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CONTENTS

North Korea in Transition:
Changes in Internal Politics and the Logic of Survival
Andrei Lankov ····· 1

Shattering Myths and Assumptions:
The Implications of North Korea's Strategic Culture for U.S. Policy
Balbina Hwang ····· 28

A Japanese Perspective on North Korea:
Troubled Bilateral Relations in a Complex Multilateral Framework
Heigo Sato ····· 54

Tension on the Korean Peninsula and Chinese Policy
Gong Keyu ····· 93

Strategy Analysis for Denuclearizing North Korea
Woo-Taek Hong ··· 120

The Changing Party-State System and
Outlook for Reform in North Korea
Jinwook Choi ··· 142

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International Journal of Korean Unification Studies

North Korea in Transition: Changes in Internal Politics and the Logic of Survival

Andrei Lankov

Abstract

The denuclearization of North Korea is a remote possibility. The significance of the nuclear program for North Korea (as a deterrent, diplomatic instrument, and propaganda tool) demonstrates that the gains of North Korea from denuclearization will be small compared to the advantages created by the nuclear program. The international community (above all the U.S.) has no significant leverage when it comes to dealing with the North Korean nuclear issue. Sanctions (if not sabotaged by China or Russia) will likely lead to another famine, but will not start a revolution; possible incentives are not sufficient either. The only possible compromise might include the tacit recognition of the nuclear status of North Korea, but such compromise is not acceptable (and probably not advisable) from the U.S. perspective. This article argues that years of difficult but fruitless negotiations lay ahead. Only the eventual collapse of the Kim family regime will result in a dramatic change in the North Korean attitude to nuclear weapons.

Key Words: the U.S., North Korea, South Korea, nuclear issue, sanctions

Vol. 18, No. 1, 2009, pp. 1-27.

North Korea attracts much international attention that is disproportionate for a country the size of Mozambique but with an even weaker economic output. Unfortunately, most studies on North Korea tend to concentrate on issues, related to international politics, the Six-Party Talks, nuclear brinksmanship, and the ilk. However, the changes of the recent decade have provided a wealth of new information about the internal situation of the nation. It is possible only to surmise what the North Korean leaders think, as opposed to an easy understanding of what they actually do when it comes to regulating and directing North Korean society. The relative permeability of the Chinese border and large numbers of refugees that have already escaped the country make this information easily available.

This new situation raises a few important questions concerning North Korea. Can North Korea still be considered a Stalinist state and if so how can the present social system be described? What are the major social differences that exist between North Korea and two other groups of the post-Communist states: the self-reforming authoritarian regimes of the Chinese type and Eastern European Bloc where dramatic social and economic reforms followed political revolutions. Last, why has North Korea experienced neither revolution nor reform so far?

North Korea cannot be seen as a "communist state" any more, since it has exited the communist system in an indigenous and rather unique way that is at variance with both the Chinese and East European scenarios. Also argued is that the unusual historical path of North Korea was (to a large extent) a byproduct of the division of the Korean peninsula.

North Korea under Kim Il Sung: Perfect Stalinism

In the late 1950s and early 1960s, the Sino-Soviet schism and reforms by Khrushchev in the USSR changed the monolithic Communist

camp. During the schism North Korea (while following the equidistance policy) resolutely refused to adhere to the view of Khrushchev which was considered 'revisionist.' Until the early 1990s North Korea remained a nearly perfect specimen of the Stalinist society where manifold peculiarities of the Stalin-era Soviet system were preserved and often taken to extremes.

Alex Dowlah and John Elliot in recent research on the Stalinist society in the USSR paid special attention to the following features of this model: "(1) dictatorship by the Communist party over the state; (2) personal tyranny by Stalin over the Communist party; (3) a closely knit set of institutional innovations for party/state control and coordination of the economy, namely, collectivization of agriculture, state ownership of the means of production, centralized planning, and a strong bureaucratic machine; (4) rapid industrialization, with emphasis on investment in heavy industry and shifts in resources from agriculture to industry; and (5) domination by the dictator, party, and state over society through monopolization of control over the armed forces, the media of mass communication, ideology, and education and the systematic use of secret police terror."[1] All those features can be found in the era of North Korean society under Kim Il Sung (with Kim Il Sung, rather than Stalin, at the top of the system).

Of these mentioned features, the total state control over the economy is of central importance. Pavel Campeanu in his analysis of the Stalinist system once underlined this centrality of the economy and ownership structure: "Stalinism wrested the whole of ownership from both class and state, i.e., from society. [...] Locating ownership outside society required the formation of a supreme authority which was capable of exercising that function precisely by virtue of its own position

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1 - Alex F. Dowlah and John E. Elliot, *The Life and Times of Soviet Socialism* (Westport, CT: Praeger Publishers, 1997), p. 67.

outside society; hence the vital importance of this unprecedented social architecture created to ensure the isolation of a dual monopoly over power and ownership."[2]

North Korea closely followed this Stalinist approach with exceptional thoroughness. No private industry ownership has been tolerated since the late 1940s, while small handicrafts and retail trade were privatized by the late 1950s. North Korean agriculture was completely collectivized as well. A deliberate effort was made to prevent farmers working private plots from earning significant income and was a major difference with the former USSR and Eastern Bloc countries of Europe where such activities were tolerated and even occasionally encouraged. In North Korea under Kim Il Sung, private plots were unusually small, typically 20-30 *pyong* (70-100 square meters) per household in the rural areas (and less in the cities).[3]

North Korean central planning was especially rigid and the public distribution system (PDS) was all encompassing. Nearly all food and consumption goods were distributed rather than sold. The emphasis on heavy industry (typical for the USSR) reached even greater heights in North Korea.

On the issue of police surveillance and social control, North Korean leaders managed to become even more Stalinist than Stalin himself: many of the restrictions which existed in North Korea in the 1970s and 1980s would have been impossible (even unthinkable) in the Soviet Union under Stalin. In order to travel outside of a local town or county, North Korean citizens first had to apply for a special "travel permit"

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[2] – Pavel Campeanu, *The Genesis of the Stalinist Social Order* (Armonk, NY: M. E. Sharpe, 1988), p. 109.

[3] – U Yong-gun and Im Sang-ch'ŏl, "Pukhan hyŏptong nongjang-ŭi hyŏngsŏng kwajŏng-gwa unyŏng ch'eje" [Formation and Management System of a Collective Farm in the DPRK], *Hankuk hyŏptong chohap yŏngu* [Korean Journal of Cooperative Studies], Vol. 12 (1994), p. 55.

which was issued by authorities after lengthy procedures. All North Koreans were required to belong to a "people's group." These groups included 25-40 families who lived in the same block or same apartment building. They operated under an appointed head who kept an eye on all activities occurring in the neighborhood. Everybody who stayed overnight with friends or relatives had to register first with the "people's group" and produce the necessary documents.[4] Random home searches, conducted around midnight several times a year, were another part of the North Korean daily routine.[5]

Special measures were taken to ensure that the North Korean public would have no access to unauthorized overseas information. Radio sets with free tuning were illegal and all non-technical overseas publications could be accessed only by individuals with the proper security clearance. Private overseas trips were virtually impossible for anyone but the elite and official exchanges (even with supposedly friendly countries) were kept to a bare minimum. This isolation was vital for maintaining the myth of North Korean prosperity. While the country was increasingly lagging behind other countries (and above all South Korea) the population was assured that in terms of economic prosperity North Korea was first. Only strict self-isolation made this policy sustainable.

This system was very inefficient even in the best times. North Korea at the time of the communist takeover was the most developed industrial region of continental Asia, but began a downhill slide to

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4 - For the role of people's groups, see Kim Sŭng-ch'ŏl and Pak Sŏn-yŏng. "P'yŏngyangsi inminpan unyŏng silt'aewa chumin saenghwal" [The Management of a People's Group in Pyongyang and the Life of the Population], *Pukhan*, No. 4 (2006), pp. 186-201.

5 - Research on police control and surveillance in North Korea is still in its infancy, but the basic workings of the system outlined have been described many times, since it is well known to every North Korean. See, for example, a detailed description of travel restrictions in Kim Sŭng-ch'ŏl, *Pukhan tongp'ŏtŭlŭi saenghwal yangsikkwa machimak hŭimang* [The Way of Life of the North Korean Compatriots and the Last Hope] (Seoul: Charyowŏn, 2000), pp. 185-197.

become the poorest country in the region. Huge military spending aggravated the situation even further: first, the North Koreans overspent on the military because they hoped to take over the South; later, they kept overspending in order to keep abreast of South Korea (which was an increasingly difficult task considering the rapidly widening economic gap between the two Koreas).

Aid and subsidized trade with countries of the former communist bloc and above all with the Soviet Union and China was the major force that kept the increasingly inefficient North Korean economy afloat. Even in the Soviet era, Moscow had little sympathy for the regime of Kim Il Sung. However, the USSR needed a stable North Korea and wanted Pyongyang to remain neutral in the Sino-Soviet split. The USSR provided North Korea with aid grants, heavily subsidized oil, tolerated a large trade deficit, and often agreed to economically unfavorable conditions of trade. According to the estimates of Nicholas Eberstadt, the cumulative foreign trade deficit of North Korea in 1970-1997 amounted to $12.5 billion US dollars (or about 40% of the cumulative nominal exports of the country).[6]

The collapse of the Soviet Union revealed that the frequent claims of North Korean self-sufficiency were false. In the new situation, Moscow saw no reason why it should continue the support of North Korea and the aid grants along with subsidized trade ended virtually overnight in 1991. After 1991, the North Korean economy went into a free fall. Throughout 1991-1999, the gross national product (GNP) of the Democratic People's Republic of Korea (DPRK) nearly halved. By early 1997, the average production of major plants was reportedly at 46% of capacity.[7] National industrial equipment was widely sold to

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[6] - Nicholas Eberstadt, *The End of North Korea* (Washington: AEI, 1999), pp. 99-100.

[7] - Yi Kyo-kwan, "Sanŏp sisŏl kadongyul 77%-ro k'ŭge hyangsang" [The Great Increase of the Capacity Usage Ratio to 77%], *Chosun Ilbo*, April 9, 2001, p. 41.

China as scrap metal.

Rations ceased to be issued in the countryside from around 1994, and soon afterwards the Public Distribution System (PDS) came to a halt. Though people in most areas still received ration coupons, these coupons could not be exchanged for food. Only in Pyongyang and other politically important areas was food distributed throughout the late 1990s, but even in those privileged areas rations were dramatically reduced. According to Meredith Woo-Cummings, only 6% of North Koreans survived on the PDS rations in 1997.[8]

From 1996-1999 the country suffered from a famine that was the worst humanitarian disaster East Asia has experienced in decades. No reliable figures have surfaced to date, but according to conservative estimates the "excessive deaths" from 1996-1999 were 600,000-900,000.[9] This represents one of the most spectacular failures a classical Stalinist or centrally planned communist economy has ever experienced.

De-Stalinization from Below

To date, social scientists and historians believe that there are two major types of post-communist transition; two "exits from Communism." One way was demonstrated by China that gradually dismantled the centrally planned economy while keeping in place the authoritarian state (largely as a guarantee of political stability). Another way was demonstrated by the former USSR where partial economic reforms were accompanied by an attempted political liberalization. In one of the earliest works dealing with the subject was published in 1994, the author,

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8 - Meredith Woo-Cumings, "The Political Ecology of Famine: The North Korean Catastrophe and Its Lessons," Asian Development Bank Institute, January 2002, p. 34.

9 - On the different estimates of the demographic impact of the famine, see Stephen Huggard and Marcus Noland, *Famine in North Korea*, p. 27.

Minxin Pei, dubbed the first way as an "evolutionary authoritarian route" while the second was described as a "revolutionary double breakthrough" when the political reforms led to the growth of popular discontent and then to a collapse of the regime, followed by the switch to a market economy.[10]

The Chinese way implies a gradualist transformation of the society, with a piecemeal introduction of market institutions under the strict authoritarian control of the Communist party. However, as Minxin Pei noted in describing China and Vietnam: "The institutional, economic, and ideological foundations of orthodox communist rule had been so seriously undermined that by the early 1990s "communism" no longer accurately described the autocracies in these countries."[11] In subsequent years, the divergence increased even more. Three decades of such policy produced a system that is clearly authoritarian, but more market-oriented and economically efficient.

The East European and Soviet approach implied a radical political reform. Unlike the Chinese and Vietnamese leaders who did not hide suspicions in regards to political democracy, Gorbachev and his supporters in the USSR (and elsewhere) hoped that a political rejuvenation would lead to a revival of the entire communist project; however, this did not happen. So, these are classified by Minxin Pei as societies that experienced a "revolutionary double breakthrough": the first breakthrough was a switch to political democracy that was soon followed by the disintegration and complete collapse of the old communist system. The second breakthrough (a subsequent transition to the markets) continued under the political control of different regimes that usually claim adherence to the principles of a liberal

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10 - Minxin Pei, *From Reform to Revolution: The Demise of Communism in China and the Soviet Union* (Boston: Harvard University Press, 1994), pp.18-25.

11 - Minxin Pei, *ibid*, p. 2.

democracy and market economy.

This difference between the Soviet and Chinese model has been well studied, but North Korea is seldom considered in post-Communism transitional theory, since it has experienced neither Chinese style economy-centered reforms nor Soviet-style political transformation. North Korea is frequently described as a "Stalinist state." However, this is a misleading description, since not only specific features of Stalinism, but also more general features of the communist system have disappeared. In the 1990s and early 2000s, North Korea demonstrated the third way to exit a communist system, the way of spontaneous marketization at a grassroots level. Unlike China and East Europe, this disintegration from below did not result in economic growth. North Korean cannot be described as a "communist" (let alone "Stalinist") country any longer.

The state ownership of all major economic assets is both a central and specific feature of a communist state and is the area where changes were most profound. In post-Kim Il Sung North Korea, the state does not continue to control economic activity. In the mid-1990s, all meaningful economic activity moved to the private markets and the populace began to survive through activities in the "second" or non-official economy. A 2004-2005 survey of North Korean refugees (then residing in South Korea) indicated that earnings from the informal economy provided them with 78% of total income in 1998-2003 (the comparable figure for the 1964-1990 Soviet Union was 16.3%).[12]

These economic changes brought a deep social transformation. The "unprecedented social architecture created to ensure the isolation of a dual monopoly over power and ownership" (whose importance for the system was emphasized by Pavel Campeanu) began to unravel as

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[12] – Byung-Yeon Kim and Dongho Song, "The Participation of North Korean Households in the Informal Economy: Size, Determinants, and Effect," *Seoul Journal of Economics 21* No. 2 (2008), pp. 373-374.

well. The explosive growth of official corruption meant that many old restrictions (including a ban on unauthorized domestic travel) ceased to be enforced. For low-level officials that were badly paid and deprived of rations, corruption in the 1990s became the only way to survive and in some cases prosper. Bureaucrats began to ignore a great variety of illegal activities, especially if motivated through monetary rewards.[13]

The rise of the market economy also complicated day-to-day surveillance over the population. People involved in market activities discovered that they were independent of the government pressures that had enforced obedience for decades. Under the new circumstances, it became impossible to ensure that people attended indoctrination sessions, public rituals, tributes to the portraits and statues of the Great Leader, and mass rallies, which were once a daily feature for North Koreans. The more privileged still attended since they had something to lose; however, those at the bottom of the official hierarchy no longer cared.[14] Workers frequently bribed managers, who in turn marked attendance records while they were busy buying and selling goods somewhere in the market.[15]

Amid the crisis, the disintegration, and spontaneous marketization of the 1990s, a new entrepreneurial class began to emerge. In many cases, the new businesses penetrated the official bureaucracy. While officials are not normally allowed to run independent business operations,

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[13] - The unprecedented growth of corruption in North Korea is a widely discussed phenomenon. For a more academic view of the question, see Ch'ae Won-ho, Son Ho-chung, and Kim Ok-il, "Pukhan kwanryo pup'ae-ŭi silt'ae-wa wonin-e taehan yŏnku" [Study of the Current Situation and Reasons of Official Corruption in North Korea], *Hankuk kŏpŏnŏnsŭ hoepo 13*, No. 1 (2008), pp. 297-321.

[14] - Byung-Yeon Kim and Dongho Song, "The Participation of North Korean Households in the Informal Economy: Size, Determinants, and Effect," *Seoul Journal of Economics 21* No. 2 (2008), pp. 373-374.

[15] - A detailed description of these activities, see Pak Yong-cha, "2000nyŏntae Pukhan notoncha-tŭl-ŭi notong ilsang" [Daily Work Conditions of the North Korean Workers in the early 2000s], *Chinpo p'yŏngron 38*, December 2008, pp. 193-196.

the line between private and state business has blurred. In many cases the officials use family members to trade, and in some cases government companies are used as a cover for private economic activities (for example, private buses and trucks are registered under the name of a particular government company whose management receives payoffs from the actual owner).[16] State-run companies also began to make deals with private traders and borrow money on the black market that blurred the line between private and state ownership.

Important were the changes that occurred on the long border with China. This line was never guarded with great efficiency. When the famine struck the northern parts of the DPKR in the late 1990s, many farmers escaped death through migration across the frontier where many had relatives (the adjacent parts of China have a substantial ethnic Korean population). In the late 1990s, the number of these refugees reached an estimated 200,000 or more.[17] Eventually, some of them turned to cross-border smuggling or began to visit China regularly, looking for employment. This cross-border movement introduced to North Korea a variety of information about the outside world, including VHS tapes (later VCDs and DVDs) of foreign movies and South Korean TV shows. This influx dealt a serious blow to the credibility of official propaganda.

It is important to understand that the regime never fully approved of these changes, let alone promoted this social transformation. During the famine, authorities staged occasional crackdowns on market activities, though these restraints seldom had a lasting impact.

In 2002, it appeared briefly as if the state itself had decided to bow to the pressure of market forces. In July that year, the government quietly introduced the so-called "Industrial Management Improvement

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[16] - For some details, see *Onŭlŭi Pukhansosik* [North Korea Today], January 13, 2009, p. 2.

[17] - For a summary of the refugee situation around 2000-2001, see Andrei Lankov, "North Korean Refugees in Northeast Asia," *Asian Survey* 44, No. 6.

Measures" (never officially described as "reforms," since this word has always been a term of abuse in the lexicon of Pyongyang). The "measures" decriminalized a broad swathe of market activity and introduced some changes to the industrial management system, enhancing the rights of industrial managers.[18]

These "July 1st measures" were widely hailed overseas as a sign of change: many optimists (especially from the South Korean Left) believed that only outside pressure had prevented Kim Jong-il and his entourage from embracing Chinese-style reforms. At that time both the mainstream media and academic publications frequently featured statements to the effect that "the country has recently initiated a policy of internal reform and external engagement."[19] The major newspaper headlines were equally optimistic: "With Little Choice, Stalinist North Korea Lets Markets Emerge" (*Wall Street Journal*, June 20, 2003); "Signs That North Korea Is Coming to Market" (*New York Times*, June 3, 2004); and "North Korea Experiments, With China as Its Model" (*New York Times*, March 28, 2005).

The "July 1st measures" of 2002 were far less radical than many initially assumed; with few exceptions. The North Korean government simply gave belated approval to activities that had been going on for years and which the regime could not eradicate. For example, after 2002 vendors were formally allowed to trade in industrial goods whose sales had not been permitted before. In real life, the trade in industrial items

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18 - Since the July 1st measures were seen as the beginning of a long-awaited Chinese-style reform program, they were discussed at great length by numerous scholars. In English, the best summary is Young Chul Chung, "North Korean Reform and Opening: Dual Strategy and 'Silli [Practical] Socialism'," *Pacific Affairs* 77 No. 2 (Summer 2004), pp. 283-305. In Korean Kang Il-ch'ŏn and Kong Sŏn-yvng, "7.1 kyŏngche kwanri kaesŏn choch'i il nyŏnŭi p'yŏngkawa chaehaesŏk" [The First Anniversary of the July 1st Economic Management Improvement Measures: Analysis and Appraisal], *P'yŏnghwa munche yŏnkuso, t'ongil munche yŏnku* 15 No. 2 (November 2003), pp. 131-146.

19 - Sang T Choe, Suk-Hi Kim, and Hyun Jeong Cho, "Analysis of North Korea's Foreign Trade: 1970-2001," *Multinational Business Review 11* No. 1 (Spring 2003), p. 104.

(while technically illegal) had flourished since the early 1990s. The market vendors that the author interviewed all agreed that the "July 1st measures" did not influence either the hometown activity of the markets or independent operations, the bans had been long ignored by 2002 when they were officially lifted. As one former black market dealer casually noted, "Most North Koreans do not even know what the 'July 1st measures' are."[20] The decision to implement the new policies (however restricted) and to recognize some changes was clearly a sign of the willingness of the government to accept what was irreversible.

In the 1990s North Korean society experienced a dramatic transformation. This transformation was spontaneous and developed from below, unlike the changes initiated or encouraged by the authorities in the USSR or China. It could not lead to any sustainable economic growth. However, the growth of the market elements within the North Korean economy (combined with a dramatic decline of the state-owned industries) changed the workings of this society. The spontaneous marketization also became an important coping mechanism: without the markets and illegal trade in goods and services, more North Koreans would have perished during the famine of the late 1990s. Due to the decisive role of the market activities, it is implausible to describe North Korea of the last 15 years as a 'communist' let alone 'Stalinist' society.

The Backlash: The System Rebooted

The North Korean authorities did not accept spontaneous changes and a backlash followed. The first possible sign of this reaction was a ban introduced in May 2004 on the private use of mobile telephones. Only

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[20] – So Yu-sŏk, "Pukhankun 31satan minkyŏng taetaewa taenam yŏnraksŏui silch'e" [The 31st Division of the North Korean Army and the Situation in the 'South Liaison Centers'], *Pukhan* (June 2008), p. 198.

a small number of mobile phones were allowed to remain, to be used exclusively by the top bureaucracy and the military.[21]

The pendulum increased its backward movement in October 2005, when the Pyongyang authorities outlawed the sale of grain on the market and stated that the Public Distribution System would be fully re-started. The North Korean populace was then assured by the official media that citizens would be given standard rations on a regular basis, as had occurred under Kim Il Sung. The price of rations was fixed at the post-2002 official level; for example, rice was 44 NK won per kilo. However, by the time of the announcement, the market price had already reached 800-900 NK won, and by 2008, it was fluctuating around 2,500 NK won, so the PDS price remained essentially a token measure.[22] The revival of the PDS was presented as a sign of a "return to normality" and the majority of the North Korean population would undoubtedly agree with this description. The PDS had played a decisive role in food distribution since the late 1950s, so a majority of North Koreans would have lived entirely under the PDS and indeed would have come to perceive it as "normal."

In December 2006, the authorities took the next step in prohibiting able-bodied males from participating in market trade.[23] It was believed that they should attend a "proper" job, that is, be employees of the government sector.

In December 2007, the North Korean authorities extended the ban

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[21] - The ban was widely reported and discussed in 2004-2005. "Puk, sonchŏnhwa kŭmchi sasil" [The Ban on Mobile Phones in the North Is Confirmed], *Hankuk Ilbo*, June 4, 2004, p. 5; "Puk, yongch'ŏn p'okpal ihu hyutae chŏnhwa kŭmchi choch'i" [North Korea: After the Yongch'ŏn Explosion, Mobile Phones Are Banned], *Kukmin Ilbo*, June 14, 2004, p. 11.

[22] - In May-June 2005, rice at the Hamhŭng market cost 950 NK won per kilo. See Kim Yong-chin, "Hampuk Musan chiyok ssalkaps sop'ok harak" [Rice Prices in Dramatic Decline in Munsan and North Hamgyong], *DailyNK*, July 17, 2007.

[23] - In both cases, the actual amount of grain is smaller since "voluntarily" deductions are made. These deductions roughly equate to 20%, so a person who is eligible to a 700g ration actually only gets 540g.

on market trade to females below 50 years of age.[24] This policy was based on the same assumption: every able-bodied North Korean (irrespective of gender) should be employed by the state sector and the private economy should be tolerated only as a coping mechanism for ameliorating temporary crises. Unlike the earlier decisions, this one guaranteed a serious impact on the North Korean markets, since middle-aged women are overrepresented among North Korean market vendors and small entrepreneurs.[25]

Vendors did what they could to counter these measures. There were also localized riots, as for example in Ch'ongjin in March 2008. In this city, the ban on private trade by younger women was enforced with special thoroughness while the PDS rations were delivered irregularly. Women who participated in the riots reportedly yelled, "If you do not let us trade, give us rations!" and "If you have no rice to give us [as rations], let us trade!"[26]

It is important to understand that these new restrictions had little to do with attempts to revive industrial production. A majority of North Korean factories have ceased to function and in many cases cannot be re-started without a massive investment that is unlikely to arrive. A defector recently described the plight of one family member who was still in North Korea, "They make him go to the plant, but what will he do there? The plant does not operate, and all the equipment was sold

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[24] - The imposition of this ban was reported in October when rumors began to spread. The ban came in effect from December 1, 2007. See *Onŭlŭi Pukhansosik* [North Korea Today], December 6, 2007, p. 2.

[25] - The special role of women in the North Korean informal economy has been highlighted by a number of researchers. For English-language publications, see Byung-Yeon Kim and Dongho Song, "The Participation of North Korean Households in the Informal Economy"; Andrei Lankov and Kim Seok-Hyang, "North Korean Market Vendors." In Korean, see Yi Mi-kyŏng, "T'alpuk yŏsŏngkwaŭi simch'ŭng myŏnchŏpŭl t'onghaesŏ pon kyŏngchenan ihu Pukhan yŏsŏngŭi chiwi pyŏnhwa chŏnmang" [The Prospects for Change in the Position of North Korean Females as seen through In-depth Interviews with Female Defectors], *Kachokgwa Munhwa*, No. 1, (2006), p. 37.

[26] - *Onŭlŭi Pukhansosik* [North Korea Today], March 12, 2008, pp. 2-3.

to China for scrap metal long ago. So he just goes and sits there, doing nothing."[27] Judging by anecdotal evidence, this seems to be a common occurrence.

In this case, the goal of the government is not economic revival or even a reassertion of the totality of state ownership that is correctly seen as an essential feature of the Stalinist society. Rather, the government aims at reassertion of political and social control, since in the Kim Il Sung era the surveillance and indoctrination system was centered around the workplace. People are sent back not so much to the production lines, as to indoctrination sessions and to the watchful eyes of police informers, away from the subversive rumors and dangerous temptations of the marketplace.

Border security has increased and has led to a dramatic decline in the number of North Korean refugees in China (from some 200,000 in 2000 to 30,000-40,000 at present).[28] The authorities have said they will treat the border-crossers with increased severity, reviving the harsh approach that was quietly abandoned around 1996. Obviously, this combination of threats, improved surveillance, and tighter border control has been effective. Nowadays, independent crossings are almost impossible, so an entry or exit from China requires the assistance of border guards. This aid can be purchased with a bribe and is a cheap option for professional smugglers, but prohibitively expensive for the average

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[27] – Interview with North Korean defector, Seoul, October 15, 2008.

[28] – Concerning the number of North Korean defectors hiding in China in 2006-2008, some large estimates still exist, but the author tends to agree with Yun Yŏ-sang (Yun Yŏ-sang, "Haeoe t'alpukcha silt'aewa taech'aek" [The Current Situation of North Korean Defectors Overseas and the Policy towards Them], *Pukhan*, No. 5 (2008), p. 70). He concludes that in 2007 there were between 30,000 and 50,000 North Koreans hiding in China. In May 2007 NGO representatives operating there also agreed that the number of refugees was close to 30,000. "T'alpuk haengryŏl 10 nyŏn ...suscha chulko kyech'ŭng tayang" [Ten Years of Defections from the North ...Numbers Go Down, Social Variety Increases], *DailyNK*, May 14, 2007. These estimates coincide well with what the author himself is hearing in the borderland areas from both Chinese officials and independent researchers (trips in 2007 and 2008).

North Korean (the usual price for a border crossing was reported in 2007 as being 500 yuan or USD70).[29]

Logic of Survival

The events of the last 15 years demonstrate that North Korean leadership has no intention to initiate reforms. Kim Jong-il and his entourage have no intention to emulate the policies of Gorbachev and other East European leaders, since the "revolutionary breakthrough" there led to the collapse of the power and privileges of the ruling elite. However, the North Korean government seems to be equally unimpressed by the prospects of the authoritarian transformation that worked so well in China. The clear unwillingness to initiate reforms (or accept spontaneous changes from below) is perplexing, and is sometimes explained away by some "paranoid fear of change" which is allegedly widespread among the North Korean elite.

Christopher Marsh wrote in his comparative study of Chinese and Russian transitions from communism, "While myriad factors were at work in often unique combinations in the dozens of societies that sought to exit from Communism in the late 1980s and early 1990s, the reform of Communism was not separate processes operating independently of each other, but rather part of a single, global phenomenon."[30] In the course of the reform and transition process, knowledge acquired about the experience of other countries exercised a great influence on policy-makers and the public. North Korea was no exception, despite the self-isolation policy the regime leaders have always possessed a reliable

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[29] – Chu Song-ha, "Kim Chŏng-il 't'alpuk hanryuyuipŭro oyŏm Hoeryŏng kkaekkŭsi hara'," [Kim Jong-il Ordered to Cleanse Hoeryŏng of Spiritual Pollution caused by the Spread of North Korean Culture and Defections], *Dong-A Ilbo*, February 26, 2007.

[30] – Christopher Marsh, *Unparalleled Reforms: China's Rise, Russia's Fall, and the Interdependence of Transition* (Lanham, MD: Lexington Books, 2005).

picture of the political situation in other communist countries.

It is assumed that Kim Jong-il must have been won over by the reports about Chinese reforms. However, these impressions were cancelled out by the experiences of East Europe, especially those of Romania and East Germany that once shared important similarities with (and special affinity to) North Korea. East Germany was the only divided country of Eastern Europe while the Romanian political system and ideology were particularly close to those of North Korea.

Events in those two countries demonstrated to the North Korean elite that the greatest threats they face are internal. In both East Germany and Romania, the communist regimes (initially reluctant to reform) could not assert control over the population and were overthrown by popular movements. In both cases, the revolt was dramatic and wiped out the governments in a matter of days with almost no warning. This experience is well known in Pyongyang.

When North Korean leaders assess the local situation, they see an important difference between the North Korean position and those that exist in China or Vietnam. The dissimilarity is the existence of a rich and free South Korea whose population shares the same language and cultural heritage. This makes the predicament of North Korea more similar to that of East Germany than that of China. Actually, the outlook in North Korea is even worse, since the gap between the two Korean states is so large. The Bank of Korea recently estimated that the per capita GNI in the South is 17 times that of the North, while many experts believe that the actual disparity is greater.[31] To put matters into perspective, the difference between the East and West in pre-unification Germany was roughly twofold.[32]

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[31] - "2006 nyŏn Pukhan kyŏngje sŏngchangryul ch'uchŏng kyŏlkwa" [Estimates of the North Korean Economic Growth in the Year 2006] (Seoul: Bank of Korea, 2007). For some critical remarks about the BOK methodology, see *Hankuk Ilbo*, October 10, 2007.

