

“It has become apparent that a policy of isolation, sanctions, lack of dialogue, and ‘strategic patience’ has not worked to weaken North Korea or alter its behavior, much less bring the regime down.”

## The Korean Peninsula on the Verge

CHARLES K. ARMSTRONG

The only thing less productive than dealing with North Korea is not dealing with North Korea. Six-party talks—established in 2003 to resolve the North Korean nuclear issue through multilateral dialogue among North and South Korea, the United States, China, Japan, and Russia—have been stalled since 2008. In the intervening years, what little trust that had developed between Pyongyang and Seoul has all but evaporated, and tensions on the Korean peninsula have become explosive. South Korean investment in the North has dried up. North Korea successfully tested a nuclear device in October 2009. And violence along the disputed maritime boundary between the two Koreas in the spring and fall of 2010 brought the peninsula closer to open conflict than at any time in decades.

Finally, on July 28, 2011—by coincidence or planning, a day after the 58th anniversary of the Korean War armistice—North Korea and the United States began direct talks in New York, after almost four years of silence. This was preceded a week before by a meeting between the foreign ministers of North and South Korea at the Regional Forum of the Association of Southeast Asian Nations (ASEAN) in Bali, Indonesia. At long last, inter-Korean diplomacy is showing signs of thaw.

### STRATEGIC PATIENCE

The Barack Obama administration has referred to its approach toward North Korea as “strategic patience.” One might also call this a policy of doing nothing while outsourcing North Korea policy to a particularly hawkish government in Seoul. In some ways, the United States and the Republic of Korea (ROK) have shown surprising commonality in their approach to Pyongyang. Just as a Repub-

lican US administration and the progressive government of Roh Moo-hyun came together rather unexpectedly in a policy of engagement with the North during President George W. Bush’s second term, so Obama’s Democratic administration and the conservative government of Lee Myung-bak seemed to reach a de facto agreement on a policy of sanctions and hostility toward Pyongyang.

The problem is that this approach has not worked: It is based on a misreading of the North Korean regime and has only made the situation more dangerous. Hopes for “running down the clock”—while sanctions, isolation, and political instability lead to regime change in North Korea—are misplaced. The regime of Kim Jong-il and of his father before him, Kim Il-sung, has, for all its many faults, shown a remarkable knack for survival over more than six decades. It is not yet clear what the face of new leadership will be in Pyongyang, or even if a genuine leadership transition is under way. But predictions of power struggle and instability in the North Korean leadership have proved wrong over the last 40 years, and regime change from below, while conceivable, does not appear likely any time soon.

Crucially, China will give North Korea the political and economic support it needs to stay afloat, whatever Beijing’s reservations about the regime and its nuclear ambitions. China’s greatest fear is instability in the North, not nuclear weapons. In this regard Beijing has staked a position opposite to that of Washington and Seoul.

More than any previous South Korean administration, the Lee government has aligned itself fully with the US priority on the threat of North Korea’s nuclear program. South Korea has called repeatedly for North Korea’s denuclearization as a prerequisite for diplomatic engagement and economic cooperation, an approach that had little success during Bush’s first term as president. South Korea’s

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economic isolation of the North has not hurt the North Korean economy so much as increased its dependence on China.

Indeed, the United States and South Korea are increasingly at odds with China on Korean peninsular issues, pushing North Korea further into Beijing's embrace. Kim's recent visits to China reinforce the sense of renewed closeness between the Democratic People's Republic of Korea (DPRK) and the People's Republic of China, while South Korea's outspoken alignment with Japan and the United States signifies—perhaps—a new cold war dynamic in Northeast Asia. The difference this time, however, is that the two sides (ROK-Japan-US vs. DPRK-China-Russia) are much more economically interdependent than in the heyday of cold war hostility. South Korea in particular takes a great risk by aligning with the United States and alienating China.

## NO COLLAPSE YET

Visiting North Korea in June 2011, I certainly did not get the impression that the country was in severe economic distress, much less on the verge of collapse. If anything, Pyongyang and its environs, as well as the southwestern countryside I traveled through, appeared better off than several years ago. The capital city had more traffic, more lights (including newly installed traffic signals), and more hustle and bustle than I had seen in my previous two visits to the DPRK. The Pyongyang central market, rumored to have closed as part of a government clampdown on market activities a few years back, was thriving. Small stalls and outdoor markets appeared frequently along country roads.

