

Engaging North Korea: Is 2010 a Watershed Year for US-DPRK-ROK Relations?

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Abstract: *Much attention has been placed on deteriorating relations on the Korean peninsula since the sinking of the ROK ship Cheonan. While the rationales behind North Korean actions remain clouded in secrecy, America's current policy in the region may have undesired consequences. In contrast, it is suggested that the US employ a mixed policy of economic enticements and restrictions to both encourage positive behavior from North Korea while maintaining military commitments to South Korea.*

Keywords: *North Korea, United States, Foreign Policy, Republic of Korea*

Introduction

With the sixtieth anniversary of the start of the Korean War this past June, we are once again reminded of unresolved conflicts from the Cold War. Although China-Taiwan conflict and the continued diplomatic freeze between the US and Cuba are often viewed as Cold War artifacts where a relatively stable but unsatisfying status quo has developed, inter-Korean relations and the possibility of renewed conflict have never fully subsided. The March 26 sinking of a Republic of Korea (ROK)¹ military ship, the Cheonan, with forty six crew members dead, has provided additional fuel for such conflict while the Lee Myung-bak administration in South Korea has deliberately chosen a more conservative approach than its predecessors towards Pyongyang. While evidence strongly suggests, and global opinion largely concurs, that a North Korean torpedo caused the Cheonan sinking, little substantial evidence has arisen regarding whatever rationales may have been behind such a

¹ For this paper, the terms South Korea, Republic of Korea, and Seoul will be used interchangeably as will North Korea, DPRK, and Pyongyang for North Korea.

move. Thus the Cheonan highlights our continued ignorance of the political dynamics within Pyongyang.

An economy on the verge of collapse after unsuccessful currency reform in 2009, North Korea remains at best a poorly planned socialist economy existing in conjunction with heavily repressed grassroots market attempts (Haggard and Noland 2010). While still committed to a planned economy, for all intents and purposes, little planning exists at the national level today, leaving individual plants to largely fend for themselves. Instead of attempts for major economic reform, for example following China's own reforms while arguably strengthening the Communist Party, Pyongyang remains largely focused on showing the upper leadership in a positive light. With widespread government corruption, North Korea trails only Somalia as the most corrupt country in the world according to the 2008 Worldwide Governance Indicators.¹ Despite a largely non-functioning economy, the instability of the regime may be largely overestimated, perhaps in part due to American and South Korean desire to encourage regime change. The relative success of Kim Jong Il's long-standing "military first" policy has, if nothing else, provided a relatively loyal and well off bureaucracy that has at least been attempting to keep up appearances of functionality.

Debates on the viability of the North Korean government aside, experts have suggested that a struggle for who will be Kim Jong-il's successor may be the root cause of recent aggressive actions. A growing consensus suggests Kim's virtually unknown youngest son Kim Jong-Un has been initially groomed for the role, however virtually no first-hand knowledge of North Korean decision making is available. Insight to North Korean intentions has been gleaned from the constant barrage of propaganda, with conjecture trumping empirics. Despite the potential for regional instability caused by actions within North Korea, few breakthroughs have been made to understand the political mindset of the Hermit Kingdom.

The aftermath of the Cheonan, both in increased North Korean rhetoric and actions as well as US-ROK military exercises, highlights the precariousness of peace on the

¹ Also see Kim 2010.

peninsula. While the “Sunshine Policy” of the Kim Dae-Jung and Roh Moo-hyun administrations was not a cure-all, the current shift has done little to encourage Pyongyang back to the negotiating table or reduce the North’s own security fears. Instead of continuing a policy largely built upon sticks, I suggest a combination of hard and soft power which may benefit all powers within the region.

This paper will first briefly introduce recent analyses of North Korea. An introduction to the Cheonan case follows. Possible rationales for North Korean behavior are then presented. This is followed by an analysis of current US policy on North Korea. Finally, I present policy suggestions to encourage progress on reducing tensions on the Korean peninsula.

Recent Research

Interest in North Korea has undoubtedly been growing as tensions wax and wane across the peninsula. A cursory analysis of Google Scholar shows 46,500 books and articles in English addressing in part North Korea in the last decade, with most of those (33,500) since 2008. Not surprisingly 2008 corresponds with the election of Lee Myung-bak in South Korea, ushering in a more conservative policy on North Korea, including a reduction of economic incentives to Pyongyang without tangible concessions in return.

Despite the potential for regional instability and an obvious interest among scholars and observers alike, few innovations have been made in understanding the political mindset of the North Korean leadership. While a growing literature increases our general knowledge of of the Hermit Kingdom (e.g. Oberdorfer 1997; Noland 2000; Park 2002; Cha and Kang 2003; Hassing and Oh 2009), with each new military skirmish around the peninsula we are again reminded how little is known about the political workings within North Korea. Although the number of refugees from the north has rapidly increased in the past decade as economic conditions deteriorate, very few have been elite officials. The last major defector, Hwang Jang-yop (the architect of the *Juche* ideology) defected thirteen years ago, with few defectors of even moderate ranking since, providing

limited knowledge of modern Pyongyang. Therefore, unlike the Cold War where high level defections were relatively commonplace, North Korean defectors are almost uniformly common citizens, providing a rare glimpse into the life of average North Koreans but limited leverage on the inner workings of the political black box which is North Korea's foreign policy decision making.