[32] - Charles S. Maier, *Dissolution: The Crisis of Communism and the End of East Germany*

The population of China and Vietnam is perfectly aware of the affluence of the developed West, but does not see this as directly relevant to local problems. The U.S. or Japan are different nations whose citizens speak other languages and clearly belong to a dissimilar culture. In a hypothetical "reforming North Korea," the situation would be different. For decades, the North Korean leaders based the claims of legitimacy on the ability to provide the population with a better material life. In reality, the stagnating North increasingly lagged behind the fast-growing South from around 1970 and propaganda could only be sustained if the population remained cut off from independent sources of information.

Market reforms and foreign investment will unavoidably undermine this isolation by bringing North Koreans into contact with foreigners, and especially with South Koreans who will probably constitute the overwhelming majority of investors. By now, it seems that many (if not most) North Koreans have come to suspect that the propaganda statements about South Korean destitution are erroneous. As a defector from a borderland town recently stated, "Well, perhaps children in the primary school still believe in South Korean poverty. Everybody else knows that the South is extremely rich." Even though they suspect that the South is thriving, few North Koreans appreciate the size of the gap that divides them and the South. Graphic descriptions of Southern prosperity would produce a truly shocking effect and would inflict serious damage on the legitimacy of the North Korean regime.

There are other unavoidable side effects of Chinese-style market reforms. The need to reward economic efficiency will mean people pay less attention to party-state rituals and more to making money and to advancing careers through adjusting to market demands. The government

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(Princeton University Press, 1997), p. 230.

will also have to tolerate the growth of horizontal connections, information exchanges, and travel between different areas. Such changes will be conducive to the emergence of certain unofficial networks, a development that is seen by the regime as a grave potential danger.

When the expected benefits of reforms are extolled by optimists, it is always tacitly assumed that a reformed regime will be able to suppress open dissent, while keeping the majority docile through a gradual improvement of living standards as has occurred in China. However, China does not have to deal with a successful and democratic "South China" whose prosperity the citizens of the People's Republic can conceivably join (even the completely implausible scenario of Chinese unification on Taiwanese terms is not likely to lead to the instant prosperity of 1.4 billion Chinese). The sheer comparative size of South Korea creates problems in the North. Knowledge of the prosperous South, combined with decades of unification propaganda, is likely to imbue the North Korean public with a belief (possibly naive) that problems will find an easy and immediate solution through unification, followed by a wholesale adoption of the South Korean social model and way of life.

It is worth remembering that the collapse of two Communist dictatorships took dramatic and revolutionary forms in two countries: in Romania whose political system was the closest analogue to the "National Stalinism" of North Korea, and in East Germany that was the only East European country to experience a national division. These comparisons are not lost on North Korean leaders.

The situation is further aggravated by the well-founded concerns of the North Korean elite who think that if the system were to collapse that they would be deprived of any future. In most Communist countries, the failure of the state socialist system has not ended the prosperity of former officials and their families. On the contrary, a large number of

Communist-era apparatchiks instantly remodeled themselves into capitalists and soon reached a level of prosperity that was unthinkable in the past. With the wisdom of hindsight, this appears to be logical. The officials enjoyed a near monopoly on administrative experience, combined with a good education and de-facto control over state property.

In North Korea, such a scenario does not appear likely. If the system collapses, the ex-bureaucrats of the Kim Jong-il regime will have to compete with South Korean managers who will be backed by the capital and experience of the South. The Northerners are certain to loose out in this competition, so capitalism in a post-unification North will be built not by born-again apparatchiks as in the former USSR, but rather by resident managers of LG and Samsung, along with an assortment of carpetbaggers from Seoul.

This fact seems to be well understood by at least some North Korean bureaucrats, but it also seems that the majority harbor an even greater fear: they are afraid of retribution. The North Korean officials know how brutal their rule has been. Even now, at least 150,000 political prisoners are kept in North Korean concentration camps, or one political prisoner for every 150 citizens a level roughly similar to that of the USSR in the worst days of Stalin's rule.[33] They also know how they would have treated the South Korean elite had they won the intra-Korean feud, and do not see any reason why they would be treated any differently by the actual winners. This makes them fear retribution, so they believe that the collapse of the Kim Jong-il regime will spell disaster for them and their families. As a high-level bureaucrat told a Western diplomat in 2007 during a frank conversation: "Human rights and the like might be a great idea, but if we start explaining it to our people, we will be killed in no

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33 – For example, a 2003 report estimated the number of political prisoners at 150,000-200,000. See "The Hidden Gulag: Exposing North Korea's Prison Camps" (Washington, DC: U.S. Committee for Human Rights in North Korea, 2003), p. 24. Similar estimates can be found in a number of independent sources.

time." It is also not incidental that many visitors to Pyongyang (including the author) have had to answer the same question quietly but frequently from their minders: "What has happened to the former East German party and police officials?"

These worries seem to be well founded, and this makes the leaders in Pyongyang wary of any change that forms a remarkable cohesion and unity among the elite. They believe (with good reason) that, 'they must hang together or else they will hang separately.'

Under the circumstances, the most rational policy choice is to avoid all dangerous reforms and keep the system as untouched as possible. This seems to be the current consensus of the ruling elite and Pyongyang in fact does not make any particular secret of this approach. Regular statements in the *Rodong Shinmun* daily and the *KCNA* news agency explain to readers what the true meaning of "reform" and "openness" (both terms of abuse in the Pyongyang lexicon) is, "The [South Korean reactionary forces] want to use their pitiful 'humanitarian aid' to lure us into 'openness' and 'reform' in order to undermine our system from within" (*KCNA*, March 30, 2002). Pyongyang politicians are equally frank when they talk about the threats associated with uncontrolled contact with the outside world. For example, on March 14, 2007 an editorial in *Rodong Shinmun* warned, "Imperialists mobilize their spying agencies and use schemes of "cooperation" and "exchange" through various channels in order to implant the bourgeois ideology and culture within the socialist and anti-imperialist countries."

The major obstacle which prevents the North Korean leaders from accepting (and further developing) the changes which have happened in society over the last 15 years is the potential political problems which are created by the division of Korea into two rival and economically unequal states. This situation has brought about the unwillingness to introduce reforms, however it has not stopped changes *per se*, and did

not save the communist society from a spontaneous disintegration. What it has done is made impossible any systematic structural and institutional changes that can pave the way to economic recovery.

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The North Korean experience demonstrated that apart from two well-known scenarios of exiting communism (those of China and Vietnam and those of Eastern Europe and the USSR) there is also another possibility, so far demonstrated by North Korea only. In North Korea, the socialist state system disintegrated from below, without much encouragement from the authorities and often against clearly expressed wishes. The centrally planned economy, based on the state ownership, rationing, and bureaucratically controlled distribution, was replaced by a primitive version of the market economy, somewhat reminiscent of the market economy seen in the least developed societies. Industrial production came to a standstill and state-controlled distribution system was replaced by the markets. These economic changes had manifold social repercussions. The old system of societal control and surveillance, once patterned after that of Stalin's Russia, ceased to function with old efficiency. The "marketization from below" did not lead to any considerable economic growth. Judged on purely economic terms, it was a failure. From 1990, North Korea registered negative economic growth, and for the most part the changes developed against the background of the unprecedented famine that led to an estimated 600,000-900,000 deaths.

The economic inefficiency is a result of the unwillingness of the regime to embrace and lead the changes. Marketization remains incomplete, and market efficiency is damaged by the necessity to fight against constant pressure from the authorities. This approach is produced by the unique North Korean situation, defined by the national division.

The South Korean affluent and permissive lifestyle is potentially very attractive for the North Korean masses and this leaves the North Korean leadership with no choice. The most rational perhaps (the only available) survival strategy for the ruling elite in Pyongyang is simple: to keep changes at bay, avoid any reforms, and crack down on independent social and economic activities. Concerning foreign policy, aid extraction through all possible means remains the only practical option, since genuine cooperation and foreign investment will have an immense destabilizing effect, as the experience of Germany (the only other divided country of the Communist camp) has demonstrated.

The result is the equilibrium between the regime and society. The regime can inhibit the growth of the market economy and seriously hinder the chances of an economic recovery. However, it cannot completely wipe out market activities, partially because they constitute an important coping mechanism and partially because low- and mid-level bureaucrats have become embedded into the new market-driven system through manifold official and non-official channels. However, the market economy cannot really develop into a coherent system, since the government fears political consequences, which are certain to be created by a more radical and systematic marketization.

For how long can such equilibrium persist? In the short term, it seems that the uneasy balance does not face immediate danger. However, in the longer perspective, it is not sustainable. North Korean society has changed. Common people have learned that they can survive without relying on rations and giveaways from the government. It would be an oversimplification to believe that all North Koreans prefer the relative freedoms of recent years to the grotesquely regimented but stable existence of the bygone era, but it seems that socially active people do feel that way. In the end, the regime seems to be doomed. However, it knows how to stagger its own disintegration; the slow-motion collapse

will take years if not decades and the result of this transformation is uncertain.

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Shattering Myths and Assumptions: The Implications of North Korea's Strategic Culture for U.S. Policy

Balbina Hwang

Abstract

On May 25, North Korea conducted a second underground nuclear test in defiance of the international community. Many viewed this act as a provocative call for the attention of newly elected U.S. President Obama, and as a test of his administration's North Korea policy. Yet was it? Analysis of North Korean behavior and the ability to predict its future actions is critical to the formulation of any policy, but especially one that attempts to achieve the ambitious goal of denuclearizing North Korea, something that the United States has been unable to achieve for nearly 20 years. However, much of the outside world's understanding of North Korean behavior is predicated on deeply held assumptions and myths about the regime that need to be questioned and even abandoned. This article applies a strategic culture analysis to North Korea's foreign policy formation and argues that doing so reveals serious flaws in assumptions pervade the dominant thinking on North Korea. These incorrect views not only limit policy options but favor those that may be least achievable. They also cause policy debates to focus on the style, rather than substance of the relevant issues, and cause misperceptions about assessing previous policy failures.

Key Words: U.S. policy, Barack Obama, Six-Party Talks, denuclearization, strategic culture

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Introduction

Within days after the January 20, 2009 inauguration of Barack Obama as the 44th President of the United States, sweeping headlines appeared in Korean and American newspapers touting the dawn of a new era of monumental change in U.S. policy towards North Korea. Almost all were enthusiastically hopeful, such as one opinion piece entitled "Obama Can Disarm Nuclear North Korea," that breathlessly exalted an America that would inspire "many other countries around the world with renewed hope for more justice, peace, and increased economic well-being. Despite the bitter record of hostility and distrust between Washington and Pyongyang and despite North Korea's increasing demands the denuclearization of the North is achievable under President Obama's leadership."[1]

By June, however, a new fatalism has emerged in Washington and Seoul, with the highest level of tension with Pyongyang since the early 1990s. In just four months, North Korea has undertaken a series of deliberate steps that seriously jeopardize the international community's efforts to reverse North Korea's nuclear ambitions: the launch of a long-range missile on April 4, followed by its categorical rejection of a unanimous United Nations Security Council Presidential Statement condemning the act; Pyongyang's subsequent declaration that it would no longer participate in the Six-Party Talks; expulsion of a multinational team of inspectors that had been working to dismantle the Yongbyon facility; actions taken to reverse dismantlement and restart plutonium processing; declaration that it is no longer bound by the terms of the 1953 Armistice; and finally a second underground nuclear test on May 25. Much of the negative commentary and disappointment seems to be

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1 - Tong Kim, "Obama Can Disarm Nuclear North Korea," Opinion piece, *Korea Times*, January 23, 2009.

directed at the very administration that only months before had offered so much hope.

But just as the initial sentiments of hope were misplaced in imbuing the Obama administration with super-hero abilities, perhaps as equally misplaced is the current pessimism expressed by those disappointed that the new President has not seemed to articulate any new policy on North Korea, much less implement the previously expected sweeping changes. In great part, this mismatch of expectations with reality is not the fault of the new leadership, but rather one of the pernicious misperceptions that has persistently saturated interpretations of U.S. policy towards the DPRK throughout the years. These misperceptions, which frame our understanding of North Korea itself, as well as America's interaction (or lack thereof) with the northern half of the Korean peninsula, is so grounded in deeply-held myths and false assumptions that the public discourse about U.S.-DPRK policy has degenerated into deeply divisive ideological arguments that while seemingly polarizing, are really only disagreements that remain largely at the margins and do not get to the heart of the North Korean "problem." As a result, U.S. policy towards the DPRK, and in particular the nuclear issue, has essentially paralyzed the White House and entire U.S. foreign policy apparatus for the last two decades.

As such, this paper attempts to identify and question a core set of assumptions and myths from which the outside world views North Korea, and in so doing, argue that a new policy framework with a new set of goals and objectives should replace the existing one. The theoretical basis for this argument is based on the application of a strategic culture model in order to explain the perplexing, puzzling, and often seemingly paradoxical behavior of North Korea. In short, the argument presented here is that Korea – beginning with the unified kingdom under *Silla* in 668 A.D., but one that also goes back to the mythological creation by

Tan'gun of a one "*Chosun*" kingdom in 2333 B.C. – has maintained a remarkably consistent national identity and strategic culture based on "nationalistic survival." This strategic culture has prevailed through Korea's transition into modernity and even division into two opposing mirror images as reflected by the separate political entities of the DPRK and ROK.

Given the opposing trajectories of political, economic, and social development in the two Koreas since their division in 1947, one would expect that the strategic culture would manifest in markedly different forms. Indeed South Korean and North Korean national identities reflect these dichotomies and much of the struggle for political legitimacy over the Korean peninsula during the Cold War, including a devastating fratricidal war, has been about which narrative shall prevail. But perhaps more significant is that two adversarial identities derive from the same source: a shared memory and historical experience about what it means to be "Korean."

Consideration of North Korea's strategic culture (and South Korea's for that matter) is critical in assessing the inherent disposition and strategic goals of a nation as well as the policies chosen to pursue them. Such a model can help to answer fundamental questions, such as: how does North Korea determine its security? And how does it assess the external situation North Koreans feel threatened? How do these assessments or beliefs of security and threats inform Kim Jong-il and his coterie about strategic priorities regarding their security? And how do such understandings of priorities become manifested in fixed strategy, or policy? An understanding of how intentions are formed by strategic culture allows an explanation of policy actions not as isolated events but as part of a broader pattern of strategic calculations. It can also explain why one course of action was chosen over a range of other available alternative strategies. But perhaps more significantly, strategic culture

can explain the puzzling behavior of states such as North Korea that seem to implement foreign policies that do not logically respond to conditions in the international system.[2] This paper concludes with implications for future policy towards North Korea by the United States and regional neighbors.

Development of Korea's Strategic Culture of "Nationalistic Survival"

Korea is a country whose fate is inextricably tied to the inexorable conditions of geography: occupying a peninsula that juts off the mainland of Asia and is located at the nexus of great power interests. Coveted more for its strategic than intrinsic value, Korea has suffered some nine hundred foreign invasions throughout its 2000-year history, experiencing five major periods of foreign occupation: China, the Mongolian empire under Genghis Kahn, Japan, and after World War II, the Soviet Union and the United States. Despite these foreign intrusions, Korea has managed to retain a remarkable homogeneity of language, culture and customs despite vigorous interaction with its Asian neighbors over the centuries. But by the 19th century, as the tides of Western imperialism spread unrelentingly throughout Asia, Korea willfully and purposely closed its borders, earning itself the reputation as the "Hermit Kingdom."

As the historian Bruce Cumings observes, Korea had been the last of the major cultures in East Asia to be "opened" by Western imperialism, not necessarily because it was stronger, but "perhaps because it was more recalcitrant." Korea entered into its first international treaty in

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[2] – The analytical model of strategic culture applied to North Korea as presented here was first developed and applied to South Korea's foreign economic policies, and articulated in great detail in my Doctoral Dissertation: Balbina Y. Hwang, "Globalization, Strategic Culture, and Ideas: Explaining Continuity in Korean Foreign Economic Policy" (Washington, DC: Georgetown University Press, August 2005).

1876, not because it wanted to, but because it was forced to by Japan[3] and this marked the beginning of "modern" Korea, in which its leaders no longer could shape events as they wished: "For the first time in its history, the country was shaped from without more strongly than from within."[4] In the ensuing years, with China's relative decline, Russia and Japan exercised direct power in Korean affairs, with Japan warring against China (Sino-Japanese War, 1894-1895)[5] and then Russia and Japan bickering over their respective interests in Korea, the main idea being a division of the peninsula into spheres of influence.[6] The rivalry evolved into the Russo-Japanese War in 1904, ending with a Japanese victory and peace deal which every Korean schoolchild (in both the North and South) to this day learns as the Taft-Katsura Agreement, in which the United States recognized Japan's claim to Korea as a protectorate in exchange for American dominance over the Philippines.[7]

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[3] - On February 22, 1876, the Treaty of Kanghwa was signed under foreign pressure, or "diplomacy with a gun to the temple, an offer Korea couldn't refuse," as Cumings observes, and featured provisions typical of an unequal treaty. Cumings, *Korea's Place in the Sun*, p. 102. The most important of its 12 articles proclaimed that, as an autonomous nation, Korea possessed "equal sovereign rights" with Japan. The objective behind this declaration of Korean independence was to open the way for Japanese aggression without inviting interference from China, which had historically claimed suzerainty over Korea. Korea would be officially annexed on August 22, 1910 under the Treaty of Annexation. Carter J. Eckert, et al., *Korea Old and New: A History* (Seoul, Korea: Ilchokak Publishers, 1990), pp. 200-201. See also Martina Deuchler, *Confucian Gentlemen and Barbarian Envoys: The Opening of Korea, 1875-1885* (Seattle, WA: University of Washington Press, 1977), pp. 47-49.

[4] - Cumings, p. 86.

[5] - In the Treaty of Shimonoseki, which concluded the Sino-Japanese War on April 17, 1895, China formally acceded its influence over Korea, repudiating age-old Sino-Korean tributary ties, and solidifying Japan's foothold on the Korean peninsula. Eckert, p. 223.

[6] - These negotiations included plans to partition Korea at the 38 or 39 parallel, although Cumings disputes the historical accuracy of these plans. Nevertheless, the significance of this latitude would reverberate profoundly a half-century later in 1945, when Russia (the Soviet Union) once again played a part in partitioning Korea at the 38 parallel along with the United States. Another agreement in 1896 to create a demilitarized zone free of troops between the Russian and Japanese armies would also resonate during the Korean War. Cumings, p. 123.

[7] - Akira Iriye, *Pacific Estrangement: Japanese and American Expansion, 1897-1911* (Cambridge,

And yet, King Kojong remained stubbornly impervious to the growing strength and influence of foreign powers, and in August 1897- despite living under the protection of the Russian legation amidst Chinese aggression -- proceeded to elevate the status of the *Chosun* dynasty by renaming the country *Taehan Jekuk*[8] (or "the Great Han Empire") and taking the title of emperor, since wang, or king, did not sufficiently connote the independent status he claimed, and since it furthermore allowed both Japan and China to "talk down" to him. These name changes were meant to declare to the world that as a sovereign state, Korea was the equal of its neighbors, but foreigners were not to be impressed with words. Korea was viewed as a backward kingdom ripe for foreign investment and control.[9]

Korea had long been known before the 19th century as a country where foreigners were met with mistrust and dispatched as quickly as possible back to their homes: to those who knocked at its gates, Koreans said in effect, "we have nothing and we need nothing. Please go away."[10] And yet, the foreigners kept coming. To most Koreans, the arrival of foreign-owned business that often enjoyed unfair advantages over their domestic rivals was a sign that Korea was falling under the economic control of foreign money and power, and the tenor of nationalistic discontent was fierce.[11] Notably, one heard eerie echoes of similar

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MA: Harvard University Press, 1972), pp. 47-48; Cumings, pp. 141-142.

8 - This would spawn the post-war South's name of *Taehan Min-guk* ["Great People's Nation"] or the Republic of Korea.

9 - Emperor Kojong played his part by doling out Korean resources: gold mines went to Germany; railroads and a new electric system for Seoul went to America; banks and timber and other mine rights were divided between Britain and Russia; and merchants from Japan and China by then had well installed their businesses throughout Korea. Kongdan Oh (ed.), *Korea Briefing 1997-1999: Challenges and Change at the Turn of the Century* (Armonk, NY: M.E. Sharpe, 2000), pp. 5-6.

10 - Cumings, p. 87.

11 - In 1898 rumors spread that a Russian bank was taking over the Korean national treasury. The *Tong-nip Shinmun* [The "Independence Newspaper"] raised its voice against these economic penetrations, and sporadic attacks were made on foreign-owned companies,

popular discontent nearly one hundred years later in 1997 when the issue of foreign power and control again dominated public attention as South Korea negotiated with the IMF for a bailout of its economy in the aftermath of a severe financial crisis. This period of "national humiliation" even caused some South Koreans to grudgingly admire North Korea for its isolation from the international economy which allowed inoculation from external forces. Thus, Cumings astutely concludes that the "real story" behind Korea's century of modernization was "indigenous Korea and the unstinting Koreanization of foreign influence, not vice versa."[12]

Nevertheless, mid-way between Korea's modernization experience, a singular apocalyptic event – the division of the Korean peninsula by external powers – caused the two halves of the peninsula to pursue trajectories that were diametrically opposed and yet reflective of similar strategic cultures. Both Republics since their respective inceptions in 1948 – the ROK on August 15, and the DPRK on September 9 -- have pursued remarkably consistent and astonishingly similar, albeit mutually exclusive, foreign policy goals: national security or systemic regime survival; economic prosperity; national prestige; and unification on its own terms. During this time, regimes have changed in both Koreas, but these four foreign policy goals have not. Even more remarkable is that these goals have remained constant despite dramatic changes in the external environment with the end of the Cold War, which conventional wisdom argues should have inexorably altered the parameters if not the actual calculations of both Koreas' foreign policies. Shifting power relations in the region after all are considered the cause for Korea's division. The political characters of the two Koreas were determined in

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including the Russian bank. Kongdan Oh, p. 6. First published in April 1896, it was the first modern newspaper in Korea published in both the vernacular Korean (*hangul*) and English, and became a vehicle for the new intelligentsia to voice the Korean desire for independence and national sovereignty. Eckert, p. 234.

12 – Cumings, p. 20.

many ways from the outset by the ideological rivalry between East and West, and each Korean state found an external security guarantor for its own security. Consequently, the foreign policies of both Koreas were largely dominated by the ebb and flow of East-West competition.

Yet, neither Korea's foreign policy goals have been altered in the post-Cold War environment. This outcome is puzzling, given that one common supposition about Korea is that certain immutable traits – i.e. that it is a small, relatively weak power sitting at the intersection of interests among the major military and economic powers in the region – cause foreign economic policy to be determined in a reactive fashion, responding to the exigencies of the situations thrust upon Korea. According to this capabilities-based argument, the only way either Korea's foreign policy formation can become more proactive is with a corresponding elevation of its status and power in the regional hierarchy.

The argument here is that such a viewpoint is an incorrect characterization of North Korea' (and the South's) foreign policies. While the international system and its attendant pressures – for example, manifested in the international financial or trading system or non-proliferation regime -- have had important influences on policy-formation in both Koreas, they do not have direct causal effect on policy outcomes as might be expected. This is because norms of identity within Korea affect the responses to external forces in sometimes surprising and even unpredictable ways. Both global factors outside the state's control and internal elements within the domestic society have worked in both Koreas to modify the foreign policy process. While the overall argument here is that a certain continuity exists in both North and South Korea's foreign policies, this by no means implies that their foreign policies are static. On the contrary, both Koreas' foreign policies have shown remarkable flexibility. What accounts for the continuity is the underlying strategic culture, but given shifting external conditions, flexibility is also possible.

Moreover, given preternatural Korean sensitivity to the external environment, policies particularly in North Korea have not been predictably reactive, but notably pro-active.

The Role of Strategic Culture in North Korea's Foreign Policy

Once a state's perception of external threats to its security is filtered through the lens of its strategic culture and implemented in policies, strategic preferences will not be readily responsive to changes, even when the material contours of that external force are altered. This is because historical experiences, perpetuated by mores and habits of the heart,[13] reinforce a deeper memory that is perpetually drawn upon by citizens which undergirds the "arrest" of particular identities. Such beliefs impact foreign policy outcomes when they serve as causal beliefs or road maps for decision-makers because they imply strategies for the attainment of goals, which are in and of themselves valued because of shared principled beliefs. Thus, even if an actor's preferred foreign policy outcomes are clear and given as rationalists assume, beliefs are a mediating variable because actors do not know with certainty the consequences of their actions, whether due to incomplete information or uncontrolled variables. Beliefs fill the gap of uncertainty so that actors can choose from a variety of actions to reach objectives. As Max Weber observed, "Not ideas but interests – material and ideal – directly govern men's conduct. But the 'pictures of the world' that have been created by ideas, much like switchmen, determine the tracks along which interests

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13 - Tocqueville argues that "mores," or "habits of the heart" are the sum of ideas that shape mental habits among men and includes "the whole moral and intellectual state of a people." It is precisely mores, Tocqueville argues, that form the basis of the support of political institutions within a state. Alexis de Tocqueville, *Democracy in America*, transl. George Lawrence (New York: Harper Collins, 1966), Vol. I, Part II, Chapter 9, p. 287.

move.[14]

For example, North Korea's state's strategic culture (as does South Korea's) prioritizes the protection of its borders from invasion by its more militarily powerful neighbors based on extensive historical experiences of such attacks. Then, regardless of whether the present military capabilities of those neighbors have increased to indomitable levels – or diminished to relatively inferior levels at as the case may be from South Korea's perspective -- there may not be a commensurate reduction of the state's contemporary or future defense postures. The reticence of strategic preferences to change even when the environment dictates otherwise provides the answer to questions such as: Why do some states such as North Korea appear to be obsessively insecure? Why do states in almost identical positions have significantly different levels of defense spending? Why do states in similar economic positions – i.e. the two Koreas at the time of division -- pursue different economic policies such as mercantilism and free-market liberalism? Only an understanding of how strategic preferences are drawn from strategic culture can satisfactorily address these questions.

In today's post-Cold War and globalized environment in which Francis Fukuyama's "End of History" is accepted as the inevitable evolutionary stage of the world's states, the outliers – North Korea, Burma, and Cuba, for example – are almost universally viewed as anachronisms for whom time is not on their side. Moreover, with the acceleration of exchange of information and sharing of "universal" ideas and values, combined with the erosion of state control over national boundaries, it is often assumed that distinctive national traditions will become less significant in the formulation of strategic thinking. Yet, national identities,

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[14] Max Weber, "Social Psychology of the World's Religions," in from *Max Weber: Essays in Sociology* (ed.), Gerth & C. Wright Mills (New York: Oxford University Press, 1958), p. 280.

similar to strategic choices, are less responsive to changes in the objective strategic environment, as Alastair Johnston argues, since the weight of historical experiences and historically rooted strategic preferences tend to constrain the effects of environmental variables and to mute responses to environmental change.[15] As a result, if strategic culture does change, it does so slowly, lagging behind changes in material conditions. And ahistorical or material variables such as technology, capabilities, levels of threat, and organizational structures are all of secondary importance to the interpretative lens of strategic culture that gives meaning to these variables. Thus, even though structural or material changes often dictate adjustments in the rational calculation of strategic thinking, mores informed by strategic culture more likely than not win out and make difficult the correlative changes of policy, particularly in countries with very strong national identities, such as North Korea.

Reassessing Myths and Assumptions about North Korea

The implications of understanding North Korea's strategic culture, as well as how it informs North Korean foreign policy making are profoundly important, especially at this critical moment of an international stalemate with a seemingly recalcitrant and unrelenting North Korean regime. The sections above have laid out the historical experiences that have contributed to the formation of a deeply embedded identity of "nationalistic survival" within North Korea. This alone may not, however, satisfactorily explain why North Korean behavior does not seem to conform to logical or rational predictions. For example, how is such a weak, isolated, and failing state that is clearly on the wrong side of historical progress able to defy the world's superpowers and the

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[15] Alastair Iain Johnston, *Cultural Realism: Strategic Culture and Grand Strategy in Chinese History* (Princeton, NJ: Princeton University Press, 1995).

international community? Strategic culture, which acts as a mediational lens through which policy options are filtered, may at times produce logical outcomes – meaning those that are commensurate with a state's international position – but at other times policies may be unexpected in nature or seemingly illogical because they do not derive from international pressures. Nevertheless, strategic culture alone does not provide a sufficient explanation as it ultimately is not a material or capabilities based variable. Therefore, it is necessary to question the underlying assumptions the external world has about North Korea, and reexamine the myths that guide our strategic calculations about the DPRK.

Myth: *"North Korea is a desperately poor, weak, and failing state, whose time is running out."*

While the subject of North Korea usually engenders vociferous debate and widely disparate views, one assessment that almost no one disputes is that the DPRK is a "weak" and "failing" or "failed" state, whose demise is imminent unless the regime chooses a dramatically different approach in its domestic and foreign policy choices. For example, the venerable Council on Foreign Relations recently released a report stating that although North Korea defied predictions in the 1990s that it would collapse after the death of its founder Kim Il Sung, economic meltdown, and a deadly famine, the state still exists today but remains weak and vulnerable.[16] The Report goes on to argue the necessity of preparing for the DPRK's collapse. Yet, it is worth questioning the underlying assumptions that comprise this characterization of the North as failing. State failure is predicated on the condition of a lack or severe weakness of central political systems. Samuel Huntington defines

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[16] Paul B. Stares and Joel S. Wit, "Preparing for Sudden Change in North Korea," *Council on Foreign Relations Special Report*, No. 42, January 2009, Washington, DC.

"state failure" as a condition in which a governing body fails to maintain control and political order,[17] while Susan Rice – currently the U.S. Ambassador to the United Nations – specifies that it entails the central government's inability to maintain physical control over its territory. Other widely accepted attributes include: loss of the monopoly on the legitimate use of physical force therein; erosion of legitimate authority to make collective decisions; and involuntary movement of large masses of the population both within and out of the state.

Applying these generally accepted characteristics to the DPRK yields the unsettling assessment that North Korea is certainly not a typical failing state, if we should even categorize it as one at all. The Kim Jong-il regime continues to maintain iron-fisted control over its population; there is no evidence of social or other political resistance challenging the legitimacy of the regime, and while refugees manage to cross the border with China in surprisingly large numbers, there has been no massive flood of refugees or defectors fleeing North Korea.

