

North Korea after the Third Nuclear Test

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In addition to being provocations on an international level, North Korea's missile tests and its recent third nuclear test provide evidence of underlying political and economic trends within the country. Pyongyang's experiments with weapons of mass destruction provide clues about the domestic political situation in North Korea, its attitudes toward regional powers like the United States and China and its future approach toward inter-Korean relations.

While North Korea's nuclear flirtations have aroused worldwide shock and condemnation, it must be noted that grandiose military displays have always been a part of the regime's political and national propaganda, both to its citizens and to the outside world. Such displays arise from North Korea's nature as a totalitarian regime, where the leadership must demonstrate legitimacy through shows of force. This is doubly true for a new and untested young leader like Kim Jong-Un.

In this sense, the Kim Jong-Un regime's simultaneous attempts to send a message of military might along with some positive declarations indicate that North Korea is undergoing a transition. The regime is now pressed to achieve genuine success stories in its economic and social projects, a process that will be difficult without making the reforms it has thus far refused to make. One choice, adopting a market economy, would be a long and dangerous process (at least for the regime). It would, moreover, take much time to adapt market institutions to North Korea's reality, to shift the mentality of the bureaucracy and to develop a workforce that can function in a market system. For North Korea, which has concentrated investment for decades in its military, the regime's natural preference is to pursue success in military endeavors like nuclear weapons development and then extort subsidies from outside, rather than investing in civilian endeavors like food production.

Pyongyang's "military first" history, however means that the survival of the regime will continue to depend on support from the army, the state security forces and the military industry. This in effect, closes off other options, as any change in economic strategy cannot be allowed to undermine the status of the existing privileged classes. Thus, the Korean People's Army, the state security forces and the military bureaucracy will continue to play an important role in economic development going forward. In this context, the third nuclear test was a reminder to the North Korean public about who is in charge as well as a message to the outside world. With new administrations coming into power in all of the nations of Northeast Asia, the DPRK is clearly announcing both that its regime is firmly in charge, and that North Korea will be a nuclear power.

The primary target of North Korea's nuclear message is the United States. Pyongyang's long-term goal has always been to commence direct bilateral negotiations with Washington. As a positive step toward this end, the Kim Jong-Un administration initiated the Pyongyang-Washington Agreement on February 29, 2012 to postpone missile and nuclear tests in exchange for food aid. Only one month later however, Pyongyang violated the agreement by performing a missile test. Such erratic shifts hint at opposing movements in the domestic political sphere from army hardliners and defense industry chiefs. North Korea may also want to shift the balance in its own favor before commencing negotiations with the US, as a nuclear armed nation has significantly more leverage.

The next target of the nuclear message is China. To Beijing, the regime's repeated nuclear gambles serve to demonstrate that North Korea is a politically independent state regardless of its economic dependence on China. In this respect, little has changed since the period of Sino-Sovi-

et competition on the Korean Peninsula. North Korea is proclaiming once more that it has its own ideas regarding its political and security issues. The Kim Jong-Un administration's acts are in effect a declaration that the regime will not submit to the influence of any country, even a close ally like the PRC.

North Korea's missile and nuclear ambitions thus pose a real challenge to China: as a nuclear power North Korea can disrupt the political and security situation in Northeast Asia at its whim, while simultaneously undermining controls on the proliferation of weapons of mass destruction. In addition, China's new leaders now have the awkward task of justifying Chinese foreign and defense policy in Korea to their own citizens and the outside world. Nevertheless, and in spite of the most recent provocation, Beijing is still not ready to make radical shifts in its policy towards North Korea.

Russia is presented with similar dilemmas. Russia's Ministry of Foreign Affairs has unambiguously condemned the third nuclear test, while many among the Russian public (particularly in the Russian Far East) are strongly opposed to a nuclear North Korea. At the same time some Russian experts still maintain that the DPRK's nuclear program is a defensive reaction to military threats from abroad. Russia's position thus resembles China's: disagreement with Pyongyang's nuclear ambitions but avoidance of any hardline action against Pyongyang's policy.

Under these circumstances, both China and Russia have maintained distance between their own and other's regional positions and have refrained from increasing sanctions on the DPRK. Instead, both nations have proposed a new stage for negotiations between North Korea and regional powers. Beijing and Moscow's reluctance to encourage further change in the North likely arises from the prospect of politi-

cal change posing even more threats to their interests than aggressive military programs. Eventually, however, both Beijing and Moscow will need to propose some positive measures to stabilize the security situation on the Korean Peninsula and improve compliance with regional and international non-proliferation mechanisms.

