



MILITARY ALERT ON THE KOREAN PENINSULA: TIME FOR SOME CONCLUSIONS

Alexander Vorontsov
and Georgy Toloraya



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Summary

Tension on the Korean Peninsula has increased since North Korean leader Kim Jong-un came to power in 2011. Pyongyang has set a firm course toward consolidating power and eradicating opposition, and it has responded aggressively to international attempts to curb these plans. Russia, long on friendly terms with Pyongyang, stands to lose if Kim Jong-un's actions destabilize the Korean Peninsula. To prevent this outcome, Moscow needs to pursue a more active Korea policy.

The North Korean Impasse

- In defiance of international sanctions, Kim Jong-un has launched missiles, conducted nuclear tests, and conducted an unprecedented psychological warfare campaign against South Korea and the West.
- Pyongyang continues to operate and expand its nuclear facilities. Diplomatic efforts such as the Six-Party Talks have failed to convince North Korea to abandon its nuclear activities.
- Washington and Seoul have responded to North Korean provocations by strengthening their military power and increasing sanctions against Pyongyang.
- Kim Jong-un's aggressive actions have put Russia in a difficult position. Friendly relations with Pyongyang bolster Moscow's role in Northeast Asia, but Russia also wants to see a non-nuclear North Korea and keep the Korean Peninsula stable.
- Helping resolve the Korean problem would establish Russia as a regional power and pave the way for Moscow, Pyongyang, and Seoul to cooperate on projects that advance Russia's geoeconomic and geopolitical interests, such as a railway transit initiative and construction of a gas pipeline across the Korean Peninsula.

Recommendations for Russian Policymakers

Reach out to Pyongyang. Experience shows that worsening relations with North Korea weaken Russia's role in Northeast Asia.

Oppose North Korea's isolation and promote diplomatic solutions. Moscow must ensure that no one resorts to force and that countries seek political and diplomatic solutions to the Korean Peninsula's problems on a multilateral basis and

with Russia's participation, such as through the Six-Party Talks. The diplomatic process should be used as an instrument for preventing nuclear proliferation and escalation.

Promote peaceful nuclear cooperation with Pyongyang. Russia should propose a "repackaged" system of international sanctions that would let North Korea cooperate with international organizations on peaceful nuclear energy (with Russian organizations at the forefront).

Create a multilateral security system for Northeast Asia. Moscow should promote agreements between participants in the Six-Party Talks that would give legally binding form to each party's rights and obligations with regard to the Korean Peninsula and make it possible to monitor whether parties fulfill their obligations.

A Serious Crisis

In 2013, a year marked by a series of leadership changes in Northeast Asian countries, including South Korea, the Korean Peninsula reconfirmed its status as one of the most volatile and unstable parts of the world. The beginning of this year was characterized by the worst military-political crisis in recent decades, which brought the peninsula to the brink of large-scale war. At the end of 2013, North Korea again captured the world's attention, but this time with its dramatic internal events. On December 12, a special State Security Ministry military tribunal ordered the execution of national leader Kim Jong-un's uncle, Chang Song-thaek, considered unofficial "regent" and number two in the country, for plotting to carry out a coup d'état with the aim of toppling Kim.¹ Concerned countries once again started talking actively about North Korea's political instability and possible unpredictable actions, and the Americans promptly seized this as a pretext for increasing the U.S. military contingent in South Korea.²

The notorious pendulum of the Korean Peninsula's military-political situation swung yet again in its perpetual movement between crisis and negotiations. First it swung toward hardline confrontation, but after a blast of militarism in March–April, mostly at the rhetorical level, in the second half of the year it swung toward just as energetic a "peace offensive," which saw the resumption of contacts between the two Koreas and a restart of activity in the joint industrial zone in Kaesong, which the North Koreans had shut down when the spring crisis was at its height. North Korean representatives said that the main reason for their decision to abandon war for peace was the lessened threat to North Korea's security once military exercises and their preparations were over in the south of the peninsula.

But the next round of annual U.S.-South Korean military exercises, Key Resolve and Foal Eagle, scheduled for late February through April 2014, will be a new test for peace and stability on the Korean Peninsula. The Committee for the Peaceful Reunification of the Fatherland, which oversees inter-Korean relations, and the North Korean Committee for State Defense made statements in mid-January this year calling on Washington and Seoul to renounce

these military exercises, warning that they would amount to “declaring a full scale nuclear war” and would “fatally damage inter-Korean relations.”³ The statements asserted that the exercises would be even larger in scale and more dangerous than last year’s, because this year’s scenario includes “the storm and capture of Pyongyang.” Media reports on the specific details of the planned war games say that “U.S. marines and South Korean forces will hold the largest joint exercises since 1989, with an operations scenario that includes landing troops on the North Korean coast and then moving on Pyongyang.”⁴ At the same time, thanks to a certain warming in inter-Korean relations, in particular, the meeting of divided families in February, the U.S.-South Korean maneuvers were somewhat reduced in scale, and the North Koreans confined themselves to criticism. However, the recurrence of the crisis is possible at any moment. Therefore, it makes sense to take a closer look at the events of 2013 in order to analyze the open and hidden, internal and external mechanisms behind the permanent crisis situation on the Korean Peninsula.

Timeline of Events

On December 12, 2012, North Korea put a satellite into orbit. The UN Security Council responded in harsher terms in its resolution 2087 (January 22, 2013) than it had in April 2012, when it only issued a statement by the chairman. North Korea resolutely denounced this decision and the U.S. logic, according to which “They [the United States and its allies] are making a brigandish assertion that what they launched were satellites but what other countr[ies] launched was a long-range missile,” and said that “The six-party talks and the Joint Declaration of September 19 no longer exist.”⁵ As a “sign of protest,” Pyongyang carried out a third nuclear test on February 12, 2013, and in a statement issued by the country’s Foreign Ministry said that “more than 2,000 nuclear tests and 9,000 satellite launches have been carried out in the world, but never has the UN Security Council adopted a resolution banning nuclear tests or space launches.”⁶ The UN Security Council responded with resolution 2094, which imposed harsher sanctions on Pyongyang.

Tension on the Korean Peninsula rose sharply in March 2013 with Pyongyang and Seoul trading a ceaseless flow of extreme words in which they promised to “wipe each other” off the face of the earth.⁷ Pyongyang’s stream of statements that the order had already gone out to launch nuclear strikes against U.S. military bases around the world, including on U.S. soil, and that North Korea considered itself to be in a state of war with South Korea, left no one indifferent. At the same time though, most of the world’s media failed to notice the fact that all of these North Korean declarations were sprinkled with wording to the effect that these destructive strikes would be carried out as countermeasures, that is, they would only come in response to an attack on North Korea. In other words, it made sense to interpret these public actions as a firm signal and serious warning to Pyongyang’s opponents not to cross the line and go too far.

The global media paid even less attention to the fact that the other side was not so far behind North Korea when it came to rhetoric, and even more so in terms of actual practical action. In scale and number of participants, the U.S.-South Korean maneuvers conducted at that time in South Korea surpassed the preceding similar exercises, taking steps that objectively fueled the conflict's horizontal and vertical escalation.

The crisis reached a new level with Pyongyang's decision on March 8, 2013, to withdraw from the Korean Armistice Agreement of 1953 and related agreements with the Republic of Korea and to liquidate the "hot-lines" between the military officials of North Korea and the United States and North Korea and South Korea respectively. In other words, this destroyed the legal infrastructure that had regulated the unstable balance and fragile peace on the Korean Peninsula over the last decades. In April, Pyongyang decided to close the joint industrial zone at Kaesong, its one remaining active project with South Korea, advised foreign diplomats to leave North Korea in the interest of their own security, and warned foreigners to leave South Korea. This policy reached a height with the North Korean Workers' Party Central Committee Plenum decision to enshrine in law North Korea's nuclear power status and a resolution from the Supreme People's Assembly on further steps to reinforce North Korea's status as a country possessing nuclear weapons for the purpose of self-defense.