It may be true that other characteristics, such as non-provision of public services, widespread corruption and criminality, and sharp economic decline, are partially accurate descriptions of the condition of the DPRK regime today. Yet, even these characteristics are ambiguous at best: while the food distribution system, particularly in the provinces, no longer seems to be functioning, there is no evidence to indicate that it has failed in major urban areas, including Pyongyang. And while it may be orthodoxy to label the North Korean economy as an utter failure, in fact it continues to function, albeit inefficiently and unproductively. Finally, foreign government officials and experts often cite North Korea's "inability to feed its own starving people" and its reliance on the international community for aid as an ultimate arbiter of the DPRK's

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[17] – Samuel P. Huntington, *Political Order in Changing Societies* (New Haven, CT: Yale University Press, 1968).

inherent weakness. Yet, it is important to consider that the Kim Jong-il regime allows large swaths of the North Korean population to be malnourished not because it is *unable* to provide subsistence, but because it *chooses* not to do so, for reasons that are beyond moral calculations but are likely political in nature. Military expenditures including the estimated hundreds of millions of dollars invested in the recent ballistic missile launch are evidence that if providing sufficient food to the entire population were a priority goal for the regime, it would have the economic resources to do so. If the opposite of a "failed state" is an "enduring state," then the strength of North Korea's strategic culture as manifested in its political and social institutions indicates that far from being an example of the former, it is a perplexing embodiment of the latter.

Weakness is another assumption about the DPRK that ought to be questioned. According to all the traditional measures of strength – geographic size, population, economic wealth, natural resources, and military prowess, among others – North Korea certainly appears very weak, particularly in relation to all its neighbors, and almost always scores last in any major international study rating state strength. As such, it should be relatively if not absolutely powerless in the region. Accordingly, some commentators recommended in the aftermath of North Korea's recent missile launch: "it would be a mistake to rise to the bait of Pyongyang's provocative self-portrayal as a new member of the elite club of space and nuclear powers, to do would only lend credibility to the regime's claims of potency. Inside North Korea, the regime can no longer deliver even the most basic of goods."[18] Yet, much as King Kojong was astonishingly impervious to the reality of great powers surrounding him in 1897 and still felt entitled to declare himself emperor of the mighty *Taehan Jekuk*, Kim Jong-il defied the world's impression of him

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[18] Daniel Sneider, "Let Them Eat Rockets," *New York Times* Op-ed, April 9, 2009.

and the DPRK as weak and in 2007 tested a nuclear weapon. Such "irrational" policy decisions only make sense when one considers the critical role of strategic culture in the DPRK's strategic calculations.

The traditional political science definition of "power" is the ability of one entity to compel another entity to act in a manner that the latter would otherwise not have chosen on its own. And yet, an objective assessment of North Korea's actions taken over the course of the last few decades indicates clearly that in fact, the DPRK was rarely if ever compelled by any of the regional superpowers to pursue behavior the North Korean regime did not want to. Despite the fact that any one of the five important players in the region – China, Japan, Russia, the ROK, and the United States – has absolute material and even political resources to overwhelm the DPRK, none either individually or collectively under the auspices of the Six-Party framework has been successful in utilizing their power over North Korea. Even the international community, such as the United Nations or the IAEA, has proved ineffective in exerting its will vis-à-vis the DPRK.

Admittedly, an inarguable area of weakness for North Korea is its dependency on external sources for certain resources, despite its best efforts to pursue policies of autarky or "juche." Yet, even here the DPRK manages to turn this vulnerability into leverage for itself. By implicitly holding as ransom the threat of a chaotic collapse of the state, regional neighbors have chosen to subsidize Pyongyang rather than risk being confronted with the greater costs of addressing instability on the Korean peninsula. Even the United States, for which such calculations are less compelling, has provided at a minimum food or humanitarian aid on moral considerations that a suffering population should not be punished for the misdeeds of its government.

The dangerous implication of perpetuating this myth of the DPRK as failing and weak is that it favors certain policy prescriptions, while

limiting the consideration of others. For example, these assumptions have produced two paradoxical views: one view is that while the United States may have limited leverage if any at all vis-à-vis North Korea, the regime is vulnerable to other actors – China, the ROK – as well as international pressure because it is so relatively weak. So Washington's priority particularly during the Bush administration was to focus on pressuring Beijing to wield its economic and political leverage on Pyongyang. Washington also turned to Seoul to reverse its Sunshine Policy, in effect outsourcing the problem to regional actors. But because the priorities for Beijing and certainly Seoul are promoting stability in North Korea and preventing collapse, using their own limited leverage against Pyongyang was an option distasteful to both.

Ironically, the myth of North Korea's weakness also spawned an opposing assessment about that regime: the leadership is dysfunctional and corrupt, and because it is barely hanging on to power, it is on the verge of collapse. Although the Kim Jong-il regime is currently well-insulated and thus has proven invulnerable to both domestic and international pressures, it can not withstand a wide-scale social uprising. Thus, the conclusion here is that the outside world should further isolate the regime, while vigorously engaging the North Korean public or average citizens so as to bring them out of isolation. Presumably, the assumption here is that much as the Iron Curtain dissolved under the irrepressible forces of open information and transparency, so too will North Korean citizens become "enlightened" and eagerly embrace the "universal" values of democracy, freedom, equality, and market capitalism, once they realize they have been victims of a cruel and fraudulent regime that kept them enslaved under the chains of brutal authoritarianism and communism for decades.[19]

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[19] – This is a view espoused by Andrei Lankov, a vocal proponent of this argument. See among his many writings: Andrei Lankov, "Sanctions will Have No Effect on North

These sorts of debates and arguments have dominated the policy community in Washington for the last two decades, and continue to do so under the new Obama administration. Yet they are fundamentally flawed because they are based on incorrect assumptions about North Korea, and do not take into proper account the factors such as the country's strategic culture that have a direct impact on the effectiveness of chosen policies. Policymakers are thus left puzzled and frustrated when these policies are ineffective at best, and counter-productive at worst. The result has been criticism and bitter recriminations from both sides focusing on the style – bickering over the merits of bilateral versus multilateral, or over the wisdom or lack thereof of using certain terminology such as "axis of evil," etc. – rather than the substance of the policies themselves. Without a thorough reconsideration of underlying assumptions and myths the policy community holds about North Korea, there can be no substantive consideration of a new and effective approach.

Myth: *"North Korea's nuclear ambitions are negotiable for the right price of diplomatic recognition and economic engagement."*

Another myth that has prevailed in the North Korea policy community since the end of the Cold War is that the North Korean regime is a victim of its isolation and has found itself caught in a trap of its own creation. Because the DPRK is weak and failing (as asserted above), it has no choice but to pursue development of nuclear weapons in order to create a deterrence against a superior South Korea and its ally, the United States. In the meantime, Pyongyang can always use the nuclear weapons as a bargaining chip that will help it to gain entry into the international community, in exchange for retaining survival of the

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Korea," *Financial Times*, April 12, 2009.

regime – this would effectively negate the necessity of retaining a deterrence, as the threat from the U.S. and ROK would effectively be removed. For the international community, such a bargain would be cheap since it is assumed that once the North Korean regime sets aside its bellicose stance and opens up to the outside world, the regime will have no choice but to transform gradually and peacefully to eventually be able to integrate smoothly with its southern neighbor.

Contrary to popular perception, these assumptions are held not just by the pro-engagers, but by the "hard-liners" who favor punishment over incentives, for while the latter group may disagree with the method of interacting with "rogue" countries such as North Korea, they inherently believe that North Korea must change and will change, if enough pressure can be inflicted upon the regime to make the "right" choice. Thus, while the two camps seem to represent opposite poles as manifested by the "appeasement Clinton" and "hard-line Bush" administrations, in reality their approaches differed once again more in style than substance. The bitter and divisive debates during the last two decades about the merits or dangers of "sitting down and talk to the enemy face-to-face" in a bilateral or multilateral fashion, as well as the content of the package of carrots and sticks, were used by both sides to blame the other for lack of progress in achieving a denuclearized North Korea, but ultimately served to distract from questioning the underlying assumption that Pyongyang's nuclear program is a bargaining chip.

Ever since the election of Barack Obama and the ensuing collapse of the Six-Party Talks, the pro-engagers have regained their enthusiasm based on Obama's pledge to change the tone and tenor of American foreign policy, and his emphasis on being "flexible" and open-minded when dealing with problem states. Thus, they were not shy about sharing their advice, offering suggestions that were generously expansive about the benefits North Korea could receive in exchange for some of the

tough demands that the U.S. should insist on. "The new U.S. president needs to propose a comprehensive menu of sequenced actions toward a fundamentally new relationship with North Korea – political, economic, and strategic. In return, Pyongyang needs to agree to satisfy international norms of behavior, starting with steps to stop exporting nuclear technology and eliminate its nuclear weapons and existing nuclear programs. It also needs to welcome full people-to-people relations signifying its willingness to join the rest of the world."[20] The obvious question one might ask is why would North Korea accept such an agreement? The authors helpfully point out that Washington can effectively test Pyongyang's sincerity about the nuclear weapons serving as a deterrent against U.S. threats by offering substantive economic engagement including provision of power plants, a diplomatic relationship, and establishing a permanent peace process on the Korean peninsula. Another Korea expert supports this argument by observing that "such an approach could have the effect of making Pyongyang an offer that it would be foolish to refuse, lest it isolate itself further in the international community. It might also force Pyongyang to finally make the strategic decision about its relations with the United States and the international community that has eluded us over the years."[21]

What these views have in common is the underlying assumption that North Korea would calculate "correctly" that what the U.S. is offering is so beneficial and valuable to the regime that it could hardly refuse, while doing so would only increase pain for North Korea. Yet, is it correct to assume that Pyongyang would view "further isolation from the international community" as making its situation somehow worse? This is only true if one believes that isolation is a condition forced

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[20] - K.A. Namkung and Leon Sigal, "Setting a New Course with North Korea," *The Washington Times* Op-ed, October 19, 2008.

[21] - Evans Revere, "President Obama and North Korea: What's In the Cards?" *Korea Times*, January 14, 2009.

unwillingly upon North Korea, rather than a choice that it embraced and pursued as part of founding the DPRK's raison d'etre. Here, consideration of North Korea's strategic culture can again provide further insights. The (original) Hermit Kingdom's experience with engaging the international community were distinctly unpleasant and downright traumatic.

In the late 19th century which would mark the era of Korea's final and doomed efforts to remain isolated, foreigners – in particular Westerners – were baffled by Korean resistance to the obvious benefits of opening up their closed society. Ernst Oppert, a German trader and adventurer, after having been rebuffed in his initial attempt to enter Korea to truck and barter in 1866, decided he would raid the tomb of Taewon'gun's father in order to grab his remains and hold them for ransom. "Surely this would get the Koreans to see the virtues of free, or so he thought." But he and his fellow pirates upon landing on the coast were soon met by fierce Korean troops who confronted them and with their "moderately-sized" weapons, "ended Oppert's vandalism, sending his men scampering back to their ships."[22] This episode is revealing not just for the Korean reaction, but for the Western conviction about how Koreans must logically comprehend the obvious benefits being offered.

Another episode illustrates in stark fashion how Korean rationale, when understood within the framework of their strategic culture of "nationalistic survival" carries with it an astonishing logic of its own that nevertheless remains baffling to Westerners. After a century of tolerating off and on stealth Catholic missionaries from Europe, in the 1860s the Korean government launched bloody pogroms against Catholics as it began to fear that Western imperial powers would use their gunboats to support missionary work. The French responded by threatening to

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[22] James B. Palais, *Politics and Policy in Traditional Korea* (Cambridge, MA: Harvard University Press, 1975), p. 21.

mount a punitive expedition in retaliation. Koreans found the French position "incomprehensible: they told the French that they would understand perfectly the execution of their own nationals in France, should they try to disseminate Korean views over there." French troops landed on *Kanghwa* Island anyway in 1866, but the Korean government mobilized twenty thousand men and easily pushed the French forces back to the sea. "This convinced Koreans that their forcible defense policies were correct," and propelled the French southward, toward their eventual colonization of Indochina.[23] The lesson learned here and embedded deep within Korea's strategic culture is that brute strength and force can overcome more powerful and advanced military power, and that threats to open Korea on foreign terms should be viewed with suspicion.

There is little evidence that the views in the modern version of the Hermit Kingdom in the North have evolved much from this strategic culture of isolation as preserving the Korean identity of "nationalistic survival." North Korea's more recent encounter with the U.S. Navy in the Pueblo incident only reinforces the earlier historical lesson. As the official North Korean version of this episode illustrates:

> forty years later, "the U.S. imperialists' armed spy ship Pueblo is displayed on River Taedong flowing through Pyongyang, which shows the miserable lot of the defeated... After the capture of the ship, the U.S. imperialists mounted a military threat against the DPRK, clamoring that it was seized in the "open sea" and it did not commit any espionage acts. But the tough attitude of the DPRK compelled them to apologize to it for the spy ship's espionage and hostile acts and sign a document firmly guaranteeing not to let any warships intrude into the territorial water of the DPRK in the future."[24]

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[23] - Han-Kyo Kim (ed.), *Studies on Korea: A Scholar's Guide* (Honolulu, HI: University of Hawaii Press, 1980), pp. 48-50. Note also that this incident is cited prominently on the DPRK's official website at http://www.korea-dpr.com/modern.htm as a heroic attempt to protect Korea from foreign invasion.

[24] - *KCNA*, official website at http://www.kcna.co.jp/item/2009/200901/news23/20090123-09ee.html.

Further consideration of the propaganda that is still so prevalent throughout North Korean society to realize that all foreign influences are taught to the people as being corruptive, dangerous, and inherently threatening to the North Korean way of life. For the regime itself, isolation of course serves to preserve its own power and legitimacy which would immediately be undermined by openness. If this is the case, why would the North Korean regime fear the prospect of further isolation from the international community, and moreover, accept the "benefits" of openness and engagement with the international community?

Conclusion: The Future of U.S. Policy

The inauguration of a new U.S. President and in particular Barack Obama certainly raised expectations throughout the world about the dawn of a new era in world politics. Yet ironically, when it comes to North Korea policy, the first one hundred days of his presidency have not only revealed little change from the previous Bush administration, but indeed a surprisingly stalwart continuation of existing policies. In retrospect, this should not be so surprising given that candidate Obama campaigned on a foreign policy platform that emphasized pragmatism over ideology. Perhaps the reason that many observers are surprised by the remarkable continuity of the new administration's current approach to North Korea is that their perception of the Bush administration's policies is skewed. While labeled and condemned as being "hard-line" and "unilateral" with the goal of regime change, in fact, Bush policy particularly in the later three years was in fact quite the opposite. It ended up being a policy that insisted on a multilateral solution; offered opportunities for engagement; pursued active negotiations, and even offered the possibility for diplomatic engagement and a permanent peace treaty in exchange for denuclearization. Indeed, the Bush administration

suffered criticism from the neo-conservatives for being too soft on North Korea.

For President Obama, pragmatism has indeed prevailed, perhaps with unexpected consequences. Having inherited monumental challenges, including the worst economic conditions in several decades as well as foreign policy crises in Iraq, Afghanistan, and Pakistan, pragmatism dictates that the possibility for any new or bold approach toward North Korea will have to be postponed. As such, it is apparent that the Obama policy has become a de facto one of crisis prevention or containment rather than resolution, as the recent handling of the North Korean missile launch showed.

Although disappointing for many Korea experts who had anticipated the beginning of a new era in relations with North Korea, this cautious approach may offer the best opportunity for a thorough reexamination of U.S. policy on the Korean peninsula to date. This careful study should go beyond a traditional "policy review" by starting with a blank slate that sweeps away all preconceptions and assumptions about the DPRK and Korea, and takes into careful consideration of Korea's strategic culture and its effects on North Korean strategic calculations, as was laid out in this article. Then and only then can a realistic and achievable policy vis-à-vis the North be formulated and implemented. Otherwise, we may be doomed to perpetuate the current standoff for several more decades.

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A Japanese Perspective on North Korea: Troubled Bilateral Relations in a Complex Multilateral Framework

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Abstract

North Korea's missile and nuclear tests in 2009 highlighted the strategic environment of Northeast Asia as well as the current tactical calculation of countries involved. North Korea is benefiting from its relative strategic weakness and lack of policy and tactical coordination among members of the Six-Party Talks. Without the effective military capability to deal with the North Korean threat, Japan relies heavily on economic sanctions to deal with the issue. This paper argues that Japan's North Korea policy is currently regarding the abduction issue as its foremost priority; its policy in approaching North Korea is becoming static and inflexible. Without a diplomatic solution in sight, Japan has established non-military means to pressure North Korea, as well as a contingency plan to deal with incoming threats. Under the auspices of UN Security Council Resolution (UNSCR) 1718 and its domestic arrangements, Japan virtually curtailed economic relations with North Korea. Furthermore, Japan prepared crisis arrangement exercises which may be applicable to bio-terrorism and pandemics. Recently, there have been some political debates regarding options to attack defensively. These debates reflect Japan's activism in regional affairs, and the seriousness of threat posed by North Korea. Along with other members of the Six-Party Talks, Japan may have to seek an appropriate balance between pressure and negotiation in order to maintain the status quo and reduce the threats posed by North Korea.

Key Words: Japan's North Korea policy, Japan's approach towards the Six-Party Talks, economic sanctions, crisis management, UNSCR 1718

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Introduction: Negotiations with the DPRK

Military action may bring unintended consequences to the regional security environment. The message attached to military actions may not accurately be conveyed to the intended audience; this represents the most difficult part of diplomacy through military means. This is most true when those actions are conducted under the myriad of bilateral and multilateral relations, since security and domestic implications differ for each state.

North Korea (Democratic People's Republic of Korea, DPRK) conducted multiple cases of military provocations that include nuclear tests in 2006 and 2009, multiple launches of ballistic missiles in 2007, and a Taepodong-2 missile launch in 2009. The intention of the DPRK on these events is deductively analyzed as a diplomatic provocation aimed at gravitating U.S. attention to extract a U.S.-DPRK bilateral negotiation out from the Six-Party Talks. In spite of the calculated provocation, the outcome of these actions had brought no significant diplomatic victory for the DPRK.

There may be two reasons. First, a nuclear test and ballistic missile launch by the DPRK showed the development of military capabilities since the early 1990s, but was not strong enough to cause a strategic reconfiguration in the region. Second, related countries had already elevated tactical readiness (both domestic and international) so that the isolated incidents by North Korea were dealt with through established political frameworks. Not denying the security impact of independent incident, but there are concurrent patterns in dealing with the DPRK and military provocations by the DPRK.

The issue that remains is how to coordinate the strategic and tactical maneuvering of the countries related that is the most difficult part of dealing with the DPRK. The parties to the Six-Party Talks have different priorities, along with different negotiation tactics and approaches

that give the DPRK a chance to dismantle cohesion among parties who aim to solve the nuclear and other related issues.

The intricacy is from the unreliability of promises by the DPRK. In a different context, there would not be any building blocks towards an overall solution of the cases since an agreement from a single round of negotiations will be ignored and utilized by the DPRK in future rounds of negotiations.[1]

Doubts over a lack of transparency and a repeated deception on the negotiated deal create suspicion among countries concerned and force them to account for verification and certification in the next round of negotiations. The disappointing results were anticipated in advance by the U.S. compromise in the Banco Delta Asia case in 2006 and the delisting of the DPRK from the U.S. State Department's country supporting terrorist list in 2008 showed that the DPRK will not honor reciprocal pledges. However, within an existing negotiation scheme with the DPRK, it is inevitable that the countries concerned must bargain future payoffs with current offerings and expect that an agreement will be kept. If strict verification is introduced, the DPRK will leave the negotiation table and walk away until the political tide is favorable.[2]

Under these circumstances, negotiators with the DPRK must face two opponents, the skillful diplomatic tactics of the DPRK and a frustrated (but not infuriated) multilateral coalition who is in the position

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[1] Leon V. Sigal, "North Korea Is No Iraq: Pyongyang's Negotiating Strategy," *Arms Control Today* (December 2002), pp. 8-12; Nobuo Okawara and Peter J. Katzenstein, "Japan and Asian-Pacific Security: Regionalization, entrenched Bilateralism and Incipient Multilateralism," *The Pacific Review*, Vol. 14, Iss. 2 (June 2001), pp. 165-194.

[2] Bong-Geun Jun states, "North Korea bears much of the responsibility for this litany of failures. North Korea has a habit of reopening negotiations in order to squeeze out additional rewards or delay the fulfillment of its own obligations. Even worse, North Korea also tends to renege and withdraw from agreements once the cream is skimmed off the top or pressure is gone." Bong-Geun Jun, "North Korean Nuclear Crises: An End in Sight?" *Arms Control Today*, Vol. 36 (January/February 2006).

to support the efforts of the negotiators.[3] The irony in this picture is that a negotiator must convince the parties to the Six-Party Talks in order to implement a successful bilateral agreement with the DPRK.

The DPRK is a tough negotiator and the other negotiators must provide the DPRK incentives to conclude the negotiations, but it will provoke security and political concern and dissatisfaction among the allied parties. On the contrary, if a negotiator listens to the opinions of the allied team, the DPRK will not consent to the deal. If the priority is to conclude an agreement with DPRK then a multilateral cohesion does more harm to DPRK negotiations than good.

The same political standoff continues since the revelation of the DPRK's nuclear development in the early 1990s. However, the Sunshine Policy of the Republic of Korea (ROK) gave the DPRK an economic opportunity and invalidated economic pressure towards the Pyongyang regime. In another case, Prime Minister Koizumi's surprise visit to Pyongyang partially paved the way to solve the abduction issue, but raised U.S. concerns over a Japanese unilateral solution that might sacrifice a comprehensive solution to DPRK issues.

In the last years of the Bush administration, the U.S. reversed a previous policy that included the DPRK in an Axis of Evil, and employed a policy of enhanced engagement. According to Joel Wit, enhanced engagement articulates a positive vision for the Korean peninsula and Northeast Asia, seeks to rapidly identify common ground with Pyongyang, builds productive communication, sets negotiating priorities, establishes realistic nuclear objectives, and creates a successful, sustained process of implementation that holds the best chance to resolve the crisis and secure U.S. interests.[4]

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[3] - Gilbert Rozman, "The North Korean Nuclear Crisis and U.S. Strategy in Northeast Asia," *Asian Survey*, Vol. 47, No. 4 (July/August 2007), pp. 601-621.

[4] - Joel S. Wit, "Enhancing U.S. Engagement with North Korea," *The Washington Quarterly*, Vol. 30, No. 2 (Spring 2007), p. 53.

This did not please Japan who expected U.S. to take a hard-line policy, and led to less coordination and criticism towards the U.S. negotiator, Undersecretary of State Christopher Hill. In examining the appeasement-like style towards the DPRK, some Japanese commentators and bloggers enjoyed calling him 'Kim Jong-Hill.'[5] Furthermore, in a Washington, DC interview with the *Washington Post* in February 2009, Japanese Prime Minister Taro Aso openly expressed direct dissatisfaction on the handling of North Korea issue in the concluding days of the Bush administration and called on the Obama administration to reverse the course.[6] Prime Minister Aso criticized that excessive compromise or appeasement towards the DPRK will only consume diplomatic assets without gaining major concessions.

Volatility on the foundations of the Six-Party Talks (which rely heavily on the negotiation tactics of the DPRK) complicates Japanese tactical calculations. If Japan continues to assume the 'bad cop' role in the good and bad cops scenario, the DPRK would also continue to ignore the strategic priorities of Japan and try to isolate Japan within the negotiation scheme and condemn Japan for posing a security threat against the DPRK. However, if Japan takes an appeasement-like policy towards the DPRK, any Japanese government will face a severe domestic political setback from an already upset public that is angry over abduction of Japanese citizens by the DPRK.

Under this unfortunate deadlock, Japan is establishing institutions and preparing legal exercises to hedge security threats potentially coming from the Korean peninsula. While rejecting the temptation to 'go nuclear,'

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5 - The name 'Kim Jong-Hill' first reported in South Korea's *Chosun Ilbo*. The report said that unnamed Japanese diplomat called Christopher Hill this name in criticizing his negotiation style with the DPRK, http://english.chosun.com/w21data/html/news/200805/200805270019.html.

6 - Glenn Kessler, "Japanese Premier Cautious on North Korea: Economy Restricts Options, Aso Says," *Washington Post*, February 25, 2009.

Japan is making a break from the past on many political and psychological barriers self-imposed after the second World War.[7] Even if the DPRK tries to eject Japan from current Six-Party Talks or if the U.S. tries to make a negotiated settlement of the issue while sacrificing interests of the other parties, Japan is confident on its indigenous political and military capability since Japan understands a potential impact of its policy shift, which may cause a significant financial and political turmoil in the region.

Framework of the DPRK Issue

The missile launch by the DPRK in April 2009 resurrected an old pattern of action. The timing of the missile launch by the DPRK coincided with the eve of reappointment of Kim Jong-il as the chairman of the National Defense Commission. The choice of the timing typical for the DPRK. In the past cases of missile launches and nuclear tests, they were conducted when Kim Jong-il needed to appeal to the domestic audience through a military success and please the DPRK military. In addition, the past case shows that the military provocation was attempted when international attention towards the DPRK was waning.

After the launch, Japan, the U.S., and South Korea expressed concern and brought the case to the United Nations. The UN has proceeded with the UNSC statement of its President (Presidential assignment in April was Mexico) on April 14 (Japan Time).[8] The U.S. and Japan took a tough position at the Security Council, but were also

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[7] - Christopher W. Hughes, "North Korea's Nuclear Weapons: Implications for the Nuclear Ambitions of Japan, South Korea, and Taiwan," *Asia Policy*, No. 3 (January 2007), pp. 75-104.

[8] - The statement reaffirmed UNSC Resolution 1718 (October 2006), which condemned the nuclear test by the DPRK for "such a test would bring universal condemnation of the international community and would represent a clear threat to international peace and security." The UNSCR 1718 also "demands that the DPRK not conduct any further nuclear test or launch of a ballistic missile."

realistic about the inability to avoid a veto by China or Russia who are increasingly reluctant to impose strict sanctions against the DPRK. The U.S. immediately restarted efforts to resume the Six-Party Talks to implement a joint statement concluded in September 2005 that set a path to the "verifiable denuclearization of the Korean peninsula in a peaceful manner."[9] Japan also made a realistic compromise and business returned to normal. The disruptive actions of the DPRK remain within a scope of prediction. The framework of the issue and the means to deal with provocations by the DPRK will remain the same unless military sanction is considered by the UNSC. Three security implications are found in this case and show a repeated pattern in security issues regarding the DPRK.

First, despite the fact that the DPRK has the military capability to strike Japan and South Korea (possibly with compact nuclear warheads) and challenge global initiatives on non-proliferation, the military capability of the DPRK is not strong enough to threaten U.S. security interest, let alone minimum security deterrence. The missile and nuclear issues have profound implications for the security of the Asia-Pacific region, but still lack a universal appeal since the repeated failures of the tests show that the Taepodong-2 may not have the capability to strike the U.S. mainland.

This fact created a wedge between the allies (in particular between Japan and the U.S.) on policy priorities over the DPRK.[10] The U.S. deems

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9 – "Joint Statement of the Fourth Round of the Six-Party Talks," September 19, 2005, http://www.state.gov/r/pa/prs/ps/2005/53490.htm.

10 – The wedge emerges when assessing the nuclear capability of the DPRK. The U.S. and Japan share security information and risk assessment, but differ on security implications. The Japanese public tends to demand an 'absolute security' that comes the absence of nuclear weapons and they are attracted to a 'nuclear-free zone' concept proposed by some NGOs. However, Japanese government decision makers understand the delicacy of the strategic balance and importance of the U.S. extended deterrence. The reliability of the extended deterrence is now being questioned by the Japanese academic community. Peace Depot, "A Model Treaty on the Northeast Asia

DPRK's proliferation activities of nuclear materials and missiles that may be motivated by their economic interest as a major security *concern*, while Japan looks at DPRK nuclear possession and missile deployment as serious security *threat*.[11] Indeed, these different perceptions on missile and nuclear capability and the security implications between the U.S. and Japan are a source of conflict. Unless the U.S. formally commits to the defense of Japan and South Korea the network of the bilateral alliance will be weakened.[12] A consensus is yet to be reached among related countries of whether the provocation by the DPRK is deemed serious enough to impose a substantial punishment. However, the U.S. and other members of the Six-Party Talks still have time and room to pursue a diplomatic solution.

Second, a threat perception among parties of the Six-Party Talks on the missile and nuclear threat of the DPRK differs significantly and in policy priorities as well. For example, both Japan and South Korea face security threats from the Rodong missile (a medium-range ballistic missile) since the first test of the missile in 1993. It is reported that the Rodong missile is already deployed by the DPRK and is estimated to consist of approximately 200 weapons.[13] However, it has been pointed

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Nuclear-Weapon-Free Zone," *Working Paper No. 1* (November 2005).

[11] Defense Secretary Donald Rumsfeld said the U.S. should focus on nuclear transfer. Kristin Roberts, "Rumsfeld Eyes ICBMs in Terror War," *Reuters*, August 27, 2006.

[12] During the Bush administration, Secretary of State Condoleezza Rice said "I think it is extremely important that Japan knows that the United States is going to fully defend Japan and live up to the commitments that we have taken, beginning with the 1960 mutual defense treaty; that we would use the full range of our capabilities to deter and defend attacks or threats against Japan." Under the Obama administration, Secretary of State Hilary Clinton said, "well, first, as to the question about our nuclear umbrella, we have and continue to support a policy of extended deterrence that provides protection as part of our alliance with Japan. It remains as strong as it has ever been. We are absolutely committed to it, and we'll be discussing that and other matters with Japanese officials." "Overview of Trip to Asia," Remarks by Secretary Clinton En Route to Tokyo, Japan, February 15, 2009.

[13] General Walter Sharp said, "The North Korean ballistic missile threat to the ROK, and its allies are very real. They have 800 increasingly sophisticated missiles, and have tested a missile that many think could reach the United States. The ROK does not

out that the threat perception of South Korea is slightly different from Japan since the ROK shares the same national heritage with DPRK. Japan (in regards to historical issues) is often described as common enemy of the ROK and DPRK; and both countries form a common front against Japanese influence.

John Feffer points out in *Foreign Policy in Focus*, "While all three countries make ritual obeisance to the principle of trilateral coordination, they each have different priorities. Japan is transfixed by the abduction issue; South Korea has focused more on economic cooperation and the conventional military threat from the North; and the United States has cared above all about North Korea's nuclear program."[14] The DPRK is benefiting from this divergent perspective from among the three countries. In addition, Japan, South Korea, and the United States are also pursuing independent internal agendas. The Obama administration needs to reestablish trilateral cooperation if it wants to implement the Six-Party Talks, but ironically it is not necessarily a desirable policy for the interests of the respective countries.