Russia in particular, as a former Communist state, can also remind Pyongyang from its own experience that internal decay is more dangerous to national security than external threats. During the Cold War era, the Soviet military was equipped with abundant nuclear weapons and missiles, none of which did anything to prevent the regime from collapsing. Ultimately, internal economic and social failures rather than external pressure lowered the curtain on the Soviet era.

The third target of the nuclear test was South Korea, and particularly the Park Geun-Hye administration. To Park, the North's message is that any new proposals from Seoul to resume bilateral dialogue and improve inter-Korean relations must be made in tacit acceptance of the DPRK's new status as a bona fide nuclear power.

North Korea's nuclear and missile program is thus the most important part of its national political, security, economic and foreign policy strategy, and takes higher priority than any attempts to revive the domestic economy. The key feature of this strategy is to divide the regional powers, and then to initiate negotiations with the United States and neighboring countries at the bilateral level. This explains North Korea's desire to postpone any multinational consultation on the security and political situation on the Korea Peninsula.

At the same time, although national priorities

on the Korean peninsula are often in opposition, there are also common political, security and economic interests between the countries in the region. It is possible for all of them to compromise and agree on basic goals like the denuclearization of North Korea and the transition to a more open market oriented economy, as well as support for increased trade and investment between North Korea and the regional and global economy. Other areas for cooperation include the realization of regional security policy in accordance with UN Security Council decisions, and the expansion of humanitarian exchanges in cooperation with the ROK and the outside world.

One of the main tasks for regional powers is to decide whether to actively encourage North Korea toward positive political declarations of new leadership and a new vision for the country, or to wait for the realization of economic, political and security decisions on its own. In this case it is necessary to stress that only visible change in domestic and foreign policy will support such engagement, including the transition from a planned economy to a market economy; from confrontation to inter-Korean cooperation; and from conflict to dialogue with regional powers on security, missile and nuclear issues. Simultaneously, North Korea will need to see a reduction of its military forces, and a transition from an isolated to open society.

Notwithstanding the foregoing conditions, the third nuclear test does not mean that Kim Jong-Un has completely abandoned the task of modernizing the national economy, and occasional efforts at attracting foreign investment can still be seen. For outsiders, however, the political risks of North Korean business projects are still very high. Stabilization of the security and political situation on the Korean peninsula will make it possible to minimize political risk. A legal system adequate to a market economy will

create a basis for strategic economic cooperation between regional powers and North Korea. Transparency for business institutions, finance and banking systems will also create opportunities for foreign companies to expand their activity in North Korea.

The third nuclear test, however, has once again affirmed that North Korea has no intentions of giving up its military first strategy. This strategy may intersect with the goals of domestic development if North Korea tries to trade concessions on nuclearization and inter-Korean dialogue in return for a comprehensive economic assistance package. If this comes to pass, the political, economic and security situation on the Korean peninsula will move to an unpredictable stage. Regional powers will face strategic alternatives: cooperation or competition on the Korea peninsula.

Accordingly positive trends in inter-Korean relations can be realized if the regional community is ready to overcome the legacy of cold war confrontation and the low level of trust between the countries involved; to address the political and security interests of all Northeast Asian countries, and to support the reduction of military tension on the Korean peninsula. Territorial and regional political disputes in Northeast Asia are no longer latent, but are emerging as genuine international problems.

Northeast Asia is now at a crossroads. Prospects for the Northeast Asian countries are closely connected with their prospects for modernization and regional integration as well as their ability to support political dialogue, expand regional humanitarian exchanges, and stop the proliferation of weapons of mass destruction. Such issues go beyond solving the problem of denuclearization of the Korean peninsula to encompass the realization of Korea as an integral part of North East Asia's regional

security system. Denuclearization of Korea can then be viewed as a pilot project for institutionalization of international relations in Northeast Asia. As a result, discussions would expand from denuclearization to regional security treaties, economic agreement and humanitarian dialogue.

The five regional powers in Northeast Asia (South Korea, the US, China, Japan and Russia) have already successfully cooperated at the UN Security Council on North Korean nuclear issues, elaborating a common position and adopting official decisions on the situation over the last two to three years. Pyongyang's decision in 2012-2013 to ignore any recommendations from foreign countries and achieve its missile program was opposed by all regional powers. This means that it is possible for these countries to pursue common goals on key political and security issues and jointly support inter-Korean integration and unification.

