Indicators from 1990 to 2004” (in Korean), <http://www.bok.or.kr/contents_admin/info_admin/main/home/bokdb/northkorea/comparison/popup01.jsp> (accessed 31 January 2007); also Ministry of Unification, *2004 North Korea Outline* [*Buk-han-gae-yo 2004*], Seoul (in Korean); and “Second Session of 11th SPA of DPRK Held”, <http://www1.korea-np.co.jp/pk/202nd_issue/2004032702.htm> (accessed 31 January 2007).

ship between the state and the people. Since 1998, the economy has remained in fragile stability, with small but positive economic growth, propped up by foreign aid and subsidized trade with neighbouring countries. Economic reform initiatives in the summer of 2002, which continued in 2003, succeeded in stimulating new economic activity in firms and legalized the nascent markets that emerged from a grassroots response to the failure of the state economic apparatus in the mid-1990s. But these measures have not stimulated the supply response needed to trigger significant economic growth, and have unleashed inflationary forces in the DPRK economy that the government does not have the means to control. No budget was published for 2002 owing to the price reforms, but in 2004 a budget was published providing a new baseline for the future. The new economic dynamics at work in the DPRK are also fostering a growing inequality of incomes in the DPRK society that reflects an emerging new political economy with uncertain implications for social stability and government control over the activities of the population. The future stability of the state and the legitimacy of the Kim Jong Il regime in the eyes of its major constituents – the Workers' Party, the military and the general population – depend on its ability to avoid the collapse of state economic institutions and provide some expanding economic benefits for all of these constituencies, even at the cost of downplaying long-standing ideological principles embedded in the *Juche* philosophy of self-reliance and the command economic system.

Impact on enterprises

For a large portion of the DPRK's industrial sector, the ingredients of enterprise viability were severely eroded during the 1980s and 1990s, making the enterprise sector highly vulnerable to the trade shock that followed the collapse of the Soviet Union in the early 1990s. The dependence of enterprises on the state in the centrally planned economic system, where the central plan ceased to be a meaningful production management tool in the mid-1980s, contributed to this vulnerability. Enterprises were increasingly unable to adjust to a changing environment, and reliance on central directives left them dangling throughout the 1990s when price signals had no place in economic adjustment and the reallocation of resources. As a result, there has been a large erosion of capital stock, and firms have had very limited access to the finance and technology they need to remain viable. Industrial enterprises thus had a hard time in the 1990s, with negative growth rates in the industrial sector through most of the decade and only modest improvements since 1998, according to Bank of Korea estimates. Also, fundamental principles of enterprise performance such as profitability and return on investment,

which are the bedrock of capitalist economies, were absent from the communist system through the economic crisis of the 1990s, but they are beginning to be reflected in a transition towards the adoption of market mechanisms in DPRK economic management, notably in the enterprise management and fiscal policy reforms introduced in 2002. The guiding hand of the Workers' Party in enterprise management decision-making is also giving way to more autonomy for business decisions by enterprise managers. However, the absence of a business-friendly legal system, an undeveloped banking system, restrictions on hiring and firing workers, distortions in pricing policies, and continued state ownership of assets (especially land) mean that the ability of firms to pursue business viability remains highly insecure.

In agriculture, food production dropped dramatically following the trade shock of the early 1990s.⁴ Since then, farming enterprises have fared somewhat better than industrial enterprises. The food crisis of the mid-1990s both triggered an inflow of external resources to the agricultural production system in the DPRK and stimulated a rise in farmers' markets as the government acquiesced to their role in mitigating the impact of the food crisis on urban households suffering from a breakdown in the public distribution system and relieving pressures on agricultural enterprises to increase productivity. Nevertheless, farming enterprises in the DPRK continue to suffer from lack of access to basic inputs such as fertilizers, pesticides and farming machinery, as well as from serious faults in the distribution system. Availability of agricultural inputs is better for state-run farms than for cooperatives and thus state-run farms tend to have higher productivity. Cooperatives, on the other hand, have more independence at the local level, and are more flexible in providing incentives to farmers to increase production. The recent changes in agricultural management policies in the DPRK are supportive of the trend towards more local decision-making autonomy and acceptance of private incentives in the market economy for agriculture. Although food production has improved in recent years, agriculture in the DPRK remains vulnerable to natural disasters, such as the floods of July 2006.

Impact on households

Household security in the DPRK was shattered by the events of the 1990s. The food crisis and accompanying failure of the public distribution system to provide essential nutrition to large segments of the population triggered the famine of the mid-1990s and undermined the longstanding social contract between the North Korean state and its population. A major consequence was the need for households to take initiatives to meet their basic living requirements and not rely solely on the state or

employers for support. This led to migration from the wage-based urban centres, where the failure of the public distribution system took the greatest toll, and to the growth of informal markets that emerged as a grassroots response to dire human need. This was accompanied by growing hoarding by farming households of food for personal use and sale through the farmers' markets. Because prices in the informal markets were much higher than state-determined wages for the urban population, another development was the emergence of private income-producing activities, asset-stripping from production enterprises, and other forms of stealing from the state.

Although the estimates of the number of people who died during this period vary widely, it is generally accepted that the food crisis of the 1990s led to large loss of human life among vulnerable segments of the population and fundamentally altered perceptions of household insecurity in North Korean society. The national nutrition survey conducted by the World Food Programme and the United Nations Children's Fund (Unicef) in 1998 confirmed high levels of wasting and stunting among North Korean youth, indicating that food deprivation was not just a recent phenomenon, but that household food security had been eroding for many years in parallel with the weakening of the production economy as a whole.

The economic reforms of 2002 were a recognition by the state that household economic security had eroded to the point where fundamental changes in the economic management system are required in the DPRK. The wage and price reforms introduced at that time were intended to give a boost to households' purchasing power, but this has now been eroded by inflation, which has resulted from the lack of a supply response to the reforms and the fact that an infusion of external resources is needed to rejuvenate the DPRK economy. The legalization of markets in 2003 also reflects recognition by the state of the reality that markets are now satisfying basic consumption needs for a significant segment of the population not well served by the public distribution system, and that markets and individual initiative now are indispensable to a viable North Korean socio-economic organization.

One consequence of the combination of growing flexibility of labour practices and expanding reliance on markets has been growing income inequality within North Korean society. The new groups of economic losers and winners reflect a shift in the political economy and social differentiation that is not necessarily aligned with the traditional *songbun* stratification framework. The implications of this development for the internal political dynamics of the DPRK are uncertain, but represent a significant challenge for the leadership and the Workers' Party.

National defence drain on resources

The DPRK's military-first policy and military-related economy draw resources away from the People's economy that otherwise would be used for investment in industrial and agricultural production and social services.⁵ The interests of regime survival and national defence have exacted a high price in household sacrifices, low levels of consumption and increasing insecurity of vulnerable groups, especially the young, old and ill. This drain on national resources is also a major contributor to the DPRK's economic insecurity at the state level.

The impact of the sharp contraction of the DPRK economy in the 1990s was amplified by the need to devote a larger share of the remaining budget pie to military expenditures and non-productive state overheads. The expenditure figures in Table 4.2 illustrate not only the scale of the contraction experienced in the DPRK in the second half of the 1990s – about 50 per cent for the budget as a whole, and about two-thirds for productive activities in the People's economy – but also the redistribution of about 28 per cent of the available budget from productive to non-productive activities.

In addition to these resource allocation trends, the policy choices that the state-directed economic planners have made over the years have resulted in a highly inefficient use of the resources that are available to the DPRK. The concentration on uncompetitive heavy industries and pricing policies that have not reflected economic costs are the major reasons for this high degree of distortion. National defence has paid a price for these policies in not being able to benefit from a more dynamic People's economy. In addition, the DPRK decided to develop its own military industries for military equipment and materials, the development of domestic

Table 4.2 Estimated budget expenditure, 1994 and 2004

	1994		2000	
	Won billion	%	Won billion	%
Military expenses	48.1	11.6	30.0	14.3
People's economy expenses	281.0	67.8	84.0	40.1
People's policy expenses	78.7	19.0	80.1	38.2
Management expenses	6.6	1.6	15.5	7.4
Total	414.4	100.0	209.6	100.0

Source: Myoung-chul Cho, "Current Status of the North Korean Economy", in Choong Yong Ahn (ed.), *North Korea Development Report 2002/03*, Seoul: Korea Institute for International Economic Policy, 2003, p. 42.

research and development capacity, the construction of underground defence facilities, the establishment of a wartime transition system, and the reservation of strategic goods. As a result, military industrial production amounted to about 30 per cent of national production in the early 1990s, which compares with about 8 per cent in the Soviet Union.⁶ The combination of high resource allocation and inefficiency of both the People's economy and the military economy have added significantly to the DPRK's economic vulnerability, at the level of both the state and production enterprise.

The economic reforms introduced in 2002, under which more enterprises were given greater decision-making flexibility and prices were raised closer to market-determined levels, were taken to improve the efficiency of the DPRK economic system. These steps were positive but partial. Further liberalization in price-setting mechanisms will be needed for the efficiency gains to be realized on any significant scale and for improvements to be seen in resource allocation throughout the economy. Furthermore, industrial policy will need to be shaped by a different understanding of comparative advantage, especially in pursuing a policy of expanded international trade. Retaining a large military-industrial complex will act as a drag on the ability of the DPRK to adapt its economy to a more market-oriented system. Thus there is a trade-off between the DPRK's commitment to an inefficient military-first industrial policy and its economic security needs. In this policy environment, the DPRK is vulnerable to erosion of both its defence capabilities and its economic capabilities.

Energy vulnerabilities

The impact of price distortion in the DPRK economy and the legacy of Japanese occupation are most evident in the DPRK's energy dependency. The economic system relied on energy-intensive heavy industry (chemical and metal), electrified rail for transport, and heavy use of energy-intensive fertilizers and pumped irrigation water for agricultural production. This energy-intensive economic structure was based on coal for 70 per cent of consumption in 1990, petroleum for 10 per cent, hydro-power for 16 per cent and other sources for 4 per cent.⁷ Whereas refined petroleum is a strategically important energy resource for defence, its civilian use was curtailed because of a desire to rely primarily on domestic energy supplies for the People's economy. This made the energy security of the DPRK vulnerable both to curtailment of externally supplied petroleum resources and to a breakdown in coal mining, both of which occurred in the 1990s. Coal production declined from 33,100 tons in 1990 to a low of 18,600 tons in 1998 before starting a modest recovery. Crude

oil imports dropped from 2,500 tons in 1990 to 504 tons in 1998 and fell even further to 314 tons in 1999.

Both national defence and the DPRK's People's economy were threatened by these developments. Lack of transport and an unreliable power supply accelerated the production declines of both industrial production enterprises and agricultural cooperatives, and heightened the vulnerability of households to illness and food shortages, exacerbating social impacts particularly in urban areas. From a defence standpoint, the DPRK's ability to move large numbers of troops and equipment and to re-supply them if a conflict were to erupt is also constrained by low refined petroleum supplies. This has been reflected in its forward deployment of artillery tubes directed towards Seoul.

In addition to issues related to the supply of energy for the DPRK economy, there are also problems related to the distribution system. Because of national defence concerns, the electrical distribution system in the DPRK is largely underground and highly inefficient. As a result, power instability and losses owing to degradation of the grid have become major additional constraints on the energy sector that will require large-scale investment to resolve. Any future investment planning for upgrading the electrical grid will have to resolve the tension between national defence considerations concerning the vulnerability of such infrastructure to attack and economically efficient investment.

The international response to the food crisis

It has been estimated that the international community provided a cumulative total of US\$2.19 billion in humanitarian assistance to the DPRK from 1995 to 2004 in response to the food crisis.⁸ Of this, US\$1.38 billion was provided through the UN-led Consolidated Appeal and the remainder bilaterally, largely from the Republic of Korea (ROK) and China. Food aid accounted for 90 per cent of the assistance, while health and clean water assistance comprised most of the remainder. Although UN agencies such as the World Food Programme (WFP) and Unicef were the primary conduits of this assistance, the international non-governmental (NGO) community also played an important role.

From the perspective of household security, the international response to the DPRK food crisis was important, both in bringing relief to large numbers of households at risk of starvation or severe malnutrition, and in communicating to the isolated North Korean people the desire of the international community to be connected and its willingness to extend a helping hand. Thus the psychological impact was at least as important as the health and economic impacts.

From the perspective of the state, the food aid received from the international community was an acknowledgement of the failure of the government to provide for the basic needs of its citizens, although this was rationalized by placing blame for the crisis on bad weather and US economic sanctions, rather than on the failures of the DPRK economic system and its vulnerability to the trade shock that followed the collapse of the Soviet Union. By allowing foreign humanitarian aid workers to operate within the country and supervise the distribution of the assistance, the DPRK government also increased the risk of exposing the North Korean population to the human face of international goodwill and the realities of the outside world of which the population has been broadly ignorant. Thus the cost to the state of requesting international food aid and allowing access by foreigners to large parts of the country was significant, and this indicates that in the mid-1990s economic security interests trumped military interests in the overall calculations of the leadership.

This is not to say, however, that the state was only a loser in the decision to seek international food aid. Because this was channelled top down through government-controlled distribution, the delivery of food aid indirectly strengthened the regime and its capabilities to meet the needs of the North Korean people and thus reinforced its legitimacy in the eyes of the domestic population. It also permitted the government to divert other sources of food, both domestically produced and imported bilaterally from China, to military and elite households that were not a high priority for the WFP and NGO donors. Thus it can be argued that the international food aid response to the crisis of the 1990s permitted regime survival and perpetuated essential defence and governance capabilities. Denial of food aid would have increased the risk of regime collapse and social upheaval, which was not an outcome desired by the DPRK's neighbours, given the potential destabilizing impacts on national defence policy and cross-border refugee flows.

The fact that the DPRK has a structural food deficit of about 1 million tons of grain equivalent a year has now been well established by assessments carried out by the Food and Agriculture Organization of the United Nations. As a consequence, the DPRK has not been able to remove itself from the international food aid rolls. After 10 years, aid fatigue and the increased willingness of some donors (e.g. Japan) to attach political strings to humanitarian assistance have changed the character of the international response to the DPRK's chronic food deficit. Both donors and the DPRK government realize that investment in agricultural rehabilitation and economic growth based on expanded foreign investment and trade will be needed for the DPRK to achieve sustainable food security. For the DPRK, food self-sufficiency based on domestic production alone is not a realistic objective. This realization underlies

the decision of the DPRK to change course and cancel the UN Common Appeal process for 2005 and also to press for a shift from humanitarian aid to development assistance in relations with donors.

The myth of *Juche* and foreign economic dependence

The philosophy of *Juche* was shaped by an ideology of nationalism and a historical Korean fear of foreign domination. As an instrument for domestic political socialization and a rationale for foreign policy, it has played an important role in shaping national identity and isolationist positioning in the international community. In reality, however, the DPRK has been a dependent state from its inception, relying on Russian and Chinese political and economic support for decades. The external subsidies provided through counter-trade with the former Soviet Union and friendship prices extended by China sustained an economy that lost its lustre in the 1970s, and economic dependence gradually increased throughout the 1980s. The collapse of the Soviet Union in 1992 and the subsequent decision by China to extend official recognition to the ROK in early 1993 and harden the terms of trade with the DPRK were devastating blows to the DPRK's national security because both its economic and political support systems were transformed within a matter of months. The ensuing economic crisis, which was amplified by the natural disasters that deepened the food crisis, underscored the DPRK's inability to pursue a policy of *Juche* without risk of internal collapse. The decisions to reach accommodation with the United States on the parallel nuclear crisis of 1993/1994 and to reach out to the international community for humanitarian assistance in 1996 were implicit recognition that foreign energy and food assistance were critical ingredients of national survival. The loss of subsidized aid and trade from the former Soviet Union and their reduction by China were at least in part offset by the successful strategy of negotiating new foreign assistance relationships.

This transformation of the DPRK's external economic dependency was fragile and unsustainable. Humanitarian aid could not overcome the DPRK's structural economic problems, and aid fatigue coupled with competing claims from other countries in distress inevitably led to a weakening of commitment to providing international emergency food assistance indefinitely. The second nuclear crisis, which erupted in October 2002, led to the curtailment of heavy fuel oil shipments from the Korean Peninsula Energy Development Organization, thus effectively eliminating the DPRK's economic support achieved by the Agreed Framework negotiated with the United States in 1994. Although China and the ROK have bilaterally offset the impact on the DPRK economy from

these developments since 2002, the reality is that the DPRK has continued to rely on external aid and a growing trade deficit with China and the ROK to maintain the fragile stabilization and modest improvements in its economy since 1998. The dilemma for the DPRK leadership is that an economically secure future will require an outward-oriented economic development strategy, which will mean expanding aid, trade and investment with foreign countries and accepting that *Juche* in the economic sphere is a failed basis for national security policy.

Factors to be considered in a new economic security framework

Any future economic security strategy for the DPRK will need to address the issues at all three levels of the state, production enterprise and household discussed in this chapter in an integrated way. The main lesson of international engagement with the DPRK in the past decade is that such a comprehensive approach has been missing. The technical as well as the political challenges for a strategy of transformation are difficult but manageable. What is needed is a choice by the DPRK to work collaboratively with the international community to go down the transformation path, and a choice by the international community to help the DPRK succeed in the realignment process.

Military-first policy and force structure

The DPRK's reliance on both a large conventional military force and active programmes for weapons of mass destruction to advance its national defence interests and its weak economy and failing economic management system are the fundamental features of its strategic conundrum. Faced with a declining budget and a weakened ability to maintain and equip a large conventional military force to deter massively better funded and equipped ROK and US forces on the Korean peninsula, the DPRK has relied on maintaining a strike capability that threatens Seoul and is not dependent on transfers of personnel or materiel and thus vulnerable to pre-emptive attack. In addition, the DPRK's strategy of pursuing programmes for weapons of mass destruction, including both the nuclear and missile programmes, reveals its reliance on posing a credible strategic threat to Japan and potentially to the United States in order to achieve its national security goals.

The dilemma faced by the DPRK is that its military-first policy and reliance on asymmetrical force perpetuate its economic isolation and vulnerability to economic collapse or at least continuing breakdown in the

institutions of economic control. Ultimately, the DPRK leadership will need to resolve this dilemma either by obtaining a sufficient volume of foreign assistance to allow it to pursue its present military-first policy while improving the People's economy, or by accepting a security guarantee that will enable the DPRK to pursue economic development with significant military demobilization. The first option, however, would not assure sustainable economic security, because reliance on foreign assistance is vulnerable to policy shifts by the providers, in particular China and the ROK. The decisions made between 2002 and 2006 to renounce membership in the International Atomic Energy Agency, to declare itself a nuclear weapons state, to reinstate missile launches and to threaten a nuclear test have reinforced international determination to contain the DPRK's programmes of weapons of mass destruction and to broaden financial and economic sanctions. These developments amplify the severity of the choice faced by the DPRK leadership in resolving the dilemma of the incompatibility of its military-first policy and security of the DPRK economy.

The impact of inter-Korean reconciliation

The North–South Joint Declaration signed by ROK President Kim Dae Jung and the DPRK Defence Chairman Kim Jong Il on 15 June 2000 set a new stage for inter-Korean relations. Inter-Korean economic cooperation has grown significantly since this time, both in trade and in joint projects. The ROK is the DPRK's second-largest trading partner after China (replacing Japan), and inter-Korean reconciliation policies pursued under both the Kim Dae Jung and Roh Moo Hyun governments have dramatically reduced tensions between the two Koreas and threat perceptions, despite continued deployment of conventional forces on both sides of the Demilitarized Zone (DMZ). The progress made in building cross-border rail and transport links in both the western and eastern regions of the Korean peninsula is changing the conventional military defence equation for both sides. With the use of these transport corridors now authorized for tourist travel to the Mount Kumgang resort in the east and the Kaesong Industrial Complex project in the west, and with the agreement to transport food aid from the ROK to the DPRK overland rather than by sea, these developments point to economic interests trumping conventional military deterrence considerations in the pursuit of enhanced security for both countries.

The implications of the Kaesong initiative for the DPRK's economic security interests are substantial. At the state level, there is the prospect of an infusion of investment and foreign exchange earnings based on commercially viable and internationally acceptable economic activities.

At the enterprise level, there is the prospect of an infusion of new technology, management skills and profitability. At the household level, there is the prospect of employment in economically productive jobs at high wages (by North Korean standards) and the opportunity to acquire new skills and knowledge. The tangible economic benefits that the DPRK is receiving and that will grow as the Kaesong Industrial Complex takes root and expands have the potential to drive a deepening and broadening of these types of cooperative economic activity in other areas of the country as well.

Outward orientation for economic development

The DPRK should adopt an economic development policy that follows that of the ROK and Japan. Rather than pursue an isolationist path, the DPRK should aim significantly to increase the role of trade and foreign investment and to generate exports to foreign markets, which will provide a long-term source of economic growth. This means accepting both the domestic implications of a transition to a market economic system and the implications for foreign relations of joining the international economic community and abiding by global rules and norms that will come from membership in the International Monetary Fund and eventually the World Trade Organization. Closer to home, the DPRK should adopt strategies to expand its existing trade and investment relations with China, Japan and the ROK, recognizing that the regional markets provide an important opportunity for integrating economic growth and increased security goals through growing economic interdependence. The international community should support this policy through actions that would assist the DPRK to join international economic organizations and to build up the institutions and policy management capacity needed to develop market economic mechanisms and new economic management practices.

Economic system transformation and a new political economy

System change is already under way in the DPRK and the main question for the future is how to direct and manage the transformation process so that the outcomes for the state, enterprises and households are aligned with their long-term economic security interests. This will require a combination of policy reforms, institution-building and investment interacting synergistically to produce the desired outcomes. The role of foreign investment and development assistance will need to be balanced with incentives for mobilizing domestic resources for both public and private investment and the creation of an environment that stimulates entrepre-

neurship and creative thinking, while preserving North Korean culture and modalities of economic cooperation that are successful in achieving social as well as economic benefits for stakeholders. A strategy debate is needed to form consensus on the essential ingredients and sequencing of economic system change in the DPRK. This debate must occur domestically with all three stakeholder perspectives represented. Foreign experience and advice will be important inputs to this debate, but should be managed in a way that encourages the shaping of a domestic consensus and ownership. The education and learning agenda for foreign engagement should be an early high priority.

The emergence of a new political economy is also inevitable and is already under way. The future evolution of domestic political institutions and the way they interact with the foreign community will be significantly influenced by how the issues of economic system change are handled, both by the DPRK authorities and by the foreign community. In this context, international concern about human rights is a factor that cannot be ignored. In the economic area, this will be reflected in the focus of international donors on a pro-poor economic development strategy, priority given to social protection and strengthening the education and health systems, and advocacy of good governance principles. It is inevitable that donors will pursue these values both in the advice they give and in the conditions they attach to development assistance. Managing the policy dialogue on an evolving agenda will be a challenge both for the DPRK and for the donors. A good aid coordination system will be needed to underpin this dialogue process and its linkage to the mobilization and use of external capital for the DPRK's economic development.

Energy security

Because of its centrality to both the economic security and national defence agendas, the energy sector has an unusually prominent place in policy planning for engagement with the DPRK. Beyond the issues relating to fuel supply mix and the financing of rehabilitation and new construction projects for electrical power, refined petroleum and fertilizer production, any future energy security strategy will need to address questions about the availability, stability and pricing of power in the economy and their implications for production enterprises and households.

Food security

A coherent strategy to address the DPRK's food security needs should be three pronged. The first prong should be a national agriculture development programme that aims to build a sustainable agricultural produc-

tion system for the DPRK that is integrated with an economic reform and restructuring strategy. This includes increasing access to finance and technologies and changes in the incentives environment for both agricultural enterprises and farming households. The second prong is an import policy for food and agricultural inputs built on an export-based industrial development strategy. The third is a plan for removing infrastructural and other bottlenecks that affect the distribution of food within the DPRK and steps to expand the role of market mechanisms in meeting household food security needs.

Redeployment of military assets

Eventually the tasks of military demobilization and redeployment of manpower and industrial assets will need to be integrated with an economic reform and development framework. Ideally, a transformative policy embraced by both the DPRK and its primary international partners would seek a smooth transition leading to more efficient use of resources by production enterprises in the industrial sector and absorption of military manpower in economically productive activities that would benefit the economic interests of both the state and households. Such a coordinated effort would require the integration of security planning with economic planning. Coordination mechanisms would be needed, both internally in the DPRK government and externally in a multilateral dialogue and support framework. A logical economic framework for managing a planned military redeployment would be the phased expansion of the Kaesong Industrial Zone, which is located in a particularly sensitive area on the western side of the DMZ, and possibly future similar industrial zones on the east coast in the Mount Kumgang area and Wonson.

Conclusions

Economic security is an essential dimension of the overall future security equation for the DPRK. The interaction of the national defence interests of the DPRK regime and the economic security interests of the state, production enterprises and households needs to be understood if a workable and sustainable solution is to be found for the DPRK's current security dilemmas. The domestic policy choices that the DPRK government has made in recent years are partial recognition of the need to make major changes in the economic system, which has failed to deliver prosperity to North Korean society. The engagement initiatives of the international community also are recognition of the difficult challenges that

the DPRK faces, and are important signals of the willingness of the international community to find peaceful solutions to these challenges. But the linkages of economic to national defence policies require a more comprehensive approach by both the DPRK and its international interlocutors. Developing a vision and building consensus on ways to help that vision become a reality are essential steps to establishing the trust and political will for the DPRK and the international community to make the choice to walk down a transformative road together.

Notes

1. In addition to the work cited in the following notes, this chapter draws on the following sources: Victor D. Cha and David C. Kang, "Can North Korea Be Engaged?", *Survival: The IISS Quarterly*, Vol. 46, No. 2, 2004; L. Gordon Flake and Scott Snyder, *Paved with Good Intentions: The NGO Experience in North Korea*, Westport, CT: Praeger Publishers, 2003; Vladimir I. Ivanov, "North Korea, the Korean Peninsula Energy Development Organization, and Russia", International Workshop on Energy Security and Sustainable Development in Northeast Asia: Prospects for Cooperative Policies, Seoul: Economic Research Institute for Northeast Asia and Korea Energy Economics Institute, 2002; Vladimir I. Ivanov, "Energy Security for a New Northeast Asia: An Update, ERINA Report 59", Niigata: Economic Research Institute for Northeast Asia, 2004; Kwan Ho Kim, "Options for Rehabilitation of Energy System and Energy Security and Energy Planning in the DPR of Korea", Asian Energy Security Workshop, Beijing: Nautilus Institute, 2004; Yoon Hyung Kim and Chang Jae Lee (eds), *Strengthening Economic Cooperation in Northeast Asia*, Seoul: Korea Institute for International Economic Policy, 2004; Hazel Smith, *Overcoming Humanitarian Dilemmas in the DPRK*, Special Report No. 90, Washington DC: United States Institute of Peace, July 2002.
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5

Food security: The case for multisectoral and multilateral cooperation

Hazel Smith

In the Democratic People's Republic of Korea (DPRK), more commonly known as North Korea, there is a general consensus between the government and its partners in the international humanitarian and development community that sustainable food security will not be obtained through the reinvigoration of agricultural production alone. Export capacity will have to be rebuilt so that the country can afford to buy food from abroad. This consensus underpins the government's and the international community's joint planning to alleviate food insecurity.

Food security can best be understood in two ways: (i) as aggregate national food availability and (ii) as food accessibility by different social groups. In this chapter I show that, although food availability strategies have been jointly developed, the crucial issue of food accessibility has not been addressed by the government. International agencies provided humanitarian aid to those deemed most food insecure. They did not however demand of the government a medium- or long-term strategy to deal with the problem of lack of access to food by specific social groups and individuals.

The chapter starts by reviewing the data on food security and agriculture. I then investigate how the concept of food security was understood by the DPRK government and the United Nations agencies working in the country. After discussing the causes and condition of food insecurity in the DPRK, I review the government's responses to the food and economic crisis of the mid-1990s, and comment on continuing challenges in terms of food availability and food accessibility. The DPRK govern-

ment's 2004 policy reorientation towards the international community, seeking development cooperation instead of humanitarian assistance, is then evaluated. The chapter proposes a set of recommendations designed to offer a multisectoral approach to reconstituting sustainable food security in the DPRK. In conclusion, I suggest that future multilateral cooperation in the context of food security should be based overtly on twin policy goals aiming for both aggregate food availability and equitable access.

Data

Questions as to the reliability, accuracy and veracity of data have frequently been a source of controversy in scholarly and policy studies of DPRK economics, society and policy.¹ These arose from the historically closed nature of the DPRK government and society. From the mid-1990s onwards, however, although difficulties continued to exist, a relatively large amount of reliable data became available on the DPRK economy and society, with the most transparent sector being agriculture.² The availability of reliable data and well-founded analysis was the result of over a decade of cooperation between the DPRK government and the international community in the areas of agriculture and food security. The government worked closely with international organizations, particularly the United Nations Development Programme (UNDP) and the International Fund for Agricultural Development (IFAD); bilaterally, for example with the Swiss Agency for Development and Cooperation, and more recently with the South Korean government; and with non-governmental organizations (NGOs), for instance CARITAS-Hong Kong and Concern.³ Much of this now enormous collection of information, some of which resulted in detailed reports from agronomists and other technical experts, is publicly available on the website run by the United Nations Office for the Coordination of Humanitarian Affairs, ReliefWeb.⁴

The first significant and still important data set and analysis in this sector was the product of cooperation between the government and the UNDP. It can be found in the documentation drawn up jointly by the DPRK government and the UNDP for the roundtable conferences in 1998 and 2000 on the Agriculture Recovery and Environmental Protection (AREP) plan.⁵ Until late 2004, when the government prevented the Food and Agriculture Organization of the United Nations (FAO) from carrying out field assessments, regular updating on agricultural production and food supply and demand figures and analysis appeared publicly in the (at least) annual FAO/WFP Crop and Food Supply assessments by the FAO and the World Food Programme (WFP).⁶ The eight-page sec-

tion of the 2002 UN Common Country Assessment on food security in the DPRK was based on a synthesis of the above information.⁷ It represented the consensus across the UN system on the causes and possible solutions to food insecurity in the DPRK. Further data on the demand side of the food security equation can be found in the 1998, 2002 and 2004 nutrition surveys and assessments undertaken jointly by the government with the major multilateral organizations cooperating with the DPRK, that is the WFP, Unicef and the European Union.⁸ These surveys produced valuable quantitative data on the nutritional status of women and children under seven years of age.

Some criticisms have been made of the FAO data and analysis, largely in respect of the alleged potential overestimation by the FAO of DPRK cereal demand. The FAO is charged with having underestimated the amount of pulses in the historical diet of North Koreans and therefore of having overestimated the demand for rice and maize.⁹ There is little disagreement, however, that the DPRK remains a country with continuing substantial food deficits that will require considerable support from external assistance if it is to meet the minimum food requirements for all the population.

Data and analysis of food security and agriculture are therefore relatively profuse and relatively uncontroversial, unlike for instance the situation with respect to food aid distribution. In food aid, a regular dialogue between the DPRK government and the international organizations as to the transparency of food delivery monitoring and the reliability of food aid distribution data continued for a decade until the DPRK government announced that it no longer required humanitarian assistance in 2005. In summary, there was more or less a consensus between the DPRK government and external actors, and among those external actors, that sufficient information of reliable quality was available such as to enable meaningful and, importantly, shared analysis of basic problems and difficulties in agriculture and food security.

Concepts and analytical framework

The shared agreement between the DPRK government and the various resident agencies of the UN system about what constitutes food security and food insecurity was outlined in the DPRK UN Common Country Assessment (CCA) published in February 2003.¹⁰ This joint analysis evolved in cooperation with the DPRK government at steering group and working committee level. It can thus be considered representative of both DPRK and UN understandings of the concepts, condition and

causes of food insecurity in the DPRK. The CCA adopted the 1996 World Food Summit definition of food security:

Food Security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life.¹¹

The CCA also made explicit the idea of food *insecurity* as:

A situation that exists when people lack secure access to sufficient amounts of safe and nutritious food for normal growth and development and an active and healthy life. It may be caused by the unavailability of food, insufficient purchasing power, inappropriate distribution, or inadequate use of food at the household level.¹²

The CCA recognized that some individuals could be particularly vulnerable to food insecurity because of a lack of coping mechanisms, most specifically because of socio-economic factors.

The understandings of food security delineated in the UN Common Country Assessment follow conventional development policy conceptualizations. The CCA also very conventionally disaggregates the condition of food security into three distinct constituent units. These are: national food availability; food accessibility to social groups and individuals; and household and social group vulnerability.

The humanitarian agencies and the DPRK government used the prevalence of malnutrition in the population as a key indicator of food insecurity. All parties recognized that bald malnutrition indicators tell only part of the story of vulnerability or lack of access to adequate and sufficient food.¹³ Malnutrition is a symptom of a lack of sufficient and adequate food, but it is always compounded by non-food-related causes, including inadequate and unsafe drinking water, poor medical services, lack of heating in winter and physical exhaustion.

This chapter proceeds by using an analytical framework based on the joint self-understanding developed by the DPRK government and UN agencies in the CCA as to what constitutes food security and food insecurity. Food security is analysed at national aggregate level (availability) and at social group level (accessibility and vulnerability). Analysis of the accessibility and utilization of food at the household level is largely omitted from this analysis, however, because there are insufficient reliable data on household food utilization in the DPRK. Discussion of relative vulnerability to food insecurity in this chapter follows the practice of the DPRK and the humanitarian agencies in that vulnerability is assessed mainly through reference to malnutrition indicators.

Food insecurity in the DPRK: The problems

The causes of the current food insecurity in the DPRK are well documented and well known.¹⁴ The rapid ending of preferential trading links with the former communist countries at the end of the Cold War in 1989 brought an end to concessional oil, chemical and technology imports as well as to the limited markets available for DPRK exports. Lack of adequate hard currency reserves and a history of failures to achieve debt re-scheduling on loans taken out in the 1970s meant that the DPRK could not borrow money on commercial or concessional terms from the West. Agricultural production in the DPRK is input intensive, requiring chemicals, fertilizers, electricity for irrigation and other agro-industrial inputs. Lack of the necessary imports to fuel the DPRK's agro-industries, combined with the consequences of natural disasters in 1994 and 1995 that flooded coal-mines (necessary in the DPRK for electricity production) and destroyed food stocks (by some accounts most of which were stored underground and consequently destroyed by heavy and intense flooding) and crops, and with four or five years of secular decline in the economy, including in agricultural production, brought disaster to the DPRK.

Crudely speaking, annual cereal requirements to feed the DPRK population at a minimum level of existence (the FAO guideline is 167 kg per person per year), to provide basic levels of animal feed and to provide enough seed for replanting are around 5 million tonnes. Figure 5.1 in-

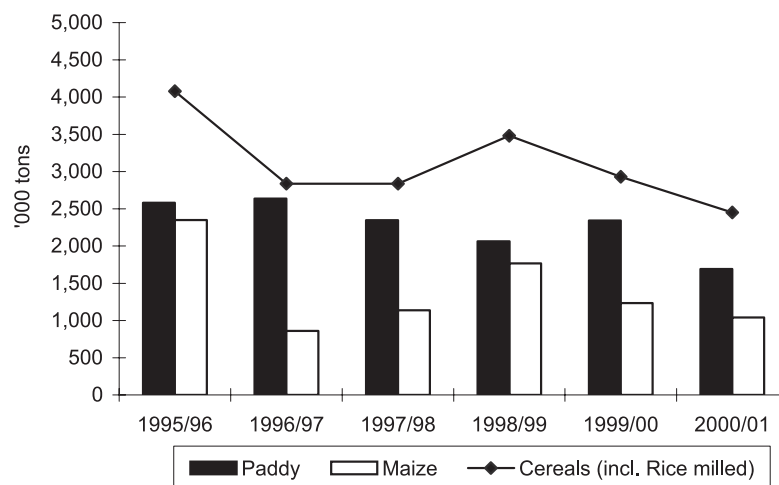


Figure 5.1 DPRK cereal production, 1995/1996–2000/2001.

Source: FAO/WFP, "Special Report: FAO/WFP Crop and Food Supply Assessment Mission to the DPRK", July 2001.

dicates that cereal production remained substantially below this target during the late 1990s.

The most tragic result of chronic food deficits in the 1990s was the famine of the 1990s that best estimates argue killed up to 1 million people over a period of four or five years.¹⁵ The continuing outcome has been the prevalence of chronic and acute malnutrition in the population as a whole, most extensively documented in the case of children under seven years old and women.¹⁶

Government responses to the economic and food crisis

The DPRK government responded to the economic and food security crisis of the 1990s with a mix of policy change in the agriculture sector, in the wider economy and in its foreign policies.¹⁷ It concentrated on redressing food insecurity through food availability policies. Food accessibility strategies were scarcely visible. Indeed, some of the policies adopted that were designed to increase food availability exacerbated problems in food accessibility for significant sectors of the population.

Agriculture

In the agriculture sector the DPRK government undertook “rezoning” of land, essentially a rationalization of land use to permit more efficient farming.¹⁸ It encouraged crop diversification (mainly potato production) and the more intensive use of the limited arable land (through double cropping). The government increased economic incentives for farmers through policy changes that rewarded small sub-work teams and allowed farming households to produce more and sell more surplus on private markets. The government also tolerated the use of marginal land as an emergency solution for food production.

Policy changes in agriculture reflected an intensification of policies already under way in the DPRK rather than major changes in policy direction. Given the vastly changed macroeconomic context, sectoral policy change in agriculture alone did not, and could not, provide the necessary impetus to recovering self-sufficient cereal production. This was demonstrated in continuing large deficits in food production of staple crops, with the November 2004 report of the FAO/WFP Joint Crop and Food Supply Assessment Mission showing a continuing aggregate cereal deficit of just under 0.5 million tonnes (or 10 per cent of the nation’s basic food requirements for simple survival) for the year 2004/2005.¹⁹ DPRK Ministry of Agriculture figures for the agricultural production year 2005/2006 continue to show a deficit of just under 0.5 million tonnes.

Economic reform

The DPRK implemented some economic reforms, most visibly in the July 2002 measures that increased prices and wages and attempted to bring principles of profitability into operating and accounting mechanisms. The government did not, however, relinquish controls on price-setting and on the allocation and distribution of economic resources.²⁰ As far as can be ascertained, however, the banking, credit, accounting, insurance and judicial systems did not evolve in such a way as to provide a legislative framework for regulating legitimate profit-seeking by individuals within the new “market socialism” of the DPRK economy.

Marketization developed unevenly in the DPRK. On the one hand, widespread and de facto marketization took place from the mid-1990s such that by the mid-2000s almost all economic transactions were no longer controlled by the state. The government also provided some legal foundations for pursuing “profit”. At the same time, the institutional infrastructure was still designed to frame the pre-famine closely planned and tightly state-controlled economy. There was a disjuncture therefore between the economic “facts on the ground” and the extant domestic legal framework. This disjuncture led, among other things, to a lack of clarity about what constituted a legal and what constituted an illegal economic transaction. It encouraged corruption because there was no legislation to define what constituted corruption in the new market socialist economy. It also provided a powerful disincentive for foreign investment, in that uncertainty remained about the respective rights and responsibilities of government, business and the individual in contract law.

Continuing uncertainty in DPRK economic policy and the lack of institutionalization of economic reforms were one reason for the continuing reluctance of international private business and foreign governments to invest in the DPRK. Another reason was of course the uncertainty over political and security outcomes on the Korean peninsula. The result was that economic activity remained low in the DPRK. By 2003, gross domestic product (GDP) per head at US\$818 had only just climbed back to near the 1997 level of US\$811 – from a low of US\$573 in 1999.²¹ Figure 1.1 in Chapter 1 shows that, by 2004, GDP per capita income remained below US\$1,000.

Food availability

The continuing aggregate cereal deficit of just under 0.5 million tonnes for 2004/2005 did not include 300,000 tonnes of cereal at concessional

Table 5.1 Cereal deficits from FAO/WFP Crop and Food Supply Assessments in the DPRK (cereals, '000 MTs)

Date of Crop Assessment Report	Dec. 1995	Dec. 1996	Nov. 1997	Nov. 1998	Nov. 1999	Nov. 2000
Marketing year	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Total availability	4,077	2,995	2,663	3,481	3,472	2,920
Production	4,077	2,837	2,663	3,481	3,472	2,920
Opening stocks	—	158	—	—	—	—
Total utilization	5,988	5,359	4,614	4,835	4,765	4,785
Food use	3,688	3,798	3,874	3,925	3,814	3,871
Feed use	1,400	600	300	300	300	300
Other use, seed and post-harvest losses	900	645	440	610	651	614
Closing stocks	—	316	—	—	—	—
Import requirement	1,911	2,364	1,951	1,354	1,293	1,865
Commercial import capacity	700	500	700	300	300	200
Concessional imports						500
Uncovered deficit	1,211	1,864	1,251	1,054	993	1,165

Source: WFP, Emergency Operation DPR Korea No. 5959.02, “Emergency Assistance for Vulnerable Groups”, Pyongyang, mimeo, 2000.

rates from South Korea.²² If the promise of South Korean assistance is not included, the real aggregate cereal deficit would have been 800,000 tonnes for that year, not much less than the average cereal deficit of around 1 million tonnes that was characteristic of annual cereal deficits through the late 1990s, as illustrated in Table 5.1.

Table 5.2 shows that total national farm production reached only 4,498,000 tonnes in the agricultural year 2005/2006, slightly increased from a total of 4,130,000 tonnes in 2004/2005. Given that the minimum cereal requirements to feed the population are 5 million tonnes, Table 5.2 indicates continuing aggregate food deficits for 2005/2006 of at least 0.5 million tonnes or 10 per cent of the nation's aggregate basic grain requirements. The figures do not include production from highly marginal lands, which is known by agronomists as “garden and slope” production. Estimates of total garden and slope production ranged from 105,000 tonnes to 250,000 tonnes for 2004/2005.²³ Nevertheless, even if produce from garden and slope production is included at the higher figure, Table 5.2 shows that the DPRK could not feed its population in 2005/2006 from its own agricultural production. Without continuing short-term humanitarian assistance, large parts of the population would again face starvation and severe malnutrition.

Table 5.2 Area planted and production, 2004/2005 and 2005/2006

	2004/2005			2005/2006		
	Area (000 ha)	Production (000 t)	Actual production ^a (000 t)	Area (000 ha)	Production (000 t)	Actual production ^a (000 t)
Main season crops						
Paddy	583	2,370	1,541	583	2,581	1,678
Maize	495	1,727	1,727	495	2,062	2,062
Other cereals	60	119	119	^b	^b	^b
Potatoes ^a	89	258	258	277	479	479 ^c
Total, main season crops	1,227	4,475	3,645			
Winter/spring crops				135	279	279
Wheat	70	166	166	^b	^b	^b
Barley	32	64	64	^b	^b	^b
Potatoes ^a	100	255	255	^c	^c	^b
National farm total	1,428	4,959	4,130	1,517	5,451	4,498

Notes:

^a Actual production totals convert paddy rice to milled rice equivalent at a standard conversion rate of 65%. Potatoes are in cereal equivalent using a standard 25% conversion rate.

^b In 2005/2006 all “other cereals”, including wheat and barley production from spring cropping, are amalgamated as a total in the row “winter/spring crops”.

^c In 2005/2006 the potato crop from both spring and other planting is aggregated.

Sources: Figures for 2004/2005 derived from FAO/WFP, “Crop and Food Supply Assessment Mission to the Democratic People’s Republic of Korea”, mimeo, Rome, 22 November 2004. Figures for 2005/2006 from Crops Department, Ministry of Agriculture, Pyongyang, mimeo, July 2006.

Food availability challenges

In 2002 the numbers of the non-farming population stood at 15.6 million, some 70 per cent of a total estimated population of between 22.3 million and 23.5 million.²⁴ The remaining 30 per cent of the population was composed of cooperative farming families. The medium- and long-term challenge became therefore to move towards sufficient food availability to cover the basic needs of the non-farming and farming population on a regular and sustainable basis.

The difficult farming environment (short growing seasons, mountainous topography, relatively scarce decent arable land) combined with a continuing necessity for high-energy agro-industrial inputs and the dilapidated farming infrastructure (including low levels of mechanization, obsolescent and inefficient irrigation networks) meant that the marginal increases in harvests over recent years came about only because of substantial fertilizer assistance from South Korea. In 2004, for instance, South Korea provided 60 per cent of all fertilizer used in North Korea in that year – at highly concessional rates that effectively meant that the fertilizer came free of charge.²⁵

Increases in agricultural production can of course contribute to easing the cereal and food deficits. However, given short-, medium- and probably long-term economic constraints facing the DPRK, it is not a realistic option to aim for increases in aggregate food availability by concentrating on increasing agricultural production. The scale of increases in agricultural productivity and production that would be necessary to meet aggregate food needs from self-sufficient agricultural production makes such a strategy lacking in feasibility. On the other hand, sustainable aggregate food security could come about from a policy mix of improving agricultural productivity and increasing export earnings so as to be able to buy food on commercial terms.

A policy mix of agricultural revival as well as economic regeneration was precisely the approach adopted by the DPRK government and the UN agencies, which by 2003 were together arguing for a multi-sectoral food security strategy. The Common Country Assessment stated that:

Food security can be achieved only through concerted action across sectors, and through economic development and growth . . . DPR Korea would have to maintain a level of food imports even with a dynamic agricultural sector. The capacity to import food depends on trade and economic growth. To ensure food security therefore demands a multifaceted, parallel and simultaneous approach to a wide spectrum of economic and social issues.²⁶

The necessity for external aid

Rates of malnutrition diminished from the post-1998 highs but stabilized at levels that were similar to those of chronically poor countries of South-east Asia.²⁷ Given the inability of the government to achieve food security from changes in domestic agricultural and economic policies, in 2005 it remained forced to rely on humanitarian and economic support from foreign governments, international organizations and non-governmental organizations. In 2005, the largest supplier of humanitarian assistance and concessional economic transfers, as well as one of the DPRK's two most important trading partners (the other being China), was South Korea.²⁸

Food accessibility

Prior to the economic and food crisis of the 1990s, food and income allocation and distribution took place centrally, with rations allocated according to a transparent points scheme based on occupational status and age.²⁹ Basic rations were guaranteed to the population. Health, education and social facilities were free and provided nationwide. The Public Distribution System (PDS) managed and distributed food to non-cooperative-farming families. Cooperative-farming families were expected to provide food, personal income and financing for village health, education and social facilities through their own farming production and sales from farming products.

In times of food shortages prior to the 1990s, the evidence suggests that food at reduced rations remained accessible to the population.³⁰ The PDS mechanisms continued to operate and farming families managed to continue to feed themselves. After the mid-1990s the government did not have access to sufficient food stocks to supply the PDS.³¹ In some countries from the mid-1990s onwards, the PDS had no food supply at all in some months. From the late 1990s the PDS evolved as a supplier of last resort of rations to key workers and vulnerable groups. The system changed from allocating a differential ration based on work points for every member of the population to a system based on a notional common flat-rate minimal ration of around 300 grams per day, depending on food availability, to those sectors of the population who were deemed most in need at any particular time.

Farming families also suffered from lack of access to food during the mid and late 1990s. Those with better farmland and access to inputs recovered their capacity to feed themselves and their families by the early

2000s. Poor farmers, on the other hand, did not recover such as to guarantee secure access to year-round food supplies. They had previously relied on government-supplied inputs such as fertilizer, chemicals and oil, and, in the new economic climate of the 2000s, were no longer able to receive such support.

The so-called *songbun* stratification, which divided the North Korean population into different classes depending on their relative loyalty to the party, was never a categorization used for food allocation purposes. It had operated instead much as the class system operates in Western countries. It may have shaped what education opportunities were available and what social contacts are made, but it did not necessarily prevent someone with luck or opportunity from achieving career or personal success. In today's DPRK it is almost redundant as a means of predicting personal survival and opportunity; instead, it is the degree of access to agricultural production, trading opportunities and/or hard currency that is significant.

The rise of the market and unequal access to food

The economy stabilized at a low level of activity in the 2000s, having been reconstituted since the 1990s around broad market principles of profitability and incentive structures.³² The July 2002 economic reform measures legitimated these market mechanisms. Food security, in terms of having regular access to food and other goods such as medicines and health care, came within the reach of those who could benefit from the new market mechanisms and from the relatively small hard currency sector of the economy. As in all market systems, some benefited and many did not. Soaring inflation, high unemployment and underemployment, and continuing food and goods shortages also meant that those social groups and individuals without access to the benefits of the market (that is, the vast majority of the population) remained food insecure.

In the DPRK, those with inadequate regular access to food could be differentiated through the non-mutually exclusive categories of geographical location, occupation, gender and age. Given continuing chronic food deficits and in the absence of substantial foreign investment, those currently vulnerable to recurring food shortages are likely to stay vulnerable. Without substantial economic growth it is likely that these sectors of the population will become more, not less, vulnerable.

