

# From Pyeongchang to Pyongyang

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The Pyeongchang Winter Olympic Games have already served one very important purpose: helping to thaw inter-Korean relations. President Moon Jae-in's engagement policy and invitation to North Korea to resume dialogue was accepted by the Kim Jong-un regime in January 2018. The Olympic Games have now provided Pyongyang with an excellent reason to launch a charm offensive and show its willingness to engage with Seoul. This could and should be the first step towards improving inter-Korean relations, which is necessary for North Korea to realize its economic reforms. After the Pyeongchang games, though, the ball is in Pyongyang's court to make this happen.

President Moon has been clear since his election campaign and election itself less than a year ago: engagement is a central component of his North Korea policy, to the extent that pressure on Pyongyang is but a means to induce inter-Korean rapprochement. The games have served to put this policy into practice. Above all, the Koreans are fielding a joint women's hockey team – a decision strongly pushed by the Moon administration in spite of some domestic opposition. Furthermore, both Koreas have hosted joint cultural events. And President Moon has reportedly told his top aides that North Korea's participation in the games is a “valuable opportunity to peacefully resolve the North Korean nuclear issue.” The Moon administration has even openly mulled that the Kaesong Industrial Complex and Mount Kumgang resort could be reopened.

Seoul's openness to engagement with Pyongyang is a golden opportunity for the Kim regime to continue to press with economic reforms. Frequent visitors to North Korea, defectors leaving the country and

The Pyeongchang Winter Olympic Games have already served one very important purpose: helping to thaw inter-Korean relations. Since engagement is a key element of President Moon Jae-in's North Korea policy, it is highly likely that Seoul will continue to seek exchanges with Pyongyang. It is thus up to the Kim Jong-un regime to accept Seoul's olive branch and contribute to improving inter-Korean relations. With Pyongyang continuing to support – or at least accept – domestic economic reform and marketization, economic and technical support from Seoul is crucial. Indeed, the goodwill that most South Koreans still seem to hold towards their poorer Northern neighbour and the funding that South Korea can provide cannot be matched by any other country. For Seoul, engagement can serve to ease inter-Korean tensions, make it ever-more difficult for Pyongyang to reverse reforms, and put South Korea in the driving seat of Korean Peninsula affairs.

traders in the Sino-North Korean border report that the marketization of the North Korean economy continues apace. Without markets, most North Koreans would not be able to feed for themselves as a result of the decades-long collapse of the centrally-planned economy. The Jangmadang generation

born during or shortly before the great famine of the 1990s knows no other economic model. The Kim regime has accepted this reality, and does not seem bent on reversing the marketization of the country's economy. Indeed, the government is implementing a series of reforms aimed at further liberalising the North Korean economy and attracting foreign direct investment and other sources of revenue – including ski resorts such as the Masik Pass, now being promoted during the Pyeongchang games.

North Korea's reforms, however, will fail if Pyongyang insists on *juche* or self-reliance. In the same way that China's and Vietnam's economic reform and opening up processes would have not been possible without external support, North Korea's reforms can only be successful with the help of foreign investment and expertise. This is why Pyongyang needs to be very careful not to undermine President Moon's engagement policy, which currently has the support of well over half of the South Korean population. The goodwill that most South Koreans could show to their Northern neighbours and the economic support that one of the most developed economies in the world could provide cannot be matched by any other country. For many South Koreans, supporting North Korea is not a choice but a duty towards the country's poor brother. This applies to President Moon.

But Pyongyang has to earn and maintain South Korea's goodwill and support. Missile and even nuclear tests are not red lines for the Moon government. But a programme of continuous tests, recurring sudden cancellations of scheduled events as has happened in the past, and incessant gratuitous insults in *Rodong Sinmun* would test Seoul's patience. It is to be hoped that Pyongyang understands this and shows its readiness to decrease tensions and focus on economic and

other types of engagement. Arguably, now that the Kim regime has developed its nuclear deterrence and feels safer it can more fully embrace economic openness. This might seem fanciful, but then this was also the case when Deng Xiaoping in China and Nguyen Van Linh in Vietnam put their respective countries on the path towards reform. More recently, Myanmar's military junta also seems intent in opening up the country.

The question is whether the Moon government should continue to support engagement with North Korea following the Pyeongchang games, even if the Kim regime sometimes might disappoint with its behaviour. The answer is a resounding yes. Economic support for North Korea and political and cultural exchanges will ease tensions in the Korean Peninsula. Furthermore, the greater the level of engagement with Pyongyang, the more expensive and difficult it will become for the Kim regime to reverse course. Engagement also serves to admonish Pyongyang when it misbehaves more effectively than through public statements. Plus, inter-Korean exchanges put Seoul firmly in the driving seat of developments in the Korean Peninsula. This last point should not be overlooked, for South Korea often complains that the US can be guilty of developing its policy towards North Korea without properly consulting with Seoul – or worse, after only talking to Japan or China.

The greatest legacy of the Pyeongchang games could thus be the launch of a new and long-lasting period of rapprochement between both Koreas. The Moon government has made clear that engagement is its policy of choice. The games have given the Kim regime an opportunity to reciprocate, now that its nuclear deterrence is safely in place. It is now up to Pyongyang to continue down the road of economic reform with the generous support that Seoul has shown to be willing to provide.

## About the author

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