

SHORENSTEIN APARC POLICY PAPER

Tailored Engagement 맞춤형 인게이지먼트

Toward an Effective and Sustainable
Inter-Korean Relations Policy

September 2014

Gi-Wook Shin, David Straub, and Joyce Lee

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Acknowledgments

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Executive Summary

The already serious situation on the Korean Peninsula is worsening. North Korea is on a path to credibly threaten South Korea, Japan, U.S. forces in Northeast Asia, and eventually the United States with nuclear attack. Inter-Korean relations have become dangerously unstable, with the risk of renewed military conflict. U.S. relations with China and Russia are deteriorating and China is gradually incorporating North Korea's economy, deepening the geopolitical divide between North and South Korea.

To address the growing crisis, concerned countries need to use all available means, including engagement of the North. With the United States and China showing no disposition to change their approaches, however, the principal hope for an engagement initiative rests with Seoul. South Korea's special relationship with the North and its status as a dynamic middle power give it the potential to play a much larger leadership role in dealing with North Korea.

To be sure, developing and implementing a major North Korea initiative will not be easy, but it can be done. As a conservative leader, President Park has the "Nixon to China" political space in South Korea to pursue engagement. Despite North Korea's criticism of South Korea, its leaders need foreign assistance and do not wish to be completely reliant on China. The People's Republic of China (PRC) supports increased inter-Korean engagement, and the United States will not oppose it as long as it does not preclude continued application of pressure on North Korea to end its nuclear weapons program.

Seoul has an opportunity to begin to bridge the gap with Pyongyang by pursuing a hardheaded approach that we call *tailored engagement*. Its aim is to reduce the risk of conflict now while fostering inter-Korean reconciliation and effecting positive change in North Korea, with the ultimate goal of laying the basis for peaceful unification. The concept is based on the conviction that engagement is only one means—albeit an *essential* one—of dealing with North Korea,

but that engagement must be carefully “tailored” or fitted to changing political and security realities on and around the Korean Peninsula. Like President Park’s *trustpolitik*, it is based on a step-by-step confidence-building approach. It eschews both an “appeasement” approach to Pyongyang and the notion that inter-Korean engagement under the current circumstances would be tantamount to accepting the North’s misbehavior, especially its nuclear weapons program.

Under tailored engagement, South Korea would make a renewed attempt to engage the North in various types of exchanges in a principled and systematic way. Guiding principles include: (1) a focus on the pursuit of mutual interests and benefits rather than on symbolism and appeals to national sentiment; (2) the application of market principles and international standards in economic activities; (3) collaboration with other countries and third-party companies in both economic and people-to-people projects; (4) pragmatism and flexibility in pursuing engagement at both the state-to-state and grassroots levels in complementary ways.

Key to implementing tailored engagement will be the achievement of greater consensus within South Korea and close consultation with allies and partners. President Park should begin by creating a new senior-level North Korea policy representative position to assist her in developing the initiative, furthering domestic consensus, managing the South Korean interagency process, and leading negotiations with Pyongyang, similar to the “Perry Process” in the United States in the late 1990s.

A significant portion of this study is devoted to a discussion of projects that a government-prepared, comprehensive road map of tailored engagement might include. Such a road map should proceed from projects that are easier to implement, politically and substantively, to those that are more difficult. In practice, this will generally mean starting by expanding existing engagement efforts and resuming worthwhile projects that have been suspended.

There is considerable urgency for Seoul to act. Further rounds of North Korean nuclear and missile tests will make engagement even harder, and strategic mistrust between the United States and China and Russia continues to mount. Despite the challenges, tailored engagement can bear fruit. The authors hope this study will serve as a useful reference for leaders and citizens of the Republic of Korea as well as contribute to the global discussion about how to ensure peace, security, and prosperity in Northeast Asia.