The resounding nuclear theme provided the most dangerous note in this whole series of developments. Pyongyang declared its right and ability to carry out preventive nuclear strikes, including against U.S. Navy bases outside South Korea: in Japan, on Guam, in Hawaii, and even on the soil of the continental United States.⁸ Washington responded by deploying added interceptor missiles to the Alaska-based part of its global missile defense system, and deploying anti-missile Patriot systems around the Air Force base on Guam, from which B-52 aircraft carried out patrols over Korea; it also began periodically sending U.S. nuclear-capable ships into South Korean waters and carried out flights by nuclear-armed strategic bombers close to North Korean territory. To reinforce these measures, during the joint exercises with South Korea on March 8–25, 2013, U.S. B-52 strategic bombers and B-2 stealth bombers flew from the continental United States and for the first time in many years simulated nuclear attacks against North Korea as part of the military exercise scenario.⁹

When the time came to finally reap the fruit of all this activity and the two Koreas sat down at the negotiating table once more to discuss resuming work at the Kaesong industrial zone, Pyongyang did have its share of reproach for its opponents as far as who was responsible for the whole situation. In particular, the North Koreans said it was unfair to put all the blame on Pyongyang alone, because the industrial zone was only shut down in response to the serious military-political crisis of March–April 2013, and both sides were equally involved in the escalation of that crisis.

So, what did cause the confrontation to escalate to such a point in 2013? Of course, a whole number of causes and circumstances are involved. Above all, Pyongyang's opponents usually name the youthful Kim Jong-un's inexperience, immaturity, and thoughtless risk-taking and a desire to intimidate Seoul and make the South Koreans believe that, having gained nuclear weapons, North Korea had fundamentally shifted the military balance of power on the peninsula in its favor, was now immune to South Korean countermeasures, and could blackmail and carry out military provocation against Seoul with impunity. Such views are fairly widespread among South Korean analysts and public opinion.

As for U.S. politicians and analysts, more voices began to call for swift and decisive changes to policy priorities in favor of taking measures that would force regime change in Pyongyang through a sharp increase in outside pressure, isolation, and the development and encouragement of an internal opposition.¹⁰

Internal political developments in North Korea certainly played a big part in the situation. With his uncompromising stand during the crisis, Kim Jong-un substantially bolstered his position at home as a worthy successor to his famous grandfather, Kim Il-sung (Kim I), and father, Kim Jong-il (Kim II), who had always defended the country's sovereignty with success every time under all circumstances. But North Korean officials also note the increasing militarism of their opponents over recent years, and not without justification. They cite, for example, the U.S.-South Korean military exercises held near North Korea's borders every year, which went up from 34 in 2008 to 43 in 2012, and also the fact that during the March–April 2013 crisis, the United States used all three components of its nuclear forces triad in the exercises.

Many global media and think tanks routinely blame Pyongyang for all of the problems and present the country as the only “trouble maker” in the region, especially emphasizing that it was North Korea's third nuclear test that triggered the 2013 crisis.

It is therefore important to understand not just the 2013 crisis itself, but also the basics of the so-called “Korean Problem.”

Origins of the “Korean Problem”

To sum up the situation as succinctly as possible, all of these recent events ultimately have their roots in the 1950–1953 Korean War that ended with no completely settled outcome. The world marked the 60th anniversary of the war's end last year, but the parties to the conflict have still not signed a peace treaty. What they do have, perhaps only on paper now, is the Armistice Agreement, which declared a temporary cessation of hostilities. Furthermore, the two main opponents in the conflict—North Korea and the United States—have never established diplomatic relations.

This situation is clearly an abnormality.

Pyongyang has repeatedly but unsuccessfully proposed the normalization of bilateral relations and the replacement of the Korean Armistice Agreement with a fundamental document that would regulate a system for lasting peace on the Korean Peninsula.

From the point of view of Pyongyang, the United States and its allies are demonstrating in practice what Pyongyang calls “hostile intentions.” The North Korean leadership thus receives confirmation that Washington does not seek peaceful coexistence with Pyongyang, but has its sights set on its elimination, that is, a regime change. It is this basic paradigm that creates the state of permanent conflict in the region and shapes its cyclical movement from crisis phase to relative “remission.” Looking at the flare-up of hostilities that took place in 2013, the following key factors and hidden causes should be noted.

The pattern of U.S. actions with regard to North Korea in recent decades resembles a vicious circle. This interaction within the disarmament agenda—which calls on Pyongyang to end its nuclear program and thus put an end to violations of the foundations of the global weapons of mass destruction non-proliferation regime—in fact considers “expansion” as a “hidden agenda,” in this case a “regime change” in North Korea.

The result is that when Pyongyang does choose the negotiations model of relations with the international community and shows willingness to seek compromise and take its concerns into account (on nonproliferation issues), Washington perceives this not as an independent constructive decision on the part of the North Koreans, but as their weakness and a sign that its own policy of pressure works and is bringing fruit. Following this logic, Washington and its allies do not fully appreciate Pyongyang’s steps in the right direction and fail to make use of the positive opportunity for drawing North Korea further into a process of constructive cooperation and progress in settling the nuclear issues on the Korean Peninsula. Instead, they take the opposite tactic. Acting on the perception that North Korea is agreeing to concessions under external pressure, Washington and its allies see a need to step up pressure in order to finally bring its opponent down. But then every time the “hidden agenda” policy ends up breaking down. Convinced of the true intentions of the contracting parties, Pyongyang, whose purposes include an agreement with them, but not its own capitulation, ceases to play “another game” and begins to raise the ante. As a result, instead of the expected further concessions from North Korea, in response the West gets easily predictable new nuclear missile tests.

This was the case in 2013. The North Korean missile and nuclear tests of late 2012–early 2013 were to a large extent in response to Washington’s unwillingness to enter into constructive dialogue with Pyongyang. After North Korea declared its withdrawal from the Six-Party Talks in April 2009, the remaining five parties—China, Japan, Russia, South Korea, and the United States—said

The situation on the Korean Peninsula continues to develop in a vicious circle: a crisis, followed by a search for dialogue, followed by a new crisis.

their priority was to convince Pyongyang to return to the negotiations. Just as this aim looked as if it had almost been reached, primarily through Chinese and Russian diplomatic efforts, and the North Korean leadership stated on several occasions in 2011 and 2012 its willingness to take part in the diplomatic process, Seoul, Tokyo, and Washington, contrary to their previous statements, began advancing preliminary conditions and essentially doing all they could to delay the resumption of talks.

In doing so, the United States and its allies followed the logic of the “strategic patience” policy, a variation of the “containment strategy” against North Korea—in other words, deepening Pyongyang’s isolation and ultimately bringing about regime change. Given this, as well as the NATO operation in Libya (2011) and the situation regarding Syria after the beginning of the uprising there (that is, the Civil War), Pyongyang apparently considered itself free to choose its means of protection. The situation surrounding Ukraine and the West’s role in its discharge obviously only strengthened Pyongyang’s conviction that all means are good to protect one’s own interests.

Thus, the events of 2011 through 2013 confirm the sad evidence that the situation on the Korean Peninsula continues to develop in a vicious circle: a crisis, followed by a search for dialogue, followed by a new crisis. The reason for this is the United States’ and its allies’ continuing goal of regime change in North Korea. This is a typical “lose-lose policy” for both parties. Many experts ask themselves if the potential for engaging North Korea has really been exhausted.¹¹ To try to answer this question, it is worth taking a closer look at what is happening now inside one of the most closed countries in the world—North Korea.

North Korea’s Internal Evolution and Foreign Policy

Dualism in Kim Jong-un’s Policy

The period following the leadership change in North Korea after Kim Jong-il’s death in December 2011 was fairly dramatic, though Kim Jong-un established his hold on power quite swiftly and confidently in 2012, including by getting rid of senior military commanders who showed “too much independence.” Later, he turned to harsher tactics in fighting not so much opposition itself as the possibility of its emergence. By the end of 2013, no doubts remained about his determination to have absolute power in his own hands. The propensity of the new ruler to theatrical effects came through in the way he dealt with Chang Song-thaek, the would-be “regent,” who by some accounts did indeed seek to limit the power of his wife’s young nephew and possibly replace him with a more obedient figure. The whole event had all the makings of real feudalism.

Kim Jong-un didn't let his uncle's closeness to his late father get in the way. Indeed, Chang's zeal in carrying out Kim Jong-il's instructions now became one of the charges used against him.

The execution of North Korea's "number two" and the repressions against his allies and supporters were a stern warning to all who dared ignore the new leader's instructions and pursue their own line.¹² But the question of what kind of strategy Kim Jong-un will choose is still open. Will he use his freedom to maneuver, acquired at such high cost, to carry out much overdue reforms to the foundations of *Juche* socialism, or will he continue efforts to preserve the current ossified and inefficient economic system?

Initially, before he began tightening the screws, Kim Jong-un attempted to create the image of an "all powerful leader with a human face." He staged a number of visible events, including PR stunts of the leader going personally to see things for himself, appearing in public with his young wife, and attending concerts and visiting entertainment sites. He declared it his goal to improve people's lives, though many observers say that this has led to raising living standards for the elite and social groups at their beck and call.

