

# **Policy Forum 11-17: The Survival of North Korea: Essays on Strategy, Economics, and International Relations**



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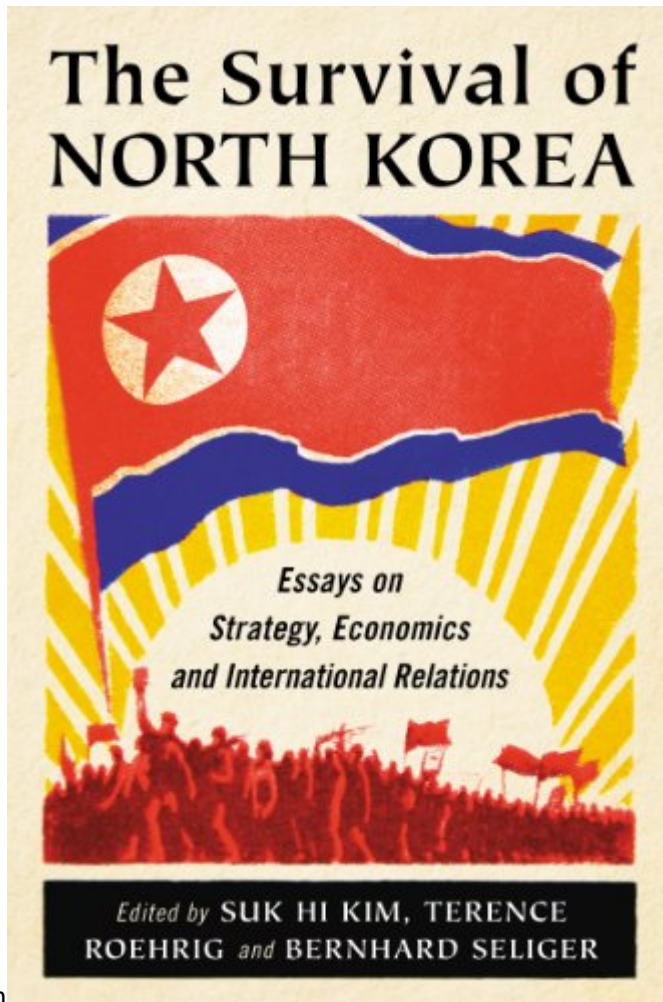
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# **The Survival of North Korea: Essays on Strategy, Economics, and International Relations**



By Suk Hi Kim

June 30, 2011

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I. Introduction

Suk Hi Kim, Editor of North Korean Review, provides a summary of his new book “The Survival of North Korea: Essays on Strategy, Economics, and International Relations”. The book interweaves threads of argument and evidence to reflect the complicated nature of the international conflict focused on and in Korea and the urgency of ending the standoff on the Peninsula to avoid what could easily escalate into a catastrophic, nuclear war. This summary provides an overview of the engagement options the book suggests the U.S. and its allies should consider as part of a long-term strategy to complement short-term efforts to address North Korea’s nuclear weapons capabilities.

The views expressed in this article are those of the author and do not necessarily reflect the official policy or position of the Nautilus Institute. Readers should note that Nautilus seeks a diversity of views and opinions on significant topics in order to identify common ground.

## II. Article by Suk Hi Kim

### - The Survival of North Korea: Essays on Strategy, Economics, and International Relations

By Suk Hi Kim

#### **The Longevity of North Korea and Solutions to its Nuclear Standoff**

In the late 2000s, North Korea faced its third wave of possible state collapse, a phenomenon largely rooted in Kim Jong-il’s poor health, an impending power transition to his son, Kim Jong-un, North Korea’s ongoing food shortages, and its failed currency and economic reforms. This latest speculation of North Korean collapse came from an array of intelligence analysts, Asian and American scholars, think tank specialists, and workers in relief organizations. [1] The first wave that predicted North Korea’s collapse occurred in the 1980s, when the North Korean economy spiraled downward as the country’s chief allies--the Soviet Union and China--discontinued new loans and demanded repayment of outstanding debts. [2] The second wave came in the mid-1990s, when the great North Korean famine claimed the lives of between 200,000 and 3,000,000 people. Since the end of the Cold War, most communist countries either collapsed or carried out significant economic reform except for North Korea. Why should we assume that North Korea, one of the survivors that did not implement economic reform, will continue to be an exception to the pattern of history and survive?

