



38 NORTH

Informed analysis of events in and around the DPRK.

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Post-Cheonan DPRK Foreign Policy: Signs and Signals

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38 North is a web-based initiative that harnesses the experience of long-time observers of North Korea and others who have dealt directly with Pyongyang in producing high quality analysis of events north of the 38th parallel.

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Questions and feedback regarding *38 North* should be directed to: thirtyeighthnorth@gmail.com.

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POST-CHEONAN DPRK FOREIGN POLICY: SIGNS AND SIGNALS

On July 15, 2010, 38 North held a workshop in Seoul, sponsored by the Weatherhead East Asian Institute at Columbia University, which gathered together experts from the U.S., South Korea, Europe, China and Japan, to discuss the latest developments regarding North Korea, both internal and external, with the goal of identifying future research priorities.

38 North is pleased to provide excerpts of this dialogue to our readers. This is the second of three installments on external developments involving North Korea.

You can find the first half of this discussion, which focused on internal developments, at www.38north.org.

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CHINESE EXPERT: Economic development is the first priority for DPRK now and they are very eager to develop their economy and improve relations with the South and the United States. Because of the military-first policy they have the abil-

ity and the environment to build their country which means their second priority will be to try to open the door to building a prosperous nation in 2012. So I think the DPRK is really interested in improving relations with the U.S. and South Korea.

MODERATOR: That sounds nice but I'm not sure what that actually means. If you dig deeper, what do you think that really means? That they are willing to try ways of accommodating our interests? Or is that just a kind of a ploy to say we want better relations but on our terms?

CHINESE EXPERT: They just want two things from the U.S. and South Korea. The first is foreign investment. They want both countries to invest in their special economic zones. The second is a peace treaty. They want to sign a peace treaty with the United States. It's simple: just two things.

JAPANESE EXPERT: They have made some progress in building nuclear weapons over the past several years so they have regained confidence. Now they are focused on improving relations with the U.S. so they can concentrate on that issue.

MODERATOR: They have allowed themselves in the last three or four years to wriggle so deep into the Chinese bed. It's almost hard to believe what this regime has done. It's not simply in terms of the amount of money that the Chinese have invested, it's the depth. Every single province has at least one or probably more Chinese companies digging around. If you look at the Musan mine on Google Earth and focus in real tight so you can see it in detail, you'll see a line of twenty or thirty Chinese trucks on their side of the border. These great big ore trucks are crossing the bridge and going into the mine. This is just one shot at random. Then you'll see fifteen or twenty more trucks coming the other way. This must be going on seven days a week. The Chinese are taking resources out of North Korea like crazy, everybody knows it and the North Koreans know it. This is a sea change in the relationship.

So what room do they have left to improve relations with the U.S. in the broadest sense? They can do it in a very narrow sense just in terms of reopening talks and sustaining the dialogue. But actually getting the United States to balance the Chinese is going to be a hundred times more difficult, it seems to me, than it would have been five or ten years ago because they have allowed this seesaw to get way out of whack. Did North Korea do this deliberately? Or did it happen piecemeal and they didn't realize what the Chinese were up to?

EUROPEAN EXPERT: This Chinese economic influence is not in a vacuum. The Chinese embassy in Pyongyang is not only big, it's really active. If you look at the list of Chinese delegations to North Korea and vice versa, it's huge. The point is that more and more North Koreans are looking to China in a way they didn't before both as an example and because they all know the succession is coming—a potential umbrella of stability. North Korean leaders have to be making their calculations: Are we going to move to Kim Jong Un? But on the other hand what does China think?

EUROPEAN EXPERT: On the other hand, the closer relations between China and North Korea become, the more relations between Japan and South Korea grow and indirectly with the U.S. as well. The role that China now plays in North Korea urges the other three—the U.S., Japan, and South Korea—to cooperate in much more effective ways. When the new Japanese prime minister was in Seoul two or three days ago, he said that he will now have a certain amount of cooperation on security issues. This, from my point of view, is because he recognizes the growing influence of China on North Korea.

EUROPEAN EXPERT: Isn't that fine with the North Koreans?

EUROPEAN EXPERT: They say, "No, we don't have an alternative."