Social market systems tend to protect those who are most vulnerable in market societies through provision of a social safety net. In the DPRK, the social security net that broke down with the economic devastation of the 1990s has not been restored. Those unable to earn income, or without

assets to swap for food, continued to face the risk of starvation and death. Humanitarian food assistance helped but was never enough to feed all those who were in need.³³

Geographical variations

At least since the 1990s the most food-insecure locations have been the mountainous north-eastern provinces of North Hamgyong and South Hamgyong. These provinces contain the densely populated cities of Chongjin, Hamhung and Kimchaek and mining counties such as Musan.³⁴ These were particularly badly affected by food shortages because the large urban populations had little or no access to arable land and experienced extreme winter temperatures. In addition, the large industrial workforce of these major cities suffered catastrophic large-scale unemployment and underemployment after heavy industry abruptly collapsed in the early 1990s owing to resource shortages caused by the cut-off of markets, investment, energy supplies and technological support from the former communist states. The high numbers of unemployed industrial workers also lacked access to the limited foreign investment that took place in the DPRK in the 2000s in the south and west of the country.

Occupational disparities

Those most likely to suffer from food insecurity as a function of their occupational status were those without access to hard currency, without opportunities for food production or without the capacity to engage in the flourishing petty trade sector that is a core feature of the new DPRK economy. These included the unemployed and underemployed industrial workers; public and social sector employees; poor farmers (on non-productive or marginal land); and those unable to work owing to age (pensioners and children), sickness or for other reasons (prisoners for instance). The adult unemployed were additionally vulnerable because, unless they were pregnant or nursing women, they were normally not eligible for international humanitarian assistance.

Gender variations

Women and men were both vulnerable to food insecurity in the DPRK, but in different ways.³⁵ Because of cultural norms, it was generally the woman's responsibility to provide food for the household. The woman often eats last and, in a situation of absence of food in the household, may not eat at all, prioritizing the males for food allocation. In addition, women in the DPRK, as in many other countries, were to be found working predominantly in low-paid and low-status jobs – such as the care professions. These jobs are not seen by the government as key sectors for regeneration of the economy and were therefore not given priority for food

allocation when only a limited amount of food was available for local distribution. When government rations were scarce, males in the industrial and energy sectors were given priority for food distribution.

Boys and girls also faced the unequal effects of food shortages. The 1998 nutrition survey, for instance, found that male toddlers (12–24 months) were much more at risk of suffering from severe malnutrition (wasting) than were females of the same age.³⁶ This was probably not so much a question of differential food access as of different gendered expectations of boys and girls. The working hypothesis within the aid agencies was that in times of extreme food stress, that is in famine conditions, even if girls and boys were allocated the same amount of survival rations, little boys may have been treated as if they were less vulnerable (to cold for instance) and these marginal differences in treatment may have had a cumulative effect on differential rates of severe malnutrition. No conclusive explanation was found and by the time of the 2004 nutrition survey the rates of wasting were found to be similar in girls and boys.³⁷ The prevalence of stunting (low height-for-age) was, however, found to be statistically significantly higher for boys than for girls in the 2004 nutrition survey.³⁸

Age variations

Those of pension age without assets, with a virtually worthless pension because of high inflation, with an inability to engage in market activities owing to infirmity or lack of contacts, and without family wherewithal to offer material support were vulnerable to food insecurity. At the other end of the age spectrum, the prevalence of stunting (low height-for-age) remained high in 2004 at 36 per cent – a slight fall from the 2002 figure of 39 per cent.³⁹ Disaggregated figures show that 20 per cent of babies (0–11 months) were stunted in 2004.⁴⁰ Those aged 12–23 months remained acutely vulnerable to malnutrition, with 8.7 per cent classed as “wasted” (low weight-for-height) in 2004.⁴¹ Some babies aged 12–23 months probably starved to death because insufficient and inadequate weaning food was available and they could not digest food aid such as wheat or corn that sometimes came from the international aid agencies.

From state to market: New food security vulnerabilities and opportunities

With the consolidation of market principles and mechanisms of operating, it becomes more difficult to offer meaningful analysis of food insecurity based on social group or sectoral vulnerabilities such as geographical location, occupation, age and gender. This is because the government's

role as the primary source of food allocation and distribution has been replaced by the market. With marketization, who gets what in terms of differential access to market opportunities (as opposed to state distribution) determines who is food secure or food insecure.

From the late 1990s, the coping mechanisms open to individuals and households differed across households and became based on differentiated access to market opportunities. These opportunities did not always coincide with pre-1990s social distinctions. City-based middle-level party workers, for instance, who once could have relied on a reasonable level of state distribution of food (and other goods) for themselves and their family would, in the post-famine DPRK, be very food insecure with a risk of facing debilitating levels of malnutrition if they did not have access to relatives in the country who could provide food support. By contrast, a young woman working in a low-status cleaning or waitressing job in a restaurant or hotel frequented by foreigners who could use those connections to obtain even small amounts of hard currency would be able to guarantee food security for herself and her family.

Government and international community response to food accessibility challenges

The government's strategy to redress food inaccessibility differentials was not clear, although it did attempt to maintain a ration of last resort for all the population. It was not, however, always able to maintain basic rations for all including the most vulnerable. The multilateral international humanitarian organizations and NGOs provided a partial safety net by feeding children under seven years of age and pregnant and nursing women.⁴² Humanitarian aid by its nature, however, is designed to provide one-off relief intervention. Absent a food access strategy, the DPRK "emergency" food aid operation has lasted some 10 years, since 1995.

Major donors of food aid continued to be South Korea and China.⁴³ South Korea gave assistance through multilateral and bilateral channels. China donated assistance through bilateral channels. Japan was also a major donor of humanitarian assistance. If a political solution is found to ongoing security conflicts in the Korean peninsula, Japan would also be a major provider of development assistance. This is because it is publicly committed to transferring substantial amounts of funding in recompense for its colonial occupation of Korea, as it has already done with respect to South Korea in 1965. Russia also donated food to the DPRK through the WFP. Outside Northeast Asia, a large number of countries have provided humanitarian assistance, including the United States and the European Union and its member states.

Addressing food availability and accessibility challenges: New approaches

In 2004 the DPRK government announced that it no longer wished to implement a food security strategy that it understood as being focused on humanitarian assistance. Instead it declared its intention to reorient its work with international agencies in the direction of a long-term redevelopment approach. However, the international humanitarian organizations continued to work in the DPRK – given the manifest ongoing needs of the population.

A substantive development programme for the DPRK would require investment from external sources but would also require recognition from all parties that there continues to be cause for humanitarian concern in the DPRK in terms of food insecurity. External investment, therefore, would need to integrate assistance to those who need it most within development frameworks. Investment in the north-east, for instance, would not only provide employment and hence income opportunities for populations that were food insecure. It would also provide support for the energy requirements of the agricultural sector, for instance for irrigation, and contribute towards support to rebuilding industrial production and therefore export opportunities. This in turn would help provide hard currency such that the DPRK could buy food on commercial markets. However, given the decrepit and obsolescent economic infrastructure and continuing political tensions, foreign investment of the volume needed to generate economic regeneration and therefore sustainable food security is not likely to come from private investors in the short or medium term. Such investment is likely to be available only from governments or international financial institutions.

Development assistance on its own will not bring economic transformation, development and sustainable food security to the DPRK. Without support in building the institutions of a modern economy that will help the DPRK compete in a globalized market, financial and capital transfers are likely to be non-productive. The FAO has hinted at the necessity for such institution-building. It reported in 2004 that, in addition to food aid, the “international community enter with the Government into a policy dialogue to set an enabling framework to mobilize the economic, financial and other assistance needed to promote sustainable food production and overall food security”.⁴⁴

A focus on development will require new modes of collaboration between the government and the international community. These should be respectful of the sovereignty of the DPRK government as well as providing accountability to the taxpayers of investor states if investment comes from public bilateral or multilateral funds.

Food security challenges – and how to overcome them

According to the joint analysis of the DPRK government and UN agencies in the CCA, achieving food security in the DPRK does not just depend on restoring agricultural production.⁴⁵ They argue that food security is a multisectoral issue. Achieving food security is not confined to any one defined sector such as agriculture and food production. Along with the United Nations Country Team, I would agree that “[t]o ensure food security therefore demands a multifaceted, parallel and simultaneous approach to a wide spectrum of economic and social issues.”⁴⁶ The devil, however, is in the detail. How that multifaceted strategy is developed, implemented and hopefully achieved is the issue in contention.

This chapter therefore presents next a set of policy recommendations. These build on the foregoing analysis of food security challenges.

Policy recommendations

- (1) Potential bilateral and multilateral investors and the DPRK government should refocus collaboration on an integrated development, sustainable food and energy security and anti-poverty strategy.
- (2) This integrated strategy should be developed and implemented through a multilateral, intergovernmental, technical agency set up for the time-specific and limited purposes of collaboration to achieve redevelopment for the DPRK.
- (3) Given that major donors are likely to be South Korea, China and Japan, there is a case to be made for a technical Economic Development and Food Security (EDFS) agency to have as its constituent members the countries of Northeast Asia.
- (4) Foreign investment should be channelled through the EDFs such as to encourage mutual responsibilities in developing transparent, accountable and efficient procedures and modes of operation.
- (5) Assistance should as a matter of principle always be accompanied by technical assistance in relevant and appropriate institution-building activities, ranging from the implementation of quality assurance procedures for industrial and energy systems to consolidating a modern banking, credit and accounting system.
- (6) Policy dialogue on food security should include relevant technical institutions such as the UNDP, FAO, IFAD and WFP, with the International Bank for Reconstruction and Development and the Asian Development Bank as observers.
- (7) External providers of assistance should reorient policies towards employment creation in food-vulnerable geographical areas. This should be in the form of socially productive investment, for instance in the

energy sector, including the mining sector, in the north-east of the country.

- (8) Household surveys of food security should take place so as to provide more and better data on how food insecurity patterns have changed since marketization of the economy took place from the 1990s onwards.

Facing realities

The government and the international organizations have moved a long way since their initial encounters in the 1990s. There is a broad consensus on the need to increase food availability not just by making efforts to increase agricultural production but also in terms of the common recognition of the importance of rebuilding the economy to promote export earnings. Those governments willing and able to support DPRK economic redevelopment will therefore need to provide necessary inputs ranging from capital investment through to technology transfers. Crucially, however, they will also need to find ways to encourage the input of the institutional know-how that will be needed for the DPRK to reinvent itself as a modern economy with real prospects for sustainable recovery. More troubling is the lack of a strategy from the government designed to ensure equitable food accessibility. Without such a strategy and an accompanying programme of implementation, food accessibility problems and consequently food insecurity for large parts of the population are likely to continue.

Notes

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2. See, for instance, reports from the FAO, UNDP and WFP. These include FAO/WFP, "Special Report: Crop and Food Supply Assessment Mission to the Democratic People's Republic of Korea", mimeo, 22 December 1995; FAO/WFP, "Special Alert No. 267: Crop and Food Supply Assessment Mission to the Democratic People's Republic of Korea", mimeo, 16 May 1996; FAO/WFP, "Special Alert No. 275: Crop and Food Supply Assessment Mission to the Democratic People's Republic of Korea", mimeo, 3 June 1997; FAO/WFP, "Special Report: Crop and Food Supply Assessment Mission to the Democratic People's Republic of Korea", mimeo, 25 November 1997; FAO/WFP, "Crop and Food Supply Assessment Mission to the Democratic People's Republic of Korea", Rome, 10 December 1997; FAO/WFP, "Crop and Food Supply Assessment

Mission to the Democratic People's Republic of Korea", 25 June 1998; FAO/WFP, "Special Report: Crop and Food Supply Assessment Mission to the Democratic People's Republic of Korea", 29 June 1999; FAO/WFP, "Crop and Food Supply Assessment Mission to the Democratic People's Republic of Korea", Rome, 24 July 2000; FAO/WFP, "Special Report: Crop and Food Supply Assessment Mission to the Democratic People's Republic of Korea", Rome, 16 November 2000; FAO/WFP, "Crop and Food Supply Assessment Mission to the Democratic People's Republic of Korea", Rome, 26 October 2001; and many others up to the present day, including FAO/WFP, "Crop and Food Supply Assessment Mission to the Democratic People's Republic of Korea", mimeo, 22 November 2004. FAO reports can be found online at <http://www.reliefweb.int/>. On agriculture see also UNDP, "Report of the First Thematic Round Table Conference for the Democratic People's Republic of Korea", Geneva, May 1998; UNDP, "Report of the Second Thematic Round Table Conference for the Democratic People's Republic of Korea", Geneva, June 2000. From the WFP see, for example, World Food Programme, "Basic Agreement between the United Nations FAO World Food Program and the Government of the Democratic People's Republic of Korea Concerning Assistance from the World Food Program", mimeo, 9 June 1986; World Food Programme in collaboration with FAO, Unicef and Save the Children, *Nutritional Assessment the Democratic People's Republic of Korea*, Pyongyang/Rome: WFP, November 1997; World Food Programme, Emergency Operation DPR Korea No. 5710.02, "Emergency Food Assistance Following Floods", 1997; World Food Programme, "WFP Operations in DPR Korea as of 14 July 1999", Rome, WFP, undated but 1999; World Food Programme, "Outline for EMOP Submission: Emergency Operation DPR Korea No. 5710.00: 'Emergency Food Assistance for Flood Victims'", in WFP, "WFP Operations in DPR Korea as of 14 July 1999"; World Food Programme, Emergency Operation DPR Korea No. 5959, "Emergency Food Assistance for Vulnerable Groups", in WFP, "WFP Operations in DPR Korea as of 14 July 1999"; World Food Programme, "DPRK Update", Pyongyang, April 1999; World Food Programme, "Special Update: Newly Accessible Counties", mimeo, Pyongyang, 5 July 1999; World Food Programme, "DPR Korea Update No. 10", Pyongyang, October 1999; World Food Programme, "Recovery Assistance for Vulnerable Groups in DPR Korea", draft, mimeo, Pyongyang, undated but 1999; World Food Programme, "Alternative Foods", information sheet on "WFP in DPRK", Pyongyang, December 1999; World Food Programme, "Stories from DPR Korea: Emergency Officers Talk to Beneficiaries", Pyongyang, 2000; World Food Programme, "DPR Korea Update No. 40", Pyongyang, May 2002; World Food Programme, "DPR Korea Update No. 41", Pyongyang, June 2002; World Food Programme DPR Korea, "The Public Distribution System", mimeo, Pyongyang, undated but obtained by author from WFP Pyongyang, February 2003; World Food Programme, "DPR Korea Update No. 52", Pyongyang, May 2003. These reports are also available online.

3. For analysis of international organization activity in the DPRK, see Hazel Smith, *Overcoming Humanitarian Dilemmas in the DPRK*, Special Report No. 90, Washington DC: United States Institute of Peace, July 2002, reproduced on <http://www.usip.org/pubs/specialreports/sr90.html>.
4. See <http://www.reliefweb.int/>.
5. UNDP, "Report of the First Thematic Round Table Conference for the Democratic People's Republic of Korea"; UNDP, "Report of the Second Thematic Round Table Conference for the Democratic People's Republic of Korea".
6. For references, see note 2.
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9. Heather Smith, "The Food Economy: The Catalysts for Collapse?", in Marcus Noland (ed.), *Economic Integration of the Korean Peninsula*, Washington DC: Institute for International Economics, 1998, pp. 53–75.
10. United Nations Country Team, "DPR Korea Common Country Assessment 2002".
11. Ibid., p. 13.
12. Ibid., p. 13.
13. For details on the complex causation of malnutrition in the DPRK see Unicef, *An Analysis of the Situation of Children and Women in the Democratic People's Republic of Korea 2000*, Pyongyang: Unicef DPRK, December 1999.
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17. For detailed analysis, see Smith, *Hungry for Peace*.
18. For summary of policy change in the agricultural sector, see UNDP, "Report of the First Thematic Round Table Conference for the Democratic People's Republic of Korea"; UNDP, "Report of the Second Thematic Round Table Conference for the Democratic People's Republic of Korea".
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21. FAO/WFP, "Crop and Food Supply Assessment Mission to the DPRK", 22 November 2004, p. 3.
22. Ibid.
23. For the smaller figure, see FAO/WFP, "Crop and Food Supply Assessment Mission to the DPRK", 22 November 2004. The larger figure comes from expert assessments by the Swiss Agency for Development and Cooperation (SDC) as discussed with author, SDC, Bern, November 2006.
24. Estimate of 22.3 million from Figure 1.1 and estimate of 23.5 million from United Nations Country Team, "DPR Korea Common Country Assessment 2002", p. 16.
25. For discussion on fertilizer assistance and usage, see FAO/WFP, "Crop and Food Supply Assessment Mission to the DPRK", 22 November 2004, pp. 9–10.
26. United Nations Country Team, "DPR Korea Common Country Assessment 2002", p. 9.
27. For detailed comparison of DPRK nutritional indicators with countries of Southeast

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28. See Anthony Faiola, "Despite U.S. Attempts, N. Korea Anything but Isolated", *washingtonpost.com*, 12 May 2005, at http://www.washingtonpost.com/wp-dyn/content/article/2005/05/11/AR2005051100527_pf.html (accessed 31 January 2007).
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35. For detailed analysis, see Hazel Smith, *WFP DPRK Programmes and Activities: A Gender Perspective*, Pyongyang: WFP, 1999, p. 38.
36. European Union, Unicef and WFP in partnership with the Government of DPRK, "Nutrition Survey".
37. DPRK Central Bureau of Statistics, "DPRK 2004 Nutrition Assessment: Report of Survey Results."
38. Ibid.
39. Ibid.
40. Ibid.
41. Ibid.
42. For detail and discussion of the scope and scale of humanitarian assistance to the DPRK, see Smith, *Overcoming Humanitarian Dilemmas in the DPRK*.
43. For detailed discussion of donor interest and activities, see chapter seven of Smith, *Hungry for Peace*.
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6

The preconditions for Korean security: US policy and the legacy of 1945

Selig S. Harrison

Overview: 1945 to 2005 and beyond

The division of Korea in 1945 and the creation of two client states subsidized respectively by the United States, in the case of the South, and by the Soviet Union and China, in the case of the North, set the stage for foreign military intervention in the peninsula that has not yet come to an end.

The armistice that ended the Korean war did lead to the end of Soviet and Chinese intervention when Soviet and Chinese forces were withdrawn in 1958. Later, the end of the Cold War brought a gradual shift on the part of both the Soviet Union and China from their role as military allies of North Korea to the new role of honest broker between the North and South. By contrast, the United States has maintained a substantial military presence in the South and continues to maintain an adversarial posture toward the North. Indeed, the confrontation between the United States and North Korea has intensified since the US discovery in 1989 that Pyongyang was seeking to develop nuclear weapons.

The dichotomy between the traditional conceptualization of security in narrowly military terms and the emphasis on human security that defines this book is dramatically exemplified by the continued presence of US forces in Korea, half a century after the Korean war, and, above all, by the myopic US focus on North Korea's nuclear and missile programmes.

This chapter will begin by reviewing the origins of the North Korean quest for a nuclear deterrent and will then focus on the key long-term

US policy choices in Korea that will determine whether North Korea continues to regard nuclear weapons as necessary for its security.

North Korea initiated its nuclear weapons programme as a direct response to the challenge posed by the deployment of US Honest John, Lance and Nike-Hercules missiles in the South in 1958. In Korea as in Europe, the United States proclaimed a “first use” strategic doctrine that justified the use of nuclear weapons against conventional forces. In Europe, however, NATO doctrine envisaged primary reliance on conventional weapons to block an invasion for as long as possible. Nuclear weapons were to be used only as a last resort if it became unavoidable. Since the Soviet Union had nuclear weapons, the United States would have risked an all-out war by using the tactical nuclear weapons it had stationed in Europe. By contrast, in Korea, where the North did not then have nuclear weapons, the United States assumed that it could use them with impunity “within one hour of the outbreak of war”,¹ and made its intention to do so clear through military exercises that included “nuclear war-fighting” scenarios.

To be sure, the US objective was to deter a North Korean conventional attack. But, as Peter Hayes has demonstrated, North Korea was “over-deterred” by these nuclear threats, viewing the danger of an actual US attack “as conceivable and even likely”.²

In 1991, 33 years after the 1958 deployment, President George H. W. Bush announced the withdrawal of US nuclear weapons from South Korea, opening the way for a 1994 Pyongyang–Washington agreement, known as the Agreed Framework, which suspended the North Korean nuclear weapons effort for eight years.

The Agreed Framework stopped what would otherwise have been the production of some 30 nuclear weapons a year by existing and projected reactors. North Korean leader Kim Jong Il concluded this “freeze” agreement over the opposition of his own armed forces in the expectation of diplomatic recognition and economic help from the United States. But the Clinton administration failed to fulfil these expectations, primarily because congressional Republicans limited its freedom of action.

Republican leaders condemned the 1994 accord from the start. They branded it as appeasement of what they regard as a dangerous, morally repugnant totalitarian regime that could not be trusted and that would collapse in the absence of economic aid such as the oil shipments provided under the “freeze” agreement. The US goal, in this view, should be to encourage the collapse of North Korea and its absorption by the South or, at the very least, the replacement of the regime.³

During the first two years after Republican George W. Bush became president in January 2001, Bush’s first Secretary of State, Colin Powell, declared his desire on several occasions to keep the Agreed Framework

in force and to “pick up where the Clinton people left off”. But Powell was openly rebuffed and proved unable to resume the negotiations on the nuclear and missile agreements with North Korea initiated by Clinton in the face of resistance from Bush and other advocates of “regime change” in his administration.⁴

On 20 September 2002, the Bush administration announced the National Security Doctrine, which asserted the US right to wage a pre-emptive war against North Korea and other “rogue states” regarded as potential adversaries. This was followed on 12 December 2002 by US abrogation of the Agreed Framework, which led to North Korea’s ouster of the international inspectors who had been monitoring its nuclear programme since 1994. Pointing to the National Security Doctrine and the abrogation of the freeze agreement, North Korea promptly resumed its nuclear programme, announcing on 10 February 2005 that it had “manufactured nukes” and was now a “nuclear weapons state”. In October 2006 it conducted a nuclear test, but the explosion was measured at less than 1 kiloton, indicating that its nuclear weapons programme is still in its early stages.

The central objectives of US policy toward the Korean peninsula at the end of 2006 were, first, to negotiate a multilateral denuclearization agreement among the United States, China, North Korea, South Korea, Russia, Japan and North Korea, and, second, to preserve the mutual security treaty with South Korea established following the 1953 armistice, modifying the US force posture in the South from one focused primarily on North Korea to one that would facilitate any future US military action against China. In pursuing these objectives, however, the Bush administration failed to take into account political realities in both North and South Korea. Moreover, the prospects for a denuclearization accord were undermined by ambivalence within the administration over whether to seek “regime change” or to move toward the normalization of relations with the Kim Jong Il regime.

North Korea has served notice that it will not discuss the dismantling of its nuclear weapons programme until the United States agrees to normalize economic and diplomatic relations and formally repudiate the goal of “regime change”. Nevertheless, in its proposed denuclearization agreement, presented at the Six-Party Beijing nuclear talks on 24 June 2004, the Bush administration stated that, even if North Korea did dismantle its nuclear weapons programme, this would not lead to the establishment of normal relations unless North Korea “changes its behavior on human rights”, eliminates alleged chemical and biological weapons programmes, “puts an end to the proliferation of missiles and missile-related technology, and adopts a less provocative conventional force disposition”.⁵

Until recently, the continuation of the US military presence in Korea has been justified solely as a deterrent to a possible repetition of North Korean aggression. But the US presence is now also described as an essential part of a Northeast Asia basing structure that will enable the United States to intervene in any military conflicts involving Beijing. The US decision in 2004 to relocate 12,500 US forces from the Demilitarized Zone (DMZ) to expanded base facilities at Pyongtaek on the southwest coast of South Korea, facing China, has underscored the fact that the US alliance with South Korea is increasingly viewed by the Pentagon in terms of China as well as North Korea. This change in US strategy could lead to a future divergence of US and South Korean interests since a China-focused US alliance with Seoul, or with a unified Korea, would be intolerable to Beijing in a climate of worsening Sino-US relations and of a continued US alliance with Japan. At best, the peninsula would be destabilized by a continuing Sino-Japanese tug of war over Korea. At worst, China would succeed in drawing Korea into an anti-Japanese, anti-US military alliance.

Divisions within South Korea concerning the future of its alliance with the United States are steadily hardening against the background of growing sentiment in the South for reconciliation and eventual reunification with the North. Since the June 2000 North-South summit, South Korean fears of the North have progressively eased, and support for the engagement policies pursued by former president Kim Dae Jung and his successor, Roh Moo Hyun, have steadily grown, embracing significant elements of conservative opposition groups. The United States is increasingly viewed as an obstacle to the improvement of relations with Pyongyang. Significantly, for economic reasons South Korea has sought to avoid a sudden rupture with Washington that would create an image of instability and frighten away foreign investors. Increasingly, however, the long-term need for the alliance is being questioned and support for reshaping the nature of the US presence is growing.

Critics of the alliance argue that the United States itself has recognized the diminishing military threat from Pyongyang by pulling back its forces from the DMZ and shifting the focus of the alliance from North Korea to China. As tensions between Seoul and Pyongyang ease, pressures could well grow for a trilateral peace treaty (the United States, North Korea and South Korea) to replace the 1953 armistice. South Korean-US discussions began in 2006 to plan for a shift of wartime operational control over South Korean forces to South Korea and for the replacement of the Combined Forces Command set up in 1978, headed by a US general, with separate but coordinated US and South Korean command structures similar to those maintained by US and Japanese forces in Japan.

“Korean security” is defined in this chapter as embracing both the achievement of a secure environment within the peninsula and security for the peninsula as a whole in the context of the global and regional rivalries of external powers. Proceeding from this definition, I will discuss two critical issues relating to the impact of US policy on Korean security: whether reunification, preceded by a confederation, should be encouraged by the United States, and whether the gradual withdrawal of the US military presence through a process of force reductions, redeployments and arms control would ease tensions and facilitate peaceful reunification. Finally, I will consider the pros and cons of an agreement by Korea’s neighbours and the United States to neutralize the peninsula militarily by barring the presence of foreign forces, ruling out external military intervention and ending existing security treaties with both the North and the South.

In this connection, I will examine the argument that a neutralized, independent Korean buffer state following unification would be a magnet for external intervention, as in the nineteenth century, and lead inevitably to a nuclear-armed Korea.

One Korea

During the Cold War, it was widely assumed that the Korean peninsula would remain indefinitely divided. Then, when President Kim Il Sung of North Korea died in 1994 after ruling for nearly half a century, the conventional wisdom changed. It was widely assumed that North Korea would collapse, setting the stage for the absorption of the North by South Korea. Since the June 2002 North–South summit meeting, however, the possibility of a gradual, peaceful process of unification has appeared increasingly plausible. While not ruling out a collapse, I will focus on the possibility of a phased unification process starting with a confederation, and will seek to show that a unified Korea, however achieved, would be a force for stability in Northeast Asia.

It would be a serious mistake to underrate the dynamism of the emotional drive for unification on both sides of the 38th parallel and thus the possibility of unpredictable developments that could step up the process. As Kim Dae Jung has observed, Korea’s division since 1945 has been “a painful, brief anomaly compared with thirteen centuries of Korean unity”.⁶ The nation-states of Europe were only beginning to come together with settled borders when the Korean peninsula was unified in AD 668. Apart from a civil war from AD 890 to 935 and an interval of Mongol rule over the north-west corner of the country from AD 1259 to

1392, Korea has maintained a continuous political identity within the same boundaries since the seventh century. Germany, by contrast, had been unified for less than a century when it was divided in 1945.

With such a vivid national historical memory and a degree of ethnic and linguistic homogeneity found in few other countries, Koreans exemplify the interdependence of individual and group identity emphasized by many psychiatrists and social psychologists. Erik H. Erikson wrote of "the mutual complementation of ethos and ego, of group identity and ego identity".⁷ "In its most central ethnic sense", Erikson said, the ultimate discovery of identity involves the psychological interplay between the individual and his or her communal culture, "a process which establishes, in fact, the identity of these two identities".⁸ It might be debatable whether this insight has universal applicability to all societies and cultures. In the case of divided Korea, however, I find it unmistakably relevant, as do many other observers who have had intensive contact over the years with Koreans in both North and South. Stephen Linton, who grew up in Korea in a missionary family, has observed that "the division has had the psychological effect of physical dismemberment" on many Koreans of his acquaintance.⁹ This statement reminded me of a similar analogy with reference to the Vietnamese by Bernard B. Fall, who wrote that the division of their country has had a psychological impact on many Vietnamese "as drastic as the amputation of their own limbs".¹⁰

Assuming, then, that unification will come sooner or later, is Korea likely to move directly to full unification or to pass through the interim stage of a confederation that could last for decades? The impact of a fully unified state, with integrated armed forces, on power relationships in the region would clearly be greater than that of a confederated polity in which the two partners would retain separate armed forces.

To many foreign observers, talk of a confederation in Korea sounds legalistic and academic. It seems more plausible that the South will absorb the North gradually or that the status quo will continue indefinitely until some explosion within the North, or between North and South, precipitates a sudden reunification of the peninsula. To North Korea, however, and to many Koreans in the South, the concept of a confederation has long been attractive as a realistic way to reduce North-South tensions and to formalize the de facto division of the peninsula while moving toward eventual reunification through structured interchange.

At first, the North and South had radically different concepts of how a confederation would work. The North proposed a unitary, centralized confederation that many Western political scientists would call a federation. Former presidents Kim Dae Jung and Roh Tae Woo envisaged a much looser confederal structure.

It was a significant departure when Roh advanced his proposal for a Korean Commonwealth or Korean National Community on 11 September 1989. The new plan explicitly accepted the principle of equal representation in a projected transitional, 20-member council of ministers and a 100-member council of representatives. It also called for a joint secretariat to be located in the Panmunjom Demilitarized Zone and a resident liaison mission in Seoul and Pyongyang. However, echoing the South's earlier policies, the plan continued to envisage the eventual integration of the two Korean states as a democratic republic following elections, and the new republic was to have a bicameral legislature in which the lower house would be based on population.¹¹

Roh's plan was a copy in most respects of the proposal for a loose confederation that had long been advocated by Kim Dae Jung, then the principal opposition leader. The key difference was that Kim's plan did not call for eventual elections and thus accepted the indefinite continuance of co-equal representation. At the same time, Kim's "confederation of Korean republics" would differ fundamentally from Pyongyang's single confederal republic because North and South would begin what is envisaged as a protracted confederating process, possibly over a period of decades, without surrendering any of their sovereignty.¹²

By all accounts, the confederation concept was one of the most hotly debated and time-consuming topics discussed at the June 2000 Pyongyang summit. Kim Jong Il initially made a determined defence of his father's 1991 version of a "provisional" loose confederation. But he agreed, in the end, that the 1989 Roh Tae Woo "Korean Commonwealth" proposal, with its institutionalized 20-member council of ministers and its 100-member council of representatives, "converges" with what Kim Il Sung had in mind.¹³ The declaration issued after their June 2000 summit meeting by Kim Dae Jung and Kim Jong Il "acknowledged that the different formulas that the North and South favor for reunification have common factors".¹⁴

The election of Roh Moo Hyun as Kim Dae Jung's successor in 2003 has led to a continuing thaw in North-South relations marked by rapid progress during 2004 on the establishment of an industrial zone at Kaesong in the North, where some 800 South Korean companies are expected to invest, and by the conclusion of an agreement between military leaders that has averted renewed naval clashes in the Yellow Sea like those in 1999 and 2002. Roh has attempted to build support for the abolition or amendment of the National Security Law, dating back to military rule, which inhibits public discussion of North Korea policy and gives entrenched conservatives in the South Korean bureaucracy, armed forces and security services a legal basis for repressing elements in the

South actively working for expanded ties with the North. But domestic opposition to Roh's conciliatory approach to the North remained strong in 2004. South Korea is polarized between a younger generation anxious to accelerate the improvement in North-South relations and a more cautious older generation. In the years ahead, as the Korean war generation dies off in the South, the process of improvement in North-South relations is likely to gain momentum and efforts to move toward a loose confederation could well be accelerated.

For the present generation of North Korean leaders, a confederation would buy time, preserving their perquisites and power while keeping the dream of full unification alive. For the South, with its enormous economic advantage over the North, ever closer ties will gradually draw the North into its net. A confederation would facilitate a slow and relatively inexpensive form of absorption that would make much more sense than the costly and convulsive type of reunification that occurred in Germany.

The impact of the United States on the pace of progress toward a confederation could prove to be critical. Starting with his open expression of doubts about the wisdom of engaging the North during his White House meeting with Kim Dae Jung on 2 March 2001, President George W. Bush has actively attempted to slow the pace. The United States initially rebuffed South Korean requests for permission to de-mine the DMZ so that road and rail links could be set up between South Korea and the Kaesong Industrial Complex. Only when Kim Dae Jung repeatedly pressed Bush did the United States agree to de-mining in September 2002. Since then, the United States has sought to restrict the technology that can be used by South Korean factories in Kaesong by resurrecting Cold War export controls.

Apart from such examples of specific US efforts to block North-South reconciliation, the confrontational US approach to dealing with North Korea on the nuclear issue has had a broader impact on North Korea's dealings with the South. So long as the nuclear crisis remains unresolved and Pyongyang continues to fear pre-emptive US military action or pressure for "regime change", Pyongyang will be reluctant to risk the destabilizing consequences of greater contacts with the South, as Roh Moo Hyun observed in a perceptive address to the Los Angeles World Affairs Council on 12 November 2004.

In North Korea and South Korea alike, it is an article of faith that the United States deserves the principal blame for the division of the peninsula and thus has a special responsibility for helping to restore national unity. This deep-seated sense of grievance is linked with the belief that Washington wanted to keep Korea divided during the Cold War in order to pursue US strategic objectives related mainly to Japan. Anti-American nationalism is surprisingly virulent even in the South, where military de-

pendence on the United States has generated strong undercurrents of xenophobia that are sweeping aside the gratitude felt by the older generation for the US role in the Korean war. A representative poll of college students found that 79 per cent blamed the United States for the division of Korea and 64 per cent considered the United States to be the country most reluctant to see Korea reunified.¹⁵

The Korean indictment of the United States begins with the Cairo, Yalta and Potsdam conferences, condemning the casual disposition of the peninsula by the wartime allies that led to the division. Since Russian diplomacy traditionally had sought to divide Korea, argues Cho Soon Sung in a representative statement of the dominant Korean attitude, the United States either was a gullible fool or must have been more than ready to sacrifice Korean interests for the sake of its own, emerging Cold War strategic concerns.¹⁶

Until 1992, the United States was not explicitly committed to reunification as a goal of US policy. It was therefore not surprising that 64 per cent of the students interviewed in the South Korean polling study viewed the United States as the country most reluctant to see Korea reunified. In an effort to counter such feeling and to get in step with the conciliatory policy toward the North being pursued by Roh Tae Woo, President George H. W. Bush told the South Korean National Assembly on 6 January 1992 that the American people favoured “peaceful unification on terms acceptable to the Korean people”. This deliberately vague statement to some extent insulated the United States from criticism as an outright enemy of unification. But it conveyed a sanguine attitude toward the prospect of indefinite division and, in both the North and the South, American motives are still suspect, especially in the context of the efforts by the George W. Bush administration to slow the pace of the North–South engagement process set in motion by the June 2000 summit.

Ending the Korean war

Half a century after the Korean war, the armistice agreement of 1953 has yet to be replaced by a peace treaty, and the machinery established to implement the agreement still remains in place.

The Military Armistice Commission set up in 1953 was designed as a temporary expedient to oversee the cease-fire. But it lingers on in its original form, despite a steadily changing security environment symbolized by the reduction in North–South tensions since the June 2000 summit and by the pullback of US forces from the 38th parallel in 2004. Similarly, during the Korean war, the United Nations Command provided a

genuinely multilateral umbrella for US intervention in the conflict: 16 other countries joined the United States in fighting under the UN flag. But now the UN Command is only a fig leaf on what is in reality a unilateral US security commitment to South Korea. In 1978, the UN Command transferred its authority to the newly created US–South Korean Combined Forces Command and relinquished all of its military functions. Pyongyang points to the Armistice Commission and the UN Command as symbols of an adversarial relationship with the United States that it had hoped would end when it agreed to freeze its nuclear programme in 1994.

On 28 May 1994, North Korea formally asked UN Secretary-General Boutros Boutros-Ghali to initiate steps that would lead to the replacement of the armistice agreement and the termination of the UN Command. Boutros-Ghali replied categorically on 24 June that the United States alone has the authority to “decide on the continued existence or the dissolution of the United Nations Command”. He recalled that Security Council Resolution 84 of 7 July 1950 “limited itself to recommending that all Members providing military forces and other assistance to the Republic of Korea ‘make such forces and other assistance available to a unified command under the United States of America.’ It follows, accordingly, that the Security Council did not establish the unified command as a subsidiary organ under its control, but merely recommended the creation of such a command, specifying that it be under the authority of the United States. Therefore, the dissolution of the unified command does not fall within the responsibility of any United Nations organ but is a matter within the competence of the Government of the United States.”¹⁷

Apart from the utility of the UN Command as diplomatic cover for US representatives to the Military Armistice Commission, the United States has three other reasons for wanting to retain the UN Command indefinitely. One is a desire to avoid the need for renewed UN Security Council approval of US intervention in the event of a new war. US and South Korean forces could once again fight in the name of the UN Command without seeking UN approval as the United States did in the case of Desert Storm. A more substantial reason relates to the United States’ use of bases in Japan in connection with military operations in Korea. An agreement with Japan during the Korean war gave seven US bases in Japan dual legal status as UN Command bases. The UN Command has explicit authority to use these bases to refuel and service US aircraft en route to Korea in the event of hostilities.

Maj. Gen. Lim Dong Won, who conducted the 1991 South Korean talks with North Korea that led to the “Basic Agreement”, raised the subject of the UN Command in discussions with US officials prior to his negotiations with the North. He wanted to know how Washington would

feel about a possible offer to dissolve the UN Command as a bargaining chip with Pyongyang. "The United States took the position that the dissolution of the U.N. Command was premature and undesirable", he said, "because it is a matter that is directly related to the continued use of military bases in Japan and to the return of 'operational control' of the South Korean armed forces to the Republic of Korea."¹⁸

Until recently, the governing reason for the US reluctance to dissolve the UN Command has been concern that this would undermine the legal and political foundations of US operational control over South Korean forces. This concern arose from the fact that, when Syngman Rhee, the first president of South Korea, originally transferred operational control in 1950, it was to the UN Command.

However, under Defense Secretary Donald Rumsfeld, the Pentagon has attached diminishing importance to the retention of wartime operational control. South Korea's policy of engagement with the North has called into question Seoul's willingness to cooperate with US-initiated military action against North Korea. Thus, in order to get complete freedom of action in dealing with Pyongyang, the Pentagon under Rumsfeld has sought to extricate itself from the constraints imposed by the US-South Korean alliance.

In the discussions with the United States that began in 2006 on the transfer of operational control, the Pentagon was ready to transfer control sooner than South Korea, reflecting divisions within the South Korean armed forces over the time needed to prepare for the transition and divisions within the South Korean polity over the engagement policy. But political pressures in the South for the transfer are likely to prove irresistible.

Even a US general, the late Richard G. Stilwell, once commented that the degree of operational control enjoyed by the United States in Korea is "the most remarkable concession of sovereignty in the entire world". Stilwell pointed in particular to the fact that the US commander of the US-South Korean Combined Forces Command "reports only to U.S. higher authority" and would have the technical legal freedom to do so even with respect to the use of nuclear weapons, in contrast to the dual authority over the nuclear trigger in Germany.¹⁹

For Lim Dong Won, like many other leading South Koreans, the continuance of US operational control so many years after the Korean war is not only an affront to South Korea's sovereignty but also an impediment to meaningful dialogue with the North.

South Korea must recover its independent identity as the main player in negotiations with North Korea [Lim declared in 1996]. This issue is intrinsically related to the question of recovering the operational control of its military forces

from the Commanding General of the U.N. Command. Only with the reversion of operational control will North Korea respect and fear the South. Only then will North Korea genuinely respect South Korea's authority and capability. Unless operational control is returned to us, North Korea will continue to confine its approaches to the United States alone and to exclude South Korea as its natural negotiating partner.

Urging on another occasion that wartime operational control "must be returned as soon as possible", Lim said that this would necessarily entail the restructuring of the existing US–South Korean Combined Forces Command along the lines of the US–Japan military arrangements, "linking two separate operational structures on a cooperative basis". A continued US force presence in Korea is desirable, he added, emphasizing that the US presence is "primarily based on the R.O.K.–U.S. Mutual Security Treaty of 1953 and is totally unrelated to the existence or dissolution of the U.N. Command".²⁰

Since the United States and South Korea are reluctant to take the risks that would be involved in replacing the existing armistice machinery, they have brushed aside a series of increasingly conciliatory North Korean scenarios for a reduction of tensions marked by a softened attitude toward the size and duration of the US presence.

When Kim Il Sung met former US president Jimmy Carter on 16 June 1994, he told him that North Korea was "not too concerned" about a continued US military presence but would like to see it gradually reduced to about 4,000 from the present level of 37,000.²¹ Two months later, US Ambassador Robert Gallucci was surprised when First Deputy Foreign Minister Kang Sok Ju expressed a tolerant attitude toward US forces over the dinner table during their Geneva negotiations on the nuclear freeze agreement. "He seemed to say that if the United States and North Korea normalized their relations and became friendly, they wouldn't care much about U.S. forces."²²

The conclusion of the nuclear freeze agreement in October 1994 led to a series of North Korean proposals for an undefined "new peace mechanism" to replace the Military Armistice Commission and the UN Command. The US government ignored these proposals and has made no effort to explore them with North Korea during the ensuing years.

In a meeting with Gen. Ri Chan Bok, the North Korean representative at Panmunjom, on 28 September 1995, I pressed him to explain what sort of "new mechanism" North Korea had in mind. First, he said, the armed forces of the United States and North Korea would set up what might be called a North Korea–United States "mutual security assurance commission". It would consist solely of military officers. Immediately following establishment of the commission, the North Korea–South Korea Joint

Military Commission negotiated in 1992 but never instituted would begin to operate in parallel with the North Korea–United States commission.

The functional role of both commissions would be to prevent incidents in the DMZ that could threaten the peace and to develop arms control and confidence-building arrangements. The purpose of the “new peace arrangements”, First Deputy Foreign Minister Kang Sok Ju told me a day later, would be to stabilize the North–South status quo militarily. “The armistice was concluded between two hostile parties”, Kang said. “The purpose of the new peace arrangements will be to end adversarial relations and prevent any threat to the peace, whether from the South against the North or the North against the South.”

Asked whether the US–South Korean Security Treaty could remain in force under the proposed “new peace arrangements”, he replied, “Definitely yes.” I observed that “this is possibly because you don’t want the issue of your mutual security treaty with China to be raised, isn’t that right?” He smiled, commenting that “these are longer-range issues that can be considered in time at the political level”.

As first proposed, the Mutual Security Commission was to be bilateral, consisting of the United States and North Korea. Within a year, North Korea had agreed that South Korea could participate in a trilateral commission on equal terms. Similarly, on the issue of a peace treaty, Pyongyang dropped its longstanding demand for a bilateral US–North Korean treaty on 6 May 2004, offering to discuss a trilateral treaty embracing South Korea. Despite this about-face, the United States has shown no interest in pursuing a peace treaty.

US policy options

The process of engagement and reconciliation set in motion by the June 2000 North–South summit has made a reassessment of long-term US goals and policies in the Korean peninsula necessary. To the extent that North–South Korean relations continue to improve and hopes for peaceful reunification grow in both the North and the South, the United States could well face increasing pressure to affirm its support for peaceful reunification in terms much more positive and explicit than the 1992 Bush statement discussed earlier: to express regret for its role in the division of the peninsula, and to adapt its military presence in the peninsula to a changing security environment.

Visiting Pyongyang on 31 March 1992, Rev. Billy Graham stopped just short of expressing regret in his airport arrival address but displayed a sensitivity to Korean feelings that was missing in the Bush statement. “Korean unity”, he declared, “was a victim of the cold war. Because of

the competition which existed then between the United States and the former Soviet Union, decisions and compromises were made which divided Korea at the thirty-eighth parallel. I share the concern of many Americans that my nation was one of those which had a part in those cold war decisions, and I pray that the Korean people will soon be united peacefully.”²³

During the decades since 1945, the polarization of Korea along Cold War lines constituted a built-in barrier to reunification. Nevertheless, the division of the peninsula, while making Korea itself militarily unstable, defused the peninsula temporarily as a flashpoint of regional instability. The Sino-Japanese competition for dominance in Korea that had persisted throughout history subsided in the face of the entrenched US and Soviet presence in the two Koreas. In the post-Cold War environment, however, a divided Korea is likely to become a focus of international conflict involving not only the neighbouring powers but also the United States. For example, if the United States maintains a continuing military presence in the South, China is likely to view the maintenance of a separate North Korea as critical to its security, and the danger of a US-China conflict over Korea will grow, especially if the United States and Japan continue to define the threat from China as a principal *raison d'être* for their alliance. The US interest in a stable Northeast Asia would thus be served by the emergence of a strong, reunified Korea that could serve as a neutral buffer state, forestalling a repetition of past Korea-centred major power rivalries in the region.

To pursue this interest, the United States would have to reshape its policies in the peninsula so that it does not stand in the way of movement toward a loose confederation, as it does now, while at the same time doing what it can to promote such movement. This would require, above all, a basic redefinition of the role of US forces in Korea that would induce the South to move more rapidly toward accommodation with the North. In its present form, the US military presence sustains a climate of indefinite confrontation.

The United States has an open-ended commitment to one side in a civil war. It is providing a massive economic subsidy that enables its ally to minimize the sacrifices that would otherwise be necessary for the maintenance of the conflict. The South's upper- and middle-income minority, in particular, has acquired a vested interest in the status quo. Without its US subsidy, Seoul, which now spends an average of US\$13 billion per year for defence, would have to double or triple its military budget to replace the conventional forces deployed for its defence by the United States, not to mention the much higher outlays that independent nuclear forces would require. In addition to the direct cost of its forces in Korea,

averaging US\$2 billion per year, the United States spends more than US\$40 billion annually to maintain the overall US force structure in East Asia and the western Pacific on which its capability to intervene in Korea depends. So long as the South regards this US economic cushion as an entitlement, it will be under no compulsion to pursue a *modus vivendi* with the North.

Despite the end of the Cold War, the role of the US forces in Korea has not changed to keep pace with geopolitical realignments in Korea. The US military presence in the South was a response to the projection of Soviet and Chinese military power on the side of the North. Now Russia no longer has a security commitment to the North. While retaining a nominal security commitment to Pyongyang and keeping up economic aid, China has in reality moved steadily closer to Seoul. Both Moscow and Beijing are increasingly attempting to play the role of honest broker between the North and South. That is what they want the United States to do, and that is what the North also wants the United States to do.

What would a redefinition of the US military role mean in concrete terms? In essence, the mission of US forces would no longer be limited to the defence of the South but would be broadened to embrace the deterrence of aggression by either the North or the South against the other. In its new role as a stabilizer and balancer in Korea, the United States would provide the security umbrella necessary for stable progress toward a loose confederation, helping promote a climate of mutual trust.

Conceivably, US forces could remain for a limited period following the establishment of a confederation. North Korea, for its part, has left such a possibility open. Kim Byong Hong, policy planning chief in the foreign ministry, told me on 7 May 1998 that “Korea is surrounded by big powers – Russia, China, and Japan. We must think of the impact of the withdrawal of US troops on the balance of power in the region. It is possible that if US troops pull out of Korea, Japan will rearm immediately.” A day earlier, Kim Yong Nam, then foreign minister and now chairman of the Supreme People’s Assembly, said more obliquely that “the United States is standing in the way of a confederation, but it would be in your interests to help us work for one because it would enhance stability in the region, and the United States can advance its interests in both halves of Korea if we are confederated”. Han Song Ryol, former North Korean deputy representative at the United Nations, went still further over dinner on 10 May 1997. “Under certain circumstances,” he said, “depending on your policy, I can imagine US forces stationed in North as well as South Korea.”

A transition from the existing US military role in Korea to a new role compatible with the promotion of a confederation would necessarily be-

gin with a formal end to the Korean war. The first step toward this end could be a trilateral peace treaty (the United States, North Korea and South Korea) followed by replacement of the Military Armistice Commission with the trilateral Mutual Security Commission proposed by North Korea.

After these two interlinked steps are completed, the United States could then promote a separate North–South peace agreement upgrading the 1991 North–South Basic Agreement, urge the North and South to re-activate the Joint North–South Military Commission set up in 1991, and terminate the UN Command. The two peace accords could then be submitted by the governments concerned to the UN Security Council, which would endorse them collectively as constituting the definitive end of the Korean war. In the same resolution, the United Nations could formally approve the termination of the UN Command.

The stage would then be set for negotiations within the trilateral commission and the North–South Joint Military Commission on arms control and tension reduction measures. To illustrate possible trade-offs, the United States and South Korea could seek an agreement providing for the pullback of forward-deployed North Korean forces with an offensive capability, especially heavy artillery, multiple rocket launchers and armour, out of artillery range of Seoul. In return, US and South Korean forces would also pull back from their existing positions. Given the location of Seoul, North Korea would pull back further than the United States and South Korea. As the price for an asymmetrical pullback, Washington and Seoul would be prepared to discuss the removal of weapons systems regarded by Pyongyang as offensive in character, such as Apache attack helicopters, together with the partial withdrawal of US forces from the peninsula – including the withdrawal of some or all of the US air forces in Korea to Japan, Guam or Hawaii.