The diversion of political priorities is most evident in the abduction issue. Although it is suspected that the DPRK abducted not only Japanese but also citizens from around the world, the issue raises especially strong animosity towards the DPRK in Japan. According to Kazuhiro Araki (Chairman of the NGO Investigation Commission on Missing Japanese Probably Related to North Korea) it is estimated that hundreds of South Korean citizens were abducted by the DPRK, however government support to the families of abductees is limited compared to Japan.[15] A political consideration of improving North-

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currently have a robust missile defense capability in place and this would likely be one of the bridging capabilities the U.S. would provide until the ROK improves this capability." "Gen. Walter Sharp's written interview with *Korea Times* (Q & A)."

[14] - "What's Up with North Korea?" *Foreign Policy in Focus*, April 5, 2009.

[15] - See http://www.chosa-kai.jp/ for a detailed report on the activities of the committee.

South relations is often prioritized in South Korea. On the contrary, the Japanese government is pushed by domestic opinion to commit to this issue so that Japanese political and diplomatic maneuvering lacks flexibility.

Third, current economic and diplomatic sanctions imposed against the DPRK (which include sanctions under UNSCR 1718) are not strong enough to change the behavior of the DPRK. The DPRK has been subject to severe economic sanctions since the Korean War.[16] For example, the U.S. imposes economic sanctions against the DPRK based on Export Administration Act and other related acts and provisions.[17] Japan imposes financial and trade sanctions based on the Foreign Finance and Foreign Trade Law.[18] Combined with other diplomatic sanctions and with certain domestic arrangements to press the North Korean community living in Japan (*Zainichi*) to block economic support for the DPRK, the nexus of economic sanctions become comprehensive and pervasive. It is believed that the *Zainichi* exported funds and technology that enabled DPRK nuclear and missile development.

Japan and the United States closely monitor the normal and illicit trade by the DPRK on items regarding the production and development of Weapons of Mass Destruction (WMD). For example, the Proliferation

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16 - See Dianne E. Rennack, "North Korea: Economic Sanctions," *CRS Report to Congress* (October 2006). Rennack reports that the U.S. imposes economic sanctions against the DPRK for four reasons: national security (Trading with the Enemy Act and National Emergencies Act), state sponsor or supporter of international terrorism (Export Administration Act of 1979), Marxist-Leninist state (Export-Import Bank Act of 1945, Foreign Assistance Act of 1961), and proliferation of weapons of mass destruction (Arms Export Control Act, Export Administration Act of 1979, and Iran, North Korea, and Syria Non-proliferation Act of 2000).

17 - The contents of U.S. sanctions are constantly changing based on negotiations with the DPRK. For the debate over the ways and means of the sanctions refer to Ian Fergusson, *The Export Administration Act: Controversies and Debates* (New York: Novinka, 2006); Ruediger Frank, "The Political Economy of Sanctions against North Korea," *Asian Perspective*, Vol. 30, No. 3 (2006), pp. 5-36.

18 - For the comprehensive outlook of Japanese sanctions against the DPRK, see http://www.meti.go.jp/policy/external_economy/trade_control/boekikanri/seisai.htm.

Security Initiative (PSI) is a newly introduced initiative (started during the Bush administration and now inherited by the Obama administration) to prevent the illicit transfer of WMD and its related technologies by sea, land, and air.[19] The PSI became active after the U.S. and Italian Navy failed to seize a DPRK missile export to Syria off the coast of Yemen in 2002.[20] The UN imposed sanctions on even luxury goods, since these are believed to be used by Kim Jong-il to maintain the support of high-ranking government officials.[21] The results have shown (unfortunately) that these sanctions are either weak or ineffective to change the military provocations of the DPRK.

In essence, there is a strange vacuum surrounding the standoff in the Korean peninsula. The nuclear and missile developments by the DPRK has global and regional implications. For example, nuclear development challenges the global norm on nuclear non-proliferation, and is counterproductive to the nuclear-zero proposal of the Obama administration. Obviously, it will be detrimental to the 2010 Review Conference of the Parties to the Treaty on the Non-proliferation of Nuclear Weapons (NPT), and a possible reconfiguration of nuclear non-proliferation regime, since the DPRK will claim a nuclear weapon state status.

For the regional implications, the nuclear and missile developments of DPRK will produce a sense of insecurity in Japan, and debates over how to mitigate the threat will be serious and practical. South Korea

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[19] - At the Prague speech by president Obama, the PSI was referred to as an important policy initiative to prevent the proliferation of WMD and related technologies. Gilles Andréani, "America's New Nuclear Disarmament Policy and the Transatlantic Relationship," *Policy Brief*, May 4, 2009, http://www.gmfus.org/doc/Gilles_Obama April5 Speech_FINAL.pdf.

[20] - Steven A. Hildreth, "North Korean Ballistic Missile Threat to the United States," *CRS Report to Congress*, January 24, 2008.

[21] - See http://www.meti.go.jp/policy/external_economy/trade_control/boekikanri/downloadfiles/topics/n-korea/hinmoku-list(19.1.1).pdf for a list of luxury items prohibited by the Japanese government under UNSCR 1718.

faced 20 years of deterioration in the joint declaration of a nuclear-free Korean peninsula and it now sees the emergence of nuclear equipped North Korea. This situation leads to a likelihood that an arms race will start soon. China now faces an uncontrollable DPRK that once represented a faithful buffer state between a capitalist-state, South Korea.

Measures to deal with the DPRK challenge are weak. The level of economic sanctions is set at maximum and there remains little room to impose further sanctions. The PSI should represent flexible steps to enforce sanctions, but unpredictability still remains. However, a military option under the auspice of UN Charter Chapter 7 is not a convenient tool for instant adoption as the DPRK states that it would counterattack Japan and South Korea. Furthermore, there is no clear cost-analysis of an ex-DPRK Korean peninsula. Therefore, a party to the Six-Party Talks may be frustrated over provocative behavior of the DPRK, but acknowledges that no effective measures are in place at this moment.

North Korea and Domestic Politics of Japan

From the Japanese perspective, a public uproar against the kidnapping of Japanese youth by the DPRK in the 1970s and 1980s defines the current relations with the DPRK. Japan-DPRK relations and Japanese domestic opinions have been exacerbated over the 1990s in a reflection of the North Korean missile and nuclear development. According to a Japanese government public opinion survey on Japan-DPRK relations in 2008 (multiple answer), 88.1% name the abduction of Japanese citizens as a top issue in bilateral relations, followed by the nuclear issue (69.9%) and missile issue (51.5%).[22] Dislike and distrust

[22] See http://www8.cao.go.jp/survey/h20/h20-gaiko/2-1.html (in Japanese) for the full results. According to this survey, the top issue has remained the same since it first

against North Korea surfaced when the abduction cases became evident and criticism of the DPRK was no longer taboo.

Without having effective countermeasures to the DPRK military threat, Japan remained in a position to support U.S. policy towards the DPRK.[23] A defensive attack option against the DPRK military targets was discussed every occasion since the DPRK first launched the Rodong in 1993, but a consensus has not been reached.[24] A lack of domestic consensus on how to effectively deal with the DPRK threat is preventing Japan from making strategic decisions, except for strengthening the U.S. security alliance and the establishment of domestic contingency plans. Both policy options are part of the larger strategic policy to expand the Japanese role in regional and international affairs out in the allied transformation and initiatives related to the war on terror.[25]

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started to include the DPRK issue in the survey in 2002.

[23] In the common strategic objectives defined in Joint Statement of the Security Consultative Committee, "Alliance Transformation: Advancing United States-Japan Security and Defense Cooperation" (May 1, 2007), both governments agreed to "achieving denuclearization of the Korean peninsula through the Six-Party Talks and fully implementing the Joint Statement of September 19, 2005, which envisions progress in other areas, including the normalization of relations between North Korea and the United States and Japan, respectively; resolution of humanitarian issues, such as the matter of abductions and commitment by all Six Parties to join efforts for lasting peace and stability in Northeast Asia." See http://www.mofa.go.jp/region/n-america/us/security/scc/joint0705.html.

[24] A defensive attack option has been considered as constitutionally legitimate. For example, after the nuclear test by the DPRK in May 2009, Prime Minister Aso answered the question of Ichita Yamamoto, Diet member from LDP, in the Upper House's Budget Committee, on May 28, 2009, about a defensive attack on the DPRK missile site. Prime Minister Aso made a statement arguing that, if Japan had no option other than attacking the enemy's missile site to ensure its security, Japanese government follow constitutional interpretation of Prime Minister Ichiro Hatoyama in 1956 who defined the action is legally permissible under right of self-defense. However, Prime Minister Aso also stated that Japan currently lacks military capability to consider them as a policy option. For the full statement of Prime Minister Aso, refer to http://kokkai.ndl.go.jp/. *Mainichi Shinbun*, May 28, 2009.

[25] The National Defense Program Guideline in 2005 defines the basic principle of the Japanese security policy as "the first objective of Japan's security policy is to prevent any threat from reaching Japan and, in the event that it does, repel it and minimize any damage. The second objective is to improve the international security environment so as to reduce the chances that any threat will reach Japan in the first place.

Abduction Case and Domestic Politics

The long suspicion over kidnappings of Japanese by the DPRK came to light when Kim Jong-il publicly recognized a claim and apologized to Prime Minister Junichiro Koizumi during his official visit to Pyongyang in September 2002. At that time, a bilateral negotiation between the DPRK and the United States (as well as Six-Party Talks) was stalled due to the Bush administration's inclusion of the DPRK in the State of the Union Address on January 30, 2002. In this speech, President Bush named North Korea, Iran, and Iraq and said "states like these, and their terrorist allies, constitute an Axis of Evil, arming to threaten the peace of the world." North Korea was desperate to resume diplomatic negotiations with United States, and the promotion of reconciliation with Japan was one of the options to stimulate DPRK-U.S. relations.

There is a recurrent pattern in DPRK diplomacy. Both political concessions and military provocations are utilized by the DPRK as diplomatic tools to resume a direct dialogue with United States. Those actions are conducted at convenience, and no cyclical pattern is observed. If a single policy option does not work, then the DPRK tends to freeze further negotiations and move forward with other options. The release of kidnapped Japanese and the overture of returning the Yodo-Go hijackers and their families were a sign of reconciliation and concession to Japan by the DPRK.[26]

The miscalculation of the DPRK was that the Japanese public was not satisfied by the decision of Kim Jong-il to allow abductees to return

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Japan will achieve these objectives by both its own efforts as well as cooperative efforts with the United States, Japan's alliance partner, and with the international community."

[26] It is reported that Japanese new left activists who hijacked Jal Yogdo-Go and fled to North Korea were involved in the kidnapping case. They worked as operatives of the DPRK by cooperating in the abduction. Patricia G. Steinhoff, "Kidnapped Japanese in North Korea: The New Left Connection," *Journal of Japan Studies*, Vol. 30, No. 1 (2004), pp. 123-143.

and this becomes a symbol of the brutality and untrustworthiness of the Kim regime. Japanese political dynamics changed in the late 1990s since Prime Minister Tomiich Murayama, a socialist since Prime Minister Tetsu Katayama who took office in 1947, stepped down in 1996. The Japan Socialist Party (JSP) has been dissolved and the members absorbed into the Democratic Party of Japan (DPJ) and the Social Democratic Party (SDP). Most of the pro-DPRK members of the JSP (including Takako Doi, the former Chairman of the Lower House) have moved to the SDP, which has had less support in subsequent general elections.

The decreased influence of the DPRK over Japanese domestic politics reflects a decline of SDP influence in the Japanese Diet. It is related to the actions of the DPRK towards Japan. After stepped down from the government, the SDP gained four additional seats in the Lower House in the 2000 general elections. However, in October 2001, the SDP opposed an amendment to the Coast Guard Law that enabled the Coast Guard to fire on spy boats that do not obey orders and was criticized as being excessively soft on the criminal activities of the DPRK. The position of the SDP looked odd, since an amendment was supported by the Japanese Communist Party. The same pattern emerged in April 2002 when the SDP opposed the Terrorist Financing Punishment Law that obligated financial institutions to ensure personal identification when a financial transaction exceeded two million yen.[27]

The fractured response to the adduction case pushed the SDP into an almost total banishment from the Japanese political scene. The SDP (the predecessor of the JSP) had long history of friendship with the Korean Workers' Party (KWP) of the DPRK since 1963. The SDP and JSP

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[27] – In this case, the Japan Federation of Bar Associations (*Nichibenren*) issued a statement saying that the Law may go too far to punish innocent civilians, since the interpretation of what consists as a criminal act under this law is wider than the international agreed framework. See http://www.nichibenren.or.jp/ja/opinion/report/2002_12.html.

behaved like a broker for the claims by the DPRK, emphasizing at every occasion that there were no abductions by the DPRK, but only a conspiracy by the Japanese government.[28] Even after Kim Jong-il admitted to the presence of abductees in September 2001, the SDP homepage listed an article saying that the abduction case is groundless.[29] As such, a formal apology was too late when Takako Doi issued a formal statement on October 7, 2002.[30] The sympathy by the SDP to the DPRK was excessive. In a public criticism of the pro-DPRK stance, the SDP lost 13 seats out of 19 in the 2003 general election.[31] As a result, the SDP lost public support and political influence in Japanese domestic politics, and Takako Doi had to step down as party leader.

The domestic issue related to the DPRK including the power succession within the family of Kim Jong-il is one of the most popular items in Japanese broadcasting and Internet news. The North Korean domestic situation is featured repeatedly on weekend news shows and evening news. There are group of reporters who routinely enter the DPRK and film the domestic situation of the DPRK, such as homeless orphans begging and stealing food on the street, the corruption of DPRK soldiers, and secret interviews with defectors in and out of the DPRK.

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28 - After the abduction case had gradually been revealed in Japan, the SDP severely criticized it as a 'forgery' on their homepage. "'Abduction case is a fiction' article was removed from SDP's HP," *Asahi Shinbun*, October 4, 2002.

29 - Takako Doi even declined Kayoko Arimoto's entreat to her on inquiry of Arimoto's daughter, Keiko Arimoto, to the DPRK. Kayoko Arimoto lived in Doi's Hyoko district, expecting to SDP's strong connection with the DPRK, which ended in disappointment. Referred by Katsuei Hirasawa, a Diet member of LDP, at TV show, November 18, 2002.

30 - "Party Leader Doi apologized 'past' after flood of protest," *Sankei Shinbun*, October 8, 2002.

31 - In the 2003 general election, Takako Doi (a legendary figure in the SDP) was not re-elected in the Hyoko 7th District. She lost 50 thousand votes in 2003 from her previous reelection bid in 2000. It was revealed before the election that Takako Doi was consulted from the families of abductees to solve the issue but she bluntly ignored the opportunity. Kazuhiro Araki (ed.), *Record of Rescuing Kidnapped, 1996-2002* (Tokyo: Shisousha, 2002).

These reports are popular among Japanese who are eager to know the real life behind the 38th parallel.

Strategy of Japanese Security and the DPRK

The provocation of the DPRK has functioned as a facilitator of the establishment of Japanese emergency or contingency legislation and systems in regards to security issues.

Japan does not have an indigenous nuclear deterrence or direct strike capability on the DPRK military forces that are a threat to Japanese security. Japan has a continued a reliance on the Japan-U.S. security alliance on offensive functions and is a source of frustration among the Japanese public. Under the changing domestic power configuration, the Japanese government steadily moved forward in domestic contingency plans and the strengthening of the alliance. It is important to note that the establishment of the domestic contingency plan has been a task long overdue since during the Cold War, and the strengthening of the alliance was originally designed for an enhanced commitment over international agendas.

The stiffened attitude of Japan to the DPRK claiming 'no-normalization of Japan-DPRK relations without a complete resolution of the abduction issue' was popular in Japan, so that even showing a slight conciliatory position brought political risks for Japanese politicians.[32] This policy was confirmed at the Related Cabinet Member Committee on Normalization Talks between Japan-DPRK in October 2002 as a Basic Policy Principle

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[32] - The political risk is best represented as severe pressure against opinion leaders and academics who advocate sidelining the abduction issue and the advancement of nuclear talks and negotiations. For example, popular political pundits Soichiro Tawara once referred to abductees in his TV program, saying that he had personal information that they were already dead. Immediately after his comment, Tawara was criticized from various NGOs that support families of the abductees, and also from Foreign Minister Koubun Nakasone. *Sankei Shinbun*, May 19, 2009.

of Normalization Talks between Japan-DPRK.[33] The Principle states that government must place the abduction issue as the priority in dealing with Japan-DPRK relations.

In this regard, the Japan-DPRK Pyongyang Declaration in September 2002 played a key role. The content of the declaration was an uneven bargain between Japan and North Korea. The DPRK must resolve the abduction issue, nuclear, and other security related issues as a precondition for Japan-DPRK normalization, and the DPRK could expect Japanese economic assistance and wartime compensation as a result. The declaration states that Japan will be "providing economic cooperation after the normalization by the Japanese side to the DPRK side, including grant aids, long-term loans with low interest rates, and such assistances as humanitarian assistance through international organizations" and "providing other loans and credits by such financial institutions as the Japan Bank for International Co-operation with a view to supporting private economic activities."[34]

However, the DPRK, "would take appropriate measures so that these regrettable incidents, that took place under the abnormal bilateral relationship, would never happen in the future," and Japan and the DPRK "confirmed that, for an overall resolution of the nuclear issues on the Korean peninsula, they would comply with all related international agreements," and "both sides also confirmed the necessity of resolving security problems including nuclear and missile issues by promoting dialogues among the countries concerned." The declaration also stated that, "the DPRK side expressed its intention that, pursuant to the spirit of this Declaration, it would further maintain the moratorium on missile launching in and after 2003."

The DPRK made a point to the benefit they can expect after

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[33] - http://www.kantei.go.jp/jp/singi/nittyo/kettei/021009kihon.html.

[34] - http://www.mofa.go.jp/region/asia-paci/n_korea/pmv0209/pyongyang.html.

normalization is completed, but Japan focused more on the process of normalization. As a result, the DPRK is trapped into a position that it cannot utilize diplomatic relations with Japan without making significant concessions over bilateral issues that include abductions, spy ships, missiles, and nuclear development. From the Japanese perspective, it can either tighten or relax Japan-DPRK relations through sanctions, and put pressure on Chosen-Soren economic assistance or humanitarian assistance to induce or punish the DPRK for diplomatic concessions.

The declaration was well designed statecraft by the Koizumi government, but as a byproduct, the declaration essentially froze bilateral relations between Japan and North Korea. It also aggregated the security situation in Northeast Asia, since it put the DPRK in a position to either proceed with 'brinkmanship' diplomacy that threatens neighboring countries (and the United States) with nuclear weapons and missiles. The alternative is to agree to the negotiated settlement within the Six-Party Talks, which is an extremely difficult path for the Kim regime with Japan opposed to any agreement that is less than a complete resolution of the abduction issue.

The net result of the Japan-DPRK Pyongyang Declaration is yet to be estimated. However, after the decision of the Japanese government led by then Deputy Cabinet Secretary Shinzo Abe (who became Prime Minister after Koizumi in September 2006) to break a deal with the DPRK and not to return the families of abductees who return to Japan after Pyongyang Declaration, bilateral negotiation between Japan and the DPRK became less productive as the DPRK position toughened. Furthermore, by aligning Japanese political interests to the Six-Party Talks, the DPRK began to bypass multilateral negotiations and focus more on bilateral negotiations with the United States. This deprived the Japanese position in multilateral talks. A famous Japanese political pundit Soichiro Tawara argued that Japan had being left out from the changes

in the international situation surrounding the DPRK and was losing influence over the issues.[35]

'Sanction' Politics and Japan-U.S. Relations

The critical aspect of the diplomatic stagnation of the Six-Party Talks for Japan is a fear that Japan might become an obstructive actor in a comprehensive resolution on the nuclear issue, as security interests quickly diverge from the United States.

One of the main concerns of the DPRK seems to be the normalization of U.S.-DPRK relations, which would contribute to the preservation of the current regime. To accomplish this purpose the DPRK is desperately in need for a strategic capability that could deter the U.S. from resorting to preemptive military strikes. They can utilize a nuclear capability either to threaten Japan and South Korea through nuclear blackmail, or to offset Chinese influence in domestic affairs with regard to accepting a market socialism approach.

From the perspective of the DPRK, a host of multilateral and bilateral negotiations should serve this purpose, if not be replaced by other approaches. Military provocation is also a measure to gather international attention for the DPRK. The military and nuclear threats must be credible enough to force U.S. policymakers to react, and possibly make concessions to the demands of the DPRK. In order to serve this purpose, the DPRK needs to drive a wedge in the diplomatic front between Japan and the United States, so that abduction and other 'minor' issues should not be an obstructive factor.

Upon assuming office in 2001, the policy team of the Bush administration conducted a comprehensive DPRK policy review in June 2001,

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[35] Soichiro Tawara, "Negotiation Beneath the Surface Is Underway," *Sekai*, July 2008.

which called for unconditional talks between Washington and Pyongyang on a range of issues including nuclear development, the export of ballistic missiles, and the conventional military posture on the Korean peninsula.[36] However, the Bush administration policy shifted from engagement to containment over the DPRK, and then came the 'Axis of Evil' speech. It is reported that the DPRK interpreted the statement as a message that the U.S. might proceed with regime change through military means.

The Bush administration was originally sympathetic to the abductees. In addition, the administration understood the sensitivity of the issue in the Japanese domestic opinion and thought it would help in enhancing the successful political and security ties with Japan that included Japanese participation in Iraq reconstruction missions. President Bush met with Sakie Yokota in April 2006 and listened to the story of her family and said, "I have just had one of the most moving meetings since I've been the president" to the reporters.[37] Bush repeated this phrase in the Japan-U.S. summit meetings at the G8 Hokkaido.[38] It did encourage Japan (and especially the families of the abductees) about U.S. commitment to the issue after having seen no meaningful results in Japan-DPRK bilateral negotiations.

The critical moment in the Six-Party Talks came when a fourth round of negotiation agreed to issue a Joint Statement of the Fourth Round of the Six-Party Talks in September 2005, calling for the DPRK to abandon the nuclear weapons program. The statement specifically notes, "The DPRK committed to abandoning all nuclear weapons and

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[36] - "Statement by the President," June 13, 2001, http://www.whitehouse.gov/news/releases/2001/06/20010611-4.html.

[37] - Sakie Yokota testified in a United States House of Representatives subcommittee about the abduction issue on April 27, 2006, and next day she had a chance to meet with President Bush.

[38] - "United States Stands with Japan on North Korea Abductions: Six-Party Progress still in Initial Stages, Bush Says on eve of G8 Summit," July 7, 2008, http://www.america.gov/st/peacesec-english/2008/July/20080707123936idybeekcm0.6024744.html.

existing nuclear programs and returning, at an early date, to the Treaty on the Non-proliferation of Nuclear Weapons and to IAEA safeguards," but "The DPRK stated that it has the right to peaceful uses of nuclear energy. The other parties expressed their respect and agreed to discuss, at an appropriate time, the subject of the provision of light water reactor to the DPRK."[39]

The Six-Party Talks stalled after the U.S. Treasury Department designated Banco Delta Asia (BDA) (a Macau-based bank) as a "primary money laundering concern" charging it in assisting North Korean counterfeiting and drug trafficking activities.[40] Following this decision, the Macau government placed BDA under government control and froze $24 million in the DPRK-related account including 20 bank accounts, 11 trading company accounts, and nine personal accounts. Those accounts were considered special accounts for the DPRK leadership, and the DPRK demanded a resolution of the issue in the first phase of Six-Party Talks in November 2005.

After a failed attempt to defreeze the BDA account, the DPRK conducted the missile test in July 2006 and declared successful completion of a nuclear test in October of the same year. The issue was brought to the United Nations and the Security Council issued Resolution 1695 on July 15 and Resolution 1718 on October 15.[41] Both resolutions were designed to impose strict sanctions on the DPRK. The text of UNSCR 1718 states, "all member states shall prevent the direct or indirect supply, sale or transfer to the DPRK, through their territories or by their

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[39] - "Joint Statement of the Fourth Round of the Six-Party Talks," Beijing, September 19, 2005, http://www.mofa.go.jp/region/asia-paci/n_korea/6party/joint0509.html.

[40] - United States Treasury Department press release, "Treasury Designates Banco Delta Asia as Primary Money Laundering Concern under U.S. Patriot Act," September 15, 2005, http://www.ustreas.gov/press/releases/js2720.htm.

[41] - For more detailed study on economic sanction against North Korea, see Karin Lee and Julia Choi, "North Korea: Economic Sanctions and U.S. Department of Treasury Actions, 1955-September 2007," http://www.nautilus.org/fora/security/0687ChoiLee.pdf.

nationals, or using their flag vessels or aircraft, and whether or not originating in their territories," of the items designated by the sanctions committee. These were any that could contribute to the DPRK nuclear-related, ballistic missile-related, or other weapons of mass destruction-related programs, and luxury goods.[42]

In January 2007, representatives from the U.S. and the DPRK met in Berlin to discuss financial sanctions imposed against the BDA and the implementation of a Joint Declaration of 2005. The bilateral Berlin negotiation moved the Six-Party Talks to resume a third phase of the fifth round and on February 13, 2007, the members of the Six-Party Talks agreed on the Initial Actions for the Implementation of the Joint Statement.

The Initial Actions document states that, for the initial stage of denuclearization, "The DPRK will shut down and seal for the purpose of eventual abandonment of the Yongbyon nuclear facility including the reprocessing facility and invite back IAEA personnel to conduct all necessary monitoring and verifications as agreed between IAEA and the DPRK."[43] It was also agreed that the DPRK and the U.S. would start bilateral talks to resolve pending bilateral issues and move toward full diplomatic relations. The document specifies, "The U.S. will begin the process of removing the designation of the DPRK as a state-sponsor of terrorism and advance the process of terminating the application of the Trading with the Enemy Act with respect to the DPRK."[44] The removal

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[42] - S/RES/1718 (2006).

[43] - In Initial Actions plan, the DPRK is awarded in return. The document says that "during the period of the Initial Actions phase and the next phase - which includes provision by the DPRK of a complete declaration of all nuclear programs and disablement of all existing nuclear facilities, including graphite-moderated reactors and reprocessing plant - economic, energy, and humanitarian assistance up to the equivalent of one million tons of heavy fuel oil (HFO), including the initial shipment equivalent to 50,000 tons of HFO, will be provided to the DPRK," http://www.mofa.go.jp/region/asia-paci/n_korea/6party/action0702.html.

[44] - "Initial Actions for the Implementation of the Joint Statement," February 13, 2007,

of the DPRK from the State Department's state-sponsoring terrorist list and wavering Trading with the Enemy Act (TEA) was completed on October 11, 2008, after the DPRK announced their nuclear program on June 26.[45]

The member countries of the Six-Party Talks agreed to the establishment of five working groups (WGs); Denuclearization of the Korean Peninsula, Normalization of DPRK-U.S. Relations, Normalization of DPRK-Japan Relations, Economy and Energy Cooperation, and a Northeast Asia Peace and Security Mechanism. These WGs were intended to work on specific plans for the implementation of the Joint Statement, and "in principle, progress in one WG shall not affect progress in other WGs," but "plans made by the five WGs will be implemented as a whole in a coordinated manner."[46]

From the Japanese perspective, a major benefit of the Joint Document was the establishment of WG for Japan-DPRK Normalization under the Six-Party Talks, and the development of the working group was tied to the comprehensive resolution of negotiations. It has set a process that (not just Japan and North Korea) but other parties to the talks have a stake and responsibility in bilateral negotiations between Japan and the DPRK, although a mandatory obligation was not attached. Essentially, the Initial Actions document formalized and multilateralized the Pyongyang Declaration of 2002. Japan and the DPRK have conducted rounds of negotiations under this working group without any developments.[47]

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http://www.mofa.go.jp/region/asia-paci/n_korea/6party/action0702.html.

45 - Foreign Minister Koubun Nakasone issued a statement on the removal of the DPRK from the list. In this statement, Foreign Minister Nakasone introduced a conversation between Prime Minister Aso and President Bush that he remembers the abduction issue and is still sympathetic to the families of the abductees, http://www.mofa.go.jp/MOFAJ/press/danwa/20/dnk_1012.html.

46 - http://www.mofa.go.jp/region/asia-paci/n_korea/6party/action0702.html.

47 - Japan and the DPRK conducted a working-group meeting, first in March 2007 in Hanoi, and second time in Ulaanbaatar.

Under these conditions, Japan further announced that it would not participate in energy cooperation with the DPRK unless the abduction issue makes tangible progress.

The Joint Document marked a watershed moment in Six-Party Talks under the Bush administration. In March 2007, the Treasury Department imposed domestic rules on U.S. financial institutions to ban transactions with BDA, since it was suspected of involvement in illegal activities. However, based on a preference on a negotiated settlement over coercive diplomacy, the State Department has successfully convinced the Treasury Department to ease financial sanctions and returned frozen BDA accounts to the DPRK.[48] In this case, the economic sanctions were used for political maneuvering. The U.S. imposed strict sanction against the DPRK condemning the missile and nuclear tests, and easing them through bilateral and multilateral negotiations. It is a textbook case of how sanctions could be utilized in diplomatic negotiations.

Economic sanctions are a popular measure in dealing with political issues as an alternative to military confrontation. As the academic literature of economic sanctions indicates, it is largely a symbolic measure with less actual policy effect than expected.[49] The effect of economic sanctions must be converted into political influence to attain an assumed goal, which is always difficult for sanctioning countries to manage.

Christopher Preble and Ted Carpenter argue that, "even if Russia and China had been willing to endorse robust sanctions, it is unlikely that such measures would convince North Korea to give up its nuclear weapons or dismantle its nuclear facilities" since the DPRK is already

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[48] Stephen Kaufman, "U.S. Treasury Prepared to Resolve Banco Delta Asia Case," February 28, 2007, USINFO.

[49] David Baldwin, *Economic Statecraft* (New York: Columbia University Press, 1985); Daniel W. Drezner, *The Sanctions Paradox: Economic Statecraft and International Relations* (Cambridge: Cambridge University Press, 1999).

economically isolated, and the Kim regime maintains a strong domestic authority.[50]

The flexibility to impose and remove sanctions based on the reaction of the target state is a crucial requirement for the sanctioning state. Otherwise, economic sanctions are only a means to express criticism and exercise pressure. In the case of the Six-Party Talks and economic sanctions, the United States understood this sensitivity, but Japan was committed to reinforcing the pressure side of the 'dialogue and pressure' spectrum.

