

## The Choice for North Korea after the US-China Summit

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The US-China summit held on January 19<sup>th</sup> in Washington, D.C. drew particular attention to recent issues involving the Korean peninsula. The parts of the Joint Statement which deal with Korea can be summarized as follows. First, both sides prioritize peace and stability on the peninsula and share concerns about the recent rise in tensions. Second, denuclearization of the peninsula is an important priority, and the steps laid out in the 9.19 Joint Declaration must be carried through. Third, improving inter-Korean relations is essential, and there is a need for sincere, constructive dialogue between South and North. Fourth, both sides have concerns about North Korea's uranium enrichment program. Fifth, concrete, effective steps must be taken to resolve these problems, and the 6 Party Talks must be restarted as soon as possible.

The Joint Declaration fully reflects the South Korean position of pursuing sincere dialogue with the North. Although it was not included in the declaration, at the joint press conference President Obama did not neglect to state that North Korea must avoid making additional provocations.

This must have been a disappointing result for North Korea, which was expecting a more concrete statement on restarting the 6 Party Talks and had been aggressively pushing for dialogue with the

South. Faced with a crisis due to Kim Jong Il's health situation and food shortages, North Korea's primary goal is to consolidate regime solidarity around Kim Jong Il. Thus they must work internally to shore up popular support, which has weakened as a result of the food crisis. Externally, they are seeking to restart the 6 Party Talks and pursuing new contacts with the US. North Korea's dialogue offensive can be interpreted as a message directed at the US in order to achieve a peace treaty. Rather than making a sincere effort to improve inter-Korean relations, North Korea is merely using Seoul as a stepping stone to approach Washington. Amid this push for dialogue, North Korea exposed their true intentions in a *Rodong Shinmun* article entitled "The Key to Overcoming the Current Situation - A DPRK-US Peace Treaty," which stated, "If the relevant countries had responded last year to North Korea's demand for a peace treaty, the Yeonpyeong shelling incident would not have happened."

Now North Korea must choose between two options. It could continue to raise tensions in hopes of pressuring the US. It may be tempted to perform a 3<sup>rd</sup> nuclear test or make another provocation against the South. The other option, as called for at the US-China summit, is to work to improve inter-Korean relations, a key prerequisite for restarting the 6 Party Talks. In fact, shortly after the US-China summit, North Korea proposed high-level military talks between the two Koreas "to discuss the Cheonan and Yeonpyeong incidents."

If North Korea continues to escalate tensions, this would signify that they have abandoned hope of working with the Lee Myung Bak administration and have decided to rely on China for survival. Through acts of provocation, North Korea aims to strike a blow against the South Korean economy and drive the Lee Myung Bak government into a corner by inciting fears of war among the public. Ultimately they hope to convince the public that Lee's North Korea policy must be changed in order to avoid war and that the next government will pay a heavy price if it too refuses to aid the North. To do so, North Korea may make repeated provocations using a variety of methods, including terrorism, nuclear tests, and localized provocations. Such incidents will be more likely to occur at times when the North assesses that the probability of South Korean retaliation is low, and they may become more frequent according to the degree of Chinese support.

Of course, with their desperate need for external aid to cope with the severe economic problems and their need for internal stability during the power transition period, and the South Korean government's refusal to respond to pressure, they have prepared to compensate by getting aid from China. Also, under the *songun* system, the military has taken on a stronger role independent of the Party, which is another reason for the North's more aggressive behavior.

Meanwhile, some argue that North Korea will be forced to pursue dialogue due to its current economic desperation. In the 2000s the North Korean regime's survival was heavily dependent on inter-Korean economic cooperation. At its height in 2008, inter-Korean cooperation amounted

to \$1.8 billion, with a \$500 million trade surplus for the North. However, since 2008 economic cooperation has declined and the South has ceased its annual aid shipments of 500,000 tons of food and 300,000 tons of fertilizer, causing serious difficulties for North Korea.

Viewed in strictly economic terms, there must inevitably be a limit to how much DPRK-China trade can increase. In the 2000s North Korea used the dollars it earned from inter-Korean trade to import commodities from China, and thus the cessation of inter-Korean trade has meant a major reduction in their foreign currency income, making them unable to balance their accounts with China. This may weaken their ability to import goods from China and cause DPRK-China trade to stagnate.

The rise in military tensions between the two Koreas has served to further aggravate the North Korean economy. The price of rice, which had been at about 800-900 won, soared to 2000 won, and the exchange rate rose from 1400 to 2500 won per US dollar. Unlike in the past, when the public distribution system was functioning, these recent military tensions can directly cause hardship for the people and lead to popular unrest. These hardships are brought on by the rise in prices and the effects of hoarding; also, under the current mobilization campaign it has become more difficult for people to make a living via the markets. The new rich and the elites in North Korea are particularly anxious about the possibility of war breaking out, and some may have misgivings about the Kim Jong Eun succession, which may lead to capital flight or even an increase in defections. North Korea's continued emphasis on "improving the people's lives through the development of light industry," identified as the major policy goal in its New Year's joint editorials in both 2010 and 2011, gives further evidence of their desperate situation.

The answer to the question of which path North Korea will choose is as elusive as ever, and it may be that even the North Korean leadership does not yet know. For the last several years the regime has oscillated between calls for dialogue and acts of provocation, but rather than an elaborate carrot-and-stick strategy this seems to be part of North Korea's fruitless policy of alternating toughness and moderation.

As the Kim Jong Il control tower is not operating normally, there will inevitably be inconsistencies in the North's policies. Under the *songun* system, the various organs of the Party, government, and military were divided and controlled directly by Kim Jong Il. There was no horizontal communication among the General Staff, the General Political Bureau, the People's Armed Forces Department, the State Security Department, the People's Security Department, the Organization and Guidance Department, the Propaganda and Agitation Department, the Administrative Department, and the Foreign Ministry; instead, Kim Jong Il acted as the "control tower." However, it now appears that this control tower is malfunctioning, and thus North Korea's policy-making process has grown confused, resulting in extremely chaotic behavior. Already the KWP Unification Front Department, the Foreign Ministry, and the military are pursuing their own separate policies

rather than a single coordinated policy direction, and it appears that Kim Jong Il is unable to keep their conflicting policies under control.

In its current desperate situation, North Korea urgently needs outside support, and to get it they are deploying threats/provocations and smiles by turns. Thus we have entered a difficult period in which we must be prepared for either carrots or sticks from the North, amidst their general charm offensive. We must stay consistent with our principles, and double our efforts to ensure that the current policy of rejecting “dialogue for the sake of dialogue” can bear fruit.