South Korean and US military leaders warn that it would not take long for the North to move its forces forward again. For this reason, in negotiating such an agreement, Washington and Seoul should insist on two conditions. Both sides should be required to deploy their artillery in the open to facilitate inspection and to maximize the warning time that the South would have in the event of an attack. Equally important, the United States should be permitted to retain those facilities in Korea needed to provide command and control, targeting, and intelligence support of South Korean forces. Since the US–South Korean Security Treaty would not be affected by the proposed accord, the United States would have a legal basis for bringing back its forces if necessary.

In order to pursue verifiable agreements with North Korea that would terminate its long-range missile programme and fully roll back the devel-

opment of nuclear weapons capabilities, the United States would have to offer a partial or complete withdrawal of its forces. But, as observed earlier, Pyongyang would not necessarily press for a complete withdrawal if Washington shifts from its adversarial posture to that of an honest broker.

The goal of the United States should be to disengage its forces gradually from the Korean civil war over a period not longer than 10 years, whether or not this can be done as part of a negotiated arms control process. A phased and gradual disengagement would give the South the time to fill in the major gaps in its military capabilities and would strengthen the forces in Seoul seeking an accommodation with Pyongyang. Although it is highly desirable and, in my view, feasible to link disengagement with arms control trade-offs, especially relating to missile and nuclear capabilities, this linkage should not be allowed to paralyse US freedom of action.

To reinforce arms control arrangements and insure against instability following its force withdrawals, the United States should pursue parallel neutralization agreements with China, Russia and Japan barring the introduction of foreign military forces into the peninsula. The initiative would then be left to Seoul and Pyongyang. Washington would have its hopes and its advice but would recede into an unaccustomed posture of detachment, ready to let the two actors make their own mistakes. In the final analysis, such a policy would be a vote of confidence in Korean nationalism and in the potential of a unified Korea as a buffer state; a policy giving importance to Korea and Koreans in their own right, at last, rather than as pawns in a never-ending game of great power rivalries.

The case for the indefinite continuation of the US military presence in Korea rests on a questionable set of assumptions: first, that US disengagement would create a power vacuum; second, that China, Japan and Russia would move into this vacuum, competing for dominance as they did from 1894 to 1905; and, finally, that a reunified Korea without US protection either would seek a military alliance with one of its neighbours, probably China, or would develop its own independent nuclear capability.

These assumptions exclude the possibility that a reunified Korea could play an independent, non-nuclear buffer role. Yet a variety of factors make this possibility a realistic goal in an emerging regional environment that differs fundamentally from that of a century ago.

The critical difference between then and now is that Korea at the turn of the century was not yet politically sensitized and mobilized. Still largely a feudal, rural society with a limited educational infrastructure, it had not achieved the universal literacy that the North and South have to-

day. It had not developed a broadly based nationalist consciousness and was not yet seeking to assert its identity in the community of nation-states. A powerful spirit of Korean nationalism, aroused by four decades of peculiarly brutal Japanese colonialism and five decades of division, has introduced a new and potentially decisive element into the situation.

Nationalism is now a driving force in both the North and the South. It will make any form of unified regime much less vulnerable to foreign manipulation than the politically quiescent and economically underdeveloped Korea of a century ago. Once the division is ended, in short, there will be no power vacuum for outsiders to fill. Korea will emerge as a power in its own right, making its own decisions concerning the nature and size of its military capabilities on the basis of what others do or do not do. For example, in the absence of some form of regional agreement that would rule out a Japanese nuclear capability and the use of American, Chinese and Russian nuclear weapons in Korea, it is possible that a unified Korea would develop an independent nuclear deterrent. But a US disengagement, in itself, need not lead to this outcome.

It is precisely because Korean nationalism is so strong that pressures for US disengagement have been building up in recent years and are likely to intensify following a confederation or full unification. The enduring impact of Japanese colonial rule is a stimulus to Korean nationalism. But the United States, too, is a focus of Korean nationalist sentiment, given the US role in imposing the division of the peninsula in 1945. Throughout the colonial decades, Koreans had looked ahead hopefully to the moment when the Japanese departed as the occasion for their national entry onto the world stage, only to find themselves trapped between American- and Russian-installed regimes when the moment arrived. Reflecting a superpower perspective, the conventional wisdom in the United States during the Cold War was that a balance of power existed in East Asia among the United States, Japan, China and Russia. This thinking lingers even today. But this "balance" exists at the cost of a divided Korea, a cost unacceptable to the Koreans themselves.

The assumption that there would be a power vacuum in a reunified Korea if US forces withdraw reflects insensitivity to this new reality of a dynamic Korean nationalism. Similarly, the assumption that Japan, China and Russia would not respect a military neutralization of Korea reveals both a misreading of history and a blindness to the changes that have taken place in Northeast Asia during the past century.

In contrast to the European experience, the unification of Korea would not be perceived by its neighbours as inherently threatening. Germany in the first flush of its unification during the nineteenth century was expansionist, but, in the case of East Asia, Japan was the expansionist power and Korea the victim of its colonial oppression. Moreover, Korea became

the focus of external contention a century ago precisely because at that time a power vacuum did exist in Seoul, where the Yi dynasty was collapsing. The vulnerability of Korea coincided with a decline of Chinese power that tempted a newly assertive Japan to move into the vacuum. By contrast, there is no such power imbalance between China and Japan today. Neither would be likely to risk a military confrontation over Korea except in the face of the gravest provocation, and it would be much more difficult for either to manipulate internal factional divisions in a unified Korea than it was in the late nineteenth century. A militarily neutral Korea would be respected by each of the immediate neighbours if it is also respected by the United States and other extra-regional powers.

The argument that a neutral Korea would become a nuclear power must be considered in the context of the ongoing negotiations with North Korea concerning its nuclear weapons programme. If these negotiations collapse and North Korea deploys operational nuclear weapons, support will grow in Japan for a Japanese nuclear weapons programme. The prospect of a nuclear-armed Japan would lead in time to a nuclear-armed South Korea and a nuclear-armed unified Korea. Such a nuclear arms race would be difficult to forestall even with a continued US presence and the promised protection of the US nuclear umbrella.

No Korean regime is likely to surrender its sovereign nuclear option unless Japan, too, is prepared to do so, especially since Japan, unlike South Korea, has already developed plutonium reprocessing facilities that could be quickly converted to military purposes. If it is possible to head off a nuclear arms race between Japan and Korea, the most promising way to do so would be to negotiate a series of declaratory regional denuclearization agreements that would set the stage for the long-term pursuit of a broader regional nuclear-free zone agreement, such as a declaratory agreement that would bar the use or deployment of Chinese, Russian, US and Japanese nuclear weapons in Korea. Another such agreement could commit Korea, the United States, China and Russia not to use nuclear weapons against Japan in return for a formal Japanese commitment not to develop nuclear weapons.

For the United States, the immediate challenge during the years ahead will be to negotiate a gradual, orderly transition from its present adversarial role on one side of a civil war to a more balanced role designed to stabilize North–South relations, not only by moving to a new role as an honest broker between North and South but also by initiating a broader Korean security dialogue with China, Russia and Japan. The central goals of this dialogue should be a four-power agreement not to intervene in Korea with conventional forces and a six-power agreement, with North and South Korean participation, ruling out the manufacture, use or deployment of nuclear weapons in Korea. Stable progress toward unifica-

tion and enduring peace in Korea will be a realistic possibility, in the long run, only if the peninsula can be insulated from the historical rivalries of its powerful neighbours.

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7

The DPRK economic crisis and the ROK security dilemma

Suk Lee

An interesting consequence of the economic crisis in the Democratic People's Republic of Korea (DPRK, commonly known as North Korea) in the 1990s is that the two Koreas have been getting closer than ever before. According to the Ministry of Unification of the Republic of Korea (ROK, commonly known as South Korea), the South has provided more than 30 per cent of the international aid to the North since 2000, the number of visitors between the two Koreas has increased 10-fold since 1997, and trade volume doubled between 1998 and 2002. It is now quite usual for the two Koreas to engage not only in talks but also in concrete mutual activities ranging from economic affairs to culture and sports exchange.

In the sphere of security, however, this closeness has not operated as expected. Around 60 per cent of the ROK population believe it is still probable the North may invade the South.¹ The security environment on the Korean peninsula has also worsened since the DPRK nuclear issue surfaced again in 2002. Although the ROK has made various efforts to resolve the issue peacefully, there has been no significant breakthrough yet. In the ROK this discrepancy between security and other areas has generated and intensified the debate on its North Korean policy. The debate is so broad and intense that politicians and even ordinary citizens emotively criticize those with different views as “pro-DPRK left-wing supporters” or “stupid conservative hardliners” – phrases that have long been taboo in public.

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United Nations University Press, 2007, ISBN 978-92-808-1144-5*

This chapter reviews the debate and explores its security implications. The discussion differentiates two major issues implied by the debate: (1) the DPRK economic crisis in the 1990s as the main factor creating a new security environment between the two Koreas; (2) different ROK approaches to the new environment. The remainder of the chapter is organized as follows. First I examine the causation, features and impacts of the DPRK economic crisis, discussing its security implications. I then study two different ROK approaches to the changing security environment since the DPRK economic crisis and review how they have influenced practical policies. The final section concludes.

The DPRK economic crisis and new security environment between the two Koreas

A significant feature of the DPRK macroeconomic performance over the past six decades is that all output variables have a “reverse U-shape” trend over time. They increased rapidly in the early development stage, but soon stagnated in the 1970s–1980s, and finally declined sharply in the 1990s. For instance, annual industrial production grew on average by 25 per cent in 1946–1975, decelerating to 7.5 per cent in 1975–1989, and finally falling on average by 23 per cent per annum in 1993–1996 (see Figure 7.1). Annual grain production also increased on average by 4.7 per cent in 1946–1974, but soon stagnated at 2 per cent per annum during

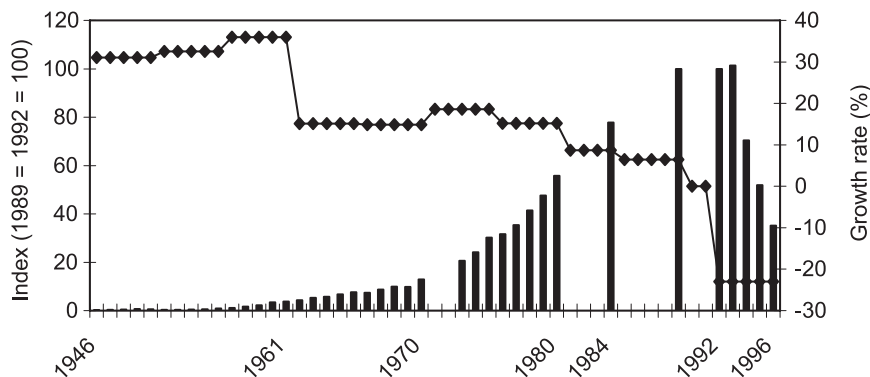


Figure 7.1 DPRK industrial production, 1946–1996.

Sources: Ministry of Unification, *The North Korean Economic Statistics Collection*, Seoul, 1996 (in Korean); and DPRK/UNDP, “Thematic Round Table Meeting on Agricultural Recovery and Environmental Protection for the Democratic People’s Republic of Korea (DPRK)”, Geneva, 28–29 May 1998.

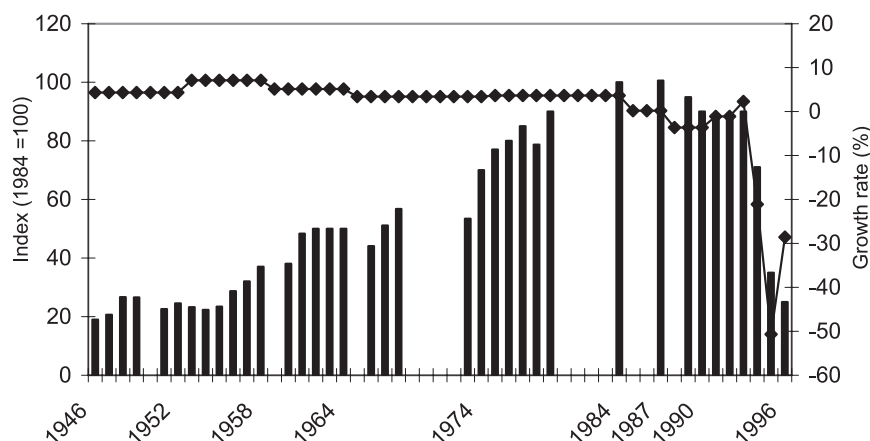


Figure 7.2 DPRK grain production, 1946–1996.

Sources: Ministry of Unification, *The North Korean Economic Statistics Collection*, Seoul, 1996 (in Korean), and DPRK, *Implementation of the International Covenant on Economic, Social and Cultural Rights – Second Periodic Reports Submitted by State Parties under Articles 16 and 17 of the Covenant*, United Nations Economic and Social Council, 9 April 2002.

1974–1993, and then dramatically fell by an annual average of 35 per cent in 1993–1996 (see Figure 7.2).

An effective way to explain this trend is to assume that the DPRK economy has faced long-term productivity stagnation and resource contraction. When resources were relatively abundant in the early development stage, the DPRK central planners may have been able to increase total output rapidly by coercive mobilization. Despite this, productivity increased little and the output growth rate decelerated as available resources shrank. In particular, as available resources were exhausted and productivity began to fall, output also began to fall. This has two implications for the DPRK economic crisis in the 1990s. First, the main factor that brought about the crisis was the country's increasing inability to mobilize economic resources and arrest falling productivity. Second, this factor was not unique in the 1990s but had been there at least since the 1970s–1980s.

The DPRK economic crisis in the 1990s: Causation and pattern

According to official DPRK statistics, the economic crisis started in 1994 when gross domestic product (GDP) fell by 23 per cent (see Table 7.1). This output fall was initiated by the industrial sector, whose production

Table 7.1 DPRK macroeconomic performance and population: Official data, 1990–2000

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<i>GDP (US\$ million)</i>											
Total	–	–	20,875	20,935	15,421	12,802	10,588	–	–	10,275 ^a	10,593 ^a
Agriculture	–	–	7,807	8,227	6,431	5,223	4,775	–	–	–	–
Industry	–	–	4,551	4,689	3,223	2,228	1,556	–	–	–	–
Construction	–	–	1,315	1,256	910	819	508	–	–	–	–
Other	–	–	7,160	6,762	4,858	4,532	6,748	–	–	–	–
<i>Grain production (million MT)</i>											
Total	9.10	8.90	8.80	9.00	7.08	3.50	2.50	2.69	3.20	4.28	3.26
Rice + maize	8.38	8.29	8.17	8.69	6.66	3.37	2.24	2.58	–	–	–
Total population ('000)	–	–	–	21,214	–	–	–	–	–	22,754	22,963
Crude birth rate (per '000)	22.0	–	–	20.0	–	–	20.1	–	18.2	17.8	17.5
Crude death rate (per '000)	5.9	–	–	5.5	6.8	–	6.8	–	9.3	8.9	8.8
Life expectancy (years)	–	–	–	72.7	–	–	70.1	–	–	66.8	67.1

Notes:

^aGNP not GDP.

Sources: GDP (or GNP) – DPRK/UNDP, “Thematic Round Table Meeting on Agricultural Recovery and Environmental Protection for the Democratic People’s Republic of Korea (DPRK)”, Geneva, 28–29 May 1998, and DPRK, *Core Document Forming Part of the Reports of State Parties*, United Nations Human Rights Instruments, 24 June 2002; grain production – DPRK, *Implementation of the International Covenant on Economic, Social and Cultural Rights – Second Periodic Reports Submitted by State Parties under Articles 16 and 17 of the Covenant*, United Nations Economic and Social Council, 9 April 2002; population and others: DPRK, *Core Document Forming Part of the Reports of State Parties*, and *Implementation of the International Covenant on Economic, Social and Cultural Rights – Second Periodic Reports*; Jonathan Watts, “Pyongyang: A Starving Nation”, *Lancet*, 353, 9166, 22 May 1999; and US Centers for Disease Control and Prevention, “Status of Public Health – Democratic People’s Republic of Korea”, *Morbidity and Mortality Weekly Report*, Vol. 46, No. 24, April 1997; M. Noland, S. Robinson and T. Wang, “Famine in North Korea: Causes and Cures”, Institute for International Economics Working Paper 99-2, 1999.

fell by 30 per cent (industry + construction), exceeding the 20 per cent decline in agricultural production. Interestingly, the former induced the latter. For instance, owing to the industrial stagnation, chemical fertilizer supply dropped by half, which in turn caused grain production failure in the agricultural sector. This pattern of crisis has since intensified. By 1996 industrial production had fallen to one-third of the 1993 level, and fertilizer supply dropped to almost one-tenth of the level in the early 1990s (Table 7.2). Consequently grain production collapsed to just 2.5 million metric tonnes in 1996, less than one-third of the early 1990s' level, bringing the entire country to the brink of starvation. Indeed, the country's official crude death rate rose to 9.3 per 1,000 in 1998 from 5.5 in 1993, demonstrating that the economic crisis actually developed into famine in the mid-1990s. This crisis eased little until 2000. GDP was still half the early 1990s' level and grain production was down to one-third. The official death rate did not fall significantly from its peak in 1998, either. The "DPRK economic crisis" describes this sequence of economic and social events during 1994–2000 in which industrial stagnation triggered the collapse of agricultural and food production, eventually generating famine and causing the whole economy to collapse.

How did the industrial stagnation leading to the economic crisis take place? The DPRK economy suffered an external shock in the late 1980s. The breakdown of international socialist economies greatly damaged its ability to import foreign resources. Foreign trade and imports of basic economic inputs, oil in particular, for which the country has depended entirely on foreign sources, declined for seven consecutive years from 1990 to 1996. In consequence, the country's oil consumption in 1996 was less than half the 1990 level (see Table 7.2). This suggests that the DPRK's industrial stagnation leading to the economic crisis in the 1990s was caused primarily by the breakdown of international socialist economies in the late 1980s and its adverse impact on national resource mobilization. What should be noted, however, is that the DPRK had already been facing difficulties in mobilizing such inputs as oil, machines and advanced technology since the former USSR stopped providing economic aid and changed its trade with the DPRK to a commercial, though still favourable, basis in the 1960s.² Because of the difficulties the DPRK began to borrow from Western countries to import those goods, before ultimately defaulting on the international loans because of hard currency shortages in the 1970s. Although the external shock in the late 1980s greatly exacerbated the country's resource mobilization problem, the problem itself had therefore existed since the 1970s.

A lack of data makes rigorous studies of DPRK productivity trends in the 1990s difficult. Nonetheless, all primary studies suggest that the country has suffered from significant productivity decline at least since the

Table 7.2 DPRK macroeconomic performance: Outside estimates, 1990–2000

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total trade volume (US\$ billion)	46.4	27.2	26.6	26.4	21.1	20.5	19.8	21.8	14.4	14.8	19.7
Oil consumption/per day ('000 barrels)	72.1	62.1	53.5	43.9	38.3	33.5	29.4	28.6	–	–	–
Fertilizer consumption ('000 MT)	832	811	783	766	323	104	93	171	157	253	256

Sources: Trade volume – Bank of Korea, *North Korea's GNI Estimation* (in Korean), various years; oil consumption – International Energy Agency, *Energy Statistics of Non-OECD Countries*, Paris: IEA, various years; fertilizer consumption – Food and Agriculture Organization Statistical Database.

Table 7.3 Yang's estimation of the DPRK's productivity: Total output function (%)

	1966–70	1971–77	1978–86	1987–90
Average growth rate in GNP	10.2	12.1	7.1	5.2
Total factor productivity	3.2	2.5	–1.9	–1.6

Source: Yang Moon-soo, *The Structure of the North Korean Economy*, Seoul: Seoul National University Press, 2001 (in Korean).

Table 7.4 Lee's estimation of the DPRK's productivity: Grain production function (%)

	1961–1970	1971–1980	1981–1990	1991–2000
Average growth rate in grain production	1.60	2.11	0.95	–5.04
Total factor productivity	–0.80	–1.40	–0.44	–3.29

Source: Lee Suk, *The DPRK Famine of 1994–2000: Occurrence, Impacts and Features*, Seoul: Korea Institute for National Unification, 2004 (in Korean).

1970s–1980s.³ Using the total output function developed by Cho,⁴ for instance, Yang claims that DPRK total factor productivity (TFP) has been negative since 1978 (Table 7.3). Lee also argues that TFP in grain production has been negative since 1961 and declined particularly sharply in the 1990s (Table 7.4). Although these estimates are controversial, they are all based on currently available data and studies. It does not therefore seem irrational to argue that the DPRK economy has suffered a productivity decline since the 1970s–1980s.

In short, the DPRK has faced an increasing inability to mobilize resources and prevent falling productivity since the 1970s, which was greatly exacerbated by the breakdown of international socialist economies in the late 1980s. It was this inability that generated the following sequence of social and economic events between 1994 and 2000: industrial production decline \Rightarrow food and agricultural production collapse \Rightarrow rising death rate \Rightarrow famine \Rightarrow overall economic and social crisis.

Impacts of the economic crisis

It is not unusual for a socialist economy to experience falls in output and even famine. Nevertheless, the DPRK economic crisis in the 1990s has

many interesting features that differentiate it from its historical counterparts in other socialist economies. Of those features, the following should be particularly noted.

First, the severity or magnitude of the crisis is immense. Lee shows that the DPRK population loss between 1994 and 2000 was in the range 580,000–690,000 on the basis of official population statistics or 630,000–1,100,000 million on the basis of the DPRK child nutrition survey data.⁵ These figures represent 3–6 per cent of the total DPRK population, indicating that in the 1990s the country faced one of the greatest famines in human history.⁶ Furthermore, the DPRK famine lasted for longer than any other and coincided with an unprecedented decline in industrial and agricultural output. It lasted for at least six or seven years, and may still be continuing. In addition, GDP halved during the famine period.

Secondly, the main factors that created the crisis are those that have dogged the DPRK economic system for a long time. In many other socialist countries, for instance, famine was caused either by sudden institutional changes such as collectivization or by short-term adverse shocks such as bad weather. The famine therefore ended relatively quickly as the economy adapted to new institutions or as the impact of adverse shocks faded. By contrast, the DPRK famine was caused by structural economic problems: resource shortages and productivity stagnation. Unless the current economic structure changes to resolve the problems, the famine will not end and, even if it did, it could recur at any time.

Thirdly, the main victims of the crisis were in the urban/industrial sector. In many other socialist economies, economic crisis and famine centred on the rural/agricultural sector. Farmers were relatively poorer, politically unimportant and excluded from the government protection system, and they had to surrender their production for industrial development. Hence they tended to be the main victims of adverse economic shocks. In the DPRK, however, the opposite was true. It was urban/industrial employees who became unemployed as increasing resource shortages forced factories and companies to stop operating. Rural farmers continued to work the land, their most important input factor. It was also urban/industrial employees who suffered more from food shortages. According to DPRK food refugees in China, the north-eastern part of the DPRK – mainly the Hamgyong provinces – experienced the worst food situation during the famine (see Table 7.5). The 2002 DPRK child nutrition survey also showed that this region had the highest rate of chronically malnourished children (see Table 7.6). Note that this region was the most urbanized in the DPRK outside politically important special cities such as Pyongyang. This suggests that the DPRK famine was more severe where urbanization was higher, with the exception of special cities.

Table 7.5 DPRK food refugee interviews: Where are the food shortages most severe? (%)

Among provinces			Urban vs. rural		
S. Hamgyong	N. Hamgyong	Other	Urban	Rural	Other ^a
53.1	19.7	27.1	75.6	1.5	23.9

Notes: *N* = 1,694.

^aOther means “similar” or “don’t know”.

Source: Korean Buddhist Sharing Movement, “The Food Crisis of North Korea: Witnessed by 1,694 Food Refugees”, Seoul, December 1998.

Indeed, DPRK food refugees predominantly said that the food situation was more severe in urban areas, and many outside observers visiting the country during the famine period confirm this fact.⁷

The implication of these three features is stark: the DPRK economic crisis is “regime threatening”. The crisis resulted from the structural weakness of the DPRK economy, hitting urban residents and industrial employees, who comprised about 70 per cent of the total population. This group formed the main supporters of the regime, and therefore

Table 7.6 Urbanization and chronic malnourishment of children in the DPRK

	% urban population (31 Aug. 1999)	% stunted children (2002)
Municipality (most urbanized)		
Pyongyang	92	27
Gaesung	65	45
Nampo	82	23
North-east (more urbanized)		
South Hamgyong	69	46
North Hamgyong	78	43
Ryanggang	79	47
South-west (least urbanized)		
South Hwanhae	51	39
North Hwanhae	60	39
DPRK	71	39

Sources: DPRK Central Bureau of Statistics, “Report on the DPRK Nutrition Assessment 2002”, Pyongyang, November 2002; and FAO/WFP, “Special Report: FAO/WFP Crop and Food Supply Assessment Mission to the Democratic People’s Republic of Korea”, 8 November 1999.

ignoring the problem and doing nothing or making marginal and tactical policy changes were not an option for the DPRK regime. In fact, the regime has attempted many unexpected fundamental policy changes to mitigate the crisis.

Above all, the DPRK has concentrated its political and diplomatic efforts on securing more cash and food from abroad. In 1995 it approached its lifelong enemies, including the ROK, Japan and the United States, for emergency food aid and made a consolidated appeal for international humanitarian aid. By 1997 most of the country, except those militarily sensitive regions that border the ROK, was open to international aid agencies, which were permitted to open offices in Pyongyang. It also resumed peace talks with the ROK, which eventually led to the first South–North Korean summit meeting in 2000. By 2001 the DPRK had made the first diplomatic ties with many Western donor countries, particularly European Union countries such as the United Kingdom. It even hinted that the country could trade its military gains such as the development of nuclear weapons and long-range missiles for hard currency to boost its agricultural production and revive the economy.⁸

Together with these political and diplomatic efforts, a wide range of economic reforms have been implemented. In 1995–1996, local governments were empowered to carry out foreign trade independently and so feed the population. In 1998, the property rights of cooperative farms were greatly expanded by the New Socialist Constitution, and corresponding changes were made in administrative organizations. In 2000–2002, successive reform measures, including an emphasis on “earning revenue (profit)” and the decentralization of economic planning, were applied to state-owned enterprises, opening the way for them to operate not only according to the state plan but also in the free market. Finally, a reform policy was announced in July 2002 that would integrate the free market with the planned sector. Existing farmers’ markets were consolidated into bigger, comprehensive and legalized markets, and the official price system was adjusted to market levels.

New security environment between the two Koreas

In economic terms, the DPRK crisis has clear causes, impacts and responses. In inter-Korean security terms, however, it may not be so easy to comprehend.

Until the early 1990s the security environment between the two Koreas was rather simple. They had totally different social systems, were convinced about their own systems, and were reluctant to recognize each other’s government and political systems. Peace was maintained primar-

ily by the military balance. Both Koreas were heavily militarized and each government maintained firm control over the population within its jurisdiction. There were some attempts to improve relations, including family reunions, cultural exchanges and political talks, but these were irregular and transient and failed to make any real progress.

This environment has changed significantly since the DPRK economic crisis of the 1990s. Perhaps the most important change is the possible instability of the DPRK regime. Until the mid-1990s, it was almost unthinkable that the DPRK regime could be destabilized by domestic factors. However, as hungry people looking for food and incomes began to travel without the government's permission, the DPRK leadership itself recognized that the economic crisis was threatening the stability of the regime. In December 1996, for instance, Kim Jong Il warned that such population movements were causing chaos and disorder in the country and ordered the government immediately to take all necessary action to prevent them.⁹

From the ROK perspective, the possible instability of the DPRK regime has led to the emergence of two new security issues. First, destabilization of the DPRK regime could worsen military uncertainty on the peninsula. Secondly, if the DPRK regime collapsed, this could lead to the reunification of the two Koreas, which is the ultimate goal of the ROK's North Korean policy but at the same time would impose immense financial burdens. Both issues are sufficiently important and relevant to change the entire relationship between the two Koreas.

The ongoing humanitarian crisis in the North is another important change in inter-Korean relations. Up to 1 million famine deaths in the North are unacceptable to any nation, and particularly to the ROK, which regards the peninsula as "one nation". Given the longstanding antagonism between the ROK and the DPRK, however, the manner and pattern of ROK engagement to end the crisis might be considered provocative by the DPRK, thus adversely affecting the security environment between the two Koreas.

This possibility is clearly illustrated by the two most pressing humanitarian issues: DPRK food refugees and human rights. The number of DPRK food refugees and defectors entering the ROK has been dramatically increasing since 1998.¹⁰ On the basis of both humanitarian and "one nation" principles, the ROK has tried to accept all the refugees. The DPRK, conversely, tends to regard the refugees as traitors and therefore perceives the ROK policy as "antagonistic". Furthermore, as the number of refugees in the ROK, China and other countries has increased, the DPRK human rights issue has increasingly attracted international attention. Refugees have provided graphic information about the violation of human rights in the DPRK. From the ROK perspective, this issue must

be dealt with by the two Koreas and international society in an appropriate manner, which the DPRK also tends to consider as “antagonistic”. In this respect, the DPRK humanitarian crisis has appeared not simply as a humanitarian issue but also as an important security issue between the two Koreas.

Finally, the DPRK economic crisis and famine have changed the way the two Koreas engage with each other. Until the early 1990s, the two parties undertook practically no mutual activities. They engaged in few meetings or talks and little trade. But this situation has completely changed since the late 1990s. The ROK now considers it necessary to engage in any kind of mutual activity with the DPRK in order to ease the humanitarian crisis and change the country for the better. The DPRK also considers it necessary to engage with the ROK to obtain additional funds and food. Disengagement may therefore be difficult for both countries. Hence, security issues between the two Koreas must now also be discussed as part of this engagement.

ROK approaches to the new security environment: Conservatism vs. engagement

The ROK responded to the changing security environment in two ways: the conservative approach and the engagement approach. The former dominated ROK North Korean policy under the Kim Young Sam government in the mid-1990s whereas the latter has shaped it since the Kim Dae Jung government in the late-1990s.

North Korean policy under the Kim Young Sam government

When the DPRK plunged into economic crisis in the early 1990s, the ROK political landscape was also changing. In 1993, Kim Young Sam, a civilian politician, was elected as the new president. This civilian-led government embarked on social, economic and political reforms. The Kim Young Sam government considered existing North Korean policy to be dominated by the “Cold War” atmosphere, which was preventing any significant breakthrough in South–North relations. It therefore launched various DPRK-friendly policies, including proposals for food aid and repatriation of North Korean prisoners. This attempt soon faded, however, when the DPRK failed to recognize the Kim Young Sam government and made no reciprocal gestures. ROK food aid proposals were immediately rejected and the return of North Korean prisoners was propagandized as a glorious victory over the South. Moreover, when the ROK refused to express its condolences at the death of Kim Il Sung in 1994, the DPRK

characterized the Kim Young Sam government as being as anti-national and fascist as its predecessors. Following these incidents, the Kim Young Sam government's view of the North swiftly degenerated as the DPRK economic situation worsened. This view of the North was based on the following assumptions or perceptions.

First, the DPRK economy had failed and, given the breakdown of international socialist economies, the DPRK regime was soon likely to collapse.¹¹ Secondly, considering the authoritarian nature of the DPRK regime, voluntary change was unlikely. Thirdly, although the DPRK regime was weakened by the economic crisis, the military threat was no smaller. On the contrary, the DPRK regime might attempt to increase military tensions for domestic purposes and develop additional military programmes, including nuclear weapons.

The Kim Young Sam government's North Korean policy thus evolved on the basis of these perceptions. The primary target of the policy was to prevent the military and political tensions from worsening, to induce change in the DPRK and to prepare for its ultimate collapse. A two-track suite of measures was adopted. If the DPRK attempted to increase tension between the two Koreas, the ROK would first seek resolution by dialogue. If that failed, the ROK would send a clear message that such an attempt would invite retaliation by all means. For instance, when the DPRK nuclear issue first emerged in 1993–1994, the initial ROK stance was to engage in talks with the North. The ROK offered to provide capital and technology in return for DPRK guarantees of transparent nuclear activities. But the DPRK ignored this offer and commenced negotiations with the United States, following which the ROK immediately demanded that the United States not negotiate but apply pressure on the North to give up its nuclear ambitions. It also warned the DPRK that its ambitions invited retaliation from the whole world.¹²

To induce change in the DPRK, other similar measures were employed. The ROK offered humanitarian aid and economic cooperation, but demanded corresponding changes from the DPRK. For instance, the North asked the ROK for emergency food aid in early 1995. The ROK immediately announced that it would provide any amount of rice, even importing it from other countries if necessary. However, when the first ROK food aid was delivered to the North, the DPRK authorities forced the ship to fly the DPRK flag upon entering the harbour and detained the crew on spying charges. The DPRK later issued an official apology for this "mistake", but after this incident the ROK began to condemn the DPRK for seeking international food aid while still spending heavily on the military sector. The ROK also demanded that neighbouring countries consult with it when they provided economic aid to the DPRK.

Not surprisingly, there was little progress in South–North relations during the Kim Young Sam government. In fact, the situation worsened, with little contact between the two parties (see Table 7.7 below). Consequently, the ROK was unable to respond effectively to the new security environment caused by the DPRK economic crisis. Moreover, the ROK contributed little to mitigating the DPRK humanitarian crisis. As shown by Table 7.8 below, ROK humanitarian aid to the DPRK was on average less than 10 per cent of total international aid in 1996–1998 when the famine reached its peak. This policy was completely at odds with the concept of “one nation”. Furthermore, the ROK surrendered any leverage to influence or communicate with the DPRK. Because the ROK linked its economic cooperation to political returns, the DPRK was reluctant and even refused to cooperate. The ROK policy was also vulnerable to domestic public opinion. It was reversed too frequently and too suddenly, preventing any policy measures from functioning properly. The abrupt ROK policy changes before and after the “DPRK flag” incident illustrate this situation.

North Korean policy under the Kim Dae Jung government

ROK North Korean policy underwent a fundamental change in 1998 when Kim Dae Jung, a lifelong political rival of Kim Young Sam, was elected as president. The new government was aware that its predecessor’s policies had been based on false assumptions or perceptions about the DPRK. Hence the change began with the basic perceptions of the DPRK, which were completely different from those of the former government.

First, it had been neither wise nor desirable to assume the DPRK regime would collapse in the near future. Despite the economic crisis, the DPRK regime had managed to survive, and there was no reason to believe that it would collapse soon. Even if it did collapse, it was uncertain whether the collapse would lead to unification. It was also questionable whether the unification was desirable to both Koreas in the face of such enormous economic gaps. The ROK would be forced to finance reunification, despite suffering its own economic problems after the financial crisis in the late 1990s. To the ROK, therefore, the most realistic assumption was that the DPRK regime would endure for the near future and thus the regime had to be faced, regardless of its preference.

Secondly, given the economic crisis in the North, the DPRK regime was likely to change for the better to ensure its survival. The isolated and aggressive regime had appealed for international aid and opened its country to international aid agencies. This suggested that the ROK could

influence the DPRK by providing economic cooperation and humanitarian aid to help it change from within.

Thirdly, it was unwise to assume that the DPRK military and political threat was reduced because of the economic crisis. On the other hand, it was equally unwise to assume that the economic crisis would encourage the DPRK to seek to overthrow and unite with the ROK militarily and politically. The ROK had to accept that the DPRK regime may have felt threatened by the outside world, and that this external threat intensified as the economic situation worsened. The most realistic option for the ROK was therefore not only to respond clearly to DPRK military and political threats but also, at the same time, to make efforts to create a new security environment in which the DPRK did not feel under intensified external threat.

Based on these new perceptions or assumptions, the direction of ROK North Korean policy changed dramatically. The first and foremost change was in ROK economic cooperation, which was freed from the short-term political and military situation between the two Koreas. ROK economic cooperation no longer demanded corresponding political returns from the DPRK. The Kim Dae Jung government understood the inevitable fluctuations in the short-term political and military situation. At the same time, however, it also believed that ongoing economic cooperation by the ROK would help generate long-term peace between the two Koreas. Cooperation would make the DPRK economy more dependent on the South, ease the humanitarian crisis, help the two Koreas towards reconciliation, and boost human and cultural exchanges to increase mutual understanding. On this basis, the Kim Dae Jung government increased economic cooperation, in spite of short-term political and military conflicts.

This change of policy direction was soon followed by two related changes. On the one hand, the government abolished its de facto monopoly on DPRK issues and allowed the private sectors to engage freely with their DPRK counterparts. This change facilitated effective ROK economic cooperation and humanitarian aid. In addition, the government multiplied the channels and topics of communication with the DPRK, which ensured that a minimum level of communication was maintained. For instance, when political and military talks failed, economic and cultural talks would continue and thus substitute for and even revive the former.

This new North Korean policy under the Kim Dae Jung government was widely known as the “Sunshine Policy” or engagement approach. The results of this approach were impressive. Between 1998 and 2002, ROK–DPRK trade more than doubled, the number of mutual visitors

Table 7.7 Trends in ROK–DPRK economic, social and cultural cooperation, 1996–2002

	1996	1997	1998	1999	2000	2001	2002
Trade							
Volume (US\$ million) ^a	252	308	222	333	425	403	641
Number of items	258	365	449	488	578	549	572
Number of companies	319	356	419	516	536	506	432
Number of visitors							
From DPRK	0	0	0	62	706	191	1,052
To DPRK	146	1,015	3,317	5,599	7,280	8,551	12,825
Number of joint projects							
Economic	1	6	15	16	18	23	25
Social and cultural	2	3	8	13	18	24	31

Notes:

^aTrade volume includes non-commercial trade such as ROK economic aid to the North.

Source: ROK Ministry of Unification, *Monthly Report Inter-Korean Interchange and Cooperation*, various issues (in Korean).

quadrupled, and the number of joint projects almost tripled (see Table 7.7). ROK humanitarian aid increased rapidly to 38.5 per cent of total international aid in 2000 (see Table 7.8). This increase was initiated by both the government and private sectors. ROK private aid rose to US\$65 million in 2001 from just US\$1.6 million in 1996, reflecting the increasing interest in humanitarian aid to the DPRK among South Korean

Table 7.8 Trends in ROK humanitarian aid to the DPRK, 1996–2002 (US\$ million)

	1996	1997	1998	1999	2000	2001	2002
ROK aid							
Government	3.05	26.67	11.00	28.25	78.63	70.45	83.75
Private	1.55	20.56	20.85	18.63	35.13	64.94	51.17
Total	4.60	47.23	31.85	46.88	113.76	1,345.39	134.92
International aid							
Total aid	97.65	263.50	301.99	359.88	181.77	357.25	257.68
	102.25	310.73	333.84	406.76	295.53	492.64	392.60
ROK aid as % of total aid	4.5	15.2	9.5	11.6	38.5	27.5	34.0

Source: ROK Ministry of Unification, *Monthly Report Inter-Korean Interchange and Cooperation*, various issues (in Korean).

citizens. Against the background of intensified economic and social ties, the two Koreas held regular government-level talks, eventually leading to the first South–North summit meeting in 2000.

These figures make two points about the engagement approach: (1) it played a positive role in easing the DPRK humanitarian crisis; and (2) it gave the ROK effective leverage, by increasing economic ties between the two Koreas, to influence the DPRK. Despite this success, the engagement approach failed to lead to progress in political and military relations between the two Koreas. In 1998, during the Kim Dae Jung government, the DPRK test-fired a medium-range missile that flew over Japan and it conducted submarine incursions and infiltrations against the ROK. The North provoked an armed naval altercation with the ROK, detained an ROK tourist on spying charges, and threatened a long-range missile test in 1999. Furthermore, the current DPRK nuclear issue finally emerged in 2002. These incidents all took place while the ROK was increasing economic cooperation with the DPRK. The engagement approach therefore faced several fundamental questions under the Kim Dae Jung government.

First of all, there was debate over whether ROK economic cooperation could generate long-term peace between the two Koreas. If the engagement approach was correct, the DPRK military threat should have diminished as ROK economic cooperation increased. But it did not. Secondly, it was questioned whether the ROK leverage, using intensified economic and social ties between the two Koreas, was actually valid. For instance, if a reduction in ROK economic cooperation drew a corresponding DPRK response it could lead to a chain reaction of reduced ROK economic cooperation and worsening ROK–DPRK relations. As a consequence the engagement approach could collapse completely. It seemed unlikely that an ROK government based on the engagement approach would take policy measures to risk such an untenable position. Finally, the effectiveness of ROK economic cooperation in addressing the humanitarian crisis was also debated.

The ROK security dilemma

Unfortunately the Kim Dae Jung government did not fully answer these questions, and thus the debate over the engagement approach continued under the Roh Moo Hyun government. The opponents of the engagement approach argued that ROK economic cooperation did not generate peace but simply gave the DPRK regime a chance to recover its strength. Assuming the DPRK regime continued to threaten the ROK, this implied that the engagement approach was undermining the security environment between the two Koreas. Some were even suspicious that ROK

economic cooperation provided material opportunities for the DPRK regime to develop its nuclear programme, generating the present nuclear crisis.

The Kim Dae Jung government's Sunshine Policy was intended to maintain peace in the Korean peninsula by increasing South–North economic cooperation and the South's aid and thus changing the North In reality, however, only military build-up by nuclear means was systematically carried out in the North. The Sunshine Policy, which was supposed to alleviate the North Koreans' suffering and improve their living conditions, had only such adverse effects as boosting the North Korean elites' faith in the Kim Jong Il regime and causing domestic conflicts and anti-US sentiments in the South, using the slogan of national cooperation.¹³

Opponents of engagement also argued that the ROK was unable to change the DPRK using its leverage of increasing economic ties between the two Koreas. It was argued that those supporting the engagement approach had no real intention of changing the DPRK, but rather sought an excuse to provide the DPRK with economic aid.

Supporters and opponents of engagement also debated DPRK humanitarian issues. Supporters emphasized two points: (1) practical cooperation with the DPRK government was necessary to improve the human rights situation; and (2) the most important human rights issue in the DPRK was the right to survive. Hence they argued that more moderate and indirect economic measures would work better to improve the DPRK human rights situation. If more assertive and political measures were adopted, the DPRK government would withdraw, not only damaging ROK–DPRK relations but also undermining the DPRK human rights situation. By contrast, opponents of engagement argued that the ROK should address this issue directly with the DPRK in a clear manner, making the link with ROK economic cooperation if necessary. Opponents also criticized the engagement approach for demonstrating little interest in forcing the human rights issue.

These debates were led by major newspapers, the main opposition party and conservative non-governmental organizations, including those of DPRK defectors in the ROK, all of which influenced ROK public opinion about DPRK issues. Consequently, the ROK population was somewhat polarized into either supporting or opposing the engagement approach. Survey data from the Korea Institute for National Unification show that in 2003 around 54 per cent of the ROK population had a positive (“should help” or “should cooperate”) attitude towards the DPRK whereas around 41 per cent had a negative (“should be vigilant” or “enemy”) attitude.¹⁴

The point is that both the conservative approach and the engagement approach raised some fundamental questions of appropriateness that have not been fully answered. Thus, whatever North Korean policy the government chooses is likely to provoke another intense debate. In this sense the ROK has yet to finalize its own appropriate policy framework in response to the new security environment following the DPRK economic crisis. This may be the most serious security dilemma the ROK has faced since the DPRK economic crisis.

Concluding remarks

This chapter has assessed the security implications of the DPRK economic crisis in the 1990s and reviewed ROK responses to the changing security environment between the two Koreas. The main findings of the chapter can be summarized as follows.

First, the DPRK economic crisis was regime threatening and thus the DPRK government responded actively to it. As a result, the security environment between the two Koreas was increasingly characterized by: (1) the possible instability of the DPRK regime; (2) a humanitarian crisis in the North; (3) a necessary mutual engagement between the two Koreas.

Second, the ROK responded to the changing security environment in two ways: the conservative approach and the engagement approach. Both approaches were different in their perceptions of the DPRK and in their proposed directions and measures for ROK North Korean policy. These differences have made it difficult for the ROK to establish a consolidated and effective policy framework to respond to the changing security environment on the Korean peninsula.

The debate surrounding the ROK approaches to the changing security environment intensified after the DPRK's nuclear test in 2006. The ROK's engagement approach, which dominated North Korean policy from the late 1990s, was heavily blamed for failing to prevent the test and the consequent damage to the ROK security environment. At the time of writing (early 2007) there has as yet been no significant sign of a shift in ROK policy from the existing engagement approach; the debate therefore remains intense, even furious. Is there any chance that the debate will ease or be resolved?

A common problem facing DPRK studies is that little in the way of data and information is available. Sometimes this leads to a lot of argument based on little evidence. The ROK debate about its North Korean policy is probably no exception. If so, now may be the time to seek more evidence rather than generating more argument.

Notes

1. Choi Jin-wook et al., "Progress in South–North Relations and Its Domestic Impact", Seoul: Korea Institute for National Unification, 2003 (in Korean).
2. Yang Moon-soo, *The Structure of the North Korean Economy*, Seoul: Seoul National University Press, 2001 (in Korean); ROK Ministry of Unification, *The North Korean Economic Statistics Collection*, Seoul, 1996 (in Korean).
3. Some ROK economists have attempted to estimate the DPRK's long-term productivity trends. Although they have employed data from officially released DPRK figures which are different from outside estimates, they have commonly concluded that DPRK productivity has kept on falling at least since the late 1970s. See Yang, *The Structure of the North Korean Economy*; Kim Suk-jin, "Economic Growth and Crisis in North Korea: Past Performance and Future Prospects", PhD dissertation, Seoul National University, 2002 (in Korean); Lee Suk, *The DPRK Famine of 1994–2000: Occurrence, Impacts and Features*, Seoul: Korea Institute for National Unification, 2004 (in Korean).
4. Cho Dong-ho, "Labor Productivity and the Optimal Wage in North Korea: Study on Labor Quality in North Korea", *Korea Development Study*, Vol. 15, No. 4, 1993 (in Korean).
5. Lee, *The DPRK Famine of 1994–2000*.
6. For the problems with previous estimates of the DPRK population loss in the 1990s, see Lee Suk, "Food Shortages and Economic Institutions in the Democratic People's Republic of Korea", PhD thesis, University of Warwick, UK, 2003.
7. For instance, the DPRK Mission Team of the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP) writes: "The combination of all these factors have led to polarity in food consumption in various aspects, ie people with assets and remittances fare better than those without, farming community is better placed to meet shortages than urban population.... Overall, therefore, food shortages are most entrenched in urban areas and, of this, in parts of the population which so far have relied entirely on the PDS for food supply" (FAO/WFP, "Special Report: FAO/WFP Crop and Food Supply Assessment Mission to the Democratic People's Republic of Korea", 25 November 1997).
8. In 1999, for example, William Perry, US North Korea Policy Coordinator and Special Advisor to the President and the Secretary of State, found in his trip to Pyongyang: "In its current circumstance of industrial and agricultural decline, the DPRK has on occasion indicated a willingness to 'trade' addressing U.S. concerns about its nuclear weapons activities and ballistic missile exports for hard currency. For example, the DPRK offered to cease its missile exports if the U.S. agreed to compensate it for the foregone earnings from missile exports." William Perry, *Review of United States Policy toward North Korea: Findings and Recommendations*, Washington DC, Department of State, 12 October 1999; available at <http://www.state.gov/www/regions/eap/991012_northkorea_rpt.html> (accessed 3 February 2007).
9. Andrew Natsios, *The Politics of Famine in North Korea*, USIP Special Report No. 51, Washington DC: United States Institute of Peace, 2 August 1999.
10. By 2003, the number of DPRK defectors entering the ROK had reached 5,000.
11. On 21 August 1995, for instance, Kim Young Sam said that "unification comes now as a realistic target, not as probable possibility"; and some days later he also pointed out that "the unification of two Koreas will be certainly achieved in the near, not far, future in a democratic way" (*Hankyoreh Daily News*, 21 August 1995 and 17 September 1995). This kind of remark was frequently repeated until he left office (Park Hyeong-jung et

- al., *Engagement Policy Toward the North and Measures to Create Its Domestic Political Environment*, Seoul: Korea Institute for National Unification, 2000, in Korean).
12. These two-track measures were employed frequently in the Cold War era until the early 1980s by the authoritarian ROK governments (Yoon Tae-young, "South Korea's Crisis Management towards North Korea under the South Korea-U.S. Alliance, 1968-1983", *International Politics*, Vol. 33, No. 2, 1999, in Korean). Ironically, they were revived by the newly elected democratic government in the 1990s after the Cold War.
 13. Yoo Ho-yeol, "Dark Behind Trade of Sunshine Policy", *The Chosun Ilbo*, 10 July 2003, available at <http://www.chosun.com/editorials/news/200307/200307100340.html> (accessed 13 February 2007).
 14. Choi et al., "Progress in North-South Relations and Its Domestic Impact".