Introduction

Situation on the Korean Peninsula

More than six decades after the establishment of competing Korean states and a devastating war, the situation on the Korean Peninsula remains a major threat to regional peace and security as well as a national and humanitarian tragedy for the Korean people. In important respects, the situation has worsened in recent decades, and coming years may bring increased risk and uncertainty if current trends are not reversed. In the worst case, another war could break out in Korea involving U.S.-China military confrontation and potential resort to nuclear weapons by one or more of the belligerents.³

Despite two decades of international opposition led by the United States, North Korea (Democratic People's Republic of Korea, DPRK) has developed and tested nuclear devices and long-range rockets. Originally denying any interest in having nuclear weapons, Pyongyang has since enshrined the possession of nuclear weapons in its constitution, and it is continuing its development of nuclear weapons and the missiles to deliver them.⁴ It appears to be only a matter of time before it will be able to credibly threaten U.S. forces and allies in the Pacific and eventually the United States itself with deliverable nuclear weapons.⁵

In the worst case, another war could break out in Korea involving U.S.-China military confrontation and potential resort to nuclear weapons by one or more of the belligerents.

In response to North Korea's pursuit of a nuclear "deterrent," South Korea (Republic of Korea, ROK), the United States, and Japan have increased their own defense budgets and are accelerating North Korea-targeted deterrence and defense measures such as missile de-

fense. Some prominent figures in both South Korea and Japan have argued that the United States' failure to prevent North Korea from developing nuclear weapons is calling into question the United States' steadfastness and capability to defend its allies and that their countries need to consider developing their own nuclear weapons in response.⁶ Recent events in Syria and Ukraine have only heightened such concerns. Moreover, North Korea's actions may weaken respect for nuclear non-proliferation not only in East Asia but globally as well.

Even if North Korea never actually uses nuclear weapons, its possession of a nuclear weapons capability may have already emboldened it to adopt a more aggressive posture toward South Korea, Japan, and the United States. Pyongyang sank a South Korean naval ship and shelled a South Korean island in sneak attacks in 2010, killing fifty people. Over the past few years, North Korea has publicly threatened to attack the United States preemptively with nuclear weapons.⁷

In response to the North Korean attacks of 2010, South Korea has declared publicly that it will respond with force to another North Korean military attack, something it has not done before. Many South Korean leaders have argued that this explains why North Korea has refrained from launching another attack. If this assumption proves incorrect and North Korea does again strike the South, there could be a violent escalatory spiral on the Korean Peninsula, with unpredictable consequences that could be difficult to control.⁸

The effectiveness of international sanctions against Pyongyang's pursuit of nuclear weapons has been reduced due to a dramatic increase in the People's Republic of China aid, trade, and investment with North Korea.⁹ China has parried U.S. demands that it apply more pressure against North Korea by disclaiming sufficient influence,¹⁰ and has reacted sharply to the U.S. dispatch of significant military assets to waters and air space adjacent to North Korea and thus also to China. While the United States has asserted that such shows of force are necessary to deter North Korea and to support its South Korean ally, Beijing has seen it through the optic of increased pressure against China in its own neighborhood.

Recently, U.S. relations with China and Russia have been deteriorating, while China is gradually incorporating North Korea's economy and Russia is improving its relations with the North. These developments are deepening the geopolitical divide between North and South Korea and complicating the already difficult international environment to address Korean Peninsula issues.

Historical Origins of the Problem

Any realistic approach to dealing with North Korea must take into account the deep and complex historical roots of the problem, which necessitate a policy that is principled, patient, and persistent.

From the Korean War to the end of the Cold War, the Korean Peninsula was characterized by national division into mutually hostile states, with American and Western support for Seoul, and Soviet and PRC support for Pyongyang. Seoul adopted the forms of capitalist democracy but was governed by authoritarian leaders, while Pyongyang emulated the institutions and followed the policies of the communist regimes in Moscow and Beijing. Leaders in both Seoul and Pyongyang each regarded theirs as the only legitimate Korean state. The respective patrons of North and South Korea would have been happy to see unification on the terms of their client but would have adamantly opposed unification led by the other camp's Korean state. As a result of the bitter experience of the Korean War, however, the United States, Soviet Union, and PRC were not prepared to support Korean unification even on their respective client's terms if this entailed the risk of military hostilities.¹¹