KOREAN EXPERT: There is a signaling game going on. North Korea is sending a signal to the outside community: if you don't come and help us then we're going to fall deeper and deeper into Chinese arms and you'll regret it. The deeper they fall into Chinese arms, the more need there will be for Pyongyang to have a counterweight in the form of South Korea and the U.S. North Korea had been very good at playing diplomacy between the Soviet Union and China. Russian influence has been somewhat curtailed so Pyongyang will be looking towards Washington as a counterweight.

KOREAN EXPERT: I think the influence or the role of China is increasing. That's alright. But considering China's influence in other parts of the region, such as bilateral relations with South Korea, I think the volume of exchange between North Korea and China is not that much. So even if the Chinese are increasing economic or political exchanges with North Korea, we should not exaggerate China's influence too much. Sometimes North Korea wants to play this as a bargaining tool against South Korea or the U.S. But I think we need to be more cautious about the real exchange between the countries.

U.S. EXPERT: I want to raise a question of whether or not the Chinese government was guaranteed investment by these companies. I think this is interesting because North Koreans want to know whether they can rely on private Chinese companies to keep sending money if the profit motive diminishes. With South Korea, when the Sunshine Policy was going well for the North Koreans, they could get money from Hyundai Asan; even if Hyundai Asan was losing money, it wasn't going to pull out. But it seems that Chinese companies wouldn't have the same political benefit or political will to continue to invest if they aren't making a profit.

MODERATOR: It's my understanding that many Chinese companies are positioning themselves; they are not expecting much profit in this period, but they do have the expectation that something is going to break or that something is going to change and they want to be on the ground first so that they get the benefits. They are willing to sacrifice a little bit of profit in the end to be there.

EUROPEAN EXPERT: That might be one explanation but maybe China thinks that by having more influence or better leverage on North Korea it can build up a counterweight to the U.S. and create a multi-polar world. So this might be a strategic question for China, not only an economic issue. Coming back to North Korea, I don't get any consistent message from North Korea when it comes to foreign policy. For example, I know they declared that they don't oppose American troops on South Korean soil because they want to balance the situation in China. On the other hand, I also heard they stand side by side with China on building a multi-polar world. What they want to do is negotiate on the same level.

EUROPEAN EXPERT: They want to be seen as equals.

EUROPEAN EXPERT: Right, they want to be seen as equals. They say: we are equal because we have nuclear weapons. The Americans have nuclear weapons, and so we are equal to the U.S.

EUROPEAN EXPERT: This is why they are able to exclude, for example, Japan and South Korea, because they are not nuclear powers. So they set them on a lower level.

EUROPEAN EXPERT: Absolutely. But we should not make the mistake of saying that nuclear weapons are a bargaining tool for North Korea. They need nuclear weapons for deterrence. They won't give them up. The explanation is very easy. It's cheaper to build a nuclear bomb than to pay for 1.2 million soldiers. This is more effective, because nobody would sell them anything after the fall of the Soviet Union.

So this brings me to another political question: What is the future of the Six Party Talks? Is the objective to

negotiate the nuclear weapons away from North Korea? This will be very complicated. If we say the objective is to make them engage—this is a different objective that we need not pursue in the form of the Six Party Talks. We have to think about different platforms. And I think they have shown one way. The foreign ministry on June 1 published a declaration. This was in the context of the Nuclear Non-Proliferation Treaty Review Conference. North Korea was ready to talk about the fight against terrorism and they were ready to talk about international control of civilian uses of nuclear material. I think now is a good time to ask how serious this is. Dialogue is the key to building up confidence, not weapons. So we need a platform for discussion. Why not try to create a forum and introduce the economic development of North Korea and allow rotating chairs to diminish the importance of China. This way the channels are open.

MODERATOR: I think our colleague has raised some interesting issues about North Korea's desire to improve relations with the U.S. and South Korea. For me, the interesting issue concerns which way we think North Korean external policy will go from this day forward after the *Cheonan* and with the succession process in play? Which way do we think it will go and how serious is North Korea in the things they've said about improving relations with the U.S. and South Korea? What are they willing to do in return for better relations? Are there real limits to what North Korea is willing to do in terms of meeting our needs? These are all important issues.