8

Korean security dilemmas: Chinese policies

Ren Xiao

The overall approach by the People's Republic of China (PRC) to the Korean nuclear issue is based on four closely related principles: the Korean peninsula has to be nuclear weapon free; the nuclear problem has to be resolved through peaceful means; peace and stability on the Korean peninsula should be maintained; and North Korea's security concerns should be resolved. These are seen as logically coherent positions and they reflect China's fundamental goals and interests on the peninsula. Beijing has put the first three principles into effect for some time; the last is a later addition. They reflect broader security concerns on the part of China, which result from a fundamental geographical fact – China and its North Korean neighbour border each other and the border is a porous one. North Korea's nuclear test, conducted on 9 October 2006, has not changed China's positions. For Beijing, the Korean security question is indeed multidimensional, as Hazel Smith points out in Chapter 1, and it includes issues such as illegal migration, human trafficking and, in the event of a regime collapse, possible refugees.

In this chapter I will elaborate on China's thinking and efforts to reconstitute Korean security. In contrast to its role in the 1993/1994 nuclear crisis, China has been playing a more activist role since October 2002 in the most recent nuclear crisis. China's current role is related both to Beijing's new way of thinking regarding its international behaviour, i.e. China should act as a responsible great power, and to its domestic developmental needs, including the drive to rejuvenate the country's north-eastern region. First, I shall analyse how Korean security is perceived

and debated in China. After illuminating China's policy practices concerning the Korean nuclear crisis, I shall proceed to an analysis of China's plausible policy alternatives.

China's Korea problem

There is no doubt that dealing with the Korean security problem has become an extraordinarily important and tough policy issue for China. But Korea policy has never been easy for China. To a great extent this is related to geography, which nobody can argue with. Geographical proximity ensures that Chinese and Korean affairs are always entangled with each other. It is not necessary to trace Chinese history back to the Ming dynasty and its war with Japan fought in the Korean peninsula to see that China has been repeatedly drawn into fatal conflicts and wars there. In modern history, prominent conflicts as a result of events on the peninsula include the 1894–1895 Sino-Japanese war, during which the Central Kingdom was humiliated by a devastating defeat, and the 1950–1953 Korean war, during which the newly born People's Republic lost many lives and sacrificed much. In the eyes of some Chinese researchers, without the Korean war and China's forced involvement, there would not have existed a Taiwan question today,¹ which consumes so much of China's resources to block Taiwan's drifting toward independence. Understandably, a new war in Korea, which would inevitably have a great impact on China, is the last thing that Beijing wants.

The Koreans, for their part, have long recognized that the peninsula's geographical location makes it “a shrimp among whales”. This mentality, combined with Korea's own bitter history, has also bred a strong self-concept and nationalistic sentiment among Koreans. Official pronouncements by the Democratic People's Republic of Korea (DPRK) constantly castigate “flunkeyism” – the official DPRK translation of a well-known Korean term, *sadaejui*, meaning the doctrine of “serving the great” observed by ancient Korean kingdoms, under which regular tribute to China was ideologically justified.

Throughout the Cold War years, Pyongyang made use of the rift between China and the Soviet Union, the two communist great powers on its border. Pyongyang skilfully played one against the other and took advantage of the complex relationships. China's relationship with Pyongyang was by no means a comfortable one. In the Cold War years, China had itself partly to blame, especially during the Cultural Revolution, when ideological fervour prevailed and China often became either a real or a potential target of “anti-flunkeyism”. Sea changes occurred towards the end of the Cold War. Diplomatic turnover culminated with China's

establishment of diplomatic relations with the Republic of Korea (ROK, or South Korea) in 1992, and the further deterioration in Pyongyang's diplomatic isolation. However, China, unlike the Soviet Union before it, behaved carefully and managed to maintain normal relations with the DPRK.² Over the past decade China has continued to provide its prickly neighbour with fuel, foodstuffs and other aid. China has maintained a closer relationship with North Korea than perhaps any other country has. Nevertheless, Beijing is well aware that it needs to approach Pyongyang in a cautious and understanding way.

For many years, domestic and external stability remained the top priority in China's policy agenda – a priority that was seen as a premise for everything else. During the first nuclear crisis in 1993–1994, China was not an active player as it might have been, partly because of the coolness of the Sino-DPRK relationship after the establishment of PRC–ROK diplomatic ties. However, out of fear of regional instability or even turmoil, Beijing decided to use its rarely used power to veto any draft resolution to impose sanctions on the DPRK that might be submitted to the United Nations Security Council, as the US administration had intended. China, which itself once suffered from US sanctions measures, has been consistent in arguing that sanctions do not work and may even exacerbate a situation. The persistent attitude that stability is the top priority has been powerful and dominant, and has left a clear imprint on China's approach towards Korean affairs. It has been a key part of Beijing's rationale for continually offering aid and preventing North Korea from collapse.

Debating the Korean security policy in China

The North Korea nuclear crisis that re-emerged in October 2002 will probably prove to be a turning point in the history of Sino-DPRK relations. The crisis arose when China had just entered a new stage of economic reform and political succession. The Sixteenth Party Congress took place less than a month later, in November 2002, having been postponed from September because then President Jiang Zemin was scheduled to make an important, and surely his last, state visit to the United States in late October. The Party Congress, which was a new milestone for China, to a large extent because of the leadership transition, set a fundamental long-term development goal for the country, i.e. to build a prosperous society in an all-round way. Thus the corresponding fundamental task in terms of China's foreign affairs is to help shape an external environment favourable to building such a society. Without doubt, the

Korean peninsula is a significant part of the strategy to create a harmonious and stable surrounding environment.

In this context, the debate over China's Korean security policy involves several elements: China's view of itself as a "responsible great power", China's concern for development of the north-eastern part of the country neighbouring Korea, and China's need to stabilize surrounding areas.

China's view of itself as a "responsible great power"

In the period after the 1993–1994 nuclear crisis, China came to accept and adopt the idea of "a responsible great power". This seems to have been a term from overseas that began to appear about the time of the Asian financial crisis in 1997–1998. When Asian nations such as Thailand, Indonesia and South Korea were badly hit by the currency crisis, which later became an economic and/or political crisis, China took action and participated in the package plan of the International Monetary Fund (IMF) to bail Thailand out. China bilaterally provided Thailand with US\$1 billion in loans.³ In 1998, China decided to offer Indonesia assistance as a part of the IMF package or as bilateral aid in the amount of, respectively, US\$520 million or US\$300 million.⁴ Altogether, the Chinese government provided the crisis-affected Asian countries with over US\$4 billion in aid. More importantly, China decided not to devalue its currency. This was something it might have done and which might have worsened the situation in the crisis-hit nations. In these ways China helped stabilize the regional situation and overcome the region-wide crisis. The international community praised China for playing a stabilizing role in such a difficult time and for behaving in a responsible way. Since then, Beijing seems to have accepted the concept of "a responsible power" as something that China should conform to in the future, and Beijing has started to use it as a measure of achievement and as a goal.⁵

China's concern for development of the north-eastern part of the country neighbouring Korea

China's approach to the North Korea nuclear crisis is closely related to its adoption of a "reviving the north-east" (*zhenxing dongbei*) strategy.

For many years China's resource-rich north-eastern region, which borders the Korean peninsula, was the country's leading industrial base, providing much of China's steel, coal and petrochemicals. At present crude oil output in the north-east comprises two-fifths of the country's total oil production, wood output amounts to one-half, automobile output accounts for one-quarter, and shipbuilding for one-third.

Administratively, there are three provinces in China's north-east: Liaoning, Jilin and Heilongjiang. Jilin, especially the Yanbian Korean Autonomous Prefecture, is where most of the Korean minority people live. Since the early 1990s, compared with more developed coastal areas, reform in the north-east has been slow, competitiveness has been decreasing, and there is high unemployment. Lead industries of the cities with rich natural resources are declining. As the speed of development slows, the gap between the north-east and the coastal areas is widening. The statistics indicate that, in the early reform period, the GDP of Liaoning Province was twice that of Guangdong Province in the south, but now the positions are reversed, with the GDP of Guangdong being twice that of Liaoning.⁶

Against this backdrop, the Sixteenth Party Congress put forward a strategic policy of reviving China's north-eastern region.⁷ In March 2003, Wen Jiabao became the new premier. Soon after, the new leadership made clear that the strategy of rejuvenating the north-east was at the same (high) level as the strategy of developing China's west. Both are major parts of the national economic development strategy. They are two interacting wheels, one in the west and the other in the east. The new leadership hopes that the north-east will catch up and become China's "fourth growth pole", following the Pearl River Delta, the Yangtze River Delta and the Beijing–Tianjin–Tanggu area, and thus start a "new north-east era". Meanwhile, the strategy also requires further transnational development cooperation with other Northeast Asian nations in trade, investment and environmental protection. Needless to say, it is only under stable conditions that are favourable to private and foreign investment that such a strategy can possibly be carried out. Any conflict or chaos on the Korean peninsula would make the move impossible to accomplish.

China's need for stability in the surrounding areas

China's approach to the current nuclear crisis stems from the strategic need for stable surrounding areas (*wending zhoubian*). Beijing came to realize that continued peace and stability on the peninsula are crucial to China's strategy of maintaining stability in the immediate neighbouring region. After all, China's eastern border is more important than other parts since this region is closer to the nation's political centre and its key industrial base. Moreover, when the nuclear crisis re-emerged, it seemed to escalate rapidly. Beijing was concerned that it might get out of control, particularly when the DPRK restarted the Yongbyon nuclear facilities and ordered the International Atomic Energy Agency inspectors to

leave. The downward spiral culminated in the DPRK's announcement on 10 January 2003 of its withdrawal from the Nuclear Non-Proliferation Treaty with immediate effect.⁸ The time seemed to have come for Beijing to act.

Chinese policy analysts have long argued, in debates usually not conducted publicly, over the country's Korea policy. It is quite natural that analysts both converge and diverge on some issues. Very few other foreign policy matters have aroused more debate and been more controversial than Korea policy. Ideological impacts linger on and leave their imprints. Some people, both in and outside government, would still like to lump the DPRK and Viet Nam together by calling them "socialist countries", although the term has already lost much of its substance. For many years, to criticize the DPRK was taboo, even during internal discussions inside government.⁹ Almost everything that China said and did had to be acceptable to the North Koreans and keep them happy. Only recently has this situation come to be seen as somewhat abnormal and more people have called for a "normal state-to-state relationship" with the DPRK. As foreign policy pragmatism prevails in the new circumstances, it is increasingly becoming the mainstream of China's North Korea policy.

Trying to figure out China's national interests on the Korean peninsula, one group of researchers argue that China's interests include the survival of the current DPRK regime, the unchanged division of the peninsula, the maintenance of peace and stability, and North Korea's continuing to be China's strategic buffer (*ping zhang*). For this group, stability ought always to be China's number one priority. Put another way, the maintenance of the status quo, at least for the moment, is China's paramount national interest on the peninsula.

An opposing view argues that stability has to be sustainable and this may not be possible in the case of the DPRK. China's long-term and fundamental interests include: (1) sustainable peace and stability on the peninsula so that a favourable external environment is assured to the east; (2) a friendly peninsula as a whole that maintains a good relationship with China and is not made use of by any other great power, so that it becomes a real buffer zone for China. This group sees an autonomous and unified Korean peninsula that is free from nuclear weapons and oriented to economic development as the Korea that will maintain friendly relations with China. By contrast, a possible chain reaction in the region caused by a nuclear-weapon-armed peninsula could leave China surrounded by nuclear powers – South Korea, Japan and even Taiwan, let alone Russia, India and Pakistan. "In this context, the traditional relationship that envisioned using North Korea as a buffer against the United States appears both obsolete and self-destructive."¹⁰

Enforcement of a balanced policy of denuclearization and peaceful resolution

The eruption of the Korean nuclear crisis posed a clear and major challenge to the Chinese policy. China already had enough nuclear neighbours. A nuclear-weapon-armed Korean peninsula would be the last thing that China hoped to see because such a situation was definitely contrary to China's national interest. Since a peaceful Korean peninsula was essential for China in general and the north-east provinces in particular, China wanted to control the situation and prevent any turmoil from occurring on its border. In this context, Beijing decided that it needed to take preventive action to cope with the security problem, and to pursue a policy of peaceful resolution with denuclearization.

Preventing the crisis from escalating

On 16 October 2002, a US State Department spokesman claimed that, during Assistant Secretary of State James Kelly's Pyongyang visit, the DPRK side had admitted that it had a secret uranium enrichment programme. Thus the North Korean nuclear crisis emerged once again. Soon afterwards, China expressed its wish that the hard-earned 1994 Agreed Framework should be respected and maintained. During President Jiang Zemin's US visit on 22–25 October, apparently his last as state president and China's number one leader, the two sides exchanged views about the nuclear crisis and agreed to continue bilateral communication and consultation. Through diplomatic channels Beijing kept close contact with both Washington and Pyongyang, and in the meantime briefed others on its contact with the concerned parties and passed on arguments and concerns. Overall, Beijing attempted to express its own principled position, to facilitate mutual communication and understanding between Pyongyang and Washington, and to persuade the two sides to start a dialogue as early as possible.¹¹

On 10 January 2003, North Korea declared its decision to withdraw immediately from the Nuclear Non-Proliferation Treaty (NPT). The next day, at the request of the US side, President Jiang Zemin talked with US President George W. Bush on the phone and made it clear that China was not in favour of North Korea's withdrawal from the NPT and that China hoped to see a nuclear-weapon-free Korean peninsula. During another telephone conversation on 7 February, Bush suggested that the two countries jointly bear responsibility for achieving a nuclear-free peninsula. At a time when the Iraq crisis was entering the countdown phase and a war seemed to be rapidly approaching, the nuclear crisis looked all the more worrying. In order to alleviate the tension and to help bring

the crisis under control, Beijing was convinced that the United States and the DPRK had to sit down to talk with each other. Yet the two were stuck on the terms of the talk's format. Whereas Pyongyang insisted on dealing with Washington bilaterally, the Bush administration had learned a "lesson" from the previous administration's experiences and flatly rejected the bilateral format, hoping that other parties would take part. China, worried about the escalation of the crisis, strongly opposed the passage of a UN Security Council resolution to condemn Pyongyang's withdrawal from the NPT. On the other hand, Beijing made up its mind to play a more active and constructive role in this crisis.

On 20 March 2003, the United States launched its war against Iraq, ignoring the worldwide opposition and reservations. The military action undoubtedly drew attention away from Kim Jong Il and probably had a subtle impact on his thinking regarding the nuclear issue. Around that time, China started, at least in appearance, to mediate between the two to break the stalemate over the format for the meeting between the United States and the DPRK. In March, before the Iraq war broke out, China had shut off an oil pipeline to the DPRK for three days for what it claimed were "technical reasons". Many speculated that this unusual event signalled its disapproval to the DPRK.¹²

Against this backdrop, a US-China-DPRK trilateral meeting was held from 23 to 25 April 2003 in Beijing. The gathering took the form of minimalist multilateral talks. This satisfied the US wish to avoid direct dealing with the North Koreans since it was conducted in a multilateral setting after all. The format was also acceptable to Pyongyang since it provided the occasion for the United States and the DPRK to meet and talk bilaterally. In this way the format saved face for both sides. For the Chinese, this was a change from "no-talk" (*bu tan*) to "talk" (*tan*) and therefore was a positive development. Despite the huge difference between the US and DPRK positions, for Beijing the trilateral meeting proved to be a good beginning. Thus efforts should continue and would probably require an ongoing process. Meanwhile, China decided that it had better not take sides, otherwise it would lose its favourable place to its disadvantage. "China enjoys a unique position in the negotiations: It alone can express a full and sincere understanding of North Korea's security concerns and can work to obtain a better deal for Pyongyang."¹³ Beijing knew very well that it would take a long time for the problem to be resolved; the meeting was just the first step of a long march.

The conduct of shuttle diplomacy: From Three-Party to Six-Party Talks

After a short interval in which the participant countries in the trilateral meeting had made their respective assessments of the Beijing talks, the

question that quickly came up was whether to keep the trilateral format or to expand it and bring in other parties as well. South Korea and Japan had apparently expressed their interest, believing, with Washington's support, that they too have a legitimate role in the process. On 13 May 2003, when asked about China's attitude toward including South Korea and Japan, the Foreign Affairs Ministry spokesperson responded that China would welcome these countries' playing a constructive role in a peaceful resolution.¹⁴ On 27 May, the spokesperson stated that China's basic position was that, in the current circumstances, the parties concerned should keep up the attempt to continue the DPRK–China–US trilateral talks in Beijing.¹⁵ The position was repeated during the 10 June press conference.¹⁶

Nevertheless, China believed that the format was not critical and China was open to alternatives. What mattered was the result, which had to favour denuclearization as well as peace and stability on the peninsula. The format remained an issue for some time. Pyongyang, which appeared not to like the idea initially, later did not oppose the inclusion of South Korea and Japan in future talks as long as the DPRK and US delegates could meet bilaterally on the sidelines of a multilateral gathering, although Pyongyang did not say this publicly. Pyongyang also preferred to bring in Russia to further balance the participating states.

In pursuit of a peaceful resolution, China decided to take further diplomatic actions. These included a series of dizzying shuttle diplomatic moves undertaken by the top Chinese diplomats, unprecedented in the history of PRC foreign relations. In early July 2003, Vice Foreign Minister Wang Yi made a special trip to Washington solely to discuss the nuclear issue, and almost simultaneously the Foreign Ministry's number two, Dai Bingguo, flew to Moscow for consultations with the Russian counterparts on the same question. On 6 July, the Director General of the Foreign Ministry Asian Department, Fu Ying, met with her Japanese counterpart in Beijing for consultations. From 12 to 15 July, Dai visited Pyongyang as a special envoy of the Chinese government. He took a letter from Hu Jintao, China's president, to DPRK top leader Kim Jong Il (Dai had met with Kim Jong Il before, when Dai had been the head of the Chinese Communist Party's Central Committee International Department, which is responsible for relations with foreign political parties). During the July visit, Dai exchanged views with Kim in a deep and frank way and suggested that the DPRK accept a multilateral format that would ensure bilateral meetings between the United States and the DPRK. Only one day later, Dai departed for Washington, this time carrying a letter from President Hu to George W. Bush. In Washington he met US Vice President Dick Cheney, Secretary of State Colin Powell and other high-ranking officials, briefing them on his meetings with the North Koreans in Pyongyang earlier in the week. On behalf of the Chi-

nese government, he proposed that, as a next step in the Beijing trilateral meetings, talks might adopt a (more) multilateral format in which the United States and the DPRK would have some extra time to talk bilaterally. It turned out that both Washington and Pyongyang were persuaded and accepted the suggestion, paving the way for the first round of the Six-Party Talks, which were held from 27 to 29 August 2003.

Undoubtedly, the fact that the Six-Party Talks occurred at all – bringing together the United States, the DPRK, China, South Korea, Japan and Russia – was itself quite significant. China's extraordinary efforts to make this happen won China widespread praise throughout the world. During the August 2003 talks, a possible way forward was proposed by South Korea. It would involve a three-stage approach, beginning with a commitment by North Korea to dismantle its nuclear facilities and by other countries, including the United States, to provide a security guarantee. This would be followed by the freezing of the nuclear programmes, verified by monitors, and the provision of aid. Finally, with the scrapping of the facilities, North Korea would get a firm security assurance.¹⁷

Before the August 2003 meeting was closed, the chairman, who was head of the Chinese delegation, made a statement and declared six points of “consensus” that were reached:

- All the parties are willing, through dialogue, to try to resolve the Korean peninsula nuclear issue in a peaceful way, to help maintain peace and stability, and to bring about sustainable peace in the peninsula.
- All the parties hold that the peninsula has to be nuclear-weapon-free and meanwhile all realize that North Korea's security and further concerns need to be taken into consideration and to be resolved.
- The parties in principle are in favour of seeking a general resolution through multi-phased, simultaneous implementation.
- The parties agree that they will not take steps to escalate tensions in the course of peace talks.
- All the parties hold that they will continue to conduct dialogue, build confidence, reduce differences, and foster consensus.
- The parties agree that they will continue the Six-Party Talks process and will try to fix a time and venue for the next round of talks as early as possible.

Obviously, the six-point “consensus” was just a summary by the chairman couched in general terms. It was not a joint document that the six nations all agreed upon or even signed, therefore different nations might have different explanations of the same “consensus”. By “a nuclear-free peninsula”, for example, what the Bush administration wanted was for the North Koreans to abandon all nuclear activities, including the peaceful use of nuclear energy, whereas Pyongyang had a different view about what it meant and possessed.

However, there were no high expectations of the first-round talks. As was foreseen, despite what might be read into a chairman's statement, the meeting failed to release a joint declaration or communiqué; nor did it fix a date for the next round of talks.

The Office for the Korean Peninsula Issue

Well aware that the Korean nuclear problem had been present for years, Beijing was afraid that it would not be resolved any time soon; it probably would last years rather than months, and the process of resolution could be lengthy (*chang qi hua*). Based on its assessments of the situation, in late 2003 Beijing decided to create an Office for the Korean Peninsula Issue within the Ministry of Foreign Affairs that would take responsibility solely for the nuclear problem. The name of the office was carefully chosen to make it sound as neutral as possible, avoiding the use of terms such as "nuclear issue" or even "North Korea nuclear issue". Such terms would be overly sensitive to the North Koreans, who wanted to make the issue a US–DPRK bilateral affair – "the DPRK–US nuclear issue". In January 2004 the office came into being, bringing together eight people from the Foreign Ministry's Arms Control Department and the Asian Department, as well as from the country's Permanent Mission to the United Nations, plus Ambassador Ning Fukui. Ning is the first person to have been specially appointed to take charge of the nuclear problem. His title is not "special envoy" but rather "Ambassador for Korean Peninsula Affairs". Ning has long been an Asia hand in the Foreign Ministry. Prior to his current position he served as Chinese ambassador to Cambodia; he was deputy head of the Chinese delegation to the 1997–1999 Four-Party Talks in Geneva. It was an unprecedented move to create a special office for a particular issue and to appoint a high-level official to head it. The action itself showed that China's behaviour in the current nuclear crisis differs from its approach in 1993–1994, when China was by and large a spectator and stayed outside the vortex of the US–DPRK interactions.

In 2003–2004, the Chinese team worked and tried hard. However, the task was daunting and smooth progress towards a resolution was out of the question. Instead of a joint communiqué, which China had hoped for and striven to bring about, the second round of Six-Party Talks in February 2004 ended with another chairman's statement in which the parties agreed to set up a working group and to hold a third round before the end of June.

During the June 2004 third round, the US side put forward a proposal outlining a six-stage denuclearization process. The DPRK would be required at the outset to make a unilateral declaration pledging to

“dismantle all of its nuclear programs”.¹⁸ The US proposal contrasted sharply with the more limited and loosely defined DPRK proposal to freeze its plutonium programme. It appeared that the US offer was scarcely acceptable to Pyongyang, and China seemed to be in a difficult position to help bridge the gap. China hoped Pyongyang would denuclearize, but hesitated to exert pressure on it in the way urged by Washington. Beijing pursued its basic policy of letting diplomacy exert the power of persuasion. Beijing has time and again earnestly advised Pyongyang to embrace a strategic new option while urging Washington to adjust its hard-line position and to be flexible. Although some analysts have begun to suspect that the nuclear impasse has become a “hot potato” for China as host of the six-nation talks, the Chinese government seems not to share this view. The Chinese government instead regards the Six-Party process as a kind of control mechanism to constrain the problem and keep it under control.¹⁹ Put another way, there is no lack of confidence and patience on the part of China; government officials are by no means pessimistic. One fundamental reality persists: for both Pyongyang and Washington, a strategic decision remains to be made.

Between persuasion and pressure: China’s policy alternatives

The above analysis shows that China has been, through diplomatic manoeuvre, pursuing the objective of a nuclear-weapon-free Korean peninsula and a peaceful resolution of the problem. In the process, China has adopted and uses four principles that in a succinct way sum up its overall approach to the Korean nuclear problem; i.e. the Korean peninsula has to be nuclear weapon free; the nuclear issue should be resolved through peaceful means; peace and stability in the peninsula have to be maintained; and North Korea’s security concerns ought to be resolved. These four closely related positions are logically coherent, and they reflect China’s fundamental goals and interests on the peninsula.

In the eyes of some outside observers, China is playing a leadership role in terms of the Korean nuclear crisis and possesses much leverage. However, China itself is doubtful that it is playing such a “leadership role” and proceeds cautiously. After all, there are a number of difficulties that remain to be overcome and questions to be answered. Important questions concern policy alternatives with regard to PRC–DPRK treaty relations, the role of the UN Security Council, and China’s aid to Pyongyang.

One concern is whether it is necessary to amend the PRC–DPRK Treaty of Friendship, Cooperation, and Mutual Assistance signed in 1961. The key part of the treaty, which has attracted much attention and speculation, is Article Two concerning possible automatic military involvement to assist the other side should a war break out.²⁰ One group of Chinese researchers argues that the Chinese government should openly suggest to the DPRK government that the two sides revise the 1961 treaty and delete Article Two. The reasons for this proposed move include that China's new conception of security has in fact discarded the formation of military alliances as a policy choice and that China is not in favour of North Korea's developing nuclear weapon programme. By openly requesting and publicizing an amendment to the treaty, Beijing could give Pyongyang a clear warning signal so as to help reduce North Korea's adventurism by pressuring it to refrain from playing a dangerous game with the United States and to make necessary concessions.²¹ Other analysts, in contrast, believe that, by deterring US adventurism, the treaty helps prevent conflict. Any move to alter the treaty would further squeeze a DPRK that is already very fearful about its own security and therefore would intensify the situation. Further, my view is that at the moment it is unnecessary to modify the treaty because the existence of the treaty does not necessarily mean that China would become involved in a conflict if a war broke out between the DPRK and the United States. In short, I hold that an amendment to the treaty at this time would be too disturbing and overly sensitive and would probably disrupt the situation too much. Sometimes the maintenance of ambiguity is useful; China can move to propose a treaty revision any time it is necessary.

A second question concerns possible UN Security Council deliberation of the nuclear issue and, if a resolution were passed, UN sanctions against North Korea for its nuclear activities. In 1993–1994, when the crisis reached its height and the Clinton administration wanted to see a Security Council resolution condemning and imposing sanctions upon North Korea, Beijing made up its mind – before any resolution was passed – to veto it. This was quite unusual and especially conspicuous at a time when China usually either endorsed or abstained from resolutions in the Security Council; this indicated how determined Beijing was regarding coercive UN sanction measures. Since 1993–1994, China has been quite consistent on the matter and constantly appeals to both Pyongyang and Washington to be restrained. However, that does not mean that China opposes any sanctions in any circumstances. It depends on how things unfold. Remaining flexible is not a bad thing, though Beijing, fearful of aggravating tension, is clearly reluctant to see sanctions imposed on any party. At least one thing is clear: China will not uncondi-

tionally bail Pyongyang out. Beijing could opt for a new policy again, if it feels it is necessary.

A third question concerns China's alternatives as a provider of food and fuel aid to Pyongyang. It is widely believed that to a large extent the North Korean economy relies on aid from China, though exact statistics are not available. One view is that China's foreign aid accounts for about 0.1 per cent of the DPRK's GDP; if true, this amounts to slightly over US\$1 billion a year.²² In any case, there is no doubt that a high percentage of China's foreign aid goes to North Korea and the country is believed to be the largest recipient of China's foreign aid.²³ In recent years, the bilateral trade has kept on growing, and China continues to be the DPRK's biggest trade partner. According to the PRC's Foreign Ministry spokesperson, the value of the China–DPRK bilateral trade in 2003 was approximately US\$700 million. There also exist other forms of economic relations between the two countries, including border trade, so the Customs statistics may not fully reflect the full extent of PRC–DPRK bilateral trade.²⁴

In short, in terms of economic considerations, Pyongyang is dependent on Beijing and China is believed to have huge leverage with the DPRK. However, some people also point to the limits of China's influence over North Korea.²⁵ Both perspectives can be true. Here one important factor is the constraints on Beijing's North Korea policy. For example, humanitarian considerations may affect China's political will and the incentive to use pressure and coercion. Given China's modern history of being invaded and insulted by the colonial powers and Pyongyang's sensitivity to outside pressure, Beijing has been quite reluctant to behave like a hard-headed big power and appear to be chauvinistic. The dilemma facing China is that by doing so it also risks a negative impact on the DPRK–PRC relationship and hence a loss of China's influence.

No doubt, there are a number of connections linking the two parties (China and the DPRK), two militaries, two governments and two peoples. One US China watcher states in a 2003 article, "high-level Chinese visits to Pyongyang are infrequent",²⁶ but the statement may not be accurate. In comparison with the 1990s, high-level Chinese visits have apparently become more frequent in recent years. These include visits to North Korea by some of the nine members of the Politburo Standing Committee of the Communist Party of China (CPC), i.e. China's top leadership; three such visits were made in 2001–2004. In addition, visits between China and the DPRK at and above the vice-ministerial level reached some 50 in 2003.²⁷ CPC General Secretary and President of the PRC Hu Jintao paid an official visit to the DPRK in October 2005. Moreover, taking into account the fact that Kim Jong Il himself has made four trips to China, in 2000, 2002, 2004 and January 2006, it can be argued that

the high-level exchange of visits has been fairly frequent recently. This is a further indication of China's pivotal place in Pyongyang's foreign relations.

Conclusion

The Korean nuclear crisis is one of the most significant regional challenges facing China. Based on its assessments of China's national interests on the Korean peninsula, in the current crisis Beijing has not pursued the passive style it followed during the 1993–1994 crisis – it has adopted a proactive approach to the problem. China decided to play an activist role in dealing with the nuclear crisis and to strive to bring about a denuclearized Korea while preventing any armed conflict from occurring on the peninsula. This approach follows from China's calculations to prevent a nuclear arms race in East Asia, to behave as a responsible great power, and to build a peaceful and stable external environment on its border, especially for its initiative to rejuvenate the north-east provinces. In this context, China brokered and hosted the Six-Party Talks and made tremendous efforts to bring the crisis under control, all the more so after North Korea's nuclear test. Thus the dominant approach of stabilizing its immediate external environment to the north-east and achieving denuclearization without chaos is key to understanding the Chinese way of coping with the Korean security problem. China's agreement to UN Security Council Resolution 1718 should also be understood as balancing a strong Security Council response, which was necessary, and the desirable goal of a peaceful resolution. After all, sanctions are only a means and not an end in themselves.

Moreover, the nuclear crisis is only part of a broader picture for Beijing, since Korean security, as a comprehensive and complex matter, involves other important issues such as border stability, economic migration, illicit activities, and so forth. All those issues transcend the porous DPRK–China borders and affect local social stability and national security, and therefore should be taken into consideration as well. Living with a DPRK that has a limited nuclear capability, China continues to induce and encourage Pyongyang to take a new and different path. In the meantime, China hopes to prevent, by all means, worst-case scenarios of a sudden collapse or a war from materializing, for which all the parties involved, including China, would pay a high price. Under stable conditions, defined as a lack of chaos, things will, it is hoped, be worked out gradually towards a peaceful and stable Korea that is friendly to China, which will be in everybody's best interest. The nuclear crisis *per se* involves the fundamental political relationship between Pyongyang and

Washington, for which a strategic decision remains to be made. Until then, the Korean security question endures.

Acknowledgements

I wish to thank Hazel Smith and Dan Guttman for offering valuable comments and suggestions in the course of writing this chapter.

Notes

1. A similar argument is made by US authors too. For example, see Nicholas Eberstadt and Richard J. Ellings, "Assessing Interests and Objectives of Major Actors in the Korean Drama", in Nicholas Eberstadt and Richard J. Ellings (eds), *Korea's Future and the Great Powers*, Seattle and London: University of Washington Press, 2001, p. 331.
2. For a detailed analysis of the "triangular relationship", see Lee Hong-yung, "China's Triangle with Two Koreas", *China Studies*, No. 4, 1998.
3. *China's Foreign Affairs 1998* [*Zhongguo waijiao 1998*], Beijing: World Affairs Press, 1998, p. 78. *China's Foreign Affairs* is an annual publication that is prepared by the PRC Ministry of Foreign Affairs and covers China's foreign relations over the past year.
4. *China's Foreign Affairs 1999* [*Zhongguo waijiao 1999*], Beijing: World Affairs Press, 1999, p. 85.
5. For instance, the then Foreign Minister Tang Jiaxuan mentioned it as an accomplishment when he spoke at one of the meeting series "Achievements of reform, opening-up and the modernization drive since the 13th Party Central Committee's 4th Plenary Session", co-organized by the five party and government agencies, right before the Sixteenth Party Congress was held.
6. Wang Shengjin, "Dongbei lao gongye jidi zhenxing yu dongbeiya quyu hezuo" ["The Resurgence of the Northeastern Old Industrial Base and the Northeast Asian Regional Cooperation"], *Dongbeiya luntan* [*Northeast Asia Forum*], Vol. 13, No. 2, 2004.
7. See *Documents of the 16th National Congress of the Communist Party of China*, Beijing: Foreign Languages Press, 2002, p. 29.
8. For an excellent and detailed description of DPRK-US interactions, see Jonathan D. Pollack, "The United States, North Korea, and the End of the Agreed Framework", *Naval War College Review*, Summer 2003, pp. 11-49.
9. One recent example was that, in September 2004, the influential bimonthly journal *Strategy and Management* was ordered to stop publication, temporarily, by the State Press and Publication Administration because of an article in its fourth issue of 2004 that was highly critical of North Korea. The article is entitled "Looking at the North Korea Issue and Northeast Asian Situation from a New Perspective" and was written by someone at the Tianjin Academy of Social Sciences. The article accused the DPRK, in strong language, of maintaining "family dynastic rule" and being ungrateful for the political support and economic assistance that China had offered to it in recent years.
10. Anne Wu, "Beijing's Disarming Way with Whispers", *International Herald Tribune*, 7-8 August 2004.
11. *China's Foreign Affairs 2003* [*Zhongguo waijiao 2003*], Beijing: World Affairs Press, 2003, p. 25.

12. Andrew Scobell, "China and North Korea: The Limits of Influence", *Current History*, September 2003, pp. 274–278.
13. Wu, "Beijing's Disarming Way with Whispers".
14. See Foreign Affairs Ministry Spokesperson's Remarks at <http://www.fmprc.gov.cn/chn/xwfw/fyrth/t156240.htm>.
15. See <http://www.fmprc.gov.cn/chn/xwfw/fyrth/1032/t24642.htm>.
16. See <http://www.fmprc.gov.cn/chn/xwfw/fyrth/1032/t24473.htm>.
17. For the South Korean proposal, see the report co-sponsored by the Center for International Policy and the University of Chicago Center for East Asian Studies, *Ending the North Korean Nuclear Crisis: A Proposal by the Task Force on U.S. Korea Policy*, 2004, p. 12, available at <http://ciponline.org/asia/Web%20Report.pdf> (accessed 5 February 2007).
18. *Ibid.*, pp. 9–11.
19. Interview with anonymous government official, 14 December 2004.
20. Article Two states, "The two sides promise to jointly take all possible measures in order to prevent any country from invading either of the contracting parties. Whenever one contracting party suffers from a military attack by one state or several states combined and therefore is in a state of war, the other contracting party should do all it can to offer military and other aid" (my translation). The treaty was signed in Beijing on 11 July 1961 by Zhou Enlai and Kim Il Sung, representing their respective states.
21. For instance, Shen Jiru's piece "Weiher dongbeiya anquan de dangwuzhiji – zhizhi chaohe wenti shang de weixian boyi" ["The Top Priority of Northeast Asian Security – Stopping the Dangerous Game on the Korean Nuclear Issue"], *Shijie jingji yu zhengzhi* [*World Economics and Politics*], No. 9, 2003.
22. I would guess that the actual amount is a bit higher than this.
23. For a good discussion on China's place in the DPRK's foreign economic relations, see Samuel S. Kim and Tai Hwan Lee, "Chinese–North Korean Relations: Managing Asymmetrical Interdependence", in Samuel S. Kim and Tai Hwan Lee (eds), *North Korea and Northeast Asia*, Lanham, MD: Rowman & Littlefield, 2002.
24. See <http://www.fmprc.gov.cn/chn/xwfw/fyrth/1032/t23473.htm>.
25. For example, Scobell, "China and North Korea: The Limits of Influence".
26. David Shambaugh, "China and the Korean Peninsula: Playing for the Long Term", *Washington Quarterly*, Spring 2003, p. 46.
27. *China's Foreign Affairs 2004* [*Zhongguo waijiao 2004*], Beijing: World Affairs Press, 2004, p. 111.

9

Japan and North Korea – The quest for normalcy

Gavan McCormack

Security agendas

The lesson of twentieth-century Europe is that questions of security are best addressed not so much by security agreements per se – treaties, defence arrangements and military preparedness – as by comprehensive agreements on cooperation. Nations become secure, the European experience suggests, to the extent that they deepen cooperation and friendship with their neighbours. Supranational communities cohere around a single market, a shared currency and a cooperative security system, and are distinctive by their shared understanding of the past, vision for the future and responsibility for their own security and sustainability.

In the wake of the Cold War, the process of economic, political and cultural integration proceeds in East Asia too, if more slowly than in Europe. It is probably safe to say that long-term security and stability will be assured only by their construction, and this chapter considers two main sets of obstacles: one that may be described as “North Korea” and the other as “Japan”. The North Korean problem is not simply, or best, seen as a problem to be resolved by putting pressure on North Korea to disarm itself but is better seen as symptomatic of larger regional issues and issues of history, with the “Japan problem” just as important as the “North Korea problem”.

The North Korea issue is most often seen as primarily one of threats to regional and global security stemming from nuclear weapons or missiles.

This chapter argues, however, that the force imbalance between North Korea and its neighbours is so overwhelming that only an outburst of insanity (such as no analyst predicts) would see the Pyongyang regime attacking any of its neighbours, and that far more important, and destabilizing, is the complex of unresolved, historical problems surrounding North Korea, the relationship to Japan second to none among them. They are all rooted in the fact that the 70-odd million people of present-day South and North Korea, despite being heirs to one of the world's longest traditions of cultural continuity, have yet to accomplish a unified Korean nation-state. For Koreans, the twentieth century was disastrous: in the first half, Japan imposed a protectorate over their country, then swallowed it as a colony and attempted to wipe out its culture, and in the second half the global superpowers first divided it in two, incorporating both halves at the centre of the global Cold War, and then intervened to turn the struggle for unification into a horrendous civil and global conflict. As the twenty-first century begins, Korea has still to resolve its nineteenth-century problem – the creation of a unified nation-state – and its twentieth-century problems – the relationship to Japan, division and ideological confrontation. Peace and security in the region depend on resolving these questions.

Second is the “Japan problem”. Nineteenth-century Japan chose to separate itself from Asia, stressing the non-Asian, unique, racially homogeneous qualities of Japaneseness whose quintessential form was the emperor. Though Japan later attempted to build an Asian community, known ultimately as the “Greater East Asian Co-Prosperity Sphere”, the insistence on Japanese gods and Japanese superiority meant it lacked credibility. After Japan's defeat in war in 1945, it suited the US occupation forces to encourage the persistence in Japan of these myths, because a superior, non-Asian Japan would be incapable of participation in the construction of an Asian community and would therefore remain dependently tied to the United States. For much of the Cold War, Japan stood with its back turned to Asia. Even though it “normalized” relations with South Korea in 1965 and with China in 1972, it was 1995 before a resolution of apology for war and imperialism was passed in the Diet, and the “Murayama statement” in specific terms was addressed to South Korea and confirmed in a joint statement of the Japanese and South Korean governments in 1998. Even then, on 1 March 2005, the eighty-sixth anniversary of a peaceful Korean uprising against Japanese rule, South Korean President Roh Moo Hyun made clear that he believed true normalization still lay ahead:

In order for the relations between the two countries to develop, the Japanese government and people need to make sincere efforts ... Japan must make the

truth of the past known, and offer sincere apologies and if necessary, pay compensation. Only then can we be reconciled.¹

If the wounds of Japanese imperialism are still only partially healed in South Korea, despite 40 years of “normalization” of relations and with millions of citizens of both countries making mutual visits each year, how much deeper must be the wounds in North Korea where there has been hardly any contact at all, and most of it acrimonious. As of 2005, the single country in the entire world with which Japan does not have diplomatic relations is its neighbour, North Korea.

Both North Korea and Japan seek what they describe as “normalization”, but the term is ambiguous. For North Korea, it means assurance of immunity from attack, admission to global and regional economic and political institutions, and an end to sanctions, whereas for the United States (and for many, if not most, commentators) it means North Korea’s abandonment of its nuclear weapons programmes. “Normalization”, not just of relations with North Korea but of Japan in the international state system, is often referred to as a goal. But Japan’s becoming a “normal state” means different things for different people. For many at least it means overcoming the inhibitions of the constitution’s Article Nine commitment to state pacifism, while for the government it certainly also means a great power seat on the United Nations Security Council. Yet a different kind of “normalization” will be required if the goal of Koizumi Junichiro (prime minister 2001–2006) of membership of an East Asian Community is to be realized. It seems likely that it will have to include a healing of the historical rift between Japan and Asia on the one hand and a transformation of the relationship with the United States on the other. The latter becomes increasingly urgent as US pressure grows for Japan to embrace a subordinate and dependent, but much more active than hitherto, role in an emerging US global empire. Beneath the surface attention to “the North Korea problem”, these issues of crucial importance for the region are contested.

Japan and North Korea in 2002 embraced the idea of a Northeast Asian community. The goal of “construction of an East Asian Community” was also declared by the Japan–Association of Southeast Asian Nations (ASEAN) Commemorative Summit in December 2003 and was then reaffirmed by Japanese Prime Minister Koizumi in his formal parliamentary opening speech on 20 January 2005. Late in 2005, an “East Asia Summit” in Kuala Lumpur formally convened the leaders of East and Southeast Asian countries, in the absence of the United States. The question is how such a community could be consistent with the US project of a global empire, inherent in statements from the George W. Bush administration and in US actions in and around Iraq.

Under Prime Minister Koizumi, Japan pursued contradictory, even antagonistic, strategies – fleetingly (as on his occasional visits to Pyongyang) as a partner in the construction of such a regional community, but also, and rather more consistently, as a dependent and subordinate deputy in a militarized global US empire. In the late nineteenth century, debate in Japan persisted for decades on how to deal with Asia, in particular whether to attack and subjugate Korea or to treat it as equal. Today's debate is similar in that Korea, this time North Korea, constitutes an axis of choice with profound implications for identity and role in the region and in the world.

This chapter looks at the Japan–North Korea relationship in its historical context, the various attempts to normalize it, including the two visits by Japanese Prime Minister Koizumi to North Korea in 2002 and 2004, the mass politics of the issue in Japan, and the regional and global context – in particular the US–Japan relationship.

Japan and North Korea: States in opposition

The common perception of the Democratic People's Republic of Korea (DPRK) in Japan is first of all as an anti-Japanese state, secondly as a rogue state or criminal state, and thirdly as a menacing state, a security threat because of its missile and nuclear programmes. The North Korean regime is certainly anti-Japanese, but it could hardly be otherwise since it was born of anti-Japanese fascist guerrilla resistance of the 1930s, its first leader was one on whose head the Japanese authorities had posted a large price, and his son and successor, 70 years on, still calls on the people to model themselves on the spirit of those partisans. Till the end of the Cold War, Japan made no effort to normalize or even recognize North Korea, though it did make every effort to get rid of its Korean residents by encouraging, almost compelling, them to go to North Korea.² Whereas North Korea's grievances were left ignored and uncompensated, Japan supported the United States in the Korean war of 1950–1953 and in the long-continuing subsequent confrontation and nuclear intimidation. The blind eye Japan turned towards North Korea over the Cold War decades helped the North Korean regime stabilize itself on anti-Japanese partisan state lines. Only when diplomatic normalization is accomplished will it be possible to dissolve the myths of anti-Japanese partisan fundamentalism and accomplish domestic “normalization”.

Paradoxically, North Korea, Japan's ultimate alien kingdom, has become a major consumer item. Over the past decade or so, more than 600 books about it have been published in Japan, the overwhelming majority of them profoundly negative. Korean stories flow steadily from Japan's

newspapers and weekly and monthly magazines, and at peak times television channels were scheduling three or four programmes about it in a single day. The appetite for stories of abductions and missiles, nuclear programmes, hunger and refugees, and for the details of the private life of North Korea's leader, Kim Jong Il, his favoured wines, menus and movies, his wives, mistresses and companions, seems insatiable. A *manga* volume, published in mid-2003, depicting Kim Jong Il as violent, blood-thirsty and depraved, sold half a million copies in its first three months, almost certainly more than all books ever published about North Korea in all other languages put together.³

Politicians who challenge the Godzilla-like image of the country and strive for normalization with it are likely to be described as “pro-Pyongyang”, blamed for the fate of Japanese abducted by North Korea, and shunted aside from party power positions. For promoting or participating in talks with Pyongyang in the 1990s, the Liberal Democratic Party's Katō Kōichi was accused in national weekly magazines of plotting to make a fortune on normalization deals or of sending to Pyongyang banknote forgery machines or equipment to produce sarin gas.⁴ Other political figures, media groups such as the publishing house of Iwanami and the *Asahi* newspaper, and prominent academics who campaigned for normalization are routinely and fiercely attacked.⁵ Even more ominously, one in five Korean schoolchildren in Japan report being subject to various forms of abuse, from verbal to physical attack, sometimes involving their clothes being slashed with cutters while on the subway or on the street.⁶

When the Cold War ended, there were moves in the early 1990s to create a new order in East Asia. The veteran Liberal Democratic Party (LDP) figure Kanemaru Shin, a former deputy prime minister, led a multi-party Japanese delegation to North Korea in September 1990 and succeeded in the adoption of a Three Party (Liberal Democratic Party, Japan Socialist Party, and Workers' Party of Korea) declaration on normalization, expressing Japanese apology and desire to compensate for the misery and misfortune caused by 35 years of Japanese imperialism and for the losses incurred during the 45 years since then, and a readiness to open diplomatic relations.⁷ North Korea too, at this time, was keen to “come in from the cold”. To transcend the Cold War bloc confrontation system, a “cross-recognition” formula was revised, whereby China and Russia would normalize relations with South Korea and the United States and Japan would do likewise with North Korea.

Although Kanemaru's delegation was one of political parties, not government, he was a major figure of conservative politics and he and his delegation had friendly exchanges with North Korean leader Kim Il Sung and went into detailed discussion on the question of monetary com-

pensation for the 35 years of Japanese imperialism and the 45 subsequent years of Japan's evasion of its obligations towards North Korea. The highest estimate of the sum involved as compensation for the 35 years of Japanese imperialism is about 1.5 trillion yen (roughly US\$12 billion). It was intended to be roughly proportional to the US\$500 million that accompanied normalization with South Korea in 1965. It was a large sum to be sure, but far less than Japanese taxpayers have recently forked out to rescue just one of Japan's many floundering banks, and trivial by comparison with, for example, the sums spent in recent years to keep the dollar up and the yen down in global currency markets. A Japanese capital transfer on something like the envisioned scale could, however, help significantly to fund the DPRK's reconstruction of its crumbling infrastructure and collapsed energy sector, as the payment to South Korea did in 1965.

However, the "cross-recognition" deal was never consummated. The negotiations that followed the Kanemaru visit stalled. Japan's resistance to any compensation for post-1945 "losses" to North Korea, the negative attitude (until the advent of the Kim Dae Jung administration in 1998) of South Korean governments towards any Japanese rapprochement with North Korea, as well as suspicions over the North Korean nuclear programme and, not least, US pressure,⁸ combined to block progress. Kanemaru himself was arrested on corruption charges in November 1992.

Throughout the first post-Cold War decade, the US government continued to exercise an effective veto on any independent Japanese diplomatic initiative, while the situation surrounding North Korea steadily worsened. While diplomatic initiatives were frozen, the suspicions of a North Korean nuclear programme, missile tests (in 1993 and 1998), various spy-ship encroachments into Japanese waters, and the growing realization that North Korea had abducted Japanese citizens, all deepened Japanese fears. Late in the 1990s, small groups of "*Nihonjintsuma*" – the approximately 1,831 women who accompanied Korean husbands repatriating to North Korea, mostly in the 1950s and 1960s, and in many cases suffered discrimination and oppression while being cut off from their homeland – were allowed to make brief return visits to Japan and their plight too moved many. Pyongyang also continued, albeit perhaps reluctantly, to host four members of the Japan Red Army group responsible for a JAL hijacking in 1970. Japanese suspicion and distrust of North Korea deepened through the 1990s.⁹

Although Japan is singularly lacking in understanding, much less sympathy, for North Korea's plight, no country should understand it better, because of its resemblance to the Japan of 60-odd years ago. In early twenty-first-century North Korea, as in early 1940s Japan, the preservation of a beleaguered and dictatorial state regime is the major objective

of state policy. For both regimes, the person of the central figure – emperor in the one and chairman of the National Defense Commission in the other – is crucial. Japan came in “from the cold” after 1945 and began to “normalize” itself. North Korea’s neighbours today seek a similar path for North Korea, but are determined at all costs to avoid the horrors of war.