This led commentators to see Kim Jong-un as someone aware of the reality of today's globalized world and perhaps even a potential reformer. It is noteworthy that while the global media said Kim Jong-un was whipping up military hysteria and ready to go to war in 2013, at that same time he made a record number of personal inspections of various sites (209 in all) and doubled the number of inspections of economic facilities (71 visits), compared with the previous "peaceful" year, in contrast to 62 visits to military units.¹³

Mid-2012 brought many signs that North Korea was discussing the possibility of limited "economic measures" (the word "reform" remains taboo for the die-hard *Juche* supporters), supposedly based on instructions issued by Kim Jong-un on June 28, 2012. Some analysts concluded that this signaled the imminent start of a large-scale transformation, though more cautious colleagues felt that change would probably stop at cosmetic measures that could be swiftly rolled back if the regime's stability started looking shaky and the thaw would have to give way to a new freeze.¹⁴ "North Korea's new economic measures seek only to raise labor productivity so as to guarantee smooth functioning of the distribution system and ensure food supplies for state organizations... The new measures in no way reflect any real desire on the part of North Korea's leadership to carry out genuine reforms or start to open up the country," wrote South Korean experts.¹⁵

Well-known Korea expert Daniel Pinkston noted that many are now talking about reforms getting underway in North Korea, but they base their conclusions only on superficial scenes that demonstrate nothing except Kim Jong-un's specific personal leadership style. But as Pinkston went on to point out, does this also mean changes to laws, rules, institutions, and ideology? Does this mean

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Given North Korea's geopolitical situation, the North Korean leadership cannot afford to undertake any experiments that would jeopardize the regime's security. In other words, there remains only limited room for not just political but also economic reform.

that North Korea has started relying more on the market as the mechanism for resource redistribution? "I am not saying that North Korea must open everything up and change everything before I will admit that reforms are genuinely underway, but I have not seen any changes in meaningful and important areas yet. Perhaps they are happening, but the appearance of Mickey Mouse at a concert attended by Kim Jong-un does not yet equate to reform," he said.¹⁶

Later events, including not only political repressions but also attempts to limit the "gray" economy, confirmed that Pinkston was right in his doubts. Kim Jong-un demonstrated a new leadership style on the one hand, while at the same time, with the aim of asserting his own power among other things, imposing harsh measures such as closing the borders to defectors and smugglers, carrying out repressions against those potentially not loyal to him (above all in the military), and making inspections on-site not just so as to see things for himself but also to turn up the pressure. He also made calls to step up the fight against "enemy ideology" and punish those who show interest in South Korean and Western culture and their way of life.¹⁷ Given North Korea's geopolitical situation as the neighbor of wealthier and stronger South Korea, which has the international community's support and the strategic aim of Korean reunification under its auspices, the North Korean leadership cannot afford to undertake any experiments that would jeopardize the regime's security. In other words, there remains only limited room for not just political but also economic reform.

This does not mean however, that the "economic freeze" will last forever. What possibilities and prospects are there for reforms in North Korea, especially economic reform? Do hopes for change have any grounds?

Dilemmas: The Ideological and Political Component

Everything comes back to ideology. In his heart, maybe Kim Jong-un has kept memories of familiarity with Western values that he experienced during his studies in school in Switzerland, though to judge from the scraps of information available, his status amongst his classmates was not particularly high and could have left unhappy remembrances of "Western hypocrites." But even if he did harbor a secret affinity for Western values, he would hardly be likely to make the fatal mistake of launching the country on a course of "perestroika and glasnost." He himself knows, and his more experienced entourage even more so, that if he did take such a course, after giving it a few months or at most a couple of years, there would be chaos, the regime would fall, and South Korean troops would be bringing order to Pyongyang.

This does not take modernization off the agenda though, because without it the regime is doomed. It would therefore be premature to conclude that Kim Jong-un will simply follow in the footsteps of his father; everyone hoped to see

him launch reforms back in 1994, but it never happened. Kim Jong-un first needed to establish his hold on power and then make a thorough analysis of the possible options for reform and modernization. Of course, the phrasing of the charges against Chang Song-thaek and “his gang,” who were accused of selling resources abroad at lower prices (some sources say that the Chinese got anthracite at a price one and one half times lower than the world price),¹⁸ and encouraging capitalism and connections with “a certain country” (China), does not suggest that Kim is about to start taking “the Chinese road.” However, the economy’s prominent place in his 2014 New Year speech shows that he is aware of the urgent problems facing the country.¹⁹ Processes are underway in the political system and parts of the state management system that have far-reaching importance, even if they are little understood from the outside. Under Kim Jong-il, in accordance with the maxim of *songun*—the army comes first—the military did not just carry out its defense role but in many cases was also the conduit for political and economic decisions, acting as the de-facto power to resolve local issues. Now though, this situation has changed.²⁰ The military and the intelligence services have been told that their job—hugely important, of course, under North Korea’s conditions—is external and internal security, but not deciding political and economic issues. The party organizations and government bodies such as the Cabinet of Ministers have come to the forefront now, as in the classical organization scheme in socialist countries. Kim Jong-un is now putting together his own team (some sources say that up to 60 percent of mid-level officials have been replaced by younger people in a number of agencies). The question is, will these new people come from the security forces and the regional elite, with the pro-*juche* ideological brainwashing and lack of knowledge about the modern world that goes with them, or will they be “intellectuals” from among the hereditary nomenklatura, who have received a relatively decent, in some cases even foreign, education?

Resolving the problem of governance based on violence alone is another challenge. Corruption, lawlessness, and a broader loss of faith in the *Juche* state, traditionally seen as the source of all blessings, have become big problems for the system’s survival. Essentially, North Korea needs a new “social contract.” Is it possible today to force the country back to Kim Il-sung’s day of strict respect for military discipline by total bans and repression? The penetration of information from the outside world and development of market relations make this all the more difficult. A large part of the population no longer believes in the socialist ideals and regards propaganda as just so much background noise (as it was in the Soviet Union in the 1970s–1980s). These people have learned to get around restrictions with the help of bribes and know how to “reach agreements” with government officials. Young North Koreans today are less inhibited and intimidated than their parents. The current campaign to tighten the screws is little different

The penetration of information from the outside world and development of market relations make forcing the country back more difficult.

from Yury Andropov's attempts to reimpose discipline in 1980s Soviet society and will likely be just as unproductive. The new leadership has to set the "rules of the game" in accordance with the times.

Another task is to change the legal system (in the broader sense of not just codified laws) so that what rules exist are respected and people are not tempted to get around them by resorting to corruption, as is common in many areas of North Korean life. This requires decisive steps to recognize the reality of the "two-tier" economy that has formed in the country and legalize the relations that have taken shape in real life. It is a hopeful sign that steps have already been taken to begin to abolish absurd and outdated rules imposed by the older generation's ideas of proper moral conduct, such as forbidding women to wear trousers or ride bicycles.

But all of this is not enough. To preserve North Korea as an independent country, the regime would have to propose a new "national idea" that modernizes the isolationism, militarism, asceticism, and egalitarianism (though the latter is not for the elite itself, of course), which bring nothing but grimaces to people's faces these days. In general, it would not be so difficult to do away with the communist world vision imposed by the Soviet Union and China and the Soviet view of social development, which has been already disproven by history's events. The word "communism" was already dropped from the North Korean constitution back in 2009, and the last portraits of Marx and Lenin soon vanished from Pyongyang's streets.²¹ The term "our kind of socialism" used in North Korea today is very elastic and could cover all kinds of social models. Of course, the new leadership has to maintain continuity, but because the ideology of Kim Il-sung and Kim Jong-il is more like a religion (parallels with Confucianism are appropriate here), it could lend itself to various interpretations.

The slogan "Kim Jong-il patriotism" has already been launched,²² suggesting that Korean nationalism mixed with the Confucian ideas of the primacy of the state and hierarchy, deeply rooted in the Korean mindset, could serve as the basis for an updated ideology. The slogan of a "strong and forever flourishing country" is a creative variant of the earlier idea of the "strong and prosperous state," but the emphasis shifted to raising living standards. Recent propaganda materials put the emphasis precisely on this aspect of social development. The new North Korean leadership seems to be looking to the experience of countries such as Singapore and Brunei in an attempt to perhaps transform the regime into a "development dictatorship." The leadership hopes in this way to patch up the totalitarian-monarchist political system and preserve it for decades to come without substantial change.