The legal framework under which the Japanese economic sanctions are conducted is through the Foreign Finance and Foreign Trade Law (FEFT). The FEFT had a provision to limit or stop financial transactions and freeze financial and monetary assets, as well as to exercise export-import control. For example, Article 48 of Chapter 5 decides that controlling exports is justifiable based on a judgment to "carry out the treaty or other international agreements that our country concluded for foreign trade and the healthy development of the national economy for the maintenance of the international trade balance."[51] This meant that Japanese export control is conducted under international treaties, provisions, and restrictions agreed upon by international non-proliferation regimes, UN sanctions, UN embargos, and other internationally agreed frameworks.

Looking at this provision from another angle, it states that unilateral sanctions are not possible, since the basic principle of the FEFT is to promote free trade, and controlling the transactions should not be imposed unless there is a multilateral consensus. In April 2004, the Japanese government amended the FEFT Law, and introduced a new

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[50] - Christopher Preble and Ted Galen Carpenter, "North Korean Sanctions: A Cruel Mirage," *Houston Chronicle* (October 19, 2006).

[51] - Article 48, Chapter 5 of the FEFT Law.

provision in Chapter 2. Article 10 under Chapter 2 says that if there is a special reason necessary, a government can impose export and financial sanctions to maintain the peace and security of Japan. The provision defines a decision of the Cabinet Council as necessary to implement unilateral sanctions. The assumption behind Article 10 is that there might be circumstances when the international community does not back the Japanese claim to impose strict sanctions on North Korea. To date, most of the Japanese decisions to impose economic sanctions against the DPRK are based on the UNSCR.[52]

There are numerous cases when the DPRK has threatened military measures to counter Japanese sanctions. The Japanese ignored them as a conventional bluff, or simply reinforced and strengthened the implementation of economic sanctions. In this regard, the Japanese method of communication through sanctions, negotiation, compromise, and coercion with a potential or actual threat did not function as normal academic literature predicts. It can be attributed to three causes; strong and rigid domestic support on taking a hard-line position against the DPRK, a strong sense of insecurity among larger public and support for systemic build up of defense and crisis management capability accordingly, and increased confidence over the U.S. security commitment to counter the DPRK threat.

The lack of Japanese flexibility in using sanctions was possible when the DPRK was not affirmative to multilateral negotiations. After the Joint Declaration the process paved the way for the comprehensive resolution of issues regarding the Korean peninsula and the game move to next stage. In this new stage, the relaxing of economic sanctions and extracting compromises from the DPRK were in the framework of

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[52] In 2004, the Certain Foreign Vessels Prevention of Law also passed the Diet. This was intended to prevent cruise ships called *Mangyonbon-ho* from making regular trips between the ports of Wonsan in North Korea and Niigata.

bargaining. The big issue after missile launch of 2009 and the statement by the chairman of the UNSCR to condemn the DPRK for the violation of the UNSCR 1695 is whether the international community can restate and enforce economic sanctions against the DPRK, while asking them to remain in a framework under the Six-Party Talks.

Japanese Reaction to the DPRK Threat

Among the three causes that deprived Japan of political flexibility, this paper outlines how domestic political support over the DPRK evaporated with the SDP losing influence in the Diet.

In building an independent defense and management capability, the Japanese government established multiple paths toward an effective system that is vigilant against the provocations of the DPRK. What is most important is a domestic emergency plan as a war contingency plan was overdue.[53] In 1977, a legal framework for a war contingencies study formally started within the Japan Defense Agency under the Takeo Fukuda (father of the Prime Minister Yasuo Fukuda, who took office after Prime Minister Abe) Cabinet. "The study of the legal framework for war contingencies in the Defense Agency" was made public in 1978, when the process and the policy of the study were announced. The interim report was published in 1981 and again in 1984, which outlined a legal problem that had to be dealt with.

The report set three categories of legal issues for the convenience of understanding; the first classification (JDA jurisdiction laws and ordinances), problems of the second classification (other ministries and

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[53] JDA conducted war contingency plan in 1963, with Mitsuya-Kenkyu as a code name. Mitsuya-Kenkyu was picked up by the Socialist member of the Diet, and the JDA had to waive the study. Yuzo Kurokawa, *Military Strategy of Modern Japan* (Tokyo: Fuyo Shobou, 2003).

government offices' jurisdiction laws and ordinances), and the third classification (the laws and ordinances of a jurisdiction that is not clear). After the interim report, the study was shelved for a decade but revived after the 9/11 terrorist attacks. It is important to note that the contingency measures were not established because of the Rodong missile launch by the DPRK in 1993.

The Japanese government became serious about establishing a war contingency plan after the redefined Japan-U.S. alliance in 1996, and started to refine The Guidelines for Japan-U.S. Defense Cooperation completed in 1997. An idea of the need to establish wartime contingencies plan was shared by both countries, but the text was not listed in the final document since it was deemed as a sensitive issue in Japanese politics. However, series of events pushed Japan (and especially Prime Minister Koizumi) to restart the study on contingency guidelines.

In October 1998, the Taepodong missile flew over Japan and in March 1999, a spy boat from the DPRK was intercepted by the Japan Coast Guard. As a result, the government issued a maritime security order to the Maritime Self-Defense Force for first time. When the Liberal Democracy Party (LDP) and Komei Party concluded a memorandum of understanding to form a coalition government in March 2000, the wartime contingencies plan was formally put into official agenda between the political parties. After 9/11, Japan encountered another spy boat incident, and unlike previous incident, the Japan Coast Guard attacked the boat and sunk it December 2001.[54]

In April 2002, Prime Minister Koizumi submitted three wartime contingencies-related laws, "to revise part of the Security Council of Japan Establishment Law," "The Law for the Peace and Independence of Japan and Maintenance of the Nation and the People's Security in Armed

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[54] The spy boat was later salvaged, and exhibited at Maritime Museum in Tokyo.

Attack Situations, etc.," (*Buryokujitai Taisho* Law) and "to revise part of Self-Defense Forces Law." This legislation passed into law in June 2003, and the government subsequently started to establish civil protection laws and measures defined in Article 21 of the Armed Attack Response Law (*Buryokujitai Taisho* Law).[55]

The Armed Attack Reponse Law defined four possible characteristics for consideration; landing invasion, ballistic missile attacks, attacks by guerilla/special operation forces, and aerial intrusion. The Civil Protection Law was enacted in June 2004 and the government established the Basic Guidelines for Protection of the People, so that national and local governments could define responsibilities based on the armed attack situations (see Chart 1). Besides the Civil Protection Law, six other laws were enacted in 2004 to facilitate the self-defense forces operation in an armed attack situation. These are: Law Regarding Measures in relation to U.S. Forces Activities, Partial Amendment to the Self-Defense Forces Law, Laws Regarding the Use of Specific Public Facilities, Maritime Transportation Restriction Law, Prisoner Treatment Law, and Law Concerning Penal Sanctions against Grave Breaches of the International Humanitarian Law.

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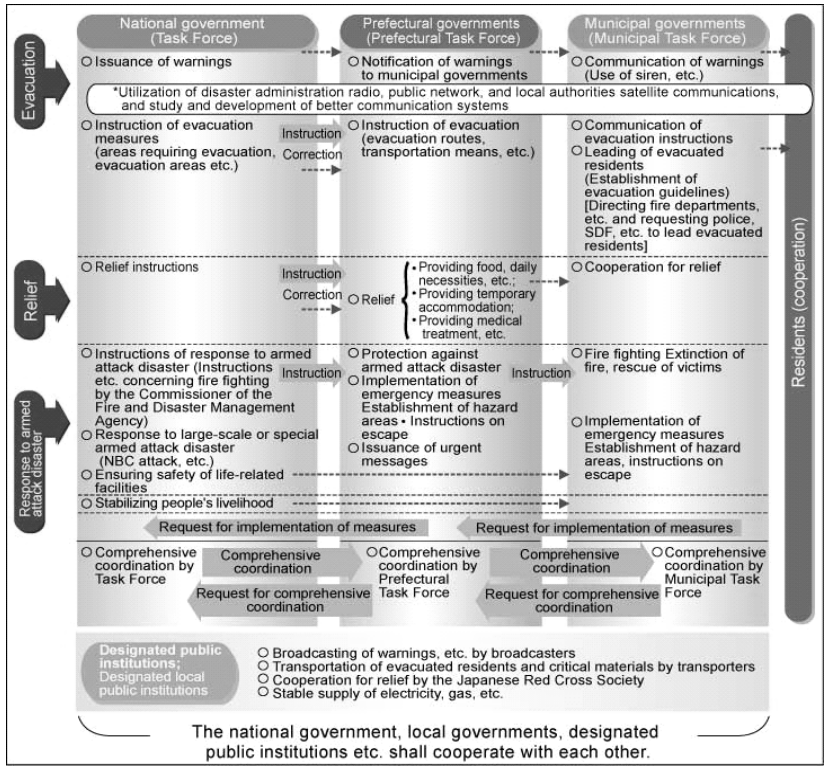
[55] Originally it was named The Law Concerning the Measures for Protection of the People in Armed Attack Situations, etc, but the short title of the "Civil Protection Law" is more commonly used.

Chart 1. System to Protect the People in Armed Attack Situations



Source: From the homepage of Cabinet Secretariat, civil protection portal site, http://www.kokuminhogo.go.jp/en/about/system.html.

The response system was operationally tested during the Taepodong missile launch in April 2009. The system encountered some unintended human errors, but the system successfully functioned as originally designed. Ironically, the DPRK test case added more confidence to the Japanese response system.

Japan does not have the offensive capabilities to strike the political center or military targets of the DPRK. Under the Japan-U.S. security alliance, the Japanese offensive side of the security policy depends exclusively on the United States, and is only to provide logistical support

to the U.S. operations conducted in 'the surrounding area' of Japan.[56] Defensive capabilities such as civil defense, missile defense, and emergency-related plans are the crucial pieces that form major policy measures to counter the threat of the DPRK. As noted in the previous section, economic sanctions might have significant implications that add offensive meaning to the Japanese security policy.

Striking military targets for defensive purposes is accepted in internationally as an act of defense and the Israeli cases are understood as examples. Japan also has considered this option. As early as 1956, the Japanese government issued a common understanding and interpretation of a defensive attack of an enemy base in a Cabinet committee meeting, stating that the constitutional possibility is affirmative, but in such an occasion the measures of the self-defense forces should be limited.[57] This argument was popular in the 1950s and again resurfaced in late 1990s.

The renewed argument about a preemptive attack has a similar feature. Either the LDP or DPJ, or a Diet member asks the government if Japan has the will to employ defensive capabilities. Alternatively, a question may be asked if the government has the intention to use a military capability to punish the DPRK on the abduction issue. Often repeated is the correspondence between ruling and opposition parties in the Diet that have continued since the issue first brought to the Diet. The Japanese government announced that Japan would not conduct defensive operations, since Japanese F-15 or F-2 planes have no technical capability to strike missile sites in the DPRK and return without damage.

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56 – "Joint Statement, U.S.-Japan Security Consultative Committee Completion of the Review of the Guidelines for U.S.-Japan Defense Cooperation," September 23, 1997.

57 – It is to claim a natural right of self-defense. In many occasions, defense ministers and other prominent politicians argue that Japan should not wait until there is clear and present danger to Japanese security interests and survival. For example, "It is necessary to have strike capability against enemy base," *Akahata*, July 11, 2006.

Both strike fighters must rely on aerial refueling capabilities to conduct such operations. The government expresses that they have no intention to acquire defensive capabilities because it might lead to a violation of the constitution. The argument regarding the defensive attack option surfaces in the political circles when a crisis over the DPRK occurs, but remains purely a hypothetical consideration.[58]

The missile defense system is a more viable and realistic option for Japan. Introduction of and participation in the U.S. missile defense system was directly related to the missile test by the DPRK. Although it was not seriously considered when the Rodong missile was launched into the Sea of Japan (Yellow Sea), but after the DPRK launched the Taepodong in October 1998, the Japanese government started the study and finally decided to cooperate in the U.S. project in 2003. The Koizumi Cabinet issued a statement in December 2003 entitled, "About Introduction of Ballistic Missile Defense System," and outlined the program; revision of defense posture, and explanation about the relation with Japanese policy principles regarding the rights to collective defense.[59] In this statement, Japan repeated that a Japanese missile defense system would be included in a part of a defensive posture. The system went into effect in March 2006.

From the military technological point of view, Japan lacks early warning systems or monitoring capabilities and it is understood that close military cooperation with the United States is crucial in operating the system. Even in the 2009 missile case, the Japan Self-Defense Forces could not detect the moment of launch and final stages of the Taepodong-2, and had to rely on intelligence information from the United States.

Japan decided to move the Air Defense Command to Yokota Air

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58 - Prime Minister Koizumi was the most passive figure in his administration to discuss the defensive attack option, http://japanese.joins.com/article/article.php?aid=77718&servcode=200&sectcode=200.

59 - http://www.kantei.go.jp/jp/kakugikettei/2003/1219seibi.html.

Base to facilitate closer information and command cooperation.[60] The Japan Aerospace Defense Ground System (JADGE) was established to link naval and air commands assigned for missile defense systems. The JADGE system was linked to the FPS-5 in 2009, and is projected to link to the U.S. X-band radar in 2010. The system is designed to be in full operation in 2011. The ASDF's PAC-3 system is linked with the early warning satellite of the U.S. through the JADGE, and an Aegis Destroyer is linked with Link-16 and Satellite-Tactical Digital Information Link J (S-TADIL J).[61]

The Japanese defense posture relies heavily on security cooperation with the United States. The missile defense system cannot function as designed without U.S. information and cooperation. Although Japan can unilaterally impose economic sanctions against the DPRK, economic sanctions are less effective if unilaterally imposed, so that multilateral cooperation is essential. Therefore, the U.S. commitment is crucial for Japan to promote a policy agenda from a security as well as policy perspective. The U.S. policy is the most significant dependent variable in dealing with the DPRK issues and it applies to the security policy of other members of the Six-Party Talks as well.

Conclusion: The DPRK Missile Launch in 2009 and the Japanese Reaction

With the Obama administration in Washington, DC, the DPRK expects diplomacy that is even more active rather than military pressure. In fact, the last years of the Bush administration put diplomacy first in

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60 - A joint document was issued in October 2005, and the roadmap for implementation was issued in May 2006. It is projected in this roadmap that a complete transfer will be in 2010. See http://www.mod.go.jp/j/saihen/gaiyou/sintyoku.html.

61 - The U.S. Department of Defense, Missile Defense Agency, *Testing: Building Confidence*, December 2008, http://www.mda.mil/mdalink/pdf/2009MDAbook.pdf.

negotiations with the DPRK. The BDA issue and delisting of the DPRK from the State Department's list of countries sponsoring terrorism symbolized the policy shift. The DPRK is handed with the easing of economic sanctions and the upper hand in negotiations on the denuclearization of the DPRK. It is pointed out in a report submitted on the DPRK that the current and past nuclear development record is less than sufficient. However, without serious punitive initiatives from the U.S. and other members of the Six-Party Talks, the DPRK is assumed to be moving forward to acquire another concession from the parties.

The missile launch in April 2009, and protest over the subsequent UN Chairman's statement that criticized the DPRK show how to understand the current security situation in the Korean peninsula. As noted in the first section of this report, the DPRK wants to test the will of the Obama administration on whether it should make a concession to the demands by the DPRK in the future rounds of negotiation or move into a different terrain.

The DPRK understands that the military option is not strong enough to threaten the U.S. mainland and draw serious attention from the Obama administration. The DPRK recognizes that there is limited room for the implementation of further and tougher economic sanctions. It is difficult for the UN to gain a consensus on general economic sanctions (equivalent to the economic warfare approach) since the PRC and Russia will oppose such initiatives. The DPRK looks at the Japanese initiative on import and export sanctions as bothersome, but it does understand that there are several measures to enclave the restrictions. The DPRK knows that economic sanctions are not strong enough to force concessions. In addition, the recent bilateral negotiations regarding the participation by the ROK in the PSI show that the DPRK still sees the Lee Myung-bak government as moderate and subject to diplomatic negotiations.

Under these circumstances, the unusual uproar by the DPRK against the Japanese deployment of a missile defense system is understandable. For the DPRK, the Taepodong is a measure through which to send a diplomatic message to the Obama administration. If Japan could intercept the missile, it would mean that the DPRK would be deprived of the means to send a strong and unmistakable message to the United States. The race between Japan and the DPRK over a credible interception capability and a credible threat capability is in place, and the DPRK is confident that they still have the advantage. The DPRK wants to isolate Japan in the Six-Party Talks, and to divert policy preferences between Japan and the United States, which may slow the pace of establishing the deterrent capability of both countries.

Japan faced the missile launch by the DPRK in a different context than the one enjoyed during most of the Bush era. It is understood that the Obama administration is trying to bring new thinking and a new negotiation style to the issues regarding missile and nuclear developments by the DPRK. In order to make the Six-Party Talks successful, Japan should make certain compromises with the DPRK on the abduction issue, move forward on the normalization of relations, and provide economic assistance to the DPRK. However, the belief that it may lead to a one-sided compromise is strong in the domestic opinion of Japan and politically dangerous under the current fragile political situation.

The big question for each member of the Six-Party Talks is how they should weigh 'pressure' and 'negotiation' in dealing with North Korea. If they cooperate to make strong sanctions, with possible military measures, the DPRK will react with increased military provocations.[62]

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[62] International Crisis Group, "North Korea's Missile Launch: The Risks of Overreaction," *Policy Briefing, Asia Briefing No. 91*, March 31, 2009, http://www.crisisgroup.org/library/documents/asia/north_korea/b91_north_koreas_missile_launch___the_risks_of_overreaction.pdf.

Even if appeasement-like negotiation is conducted by the related parties, there is no proof that the DPRK will consent to the deal and the agreed conditions. Japan remains in the 'pressure' group, and if other parties might line up with Japan, it will eventually freeze the negotiation and the denuclearization of the Korean peninsula will become a far distant goal.

Given the complex and sensitive security dynamics in the DPRK issues, members of the Six-Party Talks and the Obama administration are still looking for ways to finish this deal.

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Tension on the Korean Peninsula and Chinese Policy

Gong Keyu

Abstract

China is one of few countries that have friendly relations with both the DPRK and ROK. The historical interest of China in the geopolitical situation of Korea allows it to play a unique role in the relevant affairs of the peninsula. The North Korean nuclear and missile issue has become more complex in the context of a global financial crisis that has further complicated the bilateral relations among North Korea and countries like South Korea, Japan, and the United States. The role of China has become more prominent in such a background. The North Korean nuclear issue is a challenge to the international non-proliferation regime. China follows a policy of "persuading peace and promoting negotiation" and plays an active role in promoting communication and negotiation among all parties. This paper addresses the national interests of China on the peninsula, and makes some forward considerations about Chinese policy. China can adopt a policy of "participation, balance, and stability" in the affairs in the Korean peninsula. China will always play a constructive role in safeguarding peace and stability on the peninsula.

Key Words: Korean peninsula, Chinese policy, North Korean nuclear issues, Six-Party Talks, the principle of "participation, balance, and stability"

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The second North Korean nuclear test and missile issue has become more complex within the context of the global financial crisis that has complicated the bilateral relations among North Korea and countries like South Korea, Japan, and the United States. China is one of the few countries that have friendly relations with both the DPRK and ROK. The historical interest of China in the geopolitical situation of Korea allows it to play a unique role in the relevant affairs of the peninsula. The role of China has become more prominent against such background. This paper addresses the national interests of China on the peninsula, and makes some forward considerations about Chinese policy.

The Changing Korean Peninsula

The Korean peninsula is of special geopolitical significance. It is one of the strategic focuses of the U.S., Japan, Russia, and China, and is part of the extended arch from Central Asia through South Asia up to North Asia. The peninsula is a typical Rimland in which both land and sea powers would fight for, as described in N. J. Spykman's Rimland Theory.[1]

The security situation on the peninsula is active despite the current global financial crisis. The nuclear test and the missile launch have further obscured the prospect of the bilateral relations of North Korea with the U.S. and South Korea and the Six-Party Talks as well.

The Standoff of the Six-Party Talks after the Satellite (Missile) Launch

The media and officials of the DPRK said North Korea successfully launched the Kwangmyongsong-2 satellite into orbit.[2] The U.S., Japan,

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[1] - N. J. Spykman, *The Geography of the Peace* (Beijing: Commercial Press 1965), p. 76.
[2] - According to *Korean Central News Agency* (KCNA), North Korea hailed the successful

and South Korea reacted strongly as they suspect North Korea is soon to test a Taepodong-2 missile with a range of about 2,500 to 2,800 miles (4,000 to 4,500km), which would put Hawaii within range.[3]

North Korea claims that it has the sovereign right under international law for the independent development and use of space. Judging by the current situation, North Korea will follow up with a policy of "two NOT and two RE-" (not to participate in the Six-Party Talks, not to observe concluded agreements, to RE-start Yongbyon, and to RE-build light-water nuclear reactors). All these reactions will seriously damage the peace and stability of the peninsula, and neutralize the efforts of the last few years.

The Worsening of the Relations between the Two Koreas

President Lee Myung-bak has redirected South Korean foreign policy since taking power: from "Sunshine Policy" to "No Nukes, Opening and 3000 Dollars,"[4] ending the North Korean "Strategy to Deal Directly with the U.S. and Freeze Out the South" moving instead to "Mutual Benefits and Common Prosperity" with North Korea, and changing from "the Diplomatic Relations with the Four Regional Powers" to a "New Asia Diplomacy Plan."[5]

North Korea views these changes as threat to the survival of the regime and has adopted a hard-line approach.[6] North Korea declared on

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launch of a long-range rocket that put an experimental satellite "Kwangmyongsong-2" into orbit on April 5. However, the United States and South Korea said the launch was a failure with the second and third stages falling into the Pacific.

[3] Bill Powell, "Korea after Kim," *Time*, April 13, 2009, pp. 24-25.

[4] Dong Yong Sueng, "The North Korea Policy of the Lee Administration and a Prognosis of Likely Development," *Korea and World Affairs*, Vol. XXXII, No. 2, Summer 2008, pp. 162-169.

[5] "President Lee to Promote Pan-Asia Diplomacy," *KBS World*, March 8, 2009, http://world.kbs.co.kr/english/news/news_Po_detail.htm?No=61827.

[6] Yun Duk-min, "Pyongyang's Brinkmanship No Longer Effective," *Korea Focus*, Vol. 17, No. 1, Spring 2009, pp. 9-10.

April 3, 2008 the end of inter-Korean dialogue channels, forbid South Korean officials from crossing the border, killed a South Korean tourist at Mt. Keumkang on July 11, 2008,[7] closed the land passage of the military demarcation line on December 1, 2008, and abolished the agreements regarding the suspension of political and military confrontation between the two Koreas on January 30, 2009.[8] In addition, North Korea unilaterally cut the hotline with South Korea, expelled South Korean staff at the Kaesong Industrial Complex, and even adopted measures that might threaten the security of South Korean civilian airliners. The three main inter-Korean economic cooperative programs (the Mt. Keumkang tourism, the Kaesong Industrial Park, and linkage of inter-Korean railways) are now suspended.[9]

Military tensions also went high; Inter-Korean relations seem to have entered into the stage of "all around confrontation."[10] North Korea abolished all inter-Korean agreements regarding the suspension of political and military confrontations, agreements regarding inter-Korean reconciliation, cooperation, communication, and mutual non-intervention, and agreements on military demarcation lines on the relevant seas. Now the U.S. and South Korea have launched the Key Resolve joint military exercise on March 9, 2009.[11] In response, North Korea said it would take "every necessary measure" to defend itself.[12] On

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[7] - Zhang Lian'gui, "It Is Not a Mistake of Abandoning the Sunshine Policy," *Oriental Morning Post*, January 1, 2009, p. A18.

[8] - Zhou Zhiran, "South Korea Expressed Regret for North Korea Insisted on the Nullification of the Military Agreement Signed between the Two Koreas," *People's Daily*, January 31, 2009, p. 3.

[9] - Yang Moo Jin, "North Korea Policy in the 21st Century," *Korea and World Affairs*, Vol. XXXII, No. 1, Spring 2008, pp. 51-60.

[10] - "South Korea's Troubled Government Up in Flames," *The Economist*, January 24, 2009, p. 29.

[11] - See more details at http://world.kbs.co.kr/english/news/news_zoom_detail.htm?No=4031.

[12] - "North Korea Sound and Fury," *The Economist*, March 14, 2009, pp. 30-31.

May 26, South Korea, "angered by North Korea's second nuclear test, announced that it will fully participate in" the Proliferation Security Initiative (PSI).[13] North Korea replied on May 27, "It will no longer abide by the Korean War armistice and may retaliate militarily in response."[14] Finally the Committee for the Peaceful Reunification of Korea stated, "The state of military confrontation is growing acute and there is constant danger of military conflict itself means igniting a war."[15]

The Policy of the Obama Administration towards North Korea Is Not Clear Yet

The change of the U.S. administration will have direct and critical impact on the prospect of North Korea-U.S. relations, the North Korean nuclear issue, and the security situation on the peninsula. It is believed that policy of the Obama administration will be substantially different from the Bush administration and there is a view that Obama will adopt an ABB (Anything But Bush) policy.[16]

The changes could include: (1) Among the priorities of Obama, the North Korean nuclear issue will be dealt with after domestic economic problems, the withdrawal of troops from Iraq, counter-terrorism in Afghanistan, and Pakistan issues[17]; (2) Obama trying to "negotiate with

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13 - Lee Ki-dong, "S. Korea Joins PSI after N. Korea's Nuke Test," *Yonhap News Agency*, Seoul, http://english.yonhapnews.co.kr/news/2009/05/26/0200000000AEN20090526002700315.HTML.

14 - Kim Hyun and Tony Chang, "N. Korea threatens military response after S. Korea joins PSI," *Yonhap News Agency*, Seoul, http://english.yonhapnews.co.kr/northkorea/2009/05/27/0401000000AEN20090527011500320.HTML.

15 - The Committee for the Peaceful Reunification of Korea issued a statement, "The DPRK Regards S. Korea's Full Participation in PSI as Declaration of War against the DPRK," May 27, Pyongyang, http://www.kcna.co.jp/item/2009/200905/news27/20090527-17ee.html.

16 - Tao Wenzhao, "Get Rid of the Bush' Policy: An Analysis of Obama's Foreign Policy Directions," *Collected Papers of Leadership Skills*, January 1, 2009, pp. 21-27.

17 - Fareed Zakaria, "Wanted: A New Grand Strategy," *Newsweek*, December 8, 2008, p. 36.

enemy" believes that "negotiation is more important than military action" and has already appointed special envoy dealing with the North Korean nuclear issue that will talk directly with North Korea on normalizing relations; and (3) The Obama administration attaches more importance to human rights and democracy issues, and would not tolerate North Korean dishonesty.[18]

There might be no change in the following areas: (1) the U.S. administration will not back away from the position of the non-proliferation of nuclear weapons, which is directly concerned with national security, and will continue to follow the principle of complete, verifiable, irreversible denuclearization (CVID) in regards to verification[19]; (2) mutual mistrust of North Korea by the U.S. will exist as the U.S. still regards North Korea as an "Axis of Evil" and a "rogue state" where North Korea still believes the U.S. intends to overthrow the regime due to the nuclear issue; and (3) the basic U.S. position must be "no rewards for wrong actions," where the influence of neo-conservatives will not allow the compromise and appeasement to a member of the "Axis of Evil."[20]

North Korea Conducts a Second Nuclear Test

The North Korean policy of the Obama administration is not yet clear and there is concern that North Korea might take further action if feelings are neglected or no timely economic assistance is offered within the context of the global financial crisis.

On May 25, North Korea staged a "successful" underground nuclear test, prompting international condemnation. The state says it

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18 - Yang Qingchuan, "The Things before President Obama," *Xinhua News Agency*, January 25, 2009, p. 3.

19 - The principle of CVID is "complete, verifiable, irreversible denuclearization."

20 - Graham Allison, "The Only Thing that Can Keep Nuclear Bombs out of the Hands of Terrorists is a Brand-new Science of Nuclear Forensics," *Newsweek*, March 23, 2009, pp. 31-32.

was more powerful than the previous one in October 2006.[21] An official communiqué from the North Korean state radio said the test was, "part of measures to enhance the Republic's self-defensive nuclear deterrent in all directions" and that the test would "contribute to safeguard the sovereignty of the country and the nation and socialism."[22] The international community responded immediately in strong terms after the *KCNA* declared that the DPRK successfully conducted another underground nuclear test on May 25.

Chinese National Interests on the Korean Peninsula

China has long been an active advocate for peace, development, and cooperation. By following the road of peaceful development, it tries to develop international standing by furthering world peace. The "Good-Neighborliness-and Friendly-Cooperation" foreign policy helps create a favorable environment for Chinese reform and modernization, but it is also vital to a harmonious neighborhood of lasting peace and common prosperity. China plays an important part in molding a security environment of the region that is beneficial to the peace and prosperity of the whole region.[23]

According to the *Report on the Work of the Government* 2009, "We will ... make new contributions to the proper resolution of hotspot issues and global problems.... share development opportunities, and build a harmonious world of durable peace and common prosperity."[24]

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[21] - "North Korea conducts nuclear test," *BBC*, http://news.bbc.co.uk/2/hi/asia-pacific/8066615.stm.

[22] - "KCNA Report on One More Successful Underground Nuclear Test," *Korean Central News Agency*, Pyongyang, May 25, http://www.kcna.co.jp/index-e.htm.

[23] - Xu Jian, "The International Situation and China's Diplomacy," *International Studies*, No. 2, 2007, p. 15.

[24] - *Report on the Work of the Government 2009,* Premier Wen Jiabao delivered at the second session of the 11th National People's Congress on March 5, 2009.

The North Korean nuclear issue is one of the "hotspot issues." China has a special interest in the Korean peninsula and plays a special role in the affairs relevant to the peninsula. The national interests of China in the Korean peninsula include:

Peace and Stability of the Region

The objective of Chinese foreign policy is to promote "a harmonious Asia" and "a harmonious world," which is an extension of the Chinese "harmonious society" principle and marks a new phase in Chinese diplomacy. A harmonious foreign policy (derived from Chinese culture, confidence, power, and ambition) is comprised of a brand-new global value, indicating that China expects to carry a heavier duty to maintain world peace and promote common development. This policy suggests that China acknowledges and takes an active part in the current international system, and that it is willing to realize local interests and seek common interests within the existing international order. It advocates a new style of behavior that is conducive to the friendly coexistence and common benefit of all countries.[25]

A harmonious neighborhood is the primary goal of constructing a harmonious world and the foundation of a domestic harmonious society. The Chinese friendly-neighborhood policy helps implement a strategic goal on the regional level.[26]

The geopolitical position of Korea, the history, and status are related to the political, military, and economic security of China. Should the nuclear crisis cause large-scale riots or war, the international environment that China faces would deteriorate and the social stability

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[25] Yu Zhengliang and Que Tianshu, "China's New Diplomatic: Concept and Practice," *Mao Zedong and Deng Xiaoping Theory*, No. 5, 2007, p. 15.