The end of the Cold War coincided with major developments that reshaped, but failed to resolve, the situation on the Korean Peninsula. While South Korea democratized in 1987, North Korea in 1994 saw the establishment of the world's first "communist" dynasty, with Kim Jong-il succeeding his father as North Korea's supreme leader. Moscow and Beijing established diplomatic relations with Seoul in the early 1990s, but Washington did not normalize relations with Pyongyang. The collapse of the Soviet Union and its satellite states in Eastern Europe left North Korea ideologically isolated, one of only a handful of "rogue" states in the eyes of many in the international community. It also meant an end to aid from these states to North Korea, and the PRC, too, reduced its economic and political support for Pyongyang. These developments disastrously deepened the stagnation of North Korea's command economy, culminating in economic collapse and a famine that contributed to the deaths of at least hundreds of thousands of people in the mid-1990s.

In the immediate aftermath of the Cold War, many observers reasoned by analogy with the Soviet and German cases that the North Korean regime would also soon "collapse" and Korea would be unified under Seoul's leadership. As hindsight suggests, such reasoning did not take into account the particular historical, strategic, and political cir-

cumstances on the Korean Peninsula. The leaders of North Korea regarded their regime as the only legitimate Korea regime, and they were less dependent on outside political support than East Germany was on the Soviet Union. They also kept the people of North Korea far more isolated from the outside world than East Germans had ever been.

The two decades following the end of the Cold War saw the nuclear issue become a major American concern on the Korean Peninsula. The United States first focused on North Korea's nuclear program in the late 1980s and thereafter sought unsuccessfully to prevent the regime from developing nuclear weapons. In the process, it engaged Pyongyang diplomatically in negotiations and provided it with \$1.3 billion in food, energy, and other aid between 1995 and 2009.¹² As bilateral talks faltered, the Six-Party Talks began in Beijing in 2003 to prevent

If Pyongyang conducts a fourth nuclear test the international community will press for even stronger measures against North Korea.

North Korea from developing nuclear weapons. Nevertheless, in 2006 Pyongyang tested its first nuclear device. The Six-Party Talks have not resumed since North Korea conducted a second nuclear test in 2009. A third nuclear test, in 2013, only seemed to underline the regime's determination to become a nuclear power.

The nuclear issue today remains a primary U.S. concern about North Korea, second only to the deterrence of a North Korean attack on the South. If Pyongyang conducts a fourth nuclear test, the United States and many other members of the international community will press for even stronger measures against North Korea.¹³ Kim Jong-un's declared policy of *byeongjin*, i.e., the "parallel development" of both North Korea's economy and nuclear weapons, runs directly contrary to the United States' position that the international community must never accept North Korea's possession of nuclear weapons.

Policy Parameters of the Major Players

North Korea: In Flux

A primary argument against engaging North Korea is that the essence of the problem is the nature of the regime and until that has changed, engagement will not result in progress and may even reinforce regime misbehavior. But any regime will change over time, including by adjusting its policies as it reassesses changing circumstances and its vital interests. The task thus is to influence Pyongyang's calculus. Properly structured, engagement should eventually facilitate positive change in North Korea, including in the regime's policies.

The task is to influence Pyongyang's calculus.

In fact, politically, economically, and socially, North Korea already appears to be changing as rapidly as at any time since the end of the Korean War. A new leadership, albeit dynastic, appears to be consolidating. Gray and black markets are growing as the state hesitates to implement economic reform. A middle class is developing in Pyongyang, and more information about the outside world is seeping into the country due to the IT revolution. This flux could contribute to more reckless behavior on the part of the regime, but it may also present opportunities for increased engagement and influence by South Korea and others.

The young¹⁴ Kim Jong-un has led North Korea since the sudden death of his father Kim Jong-il in December 2011. In unprecedented acts of dynastic succession in a nominally communist state, Kim Jong-il chose a son to succeed him, as he himself succeeded his own father Kim Il-sung. Kim Jong-il's reasons presumably were the same as those

of other absolute monarchs: he wished to maintain his own grip on power while alive and ensure his family's rule after his death. A critical mass of other power holders in Pyongyang must have supported, or at least not opposed, Kim Jong-il's decision as the best way to ensure a succession that would not endanger the system and their place in it.