I know everyone wants to talk about Six Party Talks and I appreciate that. But maybe we could get into that at the end based on our assessment of where we think North Korea is thinking about going in the future. We can go through the different aspects of foreign policy here and come to some kind of conclusion, which of course affects what kind of policies we might consider. So, I'm interested in hearing from people in the room who know about North Korean policy. If we could just focus on that it would be great.

EUROPEAN EXPERT: You raised a question earlier about how we make sense of the internal policy-making process in the DPRK and the practical indicators about the direction of North Korean policy.

MODERATOR: Well presumably Kim Jong Il sitting down to have dinner with Bill Clinton was quite a signal and an opportunity. I would really like to know how the North Koreans interpreted the fact that he was very obviously on a leash and couldn't extend his stay and couldn't really have much of a discussion over dinner. They went to the absolute highest level to signal to the U.S. that they wanted to start something and I believe they felt rebuffed. Supposedly President Obama sent a message and it would be interesting to know what that said and how they read it. That's why I asked the question about a window of opportunity. These things don't stay open forever. They don't close forever, but they go up and down. I don't know if, at the present moment, we're going through sort of a down phase. The leadership is distracted.

Here is another thing to think about. The day only has 24 hours and the leadership can only spend so much time every day thinking about a particular set of issues. If we look at what's on the North Korean plate these days, dealing with the Americans wouldn't seem to occupy as major a portion of the day as it once did. It used to be a major portion when we were engaged with them and had negotiations on a constant basis. Dealing with the Americans was probably an issue Kim Jong Il needed to consider very frequently. Noth-

ing's happening now. In practical terms, no one needs to put decision points in front of them. There's no decision to make. Nothing is going on. The question is what do the North Koreans feel are the opportunities for dealing with the U.S.? And if those opportunities don't exist, what else does North Korea need to focus on in terms of foreign policy? And it really does look like a limited horizon. We listed three things. I don't know what else there is. Russia is not a player. Japan is not a player. So what else is out there if you're sitting in Pyongyang?

JAPANESE EXPERT: Well, you say that Japan is not a “player.” In June, a *Rodong Shinmun* editorial raised some interesting points. It talked about the Kan government policy and picked up his speech at the Diet session, which was quite unusual. The last time this happened was in the Koizumi era—seven years ago. *Rodong Shinmun* quoted Kan's policy towards North Korea very accurately: Japan will seek a comprehensive solution on the abductions, missiles and other issues as well as normalization. This time Pyongyang accurately quoted Kan's points and said nine times that Japan's policy was inappropriate. So we should pay more attention to the settlement issues instead. This is quite extraordinary. It is exceptional. Now Pyongyang has had some concern about whether the Japanese government will be stable. But then they seriously want to resume some dialogue on issues of mutual concern like abduction or compensation issues. Therefore, at least at the moment, Pyongyang has some interest in doing something with Japan in the future. Secondly, North Korea's policy is very consistent—it is quite easy for us to confirm. For example, in their July 10 statement reacting to the United Nations, the meaning of the quote about quitting the Six Party Talks means that before the resumption of those talks they need some substantive U.S.-DPRK negotiations. Even from last September, their position has not changed. First, U.S.-North Korea bilateral talks, then Six Party Talks. They have not changed their stance since the United Nations Security Council presidential statement. They also emphasize the peace agreement issue—there is no change. Their stance towards the U.S. has not changed.

Secondly, I think they have no plan to rush forward or to try to make some arrangement with the U.S. because their basic assessment right now, before the midterm elections on November 2, is that Obama has no motivation to move forward. Such an assessment was made in early March. Therefore, on March 29, the KCNA commentary issued a very accurate assessment of the Obama situation. This means they don't think fruitful negotiations with the U.S. are possible now or at least not until after the November midterm election. Maybe they will happen next year. I don't know. If a Republican congress returns to Washington, I don't know how North Korea will react. But if the Democrats can keep a majority, I wouldn't be surprised if North Korea takes some initiative.

JAPANESE EXPERT: A clear message was issued in the January 11 foreign ministry statement that was quite realistic in one sense. They showed some willingness to go back to the Six Party process but beforehand they need some trust building dialogue with the U.S. Therefore they would like to have substantive dialogue with the U.S. and to cover the peace agreement. It's a kind of a principle or basic stance. How can they move the U.S. towards the negotiating table? They can use the ROK card. They can blackmail: they can recommend that if you want a peaceful G-20 meeting in November, you have to take care of us. This is the

message to the South. So on that point, with the mid-term elections and the G-20 summit meeting both at the beginning of November, they can do something to move the U.S. through the South.