[26] Shen Guofang, "China's New Diplomatic: Concept and Practice," *World Knowledge*, No. 13, 2007, p. 44.

and economic development in Northeast China would be greatly impaired. It is of vital importance to the strategic interests of China to lower the possibility of the crisis escalating into war, to help pull the peninsula out of the Cold War status, and to prevent (or at least postpone) the occurrence of acute conflicts on the peninsula.

To maintain peace and stability on the peninsula, however, does not mean the maintenance of a separated situation. China plays an active role in breaking the impasse between the United States and North Korea, helping in the rebuilding of the North Korean economy, and promoting the peaceful reunification of the peninsula (that are all in the interests of China) but will also satisfy the common interest of all parties to the greatest extent.

Denuclearization of the Korean Peninsula

The nuclear issue of the Korean peninsula is a heritage of the Cold War era, which should be resolved as the peninsula steps out of the Cold War status. The tension and the Cold War status on the peninsula will not be eliminated until the North Korean nuclear program is ended. Paradoxically, as long as North Korea still faces heavy pressure on the strategic environment or feels threatened by the United States and other countries, it will stick to the goal of developing nuclear weapons, regardless of the objective of "denuclearization" announced in the Joint Statement of September 19. The nuclear issue has always been used by North Korea as leverage against the United States. Once North Korean security is guaranteed by a non-invasion promise by the United States and the beginning of the normalization process, it can be predicted that North Korea will end the nuclear issue and begin to re-engage the international community. Boosting denuclearization without first ensuring the peace and stability of the peninsula (or insisting in reaching the goal by force) will prove detrimental to the final resolution.

Easing Tension on the Korean Peninsula

"Détente, peace, and reunification" has become a common hope for both North and South Korea. The leaders of both countries are adjusting policies according to the changing situation, trying to enhance peace and stability on the peninsula. However, due to the lasting mutual distrust and differences between the two in the social systems, ideologies, economic systems, and values, a breakthrough in the political relationship is not imminent. A resolution of the North Korean nuclear issue and the following establishment of a peace mechanism will enable the end of the precarious situation of "no war, no peace, and no negotiation" by gradually increasing mutual understanding and trust.

China has supported the reunification of the Korean peninsula. China does not only expect to maintain a friendship with North Korea, but is looking forward to developing a cooperative relationship with South Korea on the political, economic, and diplomatic level. China does not seek a leading position, scope of influence, or self-interest on the peninsula. The Chinese government and the leadership repeatedly declared that China supports the two sides on the peninsula advancing towards détente and a peaceful reunification on the condition that no foreign forces are involved.[27]

The Development of Mutual Trust and Benefit and the Bilateral Relations with the United States

U.S.-China relations are among the most important and complicated bilateral relations in the world today. After 9/11, anti-terrorism and the prevention of the proliferation of weapons of mass destruction became two major strategic goals of the United States. The active cooperation by

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[27] Li Dunqiu, "The Development of Relations between China and the ROK in Northeast Asia after the Cold War," *Contemporary ROK*, Summer 2007, p. 7.

China with the United States in these fields moves the development of the bilateral relations forward as well as the cooperation on global and regional issues, now that they have common interests in maintaining national security and the stability of the Asia-Pacific region.

The North Korean nuclear issue is an opportunity for China and the United States to improve mutual acknowledgment and trust, as well as to promote the overall development of bilateral relations, despite the fact that they have common interests and significant dissension. From the perspective of the general environment for Chinese diplomacy (especially for the long-term dynamics between China and the United States), the Korean peninsula might well serve as an effective platform for China to balance the influence of the United States while strengthening cooperation on the global level. Taking an active role in diffusing the nuclear crisis on the Korean peninsula, China is not only able to contain U.S. expansionism more effectively, but it can also help maintain and develop the U.S.-China strategic relationship.

A Mutual Trust Mechanism for Regional Development

The lack of mutual trust is a major cause for the security dilemma in Northeast Asia. Meanwhile, there exists a great potential for the establishment of a mutual trust mechanism in the region, as all countries share the same security interests and the need for economic development. In the past, the different characteristics of national interests of individual countries were a topic of concern in analyzing the causes for the lack of mutual trust, yet in this era of globalization the common features of different national interests have become increasingly conspicuous. To maximize national interests is the guiding principle in formulating national foreign policy. The international community and all countries in Northeast Asia can work together to establish a mutual trust mechanism by expanding and developing common interests, on which

basis separate national interests can be best achieved.[28]

The Chinese Role in the Six-Party Talks

During a press conference Chinese Premier Wen Jiabao stated, "The countries involved in the talks to increase consensus and properly handle differences and refrain from doing anything that might escalate the situation. The Chinese government will consult with all parties and push the Six-Party Talks to proceed on the sound track. It is time for all parties to work harder to advance Six-Party Talks."[29]

In terms of the North Korean nuclear issue, the Chinese viewpoint has always been clear and consistent, "To maintain the denuclearization of the Korean peninsula and to preserve the peace and stability of the peninsula through the dialogue mechanism." "To maintain the denuclearization of the Korean peninsula" is the objective of Chinese policy on the North Korean nuclear issue; "the dialogue mechanism" is the best way to the objective; and "to preserve peace and stability of the peninsula" is a natural result after the objective is achieved. These statements have a clear logic and profound significance.[30]

China has played a constructive and positive role in resolving the nuclear issue, lifting the three-party mechanism to the Six-Party Talks, bridging dialogue while the two were in confrontation, and reaching statements and signing a common agreement. The indispensable role of China has been widely recognized and appreciated.

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28 - Li Shuyun and CK Lau, "Trust: The Key Factor of the Security Cooperation in Northeast Asia," *Diplomatic Comment*, February 2007, p. 82.

29 - Chinese Premier Wen Jiabao answers questions during a press conference after the closing meeting of the second session of the 11th National People's Congress (NPC) in Beijing, March 13, 2009, http://news.xinhuanet.com/english/2009-03/13/content_11002970.htm.

30 - Zhang Liangui, "The Situation after North Korea's Nuclear Test and China's Choice," *New Vision*, No. 2, 2007, p. 26.

The Chinese contributions to the talks are shown through the following four aspects:

Facilitating the Talks

China has made enduring efforts during the talks and has proven to be a good host and successful moderator. "At the critical moment, the talks lasted from the previous morning till early next day. China not only created a platform for negotiation, but it also served as an active mediator among related parties. When it looked 'hopeless,' China could still find a breakthrough to improve the atmosphere and reach an agreement. As the host country for the talks, China is one of the keys to the final issuance of the joint documents. In this sense, we can say that the Chinese diplomacy scored quite some points."[31]

The Joint Statement and the following joint documents were reached based on Chinese proposals, because they were flexible and designed to balance the interests of all parties. In view of the intricacy and sensitiveness of the nuclear issue, China has been trying to create a friendly atmosphere for negotiations among all parties that enhance trust in each other. "Although China's national power is increasing, it has never before played such a leading role as a moderator in multilateral diplomacy."[32] The efforts are instrumental to the resolution of the North Korean nuclear issue, but also prove that China has become the most important country in promoting the establishment and development of the peace mechanism on the Korean peninsula.

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31 - "Joint Document Adopted in Six-Party Talks," *Xinhua News Agency*, February 14, 2007, p. 3.

32 - "The Fourth-Round Six-Party Talks Ended on September 19 with the Adopting of the First Joint Statement," *Xinhua News Agency*, September 19, 2005, p. 3.

Coordinating among All Parties as a Patient Moderator

China is the initiator and promoter of the Six-Party Talks. "With an objective, overall and balanced attitude, China endeavors to take the interests of all parties into consideration. As China is always open to communication and negotiation with the other five parties, its travail is surely helpful to the goal of denuclearization of the Korean peninsula and to peace and stability of Northeast Asia."[33] "The peaceful means through negotiation and dialogue will prove to be the best way to more consensuses and the final solution."[34]

From shuttle diplomacy to mutual visits of the leadership, from sending special envoys to meetings between heads of delegations, China has played the role of a patient moderator among all parties, encouraging each of them to reach the goal of incremental denuclearization and by peaceful means. China has paid due concern to North Korean political and economic requests, and advocated the joint engagement of the other five parties in compensating North Korea.

Mediating between the U.S. and North Korea as a Skillful Balancer

In the view of Japan, South Korea, and the United States, China maintains a special relationship with North Korea from the "brotherly friendship" in the past to Kim Jong-il's many informal visits to China in recent years. When China stopped oil deliveries (such as in 2003) Pyongyang quickly returned to the bargaining table.[35]

This year will mark the 60th anniversary of China-DPRK diplomatic relations. The friendship and cooperation has been tested and improved

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[33] - "Six Parties Stress 'Action-to-Action' in Resolving Nuclear Issue," *China Daily*, December 17, 2006, p. 3.

[34] - Yu Zhengliang and Que Tianshu, "China's New Diplomatic: Concept and Practice," *Mao Zedong and Deng Xiaoping Theory*, No. 5, 2007, p. 15.

[35] - Marcus Noland, "Take Away Their Mercedes," *Newsweek*, February 25, 2009, p. 28.

despite various historic changes due to the efforts on both sides. Bilateral exchanges between the two at all levels have become more frequent, and cooperation on international and regional issues has grown. It shows that the development of China-North Korea friendship and cooperation will not only serve the fundamental interests and common wishes of the two, but also contribute to the peace and stability of the region.

Kim Jong-il received Wang Jiarui, the head of the Chinese International Department of the Communist Party Central Committee, on January 23, 2009.[36] The two sides have fully exchanged views on further development of friendship and cooperation and regional and international affairs of mutual concerns during DPRK Premier Kim Yong Il's visit to China in March of 2009.[37]

After the North Korean nuclear test, the grave statement of the Chinese government and the following action (overall suspension of investment into North Korea) were key to reopening the Six-Party Talks, "because North Korea takes China's stand seriously." The U.S. has to cooperate with China in moving North Korea away from the nuclear issue. The Chinese influence over North Korea is irreplaceable."[38] Indeed, "China enjoys the greatest leverage to move North Korea, that is, China provides the most support to the country, and is its largest trading partner as well. Yet China does not boast the leverage, but use it tactfully in pressuring upon North Korea when necessary."[39]

China firmly disapproves of North Korea conducting the nuclear

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[36] - Zhang Binyang, "Kim Jong-il met with Wang Jiarui," January 24, 2009, *Xinhua News Agency*, p. 3. It is reported that "Wang Jiarui," who is the only foreign leader Kim met (in public) from last Summer to this Spring.

[37] - "Wen Jiabao Attends the Opening Ceremony of China-DPRK Friendship Year," *People's Daily*, March 18, 2009, p. 1.

[38] - "International Community Strongly Reacts to DPRK's Nuclear Test," *Xinhua News Agency*, October 12, 2006, p. 3.

[39] - "China Joins Call for 'Punitive Actions' against North Korea," *Chosun Ilbo*, October 12, 2006.

tests while remaining cautious in levying sanctions against it; China is trying to convince the United States not to worsen the conflicts and crisis. This dual-purpose strategy serves as a guarantee for the peaceful resolution of the North Korean nuclear issue, and renders China great influence over the issue as well as receiving wider acknowledgement from the world.

Promoting the Talks as a Wise and Flexible Participant

Many details demonstrate the wisdom and flexibility of China during the Six-Party Talks. For example, to enhance contact and communication between delegates from North Korea and the United States, China arranged the seats by the order of the full names of the respective countries, so that heads of both delegations could be seated next to each other.[40] The interpretation system was made to synchronize with the flashing of five bulbs, which would be lit once simultaneous interpretation began, and would be turned off when interpreters finished in all five languages. Officials of the Chinese Foreign Ministry often responded to questions with vivid similes, such as "wishing the talks as sweet as Coca-Cola," "we have mounted many peaks, and caught many big fish,"[41] and "all the six parties are on the same boat that has departed from the port; now that no one can get off, all we can do is to unite together and sail forward."[42] These humorous but sincere remarks represent a new image of Chinese diplomats and helped ease the tension among all parties at the beginning of the talks.

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40 - This means North Korea is DPRK (D), Japan is Japan (J), China is P.R. China (P), South Korea is ROK (Ro), Russia is Russia (Ru), the United States is the U.S.A. (U), so the United States and North Korea can sit near each other.

41 - "Six-Party Talks Open, Focusing on Denuclearization Road Map," *China News Service*, September 29, 2007, p. 3.

42 - "China Says Solution to DPRK Funds Issue Should Consider All Parties' Concerns," *China News Service*, March 22, 2007, p. 3.

The Six-Party Talks and the bilateral negotiation between North Korea and the United States were often held at the same time. The Chinese position was that "results are more important than means," as it is certain that the bilateral talks between the United States and North Korea (whether in New York or in Berlin) have to be finalized with a statement or other documents within the framework of the Six-Party Talks in Beijing. The U.S.-North Korea meeting in Berlin is still "an integral part of the Six-Party Talks, a kind of bilateral contact during the interim."[43]

Patience is especially needed for a better atmosphere for the bilateral negotiation between the United States and North Korea within the framework of the Six-Party Talks. All related parties should make full use of inherent advantages, influence, and act wisely, to prevent the crisis from escalating into a whole-scale war on the peninsula. In the process, China, South Korea, and the United States are to cooperate and coordinate separate interests and policies. Despite the limited influence over North Korea, China should actively work with other parties to implement UN resolutions and pressure both North Korea and the United States in order to push forward the Six-Party Talks with political and economic power as well as impartiality.[44]

Action is the key to the final resolution of the issue. It will remain a massive "systematic project" to implement the Joint Statement, energy aid such as heavy oil, "fully reporting the North Korean nuclear issue," "de-functionalizing all its nuclear facilities," and the future impact of the five working groups.[45] There is still a long way to go before the final goal

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[43] - "U.S., DPRK to Discuss Financial Issues on January 30," *People's Daily*, February 9, 2007, p. 3.

[44] - Liu Ming, "The North Korean Nuclear Test and the Six-Party Talks: Assessment and Prospects," *International Observer*, No. 3, 2007, p. 72.

[45] - Gao Haikuan, "Where Will the North Korean Nuclear Issue Go?" *World Knowledge*, No. 14, 2007, p. 2.

is reached. However, the strenuous efforts of China will help generate further progress towards the resolution of the North Korean nuclear issue.

Forward Thinking on Chinese Policy

The Chinese Responses about the Second North Korean Nuclear Test

The role of China has become the central topic of discussions. Some hypothesize that "China is shocked by its neighbor's defiance"[46]; some holds that "the Six-Party Talks are dead"[47]; and some others argue that the nuclear test "puts China in a tight spot."[48]

The response of China was rapid. The Chinese Foreign Ministry said that, "The DPRK ignored universal opposition of the international community and once more conducted the nuclear test. The Chinese government is resolutely opposed to it."[49]

The positions of China are consistent. "Realizing denuclearization on the Korean peninsula, opposing nuclear proliferation and safeguarding peace and stability in Northeast Asia is the persistent stand of the Chinese government, which also serves the common interests of all parties."[50]

Towards the ongoing situation on the peninsula, the Chinese responses and positions showed that:

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46 - Ariana Eunjung Cha and Glenn Kessler, "Anger May Help Bring New UN Sanctions," *The Washington Post*, May 27, 2009, http://mobile.washingtonpost.com/news.jsp?key=392218&rc=to.

47 - Andre de Nesnera, "Analysts Worry Threatening N. Korea with Sanctions Could Create Escalation," *The VOA News*, Washington, DC, May 26, 2009, http://www.voanews.com/english/2009-05-26-voa51.cfm.

48 - Tania Branigan, "North Korea's nuclear test puts China in a tight spot," *Guardian*, May 29, 2009, http://www.guardian.co.uk/world/2009/may/29/china-beijing-north-korea-nuclear-test.

49 - "Chinese government 'resolutely opposes' DPRK's nuclear test," *China View*, May 25, 2009, http://news.xinhuanet.com/english/2009-05/25/content_11433096.htm.

50 - Foreign Ministry Spokesperson Ma Zhaoxu's Regular Press Conference on May 26, 2009, http://www.fmprc.gov.cn/ce/cgmb/eng/fyrth/t564893.htm.

First, because of the nuclear test China resolutely opposes the nuclear test by the DPRK. Unlike the U.S., ROK, and Japan, China has to face the direct security challenges of post-test nuclear pollution and refugees. The possible chain reactions such as a competition in nuclear weapons research will hurt peace and stability in Northeast Asia and the whole Asia-Pacific area that undermine peripheral environment necessary for Chinese peaceful development.

Second, China regards peace and stability as the priority before denuclearization, that is, to put forward denuclearization with the premise of peace and stability. Stress on denuclearization without the consideration of peace and stability is to disregard the reasonable security concerns of the DPRK, which will only result in the increasing insistence on the DPRK nuclear weapons program through self-help behavior.

Third, the role of China is not as strong as imagined, and has not declined because of the nuclear test. China has been in contact with the relevant parties (including the DPRK) and adhered to resolving the problem through consultation and dialogue. Dialogue works better than confrontation. Chinese dialogue with the DPRK will play a crucial role while other countries are in confrontation with it. In the meantime, China has followed an independent peaceful foreign policy, develops friendly relations with all countries based on the five principles of peaceful coexistence, and will not 'coerce' compliance by the DPRK's as some other countries require.

Fourth, China strongly opposes "the argument that the six-party has met its death." The Six-Party Talks as an ideal platform for dialogue, communication, and consultation among relevant parties are of particular significance in dealing with a "nuclearized DPRK" though the two nuclear tests have neutralized previous efforts. The Six-Party Talks also shoulder the responsibilities of managing the nuclear crisis and conflicts among relevant parties apart from the function in resolving the nuclear dispute.

Fifth, the Six-Party Talks are also the demonstration of the Chinese "new diplomatic thinking," as Chinese shuttle diplomacy and mediating have indicated. As a responsible regional power and influential global power, China will not give up after the frustration of the new situation.

China's New Diplomacy

Chinese efforts in solving the nuclear crisis demonstrated the role of China in maintaining peace and stability on the peninsula and the new thinking of China as well.

(1) China correctly understands its own position in international history and international configuration. China neither overestimates nor underestimates its own capability.

(2) China rightly defines its role. China defines itself as responsible regional power and influential global power. As one of the developing countries, China helps to protect the interests of developing countries; as a major power, China shoulders the role coordinating the relations among small, medium, and large nations.

(3) China keeps to the principle of national interests. China regards the national interest as the start point of diplomacy, has completely abandoned a previous ideological diplomacy, and attaches importance to economic and cultural diplomacy.

(4) China adheres to the peaceful development road, independent and peaceful foreign policy, and mutual-benefiting open strategy. China, as "a member of the big Asian family," "hopes to see political stability, economic development, and improved livelihood of our surrounding countries."[51]

China has seemingly changed from "hide our capacities and bide

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[51] - Chinese Foreign Minister Yang Jiechi speaks to the press at the second session of the 11th National People's Congress (NPC) at the Great Hall of the People in Beijing, March 7, 2009, http://news.xinhuanet.com/english/2009-03/07/content_10960851.htm.

our time" to "accomplishing something to our extent."[52] China strives for peaceful international environment to develop while promoting peace through internal development.

The Principle of "Participation, Balance, and Stability"

Based on this new thinking, China will keep to the principle of "participation, balance, and stability" regarding the issues on the peninsula.

Firstly, Participation

Regarding the nuclear issue, China emphasizes the importance of patience and resolves to achieve an earlier solution of the disputes within a multilateral framework. The Chinese policy serves to promote the interests of all parties through compromise, monitor the denuclearization of North Korea, safeguard regional stability, and promote development. For China, either a full or a partial solution of the disputes within the multilateral framework could be the ideal outcome. However, a solution within bilateral framework will not reward China, and will even harm the role of China on the peninsula and in the nuclear issue. The Six-Party Talks have provided a stage for interaction among various parties, and, if made a long-term mechanism or institutionalized, will facilitate security dialogue and cooperation in the region.

As a major power with traditional and actual influence on the peninsula, China has actively participated in all negotiations, consultations, and communications relevant with the construction of institutions and mechanisms about the peninsula affairs.[53] China is a party of the Armistice Agreements and directly engaged in the transformation of the

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[52] Wang Yizhou, *The New Heights of China's Diplomacy* (Beijing: China Social Sciences Press, 2008), pp. 30-31.

[53] Cui Liru, "The Korean Peninsula Security Issues: The Role of China," *Contemporary International Relations*, No. 9, 2006, pp. 42-47.

armistice mechanism to the peace mechanism, and should play an equally important role in the construction of peacekeeping mechanisms on the peninsula.[54] It is in the interests of the people on the peninsula, and serves to promote peace, stability, and development in the region to build on the peace mechanism. China supports the construction of a peace mechanism. China will play an active role in the process as a contracting party of the armistice mechanism.[55]

It is in the Chinese interests to maintain and increase strategic influence on the peninsula; and China will work for a unified peninsula friendly to China. Independent and peaceful unification is in the interests of China, and China is reasonable to support such a process; a unified Korean peninsula friendly to China is also in the interests of people on it. A unified Korean peninsula friendly to China is the common objective of China and the two Koreas as well.

Second, Balance

China maintains a balanced policy towards the two Koreas. China needs to keep discreetly balance relations with the two Koreas so as not to hurt relations with the other side while developing relations with one of them.

China will maintain traditional relations with the DPRK. The CPC and the Labor Party of the DPRK have historic relations, and the two countries fought together during the Korean War. China will not only

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54 - Shi Yuanhua, "China's Basic Position on Korean Peninsula's Peace Mechanism," *Tongji University Journal Social Science Section*, Vol. 17, No. 3, 2006, pp. 21-29.

55 - Chinese Foreign Ministry spokesman Liu Jianchao said at a routine press conference, noting that China appreciates the efforts generated by the involved parties to promote the talks' process. He said the work on the next phase of the six-party talks "will be decided through consultation among the involved parties," noting that the involved parties already demonstrated their sense of responsibility, flexibility, and sincerity based on which China hopes to continue to promote the talks as well as the denuclearization process on the Korean peninsula. *China View*, October 9, 2007, p. 3.

consider the interests and security concerns of the DPRK on various international occasions, but also maintain political influence on the DPRK by means of high-level dialogue and engagement, leading it to solve international disputes by means of negotiation and integration into the international system that might serve to dissuade it from taking radical actions. On the principles of "carrying forward traditions, aiming at the future, being good-neighborly and friendly, and strengthening cooperation," China will assist the DPRK solving the economic problems while actively helping to promote the transformation of the economic system and enhancing economic cooperation and communication.

The ROK, as both a state of the same nation with the DPRK and an ally of the U.S., is closely relevant with the security and stability on the peninsula. China should properly increase coordination and communication with the ROK, and encourage the ROK to play the role of a bridge among parties and to adopt active measures including raising proposals and providing energy.

China needs to maintain a balanced policy towards the United States. China has always stressed that denuclearization of the peninsula and the maintenance of the peace and stability of the peninsula and Northeast Asia serve the interests of all relevant parties. China hopes that various parties should keep calm, engage with each other through positive interaction, and jointly push forward the Six-Party Talks. The Obama administration appreciates the important role of China, and is willing to continue the Six-Party Talks together with other relevant parties to achieve the final goal of the verifiable denuclearization of the peninsula.

China and the U.S. (the largest developing and developed countries) have a common responsibility in maintaining peace and stability in the Asia-Pacific region. China should take active measures to reduce the distance from the U.S. conservatives so that they will consider more of

Beijing's interests while making China policy. Crisis means both danger and opportunity, and the nuclear crisis is important in maintaining the general stability of China-U.S. strategic relations. In this way, the DPRK is the strategic asset of China rather than a burden.

Third, Stability

It is an important part of the efforts of China to grasp the strategic opportunity to defuse the nuclear crisis. China has consistently considered peace and stability of the peninsula as a strategic interest.

The Chinese central government has invested tremendous finances and materials, issued a series of favorable policies, and constructed infrastructure to revive the old industrial base. It is necessary for the implementation of the grand strategy of reviving China's northeast region to maintain peace and security of the northeastern border. Without a stable periphery, there would be no foreign investment or the revival and development of the northeast.

China should not overemphasize the importance of the denuclearization of the peninsula while neglecting peace and stability. China should resolutely oppose to denuclearization through military means. China should put peace and stability ahead of denuclearization as internal priorities. Denuclearization without peace and stability is equal to disregarding the reasonable security concerns of the DPRK, which is unfair for the DPRK and would make the DPRK more resolute on weaponizing a nuclear capability.

To maintain long peace and stability in the peninsula is not only the shared aspiration of the people on the peninsula and its peripheral countries but also the necessity of Northeast Asian security cooperation. It is unfortunate that the ending of the Cold War has not brought real peace for the peninsula but made it "the last living fossil of the Cold War." The prospect of the security situation on the peninsula is subtle.

The special geographical location, history, and reality of the peninsula closely affect Chinese political, military, and economic security. China will continue to play a constructive role in the issues of the peninsula and the maintenance of national interests as well.

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Strategy Analysis for Denuclearizing North Korea

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Abstract

Issue linkage is a negotiation technique by which one issue is tied to another that is difficult to agree on, expecting to achieve agreement on both. The 'Denuclearization, Openness, 3000' is a policy of the Lee Myung-bak administration that employs issue linkage by offering economic cooperation on the premise that North Korea abandons its nuclear programs. In this paper, I consider the 'Denuclearization, Openness, 3000' as an example of issue linkage and examine its efficiency as a policy tool for denuclearizing North Korea. For the framework of analysis, I develop the game theory model of issue linkage extended from the interdependence model, which was developed by Kelly and Thibaut. The result shows that it is enough for South Korea to use issue linkage as a technique for the issue of denuclearization in order to induce cooperation from North Korea. However, the 'Openness, 3000' policy proves to be non-satisfactory as an effective "link" to the denuclearization issue.

Key Words: issue linkage, game theory, 'Denuclearization, Openness, 3000,' the Lee Myung-bak administration, nuclear program

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Ⅰ. Introduction

North Korea launched a long-range rocket on April 5, 2009 despite a warning from the rest of the world. Although North Korea has argued that the rocket was a satellite launch, it draws our attention again to the issue of how to sketch out a policy approach towards North Korea when it comes to denuclearization. Some critics have argued that inter-Korean problems should be resolved by dialogue; but the current South Korean government's anti-proliferation policy towards North Korea (Denuclearization, Openness, 3000) basically disregards the importance of dialogue between South and North Korea. On the other hand, other critics have argued that the current stalemated nuclear crisis has its origins in the former administration's practice of shoveling aid to the North, and further argues that the South should maintain a position of mutualism as the basis for its North Korea policy. These kinds of differing perspectives result from greatly differing judgments and understandings of the intentions of North Korea. The perspective that gives weight to the importance of dialogue interprets provocative acts by North Korea as a tactic to strengthen their position at the negotiation table. However, those who favor the use of tougher sanctions argue that North Korean provocations are exactly that; provocations. It is uncertain whether any approach can be effective in dealing with the North. However, the important thing is to formulate the issues that can draw the North into understanding the value of cooperation in the issue of denuclearization. In other words, we need to devise issues that by their nature bring North Korea into a state of cooperation on the issue of denuclearization; regardless as to whether we employ dialogue or sanctions as the means of achieving this end.

For example, there exist numerous cases of negotiation in which one party has tried to promote cooperation or agreement among the

concerned parties by adding another issue to the negotiations in progress. Several years ago when the Korean government was absorbed in the process of aircraft purchases, the U.S. government proposed that it would also sell a state-of-the-art guided missile system and electronic avionic system if the Korean government chose to purchase F-15s as its next generation fighter plane. However, this kind of negotiation tactic does not necessarily bring the concerned parties to agreement. On September 25, 2003, the Korean Foreign Minister Yoon Young-kwan conveyed to the U.S. Secretary of State Colin Powell that "Korea would accept the American request for additional dispatch of Korean forces to Iraq, if the U.S. government brought to an end its hard-line policies against North Korea and would attempt to demonstrate a more flexible attitude." Powell was reported to have expressed a sense of regret at the idea of any kind of linkage between the troop dispatch request and the U.S. policy towards North Korea.[1]

Why then, does adding issues at some points in history promote agreements among states, while at other times it fails to do so? Which issue should be linked and which should be excluded, if linkage of issues is to be a means of inducing an agreement? Accordingly, the objective of this paper is to analyze successful conditions for an agreement when one party has added other issues to the original matter of concern which had hitherto proved to be a difficult and challenging issue to reach an agreement on. Specifically, adding an issue to the original issue can be defined as issue-linkage. In fact, issue linkage is a negotiation technique by which one issue, which is difficult to agree on, is tied to another issue,

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[1] - We can also find cases that may be considered issue linkages in inter-Korean relations. Former Minister of Unification Jeong Se-Hyun revealed in an interview with *Shin Dong-A* in July 2008 that the reason why both Koreas could come to an agreement in the 2004 inter-Korean general talks, for the exchange of radio messages in order to prevent further clashes between navy ships, was because South Korea agreed to give 400,000 tons of rice in an economic cooperation committee meeting at Pyongyang at that time. *Shin Dong-A*, Vol. 586, July 2008, pp. 200-217.

with the expectation of achieving agreement on both. For the framework of analysis of issue-linkage techniques, I have employed the method of decomposing strategic interactions, as developed by Kelly and Thibaut. For this analysis, I took the 'Denuclearization, Openness, 3000' as an example of issue linkage and looked for a policy tool for denuclearizing North Korea. This analysis could be very useful for future attempts at designing a policy approach to induce North Korea to denuclearize.

Ⅱ. Issue Linkage

Issue linkage has been continuously employed in diplomatic negotiation processes. Kissinger is known to be a person who used linkage diplomacy with the Soviet Union as policy lever during the Cold War.[2] Additionally, it is well known that cooperation over international environmental issues was accomplished by linking them with trade issues.[3] Moreover, the cases of using issue linkage can be easily found within alliances. Morrow regards the support given from weak nations by providing security as a tacit issue linkage that strong powers can employ.[4] In fact, there are many cases, which illustrate non-military provisions included in treaties of alliance. For example, economic elements, national boundary issues, and ethnic minority issues are often linked with treaties of alliance.[5] According to one research study, weak

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[2] - For the issue-linking diplomacy of Kissinger, refers following article: William Dixon, "Reciprocity in United States-Soviet Relations: Multiple Symmetry or Issue Linkage?" *American Journal of Political Science*, Vol. 30, No. 2 (May 1986), pp. 421-445.

[3] - Michele M. Betsill, "Regional Governance of Global Climate Change: The North American Commission for Environmental Cooperation," *Global Environmental Politics 7(2)* (May 2007), pp. 11-27.