Almost immediately following his father's death, Kim Jong-un was named the country's "supreme leader." Lacking accurate intelligence about leadership dynamics in North Korea, outside observers speculated about the degree to which Kim Jong-un personally would govern or serve only as a figurehead, with major decisions made by older and more experienced leaders. They wondered about his personal views and abilities, hoping that his study abroad in Switzerland might have encouraged a reformist bent, but they also worried about his youth, lack of experience, and reputed aggressiveness.

Since coming to power, Kim appears to have been consolidating his position amid deep divisions within the ruling circle, as evidenced by numerous personnel changes in the top ranks of the military, party, and government.¹⁵ His execution of his uncle Jang Seong-taek further tarnished the regime's image abroad.¹⁶ For whatever reasons, Kim Jong-un has not set foot out of North Korea as the country's new ruler, and he and the PRC leadership have yet to meet.¹⁷ Kim is emulating his grandfather's leadership style, but he still shows signs of immaturity, as in his partying with American former pro basketball player Dennis Rodman and his focus on building luxury facilities in the capital for the elite.

In terms of the DPRK's economy, Kim Jong-un has stressed that the people of North Korea should never again have to suffer from hunger and want.¹⁸ So far under his leadership, however, the government has taken few steps toward even limited market-oriented reforms. Announcements such as plans for foreign investment zones appear not to have been carefully prepared or thought out. Instead, extralegal and illegal markets and *de facto* private businesses are flourishing. Chinese trade and private investment, especially in the mining sector, has risen dramatically, albeit from a low base; even the execution of Jang Seong-taek—a known proponent of following the Chinese model—does not seem likely to change the trend. More laborers are being dispatched abroad to earn hard currency. The result is that the North Korean economy has been growing, even if quite slowly.¹⁹ The government has pushed apartment construction in the capital and some development is also occurring in provincial cities, but absolute poverty continues to characterize life in the countryside. A significant portion of the popu-

lation is still forced to rely on foreign official and private donations of food and medicine.

In defense of the *byeongjin* policy, leaders in Pyongyang say that North Korea's possession of a "nuclear deterrent" counters the alleged security threat from the United States and allows them to focus on economic development. North Korea's actual reasons for developing nuclear weapons cannot be verified. In any event, this "guns and butter" policy is at cross purposes with the international community, which under the aegis of the United Nations Security Council (UNSC) has deemed North Korea's nuclear weapons program to be illegitimate and has imposed successively more stringent economic sanctions. The international community has, in effect, declared that until Pyongyang gives up nuclear weapons it will discourage the very international trade and investment the regime must have to grow its economy. Pyongyang, in turn, has rejected the UNSC's authority and reacted angrily to foreign statements, including by President Park Geun-hye, that North Korea cannot expect the international community to assist it in developing its economy as long as it pursues nuclear weapons.²⁰

Meanwhile, despite its continuing relative isolation, North Korean society is ever more rapidly changing. In North Korea, the 1990s famine resulted in a loosening of regime control over the people and reduced popular respect for it. The regime was taken aback by the popular reaction to its confiscatory currency "reform" in December 2009 that threatened people's savings, and found itself forced to ease the provisions and offer an apology. The IT revolution has seen increasing amounts of information about the outside world reaching the population, especially the elite, through such things as South Korean soap operas on thumb drives and DVDs smuggled across the border with China. The regime allowed an Egyptian company to provide cellular telephone service in Pyongyang beginning in 2008, and now over two million people throughout the country own cell phones. Even though the cell phones, like North Korea's version of the Internet, are configured to permit domestic use only, the greatly increased popular ability to communicate could have long-term implications for the development of public opinion.