Economic Development Strategies Under Kim Jong-un

The time is more than ripe for economic change. In one form or another, the state now controls the lesser share of the economy, and from a political point of view it would make sense to change the economic management model so as to influence society through the use of not only a "stick" but also a "carrot." Kim Jong-un

has practically no one to help him set priorities. Experience shows that North Korea's "experts" are stuck in the previous century and that their recommendations amount to price controls, limiting market trade, prohibiting the circulation of foreign currency, producing import replacement goods with imports centralized through state channels, and similar command-economy recipes. Western experts target their efforts not so much on looking for possible ways to stabilize and put the North Korean economy right, but on putting in place the conditions for a "soft landing" that would prepare the country for reunification on South Korea's terms. As for China, it is trying to pass on to the North Koreans its own reform experience, perhaps too insistently for the North Koreans' taste. But the North Korean leadership thinks the Chinese experience is only partially applicable to North Korea's specific situation as a small country and views aspects, such as opening up the country, with suspicion.

Kim does not have to start with opening up the country, however, which would indeed be a fatal step for the regime. Liberalizing economic life and bringing laws into line with the reality of a quasi-market economy (small-scale production in the agriculture sector, trade, and small-scale manufacturing, along with allowing small-scale private ownership) could produce rapid and visible effects that would bolster the regime's political support.

Based on objective indicators such as resources, population, education level, life expectancy, degree of urbanization, and so on, American economists have concluded that if North Korea made a "bold switchover" to capitalism (even with partial preservation of state planning in the public sector), the country's GDP would grow rapidly, whereas it will shrink if a classic socialist economy is kept in place. Nicholas Eberstadt calculates that if North Korea had switched to an export-oriented goods-based economy (like in China or Vietnam) back in the 1970s, by 2009 it would have had exports worth up to \$100 billion (around \$3 billion in reality), and a GDP of \$160 billion (slightly more than \$20 billion in reality).²³ But this is under the condition, of course, that the country's opening up in this way does not wipe it from the political map of the world.

Rumors of economic reform began as soon as Kim Jong-un established his full hold on power.²⁴ In particular, he was reported to have told economists to "study any experience that might be useful" and promised that North Koreans would "no longer have to tighten their belts."²⁵ "Conservatives," who sought to fight capitalist methods and limit market mechanisms, argued with "radicals," who admitted that reforms do need to have the "whiff of capitalism" about them, even while continuing to swear their loyalty to socialist ideals. But the authorities soon issued a firm statement declaring that rumors of radical reforms were "foolish dreams" and "nonsense," and that the state would continue as before to "build socialism" and rely on the army. This statement could have been intended mostly for internal consumption.²⁶

To preserve North Korea as an independent country, the regime would have to propose a new "national idea."

The “June 28 measures,” which called for creating an “unplanned socialist economy,” starting with reform in the agricultural sector, could be seen as a pilot project in reform.²⁷ In particular, the measures proposed reducing the size of agriculture brigades, the main production unit on the state farms, from 25 people

But the escalating external confrontation in 2013, which essentially saw the country switch over to martial law, brought these reform plans to a halt.

to four to six people, in other words, switching to a system of family-based agricultural subcontracting. The production unit would sell 70 percent of the amount produced under the plan at a price fixed by the state (minus production costs) and would be able to use the remaining 30 percent independently as the members saw fit. If they produced more than the target production figure, they would get to keep an even higher share of the goods produced. True, it is not clear just how realistic the planned figures are. The shift to the new agriculture system began in October 2012. The main component in the new management system is that economic decision-making power has shifted from the central authorities to the production enterprises and agricultural cooperatives, though the authorities retain the power to appoint and dismiss their directors. Oversight of party organizations and security services’ compliance with the rules has also been increased.

This new economic management system was also subsequently extended to other economic sectors, and since March 2013 it has begun being implemented in industry.²⁸ The plan was to abandon the distributive system and implement a rapid wage increase.

Other measures discussed included having enterprises carry out settlements directly in wons in cash or non-cash form.²⁹ Currently, many companies in reality carry out their settlements in cash, but this is illegal. There was also talk of decentralizing economic management and giving companies more independence. Companies operating at a loss would be liquidated or merged with profitable companies, though it was not clear what the results of this might be.

But the escalating external confrontation in 2013, which essentially saw the country switch over to martial law, brought these plans to a halt. What’s more, local party leaders were not happy that the family-based agriculture brigades were ignoring their directives, and in the summer of 2013, they began consolidating the brigades once more. In any case, the authorities were not managing to comply with the new 7:3 procedures for sharing the harvest. The new system ran into difficulties in industry too because of a lack of resources and the state’s failure to meet its raw materials and energy supply commitments to enterprises.

But the North Korean authorities will nonetheless have to make some kind of changes to their economic policies. The authorities have in fact made past attempts, variously tightening or relaxing their economic control, in seeming surprise each time that the half-measures they take simply never get the chance to bring positive results. The country’s economy has long since become

multi-layered, with a half-paralyzed state sector (except for the large and effective defense industry) existing side by side with a quasi-market “gray” sector (foreign trade [mostly with China], private trade and services, transport, logistics, and even finances), and a “goods” sector with the participation of economic actors belonging to regional authorities and party organizations, the security services, and the military. Existing information shows that operations within this system are comparable in size to the country’s state budget. A semi-state economy is in the process of formation, and it could potentially become the support base for the political regime in a changing situation, given that the new economic organizations taking shape are headed by the same tried and tested people, rather than criminal elements.

As the liquidation of Chang Song-thaek’s faction showed, an “oligarchic” model has already developed in North Korea, with groups from among the elite making use of the state administrative resources at their disposal to establish their own hold over entire economic sectors. Some sources suggest that Chang Song-thaek’s case was all about his refusal to share control over financial flows and export resources such as coal, metals, and seafood.³⁰ Worth noting is Russian expert K. Asmolov’s view that “it was the perception of a threat to the leadership’s unity that played the decisive role, because if the new course opened the way to legalizing the parallel economy to a degree, the corrupt elements connected with this parallel economy must be dealt with in all severity first; otherwise the cliques built around this corruption would start to bend the state to their own will, with the result that North Korea might end up looking not so much like Soviet Central Asia, but becoming a very unpleasant version of a banana republic. Faced with this possibility, Kim might have decided to make it clear to everyone that such action would be punished, no matter who is involved.”³¹

The “non-socialist” economy includes numerous joint enterprises operating on the global market. They are usually organizationally linked to particular government institutions, and in their functions some of them are very similar to the South Korean *chaebol* conglomerates.

The free economic zones are also a noteworthy case. North Korea has been experimenting with them for some time now, though without much success because of opaque legislation, the risk of arbitrary change to the rules of the game (there are quite a few examples here), and a generally unfavorable investment climate. After Kim Jong-un took power, he began taking steps to reach agreement with China on activating work in the Rason free economic zone, on the islands in the Amnokkang River on the two countries’ border, and in other places.³² The Korean Workers’ Party March 2013 plenum approved a decision to establish tourism and free economic zones, and in May a law was passed accordingly, allowing the creation of up to fourteen free zones in different provinces.³³ A special agency was set up to settle administrative matters related to the zones’ creation,

If North Korea could normalize its relations with the international community and organize cooperation with South Korea, Seoul could take the lead in investment in the North Korean economy and the country’s modernization.

although foreign commentators have expressed skepticism over these projects' attractiveness for foreign investors.

It looks as though sooner or later Kim Jong-un will have to set a course on legalizing the market economy that is already actively at work and giving it the legal foundations it needs. The North Korean authorities need to bring private traders and companies out of the shadows, systematize the basis for state-owned enterprises' operation, introduce normal payment and settlement procedures, clean up the financial system, and establish a tax system (North Korea declared the abolition of taxation back in 1974³⁴).

North Korea has undergone a deindustrialization process in a number of economic sectors over recent decades, and its traditional processed export products have also come up against tough competition from regional producers of cheap consumer goods. In this situation, the country would perhaps be best off taking a selective approach to structural policy and making the currently fashionable slogan of "green growth" the cornerstone of its policy. This green growth, based on the country's resources, the cheap but educated workforce, and modern information technology, could potentially attract more investment.

But these kinds of transformations will be successful only if accompanied by the needed financial investment, and the only place to get this investment is from abroad. China is still North Korea's biggest donor country, including for investment in industry. Some observers even go so far as to call China's expansion in the country a form of "economic colonization." But if North Korea could normalize its relations with the international community and organize cooperation with South Korea, Seoul could take the lead in investment in the North Korean economy and the country's modernization.