JAPANESE EXPERT: On the possibility of provocation in the future, I'd like to ask one question to all of you. Let's think about the kind of provocation Pyongyang might consider. This might be missile tests or more recently they said they have been talking about nuclear fusion. Then they started to say when they will enhance the nuclear deterrent capability, so they might try to enhance nuclear capability in a new way. What is the meaning of this development? Some people say that nuclear fusion is quite useful for new weapons.

U.S. EXPERT: I was speaking to some colleagues who are nuclear physicists on that very issue. They suggested that because there were also some reports from the U.S. that there was actual radiation detected around that time, it appears that something actually was done. People have been trying since the 1920s to create nuclear fusion for electricity generation, but it has never worked so we can't assume that the North Koreans have made a breakthrough. But what they could have done is a trigger test, because a nuclear fusion bomb basically has a fusion reaction that causes the fission reaction inside. So you need less material and can make a smaller bomb. These physicists were speculating that North Korea may have actually tested the trigger for a fusion-fission bomb. They didn't do a complete test. Obviously, if they had done a complete thermonuclear test, we would have known about it. But they might have tested the fusion trigger for a fusion-combined bomb.

MODERATOR: I think we need to be very clear about this. What they would do is boost the yield of their weapon, and in fact there is [an article on 38 North](#) about that possibility. With a boosted yield weapon, you could maybe reduce the size. But they can't do it without another nuclear test, that's why most experts say: if there's another nuclear test and it's successful, then you can pretty much bet they can put a warhead on missiles. But there really does have to be another nuclear test to know that.

EUROPEAN EXPERT: I don't know how important it is, but I want to discuss the three "NAMs." There is Nam Chosun, and we've been talking about this the whole time, but there are two more NAMs. One is the Non-Aligned Movement, which seems to play a very big role for North Korea when you actually read their stuff. North Korea attends the NAM summits and reports about them extensively via KCNA. The third NAM, refers to South-South cooperation ["nam" means "south" in Korean], which North Korea seems to stress a lot. I'm not sure how much value we should actually give to this, but it seems to be another foreign policy strategy they have: moving away from dealing with only the big powers and turning towards countries who are presumably in the same position. South-South Cooperation and the NAM somewhat play into the same mentality of small guys facing the big guys. They think they should join forces to struggle for a more just society, more equal distribution, and joint protection against big enemies, which usually means the U.S. and its allies.

I wanted to bring this up because this is one of those underreported aspects of North Korea's foreign policy. There's actually something they do beyond the Six Party Talks and they've been doing this for a long time and very intensively. When we talk about nuclear weapons, obviously concerns about proliferation emerge.

But I would like to go beyond that. North Korea seems to be interested in having relations with other countries, even countries that in terms of power are on a similar or even lower level than themselves. I find this quite interesting because it's also an underutilized approach to North Korea. It's an untapped resource. North Korea is a member, for example, of the ASEAN Regional Forum. That's a dialogue instrument that, so far as I understand it, has not been used properly. If you want to talk to North Korea, it would probably be a good idea to try doing so through those countries directly involved in the South-South Cooperation.

KOREAN EXPERT: Just to pick up on that point, after the *Cheonan* incident, the North Koreans tried very hard to convince others to support their position on the ship's sinking among former Eastern European countries, Africa, Russia, and even Latin America. I don't know whether North Korea really wants to extend economic or political exchanges with those countries because they have had to focus heavily on the Six Party Talks or the relations within their regional area. But I think they need to get foreign currency and could find some room in those areas. They exported some workers to Africa and they want to extend economic ties with Latin America. So we need to carefully watch North Korea's foreign policy in the future. I don't know whether it's connected with the new leadership because there are some billboard signs in Pyongyang that say they are emphasizing globalization.

EUROPEAN EXPERT: I forgot to mention one fact. I told you about this media analysis I did. I checked certain terms that reappear in KCNA reporting in a given year and the use of South-South cooperation has actually tripled in 2008-2009 over previous years from a very low base. It's very hard to say whether this has any statistical significance.