In addition, the regime's need for hard currency and economic growth has forced it to rely increasingly on exchanges with the PRC, in the process exposing many North Koreans to a *relatively* much more open and developed society.²¹ As noted above, Pyongyang is also dispatching more North Koreans to work abroad, not only in the PRC but also in Russia and in many countries in Europe, the Middle East, and

Africa. Perhaps between 100,000 and 200,000 North Koreans are working in the PRC alone.²² Although most such North Koreans are closely supervised and have few meaningful opportunities to engage with the host country, even limited exposure to the outside world may eventually contribute to positive change in North Korea.

It is premature to exclude the possibility that the new Pyongyang leadership—which faces so many pressures and challenges—may be amenable eventually to taking a more positive course. Kim is a different person than his father; he is of a different generation and has had different formative experiences; he has been in office less than three years. He is still a young man and has time to mature and change with increasing age, experience, and authority. His stated emphasis on improving the popular standard of living provides a potential opening to engage his regime to improve both the humanitarian and the security situations on the Korean Peninsula. It is a fact that so far Kim Jong-un’s regime

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has adopted a harsh and threatening attitude toward South Korea and toward President Park personally, but this is likely due at least in part to Kim’s need to look “tough” at home as he consolidates power.

United States: The Limits of Diplomatic Flexibility

While Kim Jong-un cannot be expected on his own initiative to change the current trajectory on the Korean Peninsula, neither can another major player: the United States. The United States has compelling reasons for having adopted its current North Korea policy of “strategic patience” toward North Korea and *de facto* containment of the threats it poses. The Obama administration has pursued essentially the same policy since Pyongyang responded to its immediate post-inauguration diplomatic initiative in 2009 by launching a long-range rocket and conducting its second test of a nuclear device.²³ This is not idiosyncrasy on the part of President Obama: future American presidents are also very likely to maintain substantially the same policy.

Since its entry into the Korean War to defend the Republic of Korea, the United States' top priority on the Korean Peninsula has remained the preservation of the Republic of Korea within its current boundaries. (As discussed above, the United States supports Korean unification but is not prepared to risk war to achieve it.) This is due

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as much to political as to strategic factors: the 33,686 Americans who died in battle in Korea became an imperative for U.S. political leaders never to “lose” South Korea.²⁴ The fact that South Korea has become one of the world's great economic and political success stories has only strengthened the political need for the United States to stand with Seoul. More recently, South Korea's strategic importance to Washington has grown as China increasingly challenges the United States' post-war position in East Asia.

The emergence and salience of the North Korean nuclear issue since the late 1980s misled many observers into thinking that its resolution was as important as or even more important to the United States than the security of the Republic of Korea. That this is not the case is demonstrated by the United States' unwillingness to use military force against North Korea's nuclear and missile facilities, in large part for fear that Pyongyang might engage in massive military retaliation against South Korea. But the United States has devoted enormous efforts and resources to limit the proliferation of nuclear weapons technology ever since its own development of nuclear weapons in 1945, and it certainly has no interest in a regime such as North Korea possessing nuclear weapons. The events of September 11, 2001, and Iran's apparent efforts to develop at least a latent nuclear weapons capability have only reinforced this American attitude.

U.S. flexibility in dealing with North Korea is further limited by the profound American dislike of the North Korean regime. While Pyongyang cynically makes tactical use of this “hostility” to try to paint the United States as the offending party in the eyes of the international community,²⁵ it is a political reality in the United States.²⁶ In major opinion polls, North Korea has long ranked as one of the countries, if not *the* country, most disliked by the American public.²⁷ American elite opinion of North Korea is no more favorable. Americans dislike North Korea for its “communist” regime; its lack of respect for basic human

rights, including religious liberty; its failure to feed its own people; its relationships with other “rogue” states; its—at times—stated readiness to proliferate its weapons and technology; and its pattern of verbal threats against the United States and its allies, not to mention actual military action against South Korea. Together, these reasons make it all the more unacceptable to Americans that North Korea should pursue nuclear weapons.