External Factors for Reform

North Korea's status as a "rogue state" is unlikely to change overnight, all the more so as the United States has no particular interest in defusing tension over the North Korean nuclear program, which supplies a convenient pretext for putting pressure on China and justifying the U.S. military presence in the region. But improving relations with the United States is a key factor for calming the situation with the nuclear problem and is an essential condition for working out a compromise on the weapons of mass destruction issue (suspending nuclear activities with eventual complete renunciation of the nuclear program in the long-term future, for example). Unlike other rogue states such as Myanmar in the recent past, no matter what theoretical steps North Korea might take toward democratization and improving the human rights situation, its opponents will never see it as an equal partner simply because the ultimate aim is to reunify Korea and not to preserve North Korea as an independent state.

But does this mean that Pyongyang should continue to keep its neighbors in a state of tension and bring itself to the attention of the great powers with provocations and demonstrations of hardline behavior, which is more a sign

of weakness than anything? Some clear steps by North Korea aimed at taking Western concerns into consideration and stopping its provocative actions could help to get the dialogue started again. This dialogue would probably not be easy or dynamic though, given that the two sides are diametrically opposed in their fundamental aims (North Korea wants recognition and security guarantees from the United States and even the establishment of partnership relations, while the United States wants to suppress the threat coming from North Korea and seeks an eventual regime change and the North's absorption by U.S. ally South Korea). Some radical new change would have to take place in the world for the U.S. political elite to agree to coexist with as odious a regime as that of Pyongyang.

But North Korean steps to initiate reform, tone down the military rhetoric, and look for compromises on the nuclear program and in relations with neighbors could create better conditions for transforming and modernizing the country in a climate of relative security (considering the nuclear deterrent), and this would in turn make it easier to improve relations with the West.

The first step toward carrying out this constructive strategy would be to establish cooperation with South Korea. The arrival in power of a new government in Seoul in place of the arch-conservative administration led by Lee Myung-bak clears the road for reducing tensions and bringing relations between the two Koreas out of the dead end they had gotten themselves into. It would be in both countries' interest to restore economic cooperation and government-level dialogue. In his 2014 New Year address, Kim Jong-un proposed cooperation and an end to mutual criticism. Later, he spoke of "establishing a new system for peace instead of a truce," but South Korea responded skeptically to these words.³⁵ It would be no surprise if South Korea's planned large-scale maneuvers set off a new spiral of confrontation.

South Korean conservatives are highly irritated by the failure of hopes to seize the occasion offered by Kim Jong-il's death to reunify the two Koreas (some people thought this a perfectly realistic possibility). At least half of the South Korean public takes a negative view of the North and opposes any concessions to Pyongyang. At the same time, North Korea is in urgent need of a balancing force to help it extricate itself from its dependence on China.

If it carries out more or less consistent steps to reform its economy, North Korea could feasibly count on some financial and economic support from international financial organizations such as the World Bank and Asian Development Bank, UN organizations, and the European Union aid programs, as well as from Japan (in the form of compensation for the colonial past, as long as the issue of abductees is resolved), and from countries such as Australia, Canada, and New Zealand.³⁶

Bringing relations between the two Koreas out of the dead end they had gotten themselves into would be in both countries' interest.

Pyongyang's Foreign Policy Logic

The overriding task of self-preservation locks North Korea's interaction with the outside world into a rigid paradigm. The same task also shapes North Korea's policy on developing its nuclear program. Pyongyang takes the line that nuclear weapons are the means of survival for the country. The North Korean regime rejects the arguments (based in particular on the former Soviet Union's example) that rather than guaranteeing security, nuclear weapons place an unbearable burden on the economy, and this only pushes the country toward ruin and not steady development. At the same time, Pyongyang does not seek to join the nuclear arms race with the great powers, but plans to maintain a minimum needed nuclear deterrent capability commensurate with what its economic possibilities allow.

A deeper study of North Korean policy suggests that assertions to the effect that Pyongyang is ready to hold talks on reducing and eliminating nuclear weapons only as part of a global disarmament program and in parallel with other nuclear powers are not entirely accurate. Answering specific questions in the corridors, North Korean representatives say that neither China's nor Russia's nuclear capabilities are a threat to North Korea and its nuclear program. Pyongyang therefore does not tie the elimination of its own nuclear capability to disarmament steps undertaken by all five official nuclear powers, but to fundamental change in the United States' "hostile" policy, removal of U.S. nuclear weapons from the Korean Peninsula and neighboring region, and recognition of North Korea's right to develop nuclear energy for peaceful purposes and to carry out a space program.

It needs to be understood that the Korean Workers' Party Central Committee decision at the March 2013 plenum to continue developing the economy and build nuclear forces does not mean that Pyongyang rejects the goal of denuclearizing the Korean Peninsula. Depending on the conditions, North Korea is willing to return to the IAEA and cooperate with it (while remaining outside the Nuclear Non-Proliferation Treaty on matters such as building and operating light water reactor nuclear power plants), as long as the IAEA respects "the republic's sovereignty and guarantees the absence of a nuclear threat."

Pyongyang's policy is aimed at convincing the great powers to bring the UN Security Council resolutions (their interpretation and implementation) into line with the 1967 Outer Space Treaty. The North Korean authorities repeat constantly that they will strictly respect their declared commitments regarding the nonproliferation of nuclear weapons and their components, as long as the international community "does not totally drive them into a corner," depriving the regime of legal means of survival.

With this and other goals in sight, Pyongyang launched a "peace offensive" in June 2013 and said it was ready to resume various negotiations. The North Koreans said that they would take part in talks on the Korean nuclear issue under any format (bilateral, trilateral, four- or six-party talks) as long as they

do not impose preliminary conditions on Pyongyang, which objectively raises the threshold for starting talks. The North Korean leadership wants to establish new relations with Beijing, Moscow, Seoul, Tokyo, and Washington and has dispatched high-level envoys to many capitals. In other words, the North Koreans are “knocking on every door,” though with varying degrees of success. Moscow is one of those on whose door the North Koreans have come knocking.

Russian Policy Toward North Korea and Ways to Resolve the Korean Crisis

One would think that Russia’s foreign policy pivot to a more orthodox-conservative line and growing confrontation with the West in the early stage of Vladimir Putin’s third presidential term (starting in 2012) would have made Moscow more sympathetic to North Korea’s standoff against the United States and distanced it from South Korea, the United States’ loyal ally in the Far East. But this was not in fact the case. Kim Jong-un let the opportunity for rapprochement with Russia, which he could have used to strengthen his own foreign policy position, slip through his fingers.

To take a brief look back over events, the Kremlin took an ambiguous line toward developments on the Korean Peninsula during Dmitry Medvedev’s presidency (2008–2012). On the one hand, in the interest of preventing scenarios involving force or pressure from unfolding on the Korean Peninsula, there was no alternative to the policy of maintaining normal relations with North Korea. This policy had already proven its effectiveness and pragmatism since the start of the 2000s. But on the other hand, the Russian leadership clearly had no real desire to stay too close to such a notorious regime. Pyongyang’s provocative actions were an added irritant to Russia’s already strained relations with the West, and the Kremlin saw no sense in quarreling with Washington over North Korea. In the corridors, Russian officials had harsh criticism of Pyongyang’s provocations such as missile launches, even going so far as to call the North Korean leaders “cheats and swindlers, playing scams with the world.”³⁷

But at the end of his presidency, Dmitry Medvedev did meet with Kim Jong-il (in August 2011). True, this was at Pyongyang’s initiative. The visit was Kim Jong-il’s last trip abroad, which made its results especially symbolic in the North Koreans’ eyes. Important agreements were reached during the visit on the possibility of North Korea’s return to the Six-Party Talks and on building a gas pipeline from Russia to South Korea via North Korean territory. Sadly, these initiatives drew no positive response from North Korea’s opponents. The United States and South Korea blocked the potential resumption of the Six-Party Talks by putting forward conditions, and the tense relations between the two Koreas made the gas pipeline project problematic. But the visit and its agreements did result in Russia and North Korea ending up “in the same camp.”

Russia also took some important bilateral steps to support North Korea. In 2012, for example, Russia settled the issue of North Korea's debt by agreeing to write off 90 percent of it (\$1.1 billion) through an investment fund with accounts in a North Korean bank. North Korea would be able to use the money from these accounts for investment in education, humanitarian, and energy projects.³⁸ Russia also provided food aid through the World Food Program and also through bilateral aid (50,000 tons).³⁹

Kim Jong-il's death in December 2011 had little impact on Russia's practical policy and its position on events on the Korean Peninsula. Unlike in the West and South Korea, Russian experts were in little doubt that the new North Korean leader, Kim Jong-un, would succeed in keeping hold of power. Some Russian experts hoped that the new leader's initial timid steps toward change might open the road for a healthier and more balanced policy in North Korea and improve the situation in the areas bordering Russia. These hopes grew even stronger after the "leap year agreements" of February 29, 2012, under which the United States and North Korea were to take steps toward each other and resume the diplomatic process on the denuclearization issue.