MODERATOR: This term you translated as globalization we translate as "toward the world." That's actually quite important because our previous assumption has been that Kim Jong Il wanted to tighten the mosquito net against foreign influence and ideas. But they're going the other way now. They're encouraging people to learn from the outside and benefit from the outside. This is going to have an influence on foreign policy.

EUROPEAN EXPERT: Plus they do care about their image. That's why earlier this morning nobody responded when I brought up the issue of drugs, currency falsification, and so on. I believe the government took those accusations very seriously and did whatever it could to get rid of that kind of news. Because it doesn't matter whether you like or dislike the North Koreans, if they are a drug-dealing country you cannot look at them in a positive way. And that's why I think they deliberately forfeited the option of making money even though they needed it. They knew the political cost was too high, which shows us that they do care about their international reputation.

U.S. EXPERT: Do we know whether those activities are really happening?

EUROPEAN EXPERT: If there was something happening, I am sure we'd read about it in the newspaper.

U.S. EXPERT: Maybe, but it also could be that we don't have people in Washington who are as keen on exaggerating those sorts of activities.

MODERATOR: Let's tease out what our colleague said. You talked about media analysis, but what are some concrete examples? Do we have any concrete examples of North Korea reaching out to specific countries for specific purposes in this South-South context?

EUROPEAN EXPERT: Well they do cooperate with Vietnam and have exchanged a number of delegations to as well as from Vietnam, including military and economic delegations.

EUROPEAN EXPERT: More or less, because they are looking for technical support, this is their objective: give us your technology we can increase our production.

U.S. EXPERT: I remember several years back, Vietnam was hosting the ARF. The North Koreans admitted for the first time to actually sending helicopters to Vietnam to help fight in the war. I found that very curious because it seemed to be a kind of reminder to the Vietnamese that North Korea has some historical credit with them. Then when the ARF happened, instead of sending the foreign minister, North Korea ended up sending someone of pretty low rank, a deputy. At the time, it struck me that North Korea was trying to get something out of the Vietnamese that they didn't get.

U.S. EXPERT: What about Egypt or other countries?

KOREAN EXPERT: In the matter of South-South economic cooperation, this came about for North Korea as a result of a policy during the 1950-1960s along with the Non-Aligned Movement. But it didn't really help improve the economy or ease the economic difficulties that North Korea was going through at the time.

Since the second nuclear test, the dynamics have changed from solving an easy problem to doing something focused more on the trade-off between denuclearization and a possible peace treaty on the Korean peninsula. At the end of last year, there was talk between the U.S. and North Korea on the possibility of a peace treaty. In fact, earlier this year, North Korea proposed this peace treaty with some of the neighboring and involved countries. But the U.S. denied Kim Gye Kwan's visit to the country and did not approve some of the provisions North Korea was making. This, in fact, stalled any talk on the peace treaty.

It seems to me that, due to North Korea's internal problems, it carried out the second nuclear test before the Obama administration's policy vis-à-vis North Korea was consolidated. Such an early test might also testify to North Korea's resistance or some kind of demonstration against South Korea's attitude towards the North. It could also testify to the fact of Kim Jong Il's failing health. While the Six Party Talks have stagnated because of the *Cheonan* incident, the focus has shifted from solving the nuclear problem in North Korea to finding a balance of power in Northeast Asia.

As for South Korea's foreign policy vis-à-vis North Korea, under the Roh Moo Hyun administration the focus was on improving the relationship between the North and South while at the same time using China to balance power between the two. Whereas during the Lee Myung Bak administration, the relationship between North and South has been deteriorating and in turn the administration is now focusing more on

strengthening the U.S.-ROK alliance to deal with the situation. In this context, the U.S. has put more emphasis on strengthening U.S.-ROK relations and delaying the OPCON transfer while having become more reluctant to embrace North Korea.

China has expanded recently to such an extent that we're now hearing the term G-2. China can now use their interdependence with North Korea to take the lead there. In this relationship, China can gain access to North Korea's natural resources and North Korea can get a guarantee that their regime will be preserved as well as gain some economic support from China. It seems to me they are looking for a balance of power while talks continue within the UN Security Council on sanctions against North Korea with regard to the *Cheonan* incident.

—END PART 2—