The “summit of apology”, 2002

After a stalemated decade, Koizumi Junichiro’s government began, in April 2001, with a sustained and serious search for a breakthrough in the bilateral relationship with North Korea, in sharp contrast with the George W. Bush administration, which began with the famous denunciation of North Korea as part of the “axis of evil”. Koizumi’s September 2002 visit to Pyongyang and the “Pyongyang Declaration” he there co-signed with Chairman Kim Jong Il held the promise of a historic reconciliation.¹⁰

Their meeting in September 2002 was a “summit of apology”. Koizumi expressed “deep remorse and heartfelt apology” for “the tremendous damage and suffering” inflicted on the people of Korea during the colonial era, and Kim Jong Il apologized for the abductions of 13 Japanese between 1977 and 1982 (“five surviving, eight dead”) and for the dispatch of spy ships into Japanese waters. The abductees, he said, had been taken to Pyongyang either to teach Japanese-language courses to North Korean spies or so that their identities could be appropriated for North Korean agents operating in South Korea, Japan or elsewhere. Insisting that he had no personal knowledge of all of this, Kim explained it in terms of “some elements of a special agency of state” having been “carried away by fanaticism and desire for glory”. As for the so-called “mystery ships” that had intruded into Japanese waters, a Special Forces unit had been engaged in exercises, he claimed lamely. “I had not imagined that it would go to such lengths and do such things ... The Special Forces are a relic of the past and I want to take steps to wind them up.”¹¹

The Pyongyang Declaration issued to mark the occasion was somewhat vague but it was inspired by a vision of regional peace and cooperation. Its wording was acceptable to the Tokyo bureaucracy precisely because it carried no legal implications and, because Pyongyang had been forced by economic need to yield on crucial points, it was even regarded as a diplomatic triumph for Japan. As for Pyongyang, it was a bitter climb-down for Kim Jong Il to abandon his long-held insistence that the Japanese imperial regime was an illegal imposition, maintained by military force, and to yield to the Japanese view that it was properly constituted under inter-

national law. South Korea had swallowed the same bitter pill as the price of normalizing relations with Japan in 1965.¹²

One may doubt the sincerity of both apologies. On the Japanese side, the apology, once made, was never again mentioned. It was as if the “harm” caused by Japan over 35 years of imperialism was as nothing compared with the harm Japan suffered by the abductions. The questions of whether Japan had evaded paying reparations to which Pyongyang had a moral or historical entitlement, or why such an apology came 57 years late, were ignored. North Korea, however, by admitting and apologizing for criminal actions, was doing something unprecedented in the history of modern states. Such a step must have been painful and difficult, and it might have been welcomed as a sign of the desire to turn over a new leaf. Instead, however, anger prevailed. Attention in Tokyo focused exclusively on North Korea’s crimes, not the apology. Prominent figures began to call for severing rather than normalizing the relationship, or even for making pre-emptive military strikes.

The United States too responded, first by cautioning Japan through Deputy Secretary of State Armitage and Ambassador Howard Baker, and then by dispatching Assistant Secretary of State James Kelly to Pyongyang and Tokyo. Kelly concluded his now famous October 2002 Pyongyang meeting with the allegation that North Korea had confessed to him a secret uranium enrichment programme. Whether North Korea’s Kang Sok Ju actually said to Kelly what Kelly thinks he said is another matter.¹³ If Pyongyang did in fact make the admission Kelly attributed to it, it would seem an extraordinarily pointless, counterproductive and uncharacteristic thing for it to have done. Yet the allegation had a series of major consequences: the decline and in due course rupture of North Korea’s “Agreed Framework” relationship with the United States, its withdrawal from the Nuclear Non-Proliferation Treaty, the removal of plutonium from the storage ponds and resumption of a nuclear weapons programme. Global hostility and distrust for North Korea swelled and Koizumi’s plans for normalization suffered, at least, a serious reverse. The Kelly story also helped set the scene for the United States to issue its “pre-emptive strike” warning, to step up its “missile defense” promotion campaign (in Japan, South Korea, Australia), to foreshadow the upgrading of its own nuclear arsenal (with “bunker busters” specially designed for North Korea’s deep-buried installations) and to announce plans to rule the world from space-based weapon stations. The Koizumi and Kelly visits to Pyongyang, weeks apart, bespoke two very different agendas but, faced with the resolute Bush regime stance, and under Kelly’s whip, Koizumi stepped back in line.

In October 2002, the five surviving abductees were returned to Japan. The drama of the slow “recovery” of their Japaneseness was then fol-

lowed relentlessly by the national media. Their meetings with family or school friends, visits to hot spring resorts, every word they uttered, how much beer they did or did not drink, and what they sang for the karaoke were all scrutinized on national television and in print media for inner meaning. The eventual casting off of their Kim Jong Il badges on 19 December 2002 was greeted with tears of national relief. The cohesion of the Japanese national family was celebrated by their return to the fold. Their decision not to return to North Korea meant that, at last, they were Japanese again; they were free.

The agreement in Pyongyang had been for the “Pyongyang Five” abductees to go *temporarily* to Japan, for one to two weeks, before returning to Pyongyang to work out the long-term arrangements for their and their families’ future. As soon as these terms of the agreement were known in Tokyo, however, senior members of Koizumi’s own government decided to sabotage it and to insist that the Five would not, in any circumstances, be allowed to go back. Abe Shinzo, deputy cabinet secretary at that time, took the view that North Korea would be forced by poverty and desperation to accept Japan’s terms. “In Japan,” he said on 14 November, “there is food and there is oil, and since North Korea cannot survive the winter without them, it will crack before too long.”¹⁴ Whereas Japan thus tore up the agreement, it demanded that Pyongyang show “sincerity” by immediately handing over the children (and family members) of the Five. It is undeniable that Pyongyang was responsible for restoring, to the best of its ability, the human rights of the victims of its criminal acts in the 1970s and 1980s, and for clarifying the fate of those it said had died, but the Japanese refusal to trust it to make restitution in accordance with the formula agreed between the leaders of the two countries was a calculated insult.

From Pyongyang’s viewpoint, when Japan chose not to return the abductees in accord with that promise, it meant that the first act in a new and supposedly equal and principled relationship between the two countries was marked by Japan’s breach of promise. It also seemed scarcely “sincere” for Tokyo to have waited for decades for Pyongyang to weaken to the point where it would abandon its claim for compensation for colonial wrongs, and for Tokyo to demand compensation for its own victims while consistently ruling out compensation to the former “comfort women”, forced labourers and other victims of its own imperialism, many of them abducted.¹⁵

Elsewhere in Asia, the hubbub in Japan, where the North Korean regime’s abductions became quite literally the crime of the century and the Japanese the ultimate victims, had a painful air of unreality. Every abduction is of course a major, violent crime. But abduction in modern

East Asian history means primarily the Japanese seizure of tens, if not hundreds, of thousands of Korean men and women before and during the Second World War to work in Japan or elsewhere in the then Japanese empire under forced or near-forced conditions, including the so-called “comfort women”. It also means the South Korean abduction of students and artists from Europe and Japan in the 1960s and 1970s and of then opposition leader Kim Dae Jung from Tokyo in 1973 (one in which there is reason to think the Japanese state itself was complicit, at least after the fact), and for South Koreans it also means the estimated 500 or more South Korean citizens who may have been abducted to the North since 1953.¹⁶ All these cases are cases of state terror. North Korea’s crime is heinous, but far from being unique.

Return to Pyongyang, 2004, and aftermath

By early 2004, relations between the two countries were in deadlock, with Japan demanding the immediate and unconditional handover of the families of the Pyongyang Five and North Korea demanding that Japan honour its promise (to return the Five). Seeing no other way to break the logjam, Koizumi undertook a second Pyongyang visit, on 22 May 2004. On his departure for Pyongyang, he spoke of his wish to recover mutual trust, so that the abnormal relationship between Japan and North Korea could be normalized and “hostility turned to friendship, confrontation to cooperation”.¹⁷ No other major public figure in Japan would use such language. Yet it was almost identical to the words he had used (on television) in 2002: “It is in Japan’s national interest to sweep anxiety and fear from the relationship with a country close to us . . . and I believe it is the Japanese government’s responsibility to build a peaceful and harmonious relationship that contains no mutual threat.”¹⁸

Koizumi promised to reopen humanitarian aid (250,000 tons of grain and US\$10 million worth of medical equipment) and the North Korean side agreed to consider the five returned abductees permanently returned (rather than “temporarily returned”), to allow their children to leave the country with Koizumi, to allow Charles Jenkins and the two children of Jenkins and Soga Hitomi to meet with Soga in a third country, and to reopen “sincere reinvestigation” into the eight abductees whose whereabouts were uncertain. Though the encounter was again strained, Koizumi’s initiative was appreciated. He was seen as bearing an olive branch of apology. Both sides agreed to return to the basic principle of the Pyongyang Declaration and to restart constructive negotiations. Again, however, that was easier said than done.

The Soga and Yokota families

When Koizumi reported to the Families Association on his visit, stating his own position that it was in the national interest of both countries to change Japan–North Korea relations from confrontation to friendly co-operation, he was castigated for having brought about “a worst possible outcome” because he had not brought Soga’s family back with him or secured adequate explanation of the many anomalies in the original report. Although Japanese people in general, according to opinion polls, were rather more positive about it,¹⁹ the organized national movement of hostility to any deal with North Korea nevertheless blocked any further steps towards normalization.

Two cases in particular focused attention, those of the Soga and Yokota families. Although the fate of Soga Hitomi’s mother, abducted with her in 1977, remained to be resolved, she herself, abducted when she was a 19-year-old trainee nurse in 1977, and her American deserter husband Charles Jenkins (and their two children) were able to settle as a united family in Sado Island late in 2004. Mystery deepened, however, around the case of Yokota Megumi, abducted as a 13-year-old schoolgirl on her way home from a badminton match in 1977, subsequently married to a North Korean and mother of a child (Kim Hyegyong, aged 15 in 2002), and then said to have died in 1993 (later changed to 1994). In Pyongyang in November 2004, Japanese officials talked for two hours with Kim Chol Jun, the man said to have been her husband, who was described in 2002 as the employee of a trading company and in 2004 as employed in state security. He refused their request for DNA material and was prepared only to show, not to hand over, his “family” photographs with Megumi and their daughter. He did, however, provide some of what were described as Yokota Megumi’s cremated remains.

In Japan, the National Research Institute of Police Science said it was impossible to conduct any DNA analysis on such remains, but a private university institute, the medical department of Teikyo University, nevertheless went ahead and on 8 December 2004 the government announced its conclusion that the remains were not those of Yokota Megumi but the mixed remains of two other people.²⁰ The Japanese government protested strongly at what it plainly construed as a deliberate deceit by the North Korean government, froze the dispatch of any further grain (after half of the amount promised had been sent), and turned to serious consideration of sanctions. A Kyodo poll in December 2004 found that 76 per cent of people supported sanctions and a “stern position” and only 23 per cent favoured ongoing talks as the way to resolve problems with North Korea.²¹

On examining all the materials submitted by Pyongyang in its attempted explanation of the fate of the eight Japanese abductees, the Japanese government then concluded that there was “absolutely no evidence” to support the North Korean side’s claim concerning what had happened to the eight supposedly deceased abductees. It also rejected Pyongyang’s plea of ignorance of two others it insisted had not entered the country. It therefore took the view that there was the “possibility of them being still alive” and demanded their immediate return. Essentially, the government was adopting the reasoning of the national movement on the abduction issue (the Rescue Association, the Families Association and the Dietmembers Association). The government itself began to speak of strong counter-measures and started preparatory work on a “North Korea Human Rights Law” (modelled on the US one adopted in October 2004).

On 17 January 2005, a North Korean Foreign Ministry spokesman asked Japan to show remorse and face the harm that its imperialist history had caused, referring to the abductions as an “unfortunate incident” that “occurred in the context of the hostile relationship” and “would not amount to more than one thousandth of the misery and pain that Japan in the past inflicted on the Korean people”. A formal “Memorandum” the following week dismissed the Japanese protests over the Megumi remains, saying that it was unscientific of the Japanese government to rely exclusively on Teikyo University when the National Research Institute of Police Science had declared DNA analysis of the sample impossible, and that it was “common sense” that DNA analysis could not produce any result on remains cremated at 1200 degrees centigrade. Pyongyang also denounced the Japanese side for breaking the promise, made in a statement signed by the head of the Japanese delegation at the time when the bones were handed over, to the effect that “[w]e promise to hand these remains directly to Yokota Megumi’s parents, and not to publish the matter”.

North Korea’s protest was angrily brushed aside in Japan. It was widely assumed that the Japanese DNA analysis was scientifically beyond question. However, the North Korean position gained support from an unexpected quarter. An article in the 3 February 2005 issue of the prestigious international scientific journal *Nature* revealed that the analysis had been performed by Professor Yoshii Tomio of the medical department of Teikyo University, and that Yoshii, who had no previous experience in the analysis of cremated specimens, described his tests as inconclusive and remarked that such samples were very easily contaminated by anyone coming in contact with them.²² The samples in question were anyway used up in the process of the Teikyo University analysis, so nobody now will ever know for sure what Pyongyang’s package contained.

In its demand for an uncompromising stance towards North Korea, the National Association for the Rescue of Japanese Abducted by North Korea (*Sukuukai*) is linked in a loose front with neo-nationalist organizations calling for recovery of national pride, adoption of an orthodox and “correct” history and promotion of patriotism, morality and family values as the core of national identity. Revision of the constitution and of the Fundamental Law of Education is part of the agenda. Anyone involved in the attempt to achieve normalization faced virulent denunciation. Pyongyang-oriented organizations and individuals were abused and intimidated, and huge crowds gathered in Niigata to heckle and abuse the crew and passengers of *Mangyongbong* (the sole regular communication between Japan and North Korea).²³ When a time bomb was set at the residence of the Foreign Ministry official who in 2001–2002 played a key role in negotiating with Pyongyang, Tokyo’s popular and powerful Governor, Ishihara Shintarō, promptly declared his understanding – “He got what was coming to him”. (Challenged, he said he had not meant to support terror, but added that Tanaka “deserved to die ten thousand deaths”.) During 2004, bills were passed into law with the support of 80 per cent of members of the National Diet and much of popular opinion to allow the imposition of sanctions and the banning of North Korean ships from Japan port entry unless Japanese demands were met.²⁴ Satō Katsumi, who as chairman of *Sukuukai* and head of the Contemporary Korea Institute has become one of the most influential people in the country, insisted that North Korea was run by a terrorist, dictatorial fascist regime, and there could be no way of dealing with it other than by demands to which it would have to submit unconditionally. The Koizumi government would be “blown away” if it softened its stance.²⁵

Prime Minister Koizumi himself, however, remained aloof. Asked his impression of his North Korean opposite number, Koizumi told the Diet that “I guess for many his image is that of a dictator, fearful and weird, but when you actually meet and talk with him he is mild-mannered and cheerful, quick to make jokes . . . quick-witted.”²⁶ Having met and talked with Kim Jong Il, twice, he confirmed the view of South Korean President Kim Dae Jung and US Secretary of State Madeleine Albright, among others, that Kim was a man to do business with. So keen was Kim to talk with George W. Bush that he suggested Koizumi provide the music so that they could sing together till their throats became sore.²⁷ Koizumi’s impression contrasted sharply with the US president’s sentiment that he “loathed” Kim Jong Il and could not possibly deal directly with him, and with Vice President Cheney’s view that you do not negotiate with evil, you defeat it.²⁸ Subsequently, Koizumi pledged to normalize the relationship within his remaining two years of office, if

possible within a single year.²⁹ In the event, it was a promise he failed to implement.

North Korea and the Northeast Asian agenda

North Korea was once bizarrely accused by George W. Bush of belonging to an “axis of evil”. It might better be seen, however, as an axis of policy, both for Japan and for the United States. For Japan, it is at least in large part fear of and hostility towards North Korea that justify clinging to its alliance with the United States, sending troops to Iraq (and in December 2004, against substantial popular opposition,³⁰ extending their mission by one year), paying huge sums to subsidize the continuing US occupation of Iraq, and giving positive and precious support to the Bush government’s economic policy. Few in Japan believed the war on Iraq in 2003 was justified or the subsequent prognosis good, but Prime Minister Koizumi’s explanation that Japan had to support the United States in Iraq because in a crunch with North Korea only the United States, not the United Nations, would come to its aid seemed credible.³¹ In return for the Japanese troop commitment, the US government specifically promised to support Japan’s position on the abductions. At the Texas tête-à-tête in May 2003 when the deal was done, a senior LDP official was quoted describing it this way: Japanese forces to Iraq in exchange for US support for the Japanese position on North Korean issues, especially the abduction issue.³²

Koizumi’s loyalty to George W. Bush appeared sincere and disingenuous. Under the Pentagon’s global military reorganization, the Japanese military was slowly being transformed from a “Self Defense” force confined by its constitution to a role as “the minimum necessary force for the defence of Japan” to an integral part of a US-commanded global anti-terror force, with responsibilities through the “arc of instability” extending from Korea to the Horn of Africa.³³ The US government prescription for Japan to embrace the role of becoming the “Britain of East Asia”, i.e. to develop the capacity to fight alongside US forces in matters deemed in Washington to be necessary for “collective security”, would have little chance of adoption without North Korea.³⁴

So closely integrated has Japan become in Washington’s frame that the head of the LDP’s Policy Research Council, Kyuma Fumio, describes the Japanese expression of support for the war in Iraq in these terms: “I think it [Japan] had no choice. After all it is like an American state.”³⁵ In similar vein, Gotoda Masaharu, the grand old man of the Liberal Democratic Party and former deputy prime minister, in September 2004 referred to Japan as a “vassal state” (*zokkoku*) of the United States.³⁶

If North Korea is thus an “axis” on which large policy questions revolve in Japan, it is no less so for the United States. The United States too is on the horns of a dilemma: neo-conservative moralists cannot tolerate the Pyongyang regime and are inclined to push it until regime change is accomplished, but to eliminate that threat might also be to undermine the empire, since it is precisely the “North Korean threat” that today justifies the continuing US occupation of its chain of bases in Japan and South Korea, the insistence on the adoption by both countries of hugely expensive missile defence systems and the substantial forces committed by both countries to the multinational force in Iraq. The United States has made clear that any attempt by Japan to pursue an independent foreign policy would not be tolerated. As the Rand Report put it in 2001, the thought that Japan might one day begin to “walk its own walk”, intent on becoming the “Japan of the Far East” rather than the “Britain of the Far East”, is a nightmare comparable to, if not worse than, 9/11. Japan *must* “continue to rely on US protection”, and any attempt to substitute for that reliance an entente with China would “deal a fatal blow to U.S. political and military influence in East Asia”.³⁷ “North Korea” functions nicely to justify this.

Koizumi was able to ride the two horses of reconciliation with North Korea and subordinate service of the United States without major stumble (albeit the former horse was hobbled following his attempts to ride it in both 2002 and 2004). The Six-Party Talks formula, however, chosen by the United States in 2003 as a device to maximize pressure on North Korea, began to serve as a forum for the rather different agenda of a Northeast, or perhaps East, Asian community. In that context, it is likely the stance initially promoted by Koizumi will become more difficult. Since the allegation of a North Korean secret uranium enrichment programme was launched in 2002, it became a central plank in the US case and the most contentious issue dividing Washington from the other powers interested in North Korea. Pyongyang insists it made no such “confession”, and China, Russia and South Korea all doubt the US claim.³⁸ The Talks’ Chinese chair, Vice Foreign Minister Wang Yi, emerged from a futile August 2003 session complaining that US policy towards North Korea was “the main problem we are facing”.³⁹

The unity of purpose around the Beijing table to which Washington in 2004 and early 2005 often referred was more and more difficult to discern in practice. South Korea, China and Russia have constantly doubted the US intelligence on the high enriched uranium programme. Russia’s top nuclear official said in 2005 that he did not believe that North Korea had any nuclear weapons at all.⁴⁰ South Korea’s President Roh shocked Washington in November 2004 by his references to North Korea as having “some justification” for the right to develop nuclear weapons as a de-

terrent,⁴¹ and in March 2005 shocked Japan by using an almost identical expression to that of the North Korean Foreign Ministry six weeks earlier, referring to the pain of Koreans over forced labour and comfort women as “thousands and tens of thousands times” greater than Japanese pain over the abductions.⁴² South Korea’s Foreign Minister Ban Ki Moon said, “The United States and other partners must come up with a more creative and realistic proposal so that North Korea can come to the negotiating table as soon as possible.”⁴³

Following a special tour of Asian capitals by Michael Green, senior director for Asian Affairs at the National Security Council, to insist its evidence on North Korea’s covert enriched uranium case was incontrovertible, the South Korean National Intelligence Service reported to the country’s parliament in February 2005 that North Korea might have some components but was “unlikely to be able to produce nuclear weapons”.⁴⁴ When Washington declared that (following the Green mission) China had at last seen the light on the same matter, its claim was promptly brushed aside by none other than the Chinese foreign minister, Lee Zhaoxing (formerly Chinese ambassador to the United States, 1998–2001).⁴⁵ In another context, Lee also said, “[W]e wish the U.S. side would go further to adopt a flexible and practical attitude on the issue.”⁴⁶ With these huge gaps in understanding, and with the governments of South Korea, Russia and China basically ignoring Washington as they move ahead with multiple schemes for energy and transport and communications links with North Korea,⁴⁷ the idea that the Six-Party Talks were functioning as an instrument for the imposition of Washington’s will seemed far-fetched.

Till early 2005, Japan held its counsel, maintaining its stance as faithful US supporter in the Six-Party Talks forum. In late February, however, the Chinese government sought Japan’s help to persuade the United States to soften its stance, in other words to bring the United States to respect the majority will of the conference group.⁴⁸ What began as a US attempt to mobilize regional powers to advance its policy objectives looked to be turning into the reverse. How Japan responds to these two pressures, from China (and other regional countries, especially South Korea) on the one hand and from the United States on the other, on this particular issue and increasingly in general, will decide its future.

Conclusion

The national mood in early twenty-first-century Japan is such that rage over crimes committed against it – the abductions – triumphs over reason, injured virtue over policy. Sympathy for a people who have endured

much through the horrendous twentieth century and where more than 6 million people still depend on the help of the world community for their survival is almost non-existent. Politicians and media figures seemed to have lost the capacity to imagine how the world might look from a North Korean perspective.

Prime Minister Koizumi was a paradoxical politician. Faithful to Bush in the Indian Ocean and Iraq, he had a different eye on Japan's immediate neighbourhood and an intuitive grasp of the contradiction between Washington's global hegemony project and the enterprise of constructing that community. While stubbornly insisting on annual visits to the Yasukuni shrine, which outrage neighbouring Asia, and cooperating with apparent conviction in the United States' post-9/11 mission in Iraq and elsewhere, he pursued normalization of relations with North Korea as his personal political mission and declared his faith in the future of the Northeast Asian region as a community.

His repeated statements of commitment to normalization of relations with North Korea pitted him against a powerful national political and media coalition for "regime change". Abe Shinzō, instrumental in frustrating Koizumi's 2002 mission and the chief government spokesman for a hard-line, sanctions position after the 2004 visit, became extremely popular and eventually succeeded Koizumi as prime minister in September 2006. Late in 2004, he was speaking, not, like Koizumi, of normalization within a year but, like US neo-conservatives, about regime change and a "post-Communist Korean peninsula".⁴⁹

North Korea looks a crazy and awful place, and in many respects it probably is. But it is both sinned against and sinning. Its demand for relief from steady nuclear intimidation should have been heeded long ago, and its plea for "normalization" (an end to sanctions, diplomatic and economic relations with the United States and Japan, and security guarantees) as the price of abandonment of its nuclear programme, often referred to as "blackmail", is not unreasonable. It surely should not have had to wait half a century for a normalized relationship with its former colonial ruler.

Despite the tensions and the risks of the confrontation over nuclear and missile issues, glimpses could be caught, in September 2002 and again in May 2004, of a radically different East Asia – one of reconciliation, normalization, economic cooperation. The processes of regional denuclearization and demilitarization, accelerated North–South Korean cooperation (leading ultimately to reunification) and a dismantling of the encrusted structures of the partisan state in North Korea depend now on nothing so much as the recovery and continuation of the normalization processes launched in 2002 by Prime Minister Koizumi and Chairman Kim Jong Il.

Acknowledgements

This chapter updates and refines Chapter 6 of my book *Target North Korea: Pushing North Korea to the Brink of Nuclear Catastrophe*, New York: Target Books, 2004, dealing with Japan–North Korea relations spanning the 2002 Koizumi visit to Pyongyang.

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10

Korean security dilemmas: A Russian perspective

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Russia has never limited its vision of the complex problems of the Korean peninsula to “hard” military and political aspects, however important they are. Concentrating only on such aspects (with nuclear and missile issues now given disproportionate attention) is what a Russian proverb calls putting the cart before the horse. Such an approach cannot lead to stability in Korea, as vividly shown by the acquiring by the Democratic People’s Republic of Korea (DPRK, or North Korea) of nuclear weapons as a result of foreign pressure and the ignoring by the “international community” of what North Korea sees as its security concerns.

A multisectoral approach is essential as the only way to break the vicious spiral. The resolution of even acute “hard” security issues (not limited to the problem of North Korean weapons of mass destruction) needs to be coordinated with that of long-term non-military factors – primarily what security and development model the DPRK would acquire (which would in turn shape the future of the whole Korean nation). An effective approach would centre on assisting the progress of North Korea and its society as a whole and providing for the national security of the country. It requires recognition of the simple fact that a nation of more than 20 million hard-working people cannot be left forever in a state of backwardness and forced isolation because some in the outside world argue that North Korea must be isolated in order to help prevent military conflict. The real cause of their neglect is political dislike of the system and the geopolitical interests of foreign powers.

The medicine should not be more dangerous than the ailment. A vio-

lent solution would be a catastrophe for the overall security environment, especially human security, possibly leading to huge loss of life and degradation of vast areas. The alternative is an evolutionary approach. A positive perspective requires a coordinated approach (embracing not only the two Koreas, but also at least the five most closely involved countries) around the vector of social and economic developments, including human security, in and around North Korea. This task involves a serious and all-embracing negotiation process, based on political will.

Otherwise, it is conceivable that singling out the issue of weapons of mass destruction (WMD) and trying to resolve it would bring not an increase but a dangerous decrease in human security both in North Korea and in the surrounding countries. For example, weakening the Pyongyang political regime through sanctions and isolation (even if this stops short of its overthrow) in a quest to eliminate its WMD potential could result in uncontrolled migration, transborder crime, the spread of infectious diseases, not to mention severe suffering among the North Korean population. Therefore, changing security approaches is of paramount importance – and the Russian position is consistent with this.

This chapter therefore focuses on the Russian experience of an approach to Korean security that is broader than that usually perceived by the West. I first analyse some lessons from history, then turn to the change in Russian policies in the 1990s. Next I explain Russia's initiatives vis-à-vis North Korea and the Russian response to the nuclear crisis. The chapter concludes with some suggestions for policy options designed to defuse the systemic crisis in Korea. The answer, I argue, lies not in singling out nuclear or other strictly military issues, but in a comprehensive gradualist approach, addressing political and military security and development as inseparable factors. What is needed is multilateral policy change – not coercing or isolating Pyongyang, but assisting the regime to evolve.

Russia and Korean security: The grim lessons of history

After the DPRK was created with Soviet assistance in the wake of the Second World War, Moscow continued to support Pyongyang (often without due reciprocity), although lacking the leverage to control its behaviour. Moscow was unhappy not only about the foreign escapades of its unpredictable ally, but also about its harsh domestic policies, which were far more cruel than those of denounced Stalinism. However, “soft” security issues fell victim to hard issues, as a result of the USSR's global confrontation with the United States, of which the relationship with the DPRK was a part. As Moscow's relations with the West improved, the

frustration mounted, leading to a crisis in USSR–DPRK ties. The opening of formal relations with the Republic of Korea (ROK, or South Korea) and Russia’s joining with international efforts to pressure North Korea (while paying more attention to humanitarian aspects in bilateral relations) did not, however, bring the expected security and economic benefits to Russia.

The interdependence of non-security factors with national security issues is characteristic of the entire 120 years of Russian involvement in Korea; for much of the time the country of “Morning Calm” (as North Korea is sometimes called) was a trouble-spot for Russian politicians, a headache for bordering areas and a source of arguments in Russia’s expert community and political circles. In “peaceful” periods, however, Korea was much lower on the Russian foreign policy agenda than in the United States, China or Japan. Russian policy was reactive rather than proactive, which often itself led to further problems.

After signing the first official treaty with Korea in 1884, Russia entered into a competition with other colonial powers for domination, which St Petersburg lost. The Russo-Japanese war of 1904–1905, one of the reasons for which was the struggle over control of Korea, was disastrous not only for external security but for the very fate of Imperial Russia. The inability of the Tsarist state to manage the war effort and the subsequent defeat of Russian troops led to widespread popular dissent, which resulted in the first Russian revolution of 1905, in turn paving the way for the Bolshevik takeover of the state in 1917. The tragedy of the Russian *Varyag* cruiser, which perished in the Korean port of Chemulpo (Inchon) in an unequal battle with the Japanese, became for generations of Russian people the symbol of personal bravery in the face of imminent defeat caused by treachery and the overall weakening of the country. Korea therefore did not have positive connotations for Russia.

The DPRK as a capricious partner

After the division of the peninsula in 1945 as a result of the Yalta agreements between the USSR, the United States and the United Kingdom, peace did not arrive in Korea – partly because of the Soviet–US global confrontation. The experience of the Korean war of 1950–1953 was traumatic for Stalin: he had reluctantly supported Kim Il Sung in his quest to bring communism to the South of Korea but this had only resulted in the US interference and almost led to a Third World War. Stalin’s dreams of “world socialist revolution” were shattered forever. After the war, following the dictates of ideology, the USSR had to make new sacrifices to rebuild the DPRK and raise the standard of living of the population. The Soviets constructed more than 70 infrastructural and industrial facilities,

which became the backbone of the North Korean energy, metallurgy, chemicals, construction materials, machine-building and other sectors.¹

The DPRK proved to be a very capricious and unreliable ally. Although the USSR was not just the “spiritual father” of the DPRK but directly helped establish North Korean statehood at the end of the 1940s,² “you’d make a mistake (bluntly stated a well-versed Soviet expert) to think that Kim Il Sung was a Moscow man”.³ Frequenting the USSR embassy in Pyongyang in the evenings to play billiards and drink tea in the late 1950s, in the daytime Kim planned the purging of pro-Soviet cadres.⁴ Kim Il Sung exploited the strategic importance of North Korea to Moscow in the Cold War rivalry to blackmail Moscow into supporting his attempts to overthrow the South Korean regime (as late as the 1970s, in the wake of the fall of Saigon). As a result, the Soviet Union was dragged into constant confrontation with the United States on its “eastern flank” in addition to in Europe. The seizing of the USS *Pueblo* in 1968, the “axe murder” of US servicemen in the Demilitarized Zone in 1976 and assassination attempts on South Korean presidents forced Moscow to intervene to support its unmanageable ally, which earned the reputation as the *enfant terrible* of the socialist world system along with Albania (the latter, however, having no relations with Moscow whatsoever). At the same time, the USSR was barred from developing useful economic cooperation with the rising “South Korean dragon” – unlike in Europe, where Moscow’s economic ties with US allies flourished.

Kim Il Sung skilfully used the rift and rivalry between Moscow and Beijing to demonstrate his independence and get aid from both. For instance, while preparing the Treaty on Friendship, Cooperation and Mutual Assistance with the USSR, Kim secretly negotiated a similar treaty with China; they were signed within one week of each other in July 1961. After Soviet leader Nikita Khrushchev failed to visit Pyongyang and to provide weapons free of charge,⁵ Kim Il Sung convened a plenary session of the ruling Workers’ Party Central Committee that openly criticized Khrushchev. In the 1960s Kim sided with the Chinese in their struggle with Moscow – in 1963, critical articles to that effect were published in North Korean media.⁶

Economic relations

After relations with China soured in the wake of the Cultural Revolution, Kim Il Sung tried to mend fences with Moscow (two secret meetings with Leonid Brezhnev were arranged in 1966) and to obtain more military and economic aid from the Soviet Union. Kim never stopped openly criticizing the USSR to close comrades in the DPRK and continued that criticism in domestic propaganda, sometimes going so far as to decry what

he called the “dominationism” of Moscow.⁷ In the 1980s, Kim Il Sung, disapproving of Chinese free market reforms, turned again to the USSR for military and economic assistance – making a landmark visit to the Soviet Union in 1984. In 1985, the USSR signed several new agreements on economic and technical cooperation with the DPRK, including one that provided for the construction of two Light-Water Reactor (LWR) power stations to be located at Sinpo in the east of the country (in the 1990s, the Korean Peninsula Energy Development Organization, KEDO, used the same site for the development of LWRs based on earlier research by Russian geologists). New armaments were shipped to North Korea and the possibility of technology transfer in weaponry production, including MiG-29 fighters, was explored.

Interaction between the USSR and the DPRK in the 1980s not only centred on the military-security sectors but was also, very importantly, geared towards economic development and improving the livelihood of the people. At the end of the 1980s about 60 per cent of North Korea’s foreign trade was with the USSR, with Soviet exports amounting to double its imports from North Korea. Under the then USSR–DPRK clearance system, the North Koreans did not compensate Russia for the export/import imbalance but instead received refinancing credits, in addition to the long-term credit they also obtained from the USSR. By 1990, DPRK debt to the USSR had reached 3.8 billion roubles – equivalent to US\$6 billion at the agreed rate of exchange (including interest, the debt amounted to nearly US\$8 billion by 2005).⁸ The North Koreans never paid the debt and talks on debt restructuring did not start until the beginning of the new century.⁹ Eventually, in November 1990 Moscow insisted on free currency settling of trade deals as opposed to the clearing-based system.

The cessation of economic aid and economic cooperation from Russia at the end of the 1980s spelled disaster for the DPRK economy, and for the standard of living of the population. The end of Russian economic support, combined with reduced assistance from China, contributed to the economic crisis and humanitarian catastrophe of the 1990s in the DPRK; Western assistance could not substitute for the previously substantial amounts of Soviet and Chinese aid.

North Korea’s view of perestroika

Kim Il Sung naturally disapproved of “perestroika” in the USSR; he presciently predicted it would lead to the collapse of the communist system and was disturbed by the end of “cooperation based on proletarian internationalism”. Kim viewed the changes in the USSR as the greatest threat to national security the DPRK had faced since the war (the pros-

pect of the withdrawal of the Russian “security umbrella” was, as the North Koreans bluntly told USSR Foreign Minister Eduard Shevardnadze in 1990, the main impulse for nuclear weapons development). The North Koreans were also enraged and frustrated by the USSR’s normalization of relations with Seoul. From 1988, prior to the establishment of formal recognition of each other, a surge in USSR–ROK bilateral trade took place after the ruling Politburo of the USSR permitted direct economic dealings between USSR entities and ROK companies. The USSR took the decision despite Pyongyang’s opposition after a landmark speech by President Gorbachev in Krasnoyarsk in September 1988 in which he talked of the possibility of economic cooperation with South Korea.¹⁰ I witnessed those first contacts and can testify how much enthusiasm ROK businesspeople had then about Russian markets and what high hopes there were in Moscow, St Petersburg and the Russian Far East with respect to the great prospects of economic relations with this hitherto inaccessible newly industrialized country (as it was officially referred to in academic publications).¹¹ In this period, economic considerations were given priority over military and “hard” security ones, perhaps to the detriment of Russia’s overall regional security position.

After the first-ever summit meeting between Gorbachev and ROK President Roh Tae Woo in June 1990 in San Francisco, arranged by Soviet reformers,¹² diplomatic recognition was finally granted to Seoul in September 1990. The decision had been to start relations on 1 January 1991, but Foreign Minister Shevardnadze had become so enraged by his treatment in Pyongyang in the summer of 1990 that he had single-handedly brought the recognition date forward three months – in so doing robbing Russian diplomats of leverage to solve outstanding bilateral issues, including an economic cooperation package and embassy property.¹³ Today, it is difficult not to conclude that the USSR leadership acted in a rather hasty and undiplomatic manner when taking the long overdue action of recognizing the ROK, not considering North Korean feelings and the mentality of a besieged country.¹⁴ That in turn undermined both the Russian position and the stability of the neighbouring region.

After Boris Yeltsin’s government took power in Moscow in 1991, the Russian approach to Korea underwent a fundamental change – Russia and North Korea became ideological opposites. The DPRK was transformed into a laughing stock and a despicable country in the eyes of the new democratically minded élite. “Human security” issues thus came to the forefront of practical politics, although the results were ambivalent. North Koreans were wary lest Russia tried “exporting” its democratization experience to the DPRK (Yeltsin seemingly did not mind US and South Korean efforts to “open up” the DPRK) and curtailed their ties

with the “traitors of the socialist cause”. In the early 1990s, Moscow joined the US-led pressure on North Korea to abandon its nuclear programme: it froze all nuclear cooperation with the DPRK in 1993, embargoed military cooperation, and supported possible sanctions against North Korea.¹⁵

The security support to Pyongyang that had been based on the 1961 alliance treaty, and was inherited by Russia as the continuing state of the USSR, was withdrawn. In January 1992, Russia told the North Koreans that it would activate Article 1 of the treaty, providing for assistance in the event of war, only in the case of an unprovoked attack against the DPRK and in accordance with Russian constitutional procedures, that is with the approval of parliament. Moreover, Russia itself would determine in accordance with the UN Charter whether the “state of war” was caused by DPRK actions. The North Koreans refused to exchange letters to this effect and responded that they were not counting on Russia’s assistance anyway – calling the treaty “an empty shell”.¹⁶ The whole security equation in the region changed as North Korean leaders became afraid that Russia would not object to actions against Pyongyang by the United States, South Korea and Japan.

Russian technicians left the DPRK and discontinued new construction and also the servicing of key industrial facilities, cutting essential supplies of spare parts and materials, without which equipment cannot function (for example, high pressure pipes at the power plants should be replaced every four years).¹⁷ The results for the economy and economic security of the population were disastrous. Many facilities stopped functioning altogether and others ran at a fraction of capacity (for example, the key Kim Chaek steelworks and the Sungri oil refinery in Songbon). Personnel were left unemployed and without the means of subsistence. There was a drastic reduction in the production of basic commodities and services. Bilateral trade plummeted from a height of 1.4 billion roubles (approximately US\$2 billion at the then exchange rate) in 1987 to US\$75 million in 1997; and Russia’s share in DPRK trade decreased from one-third to 4–6 per cent.¹⁸

Moscow did not see the anticipated increase in security in its neighbourhood. Instead, North Koreans intensified their nuclear weapons development programmes and Russia was dragged into a dangerous campaign of coercion and abandonment of North Korea, a campaign that could have resulted in a war at the borders of Russia even without its consent. Seoul used the new relationship with Moscow to draw Russia to its side in inter-Korean rivalry, with the obvious aim of undermining the Pyongyang regime. In addition, the honeymoon in Moscow–Seoul economic relations proved to be very short-lived. The USSR did receive credits from Seoul but these disappeared into the black hole of the un-

manageable Soviet foreign debt and poisoned relations for the next 10 or more years. Investment and the “mutually beneficial deals” that had lured Soviet leaders were slow in coming.

Policy discourses

In the 1990s, Moscow was sidelined and regional security decreased, thus igniting a heated discussion on the Russian role in Korea and its security options among several schools of thought.

Even democratically minded Russian experts grudgingly admitted that the framework of the Cold War confrontational impasse on the peninsula had resulted in stable and predictable security relations, whereas the new system of relations around the Korean peninsula had proved to be less satisfactory for Russia. Security and humanitarian conditions in the North had seriously deteriorated and the Western policy of a “soft landing” – in effect imploding North Korea and bringing it under Southern control – had helped to involve China, which did not want a unified Korea dependent on the United States with US troops on its territory and at its doorstep. Russia, at that time suffering from an “identity crisis”, did very little to prevent the deterioration in the military and political situation, to the extent that a US military strike on North Korea was only narrowly averted (by the June 1994 visit of former US president Jimmy Carter to Pyongyang). Moscow underutilized even its residual capacity to influence the settlement of the 1993–1994 nuclear crisis – owing to its severing of relations with Pyongyang and ignoring its own economic and humanitarian interests.

In the wake of the bilateral US–DPRK settlement of the crisis, Washington’s role in Korean affairs increased dramatically. China’s importance also grew because it acted as the virtually single “defender” of Pyongyang. Russia’s political and economic interests and security were affected negatively as it lost markets, and refugees and economic migrants became a major headache. The Russian role was in effect limited to that of observer. The other players in the Korean “game” viewed Russia as weak and disregarded Russia’s interests. The 2+2 (the DPRK and South Korea, the United States and China) negotiating mechanism created in 1996 left Russia “out in the cold” without a role to play in the settlement of disputes (Moscow’s 1994 suggestion of a 2+4 formula to include Russia and Japan was turned down).

In domestic politics, the “betrayal” by the new Russian rulers of a traditional ally became an issue for opposition critics of the government. In the ensuing discussion on Korean policy, several schools of thought competed with each other.

A small group of Russian “conservatives” (including some long-time North Korea experts, who dealt with Pyongyang and lived there for decades, leftists, and some sections of the security and military establishment) remain sympathetic to Pyongyang’s cause, seeing it as a righteous struggle for national independence and sovereignty against an “imperialistic threat”. These conservatives do not support the DPRK political system but they express an understanding of the issues that fuelled North Korea’s repressive policies and nuclear ambitions. They argue that Pyongyang’s defiance of US pressure sets an important example for the struggle against “unipolar dominance”. They further argue that Pyongyang’s methods, such as toying with the WMD threat, should not be supported but that Moscow should help Pyongyang and prevent the DPRK from being “swallowed by” external forces.

“Progressivists” comprise a broad stratum of Russian political, academic and media circles – notably political scientists with exposure to the West, experts in non-proliferation, and renowned liberal journalists, usually having no background in Korean studies – and are staunchly against North Korea. They argue that the existence of such a brutal totalitarian regime is a direct descendant of a Stalinism that has been denounced in Russia and is an embarrassment for humanity. It is therefore morally wrong for democratic Russia to maintain any ties with the DPRK, let alone to support it. Russia, they say, should unequivocally join the international pressure on North Korea. A policy of forcing Pyongyang to abandon its dangerous plans and behaviour would, *inter alia*, gain Russia important benefits in its relations with the United States. Progressivists argue that the eventual disappearance of the dictatorship is more than desirable – it will not only cause a sigh of relief in the world but eliminate once and for all the danger emanating from the Korean peninsula. These views were especially visible in the 1990s. Most of the general population, brought up on the denouncing of communism and depending for news and analysis mostly on TV and large-circulation newspapers, equally regard North Korea as an alien and dangerous place. It is the voice of the “progressivists” that has been heard the most in the West, especially in the United States, owing to their access to the mass media and their international connections. In the mid-2000s there have been some changes to the progressivist dominance as the mainstream Russian media have become less critical.

“Pragmatists”, comprising foreign and security policy professionals and academics specializing in regional affairs, see both views as extremist. Their attitude is that, although the North Korean regime raises little sympathy and all would like it to become less oppressive and more rational, toppling it in order to get rid of the WMD threat or for geopolitical reasons is simply not cost effective. The further argument is that the real prospect of such a development would only intensify North Korean

efforts to acquire WMD as a deterrent and would undermine the non-proliferation regime. Under such conditions, a conflict would have tremendous negative consequences, including massive loss of life and economic destruction. According to the pragmatic logic, if we are not happy with the internal and external behaviour of this regime, there is another, non-violent way to solve the problems. The first priority is to establish an international balance of interests and to stabilize the regional status quo diplomatically; the next is to help the regime to transform itself so it is no longer an “odd man out”. This could discourage North Korea from resorting to the further development of WMD to provide a deterrent capacity. Such a scenario demands a multidimensional approach, focusing not just on “hard security” issues, but bringing into the equation economic and humanitarian factors.

A new policy concept in the 1990s

In the 1990s Russia developed a pragmatic approach based on the presumption that the DPRK was not about to collapse. Russia needed to “stand on both legs” in Korea. It would correct the imbalance in its relations with the two Koreas by regaining its leverage in North Korea on a de-ideologized basis, at the same time maintaining close cooperation with the South and pursuing international coordination on Korean issues.

By the middle of the 1990s the pragmatic concept had become the cornerstone of Russian Korean policy. The new mantra in Moscow was that of the “balanced approach” – meaning respecting the DPRK’s legitimate interests and improving relations regardless of the ideological divide. Russian experts did not agree with the term “equidistance”,¹⁹ which is used in South Korea, because it implied that Russia wanted more cordial relations with the North to “compensate” for unrealized expectations in its relations with the South; or that Russia would artificially check the development of relations with one Korea depending on the progress of ties with the other Korea. That was not the case.

The pragmatists argued that the particularities of North Korea need to be understood.²⁰ For North Korea, the quintessence of national identity involves issues of sovereignty and independence, not yielding to foreign pressure and struggling against victimization. A mechanical transposition of the East European experience to the Far Eastern flank of the “world socialist system” could not lead to useful conclusions because of the major differences in social structures and historical traditions – the most important being East Asian reverence for the state rooted in the Confucian heritage. By the 1990s the DPRK had already become a nationalist-based mix of Stalinism and Oriental despotism, with a touch of theocratic ten-

dencies as displayed through the development of a cult around Kim Il Sung. The system is resistant to external pressure and very hard to destroy both from outside and from within. Kim Il Sung and Kim Jong Il took draconian measures to prevent any internal opposition from developing. Humanitarian crises do not weaken such systems. The famine of the 1930s during Stalin's collectivization programmes, when millions of people died, resulted in an even more belligerent regime; the experience of Mao's "Great Leap Forward" in the 1950s, when an estimated 50 million people perished, is similar.

Even in the wake of the demise of Kim Il Sung in 1994, Russian experts never thought that North Korea would collapse like other socialist countries had in the 1990s. Soviet analysts had a different view from US, South Korean and Japanese decision-makers, who expected that the North Korean people would rise up against the dictatorship, as happened in Romania.²¹ Nor did Russian analysts agree that the economic, human (starvation) and political crises would necessarily cause the system to collapse and that the available helping hand of South Korea would aid the accomplishment of the transition.²²

No watershed declaration or directive signalled the turn to a more pragmatic Russian policy in Korean affairs. Instead, subtle changes in nuance in the mid 1990s heralded a distinctively new pragmatic approach. Later, the new Russian priorities were summarized as follows:

- prevention of tension, military confrontation in Korean peninsula, as well as of proliferation of WMD here with the aim to provide secure and stable environment for peaceful coexistence and development;
- development of ties with DPRK on a friendly non-discriminatory basis, helping DPRK not only to guarantee its security and preserve its sovereignty, but also to come out of isolation and achieve social and economic progress coupled with deeper involvement into international cooperation;
- increase in constructive partnership with the Republic of Korea as a priority partner in Asia not only in economic realm and in purely Korean security issues but also in solving wider global issues;
- checking anybody's attempts to unilaterally dominate Korean affairs which could be detrimental to the "concert of interests" in the region and could destabilize the situation or seed the seeds of a future conflict;
- coordination of efforts for Korean settlement with all the international "players" both on bilateral and multilateral basis.²³

Russian initiatives in the new century

In 2000–2001, a Russian diplomatic offensive, which included an exchange of summit visits, brought Moscow and Pyongyang closer and

helped North Korea to break the ice of international isolation. Russia's policy shift allowed an increase in security for the DPRK, which in turn paved the way for reforms that might eventually bring about a solution to North Korea's chronic economic and humanitarian crisis. Russia initiated promising multilateral economic projects, although the recurrence of conflict between North Korea and the United States undermined Russian efforts to promote overall security in the DPRK.

By the mid-1990s, as a result of Russian overtures, the DPRK had started to change its attitude towards Russia – in 1994 terming it a “friendly country” with which it was willing to develop relations “regardless of differences in ideology and social systems”.²⁴ The change, largely unnoticed outside the narrow circle of Russian diplomatic experts, was manifested in an about-turn in Pyongyang's attitude (which had been negative for the three preceding years) towards the Russian initiative on a new treaty of friendship instead of the old 1961 alliance treaty, first proposed in August 1995.²⁵ In late 1998, presumably owing to Kim Jong Il's formal ascension to power in September of that year and possibly despite the will of die-hard conservatives, North Korean diplomats began a reasonable discussion that allowed for rapid finalization of the text.²⁶

I believe that the more conciliatory approach to Russia manifested the start of Pyongyang's “peace offensive”, which the world would not notice until 2000. The choice of Russia as a “test case” was by no means accidental. Russia was a traditional and well-known partner, which understood the particularities of the North Korean situation and North Korean diplomatic language and which was, at the same time, a permanent member of the UN Security Council and accepted as part of the G8. Russia could therefore play a crucial role in breaking through the shield of North Korea's diplomatic isolation: it prepared the way for the temporary “thaw” between Kim Jong Il and the West in 2000, and it did not try to impose its ideology on the DPRK or to “mentor” North Koreans.