[4] - Morrow D. James, "Alliances and Asymmetry: An Alternative to the Capability Aggregation Model of Alliances," *American Journal of Political Science 35* (1991), pp. 904-933.

[5] - Regarding these case, refers following articles; Douglas M. Gibler, "Alliances: Why Some Cause War and Others Cause Peace," in *What Do We Know About War* (ed.), John

nations tend to cooperate with strong powers since the former stand in fear of losing in terms of the issues that are linked with security.[6] There are also research studies that examine the cases of issue linkage in multinational relationships.[7]

Most studies on issue linkage, however, have simply dealt with issue linkage from the perspective of benefit distribution. They often neglect to investigate what characteristics the linked issue should have. As witnessed in prior studies, an issue linkage can also overturn a previously reached agreement. Therefore, it is important to look at what characteristics an original issue and a linked issue should assume. In this regard, J. K. Sebinius considers the selection of issues to be dealt with in a negotiation as another important factor for a successful negotiation. This is why, he argues, the final process of selecting and

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A. Vasquez (Lanham, MD: Rowman and Littlefield, 2000), pp. 145-164; Kathy L. Powers, "Regional Trade Agreements as Military Alliances," *International Interactions* 30 (2004), pp. 373-395; Andrew G. Long and Brett Ashley Leeds, "Trading for Security: Military Alliances and Economic Agreements," *Journal of Peace Research 43* (2006), pp. 433-451.

6 - Robert Axelrod and Robert O. Keohane, "Achieving Cooperation Under Anarchy: Strategies and Institutions," *World Politics 38* (1985), pp. 226-254. However, there is a research that maintains weak nations also induce cooperation from the strong powers by employing issue linkage. Refer following article: Timo Menniken, "China's Performance in International Resource Politics: Lessons from the Mekong," *Contemporary Southeast Asia*, Vol. 29, No. 1 (2007), pp. 97-120.

7 - In comparison with the issue linkage in the bilateral relation, the possibility of successful issue linkage increases when there is a binding power of multinational institutions. Refers following articles: A. Stone Sweet, "Judicialization and the Construction of Governance," *Comparative Political Studies 32(2)* (1999), pp. 147-184; K. W. Abbott, R. O. Keohane, A. Moravcsik, A. Slaughter, and D. Snidal, "The Concept of Legalization," *International Organization 54(3)* (2000), pp. 401-419; J. M. Smith, "The Politics of Dispute Settlement Design: Explaining Legalism in Regional Trade Pacts," *International Organization 54(1)* (2000), pp. 137-180; P. Holmes, "Trade and Domestic Policies: The European Mix," *Journal of European Public Policy 13(6)* (2006), pp. 811-827; G. Shaffer, "What's New in EU Trade Dispute Settlement? Judicialization Public-Private Networks and the WTO Legal Order," *Journal of European Public Policy 13(6)* (2006), pp. 828-846; D. Bievre, "The EU Regulatory Trade Agenda and the Quest for WTO Enforcement," *Journal of European Public Policy 13(6)* (2006), pp. 851-866; and L. Martin, "Heterogeneity, Linkage, and Common Problems," *Journal of Theoretical Politics 6(4)* (1994), pp. 473-493.

excluding issues should be carried out with utmost the attention.[8] Kenneth A. Oye states that since negotiators have different influences over different issues, they tend to use certain issues with superior influence to achieve their objective with an issue over which they have relatively weak influence.[9]

While Oye analyzes this from the perspective of who proposes the issue linkage, T. Clifton Morgan examines the linked issue from the perspective of the receiving party. According to Morgan, issue linkage is more likely to succeed when an initiator tends to link important issues, while the offered issue is considerably more likely to remain as part of the status quo by the receiver.[10] Which issues then, are "issues over which superior influence is exerted," "highly important issue," and "issues for the maintenance of status quo?" What concrete conditions are such issues endowed with? The following section deals with the game-theory model which analyzes the conditions that are favorable to the successful issue linkage.

Ⅲ. Model Building

I develop the model of issue linkage based on as well as extended from the interdependence model. Kelly & Thibaut's interdependence model provided the momentum in analyzing the nature of the issue in terms of the dynamic structure of the relationship between the actors. The dynamic relationship between the actors can be explained by decomposing the strategic interaction in an issue into three parts –

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[8] J. K. Sebenius, "Negotiation Arithmetic: Adding and Subtracting Issues and Parties," 1983.

[9] Kenneth A. Oye, "The Domain of Choice: International Constraints and Carter Administration Foreign Policy" (New York: Longman, 1979).

[10] T. Clifton Morgan, "Issue Linkages in International Crisis Bargaining," *American Journal of Political Science*, Vol. 34, No. 2 (May 1990), pp. 311-333.

Reflexive Control, Fate Control, and Behavioral Control.[11] Specifically, strategic interaction of an issue can be explained by reference to independence, dependence, and interdependence between actors. Independence means the degree of how much one actor can influence his payoff by choosing his own strategy while dependence implies a degree of earning payoff which is determined by the choice of his opponent's strategy. Interdependence shows the degree of payoff by coordinating the strategy with that of the opponent's. These three elements help to examine the conditions as well as strategies that promote agreements when an issue is linked with another issue.

As mentioned previously, I take 'Denuclearization, Openness, 3000' as an example of issue linkage, and examine the nature of the denuclearization issue first in section III-1. Based on this examination, I developed the model of issue-linkage in section III-2. The premise of this model reflects the argument of Haas that the result of issue linkage is not always Pareto Optimal, but overall equilibrium can be achieved when there is an increase in total payoff by the issue linkage even though there is a loss in one issue. Thus, the issue-linkage model focuses on what kind of issue is necessary for the equilibrium of issue linkage. In section III-3, the results of the issue-linkage model are compared with the issue of 'Openness, 3000.' I have summarized section policy implications which are deduced from the result of the analysis.

III-1 Decompose of the Denuclearization Issue

Figure 1 illustrates the strategies and payoffs for both South and North Korea by normal form.[12] I have simplified the strategies as 'Go

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[11] - H. H. Kelley and J. W. Thibaut, *Interpersonal Relations: A Theory of Interdependence* (New York: Wiley, 1978).

[12] - Strategies and their payoffs of North and South Korea are based on the interviews that I conducted with 20 North Korean experts. The payoff order is computed by ordinal

Nuclear' and 'Denuclearize' for both actors, and I organized both actors' payoffs in order.

Figure 1. Strategies and Payoffs for South and North Korea in regards to Denuclearization[13]

		A (North Korea)	
		a_1 (Denuclear)	a_2 (Go Nuclear)
B (South Korea)	b_1 (Denuclear)	*15* 20	*20* 5
	b_2 (Go Nuclear)	-5 15	*5* -5

Payoff order for South Korea
S① A chooses 'Denuclear' and B chooses 'Denuclear' (a1b1): 20
S② A chooses 'Denuclear' and B chooses 'Go Nuclear' (a1b2): 15
S③ A chooses 'Go Nuclear' and B chooses 'Denuclear' (a2b1): 5
S④ A chooses 'Go Nuclear' and B chooses 'Go Nuclear' (a2b2): -5

Payoff order for North Korea
N① B chooses 'Denuclear' and A chooses 'Go Nuclear' (a2b1): 20
N② B chooses 'Denuclear' and A chooses 'Denuclear' (a1b1): 15
N③ B chooses 'Go Nuclear' and A chooses 'Go Nuclear' (a2b2): 5
N④ B chooses 'Go Nuclear' and A chooses 'Denuclear' (a1b2): -5

The preference of South Korea in the issue of denuclearization is inferred by the following reasoning. First of all, South Korea prefers the

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level for calculative convenience. As a matter of fact, South and North Korea are not the only actors regarding denuclearization in Korean peninsula, and thus two-actor model has a limit to represent the dynamic relationship among the actors. However, the two-actor model has strength in analyzing main feature of policy of South government towards North Korea.

13 - Although some literature depicts the denuclearization in the Korean peninsula as the prisoner's dilemma, I interpret it as a different game. The major reason why the dominant strategy of South Korea is 'Denuclearization' is that the former as well as the current administration did not seek nuclear armament after the nuclear crisis on the Korean peninsula. If the prisoner's dilemma is an appropriate depiction, then all actors should prefer to choose 'Go Nuclear' no matter what other actors choose. Thus, it is not an appropriate interpretation, I think, to describe the issue of denuclearization as a prisoner's dilemma between South and North Korea so far.

outcome of a nuclear free Korean peninsula. S② is a situation that South Korean strategic superiority is reversed in comparison with S③. The reason why South Korea prefers S① to S② is because trouble is possible as long as only one side has nuclear power. S③ can be a depiction of the current situation that North Korea holds a strategically prominent position on the Korean peninsula. We can easily assume that South Korea prefers S② to S③. S④ is a worst scenario for South Korea since both South and North confront each other with nuclear swords. Neither would yield to the other in their desire for nuclear armament and thus the possibility of military tension would increase, which is far from the goal of peace and reunification on the Korean peninsula. South Korea would favor S③ to S④ because there would be no justification for stimulating an armament race in Northeast Asia if both pursue nuclear armament.[14]

On the other hand, the preference order of North Korea is not consistent with that of the South. N① is the best preference for North Korea since it does not have to take the back seat to the South by equipping herself with nuclear weapons.[15] I assume that North Korea prefers N① to N② because the North looses the initiative in relation to other nations in the case of N②. Additionally, I hypothesize that the North would prefer N② to N③ since the North would derive more benefit from the South in the case of both not having nuclear weapons.

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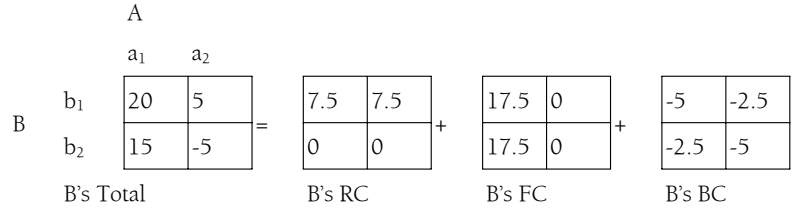
[14] Each theory of nuclear deterrence argues different explanations regarding the possibility of conflict under the conditions of nuclear parity, preponderance, and inferiority. However, most nuclear deterrence theory maintains that nuclear preponderance is better than nuclear inferiority in terms of strategic superiority. They also maintain that it cannot solidify the standing in negotiation in case of nuclear parity even nuclear parity helps to prevent the conflict. J. Kugler, "Political Conflict, War, and Peace," in Ada W. Finifter (ed.), *Political Science: The State of the Discipline* (American Political Science Association, 1993), pp. 483-510; A. F. K. Organski and J. Kugler, *The War Ledger* (Chicago, IL: University of Chicago Press, 1980).

[15] The reason why North Korea pursues a nuclear capability, and its advantages is referred in following: Hong Woo-Taek, "Theoretical Analysis for Unification Diplomacy," in Hong Woo-Taek and Park Young-Ho (eds.), *The Analysis for Unification Diplomacy in Korean Peninsula* (Seoul: Korea Institute for National Unification, 2008).

N④ is assumed to be the worst scenario for the North.

If we look at the preferences and payoffs for both actors, each one has a dominant strategy as shown in Figure 1. The dominant strategy for the South is that of 'Denuclearization,' while for the North it is the 'Go Nuclear' position. In other words, the North would derive more benefit from choosing a2 strategy no matter which strategy the South chose. The same logic applies to the South, and thus the dominant strategy for the South is that of b1. Therefore, the Nash equilibrium on the issue of denuclearization is a2b1. However, the objective of the South Korean government is to induce North Korea to choose the 'Denuclearization' strategy. For more in-depth analysis of the issue of denuclearization, I have decomposed the strategic interaction in Figure 2.

Figure 2. B (South Korea)'s Component of Interaction



The strategic interaction can be decomposed into three components; Reflexive Control, Fate Control, and Behavioral Control. Figure 2 shows the component of the interaction of B (South Korea). First, B's Reflexive Control implies an independent element of control over his payoff no matter what A (North Korea) chooses as a strategy. It can be computed as follows:

$$\overline{B}\,b1 = (Bb1a1 + Bb1a2)/2 = (20+5)/2 = 12.5$$

$$\overline{B}\,b2 = (Bb2a1 + Bb2a2)/2 = (15+(-5))/2 = 5$$

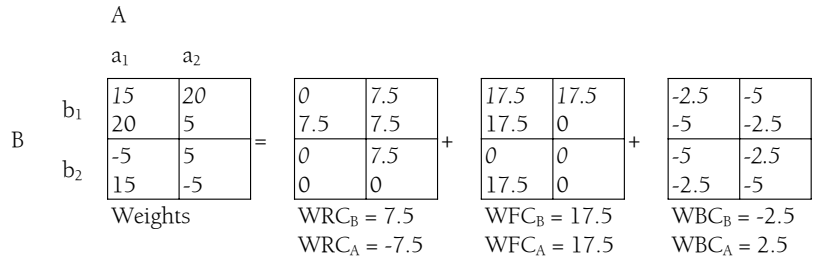
$$RC_B = |\ \overline{B}\,b1 - \overline{B}\,b2\ | = |\ 12.5 - 5\ | = 7.5$$

Thus, it can be said that actor B receives 7.5 units more from strategy b_1 than strategy b_2 no matter what A chooses. Second, B's Fate Control is that how much B's payoff depends on A's strategies irrespective of B's control. It is the average degree of payoff for B when actor A chooses a_1 or a_2.

$$\overline{B}\,a1 = (Ba1b1 + Ba1b2)/2 = (20+15)/2 = 17.5$$
$$\overline{B}\,a2 = (Ba2b1 + Ba2b2)/2 = (5+(-5))/2 = 0$$
$$FC_B = \left|\ \overline{B}\,a1 - \overline{B}\,a2\ \right| = \left|\ 17.5 - 0\ \right| = 17.5$$

$\overline{B}\,a1$ means that B will receive payoff 17.5 if A chooses strategy a1 and $\overline{B}\,a2$ means B will receive 0 if A chooses strategy a2. Thus, FC_B implies that, on average, 17.5 units of B's payoff depend on the strategy chosen by A. In other words, FC_B shows that actor B prefers A to choose strategy a1 since it gives B greater payoffs. Additionally, FC_B implies that the higher number of FC_B, the more control A has over B's payoff. Third, B's Behavioral Control means that the degree of how much B's payoff depends on the coordinating its strategy with actor A. The easiest way of computing BCB is that RCB + FCB + BCB = Original Payoff. In figure 2, BC_B implies that if B adopts a strategy different from A's strategy, then B's average payoff will be 2.5 units more.

Figure 3. Both Actors' Component of Interaction in an Issue of Denuclearization



Using the same method, I have decomposed A's strategic component, as shown in Figure 3. Figure 3 summarizes the payoff structure for both A (North Korea) and B (South Korea) in terms of the strategic component and in terms of the issue of denuclearization. An interesting result is that control over other actors' payoffs (FC) is greater than the actors' own independent control (RC) for both actors: RC_A=7.5 < FC_B= 17.5 and RC_B=7.5 <FC_A=17.5. This implies that both actors depend highly on each other in order to maximize their payoffs. Another interesting result is that the weighted score of RC for actor B (WRC_B) has the same positive sign with the weighted score of FC for actor A (WFC_A), while WRC_A and WFC_B have different signs. This correspondence of positive signs (WRC_B and WFC_A) means that if B chooses a strategy for his own interest, then this strategy will also benefit A. On the other hand, the different signs of WRC_A and WFC_B imply that if A chooses the strategy that benefits its own interest will bring the worse payoff for actor B. Therefore, the question arises as to how actor B can improve his payoff by inducing actor A to choose strategy a1 in a way of issue linkage. In other words, the kinds of conditions necessary for successful issue linkage is the research question which will be dealt with in the next section.

III-2. The Model of Issue Linkage

I assume several things for the development of the issue-linkage model. First, I simplify the issue linkage game as complete information and simultaneous game.[16] Second, I assume that the number of players in the game of issue linkage is just two: nation A (North Korea) and nation B (South Korea). Third, I assume that the payoff calculation of adding issue onto the original issue can be simply represented by a Cartesian product of the matrix. Thus, G_1 represents game 1 regarding issue 1 and G_2 represents game 2 that has a different issue at heart. After all, the resulting payoff will be $G_1 \otimes G_2$. Fourth, S_i represents the strategies for the players. Thus, S_A represents the strategies for nation A where $S_A = \{a_{11}, a_{12}, a_{21}, a_{22}\}$ and $S_B = \{b_{11}, b_{12}, b_{21}, b_{22}\}$. Thus, a_{11} denotes the strategy of A choosing a_1 on issue 1. Let's denote here that a_{11}, b_{11}, a_{21}, b_{21} is cooperative in terms of behavior while others are not. Fifth, the utilities for each player can be defined as follows:

$U_{1A} = \{a_{11}, b_{11}\}$ represents utility for player A on issue 1 when A chooses a_{11} and B chooses b_{11}.

$U_A = \{a_{11}, b_{11}, a_{21}, b_{21}\}$ represents the utility for player A on issue linkage when A chooses a_{11}, a_{21} and B chooses b_{11}, b_{21}.

Let's come back to the 'Denuclearization Game' in Figure 1. The actor who seeks issue linkage is actor B (South Korea) since he can improve his payoff if actor A (North Korea) chooses the strategy a1. Specifically, A's independent control (WRC_A=-7.5) over her own interest

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16 - In fact, negotiation can be described as a countermovement to proposal. Moreover, payoffs of opponents are in general uncertain. Thus, Incomplete Information Sequential Game would be more relevant in order to reflect these factors. However, I constitute simultaneous model since it can reflect the situation of uncertain information. Moreover, simultaneous model has an advantage of simplicity especially in the modeling of issue linkage.

has a negative sign while A's control over B's payoff (WFC_B=17.5) has a positive sign. This means that if A chooses the strategy that benefits her own interest, it will bring about the worse payoff to actor B. While A's payoff maximizing strategy is to choose a_2, B strongly prefers A to choose a1. Therefore, actor B is the only actor that needs the issue linkage that also makes A choose a1 in issue 1. In other words, B may bring another issue (issue 2) and propose it to A, so that if A chooses a1 in issue 1 then, B will agree (choose b_{21}) on issue 2; which in turn, improves A's position. The reason why actor A does not need issue linkage is that the strategy that maximizes B's own interest also benefits actor A. Thus, A has no need to bring another issue to the negotiation table. Therefore, I propose the following; conditions that both counterbalance and the disadvantages of choosing a11 for actor A by introducing another issue (G2) in the issue linkage of $G_1 \otimes G_2$. The conditions that enable the Nash equilibrium in the model of '$G_1 \otimes G_2$' are as follows.

(1) The original issue (G1) should satisfy the following conditions in order to bring another issue to the original issue.
① $WRC_{B1} < WFC_{B1}$
② $WRC_{B1} > 0$ and $WRC_{A1} < 0$ (under RC < FC)

Proof 1:

The case of ① refers to the condition that FC should be greater than RC. Actor B can get the best payoff by choosing the strategy based on his preference order if RC is greater than FC's score. Thus, actor B does not want movement in the equilibrium of the original issue by using issue-linkage. In other words, actor B should depend on the choices of actor A in the original issue in order to achieve their ideal position.

As mentioned previously, the first condition of '$WRC_{B1} > 0$' and

'$WRC_{A1} < 0$' in ② implies that the pursuit of a maximizing payoff by actor B brings a benefit enhancement to actor A, while the pursuit of a maximizing payoff by actor A runs counter to the benefits of actor B. If the issue has a character of '$WRC_{B1} < 0$' and '$WRC_{A1} < 0$,' then each actor's payoff maximizing strategy is utterly opposed to the benefit increase for all actors. This case is similar to the result of the prisoner's dilemma.[17] Moreover, if the property of issue is '$WRC_{B1} > 0$' and '$WRC_{A1} > 0$,' then actor B does not need an issue linkage on this issue in order to induce actor A to cooperate, since the payoff maximizing strategy of actor A also benefits actor B.

(2) The 'G2' issue should satisfy the following conditions in order to achieve a Nash Equilibrium ((a11, b11) and (a21, b21)) in the issue linkage ($G_1 \otimes G_2$).
① $WRC_{A2} < WFC_{A2}$
② $WRC_{A2} > 0$ and $WRC_{B2} < 0$ (under RC < FC)
③ $WRC_{B2} \neq WFC_{B2} \neq WRC_{A2} \neq WFC_{A2} \neq 0$ and $WBC_{B1} \neq WBC_{A1}$

Proof 2:

The conditions of ① and ② are opposite conditions with issue 1 (G1). In other words, the pursuit of a maximizing payoff by actor A brings a benefit enhancement to actor B, while the pursuit of a maximizing payoff by actor B runs counter to the benefit of actor A in the issue 2 (G2). Furthermore, if the second issue has the nature of '$WRC_{B2} = WFC_{B2} = WRC_{A2} = WFC_{A2} = 0$,' then the game turns out to be a zero-sum game. If the game is a zero-sum game, issue linkage may not be a useful means of modifying the Nash equilibrium in the original issue (G1).

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[17] This analysis excludes an examination regarding how to get the cooperative agreement in the game of prisoner's dilemma by using issue linkage.

III-3. The Nature of the 'Openness, 3000' Issue

So far, I have examined the conditions as the second issue to be successful in issue linkage. In this section, I will compare the results of the issue-linkage model with the 'Openness, 3000' policy in order to examine whether 'Denuclearization, Openness, 3000' would be an appropriate policy tool to achieve a nuclear free Korean peninsula. For this purpose, I have calculated the strategy and payoff, and summarized both in Figure 4.[18]

Figure 4. The Strategy and Payoff in the Issue of 'Openness, 3000'

		A (North Korea)	
		a_{21} (cooperate)	a_{22} (Non-cooperation)
B (South Korea)	b_{21} (cooperate)	*15* 20	*20* 15
	b_{22} (Non-cooperation)	*-5* 5	*5* -5

Payoff order for South Korea
S① A chooses 'Cooperate' and B chooses 'Cooperate' (a21b21): 20
S② A chooses 'Non-cooperation' and B chooses 'Cooperate' (a22b21): 15
S③ A chooses 'Cooperate' and B chooses 'Non-cooperation' (a21b22): 5
S④ A chooses 'Non-cooperation' and B chooses 'Non-cooperation' (a22b22): -5

Payoff order for North Korea
N① B chooses 'Cooperate' and A chooses 'Non-cooperation' (a22b21): 20
N② B chooses 'Cooperate' and A chooses 'Cooperate' (a21b21): 15
N③ B chooses 'Non-cooperation' and A chooses 'Non-cooperation' (a22b22): 5
N④ B chooses 'Non-cooperation' and A chooses 'Cooperate' (a21b22): -5

The preference order of North Korea in the issue of 'Openness, 3000' is consistent with that of the 'Denuclearization' issue. This is

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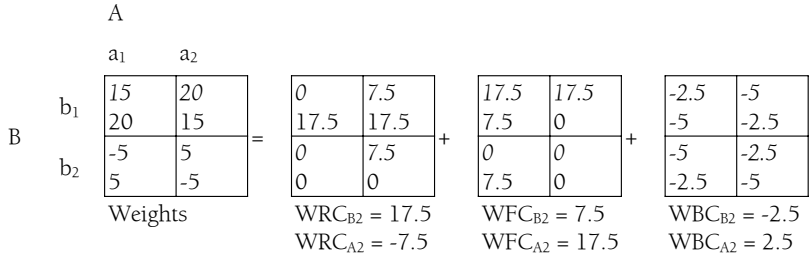
18 - Both actors' choices are also simplified into two categories of cooperation and non-cooperation in the Openness, 3000 issue. In this issue, cooperation means the expansion of economic exchanges through the mutual opening of both Koreas, while non-cooperation means the opposite.

because the top priority for North Korea is regime maintenance, and thus both denuclearization and economic openness as well as cooperation with South Korea are regarded as serious matters by North Korea.[19] Therefore, non-cooperation is assumed to be the best strategy for North Korea in response to any strategy of South Korea in terms of the issue of economic openness and cooperation. However, I assumed that North Korea would be better off to cooperate when the South cooperated, in comparison to when the South chooses non-cooperation. In the same context, I hypothesize that N④ is the worst case for North Korea. On the other hand, the perspective of South Korea in the issue of economic openness and cooperation has a slightly different preference order as compared with the issue of denuclearization. The second preference and third preference are reversed in terms of the issue of economic openness. Although this inference can be a controversial one, I assumed this because S② reflects the belief of the previous South Korean government. Figure 5 is the summary of the strategic interaction for both Koreas in terms of the issue of 'Openness, 3000.'

Figure 5. Both Actors' Components of Interaction in the Issue of Openness, 3000



[19] - Hong Woo-Taek, *ibid*, 2008.

To sum up, 'Openness, 3000,' which is a catchphrase for economic openness and cooperation, does not come close to the conditions necessary for successful issue linkage. First of all, the weighted score of the RC for actor B (WRC_{B2}) has the same positive sign with the weighted score of FC for actor A (WFC_{A2}), while WRC_{A2} and WFC_{B2} have negative and positive signs respectively. This implies that the nature of 'Openness, 3000' is the same as the nature of the 'Denuclearization' issue. Even if the second preference of South Korea is changed with that of the third preference, the result of the analysis is the same. Thus, the issues of the "Openness, 3000" policy are less desirable for issue linkage, considering the premise that issues of a structurally contradicting nature are linked.

Ⅳ. Policy Implications

The results of the analysis of the issue-linkage model provide the following policy implications. First, reviewing both Koreas' preferences on the denuclearization issue, it is necessary to secure a high level of mutual interdependence in order to solve the problem. However, North Korea's strategic choice to keep its nuclear weapons imposes a restraint on South Korea, thereby pushing her to devise a strategy which can modify North Korean options. Therefore, issue linkage is the appropriate strategy to be employed in order to induce North Korea to choose the denuclearization option.

Second, the "Openness, 3000" policy seems to be less desirable in drawing North Korea towards denuclearization. If one considers the "Openness, 3000" policy as a way to generate inter-Korean economic cooperation through the opening of the North Korean economy, both Koreas' preferences in terms of this issue are similar to that of the denuclearization issue, and therefore the optimal conditions for issue

linkage cannot be achieved. The payoff structure of the "Openness, 3000" policy shows that the South Korean strategy of economic cooperation, intended to achieve optimum benefit from the South's point of view, would also bring benefit to North Korea; however, from the North Korean perspective, a choice that guarantees the optimum benefit to North Korea is not one of economic cooperation through opening her economy. The result of the above issue-linkage game model shows that an issue linkage is more likely to succeed if the interest structure of the issue is such that the North Korean choice for an optimum benefit will also bring benefit to South Korea, even though South Korea's strategic choice for its optimum benefit is not favorable to North Korean interests. The "Openness, 3000" policy, therefore, falls short of an effective "linking issue" to the ultimate goal of denuclearization.

It is also possible to divide an issue into many smaller points and come to an agreement by taking out one of the smaller issues. An important point is to note that when supplementing an issue, it should be an issue that can induce an agreement, and when taking it out, it must be one that obstructs an accord. The denuclearization of North Korea is a difficult task for North Korea to agree on. By examining the issue linkage method, it is important to determine which issues are to be linked. To sum up, issue linkage is an appropriate method to solve the denuclearization issue. However, the issue to be linked should be one in which North Korea needs cooperation from South Korea. Conditions for a successful issue linkage can be expressed by the metaphor which follows:

Try to find out what North Korea really wants and needs.
Take a firm stand on the issue.
Then link the issue to denuclearization.

According to Prospect Theory, the result may depend on how the issue

is embellished. For issue linkage to be meaningful, it is necessary to conduct further research on various issues as well as to study the make up of issues.

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The Changing Party-State System and Outlook for Reform in North Korea

Jinwook Choi

Abstract

This paper analyzes the outlook for North Korean reform from the perspective of a changing party-state system. North Korea adopted a Soviet type of political system in 1948, when the government was established. In the early 1960s North Korea strived to replace a Soviet model of party-state system with a Chinese model, where political power was horizontally concentrated on party committees at each level. Local party committees controlled parallel administrations as strongly as the central party committee managed the central government. The 1998 Constitution is characterized by the weakened control of the party over the military and the government. The North Korean efforts at change faced harsh setbacks in 2005, due to unsuccessful reforms and increasing social instability. The prevention of market expansion and the tightened control over citizens have become a pressing issue for the North Korean people. North Korea announced state monopolization of food in September 2005 and began to regulate the markets. The Central Party Committee reintroduced the Department of Planning and Finance in October 2005, a move that clearly indicated the desire to increase the involvement in economic affairs alongside the Cabinet. Pyongyang seems to be enforcing the role of the party, prioritizing regime solidarity and implementing conservative policies at home and abroad in the aftermath of failed liberal economic policies (albeit partial and limited) over the last decade.

Key Words: reform Soviet model of party-state system, Chinese model of party-state system, the 1998 Constitution, Central Party Committee, Department of Planning and Finance

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Over the last decade, North Korean "reform" was one of the most controversial issues among North Korea watchers within policy makers, academia, and the media. Since the amendment of the constitution in 1998, North Korea has tried to implement institutional and policy changes to increase the efficiency of the political system. North Korea aimed at decentralizing the political system, enhancing roles of the Cabinet, and granting more responsibility to factory managers, although such attempts were partial and limited. North Korean attempts to transform institutions and policies peaked on July 1, 2002 when it proposed the *Economic Management Improvement Measure*. At this time, North Korea dramatically expanded "freedom" in market activities, trading companies, and small-plot agriculture.

The attempts of North Korea to implement institutional changes began to recede in 2005, because of the failure of economic reforms and increasing social instability. North Korea began to enhance internal stability with the debate created by the nuclear crisis. Recently, the stagnation of inter-Korean relations places Pyongyang further on the defensive in external relations.

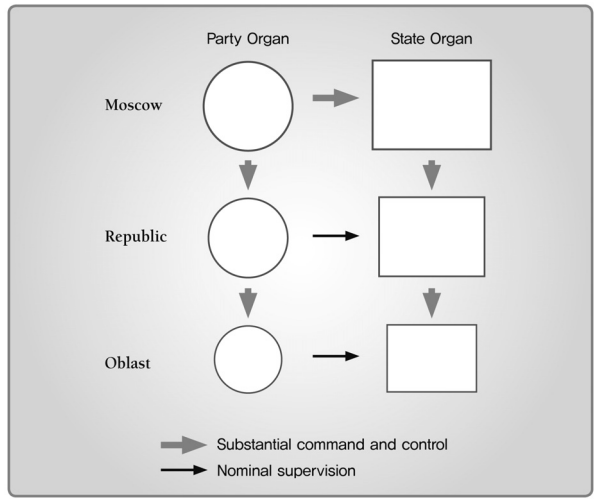
It is uncertain if North Korea will resume reforms or return to a self-imposed isolation. The direction depends on several internal and external factors: relations with the United States, inter-Korean relations, the health of Kim Jong-il, and food supplies. However, the most important criterion to judge North Korean reforms is the relationship between the party and the state. The weakened role of the party vis-à-vis the government could be interpreted as a sign of change or reform because it often guarantees more efficiency and autonomy to socialist governments. This paper analyzes the outlook for North Korean reform from the perspective of the changing party-state system.