The Cheonan

Shortly after 9pm on March 26th the South Korean ship Cheonan split in two and sunk off the Western coast of the Korean peninsula near Baengnyeong-do and the Northern Limit Line (NLL). Almost immediately the South Korean government claimed that the North was responsible. An investigation report released on May 20th by the Joint Civil-Military Investigation Group (JIG) indicated that a CHT-02D North Korean torpedo caused a non-contact explosion approximately three meters from the Cheonan's gas turbine room. The same day, North Korea's National Defense Committee denied involvement. Shortly thereafter, a critical minority both within South Korea (such as the NGO People's Solidarity for Participatory Democracy/PSPD) and abroad questioned the findings, claiming a lack of transparency in the investigation and -that inconsistencies and scientific testing do not match Seoul's claims.¹ Similarly and consistent with traditionally diverging North Korean policies, liberal and conservative parties debated the cause of the sinking and China's potential role in restraining future actions (Min 2010). In July the United Nations condemned the Cheonan sinking, however fell short of assigning blame. Meanwhile, the North Korean government never claimed any involvement.

¹Such skeptics constitute roughly a quarter of Koreans at most, according to estimates by several specialists contacted by the authors. Nevertheless, the ROK's Prosecutor's Office in June suggested that the PSPD's actions may be a violation of the National Security Law while the military intended to sue at least one critic (former National Security Council member Dr. Park Sun-won), adding more fuel for critics convinced the South Korean government was silencing critics. "U.S. Professors Raise Doubts About Report on S. Korean Ship Sinking". *Chosun Ilbo* (English version). July 11, 2010. http://english.chosun.com/site/data/html_dir/2010/07/10/2010071000245.html.

While the Cheonan has received much attention internationally, inter-Korean military skirmishes are not uncommon.¹ In December 1998, the ROK intercepted a North Korean vessel attempting to land near Yeosu. In June 1999, six North Korean ships repeatedly crossed the maritime boundary near Yeonpyeong over six days, culminating in an exchange of fire leaving both sides with casualties. . In June 2009, a South Korean fishing boat was captured after crossing the maritime boundary. A twenty minute naval battle occurred in June 2002, leaving a damaged DPRK vessel and a sunken ROK vessel. In November of the same year, a North Korean naval vessel crossed into ROK waters and later fired about by ROK navy. Last year a navy skirmish off the coast of Daechong Island left a North Korean ship severely damaged and ten crewmen dead while the South Korean vessel and crew remained unharmed. Furthermore, after the Cheonan sinking, North Korea captured a southern fishing vessel that crossed the NLL.

Furthermore, evidence of souring inter-Korean relations was evident directly before the sinking. Just weeks prior, the Korean People's Army stated they were no longer bound by the Korean War armistice, of which South Korea was never a signatory, or the more recent North-South Non-Aggression Agreement in 1992 (KCNA March 7, 2010). Such actions are consistent with North Korea's policy of creating military tension either through direct though minor military conflict, or more commonly, increased threats of heightened conflict as means to improve their bargaining position for later negotiations. Similarly, failing to acknowledge any role in attacks on South Korea has been the trademark of North Korean policy, even when overwhelming evidence undermined such claims.

Assuming that North Korea was at fault for the sinking, which is the Western consensus with approximately three-quarters of South Koreans concur, there are several

¹ North Korea, though not a party in drawing the Northern Limit Line (NLL) in the West Sea (aka Yellow Sea), acquiesced to this UN imposed line for most of the two decades following the armistice. By the 1970s however, North Korean officials openly challenged the boundary.

possible rationales.¹ First, the Cheonan sinking could be connected to the crisis of succession, with next generation leadership (e.g. Kim Jong Il's youngest son, Kim Yong-Un) or a faction within the government attempting to secure their position by being aggressive against the South.² McEachern (2009) suggests that diverging policy preferences are emerging within the military and party and this may extend to preferences in future leadership. Kim Jong Il's declining health has made planning succession the key issue to state stability. However what at one point may have been a foregone conclusion as to Kim's successor has likely become informally debated among an elite hesitant to accept a virtually unknown son of Dear Leader.

The combination of the strength of the military (believed to be the fifth largest in the world) and the ideological foundation of the party has prevented state collapse so far and most analysts expect the next generation of leadership to maintain a bellicose stance towards both South Korea and the US. The potential accession by a member of the National Defense Commission (NDC) would likewise encourage small but highly publicized shows of strength. Similarly support of the military would be especially necessary if one of Kim Jong Il's sons take the helm, as none have direct military experience nor have they been gradually groomed into the position as Kim Jong Il himself had been groomed by his father Kim Il Sung. With the first Chosun Workers' Party (KWP) delegates' conference in forty four years scheduled for September, would-be successors have further incentive to shore up support by maintaining an aggressive stance towards the ROK.