But these illusions were soon dispelled. North Korea immediately began preparing for a missile launch. This put Russia in a difficult position. Moscow had declared on numerous occasions that it upheld the right of every country, including North Korea, to carry out a space program. But at the same time, everyone could see that a launch in violation of the UN sanctions, which Russia had also voted for, would breach the agreements achieved with such difficulty, discredit the new North Korean leadership, and increase the tension. There was no way that the Kremlin could be happy with such behavior on the part of Pyongyang.

The Russian foreign policy establishment hoped at that point that this might be just a passing episode and that it was really more just about Kim Jong-un having become a hostage to circumstances, bound as he was to keep his father's promise to launch a satellite to honor the 100th anniversary of Kim Il-sung's birth. At the same time, reports said that Kim did not give the go-ahead for conducting a nuclear test for which preparations had already been made, and this raised hopes that once the dust settled again efforts could resume to find a compromise and move toward a more rational and non-confrontational foreign policy and cautious reform within the country.

At that time Russia called for all countries concerned not to turn up the pressure but to give consideration to North Korea's lawful interests and resolve concerns through dialogue.

However, the situation in North Korea appeared to grow more complicated in the summer of 2012 as, according to some reports, struggles between the different groups in the North Korean elite forced the new young leader to resort to tough measures to show that he was "fit for the job." Kim Jong-un started cracking down at home and at the same time toughened his foreign policy line.⁴⁰ This

destroyed the hopes for the peaceful, compromise-based development of events that Russia wanted to see, but this was not immediately clear.

The situation started to heat up in the autumn of 2012 and hit a peak when Pyongyang launched a satellite (successfully this time), ignoring protests from the international community, including Russia. The West saw the launch as a “ballistic test,” banned under the UN resolutions, and this seriously complicated the situation. Russia was forced, albeit with reservations, to add its voice to the UN measures taken to punish North Korea for the unauthorized launch.

But many Russian experts pointed out that the legal basis for determining that North Korea had carried out a ballistic launch in violation of the UN sanctions was clearly dubious. Some experts even think that Russia made a mistake by giving its backing to the rather artificial inclusion of missile launches in UN Security Council resolution 1718, which was adopted in response to a different event (it was part of the condemnation of North Korea’s nuclear test in 2009). But back then, no one, neither the West nor Russia, seemed to have really thought about the consequences this provision might have. The situation was made all the more ironic because at this same time, South Korea was preparing to launch a space missile of its own with Russia’s help, and no one said a word about the danger that this could become a step toward one of the opposing parties in this unstable region acquiring long-range missiles.

Russia essentially chose not to get involved in drafting the text of the resolution on the satellite launch. The draft resolution was coordinated between China and the United States. It came as an unpleasant surprise for Moscow that China had given in to U.S. pressure and accepted sanctions against North Korea. This led political observers to speculate that the two countries had struck a deal and that Beijing would “surrender” Pyongyang in exchange for Washington agreeing to moderate its support for Tokyo in Japan’s dispute with China over the Diaoyu-Senkaku Islands. Whatever the case, when Japanese Prime Minister Shinzo Abe visited the United States soon afterwards, he did not get the degree of support from his main ally that he had hoped for.

But after this U.S.-Chinese deal, Russia’s position started to look inconsistent. There was no way out, however: most people took the view that supporting the principle of compliance with UN decisions adopted in all due form was more important than winning the favor of an unreliable and little-liked neighbor.⁴¹ After all that then, Moscow did not end up building good relations with the new leadership in Pyongyang, and its possibilities for influencing the situation on the Korean Peninsula also decreased.

Notes of tension in relations between Moscow and Pyongyang increased over the following months. People in Moscow had the impression that Pyongyang did not appreciate Russia’s willingness to help the country find a way out of its isolation and organize dialogue with its opponents.

The North Korean nuclear test of February 12, 2013, drew a predictably sharp reaction. Moscow responded by issuing an exceptionally firmly-worded

official statement, declaring that “behavior of this kind, which is incompatible with the universal criteria for our global home, without question deserves the international community’s condemnation and adequate response. It is all the more sad that this behavior has come from a country with which Russia shares a long history as good neighbors.”⁴² The last sentence was clearly hinting to Pyongyang that this kind of behavior would jeopardize the foundations of the two countries’ friendship. In the corridors, criticism of Pyongyang’s actions was even harsher.

Pyongyang’s actions over the following months, which were even more reckless and provocative in nature, only increased Moscow’s dissatisfaction. Kim Jong-un’s psychological war against South Korea and the West did not garner any sympathy in Moscow, and some actions, such as the call to evacuate diplomats from Pyongyang, were met with incomprehension and irritation. At one point, the Russian media, following in the wake of Western journalists, unleashed a hysterical flurry about “imminent armed conflict” in the Far East, which got residents of Russia’s Far Eastern regions especially worried,⁴³ and this put pressure on the Russian authorities.

The professionals were well aware, of course, that the North Koreans were only bluffing and that armed conflict was unlikely, but Russia needed to respond somehow to the situation. This increased Russian irritation with the fact that the North Koreans were forcing Russia to react and complicating its already not so straightforward relations with its partners regarding a situation that it was powerless to change. Pyongyang rejected Moscow’s attempts to give advice, and this did not add any warmth to relations. Russia was forced to limit itself to calls for a “political and diplomatic solution,” as it was not in a position to propose any constructive steps in a situation when the Americans were building up their military presence close to its borders.⁴⁴

Moscow’s discontent with the new, unpredictable leadership in Pyongyang reached a peak that was reflected in Russia’s attitude toward taking part in the 60th anniversary of the end of fighting in the Korean War (Pyongyang calls this event its victory in the “war of liberation of the fatherland”). Russia decided to send a firm signal to the leadership in Pyongyang by sending a lower-ranking representative to take part in the celebrations, namely, its interim official representative in North Korea. China meanwhile, which was even harsher in the terms of its response to the North Korean nuclear test in February 2013, nonetheless sent its number three person in the state hierarchy, who spent the entire time at Kim Jong-un’s side at the events.

The ambiguity of the situation was also reflected in Russian Foreign Minister Sergey Lavrov’s words. He called it unacceptable for a UN member to violate a UN resolution and said that nuclear and missile tests are no laughing matter and that aggressive rhetoric only adds to the tension. But at the same time, he said that efforts are needed “to act not through force and threats, but calming the situation” and criticized the joint U.S.-South Korean military exercises taking place

on the Korean Peninsula.⁴⁵ In mid-April, the Russian foreign minister called on his U.S. counterpart, John Kerry, not to scare the North Koreans with military maneuvers and expressed the hope that “everything will calm down.”⁴⁶

These words turned out to be prophetic. Moscow was happy to see the military rhetoric give way to a North Korean “peace offensive” and did what it could to facilitate the start of dialogue between Pyongyang and Washington.

But such a sudden turnaround from threatening rhetoric to holding out an “olive branch” caused some consternation among some Russian experts, who thought that Kim Jong-un was being inconsistent and going from one extreme to another. This made it hard to be confident that he would follow a predictable course and lessened the desire for any kind of close cooperation with Pyongyang.

The Syrian crisis has had some impact on Russia’s policy toward the situation on the Korean Peninsula, including relations with North Korea and South Korea. North Korea supported Russia’s position on Syria, while South Korea was among the foremost supporters of U.S. plans for military strikes and even started pointing out the links between the regimes in Damascus and Pyongyang. Consequently, the Russian leadership publicly voiced some understanding for North Korea’s situation with regard to the nuclear issue. In a statement on the unacceptability of a military operation against Syria, Vladimir Putin said, “try convincing the North Koreans in this situation to abandon their nuclear program. Say to them, ‘guys, let’s get all of these facilities under international control,’ and they’ll object that ‘tomorrow they’ll come and take us out, destroy us.’” Understandably, this kind of statement made Pyongyang happy.⁴⁷

Looking at the future of relations between Russia and North Korea, it should be kept in mind that they have not just a regional but also a global dimension and are a part of Russia’s policy in Northeast Asia as a whole, as well as a part of Russia’s interaction with the major global partners not only on the Korean issue but on other global problems too, above all nonproliferation. Russia’s Foreign Policy Concept of 2013 reflects this dualism:

“Russia seeks to maintain friendly ties built on the principles of good-neighborliness and mutually advantageous cooperation with the Democratic People’s Republic of Korea and the Republic of Korea and wants to make fuller use of these ties’ potential for speeding up regional development and supporting the inter-Korean political dialogue and economic cooperation as an essential condition for maintaining peace, stability and security in the region. Russia remains firm in its support for non-nuclear status of the Korean Peninsula and will do everything it can to consistently facilitate this process based on the relevant UN Security Council resolutions, including through the six-nation negotiations.”⁴⁸

The Korean Peninsula could be seen as one of the keys to implementing Russia’s policy of strengthening its position in the most dynamically developing

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area today—the Asia-Pacific region. It is in this part of the world that Russia is involved in resolving both regional and global problems of great importance for Russia’s security and for economic development in the most problematic parts of the Russian Far East (which is important in terms of bolstering Russia’s territorial integrity).