For the time being, the political situation on the Korean peninsula and in Northeast Asia will continue to be complex. On one hand, it will become increasingly difficult for the DPRK to resort to its traditional extortion tactics under current conditions. The new North Korean administration must at least slightly improve its economic situation if it is to remain in power. On the other hand, stabilization of the political situation on the Korean peninsula over the long-term will depend on the coordination of joint measures by regional powers as well as the political will of these countries to initiate "five-party talks" to support regional security, political dialogue and economic cooperation. Under these conditions, the regional powers of Northeast Asia will have no choice but to increase cooperation at the UN Security Council and to discuss prospects for international dialogue at the "five party" talks level. Otherwise bilateral exchanges and negotiations will continue to

dominate relations with North Korea and multinational cooperation will be undermined.

As a result, regional powers will not be ready to prevent negative factors from emerging on the Korean Peninsula, while being unable to support positive trends in inter-Korean relations on a full scale. There are currently no institutions and mechanisms for regular consultations on Korean and North East Asian issues with participants from all countries in the region. Accordingly, it is now time to discuss prospects for establishment of regionally specialized economic and financial institutions, taking into account the experience of the Six-party Talks. If regional institutions are established, political risks can be minimized and a positive climate for regional economic cooperation can be expanded, providing a more fruitful approach both to the North Korea issue, and the various other issues that arise in Northeast Asia. Promoting more inter-Korean integration may also be an opportunity to realize an efficient system of regional dialogue and stability as a necessary element of the area's security system and multilateral economic cooperation.

Because regional security depends on the situation on the Korean Peninsula, the security infrastructure and military activity of NEA countries must be adapted in line with the level of inter-Korea integration. This means that economic exchanges and business infrastructure should be expanded while military maneuvers on the Korean Peninsula and adjoining regions as well as military infrastructure should be gradually downsized. At the same time, information exchanges between Northeast Asian countries on security issues must be greatly improved.

Destabilizing factors within North Korea, including decay of industry and infrastructure, and chronic food shortages cannot be abated

under the current economic system, and it will be impossible to modernize the country without foreign assistance. It is not possible for North Korea to produce both nuclear weapons and sufficient food and consumer goods at the same time. Under these circumstances, North Korea will likely continue to resort to extortion, as was typical for the Kim Jong Il's regime.

North Korea, moreover, sets a dangerous precedent for other underdeveloped countries in producing bombs rather than goods. If other countries take up North Korea's example, international stability and cooperation will be undermined. Many underdeveloped countries are totalitarian regimes or failed states. The great task of the five Northeast Asian countries (other than North Korea) is to prevent the emergence of this trend. The major issue for both Korean states and regional powers is North Korea's involvement as a denuclearized state in the processes of international cooperation on the Korean Peninsula and in Northeast Asia as a preliminary stage of inter-Korean integration. **SO**

Keywords

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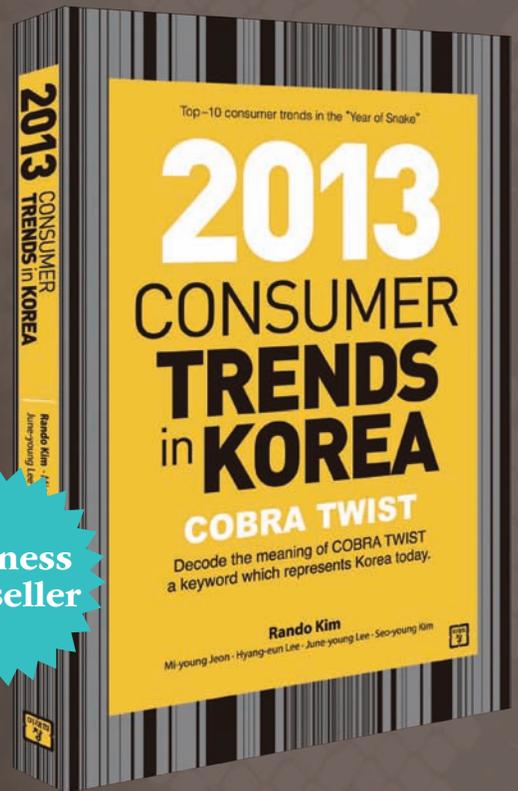
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