The experience of the past two decades has underlined the limits on American options in dealing with the North Korean nuclear issue. The use of military force against North Korea’s weapons of mass destruction (WMD) is not a viable option due to the risk of a conventional North Korean counterattack on the South Korean capital of Seoul. As a result of PRC support for Pyongyang, U.S. and other international sanctions against North Korea’s WMD development have not worked and are unlikely to change the regime’s basic approach anytime soon.

The United States has adopted a policy of upward-ratcheting containment until Pyongyang changes its fundamental approach.

The United States rejects engaging in negotiations with North Korea under the current circumstances, because doing so would be tantamount to accepting the regime’s assertion that it is a legitimate nuclear weapons state and because the regime’s words no longer have any credibility in Washington. Finally, the United States cannot rely on reform occurring in North Korea in time to address the increasing threats and problems that Pyongyang poses.

Almost by default, the United States has adopted a policy of upward-ratcheting containment until Pyongyang changes its fundamental approach. American top officials are undoubtedly well aware of the risks and problems with the current policy. That they have not adopted another approach apparently reflects their judgment that all other options would be worse in terms of their understanding of American interests. Exhortations to American leaders to engage North Korea absent Pyongyang’s willingness to negotiate an end to its nuclear weapons program are thus very unlikely to be heeded.

PRC: Wedded to Pyongyang

With North Korea unlikely to begin to reform on its own and the United States committed to a policy of strategic patience and containment, the only other outside player with the potential influence and interest to fundamentally change the situation on the Korean Peninsula is the PRC. China is not only North Korea's only treaty ally, committed militarily to its defense, it has also become the only country on which North Korea can rely for substantial material and moral support.²⁸ The United States, Japan, and South Korea, once major aid providers at various times during the past two decades, have slashed assistance to the country. China also predominates in trade with North Korea. Since 2009, the PRC's trade has increased dramatically and by 2013 constituted over three-quarters of the DPRK's total trade abroad (including with South Korea); the PRC has also provided the North with most of its vital oil supply.²⁹

Since the second North Korean nuclear crisis erupted in 2003, many third-country observers have found the PRC's continued, not to mention increasing, support of the North to be puzzling. The PRC asserts that it does not want North Korea to continue to develop nuclear weapons. The PRC is interested above all in maintaining peace and stability on its borders, but DPRK possession of nuclear weapons might make the regime even more reckless in its confrontation with the South. PRC leaders must also take into account the possibility that North Korea's development of nuclear weapons might eventually impel the ROK and Japan toward a decision to develop their own nuclear weapons. In addition, the PRC has been under constant pressure from major international partners, including the United States, South Korea, Japan, and the European Union, to use its influence to end North Korea's nuclear weapons program. U.S. officials have made it clear that if China does not, the United States will take strategic countermeasures that China will not appreciate, such as bolstering the U.S. military presence in the region, including missile defense architecture.³⁰

Chinese officials have frequently expressed what appears to be genuine frustration and even anger at North Korea's dismissal of their calls to negotiate an end to the nuclear weapons program and to implement Chinese-style economic reform. They have supported some UN Security Council condemnations of and sanctions against North Korea for its nuclear and missile programs. They have also apparently been deeply concerned about North Korean military attacks on and threats against South Korea. Whether due to Chinese rejection or to Kim Jong-

un's own decision, the new North Korean leader has yet to visit the PRC. In addition to official Chinese displeasure with North Korea, Chinese academics and other citizens frequently publish criticism of Pyongyang for ignoring Chinese advice and for failing to express gratitude, much less reciprocate, China's largesse.