Most North Korean experts split future predictions for North Korea into three broad scenarios of change: war, a North Korean collapse, or the continuation of the status quo with North Korea embarking on limited economic reforms. [3] The United States is highly unlikely to attack North Korea, because it remains heavily involved in both Iraq and Afghanistan. North Korea will not attack South Korea, because the U.S. and South Korean response would probably mean the end of the DPRK. If the U.S. and South Korea hope that North Korea will either collapse or give up its nuclear weapons because of a U.S.-ROK policy of strangulation, the odds of success are remote. North Korea has already survived for 20 years in a state of ongoing decline. The most likely scenario in any conceivable future appears to be a continuation of the status quo, possibly with some North Korean economic reform, largely because the neighboring countries wish to maintain North Korea as a viable state and avoid the dangers of a collapse.

If this is the case, how should the U.S., South Korea, China, and others that do not want a nuclear North Korea approach Pyongyang to maintain peace on the Korean Peninsula? Given the DPRK’s determination to retain its nuclear weapons capability, how can these powers prevent North Korea from proliferating weapons of mass destruction? As noted above, reunification due to the collapse or military defeat of North Korea is unlikely. In addition, China has many reasons to retain a divided Korea. As a result, Western experts and policymakers need to have a clear understanding of North Korea’s survival strategy to better understand why the DPRK is different from Germany and to

construct successful, long-term policy toward the North.

### **The Case for confidence building between North Korea and the United States**

An approach that pursues dialogue and engagement appears to be neither acceptable nor wise. Over the last year, North Korean provocations have become more militant and deadly. In March 2010, North Korea was found to have torpedoed the South Korean naval ship *Cheonan*, killing 46 crew members. In November 2010, Pyongyang revealed the existence of a sophisticated complex of centrifuges to enrich uranium, a program designed to produce more powerful nuclear weapons.

Soon after, the North shelled South Korea's Yeongpyeong Island killing two South Korean Marines and two civilians. This latest assault was the first time the North had targeted a civilian area since the Korean War. Responses to such provocations by the United States and its allies included joint naval drills, threats of military retaliation to future North Korean provocations, condemnations, resolutions by legislatures, increased military spending, and sanctions. It is important to remember that these types of vicious cycles have frequently happened for the last fifty years because the U.S. and North Korea have distrusted each other.

The 1994 Agreed Framework and the February 2007 denuclearization agreement failed mainly because the U.S. and North Korea signed these pacts with no mutual trust. In the February 2007 denuclearization agreement, the Six Party Talks concluded an agreement whereby North Korea would denuclearize in return for economic, political, and security concessions. While it appears unlikely this agreement will ever be implemented, the security challenges on the Korean Peninsula remain. Moreover, the U.S. and South Korea remain adversaries with the North. Surmounting these obstacles will require confidence building between North Korea and the United States. It is unlikely North Korea will alter its foreign and defense policy until the U.S. and its allies adopt a long-term strategy of political and economic engagement with North Korea. Few consider a military solution to be the answer given the likely costs to all involved. Sanctions have a role in addressing North Korea as a proliferation risk, but they have failed to stop North Korea from developing weapons of mass destruction or undertaking other provocative actions.

### **Conclusion**

Are there any suggestions left to be implemented to solve the 50-year old North Korean standoff? Given the complicated nature of the international conflict focused on and in Korea, no book can provide a decisive answer as to why North Korea survived or how to solve such a long nuclear standoff. However, with its many carefully interwoven threads of argument and evidence, our book, "The Survival of North Korea: Essays on Strategy, Economics, and International Relations" co-edited by Kim, Roehrig and Seliger provides the reader with insight into the full complexity of the Korean conflict. The book reflects the urgency of ending the standoff on the Peninsula and of avoiding a war that could easily escalate into a catastrophic, nuclear war. This book suggests that the U.S. and its allies should consider engagement with North Korea as part of a long-term strategy to complement short-term efforts to address North Korea's nuclear weapons capabilities.