To be sure, an ongoing energy shortage was very apparent outside the capital: Hardly any farm vehicles were to be seen, cars on the highways were few and far between, and slow-moving "smoker trucks" (retrofitted wood-burning vehicles) were as common as the gasoline-powered variety. Still, farmers appeared reasonably healthy, and city folk looked as affluent as could be expected in North Korea's clean but Spartan capital.

Granted, I was not able to visit the remote eastern and northeastern areas of the country, which were hardest hit by an economic implosion in the 1990s and may currently be facing a new threat of famine. In fact, the carefully cultivated appearance of affluence in Pyongyang and the surrounding regions directly contradicts reports of a food emergency in North Korea by international non-governmental organizations.

In February 2011, five US-based aid organizations (Mercy Corps, World Vision, Samaritan's Purse, Christian Friends of Korea, and Global Resource Services) traveled to three central and western provinces; based on their assessment of rising malnutrition and food shortages, the consortium recommended immediate emergency food assistance. In March, a United Nations inter-agency food security assessment also appealed for emergency food aid to the DPRK. The international community's reaction to these assessments has been mixed. The European Union promised \$14.5 million in food aid to be delivered by August. South Korea has disputed the food assessments and refused aid altogether. The United States sat on the fence, expressing concern about the suffering of ordinary North Koreans but reluctant to give aid that might be diverted and misused by the regime.

Even if North Korea is doing reasonably well economically, it is from a very low baseline: By the most generous estimates, North Korea is far poorer than most regions of China, and incomparably worse off than South Korea. Politically, relative affluence is a double-edged sword for the DPRK. Substantial movement toward a more open market economy would inevitably expose North Korean citizens to information about the outside world, and might thereby call into question the propaganda image of North Korea as a place where people have "nothing to envy" and the South as a brutalized colony of the United States.

From the point of view of the Pyongyang regime, the ideal scenario would be improvement in material conditions with continued political and information control by the ruling Workers' Party. So far, North Korea's steps toward economic reform have been cautious and tentative. Far-reaching reform and a genuine opening of the economy and society could be much more dangerous to the regime than sanctions and isolation.

## FIVE LOST YEARS

Some of South Korea's current conservative leaders have referred to the previous two left-of-center administrations as Korea's "ten lost years." When it comes to dealing with the North, Lee's time in office might well end up as the Korean peninsula's "five lost years." The momentum gained in inter-Korean relations since the inauguration of Kim Dae-jung's "sunshine policy" in 1998, despite frequent stumbles and occasional crises, had

reached a peak in early 2007. The six-party agreement of February 13, 2007, called for the DPRK to shut down and abandon its Yongbyon nuclear reactor, invite back International Atomic Energy Agency inspectors, and fully reveal the extent of its nuclear program. In exchange, the United States and Japan would move toward normalization of ties with the DPRK, and they and other countries would offer energy and humanitarian assistance to North Korea.

In October 2007, North Korea promised that it would shut down its nuclear facilities in Yongbyon and “provide a complete and correct declaration of all its nuclear programs in accordance with the February 13 agreement” by the end of the year. Furthermore, Pyongyang reaffirmed its promise not to transfer nuclear materials, technology, or know-how. The United States and Japan, for their part, reaffirmed their commitments to move toward normalization of relations with the DPRK. North Korea would also receive the equivalent of up to 1 million tons of heavy fuel oil—twice as much as in a 1994 agreement—in an arrangement to be worked out by a working group on economy and energy cooperation. North Korea continued to hand over key documents on its nuclear program in the first half of 2008, and took steps to shut down its Yongbyon facilities. It looked like North Korea would live up to its pledges after all.

At the time the February 13 agreement was being finalized in 2007, South Korean President Roh Moo-hyun met Kim in Pyongyang in early October for the second inter-Korean summit. (The first had been held seven years earlier.) The summit had originally been scheduled for late August, but North Korea had requested a postponement due to severe flooding in the North that summer. Roh was determined, even desperate, to hold a summit meeting before the December 2007 presidential election. Roh himself could not run for reelection, but he hoped the summit would give a boost to his handpicked successor, former Unification Minister Chung Dong-young.