The Korean question is one of the dozen-odd issues discussed at practically every meeting between Russian officials and representatives of other great powers. Russia’s involvement in settling this issue is an indicator for the Asia-Pacific countries of the country’s interest in taking part in the efforts to strengthen security and promote development in the region.⁴⁹ It is no secret that the dialogue on the Korean issue is not always easy. Russia finds itself having to explain the need to maintain peace and stability in this neighboring region and why

the pressure and force tactics that opponents are ready to use would be unacceptable. At the same time, Russia also finds itself having to condemn North Korea’s destabilizing actions. This makes Russia’s position ambiguous, because Russia also wants to maintain the weapons of mass destruction nonproliferation regime, and the Russian foreign policy officials responsible for nonproliferation matters consider North Korea an annoying troublemaker.

But the Russian leadership sees no alternative to maintaining the status quo, no matter how annoying the North Korean regime may be. There seems to be little likelihood of the regime being replaced from outside in the foreseeable future, and little sign either that it might crumble from inside. Reality thus dictates the need to interact with the Pyongyang government over the long term.

This conclusion has serious historical consequences for Russia’s policy and its vision of what approach North Korea’s opponents should take: the best approach, in Russia’s view, would be to seek peaceful coexistence and discuss security guarantees for North Korea. Only this could theoretically allow North Korea to tone down its aggressive stance, start carrying out much-needed modernization of its economic and political systems, and ultimately, having received political guarantees from the great powers, renounce weapons of mass destruction. This approach does not always get support from Russia’s partners though. Some accuse Russia of “encouraging” Pyongyang’s aggressive behavior. Some even go so far as to put this “encouragement” down to supposed Russian nostalgia for the Soviet past.

Although Seoul often tries to portray Russia as having equal distance in relations with both Koreas, in an attempt to undermine Russian-North Korean relations on the pretext that this is a condition for a closer partnership with South Korea, this situation is not the case. Russia values its relations with both Koreas, of course, but in reality, Russia’s relations with North Korea and its degree of influence on Pyongyang are what ultimately ensure that Russia keeps a solidly

North Korea needs Russia, if not as a source of economic aid, then at least as an additional support in its foreign policy course and a counterweight to help it from ending up completely dependent on China alone.

established position on the Korean Peninsula as a whole and remains engaged in resolving the region's problems.

At the same time though, current relations with North Korea are far from easy.

There is increasing misunderstanding between Moscow and Pyongyang, and the Russian establishment is experiencing frustration with what it sees as the Pyongyang leadership's illogical behavior and the new North Korean leadership's risk-taking actions, all the more so as there had been initial hopes for reform. Now, it is clear that the two countries' leaders will not have the same kind of trusting relationship that existed between Vladimir Putin and Kim Jong-il. Given the importance the subjective factor has in North Korean politics (and in Russian politics too, though to a lesser degree), there is little reason to hope that Pyongyang will share its plans with Russia or listen to Moscow's advice.

As for the North Koreans, they are unhappy with the lack of understanding the Russian government shows toward their "battle for survival" and see this as little short of "betrayal" by Russia. What's more, unlike their predecessors, those now coming to power in Pyongyang have only hearsay knowledge of Russia. Many people, including North Korean experts, are starting to take the view that Russia is not paying enough attention to the situation on the Korean Peninsula and is not sincere and consistent in its policy toward North Korea. This includes the issue of Russia's participation in the sanctions against North Korea imposed by the recent UN Security Council resolutions, including resolution 2094 (March 31, 2013). The Russian government's official position is that it supports only those sanctions that aim to stop North Korea from developing its military missile and nuclear programs. But in reality, Russia takes part in carrying out the restrictions imposed by the West, which apply to so-called "luxury goods" that have no relation whatsoever to the North Korean defense industry. The United States and its allies clearly view such sanctions as a tool to help achieve regime change in North Korea, including by provoking the North Korean elite's discontent through restricting their access to "luxury goods."

The West's inflexible and extensive approach in this area has created an absurd situation; for example, in 2013, an Austrian organization was unable to sell a concert piano to North Korea, and Pyongyang had no legal way of buying skis and equipment for a large ski resort in the Masik Pass, the opening of which had been announced.

The question arises, and not only in Pyongyang, of just how much these sorts of practices conform to Moscow's official declarations of seeking to restrict only North Korea's military programs and its desire to strengthen the two countries' traditionally friendly ties in line with the Treaty on Friendship, Good-Neighborliness and Cooperation of 2000.

At the same time, objectively speaking, North Korea needs Russia, if not as a source of economic aid, then at least as an additional support in its foreign policy course and a counterweight to help it from ending up completely dependent

on China alone. Russia's decisive steps to help settle the Syrian crisis have raised the country's foreign policy authority, and Russia's role could therefore be set to grow. This is one of the factors encouraging Pyongyang to try to cultivate constructive and friendly relations with Moscow and emphasize the positive rather than the negative elements in bilateral relations.

The North Koreans' behavior during the celebrations of the 60th anniversary of the end of the Korean War illustrates this changing situation well. Although the Kremlin sent a demonstratively negative signal to the North Koreans by dispatching such a low-level delegation to the event, the North Koreans nonetheless took great pains during the celebrations to show that they seek greater cooperation with Russia. The *arirang* sports and gymnastic performance put on for the celebrations included for the first time ever a scene accompanied by a "living slogan": "Korean-Russian Friendship—From Generation to Generation." An even more significant moment came during the military parade when (again for the first time ever in history) the North Koreans publicly expressed their thanks for the role that Soviet military personnel played during the Korean War. A truck passed the stands, adorned with a banner showing the profiles of a Korean soldier, a Chinese volunteer, and a pilot of Slavic appearance. The slogan on the banner read, "Thank you to all who fought together with us."

At the official reception organized by the North Korean Foreign Ministry that same day, senior foreign ministry officials said to their Russian guests, "You saw the symbol at the parade? Tell Sergey Lavrov that we are hiding nothing."

Further evidence of Pyongyang's greater favor toward Russia and its leaders was the course taken by the chairman of the Presidium of the Supreme People's Assembly, Kim Yong-nam (the nominal head of state), during the Olympic Games' opening ceremony in Sochi (despite the fact that North Korean athletes were not selected and did not attend). His presence was especially noticeable due to the South Korean leaders' refusal to attend the ceremony in question, limiting its delegation to the lower level, headed by "only" the Minister of Culture and Sports, Yu Chin-wren (which was probably the result of an American suggestion). Kim Yong-nam's short meeting with Vladimir Putin was presented in the North Korean media as a confirmation of high-level relations between the parties and the recognition of North Korea's prestige in the international arena.

It is also crucial to note that in the new geopolitical situation related to the crisis in Crimea, the stance of these two countries opposing the West grew objectively closer. In an informal manner, North Korea was one of the few nations that immediately expressed support for Russia's actions. Pyongyang is clearly not against the deepening of the stand-off between Russia and the United States that, according to Pyongyang's strategists' logic, will lead to Moscow's greater support for North Korea's opposition toward the United States and will alienate Russia from South Korea (the latter predictably sees the situation through an American lens, although it does not seek to be one of the first countries condemning Russia).

In this respect, analysts pointed out that Kim Yong-nam's attendance at the Olympic Games' opening ceremony was organized and conducted in a competent manner and was a reflection of the maturity of Pyongyang's foreign policy practice. The North Korean leadership fully exploited the opportunities for a broad-based dialogue that such a major international event offered, including the triumph of the principles of peace and reconciliation between all states. In addition to talks with Vladimir Putin, the second man in Pyongyang conducted a series of productive meetings with several representatives of the higher echelon of the Russian authorities, including the chairman of the Federation Council, with an aim of overcoming some of the problems that had recently occurred and consolidating positive trends in bilateral cooperation. According to certain sources, during these talks the prospects of preparing for the new North Korean leader, Kim Jong-un, to visit Russia were also discussed. The positive atmosphere and the results of Kim Yong-nam's contacts in Moscow and Sochi have become a reflection of the obvious warming of Russian-North Korean relations.