Given all this, and in light of the fact that China has good political relations with Seoul and that its trade and people-to-people ties with the South are far greater than those with the North, some Americans and South Korean observers have speculated that the PRC might eventually reduce or end support for the North. Stated U.S. policy toward North Korea relies heavily on the PRC's placing substantially increased pressure on North Korea to end its nuclear weapons program.³¹

Despite such hopes, there is little prospect that Beijing will take a fundamentally different approach to its socialist neighbor in the fore-

There is little prospect that Beijing will take a fundamentally different approach to its socialist neighbor in the foreseeable future.

seeable future. China's policy toward the Korean Peninsula has "long been characterized by the 'three no's': 'no war, no instability, no nukes' (*buzhan, buluan, wuhe*), in descending order of importance."³² The PRC is much less concerned about the North's pursuit of nuclear weapons than it is about the possibility that applying too much pressure on Pyongyang could result in chaos and regime collapse in North Korea. Today as well as traditionally, Chinese leaders have tended to think of the Korean Peninsula as a quasi-domestic matter.³³ The PRC feels strongly bound to the North Korean regime for geographical, historical, and strategic reasons. The two states share an 880-mile border and are separated only by two narrow rivers. The leaders of what would become the DPRK and the PRC fought together in the Communists' victory over the Nationalists in China, and the PRC's entry into the Korean War saved the DPRK. Both regimes are profoundly suspicious of U.S. strategic intentions. China is concerned that a unified Korea would be allied with the United States and that U.S. forces might remain on the peninsula. In case of instability in North Korea, China fears that the United States and South Korea might intervene militarily to achieve unification.

On the Korean Peninsula, the PRC's guiding principle has thus been and will most likely remain "better the devil you know than the

devil you don't." While the PRC will continue to express frustration with North Korea and support some new international sanctions against the regime when its behavior is egregious, for the foreseeable future Beijing will be unwilling to use enough of its potential leverage to risk internal instability in the country. The PRC thus cannot be counted on to take what it itself would regard as major risks to press Pyongyang to resolve the nuclear problem and implement fundamental political and economic reforms.

Japan and Russia: Wild Cards?

Japan has major interests on the Korean Peninsula due to its geographic proximity, its economic ties to the Republic of Korea, and its own large Korean ethnic population. Through its alliance with the United States, Japan serves as a vital rear-area support base for U.S. forces deterring, and if necessary, defending against another North Korean invasion of the South. In the event of conflict with the United States, North Korea might well seek to strike U.S. bases in Japan. Japan itself feels increasingly threatened by North Korea's development of nuclear weapons and ballistic missiles. North Korea's failure to return innocent Japanese citizens it abducted in decades past is one of the biggest continuing political issues in Japan. Tokyo has strongly supported international sanctions against North Korea's nuclear and missiles programs and has imposed its own, even stricter bilateral, sanctions over the ab-

Even a full resolution of the abductee issue in the bilateral talks now underway, which is unlikely, would not fundamentally change Tokyo's relations with Pyongyang.

ductions. Just a little more than a decade ago, Japan was one of North Korea's largest sources of trade and official and private aid; today, there is virtually no trade between the two and only a trickle of private aid reaches North Koreans from Japan.³⁴

Japan is not in a position to serve as a catalyst to change the current trajectory on the Korean Peninsula. Continuing bilateral historical and territorial issues limit Japan's standing with both North and South Korea. Even a full resolution of the abductee issue in the bilateral talks now underway, which is unlikely, would not fundamentally change Tokyo's relations with Pyongyang. Japan will, in any event, continue to enforce international sanctions against North Korea. Moreover, since the end of World War II, Japan has outsourced most of its defense

efforts to the United States and has generally followed the American lead in foreign policy, especially in East Asia. Although Japan's current leaders are adopting a somewhat more independent approach in foreign policy even as they are strengthening security cooperation with the United States, "going rogue" in dealing with North Korea would not be in Tokyo's interests. Japan will thus continue to play an important but nevertheless secondary role in Korean Peninsula affairs for the foreseeable future.

Russia is also unable to change the basic trajectory of Korean Peninsula affairs. Although it has a short border with North Korea, Russia's interest in the Korean Peninsula is limited. Its bilateral trade even with South Korea is small; with North Korea, it is negligible. Moscow is not prepared to give large sums of grant aid to North Korea. Russia does have commercial interests in potential energy and transportation deals in Northeast Asia. These could become part of a broader reconciliation and peace process on the Korean Peninsula, but only after considerable progress has been made in inter-Korean confidence-building. In terms of diplomacy, Russia has generally followed the PRC's line in the Six-Party Talks, while sometimes being more willing than the PRC to speak critically about Pyongyang's behavior. This may be offset by President Putin's increasing animus toward the Obama administration, especially after the crisis in Ukraine.