The Russia–DPRK Treaty of Friendship, Goodneighbourliness and Cooperation was concluded at ministerial level in Pyongyang on 9 February 2000;²⁷ it was the first document signed by the DPRK that claimed adherence to the UN Charter and international law. The treaty stressed the need to eliminate the split between the North and South on the basis of the principles of independence, peaceful unification and national consolidation. These principles (first agreed between North and South in July 1972) were later confirmed by Kim Jong Il and Kim Dae Jung during their historic summit in June 2000.²⁸

The really spectacular breakthrough was President Vladimir Putin's visit to the DPRK, which came later in 2000. Preparations for the summit had started in April, barely two months after the new treaty was signed (the treaty was ratified by the Russian parliament on the day of the sum-

mit meeting in Pyongyang). On 18 July 2000, President Putin landed at Sunan airport to be greeted by Kim Jong Il, and by 1 million of Pyongyang's inhabitants along the route to the city. The visit was truly historic – a first-ever visit to Pyongyang by a Russian or Soviet head of state. Many aspects were unprecedented: the Russian leader had received the first invitation ever signed by Kim Jong Il; it was the first official negotiation by Kim Jong Il with a foreign leader; and the Russia–DPRK Declaration was the first international document signed by Kim.²⁹ For the first time the DPRK announced that its “missile program does not threaten anyone and is for strictly peaceful purposes” (this formula was personally agreed by Putin and Kim Jong Il during one-to-one talks).³⁰

First, the Putin–Kim meeting challenged the common belief that the DPRK is unpredictable and “cannot be dealt with”. Secondly, it manifested a specific Russian role and capacity in Korea, which had been underestimated before. Thirdly, the visit suggested an alternative to the “stick and carrot” tactics vis-à-vis Pyongyang – a policy of a dialogue on an equal footing, without blackmail and pressure. On the practical side, the visit gave the impetus to talks on economic cooperation, including the issue of the North Korean debt to Russia, as well as cooperation in the railroad transportation and energy spheres. Humanitarian cooperation was revived, thus giving important “human security” leverage to Russia.

The return visit of Kim Jong Il to Russia in the summer of 2001 proved to be a watershed event not only for Russian–Korean relations but also for the DPRK itself. This was the first time Kim Jong Il (as a head of state) had ventured further than China and visited a post-communist country – arguably a necessity in the planning of future DPRK reforms.³¹ The long rail journey, ridiculed by the media and a burden for the Russian hosts, was in fact useful because it provided an opportunity for the forging of close personal ties between North Korean leaders, Russian politicians and officials.

The Moscow Declaration, signed by Putin and Kim on 4 August 2001, stressed the need for the continuation of the North–South dialogue and the necessity to achieve breakthroughs in the dialogue between the DPRK and “such countries as USA and Japan”.³² In Moscow, Kim Jong Il confirmed the missile moratorium declared in 1999 and signed a condemnation of international terrorism.³³

After Kim Jong Il had seen Russia for himself, the attitude to Russia in Pyongyang changed radically.³⁴ The bilateral top-level political dialogue became regularized. Kim Jong Il and top DPRK leaders began meeting regularly with visiting Russian dignitaries.³⁵ High-ranking DPRK officials also frequent Moscow and the Russian Far East. Kim Jong Il seems to enjoy (maybe nostalgically) Russian songs and dances and, unlike in

the past, does not make a secret of it in what is perhaps a calculated public relations policy.³⁶ Kim also ordered the construction of a Russian Orthodox church in Pyongyang.³⁷ Interdepartmental cooperation flourished: for example, the police agencies of the two countries signed an agreement to cooperate over cross-border organized crime and drug-trafficking, smuggling and illegal migration.³⁸ In terms of the North Korean political tradition, all of the above demonstrates unique trust and closeness of bilateral relations.

It is difficult to describe accurately the degree and scope of the exchange of ideas and discussions between Moscow and Pyongyang because the contacts, in North Korean fashion, are shrouded in secrecy. Russia's behind-the-scenes diplomatic activity is therefore usually obscured and its role sometimes underestimated. It is a safe guess that Kim Jong Il does not want to be overdependent on China and the Russian card is very useful in that respect, although the logic is pretty transparent to both Moscow and Beijing. The degree of Russian influence, both "hard" and "soft", is now understood in South Korea, despite the universal obsession with the Chinese role. Former unification minister Park Jae-gyu explained the intimacy in Pyongyang–Moscow relations by claiming that "the personal friendship between Kim Jong Il and Putin is stronger than ordinary people feel".³⁹ Notable, too, is the role of Russia-educated top- and medium-level bureaucrats: "Many of the thousands of Soviet cultural, academic and scientific exchange candidates during the Cold War played critical behind-the-scenes roles in advocating for and supporting change, and filled key positions after the Soviet Union dissolved."⁴⁰

From 2000 onwards, Russia concentrated on practical cooperation with the DPRK (which is very much related to increasing human security and stability) despite the overzealous pursuit of the nuclear issue by the West. Russia instead proceeded from the understanding that a freeze on DPRK efforts to acquire nuclear weapons could be achieved only if North Korea's security was guaranteed by non-military means. Russia and the DPRK expressed an eagerness to promote economic relations and to solve "the problems of the past in bilateral payments" (meaning the settlement of the North Korean debt issue).⁴¹ North Koreans might have hoped that Russia's assistance would help them restore their economy (as in previous decades) and solve the energy and transportation crises. However, the new market economy in Russia left little room for Soviet-type sponsorship of such projects. For example, Russia refused all requests for new credits until the outstanding debt issue had been resolved (amounting to US\$8 billion at the end of 2006).⁴² In addition, the Russian private sector was largely uninterested in North Korea. It was wary of the political risks and conscious of the decline in North Korea's indus-

trial base, the break-up of internal cooperation ties, the impoverishment of the population and the non-market character of the economy in which more than half the industrial workforce was in defence (the other half being by and large non-operational in the 1990s). After 2000, bilateral trade demonstrated a modest growth, reflecting the improvement of the economic situation both in Russia and, to a lesser degree, in the DPRK, but remained insignificant. The volume recorded by official statistics, which do not take into account sometimes quite large deals via third countries, increased from US\$75 million in 1997 to about US\$140 million in 2004.⁴³ In 2005, trade had increased to US\$235 million.⁴⁴ For North Korea, the possibility of exporting a workforce to the Russian Far East remained important. Opportunities decreased, however, as a result of the politically motivated campaigns of the early 1990s that had accused Russia of allowing the DPRK to create “labour camps” in Russia, despite the aspirations of North Koreans to work there and earn some money and the new realities of the market economy. As of the mid-2000s there remained fewer than 8,000 guest-workers, although some regional administrations wished to increase their numbers.⁴⁵

In the 2000s, a novel concept of three-party cooperation was established. The means were to combine South Korean capital, Russian technology (which remained the basis for North Korean industry and infrastructure) and North Korean territory and labour. The objectives were to revive and modernize the North Korean economy, to create income sources, to promote North–South cooperation and economic ties of both Koreas with Russia, and to lay the groundwork for a regional economic integration system in Northeast Asia.

The railroad project was a manifestation of this approach and aimed at the restoration and upgrading of the railroad between South and North and linking it to the Trans-Siberian route. This newly constituted railway capability would provide a quick and cheap way of transporting South Korean goods (and probably cargoes from Japan and other regional sources) to Europe and to Russia. According to Russian experts, the projected yearly volume of container traffic was as much as 600,000 TEU (twenty-foot equivalent units) by 2010, or up to 4.9 million tonnes.⁴⁶ The first consultations between Russian and South Korean experts date back to April 2000, and in 2002 the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) included in the prospective international transit routes two of the transit routes on the Korean peninsula (the so-called “western” route through China and on to the former Soviet Union, and the “eastern” route, completely through Russia). Kim Jong Il’s 2001 railroad trip convinced him of the importance of the project as a potential source of transit revenue and as a means of re-

storing the DPRK transportation system, and he grew enthusiastic about the project.

Through consultations with both North and South in 2001–2002, Russia reached a general understanding of the concept of the project and started pre-feasibility studies for reconstruction of the North Korean part of the “eastern” line, as advocated by Pyongyang, at its own risk and expense. The investment in these preliminary studies amounted to 500 million roubles (about US\$16 million).⁴⁷ In 2004, the investment needed was estimated at US\$2–4 billion.⁴⁸ Political, legal and technical problems existed. Technical issues to be resolved included the route (the agreement that the railway should pass through central regions of Korea before joining the coastal line in North Korea is seen as a major breakthrough), the number of tracks, the type of gauge, the stops and loading facilities, the change of carriages, electrification and communication.⁴⁹ In late 2002 Russia had suggested creating a multinational consortium to implement the project and trilateral talks to finalize the route, gauge and general principles.⁵⁰ It succeeded in creating an unprecedented three-party mechanism, uniting Russian, North Korean and South Korean experts, whose first meeting was in Khabarovsk in April 2004.⁵¹ Later, a ministerial-level meeting took place and North Koreans agreed to the plan.⁵² However, Seoul is reluctant to hurry the process along: the ROK prefers the “western” route, seeing it as requiring less capital and with more immediate profit (to be efficient, the “eastern” route requires building the railway to Pusan in South Korea as well). At the time of writing, transit of containers through the North Korean port of Rajin using Russian railroads seems to be the likely first step in implementing the ambitious railroad project.

Another possible area of tripartite cooperation with a direct bearing on human security issues is energy. A plan to construct a gas pipeline from Kovykta in Russia through North Korea to South Korea was discussed after a stalemate in efforts to negotiate the pipeline via China.⁵³ Previously the idea of a similar “transit” gas pipeline from Sakhalin was floated. Russian technical experts are developing regional integrated schemes for energy and power supplies and transmission for Northeast Asia.⁵⁴ Major Russian gas and oil companies such as “Gazprom” are interested in prospecting for oil in the Sea of Japan and in oil refining in North Korea.⁵⁵ However, the political atmosphere would need to improve radically before such plans could be implemented – and the construction would need to be coordinated with Russia’s own schemes for supplying gas to its Far Eastern provinces. In November 2005, South Korea declined the Russian offer to include North Korea in the gas pipeline project from Kovykta and thus this plan was effectively frozen.⁵⁶

After Kim Jong Il's visit to Russia in 2001, North Korea became very eager to get power supplies from Russia (up to 500 MW yearly). In December 2002 a memorandum to this effect was signed with a Russian Far Eastern power company. In the summer of 2003, a three-party meeting in Khabarovsk agreed to create the power link, first from the Russian Far East to North Korea ("Small Line") and then to South Korea ("Grand Line") to unite the power grids of the region. Construction in Russia of the Bureya hydropower plant in 2003 enabled Russia to export electric power. Consultations by the Russian energy company Vostokenergo on the construction of a 500 kilovolt line with the DPRK started later the same year.⁵⁷ The Russian leadership sees the combination of the construction of railroads and power lines as a viable project and has expressed a readiness to join hands with North Korea to supply electricity to the DPRK.⁵⁸ Meetings of the regional Task Force for Energy (comprising officials from Northeast Asian countries) in Khabarovsk in 2001 and in Ulaanbaatar in 2005 show that Russia is seen as a major factor in creating energy security in Northeast Asia, including in the Korean peninsula.⁵⁹

Russia also advocates the renovation of the power plants that were built with USSR technical assistance in the 1960s and 1970s and that employ Russian technology with South Korean financing. These plants are situated in Pyongyang, East Pyongyang, Chonjin and Pukchan.⁶⁰ Similar ventures could be undertaken in the Kim Chaek steelworks, the Nampo non-ferrous metals plant, car battery plants, electrical motor plants, and the enamelled wire plant in Pyongyang, with possible exports of their products to Asian markets.⁶¹

Financial sanctions spearheaded by the United States in 2005–2006 and the subsequent deterioration in the overall situation as a result of the North Korean nuclear tests slowed the realization of these projects, thus decreasing economic security in Korea.

The test of the nuclear crisis and suggestions for a comprehensive solution

Russian suggestions for defusing the nuclear crisis are prompted by its understanding of the nature of the options for the DPRK, which Moscow believes should be engaged rather than cornered, if we agree that a North Korean collapse or a regime change are not realistic alternatives. Moscow advocates a peaceful stage-by-stage comprehensive ("package") solution through multilateral dialogue.

Given North Korea's acquisition of nuclear status, this seems the only option. A radical policy change from pressure and sanctions to engage-

ment in some form of “Marshall Plan” for the DPRK is necessary. This suggestion may appear morally wrong at first glance but it could succeed in putting the horse before the cart – first helping to transform the DPRK, then providing it with security and an opportunity for development, and in so doing alleviating decades-old security concerns.

Even before the flare-up of the nuclear controversies of the early and mid-2000s, Russia tried to play the peace-maker role, promoting understanding and exchanges between Kim Jong Il and the first George W. Bush administration, especially after Kim Jong Il expressed his desire to mend fences with the United States in the course of his visit to Moscow in August 2001.⁶² Russia undertook numerous diplomatic initiatives in this direction. In the wake of the visits by Russia’s foreign minister to Seoul and Pyongyang, Moscow arranged US Secretary of State Colin Powell’s unprecedented meeting with his North Korean counterpart, Paek Nam Sun, on the sidelines of the ASEAN Regional Forum in July 2002 in an endeavour to kick-start direct US–DPRK bilateral dialogue. All in vain; in October, Assistant Secretary of State James Kelly visited Pyongyang and the nuclear crisis unfolded. Moscow could well see – and made no secret of it – that US hostility would result in an increased feeling of insecurity in Pyongyang and would eventually lead to intensification of its efforts to provide for the DPRK’s military security, including building a WMD deterrent.

As early as November 2002, Moscow experts formulated the approach to the nuclear problem as follows:

1. Moscow firmly advocates the strict observance of the NPT and realization of the idea of a non-nuclear status of the Korean peninsula;
2. Russia believes it expedient to observe the 1994 USA–DPRK Agreed Framework to lay the foundation for securing such a status;
3. Russia believes that all the problems should be settled by way of peaceful negotiations between the interested parties, primarily the DPRK and the USA in order to remove existing concerns in a package to provide security assurances for DPRK;
4. Russia’s stance is that possible complications of the situation should not prevent the development of inter-Korean dialogue as well as other processes involving dialogue on the peninsula and around it.⁶³

Russia tabled what it called a “package solution”, comprising not only hard security issues but a more generalized human security agenda.⁶⁴ The concerns of the parties were to be removed stage by stage in a reciprocal manner in interdependent and parallel moves. In the framework of this process the DPRK would liquidate its nuclear potential, acquiring instead multilateral guarantees of its security and normalizing its relations

with its “opponents”. In following stages it would be possible to tackle limiting missile programmes and other weapons of mass destruction and the prospects of military détente on the peninsula. Assistance to and support of the economic development of the DPRK (especially meeting its energy needs) by the world community should form an integral part of the set-up. To those familiar with the negotiating process that was to follow, it is clear that these projections influenced the proposals by the DPRK for the settlement of the nuclear problem on which the later discussion was built.⁶⁵

Moscow was also the first to suggest the six-party negotiating format. The initiative dates back to the Russian Foreign Ministry proposal of March 1994 (when the first nuclear crisis unfolded). Russia was on record as continuously promoting this idea for a decade, but it was forcefully reiterated in the new circumstances.⁶⁶ The proposal for multilateral talks emanating from Washington in early 2003, however, excluded Russia. (Pyongyang at that time was insisting on bilateral talks with the United States and reluctantly agreed to the talks with Chinese participation in April 2003.) The United States spoke about a multilateral format encompassing China, Japan and South Korea only, with an eye to binding these nations into a “coalition of the willing” for pressuring Pyongyang and to find a group of nations that might be prepared to “foot the bills” for aid to the DPRK should the talks succeed.⁶⁷ Moreover, the United States and its allies alleged it was Pyongyang that did not want to include Russia in the talks.⁶⁸ In June, however, President Putin, with a reference to discussion with the North Korean leadership, made a rare comment on the Russian desire not only to join the talks but also to host them.⁶⁹ Pyongyang advocated Russia’s participation – it needed Russia as a “balancer” so as to prevent a situation in which China would have to withstand the pressure of the United States and its allies alone.⁷⁰ At one point, North Korea suggested moving the venue of the talks to Moscow to make them more efficient (probably to make China more active).⁷¹ In spring 2005, the possibility of a trilateral meeting involving Russia and the two Koreas as a means of kick-starting the stalled Six-Party process was also discussed.

Throughout the talks Russia tried to narrow the differences, but the principal actors – the United States and the DPRK – were too distrustful of each other. During the process, a “full understanding and compliance of positions” with China on possible solutions was developed.⁷² Russian–South Korean understanding also greatly increased and their positions became closer, which was, *inter alia*, stressed in connection with the visit by President Roh Moo Hyun to Moscow to celebrate the sixtieth anniversary of the victory over Nazism in May 2005, as well as at later summit meetings.⁷³

From the outset, Russian experts warned that North Korea would not discard its WMD deterrent unless it felt secure and had witnessed a drastic change in Western attitudes. Before the multi-party talks started, Moscow-based experts wrote that, if the DPRK suspected the talks were no more than a “diplomatic cover” for regime change, “very soon we will have to face a DPRK as a nuclear state and discuss the consequences of it exclusively among ourselves”⁷⁴ – an exact description of the situation after North Korea declared its possession of nuclear weapons nearly two years later, on 10 February 2005, which led to the nuclear test on 9 October 2006.

In April 2005, the North Koreans declared that they would not discuss discarding their existing “nuclear deterrent” through the Six-Party process – the maximum they would consider would be the freezing and dismantling of nuclear weapon production facilities.⁷⁵ The implementation of the Joint Statement of the Fourth Round of the Six-Party Talks of 19 September 2005, which provided for mutual concessions,⁷⁶ was postponed because of US withdrawal of support for Light-Water Reactors in North Korea and, later, the imposition of financial sanctions on North Korean bank accounts at the end of 2005. It was clear to the Russian expert community that the DPRK would respond “asymmetrically”, for example by speeding up its missile and nuclear weapons development. Russian experts, however, suggested that the DPRK might agree to freeze and then scrap the nuclear programme, aimed at the production of more nuclear materials, in exchange for security assurances and compensation. (Some experts suggested moving these nuclear devices to Russia for safe-keeping as Pyongyang’s property as part of a deal.⁷⁷) The Fifth Round of the Six-Party Talks, which resulted in a Joint Statement on 13 February 2007 following a marked change in US policy, showed that these assessments were correct. Along with the promise of energy assistance on the part of the four countries (excluding Japan), the United States agreed to start normalization talks, and that was in fact what Pyongyang wanted most of all. But it is noteworthy that Pyongyang agreed only to “shut down and seal for the purpose of eventual abandonment” its nuclear facilities and to “discuss with other parties a list of all its nuclear programs . . . , including plutonium extracted from used fuel rods, that would be abandoned”.⁷⁸ There is no mention of the nuclear devices, which means the issue will have to be addressed later.

However, Russian experts believe this vagueness does not exclude an eventual abandoning by North Korea of its nuclear deterrent. But now this will happen only in the rather distant future – when North Korea no longer feels threatened and does not perceive its security to be challenged, making the nuclear weapons redundant (much like South Africa and later, although in different circumstances, Libya). To achieve the

goal of a nuclear-weapons-free DPRK, it will be necessary to reconstitute security thinking by adopting an all-encompassing approach, providing for overall secure and peaceful development in Korea.

The future contribution of Russia

How can Russia contribute to reconstituting security thinking and do its part to offer a way out of the decade-old impasse in Korea, which reached an unprecedented critical phase in 2006? The principal answer is that putting all the weight on North Korean “bad behaviour” is counterproductive and results not in solutions but in further complications. Political philosophies cannot obscure this simple fact of political life. In the 1990s, when the US–DPRK dialogue was ongoing, the result was a freeze on the nuclear programme, an improvement in relations between North and South Korea, approaches by Pyongyang to the West, and preparation for economic reforms. Since 2002, when the tactics of isolating and pressuring Pyongyang began, the result has been the disastrous development of a nuclear-armed and cornered DPRK, more isolated and defiant than ever, plummeting human security and an increase in the danger of war. This surely demonstrates that, in order to find solutions, North Korea’s reasonable concerns, both security and humanitarian, should be taken into account.

By ignoring Pyongyang’s concerns and by relying only on pressure, no progress is possible. The likely result will be the preservation of the regime’s old ways not the stable development of the region. It is important therefore that North Korea has no grounds to see the multilateral formats as an effort by the United States to “encircle” it and form an “anti-DPRK united front”. A longer-term solution would mean, among other things, turning the Six-Party negotiations into a true vehicle for addressing human security problems and assisting social and economic development in North Korea (and in Northeast Asia as a whole). To achieve this, it would be logical to broaden the mandate of the Six-Party Talks to enable them, first, to develop a reliable system of peace and security in Korea, and, second, to help in the modernization of the DPRK. The creation of Working Groups in order to carry out the initial actions for the implementation of the Joint Statement of 13 February 2007 is a good start and Russia wants to be an active player both in creating the new security framework and in economic assistance – starting by writing off North Korean debts and later by providing energy assistance.⁷⁹ But economic assistance to this end should be associated with attaining certain modernization goals, not with “patching the holes” of a ruined economy.

Russian regional policy is also influenced by a comparatively new, but

possibly long-term, factor – a serious deterioration in relations between Japan and its Asian neighbours.⁸⁰ Of course, after the North Korean missile and nuclear exploits in 2006, Japanese attitudes towards the DPRK changed for the worse, but the tendency for Asian countries to be increasingly suspicious of Japan is clear, and new Prime Minister Abe's hard-line image would hardly assuage the neighbouring countries' concerns. Both Koreas now can safely regard Russia as the least troublesome state out of the "big four" – it does not have serious problems either with the South or with the North (apart from the nuclear problem, of course, but this is not a bilateral issue). Russia suddenly found itself in a position where it could play a positive balancing role in Northeast Asia – somewhat similar to its elaborate diplomacy in nineteenth-century Europe. Russia's relatively intimate relationship with Pyongyang's leaders is an important asset in this respect.

The principal goal of Russian long-term strategy in Northeast Asia can be described in three prosaic words: peace, friendship and development. That means securing the stable and peaceful development of the entire region, including Korea, and providing for cooperation with all the nearby nations. In the framework of this concept, other goals, including non-proliferation of weapons of mass destruction, promotion of democracy and observation of human rights, no matter how important they are in themselves, cannot but be regarded as goals to be pursued later, however unappealing that may seem to a well-wishing and idealistic observer. In other words, human security issues are no less important than strategic ones, and that is the direction in which the policies should be reconstituted. Of course, achieving the principal goal does not exclude achieving the others; rather it is a precondition for that. "We believe, that if concerns and fears of all the countries of the region, participating in the 6-party talks, would be sincerely addressed, that would create ... conditions to approach the denuclearization of the region", stated Russia's deputy foreign minister, Alexander Alexeev, in March 2005.⁸¹

Russia could support the promotion of an all-encompassing approach, putting on the agenda – and the negotiating table – not only narrow security concerns but also economic and humanitarian issues. These problems might not be part of a quid pro quo for the nuclear issue, but their acknowledgement and possible ways of solving them should be clearly stated as a result of the talks. Stating that this is a common goal of the countries involved in negotiations with the DPRK would be a positive sign of change. But a decisive factor is a change in US policy. As Alexandre Mansourov observed in 2006,

Current U.S. policy towards the DPRK is based on three pillars – the Proliferation Security Initiative (PSI), the Illicit Activities Initiative (IAI), and the

Human Rights Initiative (HRI)... [It] is designed to expedite the system disintegration in the North through intensifying pressure on all fronts – diplomatic, economic, financial, informational, military, law enforcement, etc., by rolling out escalating international sanctions regimes, in order to restrict the flow of resources from the international community that may support the current regime, and by minimizing the potential negative consequences of the regime's lashing out in a final act of desperation in close cooperation with the U.S. allies and partners in the region. It is unrealistic to expect that the neoconservative consensus shared by most of officials from the U.S. national security establishment can be softened up or moved closer towards the constructive engagement position, regardless of what the DPRK government does, short of unconditional surrender, unilateral nuclear disarmament, following the CVID [complete, verifiable, irreversible dismantlement] model, and self-imposed regime abdication. It is wishful thinking to expect that the current path of confrontation may meander somehow into a mutually acceptable path of peaceful co-existence any time soon.⁸²

It should be hoped therefore that the change to a conciliatory mood in US policy that was evident from the end of 2006 would prevail in the future and would not be just a tactical trick connected with internal policy factors.

The success of a confrontational policy would anyhow be a Pyrrhic victory. It would cause tremendous new problems – internal conflict in Korea, further militarization of China and Japan, economic degradation of the region and an epochal reverse in human security. Worst of all, “loose” nuclear devices and other WMD could then find their way into the hands of criminals or terrorists. The self-declaration of nuclear-weapon status by the DPRK, therefore, highlights the fact that the only alternative to a catastrophe is helping the country to achieve stable progress and development. As Nautilus Institute director Peter Hayes put it, “For this reason alone [the possibility of nuclear proliferation or use of nuclear weapons in the event of DPRK collapse], it is urgent that the international community cooperate to stabilize the political and economic situation of the North Korea”.⁸³

Russia argues, even if this might be thought of as somewhat idealistic, that the DPRK should be transformed into a “modern” state, open to cooperation, which would allow for socio-economic development. A comprehensive multisectoral approach to regional issues is a must. In the future we might then see the integration of the two Korean states and the creation of a united Korea (probably with broad regional autonomy) – a prospect that Russia would support.

What kinds of developments would a reconstituted security paradigm promote? First of all, there would need to be improvements in economic conditions and living standards. A nuclear-armed North Korea might be

a blessing in disguise – a sense of military security would give the regime some breathing space and a chance to modernize. And this is not a chance to be missed. The economic modernization of the DPRK could be achieved by supporting the trends begun with the July 2002 reforms. These include modification of the economic system on the basis of the introduction of market levers and the concentration of economic decisions at the level of independently operating business units involved in international cooperation – especially with South Korean companies, to which they would eventually be affiliated. A useful reference point here could be the development of South Korea in the 1960s, which was based on three major “pillars”: regulation of the economy by the state, using macroeconomic planning; export-oriented industrial growth based on external financial and technological resources; and the lead role of large financial and industrial groups or “*chaebols*”. South Korea achieved its economic breakthroughs while retaining dictatorial regimes and began democratization at a later stage. It should also be noted that former ROK president Park Jung Hee’s military regime also tried to acquire nuclear weapons and only intervention from the United States prevented this. North Korea’s “military-controlled marketisation”⁸⁴ could also be a way out for the country. Although marketization is controlled by the military, the paradox is that further enhancement of market reforms may increase human security and diminish the possibility of a conflict.

A step-by-step transfer from a totalitarian to an authoritarian political system should follow, with eventual evolution towards the East Asian model of controlled democracy. The distant outcome would be gradual ideological liberalization, and the unity of society would be achieved on the platform of nationalism, patriotism and “statehood”.

If we want to see these things happen, the international community should – of course, once the dust from the nuclear tests has settled and the DPRK has made some commitment to eventually discard its WMD – offer the DPRK a multisectoral programme of support for a goal-oriented socio-economic development. The programme could be scheduled over 15 or 20 years (enough for a generational change). Any plan should not be seen by suspicious North Korean leaders as having a hidden agenda that would oust them (or their heirs) from power.

The leading role in the realization of such a programme, which would need to engage the only partners available (the current élite headed by Kim Jong Il, or his eventual successor), could probably be taken by South Korea. Russia could contribute by initiating such a programme with the participation of the leading nations and international organizations – a sort of “Marshall Plan for North Korea”. Such a plan would need US acquiescence if not participation. In addition, should the DPRK be provided with internationally guaranteed security assurances and oppor-

tunities for social and economic development, it would no longer need a nuclear deterrent or other weapons of mass destruction. The DPRK could then voluntarily discard its nuclear weapons (the “South African variant”).

Six-party diplomacy is the most efficient tool for achieving multisectoral objectives. The shift in US policy at the end of 2006 and beginning of 2007, which induced more realism in addressing Pyongyang’s concerns and a preparedness to make concessions, brought immediate results on the road to the future denuclearization of Korea. Direct US–DPRK dialogue could work effectively within the multilateral framework if the two sides are prepared to discuss issues, not just state positions. The region is broader than the six parties at the Beijing talks – but should we limit ourselves to the six parties at this stage? Efforts should be concentrated on convincing the main parties in conflict not to present unrealistic demands and expectations and to move forward on a mutually balanced and step-by-step basis. Considerations of stability and security should predominate over considerations of “spreading democracy” by force. Russia would be ready to play a suitable role in verification of agreements, if and when they are reached, seeking a reliable denuclearization of the whole Korean peninsula. A comprehensive verification mechanism should probably rely on the International Atomic Energy Agency (IAEA) and could be supplemented by the national verification capacity of the five parties (a nuclear-free zone might be a prospective goal).

Russia would also seek to create multilateral security arrangements with cross-guarantees providing for the peaceful and unhindered progress of sovereign North Korea. Its chairmanship of the Northeast Asia Peace and Security Mechanism Working Group envisaged in the 13 February 2007 Joint Statement is of great value to that end. A more or less rigid system of multilateral security assurances should be put in place. These could eventually evolve into a regional security and cooperation organization, whose form could be somewhere in the range from the “soft” framework of the Latin America nuclear-free zone (based on the Treaty of Tlatelolco of 1967) to a rigid structure, complete with bureaucratic arrangements, like that in the initial Conference on Security and Co-operation in Europe (based on the Helsinki Final Act of 1975), which later evolved into a full-fledged international organization, the Organization for Security and Co-operation in Europe (OSCE).⁸⁵

The social and economic agenda, as an indispensable part of human security solutions, could be best dealt with in the framework of a multilateral system of economic cooperation in Northeast Asia. Russia could contribute by promoting existing multilateral projects (railroads, energy grid) and initiating new ones. Projects using Russian resources, North Korean labour and South Korean capital (or even Japanese and Chinese

capital in the future) could be undertaken. These might include the development of fuel resources in the Russian Far East, forestry, mariculture and fishing, agricultural production on Russian soil, construction in Russian cities and the countryside, joint R&D to devise unified plans for modernizing regional energy, transportation and communication infrastructure, exchanges in the information technology industry, and ecological projects.⁸⁶ Such developments could help to increase human security and thus contribute to the strengthening of overall stability.

The first Korea-centred multilateral project – the Korean Peninsula Energy Development Organization – failed for purely political reasons but nevertheless the approach seems right. If KEDO were revived, Russia could join – but only if Russian industrial interests are taken into account. Russia would not be prepared to invest in the project unless, for example, its technology and equipment (maybe not in essential areas) were used. The outcome could contribute to the creation of a nucleus for future Northeast Asian economic integration and the development of a common market that could later be the base for a Northeast Asia Cooperation Organization (perhaps as part of the emerging East Asian Community).

Based both on a century-long experience in Korean affairs, whose turbulent history has often been detrimental to Russia, as well as on current analysis, Russia puts peace and stability as its top priority on the peninsula. An approach comprising hard and soft security issues is essential to achieve that goal. Moscow does not see “regime change” as a useful instrument to achieve peace and stability. Instead, Russia argues that it is necessary to engage with the DPRK and help it transform its society (regardless of public attitudes towards the North Korean political system and North Korean nuclear and WMD policies) in order to assist socioeconomic development of the country. Such a policy would not only resolve military and political concerns but help alleviate human suffering as well. Cooperation with other parties – especially the ROK, the United States, China and Japan – is of paramount importance, not only for the solution of the critical nuclear issue but also to help coordinate assistance aimed at the transformation and development of North Korea. Russia could play a role by working with and persuading the DPRK to accept a comprehensive programme of such development.

Notes

1. For a detailed account, see M. Trigubenko et al. (eds), *Koreiskaya Narodno-Demokraticheskaya Respublika* [Democratic People's Republic of Korea], Moscow: Nauka, 1985, pp. 68–75.

2. It should be remembered that Kim Il Sung spent most of the Second World War in the regular Soviet army (both of his sons, including Kim Jong Il, were born near Khabarovsk) and was brought to Korea in 1945 along with a score of Soviet advisers by the USSR. Most other North Korean leaders were educated in the former Soviet Union.
3. V. Tkachenko quoted in Don Oberdofer, *The Two Koreas: A Contemporary History*, London: Warner, 1998, p. 154.
4. A. Panin and V. Altov, *Severnaya Korea. Epoha Kim Chen Ira na zakate* [North Korea. The Twilight of Kim Jong Il's Era], Moscow: OLMA-Press, 2004, p. 18.
5. V. P. Tkachenko, *Koreiskii Poluostrov i Interesy Rossii* [Korean Peninsula and Russia's Interests], Moscow: Nauka, 2000, p. 29.
6. *Nodong Shinmun* (Pyongyang), 28 October 1963.
7. See, for example, Kim Il Sung, *Holding High the Banner of Juche Ideas, Let Us Advance Socialist Construction*, Pyongyang, 1978, p. 37 (in Russian).
8. RIA Novosti, 7 May 2005.
9. M. Trigubenko, T. Neelova and G. Levchenko, "Problemy Koreiskogo Poluostrova" ["Problems of the Korean Peninsula"], in *Rossiskaya Diplomatiya v Koree v 1998–1999 godah* [Russian Diplomacy in Korea in 1998–1999], Moscow: Epicon Publishers, 2000, pp. 56–57.
10. *Pravda* (Moscow), 18 September 1988.
11. See, for example, G. D. Toloraya, G. K. Voitlovsky and S. A. Diikov, *Nashi Delovye Partnery: Respublika Koreya* [Our Business Partners: Republic of Korea], Moscow: Mezhdunarodnye otnosheniya Press, 1991.
12. *Pervyi rossisko-koreiskii forum* [First Russian–Korean Forum], Moscow: Dipakademia Press, 1999, p. 52.
13. A. Torkunov and E. Ufimcev, *Koreiskaya problema – novyi vzglyad* [Korean Problem – A New View], Moscow: Mezhdunarodnye otnosheniya Press, 1995, p. 53; Oberdofer, *The Two Koreas*, p. 217.
14. Some Russian experts are rather bitter about this; see, for example, Tkachenko, *Koreiskii Poluostrov i Interesy Rossii*.
15. Russian Foreign Minister Andrei Kozyrev quoted in *Nezavisimaya Gazeta* (Moscow), 3 June 1994.
16. *Koreiskii poluostrov: mify, ozhidaniya, realnost'* [Korean Peninsula: Myths, Expectations, Reality], Moscow: IDV [Institute of the Far East] Press, 2001, part 1, p. 48.
17. *Korus Forum* (Moscow), No. 7, 2000, p. 99.
18. Trigubenko et al., *Koreiskaya Narodno-Democraticheskaya Respublika*, p. 5.
19. *Problemy Dal'nego Vostoka* (Moscow), No. 6, 2003, p. 69; V. Denisov, "Doveritel'noe partnerstvo s Seoulom?", *Mezhdunarodnaya Zhizn* (Moscow), No. 3–4, 2005.
20. *Polveka bez voyny i bez mira: Koreiskii poluostrov glazami rossiiskih uchenykh* [Half a Century without Either War or Peace: Korean Peninsula in the Eyes of Russian Scholars], Moscow: IMEMO Press, 2003, p. 249 (in Russian and Korean).
21. Kim Jong Il reportedly warned his confidants about such expectations in the early 1990s (*Newsweek*, 29 November 2004).
22. As Jonathan D. Pollack summarized in March 2005 in an unpublished conference paper, "expectations of the imminent demise of the DPRK have come and gone in waves: first following state collapse across Eastern Europe and Soviet Union; again in the aftermath of the mid-1990s famine; and another surge now seems underway, linked closely to debates over how to address the North's nuclear weapons activities".
23. *Mezhdunarodnaya Zhizn* [International Life] (Moscow), No. 12, 2002.
24. A. N. Panov, "Speech at the Opening of the Fourth IMEMO-IFANS Conference", Moscow, October 1994.
25. The legal base for denunciation of the 1961 treaty was murky (the Russian Ministry of

Foreign Affairs did not want to initiate the procedure formally, fearing that the initiative would not be approved by the communist-dominated Duma). North Koreans seemed to understand it and did not hurry to react to the Russian proposal of 7 August 1995 to replace the old treaty with a new one – although then DPRK Foreign Minister Kim Yong Nam stated in 1990 that “the establishment of diplomatic relations by USSR with Seoul equals the automatic denunciation of the alliance treaty”. North Korea repeated this position on 8 September 1995 when it reacted to the above-mentioned Russian proposal, saying that “The [1961] Treaty in fact lost its meaning and was annulled, which was let known to the Russian side”.

26. In March 1999 in Pyongyang, Russian Deputy Foreign Minister Gregory Karasin initialled the text of the new Basic Treaty after winning concessions from the North Korean side.
27. *Bulletin mezhdunarodnyh dogovorov* [*Bulletin of International Treaties*] (Moscow, Ministry of Foreign Affairs), No. 4, 2001, p. 51.
28. G. Toloraya, “A Newfound Old Partner in the Far East”, *Far Eastern Affairs* (Moscow), No. 5, 2000, pp. 18–19. It is true that Pyongyang sometimes sees the treaty from its own viewpoint, stating, for example, that the treaty “helped strengthen the unity of the anti-imperialist independent forces in the worldwide struggle against imperialism and dominationism and for global peace and security”, as if Russia had endorsed its hostility to the United States. Russia sees the things differently but, from a tactical point of view, it is better not to argue with North Korean rhetoric.
29. The two leaders confirmed the principles of relations, as set out in the Basic Treaty, as in keeping not only with the vital interests of the two countries but with the trends towards a multi-polar world and the creation of a new, rational world order, called on to “ensure reliable security of all countries in political, military, economic, socio-cultural and other spheres”. They emphasized the reinforcing of the UN role and the rejection of interference in the internal affairs of other states, reducing coercion in international relations and condemnation of international terrorism and separatism (more than a year before 9/11); see ITAR-TASS News Agency, *Atlas*, 20 July 2000.
30. Despite much controversy afterwards, when this proposal was labelled a joke by hostile South Korean media (quoting Kim Jong Il himself), what actually happened was as follows. In the course of the talks, Kim Jong Il mentioned that, if someone else would launch two or three satellites on behalf of the DPRK, it would not need its own long-range missiles. Putin took note of this and, with Kim Jong Il’s consent, suggested this idea at the G8 summit in Okinawa as a recipe for curtailing the North Korean missile problem. That was no joke; Kim Jong Il later said to South Korean journalists: “I told Russian president Putin that we will not develop missiles if the US would agree to launch satellites for us” (quoted by *Korea Times*, 14 August 2000). What Kim Jong Il implied by mentioning a “jokeful talk with Putin” was probably the irony of the situation – at this stage he doubted that the United States or Japan would seriously consider such an opportunity, despite all the “concern” they expressed about the North Korean missile programme. However, there were reports later that this idea was discussed several months thereafter in unofficial North Korean–US contacts; see RIA Novosti report from Washington DC, 4 November 2000.
31. G. Bulychiev, “Zachem priezhal Kim Jong Il?” [“Why Did Kim Jong Come?”], *Korus Forum* (Moscow), No. 8–9, 2001, pp. 9–11.
32. ITAR-TASS, 4 August 2001.
33. At the same time, however, North Koreans insisted on inclusion in the declaration of the “need for withdrawal of US troops from South Korea” (the Russian side expressed only understanding, not support of it). Obviously Pyongyang’s goal was to strengthen its negotiating position in future talks with the Bush administration, which, unfortunately,

- never materialized. The degree of Pyongyang's disappointment can be seen in a later typically North Korean comment: "By signing the Moscow declaration Comrade Kim Jong Il delivered a crushing blow to imperialists striving for world domination and absolute hegemony" (*Nodon Shinmun*, Pyongyang, 16 February 2003).
34. It looks as if Kim Jong Il sees his journeys to Russia as educational and not extraordinary. In August 2002, he went to the Russian Far East mostly to study the socio-economic problems of the region and the measures the Russian authorities were taking to solve them. The summit with President Putin in Vladivostok was, of course, the highlight of the agenda, but this meeting was a business-like discussion on the ways of developing cooperation and on the DPRK dialogue with the United States and Japan. At this time, the North Koreans viewed their prospects quite optimistically.
 35. Such as Presidential Representative in the Far East Pulikovskiy, Russian foreign ministers Ivanov and Lavrov, regional leaders (Mayor of Moscow Luzhkov, Mayor of St Petersburg Yakovlev), important visitors from the Russian parliament and members of the Russian embassy in Pyongyang (a month rarely passes without such meetings).
 36. It is very symbolic that Kim never misses the chance to attend the performances of visiting Russian artists – such as the Igor Moissev Dance Ensemble (several times), the Red Army Choir, the Russian Sveshnikov State Academic Chorus, the Russian Kazakh Dance Company. His visits to performances by other countries' artists are much less routine.
 37. Rossbalt News Agency, 16 August 2006.
 38. RIA Novosti (Moscow), 6 June 2005.
 39. *Donga Ilbo* (Seoul), 21 March 2005.
 40. International Crisis Group, "North Korea: Can the Iron Fist Accept the Invisible Hand?", Asia Report No. 96, 25 April 2005, fn 202, citing Yale Richmond, *Cultural Exchange and the Cold War: Raising the Iron Curtain*, University Park, PA: Penn State University Press, 2003.
 41. *Moskovskaya deklaracia Rossiiskoi Federacii i Koreiskoi Narodno-Demokraticeskoi Respubliki* [Moscow Declaration of Russian Federation and Democratic People's Republic of Korea], Ministry of Foreign Affairs of Russia announcement, 6 August 2001, <<http://www.mid.ru>>.
 42. <<http://www.prime-tass.ru/news/show.asp?id=662675&ct=news>>, November 2006.
 43. *Polveka bez voyny i bez mira*, p. 69; Interfax News Agency, 5 May 2005.
 44. Federal State Statistics Service, Moscow, <http://www.gks.ru/free_doc/2006/rus06e/25-05.htm> (accessed 15 February 2007).
 45. *Izvestia* (Moscow), 6 October 2003.
 46. RIA Novosti, 19 November 2005.
 47. ITAR-TASS, 26 February 2004.
 48. *Vremya Novostei* (Moscow), 20 September 2004; *Asiya-99. Economica, Politika, Sotrudnichestvo* [Asia-99. Economics, Politics, Cooperation], Moscow: Institute of Economic and Political Studies Press, 2000, p. 6; ITAR-TASS, *Atlas*, 2 November 2000.
 49. *Korus Forum* (Moscow), No. 10, 2000.
 50. Press statement by the Russian Ministry of Railroads, 15 November 2002.
 51. *Vremya Novostei*, 20 September 2004.
 52. Alexander Losukov travelled to Pyongyang in January 2003 as special representative of the Russian president to hand over this proposal personally to Kim Jong Il. The host reacted cautiously but favourably. After that the "Russian plan" was handed over to the United States through US Deputy Secretary of State Richard Armitage and later to the governments of China, South Korea and Japan. See *Lenta.Ru*, 17 March 2006, <<http://lenta.ru/news/2006/03/17/transkorey>> (accessed 6 February 2007).
 53. *Vremya Novostei* (Moscow), 24 January 2005.

54. <http://www.regnum.ru/news/745983.html> (accessed 12 February 2007).
55. Associated Press, 22 March 2005.
56. *Kommersant* (Moscow), 28 November 2005.
57. ITAR-TASS, 15 December 2003.
58. RIA Novosti (Moscow), 19 November 2005.
59. Y. D. Park, "Towards Integrated Energy Cooperation Mechanism in North East Asia", *Proceedings of 2006 NEAFF Energy Working Group*, Nautilus Institute, 2006, pp. 12–13.
60. The idea that Russian investment could be counted as proportionally decreasing its debt to the ROK was suggested during prime ministerial talks in October 2000 (ITAR-TASS, *Atlas*, 2 November 2000).
61. *Asia-99*, p. 105.
62. See, for example, Georgi Toloraya, "Where Do We Go from Here? A Russian Perspective", in E. Kwan Choi, E. Han Kim and Yesook Merrill (eds), *North Korea in the World Economy*, London/New York: RoutledgeCurzon, 2003, pp. 232–234.
63. Panin and Altov, *Severnaya Korea*, pp. 285–286; *Mezhdunarodnaya Zhizn [International Life]* (Moscow), No. 12, 2002; Ministry of Foreign Affairs of Russia, Representative statement of 29 December 2002, available on the MOFA website, <http://www.mid.ru>.
64. "Alexander Yakovenko, the Official Spokesman of Russia's Ministry of Foreign Affairs, Answers a Question from RosBiznesConsulting News Agency Regarding the Trip of Russian Deputy Minister of Foreign Affairs Alexander Losyukov to Pyongyang", 15 January 2003, http://www.mid.ru/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/fa9d3b5cd43397bf43256cb00034732d?OpenDocument (accessed 7 February 2007); interview with A. P. Losyukov, 17 April 2003, http://www.ln.mid.ru/Brp_4.nsf/arh/9916405924FF515043256D0D003460AF?OpenDocument (in Russian); *Diplomaticheskii Vestnik* (Moscow), No. 2, 2003.
65. A. Losyukov in an interview with *Vremya Novostei* (Moscow), 21 July 2003.
66. See *Mezhdunarodnaya Zhizn*, No. 12, 2002; MOFA Representative statement of 29 December 2002. The suggestion to bring the IAEA into the Six-Party Talks, voiced by South Korean MP Pak Jin (and which was first suggested by Russia in 1994), deserves consideration to promote a more fact-based and unbiased approach (see *Korea Times*, Seoul, 3 December 2004).
67. See, for example, *Korea Herald* (Seoul), 4 July 2003, 9 July 2003.
68. *Korea Herald*, 27 July 2003.
69. RIA Novosti (Moscow), 22 June 2003.
70. *Kommersant* (Moscow), 28 July 2003; *Nezavisimaya gazeta* (Moscow), 27 August 2003.
71. *Korus Forum* (Moscow), No. 3, December 2004.
72. ITAR TASS, *Atlas*, 12 September 2003.
73. Roh Moo Hyun specifically mentioned close cooperation with Russia for peacefully achieving nuclear disarmament in Korea (Interfax, 29 May 2005).
74. *Korus Forum* (Moscow), No. 7, 2003, p. 11.
75. Selig Harrison, "DPRK Trip Report", Nautilus Institute, Policy Forum Online 05-39A, 10 May 2005, <http://www.nautilus.org/fora/security/0539AHarrison.html> (accessed 7 February 2007).
76. In the Joint Statement of the Fourth Round of the Six-Party Talks, 19 September 2005, the DPRK agreed to give up all its nuclear weapons and programmes, rejoin the NPT and embrace IAEA safeguard regimes in return for normal diplomatic ties with Washington and for energy and other assistance from other parties. The other participants in the Six-Party Talks agreed to respect the DPRK's right to use nuclear energy peacefully and to discuss the provision of Light-Water Reactors at an appropriate time. The ROK pledged to provide the DPRK with 2000 MW of free electricity, and other parties also

pledged energy aid to the DPRK. The United States offered reassurances that it had “no intention to attack or invade the DPRK with nuclear or conventional weapons”. Japan also pledged to continue work towards normalizing its relationship with the DPRK (see *Chosun Ilbo*, 19 September 2005; <http://www.fmprc.gov.cn/eng/zxxx/t212707.htm>), accessed 7 February 2007).

77. *Korus Forum* (Moscow), No. 1, 2006, pp. 40–41.
78. “Joint Statement from the Third Session of the Fifth Round of the Six-Party Talks”, Nautilus Institute, Policy Forum Online Special Report 07-013A, 13 February 2007, <http://www.nautilus.org/fora/security/07013Statement.html> (accessed 15 February 2007).
79. <http://www.prime-tass.ru/news/show.asp?id=663016&ct=news> (accessed 15 February 2007).
80. In South Korea in April 2005, 37 per cent of respondents considered Japan to be the biggest threat (*Financial Times*, London, 19 April 2005).
81. Deputy Foreign Minister Alexeev’s interview with Interfax, 18 March 2005.
82. Alexandre Y. Mansourov, “The Time of Reckoning: U.S. Vital Interests on the Korean Peninsula and Response to the Escalation of the North Korean Nuclear Crisis”, Nautilus Institute, Policy Forum Online 06-86A, 11 October 2006, <http://www.nautilus.org/fora/security/0686Mansourov.html> (accessed 7 February 2007).
83. Peter Hayes, “The Stalker State: North Korean Proliferation and the End of American Nuclear Hegemony”, Nautilus Institute, Policy Forum Online 06-82A, 4 October 2006, <http://www.nautilus.org/fora/security/0682Hayes.html> (accessed 7 February 2007).
84. A term coined by Peter Hayes.
85. James L. Schoff, Charles M. Perry, and Jacquelyn K. Davis, *Building Six-Party Capacity for a WMD-Free Korea*, Cambridge, MA: Institute for Foreign Policy Analysis, 2004, pp. 55–60.
86. *Ibid.*, pp. 107–108.

11

Korean security dilemmas: European Union policies

Maria Castillo Fernandez

A frequent traveller to the Democratic People's Republic of Korea (DPRK, or North Korea) would know that "security" is a key Korean word, although it is notably absent on Air Koryo flights. Nevertheless, this twice-per-week "time-machine" service carries more and more Europeans – officials and businesspeople – inside North Korea.

Although European Union (EU) involvement in the Korean peninsula has been and will continue to be fairly modest, there is certainly scope for the European Union to work more actively with partners in the region towards ensuring security and stability in the Korean peninsula and in East Asia as a whole. The European Union has approached North Korea without the historical baggage of other partner countries and, given its political experience of regional integration and enlargement, it understands the needs of, and the challenges for, transition economies. It can therefore work with the DPRK and other partner countries towards peaceful change and towards a reconstitution of the Korean security landscape, in a unique way that none of the other international players concerned can possibly offer. The European approach and contribution therefore has to be considered in looking at policy options as regards Korean security. It has the same objective and it complements the efforts by other partner countries to resolve the security challenges created on the Korean peninsula and to ensure peace and stability at the regional and global level.