Kim and Roh on October 4 signed an eight-point agreement that outlined a wide range of cooperative activities. North-South “cooperation” has meant, of course, South Korean aid to and investment in the North; critics accused Roh of

giving away the store to North Korea and getting nothing in return. Still, by the end of the Kim-Roh decade, the South Korean economic presence in the North was significant, especially with two major Hyundai projects: a tourism complex in the Kumgang Mountains in the east, and above all the vast Kaesong industrial zone complex in the west, just 20 kilometers above the demilitarized zone. The October 4, 2007, agreement suggested an expansion and deepening of South-North economic cooperation, including possibly a new South Korean investment zone in the Haeju area.

Washington at the time was also engaged. During Bush’s first term in office, his administration’s almost visceral rejection of everything associated with President Bill Clinton’s policies—sometimes criticized as “ABC” (“anything but Clinton”)—had prominently included a repudiation of the previous administration’s engagement with the DPRK. The differences between the United States and South Korea over diplomacy with the North that emerged after Bush came to office grew even

more pronounced under Roh. Indeed, North Korea was the main cause of public friction between South Korea and the United States in the first five years of Bush’s presidency. However, after Bush was

reelected in 2004, his administration pursued a more active policy of engagement with the DPRK, despite much criticism from hard-line former members of the Bush team.

For some 15 months before Lee’s inauguration in February 2008, the United States and South Korea were generally in sync in their approach to the North. Then their positions became almost exactly the reverse of the early Bush-Roh years, with South Korea advocating a hard line toward the North and the United States pushing for engagement.

In June 2007 Lee’s Grand National Party (GNP), long hawkish on the North, had revised its North Korea policy to favor engagement over pressure, little different from the position of the two “liberal” presidents, Kim Dae-jung and Roh. Thus the GNP managed to appropriate the most important political asset held by Chung, the progressive candidate, in the presidential election: the Roh government’s success in engaging North Korea.

Nevertheless, Lee ran for president promising to be tougher on Pyongyang and to link more closely inter-Korean economic cooperation to progress in

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*Change of leadership in South Korea—  
where presidents are limited to one  
five-year term—could alter relations  
with the North considerably.*

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North Korea's denuclearization process. And indeed, in his first few weeks in office Lee seemed to take a page from the playbook of Bush's first term. Criticizing his predecessors' engagement policy toward North Korea as "unilateral appeasement," just as Bush had done with regard to Clinton, Lee emphasized North Korea's complete compliance with the denuclearization agreement as a precondition for future inter-Korean cooperation and, in particular, large-scale investment—such as the development of the Haeju-West Sea area promised by Roh at the October 2007 summit in Pyongyang. Lee also promised not to shy away from criticizing North Korea on human rights. His government's initial position could be considered the equivalent of the Bush administration's "ABC"—perhaps "ABR," "anything but Roh."

### THE HARD-LINERS PREVAIL

There was an element of self-contradiction in Lee's approach to the North, which in its early stages gave the impression of being more ad hoc than a conscious policy. On the one hand, Lee had to demonstrate his toughness on Pyongyang to please his conservative support base. On the other hand, given his former company Hyundai's record as South Korea's largest corporate investor in the North, Lee would seem particularly well-positioned to continue and deepen the South's economic penetration of North Korea.

One might have thought that a long-term strategy of maintaining South Korean influence in the North and pulling North Korea more fully into the orbit of Southern capital calls for more economic engagement, not less. But as it turned out, Lee's initial promises of conditional engagement with the North were greeted with hostility in Pyongyang—and belligerent rhetoric from the North in turn hardened conservative responses in the South, creating an escalating series of hard-line words and actions on both sides. In the first two years of the Lee presidency, North-South relations sank to their lowest level in over a decade.

Under Lee, South Korea has explicitly pursued a policy of "conditional engagement," as opposed to what Lee and other conservatives consider the previous two administrations' naïve and dangerous unconditionality. During his presidential campaign in 2007, Lee announced a plan of "denuclearization, openness, and 3,000" for North Korea, meaning that the South would help raise the per capita GDP of the DPRK to \$3,000 per annum if the North gave up nuclear weapons and opened its society and

economy. Once in office, Lee restated his policy as a "grand bargain," in which Seoul would offer North Korea economic assistance and security guarantees in exchange for the North's denuclearization and other concessions. The Pyongyang leadership reacted angrily to both the substance and the perceived arrogance of South Korea's new approach.