There are a variety of channels for engagement with North Korea where aid cannot be diverted to the DPRK's military forces. Here are some examples of such engagement policies discussed in this book. Academic exchanges with North Korea have been carried out by some Western institutions such as the Hans Seidel Foundation in Korea (EU-North Korea trade capacity project), Syracuse University (U.S./North Korea academic science collaboration with Chaek University of North Korea), the Nautilus Institute for Security and Sustainability (DPRK building energy efficiency training), and others. If such activities are explicitly encouraged and supported by the U.S. and its allies, North Korea is more likely to integrate its economy with the world economy. Given the vital role of energy supply and economic growth in stabilizing the Korean peninsula, it is conceivable that the Six-Party Talks could develop into a more formal economic institution even before solutions to present challenges between the DPRK and the US emerge. For example, the six participating countries could establish some sort of standing committee under the auspices of the U.N. for

negotiations over the nuclear standoff, along with other issues. The establishment of a development bank, a “North Korean Bank for Reconstruction and Development,” may be another workable idea to resolve the half-century-old U.S.-North Korean conflict. The bank can encourage development and construction in North Korea through loans, guarantees, and equity investments in private and public companies. The establishment of such a bank may convince North Korea that other member countries are indeed ready to provide a security guarantee and economic aid in exchange for the abandonment of its nuclear program.

These engagement and other policies would generate a vested interest in continued reform without strengthening the coercive power of the North Korean state, as is the case with foreign aid.

Engagement through academic exchange programs, such as development training and assistance, is perhaps the easiest to initiate in the short run and should be expanded now, with no conditions attached.

How can we induce and reinforce North Korea's peaceful transition into a country that can better provide for its own people and engage with other countries in a non-hostile manner? It will take years for the U.S. and North Korea to build a lasting, mutual trust. As a report on US policy toward North Korea noted, “sanctions have a role in defending the U.S. against risks of proliferation, but they have not and can not provide a long-run solution to the North Korean problem.” [4]

Consequently, the U.S. and its allies should follow a two-track approach: 1) try to build confidence with North Korea through channels of engagement, and 2) impose limited, targeted sanctions while engaging in rigorous engagement to change the hostile stance that North Korea presently takes toward the U.S. and the international community.

The sunshine policy pursued by former South Korean Presidents Kim (1998-2003) and Roh (2003-2008) was centered on the concept that North Korea's threats arose from insecurity. [5] Abandoned by its old patrons, economically bankrupt, politically isolated, and starving, North Korea saw the pursuit of nuclear weapons and ballistic missiles as its only path to security and survival. South Korea's policy of engagement was designed to reduce this insecurity and end the proliferation of threats. Various incentives such as economic aid, normalized relations, and reduced tensions were provided to give North Korea a stake in the status quo and persuade North Korean leaders that they could best serve their interests by discontinuing the development of weapons of mass destruction. As an extension of this policy, continued engagement and humanitarian aid achieves the same two goals that the U.S. and its allies have sought. Hard-liners have traditionally felt that confrontation and containment would force North Korea to collapse or concede to foreign demands. This thinking has proven dangerously incorrect and has contributed to the further destabilization of relations with North Korea. In contrast, engagement and aid together can hasten the demise of the anachronistic elements of the North Korean regime. While direct aid alone may seem to improve the North Korean situation in the short term, it can also create a dangerous “spiral of expectations” among North Korean citizens. This makes engagement even more essential. Humanitarian aid combined with engagement can help prepare for Korean unification by winning over the hearts and minds of the North Korean people. [6]

### III. References

[1] Richard Halloran, “When Will North Korea Collapse?”

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[2] Suk Hi Kim, “Editors’ Comments”, North Korean Review, spring 2010, p. 3.

[3] Noland, Marcus, ed., Economic Integration of Korean Peninsula, Washington, D.C., Institute for International Economics, 1998.

[4] Charles Kaftman, Susan Shirk, and John Delury, “North Korea Inside Out: The Case for Economic Engagement,” Asia Society and the University of California, October 29, 2009.

[5] The following article discusses the insecurity dilemma of North Korea pretty well. Brendan

Howe, "North Korea's Insecurity Dilemma," North Korean Review, fall 2010, pp. 57-75.  
[6] Suk Hi Kim, North Korea at a Crossroads, Jefferson, North Carolina: McFarland, 2003, Chapter 9.

#### IV. Nautilus invites your responses

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: [bscott@nautilus.org](mailto:bscott@nautilus.org). Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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