This is what this chapter is going to defend. First, I look at the EU interests and concerns in the Korean peninsula as part of Northeast Asia

in terms of political and economic stability, major trade links, proliferation risks and Korean reconciliation. Second, I present the policies that the European Union has implemented so far concerning the DPRK (humanitarian assistance, food security, non-proliferation) and what it has achieved through these policies in terms of relations with the DPRK. Third, I describe EU reaction to the October 2002 nuclear crisis in the Korean peninsula. Finally, I analyse possible future scenarios for EU involvement in the Korean peninsula.

European Union interests and concerns on the Korean peninsula

The European Union, a union of 25 states (and, from January 2007, 27 states with the accession of Romania and Bulgaria) with over 450 million people producing a quarter of the world's gross domestic product, is inevitably a global player and therefore shares an interest in contributing to peace and security at a global level, including the security challenges arising in the Asia region. It is particularly concerned about the situation on the Korean peninsula and the security dilemmas it creates at the global and regional levels not only in terms of proliferation and insecurity, but also as regards global economic instability. The European Union cannot stand aside from the Korean security challenges and it could play a more active role in the Korean peninsula.

EU interest in enhancing partnership with Asia

There is first an overall strategic interest for an enlarged European Union to work towards strengthening its political and economic presence in Asia and enhancing its partnerships with Asian countries. This was the aim of the Communication from the European Commission of 4 September 2001 regarding Europe's relations with Asia.¹ The European Union committed itself to broadening its engagement with Asian countries in order to join efforts to address global and regional security concerns, both in the context of its bilateral and regional relations, and within the United Nations framework. Stability in the East Asia region is one of these security concerns and European involvement, jointly with its Asian partners, is therefore expected. China, Japan and South Korea are some of the major trading and economic partners of the European Union. These East Asian countries share a high degree of economic integration but this has not resulted in improved political ties; instead, rather nationalist policies have predominated. These have so far been unable to make

East Asia a more peaceful place, in particular as the DPRK is still outside any emerging economic cooperation.

Regional stability in East Asia is vital for the future successful economic development of the countries concerned. Any economic disruption would have a severe impact on the global economy, including the European economy. Instability in East Asia and increased security worries require the European Union to pay more attention and to be closely involved. Because of its good economic and political relations with the countries involved, it is able to contribute in a specific way, by sharing its own experience of building stability and integration on the European continent.

EU non-proliferation concerns

Another key concern is of course the proliferation of weapons of mass destruction (including the spread of missile technology), which the European Union views as a potentially major threat to its own security. It is described as such in the European Security Strategy (ESS), which was agreed by the European Union on 12 December 2003.² The focal point is that regional insecurity can fuel the demand for weapons of mass destruction and that regional conflicts such as on the Korean peninsula as well as the nuclear activities in North Korea, although distant geographically, affect European interests directly or indirectly. The ESS encouraged the European Union to be more active in pursuing strategic objectives, to work with partners and to bring together the various instruments and capabilities at its disposal, including assistance programmes. The European Union has therefore reiterated the importance of the denuclearization of the Korean peninsula in maintaining peace and security in Asia and beyond. It also shared the international community's concerns as regards North Korea's nuclear programmes because of all the proliferation and security risks involved. There are worries about North Korea's role in the trade in nuclear materials and related weapons' parts, including missile technology, about North Korea's past terrorist activities and its persisting need for hard currency. Thus, the European Union's policy towards the DPRK has been, working together with the regional partners, to persuade the DPRK to abandon its nuclear ambitions, since these will lead it nowhere in terms of its own economic and social development, and instead to encourage the DPRK to become a good and reliable neighbour internationally.

A nuclear North Korea also risks encouraging neighbouring countries (especially South Korea, Japan or Taiwan) that do not have nuclear weapons to acquire them, adding to further potential instability and inse-

curity in the region. This security competition in Northeast Asia will have very important implications for global and therefore European security. Avoiding the risk of proliferation between neighbour countries in this region is in the EU interest. This has therefore been in the minds of European leaders since the DPRK nuclear test on 9 October 2006. The EU High Representative for the Common Foreign and Security Policy (CFSP), Javier Solana, said that the nuclear test was “a matter of grave concern owing to its wider proliferation implications”.³

EU interest in supporting inter-Korean reconciliation

Last but not least, the European Union also engaged with the DPRK in support of the inter-Korean peace and reconciliation process, which has continued smoothly, despite the nuclear crisis on the Korean peninsula. Increasing civilian and political contacts as well as economic cooperation between North and South Korea have provided a framework of trust and confidence-building that should be part of whatever security option is agreed on the Korean peninsula. As is detailed below, every time the European Union has moved forward towards further engagement with the DPRK, a key element in these decisions has been the need to support efforts in favour of the inter-Korean process.

European Union policies towards the Korean peninsula

European Union involvement in the Korean peninsula and its policies towards the DPRK have been rather limited, in particular during the Cold War period. This section presents the various policies implemented by the European Union, while simultaneously addressing the rationale behind these approaches. Although the European Union focus was primarily on humanitarian concerns, then on proliferation worries, and finally in support of the inter-Korean process, it created multiple dialogue opportunities and finally allowed for diplomatic recognition.

Addressing humanitarian concerns

Relations between the European Union and North Korea began to change around 1995, when the European Union responded to calls from the DPRK for humanitarian and food assistance against the background of growing economic difficulties, following the collapse of the Soviet bloc and natural disasters and flooding that affected nearly 5 million people in the DPRK. The European Commission launched its first humanitarian

operation in North Korea in the form of emergency medical aid at a value of €290,000, which it doubled the year after to €500,000. Since then, substantial humanitarian assistance to North Korea's most vulnerable population groups has constituted the bulk of the European Union's contribution to stability on the Korean peninsula.

From 1995 to 2005, around €450 million worth of humanitarian and food aid was provided by the European Commission and European member states to the DPRK. This substantial assistance took the form of (i) emergency medical aid and support to the health sector (medicines, winter clothing, rehabilitation of hospitals, nurseries and schools, provision of medical equipment) and water and sanitation; and (ii) a substantial food aid package and a structural food security package aimed at increasing agricultural production and rehabilitation of the agricultural sector (fertilizers, agricultural inputs and equipment). This aid had an important long-lasting impact not only on the living conditions of a quarter of the North Korean population, but also on their opening to the outside world. It has also provided the European Union with important leverage to justify even more active political EU involvement on the peninsula.

Engaging in international non-proliferation efforts in the Korean peninsula

During the late 1990s, the European Union started thinking about the possibility of engaging more actively in the international non-proliferation efforts that had resulted in the US–DPRK Agreed Framework of 1994 to check nuclear proliferation on the Korean peninsula. Back in 1995, Sir Leon Brittan, the then vice president of the European Commission, proposed to the European member states that the European Union should participate in the newly established Korean Peninsula Energy Development Organization (KEDO). The European Union's accession to the organization took place in 1997 and, at the same time, it became an Executive Board member along with the United States, South Korea and Japan. This was an important political step and of great symbolic significance. This indicated clearly, and for the first time, that the European Union was willing to put money behind its words on an important non-proliferation issue far away from Europe. For the period 1997–2005, the European Union's cumulative contribution to KEDO totalled €122 million.

Whether KEDO was successful enough in resolving the Korean peninsula "security dilemmas" remains an open question. Looking at the 2002 nuclear crisis, it has been argued that, despite KEDO, North Korea continued to develop its nuclear capabilities in a clandestine manner

via enriched uranium experiments. Another way of looking at this is that for most of a decade, while plutonium was under the Nuclear Non-Proliferation Treaty (NPT) and under the surveillance of the international community through the International Atomic Energy Agency, the KEDO project served well as a non-proliferation tool and the KEDO organization accumulated significant expertise and contacts. KEDO was able to create an environment of trust with North Korean counterparts that allowed for agreement on very complex negotiations in fields as diverse as privileges and immunities, maritime and air transportation, communications and quality assurances.⁴

Initial political contacts and declarations

Following the EU participation in KEDO, a strong impulse for EU involvement on the Korean peninsula came with former South Korean President Kim Dae Jung's "Sunshine Policy". The "Sunshine Policy" made a profound impression in Europe, since the European Union had only recently succeeded in ending a prolonged division of the continent, precisely through engagement and by exposing the Soviet bloc to its values and its system. The European Union then embarked upon a policy of engagement towards the DPRK, aimed at "engagement, exchange and exposure", the so-called "three Es".

The first Council Conclusions on the Korean peninsula were adopted by the EU Council of Ministers in July 1999,⁵ endorsing President Kim's economic and foreign policy and setting out issues that had to be addressed before Europe's ties with North Korea could be developed further. These were mainly security concerns, including DPRK compliance with NPT commitments, the signing and ratification of the Comprehensive Test Ban Treaty, joining other non-proliferation regimes, and discontinuing missile activities, as well as human rights issues. North Korea's response to the policy of engagement with the South was also requested. These concerns continued and any progress on EU–DPRK relations remained dependent on North Korea's responses to these various issues.

The first ad hoc round of political dialogue at senior official level between the European Union and the DPRK was held in December 1998. The July 1999 Council Conclusions stated the European Union's willingness to hold a second political dialogue meeting in 1999, "depending on progress on the Korean peninsula". These dialogues continued regularly, with a European Union troika delegation visiting Pyongyang around autumn of most years. These visits provided valuable opportunities to build trust and maintain channels of communication, through which issues of mutual concern, including security and non-proliferation issues, human

rights, inter-Korean relations and economic development, were regularly addressed.

Towards diplomatic recognition and development cooperation

The historic Pyongyang summit between the two Koreas in June 2000 raised expectations around the world, including in the European Union. By late 2000, some EU member states promised President Kim Dae Jung during the Asia-Europe Meeting (ASEM) III Summit in Seoul that they would establish diplomatic relations with the DPRK, following a request by the North Korean foreign minister to most of the EU countries and the European Commission. The opening of diplomatic relations with the DPRK by the United Kingdom, the Netherlands, Belgium, Spain, Germany, Greece and Luxembourg materialized during late 2000 and 2001. Seven member states of the enlarged European Union have resident embassies in Pyongyang. These are the United Kingdom, Sweden, Poland, Germany and the Czech Republic plus Romania and Bulgaria, which joined the European Union in January 2007.

At that time there was clearly momentum for a more active involvement of the European Union in the Korean peninsula, this time in support of the inter-Korean reconciliation efforts from both Koreas. Work started in the Council working group on Asia to update the July 1999 Council Conclusions and to draft some ideas to move the EU policy towards the DPRK forward. In 1999, in an information note from Commissioner Patten on the EU policy towards the DPRK, the European Commission was of the opinion that, consistent with the July 1999 Council Conclusions, the European Union should proceed with a modest package of economic measures vis-à-vis the DPRK: a limited easing of quotas on DPRK textiles and feasibility studies on potentially long-term cooperation projects.⁶ The Council Conclusions of October and November 2000 endorsed these ideas.⁷ The European Union confirmed the ongoing provision of humanitarian and food-related assistance and supplementary measures, namely the opening of a line of technical assistance, essentially training and capacity-building in the economic and energy sectors, and increases in the quotas for imports of textiles from the DPRK.

This new policy framework was an important opening of the European Union to the DPRK, beyond the humanitarian support continuously provided to the North Korean population. It also allowed, in early May of 2001, for the European Union for the first time to take a high-profile initiative by sending a special mission to the DPRK, led by the Swedish prime minister, Göran Persson, in his capacity as president of the European Council, and including Chris Patten, European Commissioner responsible for external relations, and Javier Solana, the EU High Representative

for Foreign Policy. The mission was also triggered by President Kim Dae Jung, who had asked Prime Minister Persson to take this initiative during the Swedish presidency in order to help maintain momentum for the “Sunshine Policy” during the period of transition between administrations in the United States. This mission allowed, for the first time, for an interesting and useful five-hour dialogue with Chairman Kim Jong Il. It gave the European Union an opportunity to raise issues of concern to the European and the international community, including non-proliferation and human rights. The delegation received a commitment from Chairman Kim for a moratorium on missile launches until 2003. One of the many interesting aspects of the EU delegation’s dialogue with the North Korean leader was his acknowledgement of the need to reform the North Korean economic system. Shortly after the mission, on 14 May 2001, the European Commission established diplomatic relations with the DPRK. The DPRK was invited to send a high-level economic delegation to the European Union in order to better understand the mechanisms of a market economy; the delegation visited Europe in March 2002.

The European Union and the DPRK agreed to make human rights a more important element in their political dialogue and two specific human rights meetings followed soon after the mission. Human rights have continuously been raised in all EU political contacts with the DPRK. The European Union also tabled three human rights resolutions at the United Nations.⁸ The DPRK reacted very badly to the EU initiatives at the United Nations – rejecting the proposal by the EU presidency (the United Kingdom at that time) in November 2005 for political talks in Pyongyang. Unless a way is found to get out of this chicken and egg situation (human rights resolution, no human rights talks), discussions on the human rights situation in the DPRK will be very difficult, and not only for the European Union. A division of labour, as often mentioned, whereby the European Union takes care of raising human rights and the United States of the nuclear issue, is not ideal. Even the United States and Japan strongly raised human rights concerns in the DPRK and co-sponsored the EU human rights resolutions.⁹

Within the European Union, the May 2001 high-level mission provided for some cautious optimism about the DPRK, and there were also a number of encouraging developments in the summer of 2002. These included the first tentative economic reforms in the DPRK, the first visit by Japanese Prime Minister Koizumi to Pyongyang and enhanced inter-Korean political, economic and civil society contacts and cooperation. The European Parliament welcomed the mission in a resolution of 31 May 2001.¹⁰ The Parliament stated that the mission aimed to make a positive contribution to peace in the region. North Korea’s approach towards the Euro-

pean Union was aimed not merely at overcoming its economic difficulties but also at overcoming its diplomatic isolation.¹¹ No doubt, at that time, North Korea viewed the European Union as a counterbalance to the United States, as well as a source of technological and economic assistance. The European Union was subsequently criticized for having acted “*cavalier seul*” against the United States, which had branded North Korea as part of the “axis of evil”. However, the European Union had taken this initiative in very close consultation and with the implicit agreement of its allies and partners in the region, mainly the United States, South Korea, Japan and China.

During the same period and as a follow-up to the 2000 Council Conclusions, a development cooperation programme with the DPRK was prepared and adopted by the European Commission on 19 February 2002 (the *EC-DPRK Country Strategy Paper: 2001–2004*).¹² It was the first EU assistance programme to the DPRK and it earmarked a budget of €15 million for development cooperation activities in three areas: (i) institutional support and capacity-building for economic development policies; (ii) efficient management of the energy sector; and (iii) sustainable rural development actions to support the rehabilitation of the agricultural sector. Projects in all three areas were developed in the National Indicative Programme for the DPRK for 2002–2004, adopted by the European Commission on 19 July 2002. The implementation of these projects was, however, suspended with the eruption of the October 2002 nuclear crisis with North Korea by the Council of EU Foreign Ministers in its Conclusions of 19 November 2002.

During this period of cautious EU engagement towards the DPRK, there had been different levels of commitment between EU member states and EU institutions towards the DPRK. Some member states, such as Sweden, Germany and Italy, had developed a more active engagement in their approach towards North Korea since 2000, focusing on support to multilateral and bilateral humanitarian organizations, modest economic cooperation projects and training initiatives that could open up the DPRK to the outside world. Others, such as France and the United Kingdom, were more cautious, emphasizing the need for an improvement in the human rights situation in North Korea and the resolution of the nuclear crisis, before providing any assistance. However, common ground had been found and the Council Conclusions that were adopted were unanimously agreed by all EU member states and the European Commission. Among the EU institutions, the European Parliament and the European Commission were also supportive of an engagement policy towards the DPRK. The European Parliament adopted various resolutions asking the Council and the Commission to open and engage the DPRK further.¹³

EU policy response to the October 2002 nuclear crisis in the Korean peninsula

The European Union's readiness to initiate a process of more active engagement with North Korea was suddenly slowed down when, in October 2002, allegations were made about the DPRK's clandestine uranium enrichment programme after the visit of US Assistant Secretary of State James Kelly to Pyongyang in October 2002. The security situation on the Korean peninsula deteriorated, causing major international concern. This section therefore describes the EU response to this nuclear crisis and the sudden halt in its policy towards the DPRK pending nuclear concerns being addressed.

After the October 2002 nuclear crisis erupted on the Korean peninsula, the European Union shared the security concerns of the international community as regards North Korea's nuclear and proliferation programmes. Various official declarations have been issued by the European Union since then.¹⁴ While insisting that non-proliferation is a global concern, the European Union made very clear to the DPRK that it was very disappointed and concerned about the clandestine uranium enrichment programme revelations. It urged North Korea to dismantle the programme in a verifiable manner and to seek compliance with its international obligations in the non-proliferation field, including its return to the NPT. It equally called upon the DPRK to refrain from any further steps that might aggravate the situation. The European Union also made clear that its relations with the DPRK could not improve while the nuclear issue remained outstanding. Subsequent escalatory steps such as the DPRK missile test in July 2006 and nuclear test in October 2006 made any improvement in relations very difficult. The European Union equally supported international efforts to find a peaceful solution to the nuclear issue and reiterated to partner countries and to the DPRK its readiness to contribute to this process. It was thus inevitable that the DPRK would change its approach towards the European Union. The DPRK expressed disappointment that the Europeans had raised the non-proliferation concerns of the international community. The DPRK accused the European Union of siding with the United States.

The EU role in this nuclear security crisis was, inevitably, modest and it recognized that the main burden falls upon the major partners in the region. The European Union, however, supported and implemented United Nations Security Council Resolutions 1695 and 1718. The European Union also encouraged the resolution of the crisis within a multilateral forum of dialogue amongst the countries most concerned – a forum that could provide opportunities for bilateral contacts between the main parties, the United States and the DPRK. The European Union therefore

welcomed the Six-Party Talks process and continued to encourage the DPRK to participate without preconditions, in particular when the Six-Party Talks process remained in stalemate. As regards the other Six-Party Talks participants, the European Union placed emphasis on the need (i) to keep channels of communication open; (ii) to build a favourable environment of trust and confidence between the Six-Party Talks members; and (iii) to continue dialogue in whatever form as the only means to resolve the nuclear crisis.¹⁵ In response to the DPRK announcement of 20 February 2005 on the indefinite suspension of its participation in the Six-Party Talks, EU High Representative for Foreign Policy Javier Solana said that “[t]he EU is not a participant in the talks, but we fully support them as the best instrument to deal with the nuclear issue on the Korean Peninsula. Dialogue is the only way forward and we urge North Korea to rethink its decision and to return to talks.”¹⁶

The European Union was not asked to join the Six-Party Talks process, nor did the European Union present itself as *demandeur* to participate in the process. It said that it was ready to assist all parties and to play a more active role, if requested, in a useful way and at the right moment, to advance the process of dialogue in order to find a peaceful solution to the nuclear crisis and bring stability back to the Korean peninsula. Neither were there clear indications that partner countries openly sought a more active role by the European Union. They simply preferred that the European Union continue with what it was doing, raising human rights issues, and increase exchanges with the North Koreans.

Furthermore, amongst European member states there was not a consensus on what the European Union should do to assist the Six-Party Talks process. Member states that were already cautious became even more so, and those that were in favour of a more active engagement became more cautious and decreased their economic cooperation. Some European leaders, however, occasionally voiced aspirations for a more active EU engagement in the Six-Party process. French President Jacques Chirac for instance stated during a visit to Japan in March 2005 that: “If parties involved in the six-party talks so desire, Europe is prepared to become directly involved in order to help find a solution to the crisis.”¹⁷ The European Union could therefore be willing to do more to support a secure and peaceful Korean peninsula.

There is one thing, however, that the European Union insisted on – and that is not to be asked to take part in discussions on the costs of the settlement without prior involvement.¹⁸ This was because the European Union was one of the core international donors supplying aid to North Korea (together with China, South Korea and the United States), and, notwithstanding the nuclear crisis, it continued to provide humanitarian support. In addition, the European Union, as a member of the KEDO

Board, asked to be fully involved in discussions on the future of KEDO that might take place outside the KEDO framework, and therefore on the energy-related components and the economic development aid of a final settlement.

Future EU involvement on the Korean peninsula

Although continuing to deliver humanitarian aid and keeping political dialogue open, the European Union froze its plans for further engagement and economic development support to the DPRK until the nuclear issue is resolved. The European Union reiterated its support for the Six-Party Talks, although the European Union did not ask to be a party to them, unless energy-related and economic development aid components were to come into the discussions. In the context described above, there should be a possibility for the European Union to reactivate its efforts so as to better contribute to the overall international efforts to end North Korea's nuclear programmes and to establish security on the Korean peninsula. My final section in this chapter therefore discusses what role the European Union could play in the establishment of a roadmap towards security on the Korean peninsula.

The European Union did not play a mediation role in the nuclear crisis, nor did it seek to be a broker, particularly at times when there was no breakthrough on the situation on the Korean peninsula and the multilateral process seemed stalled. Around the first quarter of 2003 there was speculation about whether the European Union could send another high-level delegation to Pyongyang. Although there was some readiness to do so, the European Union was not convinced that such a mission could play a useful role at that time. During official contacts with the DPRK authorities, the European Union made it clear that it had no intention of mediating in the nuclear crisis, but just wanted to raise global non-proliferation concerns, which were also legitimate European concerns. Only if requested by the partner countries, and if the time was ripe for the mission to be fruitful, would there be a possibility for the European Union to play a facilitator role. Whether the European Union can be more active, however, depends on how negotiations at the international level progress.

This final section argues that there is something the European Union could do in the short term to complement this multilateral process, and not necessarily within the current multilateral negotiations framework, despite the fact that relations between the European Union and the DPRK cannot further develop until North Korea gets rid of its nuclear programmes in a complete, genuine and verifiable manner. The Euro-

pean Union does not need to be in the Six-Party Talks to be able to help the partners involved to resolve the nuclear crisis. The European Union should continue to maintain its bilateral relations with the DPRK. First, it should continue with humanitarian support while needed. Secondly, the European Union can maintain contacts with the North Korean authorities in order to continue raising its overall non-proliferation, human rights and other concerns. Thirdly, the European Union can continue to encourage economic reforms in the DPRK.

Continuation of humanitarian support

First, the European Union will certainly continue to provide humanitarian assistance to the DPRK, as long as there are needs in the North Korean population and if working conditions for its humanitarian operators remain acceptable for the efficient implementation of the aid provided. It is EU policy not to link humanitarian aid to political conditions. Since the nuclear crisis began in October 2002, humanitarian assistance from the European Commission to the DPRK has even increased up to €15–20 million per year, mainly focused on the health, water and sanitation sectors as well as food security action.

Ten years of continuing efficient aid work by international humanitarian operators, including European non-governmental organizations (NGOs), and regular contacts with a large part of the North Korean population, have created the necessary confidence to encourage North Korean society to start thinking of the need to step out of its self-imposed isolation. Suddenly, a group of foreigners, so-called “humanitarian experts”, were allowed into most of the national territory, providing aid and support to local communities and households. They were neither “evil” nor the “enemy”, but just normal people from the outside world willing to offer help. This exposure of the Korean population to foreigners undermined the use of the threat of the external enemy to sustain loyalty to the system and the regime, as well as the country’s own security.

The process towards limited economic reforms initiated in July 2002 continues, albeit cautiously. These reforms included the legalization of markets and farmers’ private plots, more management responsibilities for state farms and factories, gradual monetization of the economy, including cash payment of salaries, and a reduction in the role of the food rationing system. The North Korean government announced measures to contain and restrict the working conditions of humanitarian operators, first in September 2004 and in detail in September 2005. There would in future be no UN-sponsored consolidated appeal process to coordinate international humanitarian aid to the country; and there would be reductions in monitoring activities and a cut-back in the foreign presence and

NGOs. These measures have to be seen, however, in the context of the heightened security concerns of the North Korean leadership. The leadership aims to reassert social control because of worries about the impact of economic change in society. It does not, however, want to roll back contacts with the outside world.

Continuation of bilateral EU contacts

The European Union could maintain its contacts with the DPRK authorities in order to raise with them, in a direct and frank manner, its concerns in terms of non-proliferation, human rights and economic development and to urge them to open up to the outside world and to behave as a civilized nation. The regular political dialogue meetings with the North Korean authorities should continue, not only by the European Union itself, particularly the annual senior officials' troika meeting in Pyongyang, but through numerous EU member states' missions to the DPRK every year. The presence of EU member state ambassadors in Pyongyang and the presence and the work of European humanitarian operators and growing European business/investment contacts are other important means to keep channels of communication and dialogue open.

Encourage economic reforms in the DPRK

Besides these two elements, the European Union could look at the possibility of some limited actions that would encourage North Korea to increase its efforts in terms of economic reform and development. This might accelerate some sort of change in the DPRK. North Korea is at the beginning of an economic reorientation process that is difficult to reverse. It needs support and experience from abroad to formulate coherent economic policies to address its structural economic problems and to better understand the dynamics of economic development. The European Union is well placed to steer North Korea towards further market economy reforms and then inevitably towards the opening of its society to the outside world, thus encouraging steps towards change in the DPRK. The European Union has much experience in providing expertise to launch an economic development process – for example, in the former Soviet Union countries as well as in some Asian countries such as China and Viet Nam. North Korea constantly turns to the European Union for economic advice, and the economic workshops organized by the European Union in Pyongyang in September 2004 and October 2005 were intended to share Europe's experiences.

The European Union, as well as some individual European member states, has looked at the possibility of limited, low-profile training and

capacity-building initiatives that would help the DPRK in the initial stages of piloting its economic reform process. These include short study visits abroad, contacts, exchanges and training with visiting lecturers or specialists; all of which could help develop elements of change within the system without the risk of providing short-term relief to the economy or to the regime. Precisely because the DPRK has lived in isolation for so long, contacts and exchanges at the individual level have a profound impact on people's perceptions and will hasten the day when more far-reaching reforms become a real option. Forging contacts with key individuals will help shape North Korea's future.

These proposals will be very difficult to implement if the DPRK continues to act in an irresponsible manner (through nuclear tests and missile launches) and to escalate the situation in the Korean peninsula. Only if North Korea comes back into line with its international commitments on non-proliferation and human rights could the European Union go beyond its current programme and provide significant development assistance, perhaps by launching programmes of training for North Koreans, thereby exposing them to the outside world. On the trade side, the European Union could also help the DPRK. The European Union market offers many possibilities beyond what development assistance can provide. In addition, it would allow the DPRK not to become a cheap labour base for South Korea but to use its technical strengths, mainly its educated human capital and scientific skills, to aim higher.

Conclusion

The security and proliferation threats on the Korean peninsula concern the European Union, which has long experience of regional integration and economies in transition. The European Union has no particular historical baggage with the DPRK and has already been engaged in substantial humanitarian and non-proliferation support to this country. Given the serious political circumstances on the Korean peninsula, the European Union should not wait to be asked for help. The European Union could contribute to the international efforts to resolve the current nuclear security crisis in a perhaps unique way, which is not available to the other international players concerned. Complementary to the multilateral process, the European Union could maintain its bilateral dialogue with the DPRK in an effort to help accelerate the pace of change in the DPRK, which in turn will bring more security and stability to a region of great economic and political importance to the European Union.

Even in difficult political times when escalation is the norm and the parties involved do not talk to each other, there could be scope for the

European Union to pursue a policy of more active involvement in the security of the Korean peninsula, where dialogue and exposure could be the driving forces. Exposure and exchange cause changes whether the regime likes it or not, and a slow and cautious process of change is already under way in the DPRK. At least, that is what frequent Air Koryo travellers to Pyongyang would tend to say.

Notes

The views expressed in this chapter are purely mine and may not in any circumstances be regarded as stating an official position of the European Commission.

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12

Korean security dilemmas: ASEAN policies and perspective

John D. Ciorciari

The dominant international approach to Korean security has been to focus on military, nuclear or terrorist threats emanating from the Democratic People's Republic of Korea (DPRK, or North Korea). This focus is not surprising; it reflects threats of great concern to the governments of several key powers in Northeast Asia – particularly the United States, Japan and the Republic of Korea (ROK), which are the most likely targets of any North Korean attack. However, as previous chapters in this volume have emphasized, nuclear weapons, tanks and terrorists are not the only menaces to Korean security. The DPRK's anaemic economy also constitutes a significant threat, as do criminal enterprises related to human smuggling, drug trafficking, and money laundering. These problems emanate more from North Korea's weakness than from its strength, and they raise the risk of military conflagration or terrorism if they are not dealt with appropriately. A durable framework for Korean security requires addressing these issues alongside more "traditional" military and nuclear problems. This chapter focuses on how members of the Association of Southeast Asian Nations (ASEAN) can help "reconstitute" the Korean problem and facilitate negotiations that produce greater security in Northeast Asia.

Given the relative dominance of the United Nations, the United States and Northeast Asian nations in the diplomacy surrounding Seoul and Pyongyang, ASEAN's role in Korean security may not appear particularly critical. ASEAN members have delivered modest contributions toward the aid programmes that have helped to sustain North Korea since

the food crisis, but none of the Association's 10 member states has featured prominently in the saga. Geographic distance and limited economic and military power resources provide ASEAN states with only limited bilateral influence, and no ASEAN state has been involved in the Four-Party or subsequent Six-Party Talks. ASEAN members have been neither major guarantors of Korean security nor significant challenges to it.

However, that fact need not prevent ASEAN from playing a constructive "back-stage" organizational role or exercising diplomatic leadership in seeking peace and security in Northeast Asia. ASEAN members possess limited capacity to dictate solutions to the Korean crisis but offer a distinctive set of norms and institutions that could be vital in crafting a multilateral security framework for Northeast Asia.

Part of ASEAN's potential contribution is normative. ASEAN norms emphasize sovereignty and focus on dispute management rather than final resolution. Confidence-building measures and mutual respect are given great priority. Critics of ASEAN norms rightly argue that the Association's respect for sovereignty allows unsavoury regimes to persist without sufficient external challenge. However, ASEAN norms have considerable benefits as well. They have helped avert serious inter-state conflict in Southeast Asia for decades, enabling members to focus more attention on human security problems and criminality.

Avoiding catastrophic military conflict on the Korean peninsula is in everyone's interest. ASEAN members could be instrumental in reframing the Korean dispute to de-emphasize military "lines in the sand" and draw the DPRK into more meaningful engagement. Peaceful regime change in Pyongyang is unlikely in the short term, and military invasion should remain a disfavoured option of last resort. With great power talks bearing little fruit, ASEAN can help "unlock" stalled negotiations by emphasizing the value of confidence-building measures and the merits of perceiving the DPRK regime as a government with some legitimate security needs.

In addition to providing a normative model, ASEAN members exercise leadership in regional institutions that could serve as vehicles for engagement with North Korea. The ASEAN Regional Forum, the Council for Security Cooperation in the Asia-Pacific and other groupings could facilitate dialogue that complements the Six-Party Talks or sets the stage for a new and different series of negotiations involving the DPRK and other key players.

Korean security from an ASEAN perspective

When discussing ASEAN's approach to Korean security, it is important to distinguish between the policies and practices of the organization and

those of its 10 highly diverse constituent states. For most of its history, ASEAN's five original members – Singapore, Thailand, Indonesia, Malaysia and the Philippines – have led the organization's extra-regional security initiatives. When one speaks of an "ASEAN" approach, one often refers implicitly to consensus obtained among those five nations. Even within that sub-regional group, it is difficult to speak of a single policy approach to security in Northeast Asia and the broader Asia-Pacific region. Policies diverge even more when one adds the newer ASEAN members of Brunei, Viet Nam, Laos, Myanmar and Cambodia. Views diverge about the proper level of great power engagement in regional affairs, the precise role of international institutions, the importance of human rights and the appropriate mechanisms for ensuring economic development. Nevertheless, the ASEAN states have certain fundamental security perceptions in common. All have experienced the insecurity that comes when great powers collide in war, and all have suffered the destabilizing effects of economic and social dislocation. These shared perspectives give ASEAN states – and particularly the five original members – a relatively coherent and consistent view of what constitutes "security" in neighbouring Northeast Asia.

Conflict avoidance and the preservation of political and economic stability lie at the centre of ASEAN notions of security in Northeast Asia. Unlike most of the major actors in the Korean crisis, no Southeast Asian state feels directly menaced by either the DPRK, the ROK or their allies in a military sense. In the post-Cold War context, ASEAN policy-makers are also less inclined toward ideological views about the optimal solution to Korean political dilemmas, favouring an intensely pragmatic approach to the problem. ASEAN states are most concerned with the possibility that conflict in Northeast Asia or the collapse of the DPRK would drag great powers into the fray and precipitate "spillover conflicts" throughout the region. Southeast Asia has borne repeated historical witness – most notably but not exclusively in the Second World War and Indo-China conflicts – to the adage that, when elephants fight, it is the grass beneath them that suffers.¹ Should destabilization in Northeast Asia cause conflagration around Taiwan or strategic competition over the vital waterways and resources of Southeast Asia, ASEAN states and societies would almost certainly suffer.

Some of the threat perceived by ASEAN policy-makers is economic. All Southeast Asian leaders fear that war or a North Korean meltdown would damage the region's somewhat fragile economy. Southeast Asia's exploding trade has created both wealth and newfound vulnerability. ASEAN countries experienced the political maelstrom and social dislocation of the 1997 financial crisis and are concerned that war could severely disrupt trade and investment or lead to rapid flight of capital. Either

would likely leave ASEAN countries with enormous economic and political problems. The same would be true if military conflict were to disrupt the maritime commerce that serves as the economic lifeline to many of the region's export-based economies. Finally, there is some concern that collapse of the North Korean regime would saddle all of the DPRK's neighbours with an enormous economic burden. The possible flight of refugees and implosion of economic production in the hermit kingdom could require sufficient Chinese, US, South Korean and Japanese resources to dampen economic growth in East Asia.

From an ASEAN perspective, conflict on the Korean peninsula could also lead to very difficult political decisions. Were China and the United States to collide, ASEAN states could be forced to take sides, presenting Southeast Asian policy-makers with a dilemma that most have cautiously tried to avoid in recent years. Military or economic reprisals are obvious concerns, and the delicate position of Southeast Asia's economically influential ethnic Chinese population makes external identification with or against China risky. Also at issue is the so-called "balance of presence" that ASEAN states have attempted to create among major external powers to avoid undue dependence on any single foreign power and unwanted antagonism of others.² ASEAN leaders have enshrined this principle as the desired Zone of Peace, Freedom, and Neutrality, commonly known as "ZOPFAN".³ The post-Cold War years have brought the first extended peace to Southeast Asia in many decades, along with a greater sense of political freedom and neutrality. Most ASEAN policy-makers view Korean insecurity as one of the greatest existing challenges to the delicate balance of power that has underlain peace and stability in contemporary East Asia.

Finally, ASEAN states share the widespread view that the DPRK's nuclear programme poses a grave security concern, even without war on the Korean peninsula or meltdown of the North Korean state. Although no ASEAN state fears direct nuclear attack from North Korea, the development of such weapons poses multiple threats. First, a DPRK nuclear programme could unravel the delicate nuclear balance in Asia, prompting Japan or South Korea to develop similar arms and thus destabilizing the region. Second, if the DPRK nuclear programme were to prove successful in deterring US or other pressure for regime change, some fear that states such as Myanmar would have an incentive to pursue weapons of mass destruction. In any event, proliferation could eventually prompt Southeast Asia's "middle powers" with the requisite technological capacity to develop nuclear weapons.

Proliferation of nuclear weapons inspires added fear in the ASEAN countries that have suffered terrorist attacks. Thailand, Singapore, Indonesia, Malaysia and the Philippines are all in the midst of struggles

against organizations such as Jemaah Islamiyyah and Abu Sayyaf. The possibility that such groups could acquire nuclear weapons from the cash-strapped DPRK is cause for ASEAN concern. For all of these reasons, ASEAN countries have sought to preserve a nuclear-weapon-free zone in the region. In December 1995, the 10 current members of ASEAN signed the Treaty of Bangkok, which took effect in March 1997 and prohibits signatories from developing or acquiring nuclear weapons. It also enjoins members not to assist other states – including, of course, the DPRK – in the manufacture, acquisition, testing or stationing of nuclear weapons.⁴ The ASEAN states have urged China, France, Russia, the United Kingdom and the United States to sign a Protocol to the Treaty of Bangkok that would bar the stationing and use of nuclear weapons in ASEAN's geographical area. Only China has signed the Protocol, citing its divergent view on certain of the implied ASEAN territorial claims in the South China Sea. The United States and France have objected to the unconditional nature of the security commitments and the treaty's expansive territorial definitions.⁵ Nevertheless, ASEAN states remain actively engaged in an effort to minimize – if not eliminate – the possibility of nuclear proliferation or use that could endanger the region.

The intersection of human security and national defence

From an ASEAN perspective, achieving “security” on the Korean peninsula will require certain defence arrangements and a stern position against nuclear proliferation. For that reason, most ASEAN states have been strong supporters of a robust US military presence in the ROK and the surrounding region. However, ASEAN states perceive that Korean security will also require real attention to the economic and social conditions that many Southeast Asian observers see as the underlying cause of the current nuclear crisis. This entails consideration of what a growing number of authors have termed “human security” – addressing the critical needs of individuals in their daily lives.⁶ Although a spirited academic debate has emerged over the proper definition of this neologism, few would dispute the assertion that the North Korean food crisis and resulting famine constitute a grave threat to “human security”, however defined.⁷ ASEAN states have long recognized that dire economic and social crises are closely linked to the more “traditional” security concerns of civil unrest, regime instability, territorial vulnerability and interstate war. Each of the 10 members of ASEAN emerged from the colonial era facing a mix of internal and external threats connected to the basic welfare of its population.

National “resilience”

Deficiencies in human security have been linked to almost all of the major political and military shocks in modern Southeast Asian history, leading the members of ASEAN to view Korean security through a somewhat different prism than many in the developed world. In non-communist states such as Malaysia, Indonesia, Thailand and the Philippines, poor living conditions of peasant and worker populations fuelled the rise of large communist insurgencies during the Cold War, producing protracted civil wars throughout the region. Failures to provide for basic human needs also fed into tensions between rival ethnic groups and destabilizing riots, often pitting an economically privileged ethnic Chinese minority against indigenous majority populations. Economic and military weakness has also made Southeast Asian states vulnerable to varying degrees of continued foreign domination. Finally, experience has shown Southeast Asian leaders that “rogue states” are prone to belligerence when they are cornered and isolated and when internal conditions begin to crumble. In 1977, Pol Pot’s hermetic regime in Democratic Kampuchea launched a series of seemingly suicidal border raids against the much larger states of Thailand and Viet Nam as the ruling Khmer Rouge developed a mindset of paranoia and faced imminent political and economic collapse. Rebuffed by its neighbours, menaced by China and the Khmer Rouge, and facing economic strangulation from international sanctions, Viet Nam then launched a gruelling 10-year war of its own by invading Cambodia in December 1978.

Recognizing the ultimate inseparability of human security and national defence in the developing world, ASEAN states have long championed a concept of national security that lies squarely at the intersection of those concepts. The principle is enshrined in the Indonesian term *Ketahanan nasional* (“national resilience”) advanced by President Suharto. *Ketahanan nasional* implies a deep connection between the domestic and international environment and considers political, economic, social and military elements as necessary components of comprehensive security.⁸ Based on their own historical experiences, ASEAN members perceive that the North Korean government – whether admirable or not – faces interrelated foreign and domestic security challenges that cannot be overcome without considerable attention to the basic living conditions of its citizens. The entire ASEAN approach to Korean security is thus premised on the perception of the DPRK as a weak but legitimate sovereign state with legitimate security needs that require a mix of social, economic and military solutions.

From an ASEAN perspective, the Northeast Asian security dilemma is not how to topple, deter or contain the DPRK regime, but rather how to

address North Korean needs sufficiently in a manner that averts the risk of confrontation and catastrophe.⁹ This is not a surprising attitude for states that have limited military power and fear that they – as members of the East Asian community – would bear a large share of the negative impact of any conflict but would benefit only modestly from a change in regime in North Korea or a prolonged “starve-out” and containment of the DPRK. To ASEAN members, the existence of an unpopular and repressive regime in Pyongyang is less onerous a burden than the risk of major military conflagration. Consequently, they prefer a “comprehensive security” approach that emphasizes economic engagement, confidence-building measures and diplomatic engagement over military methods and sanctions. In sum, most ASEAN officials would support “reconstituting” Korean security to deal with the DPRK’s weakness and insecurity as well as its menacing military behaviour.

The roles of democracy and human rights

Although ASEAN governments implicitly – and sometimes explicitly – recognize the human security needs of the North Korean population, they are generally less inclined than Western observers to construe those needs as matters of “human rights”. Instead, ASEAN officials tend to view the DPRK’s human security woes primarily as social and economic welfare issues. This difference in emphasis is related to a broader debate regarding “Western” and “Asian” values. Throughout the early years of the post–Cold War era, leaders of a number of ASEAN states – particularly Malaysia, Singapore and Indonesia – have asserted that Western conceptions of liberal democracy and human rights are not always appropriate for transplantation to Asia.¹⁰ A highly publicized exchange of criticisms ensued, becoming known as the “Asian values” debate.¹¹ Critics charge that “Asian values” are a thin veneer for authoritarian practices and conservatism, whereas advocates argue that the human rights regime is part of a Western effort to preserve a form of post-colonial dominance over the region.¹²

In general, ASEAN governments have steered away from strong human rights rhetoric when addressing troubled states such as North Korea and based policy more on an effort to ensure domestic and regional stability. The strong ASEAN norm of “non-interference” has made many Southeast Asian states wary of challenging the domestic practices and basic legitimacy of the North Korean regime. The governments of Viet Nam, Laos, Cambodia and Myanmar have been particularly reluctant to advocate regime change or to criticize the DPRK’s human rights record lest they become the next targets of an emboldened Western human

rights or democratization campaign. These governments almost certainly fear Western sanctions – such as those imposed against Viet Nam in the 1980s or Myanmar more recently – more than the continued existence of a “rogue” regime in Pyongyang.

However, recent ASEAN relations with Myanmar suggest that at least some ASEAN members may be willing to take a harder line against the DPRK on questions related to human rights. The Philippines, Singapore and Malaysia have been particularly critical of the Myanmar junta for its democratic failings (usually avoiding the more loaded term of “human rights”). In 2005, those three states led regional efforts to block Myanmar from chairing ASEAN and hosting the annual leaders’ meeting in 2006, which it was scheduled to do under the Association’s system of rotating chairmanship. The Philippines, Singapore and Malaysia also drove the creation of an “ASEAN Inter-Parliamentary Myanmar Consensus” in 2005 to urge Myanmar to pursue democratic reform and free Aung San Suu Kyi, who remained under house arrest. ASEAN appointed Malaysian Foreign Minister Syed Hamid Albar to serve as the organization’s envoy to Myanmar.¹³

The benefits of ASEAN pressure on Myanmar have been unclear to date, but ASEAN demands indicate greater willingness to “pierce the sovereign veil” and address domestic political deficiencies in member states.¹⁴ Proposing an ASEAN emissary to Pyongyang could also help, even if it cannot rectify the DPRK’s human rights on its own. Pyongyang may give greater weight to gentle Southeast Asian criticism than to the more strident invective it routinely faces from the West.

ASEAN interventions in Korean security

To cope with the security challenges of the Asia-Pacific, ASEAN states – especially the five original members of the organization – have come to embrace a “dual-track” approach.¹⁵ The first prong of that approach is to promote a stable balance of power in the region through a system of bilateral alliances. Although not all ASEAN members have been equally supportive of the US military role in the region, a general consensus exists that the status quo in Northeast Asia has had a stabilizing effect on East Asia and continues to be useful. Consequently, ASEAN policy-makers have been generally supportive of strong US–ROK and US–Japan alliances and defence cooperation. Former Singaporean prime minister Lee Kuan Yew, one of the most outspoken of ASEAN’s political and intellectual leaders, alluded to this principle in 1997, saying that a US military presence in Asia “makes for peace and stability in the region.

This stability serves the interest of all.”¹⁶ Although ASEAN preferences do not determine the military balance in Northeast Asia, political support for US, ROK and Japanese force arrangements has been useful in upholding and buttressing the current Asia-Pacific security regime.

The second track of ASEAN security policy and practice has been to take leadership in constructing a set of normative guidelines and “soft institutions” to foster dialogue on Asian security. Many scholars and policy-makers have referred to these broadly shared normative principles and processes as the “ASEAN Way”.¹⁷ This is the most distinctive aspect of ASEAN diplomacy and the one that has provided the main vehicle for direct Southeast Asian participation in the Korean dialogue. For that reason, the basic features of this approach, its past application to Northeast Asian affairs and its continued relevance to Korean security constitute the primary focuses for the discussion that follows.

The ASEAN Way

The “ASEAN Way” is a distinctive Southeast Asian set of norms and processes designed to advance regional cooperation, avoid conflict and defer or settle disputes. It bears several hallmarks, including a basic code of conduct and an established process for decision-making. The chief normative features of the ASEAN Way include a strong norm of non-interference in the domestic affairs of other states, a respect for sovereignty and territorial integrity, an emphasis on crafting regional solutions to regional problems and a firm commitment to peaceful dispute resolution.

The norms emphasized by ASEAN members are not unique to the developing world, but they have had particularly great resonance in Southeast Asia. They emerged largely from a shared sense of vulnerability. Southeast Asian states were deeply affected by colonial rule and have been acutely sensitive to foreign intervention in domestic affairs and undue external involvement in guiding regional affairs. The threat of communist insurgency perceived by the Association’s five original members – Indonesia, Malaysia, Singapore, Thailand and the Philippines – also contributed to a sense of shared identity that underlies the strong regional conception of ASEAN norms.¹⁸ In the midst of difficult territorial disputes such as the Brunei Revolt, the expulsion of Singapore from the Federation of Malaya, the struggle over Sabah and the expanding war in Viet Nam, ASEAN members perceived that they faced a choice of “hanging together or hanging separately”. To preserve peace and stability in the region, ASEAN has consistently emphasized sovereignty and non-interference – even in the face of frequent Western criticism – and has attempted to avoid the use of force in dispute settlement. Its success

in conflict avoidance has generally emboldened proponents of the ASEAN Way.

The process of ASEAN diplomacy has also been distinctive. Culturally, it is based on the concept of *musyawarah* and *muafakat* (“consultation and consensus”), the traditional decision-making process of local Malaysian and Indonesian politics. It represents a conscious effort to avoid what many ASEAN officials view as the overly formal and legalized institutions of the West.¹⁹ *Musyawarah* and *muafakat* imply that a problem will first be addressed in informal discussions aimed at bringing about increased trust, frank dialogue and a general consensus on the best way forward. Issues are raised for formal deliberation and decision only once these more discreet consultations produce general agreement.²⁰ As former Philippine Foreign Secretary Carlos Romulo said: “We often find that private meetings over breakfast prove more important than formal meetings.”²¹ Although consensus does not necessarily imply unanimity, it does connote an acceptance by all parties that dissenting views have been taken into consideration and addressed in an adequate manner.

ASEAN-style diplomacy is also grounded in the realities of power politics in Southeast Asia. The Association’s informal process of consultation and consensus has helped ASEAN maintain a reasonable degree of regional integrity. The process of consultation and consensus reduces each member’s exposure to domination by external powers. At the same time, it helps preserve the relations among ASEAN members – old and new – by limiting the ability of the majority to impose its will on the minority in sensitive cases and preventing a public loss of face by members whose views do not sway the decision.²² Over several decades, the practice of conducting diplomacy in this manner has given rise to a distinctive “security culture” among ASEAN officials.²³ The development of shared habits and practices thus buttresses cultural dispositions and power-political logic as reasons for continued regional adherence to the ASEAN Way.

As in other areas of the developing world, regime security and social and ethnic cohesion became more compelling priorities for almost all ASEAN governments than territorial “state” security as understood in the West. Providing for the economic welfare of growing populations and heading off domestic challenges to the governing structures have usually been more important than guarding against external threats.²⁴ Even when foreign menaces have existed, they have usually operated through local resistance movements. Consequently, ASEAN leaders have tended to view the project of international security as demanding a significant degree of solidarity among governing élites. The ASEAN emphasis on preserving sound personal relations among high-level officials also derives from the different structure of foreign policy-making in

many Asian states, where a relatively small number of people within the executive branch of government often dominate the foreign policy process for an extended period of time. This is particularly true for authoritarian states in which a single party or ruling clique has held power for many years, such as North Korea. The ASEAN Way is premised on the notion that diplomatic barbs can be perceived as personal slights, and the resulting tension in personal relations among powerful officials can have profound diplomatic effects.²⁵

A necessary corollary to the ASEAN Way is the willingness of all parties to defer settlement of contentious issues when consensus is not obtained. That practice constitutes both a strength and a limitation of the ASEAN Way. Critics fault a process that often fails to deliver a timely, clear and definitive resolution to sensitive political, economic and territorial disputes. Proponents counter that *musyawarah* and *muafakat* have proven remarkably effective at generating improved relations and avoiding conflict. They place less emphasis on the need for a bright-line resolution and generally believe that aggressive conflict-resolution efforts create an unjustifiably great risk of conflict and insecurity. Instead, ASEAN officials have sought to manage disagreement in the hope and expectation that disputes will ultimately subside as relations stabilize and trust and interdependence grow. The main thrust of ASEAN policy toward the Korean crisis has been an attempt to draw the major interested parties – principally the Northeast Asian powers and the United States – into a multilateral setting that is conducive to ASEAN-style diplomacy. The primary vehicles for ASEAN's policy engagement have been organizations that build on the ASEAN model. Perhaps more than any other countries, ASEAN states have pushed for an institutionalized, broadly multilateral approach to security in Northeast Asia.