This particular success of North Korean diplomacy has highlighted the marked underestimation of the importance of political momentum and this very forum. This oversight became the subject of serious criticism from the South Korean public and resulted in the unscheduled trip by South Korea's prime minister, Jung Hong-won, to Russia to participate in the Olympic Games' closing ceremony.

Russia must continue its policy of opposing attempts to isolate North Korea and seeking diplomatic solutions to the Korean Peninsula's problems, preferably with Russia's own participation too. This inevitably makes for a dose of hypocrisy in Russian policy on relations with North Korea because experience shows that deterioration in relations with North Korea will always leave Russia with less influence in Northeast Asia. North Korean proposals to discuss the issues in a tripartite or quadripartite format leave Russia out of the process.

Another problem is that Russia has almost completely resigned itself to China's domination in Korean affairs and to the Korean Peninsula becoming hostage to the growing confrontation between the United States and China, with Moscow just playing up to Beijing. In forums where China does not take part—the G8 summits, for example—Russia lacks the boldness to push its own views and remains passive. This kind of behavior will not contribute to a more active Russian policy in the Asia-Pacific region, where people closely follow Russia's reactions to crisis situations and draw their conclusions accordingly. The cooling in relations between North Korea and China over the Chang Song-thaek affair gives Russian diplomats an opportunity to cultivate closer relations with the elite in Pyongyang. With a new generation just having come to power in Beijing too, a warming in relations between China and its unpredictable neighbor is unlikely in the near future. This gives Russia a “window of opportunity” to establish

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a more trusting relationship with Kim Jong-un and his new leadership, using traditional diplomatic methods, economic levers, and “soft power.”

Whether on the Korean Peninsula or in other parts of the world, what counts most for Russia is respect for international law and finding diplomatic solutions to problems. The idea of multilateral dialogue and political guarantees was Moscow’s initiative.⁵⁰ In 2002 it was Russia that proposed a “package deal” (peace

and security guarantees for North Korea in exchange for renouncing the nuclear weapons program).⁵¹ The Six-Party Talks will obviously remain a central ingredient in Russia’s recipe for settling the complex Korean issue.⁵²

With the world’s global governance model in the midst of change, and taking into account the interests of the major global players (above all the United States and China) in the key Northeast Asia region, it is clear that relations

between North and South Korea cannot be seen any longer as just an internal problem, all the more so when the weapons of mass destruction issue is added too. Therefore, it is only fitting that Russia should work on developing a multilateral security system for Northeast Asia, all the more so as Russia heads the working group in this area at the Six-Party Talks.

Russia could put forward a new system for maintaining peace on the Korean Peninsula. This system could be based on a number of interlinked bilateral treaties concluded between the participants in the Six-Party Talks, legally binding their rights and obligations with respect to the participants in the negotiations as far as concerns the situation on the Korean Peninsula, and making it possible to monitor each participant’s compliance with the commitments undertaken. Such a system would mean, for example, that compliance with a bilateral treaty between North Korea and the United States would be monitored not by the UN, but by nearby Russia and China, and North Korea could monitor treaty obligations between South Korea and the United States. This system could incorporate existing treaties (between the United States and South Korea, the United States and Japan, Russia and North Korea, Russia and South Korea, China and North Korea, etc.) insofar as they concern the situation on the Korean Peninsula, and in the future it could eventually replace existing agreements. It is within this same framework that the denuclearization of North Korea could be achieved. Of course, this would be a multi-stage and gradual process, but drafting a concept of what the Six-Party Talks should aim for would give a big boost to setting them on the rational track of discussing the wider problem of security on the Korean Peninsula and not just the unilateral nuclear disarmament of North Korea.

One of the most pressing tasks for Russia and the entire international community today is the need to fully understand the reality that, as unpleasant as it is for the parties concerned, the North Korean leadership is set on pursuing peaceful nuclear energy and space exploration programs no matter what. No amount

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of outside pressure over these last years has succeeded in weakening North Korea's determination to carry out these programs, which Pyongyang sees as, among other things, an expression of the country's national sovereignty. Clearly, nothing in the near future is going to be able to stop North Korea on this road.

North Korea is concentrating now on developing nuclear energy based on uranium enrichment and the use of light water reactors. Construction of an experimental light water reactor is close to completion. Authoritative Russian and Western nuclear physicists think that the North Korean physicists have sufficient skills to carry out these projects, but the technical quality and nuclear safety of the facilities themselves remain a big issue.

The North Koreans are relying completely on their own intellectual and scientific-technological base in a situation of complete isolation from the outside world and without professional consultation or monitoring from abroad. In other words, they are busy "reinventing the wheel." In this situation, the extent to which the nuclear facilities under construction conform with international standards, which have been toughened after the Fukushima tragedy, cannot but raise serious doubts and concerns.

North Korea's neighbors, including Russia, are justifiably worried by the prospect of having new nuclear energy facilities with unknown and highly dubious technical and safety parameters on their borders.

This challenge creates a pressing need for Moscow and other capitals to generate ideas and take the needed steps to reformat and repackage the current system of international sanctions against North Korea's missile and nuclear programs in order to make it possible for the competent international organizations to work together with North Korea on peaceful nuclear energy. Such precedents exist in world practice. Pakistan, which was not a member of the Nuclear Non-Proliferation Treaty, successfully cooperated with the IAEA in the relevant areas.

Russia has great interest in ensuring that North Korea's construction of a light water reactor takes place under international monitoring and in accordance with international nuclear safety standards. Russia's nuclear energy agency, ROSATOM, is a recognized global leader in this area and could play a fundamental role here.

Despite the many legal and ideological difficulties involved in resolving all of these issues within the UN Security Council, it would be desirable if based on common sense and similar security concerns Russia could find a common language with North Korea's other neighbors: China, Japan, and South Korea.

Russia also has an interest in renewed cooperation and closer relations between North and South Korea. It is expected that the level of tension will drop now and the two sides will move toward dialogue (one of the aims of Pyongyang's display of military "hysteria" at the start of 2013 was perhaps an attempt to get itself into a position where it would be able to re-enter the dialogue as the stronger party). Russia has chances for working tactfully with both Koreas to encourage peaceful and nonconfrontational approaches

to the problems, while at the same time cementing its role as an active player in negotiations on settling the Korean issue.

Opportunities for carrying out trilateral cooperation projects are especially important for Russia. Of greatest interest is the project to build a gas pipeline from Russia through North Korea to South Korea. South Korea's waning interest in the project is making its future problematic at the moment. The reconstruction of the Khasan-Rajin railway, the biggest foreign investment project in North Korea, worth \$300 million, was a big step forward. Construction of port facilities will also give a big boost to cooperation between Russia and its neighbors.

This kind of cooperation with North Korea could help Russia to bolster its position in the Northeast Asian region, which is a key area for promoting Russian interests in the Asia-Pacific region in general. It is by engaging and working with North Korea that a multilateral security system can eventually be built in Northeast Asia that could prevent increasing tension in the region bordering Russia's vulnerable Far East region. Russia should encourage reform efforts and potential for reform within the new leadership in Pyongyang in order to improve relations and get Russian business involved in economic projects. Of course, Russia is unlikely to be able to match China or South Korea in terms of potential investment, but it does have opportunities that it can use to its advantage.

It is no secret that the projects of greatest interest to Russia from a geo-economic and geopolitical point of view are the construction of a gas pipeline to South Korea via North Korean territory and linking the Trans-Korean railway to the Trans-Siberian railway. Economic growth in North Korea and improved relations between Pyongyang and Seoul would certainly help to get these projects moving forward, and this would in turn help to stabilize the economic situation in North Korea.

Russia has to resign itself to the fact that denuclearizing North Korea and getting the country to completely abandon its nuclear activities is not possible under the present circumstances; therefore, multilateral diplomacy should be used as an instrument that would make it possible to prevent potential nuclear proliferation and keep the political situation over the North Korean nuclear issue from escalating. This realistic position would also help to create more favorable attitudes toward Moscow among the North Korean leadership. After all, North Korea has an interest in broadening its support base in order to free itself from dependence on China.

It is in Russia's interests to show support for and even encourage processes in North Korea that would lead to better relations between Pyongyang and its neighbors and help it break out of its isolation, as long as security is guaranteed on North Korea's borders. This means that Russia should work toward gradual transformation in North Korea, without any abrupt turns and upheavals.

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