From a Soviet Model to a Chinese Model of Party-State System

A Soviet Model in the 1940s and 1950s

In the Soviet model of the party-state system, political power was divided into the party and the state.[1] Party organs and state organs lay under hierarchically separate command systems. The Soviet party-state system operated within the framework of the dual allegiance of state officials to immediate superiors in the state hierarchy and to parallel party organizations.[2] The party supervised and controlled the state in the highest level of the power structure, but the control of the party over the state was weaker at the local level. The relationship between party and state is illustrated in Figure 1. In a Soviet ministerial system of economic management, a command system was established hierarchically from each top cabinet minister to local executive committees, factories, and enterprises.

Figure 1. Relations between Party and State in the Soviet Union



[1] Park Hyeong Jung, *North Korean Political System in Kim Jong-il Era: Ideology, Power Elites, Continuities and Changes of Power Structure* (Seoul: KINU, 2004), p. 148.

[2] Richard Sakwa, *Soviet Politics: An Introduction* (London: Routledge, 1989), p. 157.

The state command structure often had authority over the party command structure at the local level, because Soviet governmental and administrative procedures reflected unitary organizational practices. The local administration represented the single, indivisible authority of the state in a particular locality, and all Soviet institutions functioned as part of a single giant bureaucracy.[3] For example, each industrial ministry (metal, mechanical, and chemical) managed local factories and industries. Factory managers were to follow the orders of officers of concerned ministries rather than local party cadres. A ministerial system was also applied to the agricultural sector.

There are several reasons why the Soviet local party organ was not as strong as the central one. The party worked through governmental agencies by providing policy direction, but it did not replace the role of the government. Because the local party organ had to take ultimate responsibility for economic affairs, local party officials became dependent upon administrators who carried out the plans.[4]

Another reason behind the weakness of the local party organ was that the party could not ignore the local government and make internal decisions. Although the policymaking process in the local party organ was dominated by party officials, it also included governmental officials. 43 percent of the voting members of the republican central committees as well as 67 percent of the candidate members in 1976 were not party officials. These non-party officials did not necessarily follow party decisions.

The fact that government officials were not merely rubber stamps was partially attributed to the authority of the chairman of the Executive Committee. Often the chairman of the Executive Committee was promoted to the post of first secretary of the party, and this post, along with

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[3] - *Ibid.*, p. 153.
[4] - *Ibid.*, p. 157.

the chairman of the Executive Committee and the second secretary, constituted a collective Big Three in Soviet local politics.[5] This implied that the chairman of the Executive Committee was not only an important figure in local politics but also deserved respect from party officials.

There was a strict line of command from top to bottom in Soviet governmental structure that often overshadowed the right of supervision and control by the local party organ over the local administration.[6] For example, when a directive from the Ministry of Construction in Moscow was at odds with the plan of the local party committee, the local executive committee followed the administrative order rather than the directives of the local party. The minister of the Ministry of Construction was clearly more influential than the first secretary of the local party.[7]

The role of the primary party organization within an enterprise or institution was even weaker than that of the local party committees. A primary party organization within an administrative organ had no right to interfere in policy decisions.[8] However, a primary party organization within a factory, collective farm, or construction site had the right to check on the substance of managerial decisions. However, it was far from his jurisdiction to approve or reject the decision of a manager. The party secretary could only try to persuade the chief manager when there was disagreement over policy. If the party secretary failed to persuade the manager, he could do nothing but report to this to superiors. A situation in which the party secretary would force the chief manager to

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5 - Jerry F. Hough and Merle Fainsod, *How the Soviet Union Is Governed* (Cambridge: Harvard University Press), p. 502.

6 - Hough, "The Soviet Concept of the Relationship between the Lower Party Organs and the State Administration," Richard Cornell (ed.), *The Soviet Political System: A Book of Reading* (Englewood Cliffs, N.J.: Prentice Hall, 1970), p. 250.

7 - Cameron Ross, *Local Government in the Soviet Union* (New York: St. Martin's Press, 1987), p. 18.

8 - Hough, "The Soviet Concept of the Relationship between the Lower Party Organs and the State Administration," p. 254.

accept his demand was unimaginable. The party committee usually made decisions in line with the desires of the administration, since the committee included top managerial officials such as the chief manager.

The chief administrator monopolized the decision-making process of day-to-day work other than policy-related decisions. The party secretary had no power to appoint personnel or to confirm appointments. The chief administrator took responsibility for running an institution or enterprise, and the primary party organization only took care of marginal activity such as housing and welfare.[9] Hospitals and schools did not have full-time party functionaries, and doctors or teachers who were party members also functioned as part-time party workers.

In a Soviet ministerial system, each ministry in the Cabinet enjoyed and monopolized the right to deal exclusively with its own scope of works. As a result, the self-interests of each ministry and the asymmetry of information between factory managers and ministry officers were often problematic.[10] Given more information, more experience, and even more expertise, local factory managers often demanded more input from the central government and made compelling excuses as to why they were unable to produce as much output as the ministries in the central government wanted.

North Korea adopted a Soviet type of political system for the government in 1948. The Kim Il Sung faction shared power with various other factions until 1956, when the powerful Soviet and Chinese factions lost influence after the anti-Kim plot failed. Kim Il Sung ruled the

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[9] - The Communist Party put ideology, culture, and coercive apparatus under the tight control of the party, but economic-related areas enjoyed relative autonomy. This became a significant factor in the collapse of the Soviet Union. David Lane and Cameron Ross, "Limitations of Party Control: The Government Bureaucracy in the USSR," *Communist and Post-Communist Studies, 27(1)* (1994), pp. 19-38.

[10] - In a Soviet ministerial system, ministerial egoism was resolved by collective leadership in Moscow. The Politburo was composed of the highest power elites from the Party, the Cabinet, and the Military. Important ministers coordinated the interest conflict in this meeting.

country as Prime Minister rather than as a Chairman of the Central Committee, although he concurrently held both positions. Although in principle the party could command the state, the control of the party over the state was not substantial; and even in the military, the party control was not very firm. It was not until 1958 that party committees were organized over the Korean People's Army and party rule was largely implemented.

According to the constitution that formulates the state structure, the highest organ of sovereignty, the Supreme People's Assembly (SPA) organized the Cabinet, Supreme Court, and the Office of the Attorney General. The Presidium of the SPA played the role of the highest organ of sovereignty while the SPA was not in session, and represented the DPRK. The Cabinet was the highest executive body of the sovereignty and the prime minister represented the government.

A Chinese Model from the Early 1960s

In the early 1960s North Korea strived to replace a Soviet model of party-state system with a Chinese model. In the Soviet model, the party and the state were divided and each had a separate command hierarchy. The party control over the state was fully implemented only at the highest level of the power structure.

In the Chinese model, political power was horizontally concentrated on party committees at each level. Local party committees controlled parallel administrations as strongly as the central party committee managed the central government.[11] For example, county governments fully followed directions and the supervision of county party committees but only consulted with provincial governments at the higher level. The relationship between the party and state in China is depicted in Figure 2.

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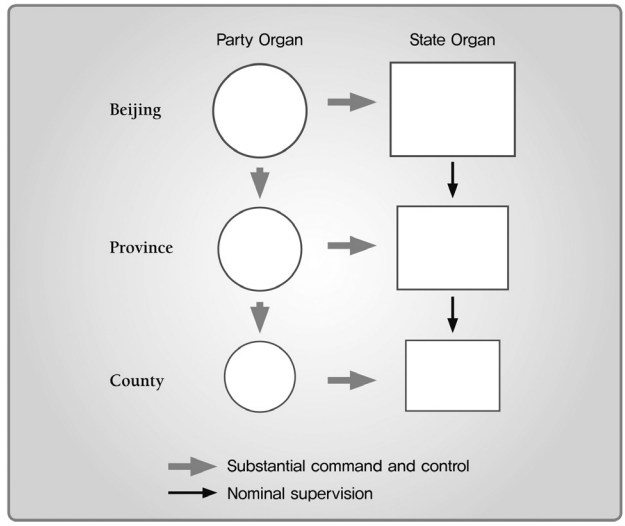
[11] Park Hyeong Jung, *North Korean Political System in Kim Jong-il Era*, pp. 147-148.

Figure 2. Relations between Party and State in China



In 1960 North Korea introduced the *Chongsan-ri* method, an agricultural management guideline in which on-the spot guidance was considered more important than the bureaucratic tendency to simply issue orders and directives.

The county people's committees supervised the production of a town through town people's committees, while county party committees directly supervised a town as the lowest supervisors, focusing on political affairs rather than technical and economic affairs. However, with the *Chongsan-ri* method, this previous system was deemed as an incorrect process. In the new method, county party officers were obliged to mingle personally with the agricultural workers in a town to learn about and help solve problems through comradely guidance. The party and administrative functionaries at the higher level needed to help and listen to those at the lower level, and policy-making should be based upon on-the-spot understanding and reality. The *Chongsan-ri* method stressed collective leadership led by the party committee. By adopting the

Chongsan-ri method, North Korea put an end to the single manager monopoly system and began to stress the mass line based upon the party committee. The guiding role of the party became more crucial.

The authority of the local party organ has also been buttressed by the vast rights of the chief secretary of the party. The chief secretary, holding the post of the Local People's Assembly (LPA) speaker and Local People's Committee (LPC), enjoyed the absence of a rival status in the region. This relegated the LPA and LPC to subsidiary roles, and strengthened the rule of the party.

The chief secretary (also the LPC chairman) became the Local Administrative and Economic Committee (LAEC) chairman's immediate superior. The provincial chief secretary was at the minister level in the central party and the LAEC chairman was at the vice minister-level in the SAC. The gap between the two was much wider than in the Soviet case. In the former Soviet Union the executive committee chairman was second in rank after the first secretary, while in North Korea, the secretary for organization and the secretary for ideology were more influential than the LAEC chairman.

Under the *Taean* Management System, an industrial version of the *Chongsan-ri* method, North Korea abolished the One Man Management system and introduced a procedure by which the party committee would collectively make decisions. Under the *Taean* Management System, higher organs would understand the local situation clearly in order to correct the distortion of information. Local factories came to be controlled by local party committees rather than a ministry in Pyongyang. The number of industrial ministries was reduced from eight to five after this system was introduced.

Both the *Chongsan-ri* method in agricultural management and the *Taean* management system in industrial management are characterized by several principles: higher organs should assist lower organs, higher

organs should clearly understand local situations, and higher organs should have interpersonal interactions. North Korea tried to correct the heavily centralized bureaucracy that ignored local environment and conditions, by enhancing the control of local party committees over local state organs.

The change in the party-state system in the early 1960s was affected by the Factional Strife of August 1956. In the aftermath of the incident, the Soviet faction and the Chinese faction virtually disappeared and political power was concentrated in Kim Il Sung. In the Fourth Party Congress of 1961, North Korea proclaimed the Kim Il Sung faction as the sole legitimacy of the Korean Workers' Party (KWP) by announcing that, "The KWP was the immediate successor of the glorious anti-Japanese guerilla warfare."

In the Second Party Convention of 1966, the committee chairmen and vice chairmen posts (which had been regarded as the symbol of collective leadership) were abolished, and the Secretariat was established to handle daily errands and carry out party policies. Kim Il Sung was elected as the Secretary-General of Central Party Committee along with 10 other secretaries. The theory of the Great Leader was established by 1967 since Kim Il Sung has been regarded as the flawless and almighty leader of the revolution. The party is subordinate to the Great Leader, rather than a vanguard of the party. In the Fifth Party Congress of 1970, the KWP enhanced the status of the Secretariat by giving it the right to discuss and decide personnel appointments and major issues.

The most significant change in the party-state system was the election of Kim Il Sung as the president of the DPRK in 1972 when the position was newly created. Kim Il Sung became the head of state as well as the leader of the government. The Cabinet was relegated to a newly created State Administration Council, an executive body that receives directives from the President. The head of state organization and the

head of party committees merged when Kim Il Sung became Head of the Central People's Committee. The 1972 Constitution proclaimed that the theory of the Great Leader was supported by the institution. The Great Leader is great not only in theory, but also in practice in having the positions of head of state, leader of the government, and party chairman. Chief Secretaries of local party committees hold the highest positions of local state organs concurrently in local politics.

1998 Constitution and Reform Attempt

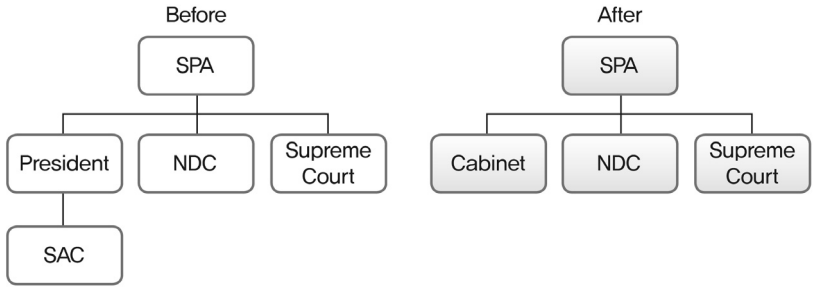
Attempt to Enhance the Autonomy of the State Administration

The death of Kim Il Sung in July 1994 shocked North Korea and many predicted the country to collapse. However, North Korea survived a mass famine through the "Arduous March" from 1995 to 1997. Kim Jong-il (the longtime heir apparent) officially succeeded Kim Il Sung, but resumed the Chairmanship of the National Defense Commission and abolished the post of president and the Central People's Committee in the amended Constitution of 1998.

According to the Constitution, political power is theoretically divided into three parts: the National Defense Commission, the Presidium of Supreme People's Assembly, and the Cabinet. The 1998 Constitution is characterized by a weakened control of the party over the military and the government, although the National Defense Commission was remarkably strengthened in status and function. The chairman of the SPA Presidium represents the state and is in charge of foreign affairs. The State Administrative Council was replaced by the Cabinet, which would be expected to play a more active role in internal affairs such as the economy and administration. Now it became an executive body of the highest "sovereignty," and the prime minister became the head of government,

while under the 1972 Constitution, the president was head of government and the prime minister was only the head of an executive body.

Figure 3. Change in the Division of Political Power after the Constitutional Amendment in 1998



Over the last decade, three ministries and one committee were created: the Ministry of Metal and Mechanical Industry and the Ministry of Electrical and Coal Industry were each divided into two separate entities, and a Commission on National Economic Cooperation was also established. The increasing number of cabinet ministries meant a more active role of the Cabinet in economic policies. North Korea attempted to revive a Soviet model of a ministerial system in which each ministry takes care of local industrial sectors. In North Korea, there are numerous ministries each catering to a specific sector/sphere. These ministries needed to specialize in order to centrally control and supervise various industries. The more ministries, the more centralized the economic system. The Cabinet is composed of a prime minister, two deputy prime ministers, three committees, 30 ministry heads, one board, one bank, and two bureaus.

The Declining Role of the Party

The attempt of North Korea to enhance administrative efficiency also affected the role of the party. After the amendment of the constitution

in 1998, North Korea abolished all departments related to the economy in the central party committee such as the, Departments of Agriculture, Light Industry, Finance, Economic Planning, Mechanical Industry, and Construction and Transportation.[12] This was intended to weaken the role of the party to make policy directives and enhance the role of the Cabinet in leading the economy. It was an unprecedented measure for a communist nation. Even in the former Soviet Union (where the ministries of the State Council were incredibly powerful) there were 10 out of 25 departments associated with the economy.

Despite the almighty status and power of the KWP, the party has not functioned normally since the death of Kim Il Sung. A party congress has not convened since the Sixth Party Congress in 1980. According to the Party Act, a party congress is supposed to be held every five years. The plenum of the Central Committee has not been held since the 21st plenum in December 1993. The plenum, which has the right to elect the secretary-general, did not gather even when Kim Jong-il was endorsed by both the Central Committee and the Central Military Committee. For the first time in the history of North Korea's Communist Party, a plenum was not held before the first session of the 10th SPA. It is also suspected that there have been no Secretariat and Politburo meetings since the death of Kim Il Sung.

It is likely that not one organization within the party is fulfilling the decision-making function, and therefore, that the party is not working properly as a system in fulfilling traditional missions such as personnel appointment and policy-making. Decision-making is highly centralized

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12 - There are 20 departments in the central party committee, including Organization and Guidance, Propaganda and Agitation, International Affairs, Cadre, Civil Defense, Military Affairs, Heavy Industry, Budget, Science and Education, Labor Union, National Archive, General Affairs, Appeal, United Front, External Affairs, Operation, Research Center for Party History, Department 35, Department 38, and Department 39.

in Kim Jong-il, particularly in the areas of military affairs, foreign policy, and high-level appointments, and Kim Jong-il does not depend on an institutional body in the decision-making process. As the principle of rule of man overwhelms the principle of rule of law, personal relationships and contact are still very significant. Therefore, those who escort Kim Jong-il to his on-the-spot guidance are often regarded as holding real power regardless of rank, such as individual aides to Kim (whether they are military officers, party secretaries, or first deputy secretaries) who receive his orders. The party functions in a different way, although it is still the highest ruling organ and maintains a social control function as a source of political power.

Military-First Policy and a Single Strong Man

The role of the party in the traditional party-state system was also damaged by the Military-First policy, which can be characterized by a direct and personalized rule by Kim Jong-il.[13] The enhanced status of the military under the Military-First policy resulted in bypassing the party and directly overseeing important organizations such as the military and the Ministry of Foreign Affairs. If (as in the past) the military is controlled by the party in every aspect, it is possible that an individual in the party will rise to become a powerful second man in the North Korean political scene. In North Korea this situation may diminish the personal power of Kim Jong-il. Kim Jong-il himself consolidated power through the party organization since the early 1970s. Kim knows this best, as secretary of the party's organization department could monopolize the personnel policy in the party, military, and government. Therefore, he does not want to control the military through the central party organization.

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[13] Jinwook Choi, "Changing Relations between Party, Military, and Government in North Korea and their Impact on Policy Direction," Discussion Paper, Asia/Pacific Research Center, Institute for International Studies, Stanford University (July 1999).

The Military-First policy is used to justify the personal power of Kim Jong-il over all the institutions and the Constitution. Organizations such as the National Defense Commission (NDC), Task Force, and the Office of Personal Secretaries do not seem to replace the role of the Politburo or Secretariat as a discussion forum for policies and personnel appointment.

The NDC is the highest guiding organ of the military and managing organ of military affairs. The chairman of the NDC is the highest position in the nation, in charge of all matters regarding national politics, economics, and defense. The status is as high as that of the Politburo. Kim Jong-il issues directives in the name of NDC, but it does not seem to convene to discuss major issues. In addition, most of NDC members are military officers.

Like other world leaders, Kim Jong-il is assisted by his personal secretary office (*Suhkishil*). However, the role of this office differs greatly from that of Chinese *mishus* (secretaries)[14] or White House staff. *Mishus* play a "ubiquitous role" in politics as an advisor, writer, personal representative, coordinator, office administrator, personal manager, servant, and chief bodyguard to Chinese leaders;[15] White House staff significantly influence presidential decision-making. The personal secretaries of Kim Jong-il (not to be confused with party secretaries) do not actively participate in decision-making, but only handle administrative matters. When a single paramount leader dominates the decision-making process, decision-making bodies do not operate properly, even though they are in session. For example when Mao ruled China, he limited the degree of participation in key policy debates by those in top leadership positions

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[14] *Mishu* must be distinguished from *shuji*, which are both translated as "secretary." *Mishu* is a personal secretary, while *shuji* refers to a party secretary and a *mishu* often works for a *shuji*.

[15] Wei Li and Lucian W. Pye, "The Ubiquitous Role of the *Mishu* in Chinese Politics," *The China Quarterly* 132 (December 1992).

and decision-making bodies, who instead were relegated to rubber-stamping policy. Since the death of Mao, the Chinese foreign policy decision-making process has been transformed from a "strong man model" to one characterized by bureaucratic, sectional, and regional competition.[16]

External Policy for Openness

The attempt of North Korea to change the internal political system was related to external policy. Surprisingly, North Korea held an inter-Korean summit in June of 2000 and Kim Jong-il met with South Korean president Kim Dae Jung. Consequently, the summit was followed by a number of events on the Korean peninsula. The two Koreas met for ministerial-level talks, reunions of family members were began, and defense minister talks were convened; other events resulted in Mt. Kumkang tourism, the Kaesong Industrial Park, and the construction of an inter-Korean railway.

North Korea also actively expanded foreign relations. It normalized diplomatic relations with EU countries along with Australia, New Zealand, the Philippines, and Canada. It also joined the ASEAN Regional Forum. North Korean Vice Marshal Jo Myong-Rok visited Washington and U.S. Secretary of State Madeleine Albright visited Pyongyang. A visit to Pyongyang by president Clinton was also seriously considered. The most dramatic event occurred on September 17, 2002, when Japanese Prime Minister visited Pyongyang for a Japan-DPRK summit meeting. This historic event happened only two months after North Korea announced a bold domestic economic measure. However, the series of speedy external ventures came to an abrupt halt in October 2002, when the second round of the North Korean nuclear crisis began.

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[16] Lu Ning, *The Dynamics of Foreign-Policy Decision-Making in China* (Boulder, CO: Westview Press, 1997), pp. 1-17.

Even after the nuclear crisis, domestic reform continued for a few more years. The enhanced role of the Cabinet was supported by Park Bong Ju, who was elected prime minister in April 2003, and was believed to have been given the authority to expand economic freedoms by Kim Jong-il.[17] Chang Sung Taek was allegedly fired as the First Deputy Director of the KWP's Department of Organization and Guidance because of a policy conflict with Mr. Park. After the forced hiatus of Chang, a number of liberal measures were taken. Around that time, market activities, trade companies, and small-plot agriculture were widely expanded. Infertile land was distributed to factories and enterprises for cultivation, and factory managers were given the right to dispense of 30 percent of products at their own disposal. Departments in the KWP, which dealt with the economy (including the Department of Economic Policy Supervision and the Department of Agricultural Policy Supervision), were abolished in a move to give the Cabinet more autonomy and responsibility to handle the economy. Furthermore, the Cabinet established the Commission on National Economic Cooperation to manage inter-Korean economic cooperation.

Outlook for Reform

Return of the Party

Due to unsuccessful reform and increasing social instability, North Korean efforts at change faced harsh setbacks in 2005. The prevention of market expansion and the tightened control over citizens has become a pressing issue for North Koreans. North Korea announced the state

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[17] Park Hyeong Jung, "North Korean Conservative Policy Since 2006 and Chang Sung Taek: Looking at 2009," *Online Series co 08-72* at http://www.kinu.or.kr, accessed on January 15, 2009.

monopolization of food supplies in September 2005 and began to regulate the markets. The Central Party Committee reintroduced the Department of Planning and Finance in October 2005, a move that indicated the desire to increase the involvement in economic affairs alongside the Cabinet. It was around this time that Chang Sung Taek returned from his hiatus, and became the secretary for the Department of Capital City Development.

After Chang's return, the DPRK introduced harsher measures on market activities. For example, women under the age of 50 were banned from doing business in markets. Private hiring was forbidden in March 2006. Prime Minister Park limited the export of coal for domestic consumption, which was revoked by the military after the nuclear test in October 2006. The attempt by Park Bong Ju to introduce a new wage system (a combination of hourly, daily, and weekly wages) faced severe criticism by the party in January 2007. In April 2007, Prime Minister Park was replaced by Kim Young Il and the reform attempts by Park were void.

Kim Young Il was more of a figurehead and was not expected to express opinions like his predecessor. The attempts to reinforce the role of government faded with the dismissal of Park. Instead, the role of the party was emphasized when Chang Sung Taek took a defensive and constricted economic policy that concentrated on the promotion of social stability.[18] In September 2007, the Commission on National Economic Cooperation was transferred over to the supervision of the KWP's Department of United Front, and in late 2008, North Korea announced that markets could be restricted to open only three days a month.

Rather than opening the market towards the world, North Korea chose to fall back on "self-reliance" by mobilizing domestic labor forces.

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[18] - Park Hyeong Jung, *ibid*.

Given the international economic recession and the Chinese economic downturn, Pyongyang strives to revive the crumbling economy through a reliance on internal resources. It is the party that mobilizes labor forces and promotes social stability. Ironically, North Korea continues the unproductive use of resources for projects such as the renovation of Pyongyang.

North Korea expanded and strengthened the National Defense Commission in 2009 to promote social control. It included key figures in the NDC such as Oh Kuk Ryul (Director of Operation, KWP), Chang Sung Taek (Director of Administration, KWP), Ju Sang Sung (Minister of People's Security), Woo Tong Chuk (First Vice Minister of National Security Agency), Ju Kyu Chang (First Vice Minister of Military Industry, KWP), and Kim Jung Gak (First Vice Director General Political Affairs, KPA).

The defensive attitude of North Korea was officially expressed in the 2009 New Year's joint editorial by the *Rodong Shinmun, Chosun Inmingun,* and *Chongnyon Jonwi*. 'Revolutionary Upsurge,' a core expression of the editorial, indicated a complete retreat from the policy of change that Pyongyang had partially carried out since 1988.[19] In a departure from the norm, Pyongyang stressed the superiority of socialism and instead of concentrating on the capabilities of the Cabinet on economic projects, it emphasized an enhanced and centralized leadership of the regime and underscored the party leadership.

External Policy

The defensive policy of North Korea is closely linked to external relations. North Korea seems to maintain an active attitude towards relations with the United States. Pyongyang was pleased with being

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[19] Jinwook Choi, et. al., *Analysis of New Year's Editorial* (Seoul: KINU, 2009).

removed from the U.S. list of states that sponsor terrorism in October 2008, and is eager to keep the momentum going. Pyongyang is encouraged by the advent of the Obama administration that is focused on diplomacy in a new chapter of engagement that holds the potential for a bilateral summit.

Frustrated with the delay of the Obama administration to address the North Korean issue, Pyongyang has readopted brinkmanship tactics by launching a long-range rocket on April 5 and testing a larger nuclear device on May 25. North Korea demands the termination of 'the United States' hostility towards the North.' It is not until North Korea feels comfortable with relations with the United States that it will ease social control and liberalize economic policies.

North Korea will also try to secure political, economic, and diplomatic assistance from countries with which it maintains amicable relations (such as China and Russia). In particular, as 2009 marks the 60th anniversary of the establishment of the PRC-DPRK relationship, Pyongyang is likely to consolidate the relationship with China and respond to the enhanced U.S.-ROK alliance.

The stagnation of inter-Korean relationship is partially caused by the domestic predicament of North Korea. The effort of Pyongyang to tighten internal controls illustrates the difficult situation it faces. It is uncertain whether the North can achieve the results intended. North Koreans learned basic market principles on how to survive market activities after going through a long period of severe food shortages and halts to the distribution system. Factories and companies were trained to run a profit-making business in the midst of a near collapse of the centrally planned economy. Tighter control will inevitably bring about a rigid structure in society and the regime will face some form of public opposition that may result in greater chaos. It is also possible that more North Koreans will choose to cross the border and defect under such

pressure. Repressing market activities seems less than popular with North Korean citizens.

Recently there are also signs of confrontation among the power elite. The decision by the regime to open the markets only three days a month from January 1, 2009 has been postponed for six months. It is very unusual for North Korea to postpone an announced decision. This delay confirmed the disagreements on polemic directions among the elite. Moreover, ever since the media began to investigate the health of Kim Jong-il, there seems to be internal debate on the succession process.

North Korea needs external tension to release the internal frustration and divert attention to the outside. It has been deliberately condemning the Lee Myung-bak administration, and has issued hostile military statements since January 17, 2009.[20] North Korea seems to consider the June 15 and October 4 Declarations as their exclusive domain and denies responsibilities for the chilly inter-Korean relationship. The poor health of Kim Jong-il also compels North Korean elites to take a tougher stance against the South in order to demonstrate personal loyalty to the Dear Leader.

The damage from cutting ties with South Korean economic cooperation has increased stress on Pyongyang. North Korea is trying to reverse the North Korea policy of the Lee Myung-bak government and needs to prepare for a worst-case scenario unless it can indeed persuade Seoul to change direction. Last year, North Korea was not able to receive humanitarian aid of food and fertilizers from the South Korean government that had previously provided 400,000 tons of grain and 300,000 tons of fertilizer annually. The Mt. Keumkang tourist operation

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[20] - The spokesperson for the North Korean Army's Joint Chief of Staff announced that the North entered a stage of total military confrontation with the South on January 17, 2009. The spokesperson of Committee of Peaceful Unification of Fatherland said on January 30, 2009 that North Korea is scrapping all the agreements with South Korea and declared the Northern Limit Line (NLL) void.

was discontinued after the murder of a South Korean tourist in July 2008. Moreover, inter-Korean commercial trade began to decline in the second half of last year.

Concluding Remarks

Pyongyang seems to be enforcing the role of the party, prioritizing regime solidarity, and implementing conservative policies at home and abroad in the aftermath of failed liberal economic policies (albeit partial and limited) during the last decade. The Military-First policy does not appear to be an answer to the current North Korean difficulties of social instability, economic hardship, and a crumbling international environment.

The repression of market activities and an impractical attempt to restore the distribution system may bring about famine in some regions and the global recessions damage the North Korean economy further. A rapid decrease in exports to China may be a repercussion of the impact on the economy.

As the domestic economy is less likely to recover and discontent mounts among the North Korean public because of increased regulations, the regime will try to find a breakthrough by improving relations with the United States, while creating tension in inter-Korean relations in order to allay those who are upset. The immediate purposes of North Korea are to secure the regime from the United States and eliminate obstacles in securing external economic aid. As well, North Korea is likely to approach the South more actively for practical purposes even if the denuclearization process makes progress.

The hard-line policy of North Korea is evidence that it is muddling through desperate circumstances and South Korea needs to initiate change by offering Pyongyang a way to make a breakthrough in inter-Korean relations. Seoul should pursue proactive measures because North Korea is still unlikely to give in, even under the direst circumstances. For the

time being, it is more important for South Korea to think about how to deal with an international cooperative relationship in terms of inter-Korean relations rather than focusing on North Korea.

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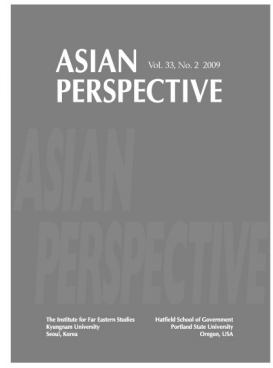

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