ASEAN's emphasis on regional and institutional solutions to the Korean crisis is partly owing to its members' inability to drive policy on a bilateral basis. Institutional frameworks are essential in increasing their "punching power" and helping them to shape substantive outcomes.²⁶ ASEAN's own success is also partly responsible for the faith that its members have in institutionalization and socialization. ASEAN emerged in the 1960s when one power – Indonesia – was pursuing an aggressive foreign policy of *Konfrontasi* ("Confrontation") and when others, such as Malaysia and the Philippines, approached the brink of war over territorial disputes. ASEAN's practice of "consultation and consensus" and its norm of non-interference have helped to avert conflict and produce a remarkable period of peace in the region. Those norms and practices have also made constructive dialogue possible between states with very different domestic political systems.

Opening links with North Korea

The ideological diversity of ASEAN's members and the strong ASEAN norm of non-interference have made Pyongyang comfortable engaging with a number of ASEAN states on a bilateral basis. Ties between the DPRK and the former Indo-Chinese states of Laos, Cambodia and Viet Nam have existed for many years, underpinned by a sense of socialist fraternity and the close personal relationship between Kim Il Sung and Cambodian King Norodom Sihanouk.²⁷ In Hanoi, the Vietnamese Institute for Southeast Asian Studies became one of the first and most important forums where North Korean officials and scholars could interact closely with peers from capitalist neighbours. Recently, more worrisome ties have developed between North Korea and Myanmar, as the two internationally isolated and militaristic regimes have allegedly begun trading drugs and weaponry.²⁸

Capitalist ASEAN states have also been willing to engage at arm's length with North Korea. In July 2002, Indonesia and the DPRK signed a pair of economic agreements to facilitate trade and technical cooperation, following on a bilateral investment accord in 2000.²⁹ Similar agreements and a US\$10 million loan helped to strengthen economic ties with Malaysia in 2000 and 2001. Thailand and Singapore rank among North Korea's top bilateral trading partners, consistent with Kim Il Sung's guidance in 1994 that, "since the socialist bloc markets are gone, we have to actively pursue trade with the Southeast Asian countries".³⁰ ASEAN states have become important sources of rice, oil, rubber and manufactured goods for the DPRK. These "pull factors" have created a margin of comfort and trust in Pyongyang's dealings with ASEAN countries that could be a valuable tool in any DPRK engagement strategy.

Institutionalizing the ASEAN Way

ASEAN states have used a number of institutional devices in an attempt to extend their model of diplomacy to the broader Asia-Pacific community and, among other goals, to increase dialogue between North Korea and its neighbours. ASEAN states were key proponents of the Asia-Pacific Economic Cooperation forum (APEC) in 1989. They were even more influential in leading the formation of the ASEAN Regional Forum (ARF) and the Council for Security Cooperation in the Asia-Pacific (CSCAP) in 1993 as vehicles for expanded security dialogue and continued great power involvement in a multilateral security framework in East Asia.³¹ In subsequent years, ASEAN states also led the formation

of several other groups and processes, including ASEAN Plus Three (APT) and the Asia-Europe Meetings (ASEM).

“Track-two” engagement: CSCAP

Contemporary ASEAN engagement in Korean security issues began very modestly with the creation of the Council for Security Cooperation in the Asia-Pacific. Modelled loosely on the Conference on Security and Co-operation in Europe, CSCAP was designed to promote regional security through formal and informal dialogue and consultation among non-governmental leaders at a number of prominent Asian strategic studies centres. Representatives from the five original ASEAN members, Japan, South Korea, Australia, Canada and the United States convened for a series of meetings in Honolulu, Bali, Seoul and Kuala Lumpur between October 1991 and June 1993 and decided to institute this “track-two” process as a complement to official “track-one” diplomacy. The founding members of CSCAP explicitly cited the annual ASEAN Post Ministerial Conference (PMC) as inspiration, noting its “significant contribution to the development of a multilateral political-security dialogue for the Asia Pacific region” in its founding Kuala Lumpur Statement. The statement also presented an inclusive institutional agenda, asserting that “the participants support the multilateralization of the ASEAN PMC process ... and welcome the early inclusion of other countries in the region”.³²

Although North Korea was not a founding member of CSCAP, it joined the organization in December 1994, shortly after the establishment of a CSCAP working group on Northeast Asia. Representatives of Canada and Japan chair that working group, which has met 11 times and focused overwhelmingly on the security of the Korean peninsula. North Korean participation began with the second conference in Vancouver in 1997, creating rare opportunities for dialogue – however informal – with leaders of the “hermit kingdom”.³³ Like the ARF, created in the same year, CSCAP operates on the basis of ASEAN-inspired principles of diplomacy. It emphasizes consensus-building over majoritarian processes, which differs considerably from many extra-regional institutions. It also embodies an “incrementalist” approach to progress and operates by pursuing change at a pace acceptable to all members.³⁴ CSCAP is rare in that it has been led not by the largest or most influential powers in a region, but by middle powers instead, which may partly explain the DPRK’s willingness to participate.³⁵

To date, CSCAP’s ability to influence the direction of policy toward Korean security has been very limited, and ASEAN-led efforts to extend multilateral confidence-building measures to the Korean peninsula have likewise made comparatively little progress. CSCAP actively supported

the establishment of a North Pacific Security Dialogue, but both that and the Northeast Asia Cooperation Dialogue and Northeast Asia Security Dialogue – proposed by South Korea – were track-two talks designed to secure DPRK participation. No official-level talks ensued.³⁶ CSCAP's chief contribution, therefore, has been to serve as a space in which North Korean representatives can engage in dialogue with partners from other nations. Although this achievement should by no means be dismissed as insignificant, it falls short of the progress that many had hoped such "track-two" engagement would bring.

The ASEAN Regional Forum, APEC, ASEM and ASEAN + 3

The same basic record of achievement applies to the ASEAN Regional Forum, though on a considerably greater scale and on an official level. The creation of the ARF in 1993 was particularly notable, because it was an official process with rare breadth in membership, including Japan, China, Russia, the United States, the European Union, all of the ASEAN states, and others. In its first several meetings, the ARF conspicuously eschewed involvement in the contentious debate surrounding the Korean crisis. At that time, the United States government also expressed its opposition to including North Korea in the ARF framework, saying that certain states were not ready for membership.³⁷ However, the organization had a sufficiently promising start to prompt Singaporean official Kishore Mahbubani to express growing confidence in ASEAN's style of diplomacy, saying "only an ASEAN invitation ... could draw the major powers to sit together to discuss security matters in the Asia-Pacific because only ASEAN enjoyed the confidence of all the major powers as an impartial organization".³⁸

The ASEAN Regional Forum commented directly on the Korean problem for the first time in 1997, commending the progress made by the Korean Peninsula Energy Development Organization and supporting engagement of the DPRK via the Four-Party Talks. In 1999, the Philippine chairman of the ARF, Foreign Minister Domingo Siazon, expressed "concern" over North Korea's nuclear programme for the first time, showing that the organization could also serve as an instrument of pressure. Siazon criticized the missile launch and indicated that it "could heighten tensions and have serious consequences for stability in the Korean Peninsula and the region".³⁹

During the late 1990s, ASEAN states also continued to press for North Korean entry into the ARF. Their efforts came to fruition in July 2000, when North Korea applied for membership and joined the organization at its Seventh Annual Meeting in Bangkok, becoming the ARF's twenty-third member. Asian neighbours interpreted North Korea's application

to the ARF and the attendance of Foreign Minister Paek Nam Sun as a major positive shift in DPRK diplomacy. With few exceptions, Pyongyang had previously shunned international arrangements, and its change in tack was touted as a diplomatic victory for ASEAN and other proponents of “soft institutionalism” in the Asia-Pacific. Thai Foreign Minister Pitsuwan, who chaired the meeting, welcomed DPRK participation and asserted that it would contribute to regional peace, confidence and mutual understanding. North Korea’s neighbours raised the possibility of loans to the cash-strapped regime, and some voiced support for DPRK entry into international financial institutions such as the Asian Development Bank. Paek even won praise from many of the Asian members of the ARF by voicing his disapproval of the US plan to develop a National Missile Defense system.⁴⁰

DPRK participation in the ARF’s Seventh Annual Meeting created an opportunity for two path-breaking bilateral meetings as well. Paek met with Japanese Foreign Minister Kono and, at the conclusion of their talks, the two sides issued a joint statement expressing their desire to resume stalled negotiations on normalization. In addition, Paek and US Secretary of State Madeleine Albright held first-ever US–DPRK ministerial talks on the margins of the ARF conference.⁴¹ Although progress on the issue of nuclear weaponry was scant, Albright referred to the meeting as a “symbolically historic step” in defusing tensions across the 38th parallel and securing the Korean peninsula.⁴² That meeting led to the visit of a DPRK envoy to Washington and Albright’s trip to Pyongyang in October 2000. Two years later, the Ninth ARF meeting in Brunei afforded an opportunity for Paek to meet new US Secretary of State Colin Powell. In that regard, the ARF played a very helpful role as a provider of unthreatening diplomatic space for engagement.⁴³

The year 2000 also saw increasing attention to Korean security in two other important Asian forums – Asia-Pacific Economic Cooperation, designed to build a stronger framework for Asia-Pacific economic cooperation, and the Asia-Europe Meeting, created to facilitate dialogue between European and Asian nations. In October, APEC leaders issued a statement expressing similar commitment to a peaceful solution but specifically calling on Pyongyang to honour its obligations under the non-proliferation regime. The APEC statement also hinted at economic incentives, citing the potential for the DPRK to benefit economically from “greater participation as a member of the Asia-Pacific community”.⁴⁴ At the Third ASEM meeting in October 2000, 26 leaders from Asia and Europe adopted the Seoul Declaration for Peace on the Korean Peninsula. Although China intervened on the DPRK’s behalf to omit the critical reference to curbing weapons of mass destruction, the declaration was

symbolically important and showed to many the benefit of establishing multilateral forums for engagement with the DPRK. Less than two weeks later, the General Assembly of the United Nations adopted the first inter-Korean joint resolution on peace, security and unification in history. Finally, at the November APEC summit meeting, Brunei's Sultan Hassanal Bolkiah served as chairman and warmly congratulated South Korean President Kim Dae Jung for winning the Nobel Peace Prize. He expressed support for Kim's "contribution to the process of reconciliation and cooperation on the Korean Peninsula" and "endeavor to encourage the participation of North Korea in the APEC Working Groups".⁴⁵

According to Thai Foreign Minister Pitsuwan and other proponents of the ASEAN Way, North Korean entry into the ARF and the developments at APEC and ASEM served to reinforce ASEAN's relevance and prove the merits of the "soft institutional" approach in Asian security. However, the DPRK entry into the ARF would prove to be that forum's most significant contribution to Korean security. The ARF and APEC lost much prestige after the Asian financial meltdown, the Indonesian "haze" crisis and the East Timor crisis, when they were perceived to be ineffective in addressing crises in their own backyard. Critics argued that an organization that could not deal effectively with Southeast Asian problems would surely be incapable of major influence in resolving much more explosive military standoffs in places such as Korea and Taiwan. The ARF has proven extremely successful in expanding its membership to include countries such as India, Papua New Guinea, Cambodia, Mongolia and Myanmar. The ARF has also been relatively successful in facilitating modest confidence-building measures. However, it has been unable to approach the more ambitious goals of leading peace-keeping and conflict prevention activities.⁴⁶

Recognizing that these forums would have limited capacity for direct action and seeking deeper engagement with the major Northeast Asian powers, ASEAN then led the creation of another multilateral group known as "ASEAN Plus Three" (APT), which also includes China, Japan and South Korea.⁴⁷ The APT was created primarily to address economic issues and has played only a marginal role in addressing the problem of Korean security. For example, in November 2002 ASEAN leaders assembled in Phnom Penh for the Eighth Summit Meeting of the APT and met with South Korean officials to discuss cooperation regarding the DPRK weapons programme, expressing shared concern but also a shared commitment to resolve the crisis peacefully.⁴⁸

The role of the ARF as an institutional space for discussing Korean security also received a modest boost in June 2003, when US Secretary of State Colin Powell used the ARF as a venue for pushing a multilateral

solution to the North Korean nuclear crisis. He asserted that the issue was “not a bilateral matter between the United States and North Korea. It affects every nation in the region that would fall under the arc of a North Korean missile.”⁴⁹ The ARF remains one of the few forums in which multilateral pressure can be brought to bear upon Pyongyang, though such pressure has yet to produce concrete results. At the Thirteenth meeting of the ARF in July 2006, the organization called on the DPRK to rejoin the Six-Party Talks, and many members censured Pyongyang’s test of ballistic missiles earlier that month.⁵⁰ DPRK Foreign Minister Paek rebuffed the pressure and even said that his country might “reconsider whether to stay in the ARF”.⁵¹ However, other members doubted that Pyongyang would carry through with that threat, because the ARF is one of the country’s few meaningful ties with the international community and provides Pyongyang with an important gateway to foreign aid and dialogue. The Australian foreign minister summarized that view by saying, “if North Korea boycotts ARF, it will have a cold and lonely time at home”.⁵²

The project of institutionalizing security in the Asia-Pacific and drawing North Korea into that fold remains largely aspirational.⁵³ The ARF, APT, CSCAP and other institutions remain profoundly important in ASEAN security strategy, particularly when it comes to engaging in issues of security outside of ASEAN’s core geographical area. Those institutions have had a short time to develop and considerable hurdles to overcome, and thus far they have paled in comparison with the relevance of great power diplomacy in resolving the Korean conflict. However, they provide one of the only viable ways to engage the DPRK, and they present useful opportunities for less formal bilateral and multilateral dialogue to complement the more acrimonious Six-Party Talks and other great power processes.

Possible future ASEAN contributions to Korean security

As noted at the outset, ASEAN states have limited means for taking serious diplomatic initiatives at the bilateral level. The risks of such engagement are great and the chances of success very slim without considerable great power backing. However, ASEAN states are as well positioned as any outside powers to engage the DPRK through regional institutions and draw its neighbours into a broader dialogue. ASEAN’s own inclusion of four very unpopular regimes between 1995 and 1999 – Viet Nam, Laos, Myanmar and finally Cambodia – showed that its members are willing to pursue serious (and sometimes controversial) diplomatic engagement.

A way to draw Pyongyang in from the cold?

Although ASEAN's role in Korean security is likely to remain limited in the short term, the potential for real contributions exists. The greatest weakness of organizations such as the ARF and ASEM is also their greatest asset as vehicles for engaging ostracized states such as North Korea. The informality and organizational patience that have kept the ARF from developing into a robust forum for preventive diplomacy have also made Pyongyang sufficiently comfortable to join the organization. ASEAN is not alone in finding these "soft institutions" useful. South Korean leaders have consistently seen the ARF and ASEM as useful forums in which to engage Pyongyang, strengthen the lines of communication and build international cooperation and support for peaceful means to ease tensions and improve security on the Korean peninsula.⁵⁴ ASEAN states, for their part, have seen those institutions as ways to bolster policies of engagement such as the ROK's "Sunshine Policy" of the late 1990s.

The major regional powers – namely China, Japan, South Korea, the United States and, to a lesser extent, Russia – continue to debate the wisdom of attempting to engage North Korea in a process of diplomacy that offers incentives for good behaviour.⁵⁵ That debate has been raging for over a decade, and ASEAN states will not be able to decide it on their own. However, ASEAN's regional initiatives in creating the ARF, ASEM, the APT, CSCAP and other organizations place a thumb on the scale in favour of engagement. These ASEAN-centric institutions provide a structure through which low-risk diplomatic engagement can occur, even while official relations between Pyongyang and its neighbours remain cold. ASEAN has also shown through experience that engagement of "rogue states" can work – at least up to a point – in defusing tensions and creating the conditions for economic and political transition.

The ASEAN Way does not promise a quick, easy or clean path to removing the human and traditional security problems on the Korean peninsula. It is unlikely in the near term to deliver a "final solution" to the Korean conflict and provide a decisive form of conflict resolution. It does, however, offer a path for facilitating broader regional involvement and changing the nature of negotiations. In a deadlocked and dangerous security environment, seeking new avenues for productive exchange can be critical. A new approach to negotiations can also "unlock" progress toward more fruitful talks involving the great powers.

Some analysts are pessimistic about the possibility of ASEAN states playing an important role in security affairs beyond Southeast Asia, arguing that the ASEAN Way is neither designed nor well adapted to manage extra-mural conflicts. Such critics dismiss the ARF – ASEAN's primary

initiative to reach out to the broader East Asian region – as a “talking shop” that creates a more benign regional political environment but can do little to resolve concrete disputes.⁵⁶ Indeed, it may be that the ARF can best serve as a sort of “staging ground” for more concrete and substantive diplomacy by providing a useful venue for the development of personal relationships and trust between the DPRK and its neighbours. However, historical experience suggests that such a role should not be discounted. The instrumental role that ASEAN played in resolving the Cambodian conflict in the 1980s may provide a helpful analogy.

An analogy to the Cambodian stalemate

In the 1980s, the Cambodian conflict was the central concern in South-east Asian security. ASEAN states played a quiet but influential role in internationalizing the peace process and drawing reluctant officials from Viet Nam, the Hanoi-backed People’s Republic of Kampuchea and the rival Coalition Government of Democratic Kampuchea into meaningful negotiations. Indonesia became the official ASEAN “interlocutor” with Viet Nam in 1984 and served as the organization’s primary conduit to Hanoi. Indonesia used its reputation as a leader of the Non-Aligned Movement to build credibility with Hanoi and its adversaries, drawing all sides into a series of Jakarta Informal Meetings (JIMs) in 1987 and 1988.⁵⁷ Many dismissed the meetings as “cocktail parties”, and the JIMs certainly could not have produced a peace deal without a developing consensus among the great powers on how to handle the Cambodian impasse. Nevertheless, the JIMs helped draw local and great power rivals into negotiation and led to more formal talks in France that ultimately produced the Paris Peace Accords in October 1991. ASEAN’s best contribution to Korean security could be to play a similar role.

Conclusion

ASEAN, the ARF, the APT and CSCAP have not been greatly influential to date, but they remain among the most promising vehicles for truly regionalizing and “reconstituting” the Korean security problem. ASEAN and related ASEAN-centric institutions are generally viewed as less partial than international bodies with a more predominant Western composition. Since the DPRK is less apt to view ASEAN as the tool of any single great power, ASEAN may possess the credibility to help kick-start talks that lead to a more productive series of great power negotiations.

To be successful, any ASEAN-led talks will need to “reconstitute” Korean security to account for the non-military security concerns that

plague both Pyongyang and some of its key neighbours. ASEAN will not be able to solve the DPRK's economic woes or put an abrupt end to its anti-democratic practices or human rights violations, but it can speak with credibility about ways to approach those problems. ASEAN members have considerable experience in dealing with the types of insecurity that emanate from weak states as well as from strong ones. ASEAN's own intra-mural security cooperation has focused increasingly on challenges such as human smuggling, drug trafficking, refugee flows and environmental degradation. The success of ASEAN in averting conflict among its members and preserving reasonably good relationships among governing officials testifies to the potential application of the ASEAN Way in coaxing the DPRK toward better behaviour and "socializing" Pyongyang.

ASEAN's normative and institutional approach will certainly not be enough to guarantee Korean security alone; the ARF, the APT, CSCAP and other organizations in Asia's alphabet soup of regional forums are no substitute for balance of power arrangements and alliance structures. Defence cooperation and great power diplomacy based on economic and military carrots and sticks still constitute the principal "load-bearing structures" of Northeast Asian security.⁵⁸ However, the emergent normative and institutional framework led by ASEAN can smooth some of the rough edges of power politics by providing an added mechanism for dispute resolution and creating a forum for the development of a more robust code of conduct that must underlie any solution to the Korean conflict.⁵⁹

Notes

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13

Korean security: A policy primer

Hazel Smith

This book has the twofold objective of interpreting how the Democratic People's Republic of Korea (DPRK, or North Korea) interacts with the world and why and how North Korean security interests, objectives and behaviour can be best understood by those international interlocutors that react to and engage with the DPRK. In responding to those objectives, our contributors were set two tasks. The first was to offer a better and more comprehensive analysis of Korean security dilemmas than is normally available in the conventional, narrowly focused, security literature. The second was to offer policy suggestions, based on that comprehensive analysis, for all those global policy-makers grappling with how to make the Korean peninsula a more secure and safer place.

Reconceptualizing Korean security: Why it matters

We tackled security questions from the perspective that hard security issues are as important as soft security matters, but that the former cannot be understood or their dilemmas unravelled without a clear engagement with the latter. The classic national security concerns of nuclear proliferation and the production, sale and use of weapons of mass destruction cannot, in other words, be addressed in the Korean peninsula without at the same time considering the implications and interrelationship of what are these days known as human security issues of food, poverty and, perhaps more controversially, freedom. We agree that East Asia and the

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world are more dangerous with the DPRK in possession of nuclear weapons. We argue, however, that a comprehensive security analysis identifies many equally significant threats to regional security such as the risk of a nuclear accident from the poorly managed North Korean nuclear energy sector and the potential for transborder crime arising from the lack of legal and productive avenues for economic activity for North Korea's poverty-stricken citizens.

We also tackled Korean security dilemmas from the perspective of the various international actors, not just from the viewpoint of the major protagonists – the DPRK and the United States. We show that different states have different and multiple interests in their relationships with the DPRK. This means that, even where some states are closely allied in their views on one aspect of their relationship, they may ascribe different levels of priority to issues and, importantly, may disagree about how to deal with those issues. Japan, for instance, shares with the United States an ideological antipathy to the DPRK. Japan, however, has remained at least equally and sometimes more concerned with the subject of Japanese citizens abducted by North Korea in the 1970s and 1980s than with the possible development of nuclear weapons by the DPRK. Japan has also been prepared to engage in proactive bilateral diplomacy with the DPRK, with former prime minister Koizumi visiting Pyongyang twice – a gesture hardly imaginable by US President George W. Bush.

We also show that understanding the dynamics of Korean security cannot be derived from any single-order causal agent – for instance, ideology or North Korean intransigence or United States imperialism or historical determinism or cultural specificity. The history of Japanese occupation and US intervention in the Korean war of 1950–1953, along with US saturation bombing of North Korea, certainly inform the contemporary North Korean government's antagonism towards Japan and fear of the United States. Likewise, North Korea's mix of proactive international belligerence, for instance the testing of a nuclear weapon in October 2006, is indicative of a global persona that refuses to accept subordination in international politics even when such a posture is counterproductive and damaging to its own population.

Such monocausal explanations remain unsatisfactory and, in fact, unusable for policy-makers who want to build robust and well-funded policies in respect of the DPRK. If Japanese colonialism had had such an overwhelming effect, it would be hard to explain for instance why Kim Jong Il welcomed Prime Minister Koizumi to Pyongyang and how those meetings were both cordial and productive for both parties. If the past history of US bombing was an insurmountable factor, it would also be hard to explain how and why the series of agreements with the Clinton

administration came to fruition and how and why US non-governmental organizations were able to strike up long-lasting relationships with the North Korean government. On the other hand, if the North Koreans could be characterized only as belligerent and intransigent, we would be hard put to explain how and why Pyongyang has engaged in continuous diplomatic negotiations with a rather wide variety of states and international organizations between 1995 and the late 2000s on economic and security issues, the most significant being with South Korea, but also with China and Russia among others.

What all the contributors to this volume tell us is that interests and priorities for all actors change over time and, as they do, new possibilities for innovative coalitions of interest emerge. South Korea's emergence as a vibrant democracy and economic power from its past as a military dictatorship, for instance, has resulted in a new-found confidence in the stability of its own political system but a much greater worry about the destabilizing effects and the economic and human costs of any outright military conflict on the peninsula. China's economic success has also meant that it no longer feels able to stand outside the diplomatic game as far as Korean security matters are concerned. It has adopted the role of "responsible great power", something that its economic power in the 2000s allows it to do and that is welcomed by the other great powers involved in Korean security.

We also see that economic change has a profound impact on security policy options; this was well illustrated by the visit to China by Shinzo Abe, the new prime minister of Japan, in 2006. It was Prime Minister Abe's first foreign visit to any country as prime minister and signified Japanese determination to work closely with China as an important market and trade partner. In turn China has a shared interest with Japan in stability in Northeast Asia, given that China's rising economic prosperity and power are fuelled by free trade dynamics. The DPRK's search for what it calls its nuclear deterrent can also not be understood without reference to its catastrophic economy, which has not permitted it to feed, clothe and reward its million-strong army for over 10 years. The policy of developing nuclear weapons as a deterrent is relatively cheap and a nuclear weapons programme overseen by a relatively small group of scientists and technicians is easier to control than a disaffected army.

We also want to stress that history, culture and geography matter in understanding the various priorities of the different actors. We again emphasize that none of these factors has an a priori determination over outcomes; but policy-makers who fail to appreciate, for instance, the depth of shared experience by North and South Koreans and China as the historic subjects of Japanese colonialism will not understand very much

about the commonalities underpinning these ideologically different nations' apprehension about possible resurgent Japanese militarism in the twenty-first century.

Reconstituting Korean security: A primer for policy-makers

Better analysis does not automatically lead to better policy. This section, however, shows how the analysis of this book could be used to inform policy and, in our view, if acted on, lead to the resolution of Korean security dilemmas through peaceful means.

Clarifying objectives

We recognize that there are diverse actors and interests but also argue that there are enough commonalities in security objectives upon which to base policies that can succeed in making the Korean peninsula safer and more stable. The broad and more or less shared aims of security policy include the conventional priorities of international security such as avoiding war and maintaining stability. They also include human security concerns of ensuring that North Korea's population has enough food and economic opportunity as well as an improvement in human and political rights. Specific objectives are:

- (i) to ensure that the Korean peninsula is a nuclear-free territory;
- (ii) to avoid an arms race in Northeast Asia and especially the development of nuclear weapons by regional non-nuclear powers;
- (iii) to obtain a durable stability such as to allow for continued economic growth in Northeast Asia; and
- (iv) to assist the North Korean population so it can obtain a decent quality of life in economic and political terms.

The various actors in the region have additional aims and objectives, not the least being the North Korean and South Korean hopes for eventual reunification. We would suggest that the first thing policy-makers do is to identify the various disparate aims of the actors involved, trying to identify fruitful shared interests and, equally importantly, areas in which it is likely to be wasteful of time and political capital to hope for compromise.

A comprehensive security strategy

Clarifying objectives is the first step towards reconstituting Korean security dilemmas. The next step is to work out a strategy in which ends are calibrated with means; partnerships are built; and coordination and

continuity mechanisms are established. Each actor will have different national operational strategies but what all may agree on is that the strategy should be multisectoral, diachronic and multi-level.

A *multisectoral* strategy means that the hard security issues of nuclear proliferation, missile production and sales, the size of conventional military forces and force postures do need to be negotiated by specialist negotiating teams, as do the human security issues of food aid, humanitarian support, economic development and civil and political liberties. This does not mean, however, that progress in one sector should be made conditional on progress in another.

A *diachronic* strategy means that negotiations on different sectors should take place in parallel with each other. In so doing the hope is that the “habit of cooperation” will spill over from one negotiating arena to the next. In most negotiations it is common to find some areas on which it is more difficult to achieve consensus and/or compromise than others. Complex and comprehensive negotiations paralysis will ensue, however, if the only outcome acceptable is a grand bargain in which every detail is resolved to everyone’s satisfaction. This is because it becomes in the interests of any single participant to block any overall progress in order to achieve singular objectives on what could be less important matters for the group as a whole. Conversely there are often areas in negotiations in which all partners find it easier to achieve progress.

As Brad Babson points out in Chapter 4, international policy-makers also need to understand that a comprehensive security strategy needs to be *multi-level* in focus, taking into account the security needs and requirements of key actors in state and society. Babson argues that

Any future economic security strategy for the DPRK will need to address the issues at all three levels of the state, production enterprise and household discussed in this chapter in an integrated way. The main lesson of international engagement with the DPRK in the past decade is that such a comprehensive approach has been missing. The technical as well as the political challenges for a strategy of transformation are difficult but manageable. What is needed is a choice by the DPRK to work collaboratively with the international community to go down the transformation path, and a choice by the international community to help the DPRK succeed in the realignment process.¹

Brad Babson and Hazel Smith in Chapters 4 and 5, respectively, outline the parlous state of economic and food insecurity in the DPRK. Both indicate the ways in which external partners could intervene to make a difference in the DPRK – using multilateral mechanisms and coordinating financial and food assistance with mechanisms to offer technical assistance to the DPRK. Both also show that economic and food as-

sistance is not a one-way street. The North Korean government needs to be clear that transfers from international taxpayers entail responsibilities on their part in terms of transparency and accountability. Insisting on transparency and accountability is therefore a legitimate negotiating objective of partners that transfer economic assistance to the DPRK.

Human rights issues should remain on the table. They should not, however, be used as a rhetorical device or as an excuse not to negotiate with the DPRK. Instead, a serious negotiating objective of the international community should be to improve human rights conditions in the DPRK as part of a comprehensive security strategy. There are many tried and tested ways of tying human rights into international negotiating packages, one of the most common being the introduction of good governance principles into contemporary multilateral development aid packages. Babson expects that future international donors will therefore focus “on a pro-poor economic development strategy, priority given to social protection and strengthening the education and health systems, and advocacy of good governance principles”.²

Avoiding the temptation of worst-case scenarios

Gary Samore and Adam Ward point in Chapter 3 to the need for a “responsible diplomacy” that understands the limitations of knowledge on hard security matters, and does not use gaps in knowledge and ambiguities as an excuse for extrapolating beyond the scope of the data into worst-case scenarios. Following exhaustive analysis of the current state of knowledge about the DPRK’s armaments capabilities, they conclude:

This [ambiguity and knowledge gaps] is inevitably a source of frustration to policy-makers, who ideally seek to fashion their diplomacy on the basis of certainty and confidence in their understanding of North Korea’s military capabilities and strategic intentions, and the interplay between them. The dangers inherent in ambiguity are significant: the more imperfect the understanding of capabilities, the faultier may be assessments of intentions; the bolder the assumption of intentions, the starker or more casual might be the inferences made about the capabilities that North Korea has or may desire. Responsible diplomacy towards Pyongyang will recognize these dangers. It will acknowledge that the manifold ambiguities, caveats and gaps in knowledge of North Korea’s capabilities – and the factors that give rise to them – are as important as established facts when calculating Pyongyang’s current intentions and future options.³

In the wake of the slew of criticisms of the worst-case scenarios in the US and UK case for the Iraq war, which projected an Iraqi weapons of mass destruction (WMD) capacity that turned out not to exist, it seems

almost egregious to warn of the dangers of worst-case scenario-building based on dubious defector sources.⁴ Yet these are precisely the sources and types of analysis that are used by the same think-tanks in Washington DC to justify the military option in Korea. They were not helpful or accurate about Iraq and the consequences of using these types of “information” on which to base policy towards Korea are equally deleterious.

Why use diplomacy?

A number of our contributors point to the importance and efficacy of informed diplomacy as a method of achieving policy objectives. In Chapter 2, Bruce Cumings shows us that “diplomacy matters, and diplomacy works” in dealing with the DPRK. Cumings points to what is in retrospect an astonishing rapprochement between North and South Korea – almost entirely attributable to former South Korean president Kim Dae Jung’s proactive diplomacy towards Pyongyang in the late 1990s and early 2000s.⁵

Diplomacy is the art and skill of using peaceful means to resolve conflict with those who do not share the same interests, values and priorities. In the Korean crisis, diplomacy has too often been translated as “appeasement” and therefore immoral. The logical consequence of this type of reasoning is the *reductio ad absurdum* that the only moral way of resolving conflict with a distasteful adversary, given the premise that diplomacy is immoral, is to use military force.

Those who would seek to decry the role of diplomacy in the resolution of conflict often equate negotiation and compromise with giving away rewards without receiving anything in exchange. They misunderstand the role and function of diplomacy, which is to secure agreement through negotiation and compromise. This must be negotiation and compromise by all sides; if one side tries, even if it succeeds, to impose solutions, the result will be not agreement in which all share ownership in the product but instead a fragile and superficial arrangement that will hold only until the weaker party has the strength to break free from its imposed commitments.

Successful diplomacy means that negotiators understand the priorities and interests and understand what is negotiable and what is not, and why. Too often, negotiators with the DPRK have attempted to deal on the non-negotiable for the North Koreans and failed to identify what is negotiable. Non-negotiable for the DPRK is the continuation of the regime; what is negotiable is nuclear disarmament, weapons production moratoriums, the ending of arms sales, and partnership in economic restructuring. Accepting what is immediately negotiable and what is not

does not mean abandoning principles or, more concretely, leaving the North Korean population to fend for themselves in their continuing poverty and misery. Instead, understanding, for instance, that the North Koreans remain consistently welcoming of support with economic restructuring gives an opening for suggestions for judicial and legal restructuring that would initially assist in providing increased security for foreign investment. Judicial and economic reform could also benefit individuals such as to provide them with status under the laws at least equal to that of the party – unlike at present where an individual's rights and legal status are of a lesser value than those of the party and the state.

Multilateral and bilateral diplomacy

Our contributors support the continued use of multilateral diplomacy as a means to help resolve multifaceted Korean security dilemmas. They all, however, understand that multilateral diplomacy is not a policy of itself. It is an instrument to achieve policy goals and needs to be complemented in appropriate circumstances by bilateral diplomacy. Japan learned the usefulness of a multilateral framework to initiate bilateral talks on the concerns it had about Japanese civilians kidnapped by North Korean officials in the 1970s and 1980s. Our contributors show that the United States is the only one of the major actors in the Six-Party process that made the avoidance of bilateral talks an issue of doctrinal rigidity – to the detriment of its own negotiators, who have in the main not been permitted the flexibility of using additional channels of communication between themselves and DPRK negotiators.

The responsibilities of the DPRK government

This book concentrates on analysing Korean security for the benefit of those seeking to understand the country and in order to provide policy-makers with more substantial grounds for better policy. We do not mean to imply that the DPRK government itself should not take responsibility for security, stability, prosperity and improved civil and political rights for its population. Hazel Smith, for instance, points out in Chapter 5 that, whereas the government had a strategy to achieve increased aggregate food availability, there is no evidence that the government has worked out a way to ensure accessibility to food for those social groups disadvantaged by the new processes of marketization in North Korea. Similarly, the government has a clear national security strategy but lacks an integrated strategy to assure human security for its population.

Our analysis indicates that the North Korean government has used na-

tional security concerns as a reason to remain isolated from the rest of the world and as an excuse to maintain authoritarian government. Whether or not a more secure North Korea would have the willingness to open up its society is not entirely a matter of conjecture. Since 2002, in the context of North–South Korean cooperation projects, thousands of North Koreans have had contact with South Koreans, speaking the same language and having the opportunity to learn about alternative ways of organizing society. These days many North Koreans have experience and knowledge of different ways of organizing social and economic life and this provides a foundation for change if future circumstances allow. What seems certain in the short term, however, is that, unless and until the DPRK government feels safe from forcible regime change from outside, it is not going to liberalize its society.

A comprehensive strategy from outside should develop policies that can provide reasons and inducements for change for the North Korean government. Hazel Smith suggests, for instance, that a technical, inter-governmental organization for the reconstruction of Korea should be established so as to bring the DPRK as a sovereign partner into a multilateral process through which economic assistance can be transferred from Northeast Asian partners but that economic transfers should be accompanied by technical assistance for institution-building such as to encourage the modernization of North Korean society and structures of governance.⁶

The major interlocutors

The five powers with the most significant interests in achieving stability and security through reconstituted policy directions towards the DPRK are the near neighbours – South Korea, China, Russia and Japan – and the United States as the remaining superpower with global and regional interests in East Asia. Our contributors did not tackle every issue requiring resolution in the multifaceted security relationships between every actor but instead offer fresh analysis and policy recommendations on significant outstanding areas of security conflict.

The United States

Selig Harrison in Chapter 6 argues that a policy goal should be the establishment of a loose confederation between North Korea and South Korea. Harrison also argues that the United States should reduce its military and financial commitment to South Korea; this he argues would propel the South into serious negotiations with the North to achieve a political

settlement of outstanding conflicts. Harrison's reasoning is that, "[s]o long as the South regards this US economic cushion as an entitlement, it will be under no compulsion to pursue a *modus vivendi* with the North".⁷ Harrison does not argue that South Korea should be abandoned by the United States or that the United States should disengage from the peninsula. Instead he argues for a reconfiguration of the posture and mission of US forces in the peninsula – from defender of one side to that of "stabilizer and balancer" on the peninsula.⁸ The role of US troops "would be broadened to embrace the deterrence of aggression by either the North or the South against the other".⁹

Harrison envisages an outcome in which a united Korea is neutralized and neutrality is guaranteed through neutralization agreements negotiated between the United States, China, Russia and Japan, which would bar the stationing of foreign forces on the peninsula. Given that many of Korea's security problems have arisen out of external intervention, Harrison argues that a fundamental prerequisite for securing stability should be guarantees against non-interference by outside powers. For Harrison, "The central goals ... should be a four-power agreement not to intervene in Korea with conventional forces and a six-power agreement, with North and South Korean participation, ruling out the manufacture, use or deployment of nuclear weapons in Korea".¹⁰

South Korea

Suk Lee argues that an underreported aspect of the Korean security crisis from the DPRK's perspective is what he calls the "regime-threatening" economic crisis of the 1980s onwards. Lee argues that economic decline and the subsequent poverty for many of the DPRK population have already caused instability in the DPRK and this instability increases military unpredictability. Such instability may increase the likelihood of DPRK collapse, a strategic aim that would be supported by the South. Sudden collapse, however, would be expensive and destabilizing in itself.

Lee argues that the North's economic devastation and the accompanying ongoing humanitarian crisis forced the DPRK government into engagement with the South. Increased instability owing to the economic crisis thus brought new opportunities for negotiation and possible resolution of the conflict between North and South. South Korean policy options were complicated, however, as the country split into two opposing camps in terms of whether the response to the new security environment shaping North–South relations should be what Lee calls the "conservative approach" or the "engagement approach". Lee points out that the debate between the two approaches was never resolved in South Korea;

the continuing debate leaves the engagement policy in place, even as it is criticized for facilitating the nuclear expansion of the North and the worsening of security tensions on the peninsula.

China

In Chapter 8, Ren Xiao shows that China shares the goals of making Korea a nuclear-free zone and that its top priority is the maintenance of stability in the region. Ren Xiao also points out that China's proximity to the DPRK and its relatively porous 1,500 kilometre joint border mean that it also has other concerns such as illegal migration, human trafficking and refugees. For China, however, the fundamental axis of the Korean security problem runs between Washington DC and Pyongyang. China can provide a facilitating channel for US–DPRK negotiations through convening the Six-Party Talks. Acting as a “responsible great power”, China can provide means of communication between the DPRK and the United States. In the end, however, the fundamental disagreements between the United States and the DPRK will have to be negotiated between themselves.

Ren Xiao shows that, similarly to South Korea, there are different views in China as to how to deal with the DPRK. One group sees the DPRK as a friendly socialist power that should be supported and protected. Another is less patient with the DPRK, arguing that China should use some of its policy instruments to induce change in the North. These differences are clear, for instance, in regard to the domestic discussions in China about whether to amend the 1961 PRC–DPRK Treaty of Friendship, Cooperation, and Mutual Assistance. Article Two of the treaty implies automatic help to the DPRK if it is attacked. One group of Chinese policy-makers argues for deletion of Article Two, the rationale being to deter the DPRK from military adventures. Another group of Chinese policy-makers argues the opposite; that Article Two should be maintained because its existence deters the United States from intervening militarily in Korea.

Ren Xiao points out that China will remain firm in its vetoing of coercive UN sanctions on the DPRK but it will not and does not always oppose sanctions per se. China is reluctant, however, to use its trade and aid leverage to impose its will on the DPRK. China's policies will therefore continue to be cautious and to encourage dialogue between the DPRK and the outside world. The frequent high-level visits between the DPRK and China are a sign that China has good communication channels with the DPRK. China's overall view, however, is that, until the fundamental conflict between the DPRK and the United States is resolved, only incremental policy activity is appropriate. Ren Xiao argues that:

Living with a DPRK that has a limited nuclear capability, China continues to induce and encourage Pyongyang to take a new and different path. In the meantime, China hopes to prevent, by all means, worst-case scenarios of a sudden collapse or a war from materializing, for which all the parties involved, including China, would pay a high price. Under stable conditions, defined as a lack of chaos, things will, it is hoped, be worked out gradually towards a peaceful and stable Korea that is friendly to China, which will be in everybody's best interest.¹¹

Japan

Gavan McCormack situates his study of Japanese approaches to Korean security dilemmas in Chapter 9 with a reminder that security is rarely achieved through defence arrangements per se, and more often through comprehensive cooperation agreements and arrangements. Long-term stability, he argues, will be achieved only by cultural, economic and political iteration. Progress may be slow, but the effort to create cooperative mechanisms is essential for sustainable security in the region.

McCormack argues that key policy issues for achieving durable peace and cooperation in East Asia involve resolving what he calls the "North Korea problem" in tandem with what he calls the "Japan problem". The former is as much how to overcome the division of the country along ideological lines as it is to prevent what he considers is a highly improbable attack by North Korea on its neighbours. The second and related problem is how Japan can become reconciled to its Asian neighbours and overcome hostility stemming from its colonial past and its post-1945 decision to turn towards a single-minded pursuit of alliance with the United States at the expense of developing more cooperative relations with its East Asian neighbours. McCormack shows us that the Six-Party Talks have offered glimpses of a future cooperation between the major Asian states, with signs that, through the process of discussion, China and Japan have become closer than before, perhaps laying the groundwork for an East Asian Community of the future.

Russia

Georgy Bulychiev agrees with our other contributors that a multisectoral strategy accompanied by a serious negotiating process is essential if peace and security are to be achieved, not just between the two Koreas but in Northeast Asia as a whole. Bulychiev argues in Chapter 10 that Russia has always been aware of the need to analyse and resolve Korean security dilemmas in a multidimensional manner. Without this interrelated approach, the implementation of policies designed to remedy a sin-

gular security threat may actually exacerbate the security dilemmas in other sectors. He states that:

it is conceivable that singling out the issue of weapons of mass destruction (WMD) and trying to resolve it would bring not an increase but a dangerous decrease in human security both in North Korea and in the surrounding countries. For example, weakening the Pyongyang political regime through sanctions and isolation (even if this stops short of its overthrow) in a quest to eliminate its WMD potential could result in uncontrolled migration, transborder crime, the spread of infectious diseases, not to mention severe suffering among the North Korean population.¹²

Bulychev, like Harrison in Chapter 6, shows that external interlocutors need to provide security guarantees and need to provide support to the DPRK for socio-economic development. The policy goal would be “[a] step-by-step transfer from a totalitarian to an authoritarian political system . . . with eventual evolution towards the East Asian model of controlled democracy. The distant outcome would be gradual ideological liberalization, and the unity of society would be achieved on the platform of nationalism, patriotism and ‘statehood’.”¹³

Agreeing with all our contributors that multilateral diplomacy provides an appropriate framework for policy negotiation, Bulychev argues, again as do all our contributors, that multilateral talks could also provide the facilitating framework for direct talks between the United States and the DPRK. In addition, they could prefigure and provide the initial conditions for the eventual creation of a regional security and cooperation agency.

The supporting partners: The European Union and the Association of Southeast Asian Nations

The various Korean security crises of the 1990s and 2000s have drawn in a number of international interlocutors apart from the major powers of Northeast Asia and the United States. The European Union supported conflict resolution processes through its critical partnership with the DPRK and by acting as a conduit of information and support for DPRK engagement with the West. The nations of Southeast Asia, that is, the members of the Association of Southeast Asian Nations (ASEAN), also provided a channel for information and communication to the capitalist West for the DPRK. Both the European Union and the ASEAN nations favoured resolution of outstanding conflicts through peaceful means and dialogue. Both organizations and their member states, however, recog-

nized their subsidiary role in relation to the partners in the Six-Party process and recognized theirs would be only a limited involvement to facilitate and support the key actors in the Korean security drama.

The European Union became a major donor of humanitarian assistance to the DPRK in the wake of the DPRK famine of the 1990s and joined the board of the Korean Peninsula Energy Development Organization. Its leaders have pursued a policy of critical engagement with the DPRK, implementing human rights dialogues along with economic support. Maria Castillo Fernandez in Chapter 11 shows how European Union policy was based on “engagement, exchange and exposure”. Critical dialogue provides the foundation for the EU approach to Korean security.

The ASEAN nations had longstanding political and economic relations with the DPRK. In Chapter 12, John Ciorciari analyses the “ASEAN Way” and shows how this can be used as a new way of thinking about conflict resolution in Korea. He says that the “chief normative features of the ASEAN Way include a strong norm of non-interference in the domestic affairs of other states, a respect for sovereignty and territorial integrity, an emphasis on crafting regional solutions to regional problems and a firm commitment to peaceful dispute resolution”.¹⁴ Ciorciari does not argue that such ways of operating could replace necessary balance of power arrangements for Northeast Asia. Instead, he argues that the ASEAN Way can be seen as introducing complementary measures “in coaxing the DPRK toward better behaviour and ‘socializing’ Pyongyang”.¹⁵

Policy conclusions

Northeast Asian stability requires fresh analysis of Korean security dilemmas and a reinvigorated comprehensive security strategy designed to address multifaceted security challenges of the early twenty-first century. The first important lesson is that the DPRK needs to be understood as a society in constant flux; this creates challenges but also new opportunities for international interlocutors. Secondly, the various interests of all the different partners need to be re-examined and coalitions of interests constructed such as to build diplomatic alliances around and across hard and soft security challenges.

No issue need be off the agenda but progress on one should not be made hostage to progress in all. That would be a recipe for paralysis and inaction, or, worse, for action taken by those whose agenda does not necessarily include the resolution of conflict by peaceful means. A Helsinki

approach of differentiating and negotiating on separate “baskets” should be followed. In the case of Korea, there would be three “baskets”: hard security issues (nuclear weapons, arms production and sales, WMD); economic and humanitarian issues; and human rights.

An intergovernmental process bringing together the DPRK with the other five members of the Six-Party Talks should be continued. These multilateral dialogues should provide the framework for necessary bilateral negotiation, particularly between the United States and the DPRK. No government in the region supports the fundamentalist position that never in any circumstances should two parties with outstanding issues of conflict talk to each other without the presence of other parties. The US adoption of the position that it should never talk directly to the DPRK handicapped its ability to engage in flexible diplomacy and its ability to obtain outcomes that would have been in its national interest, including above all a non-nuclear Korean peninsula. This position also damaged its standing in East Asia. Its allies, Japan and South Korea, moved closer to China the more China took on the role of “responsible great power” in Korea and the less the United States seemed able to prevent the nuclearization of the Korean peninsula and to find diplomatic solutions to the dangerous security tensions caused by the multidimensional Korean security crises of the 2000s.

In the medium and long term, the Six-Party formula should provide the foundation for a set of security arrangements designed to bring neutralism to the Korean peninsula. The economic costs of what will need to be a major investment in nation-building will have to be shared and it is likely that Japan, which is committed to paying compensation to the DPRK for colonial occupation, will transfer billions in the wake of a political settlement of outstanding security issues on the Korean peninsula. These financial transfers should be systematically accounted for through the medium of a transparent intergovernmental technical organization. The Six-Party Talks therefore should also provide the building blocks for an intergovernmental Northeast Asian development community designed to bring economic development and modernity, including the rule of law, to the DPRK.

In the end, it will be South Korea that takes the lead and carries the burden of integrating a post-conflict DPRK into peaceful coexistence with the rest of the world. This will take place through a political arrangement reached between the DPRK and the Republic of Korea. South Korea will need economic and political support from the range of interlocutors we have introduced in this volume. Post-conflict nation-building is not the endgame. It is only the beginning of the next phase – the struggle for a democratic, free and united Korea.

Notes

1. Chapter 4, p. 76.
2. Ibid., p. 79.
3. Chapter 3, p. 64.
4. Especially useful is Bob Woodward, *State of Denial*, New York: Simon & Schuster, 2006; see also Rajiv Chandrasekaran, *Imperial Life in the Emerald City*, New York: Alfred A. Knopf, 2006; Michael Isikoff and David Korn, *Hubris: The Inside Story of Spin, Scandal and the Selling of the Iraq War*, New York: Crown, 2006; Joseph Wilson, *The Politics of Truth: Inside the Lies That Led to War and Betrayed My Wife's CIA Identity*, New York: Carroll & Graf, 2004.
5. Chapter 2, pp. 26–28.
6. Chapter 5, p. 98.
7. Chapter 6, p. 117.
8. Ibid., p. 117.
9. Ibid., p. 117.
10. Ibid., p. 121.
11. Chapter 8, p. 159.
12. Chapter 10, p. 183.
13. Ibid., p. 205.
14. Chapter 12, p. 238.
15. Ibid., p. 249.

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