From the spring of 2008, after an initial period of relative neutrality in their references to the new South Korean president, the DPRK media began attacking Lee with a gusto not seen since the days of the South Korean military dictatorship, calling him a traitor, a pro-American, and an enemy of unification. In April 2008, Pyongyang suspended North-South dialogue and demanded that Lee honor the inter-Korean summits of 2000 and 2007. In effect North Korea asked the South to continue the "sunshine policy" of Kim Dae-jung and Roh, something that the Lee administration's reflexive "all but Roh" instincts could not likely accommodate.

But just as it appeared that Lee might moderate his North Korea policy under domestic and foreign (that is, American) pressure, a South Korean tourist was shot dead at the Mt. Kumgang resort, leading the South to suspend the Mt. Kumgang tourism program. South Korea's demand for an apology was dismissed out of hand by Pyongyang. Lee's call for a resumption of inter-Korean dialogue and economic cooperation in his Liberation Day address on August 15, 2008, elicited no interested response from the North.

North-South Korean relations deteriorated further in 2009, as North Korea escalated its threats and provocations. In January, the DPRK threatened to "nullify" all agreements for reducing conflict between Seoul and Pyongyang; in March, North Korea used the occasion of the first high-level North-South talks to condemn ROK-US military exercises; in April, North Korea fired a series of long-range missiles, eliciting condemnation from the United States and South Korea and bringing most North-South economic exchanges to a standstill.

Pyongyang reserved its harshest condemnation for Seoul's decision to join the US-led Proliferation Security Initiative, an undertaking started by the Bush administration in an effort to block trafficking in nuclear weapons materials. Seoul's decision was announced in May shortly after North Korea conducted a nuclear test. Pyongyang called the decision a "declaration of war" against the DPRK and announced that the Korean War armistice was therefore no longer valid.

North-South relations reached a new level of crisis with the sinking of the South Korean navy ship Cheonan on March 26, 2010. The ship, carrying 104 naval personnel, sank following an explosion close to Baengnyeong Island on the west coast, near the disputed maritime boundary between North and South Korea. An international investigation team led by South Korea concluded that a torpedo fired by a North Korean submarine had caused the sinking.

The United States supported the claim, though China, Russia, and perhaps one-third of the South Korean population held serious reservations about the investigation's conclusions. The Obama administration expressed no doubts about North Korea's guilt, and pushed for new international sanctions against Pyongyang while at the same time staging massive military exercises with South Korea, including the largest peacetime naval exercises ever conducted in the seas around the Korean peninsula.

North Korea, for its part, vehemently denied responsibility for the sinking of the Cheonan and sought permission to undertake its own investigation of the incident. South Korea refused to allow it. Why North Korea would undertake such a risky attack, possibly triggering all-out war with the South, remained a mystery. North Korea threatened a "sacred war" against outside forces in the face of the US-ROK military exercises. But by the end of the summer, the two sides appeared to have pulled back from the brink.

Then, in November 2010, North Korea fired artillery at Yeonpyeong Island, located on the South Korean side of the maritime boundary called the Northern Limit Line—a boundary drawn unilaterally by the United Nations Command at the end of the Korean War, and which the North has long refused to recognize. South Korea had been engaged in military exercises in those waters, and the North claimed its artillery barrage had been in response to South Korean shelling of North Korean territory.

Four South Koreans were killed and nineteen injured, in the most serious exchange of fire between the two Koreas since the 1953 armistice. The Korean War, frozen in place for decades, looked poised to break out into hot war again. Ultimately, the conflict did not escalate out of control,

but President Lee called for a "massive response" should another such incident occur.

## COLD WAR MENTALITY

There has long been a cold war–retro look to the Lee administration's East Asian and trans-Pacific relationships. In some respects Lee is less a neoliberal, or even a neoconservative, than a paleoconservative throwback to the heyday of South Korea's authoritarian past. Regionally, Lee's political base is the predominantly conservative North Gyeongsang province in the southeastern part of the country, the home territory of South Korea's military presidents Park Chung-hee and Chun Doo-hwan, who ruled successively from 1961 to 1988 (except for a brief democratic interregnum after Park's assassination in 1979).