While most analysts focus on the succession issue, the sinking of the Cheonan may have other causes. The sinking could have been revenge for the Daechong naval encounter with the ROK in November 2009. Not only have some reports suggested the Kim Jong Il himself called for revenge, but military leaders in South Korea expected some form of military response. In addition, a rogue military officer may

¹ As one scholar noted in personal conversation with the author, North Korea's track record has made it unfortunately easy to presume guilt until evidence of innocence.

² Similarly, actions belligerent actions in 2009 may have been a result of Kim Jong Il attempting to win over hardline military officials to back his chosen successor (Klinger 2010).

have acted without higher orders, perhaps trying to show loyalty or as a means to move up the military hierarchy, forcing North Korea to respond. Finally, North Korea may simply be returning to the practice of employing brinkmanship as a means to persuade South Korea to restart aid and investment programs largely cut under the Lee Myung-bak administration.

Further exacerbating a general ignorance on North Korea's intentions in general and perhaps on the Cheonan is the continued censorship of state-run North Korean news below the 38th parallel, where experts could presumably assess subtle shifts within propaganda. South Korea logically has the greatest concentration of experts on North Korean studies, assisted by a rapidly increasing number of refugees, yet gaining access to many materials directly from North Korea remains an often difficult task. The Cheonan case provides a graphic illustration as such sources would likely provide greater ammunition for skeptics within the south questioning North Korea's role in the sinking. Certainly South Korea has a vital interest in not giving their counterpart free rein to spread propaganda, however the restriction of information also hinders the South Korea's intelligence efforts.

Policy Implications

Some may view the Cheonan as a watershed event, limiting the possibilities of rapprochement. Even liberal parties within South Korea have toned down calls for a return to the "Sunshine Policy". The Cheonan incident has also encouraged military reform within South Korea to better combat low intensity asymmetric challenges. However none of this resolves the underlying problems of North Korean insecurity nor persuades North Korea's traditional backers, mainly China but to lesser extent Russia, from altering their stances. With Six Party Talks stalled, the US in unison with the ROK has an opportunity to redirect its North Korean policy to both entice reforms from North Korea while reaffirming its security commitments to the ROK.

The United States has consistently clung to employing economic sanctions towards North Korea to coerce more desirable behavior. Economic sanctions however have not

produced their desired effect. First, most other countries have not adopted similar sanctions. While Chinese and Russian refusals are not surprising, even Japan has been hesitant to support such actions. Secondly, previous embargos have largely failed, notably Cuba and Iran. Economic sanctions traditionally have little effect in coercing the offending parties, often either encouraging the offender to remain resolute or allowing the offending party to appeal for help from those not collaborating in the embargo.

Furthermore and crucial to the North Korean case, embargo efforts may increase Pyongyang's reliance on China. Chinese officials have been reluctant to support North Korean belligerence, yet at the same time have encouraged economic reforms and cooperation that could prevent regime collapse. By the 1990s, China provided North Korea most of its rule and consumer goods and nearly half of its food supply (Eberstadt 1998). With growing joint development agreements and meetings with military officials between Beijing and Pyongyang, American sanctions may have in some ways actually strengthened North Korea's position by moving China from a reluctant supporter towards deeper relations. Chinese goals appear fairly straightforward: maintaining some sense of stability within the North Korean regime (Glaser et al. 2008). The potential not only for military conflict, but a collapsed North Korean state leading to a massive influx of refugees into China and potentially a US-backed ROK approaching the Chinese border is of great concern to China and thus actions which prop up the government remains in their national interest. One thus should not be surprised that China has refused to assign blame to the Cheonan sinking to North Korea for fear up disrupting a government already on edge.

Whereas the US has consistently linked denuclearization to the elimination of sanctions and the establishment of diplomatic relations, this fails to address the differing goals of each party involved. Instead, taking a page from the Chinese playbook, the US should encourage joint Korean economic programs which potentially restrict North Korean actions while limiting growing Chinese influence. While one should never reward bad behavior, the political costs of establishing formal liaisons, and thus encouraging future talks for formal recognition, outweighs

the potential costs of increased conflict. Furthermore, instead of continuing the traditional path of sanctions, the US should continue the so far more successful policy spearheaded by the Treasury Department of targeting North Korean shell companies abroad by tying host country assistance to future economic cooperation. So far such leverage has encouraged several governments, including Vietnam, to voluntarily target suspect companies as to not damage growing relations with American firms. By encouraging economic stability in North Korea while also restricting their illicit activities abroad, the US can reaffirm their commitment to South Korea and potentially encourage progress on stalled talks.

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