Demographically, Lee's base skews toward the above-50 and especially the above-60 age group, a generation shaped more by the Korean War and the fear of communism than by the struggle for democracy in the 1980s and 1990s. Many of Lee's supporters, including key members of his government, make no secret of their distaste for the liberal and "soft-on-communism" tendencies of post-democratization South Korea, and their desire (at least to some extent) to turn the clock back.

The government has clamped down on the press, which has become decidedly more conservative. The power and influence of NGOs, which had thrived under Presidents Kim and Roh (1998–2008), have been curtailed. And South Korea's "Truth and Reconciliation Commission," established in 2005 to investigate human rights violations under previous authoritarian regimes, has been systematically weakened.

This is not to say that democracy as such is threatened in South Korea, or that military-authoritarian rule has any chance of making a comeback in the foreseeable future. But under Lee, South Korea has veered sharply to the right after a decade of center-left administrations. Whether this rightward shift continues, or whether the pendulum is set to shift back to the progressive camp, is a major question for next year's National Assembly and presidential elections.

The ROK under Lee has reaffirmed its alliance with the United States and deepened its economic, political, and military linkages with Japan. But

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North Korea, for its part, continues to build up Kim Jong-un as the next leader of the country. At the moment, the propaganda regarding the son is fairly muted: North Korean media reports duly note his military genius as a newly appointed “four-star general” and record his “on-the-spot guidance” at military sites and factories, following in the footsteps of his father and grandfather. But unlike Kim Jong-il and Kim Il-sung, whose names and images have been ubiquitous throughout North Korea, Kim Jong-un does not appear in the large-scale posters and signs that cover the urban and rural landscapes. Indeed, the only public, outdoor references to Kim Jong-un I saw on my visit to the DPRK were in code, always accompanied by references to his father and grandfather: The Great Leader, the Revered General, and the Four-Star General.

There can be little doubt that the grandson’s star is on the rise, but now that Kim Jong-il’s health appears to be stable, following a stroke in 2008, the regime is building up the younger son’s power base and public image gradually, as it prepares for a formal leadership transition to take place sometime in the future.

Meanwhile, North Korea has announced that it will declare itself a “powerful and prosperous country” (*Kangsong Daeguk*) in 2012, the one-hundredth anniversary of Kim Il-sung’s birth. Exactly how this status will be determined is unclear. But preparations are under way for major celebrations surrounding Kim Il-sung’s birthday on April 15, and construction in Pyongyang—of new housing, monuments, roads, and public buildings, as well as the long-delayed completion of a 105-story hotel—has hit a pace not seen in over two decades.

North Korea is consumed these days with internal political (and perhaps economic) transition, and this may entail a reorientation of its relations with the outside world as well. This, at least in

part, lies behind its recent overtures toward the United States.

## NEWS OF THE WORLD

There is no existing example of a powerful and prosperous country, or even a moderately affluent one, that is as isolated from the world beyond its borders as is the DPRK. But North Korea cannot keep the world out forever, and its citizens are already much more connected to the outside than was the case a decade ago.

Mobile phones are common in Pyongyang, and although North Korean cell phones cannot reach outside the country, Chinese and South Korean cell phones circulate widely, especially in the border regions. With very few exceptions, North Koreans have no access to the internet; an intranet, not linked to the world wide web, connects computers in the country. This too cannot but change as North Korea develops its information technology, as the regime has stated repeatedly it wants to do. And tens of thousands of North Koreans who have visited China—legally or illegally—have brought news of the outside world to uncounted numbers of their countrymen through personal contact.

It may be futile to try to predict the future of North Korea, and hence that of the Korean peninsula as a whole and the relations among the countries with a vested interest in the place. But it has become apparent that a policy of isolation, sanctions, lack of dialogue, and “strategic patience” has not worked to weaken North Korea or alter its behavior, much less bring the regime down. Any change in North Korea must come from within. And at present the North seems on the verge of change—as is, in a different way, the South. A neo-cold war has been avoided, at least for now, and the Korean peninsula is once again moving forward. ■