South Korea: The Need to Exercise Leadership

With North Korea, the United States, and China locked into their positions, and with Japan and Russia having insufficient influence, the only remaining actor that might be able to improve the situation on the Korean Peninsula is the Republic of Korea. If it does not exert more leadership soon, inter-Korean relations may deteriorate further, North Korea will continue to increase the pace of its nuclear weapons and missile development, and the North Korean economy increasingly will be incorporated into that of the PRC. "Strategic patience" carries greater risks for South Korea than would a new diplomatic effort seeking to change the current trajectory.

South Korea has not only the need but also the potential to assume greater leadership of North Korea policy internationally, including by engaging the regime and its people. No other state has South Korea's combination of potential influence and the need to change the

status quo on the Korean Peninsula. Seoul long ago won the competition of systems with Pyongyang, vastly outperforming it economically, politically, and diplomatically. While North Korea can devastate the city of Seoul with its artillery just north of the Demilitarized Zone, South Korea's conventional forces overall are far stronger and South Korea can rely on the U.S. nuclear umbrella to nullify North Korean nuclear intimidation.

“Strategic patience” carries greater risks for South Korea than would a new diplomatic effort seeking to change the current trajectory.

Not only in comparison with Pyongyang but also regionally and even globally, South Korea has become a leading middle power.³⁵ Its fifty million people make it the world's twenty-sixth most populous country. (A unified Korea would have seventy-five million people, more than every European country except Germany.) With nearly seven hundred thousand active personnel, South Korea's military is the world's sixth-largest (immediately following North Korea, with 1.1 million, and Russia, with one million). It has the world's fifteenth-largest economy and is the sixth-largest exporter. Its manufactures, including cell phones, automobiles, and ships, enjoy global brand recognition, and Korean popular culture is a force not only in Asia but increasingly also throughout the world.

Since its democratization a quarter century ago, South Korea has in fact been exercising increasing influence globally, including on how the international community regards North Korea. Most notably, Ban Ki-moon, a South Korean citizen and former ROK foreign minister, is serving as secretary general of the United Nations. Korea has been the focus of global attention as the host of a succession of major international conclaves, including the ASEAN–Republic of Korea Commemorative Summit in 2009, the G20 summit in 2010, and the Nuclear Security Summit in 2012. Korea hosted the 1988 Olympics and will again host the Summer Olympics in 2018. As the first and only major former recipient of overseas development assistance to become a major foreign aid provider, South Korea is a leading model globally of economic and political development.

Perhaps due to the recentness and rapidity of the ROK's rise, however, many South Koreans' consciousness of their country's international influence lags reality. Korea may have been a helpless “shrimp

among whales” such as China and Japan a century ago, but today it assuredly is at least a dolphin, capable of maneuvering effectively among whales. The main impediment to South Korea’s assuming a greater international leadership role on the Korean question is not a lack of national power but a lack of domestic political consensus about how to deal with North Korea and the consequent inconsistency in ROK policy across administrations.

Since South Korea’s democratization, Korean presidents have been limited to a single five-year term of office, and conservatives and progressives have each taken control of the Blue House at various times. South Korea’s North Korea policy has thus also changed every five years, reflecting the personal preferences of the new president and the politics of his or her party as well as changing circumstances in North Korea and the international community.

- As the Cold War was ending, conservative President Roh Tae-woo (1988–93) pursued what he called *Nordpolitik*, a policy intended to isolate and influence North Korea by persuading its partners, the USSR and the PRC, to normalize relations with South Korea and to support Seoul’s full membership in the United Nations. The Roh administration succeeded in its immediate aims but was unable to induce sustained change in North Korean policies.
- President Kim Young-sam (1993–98) was a longtime opponent of authoritarian rule but after democratization he ensured his election to the Blue House by allying himself with Roh Tae-woo. He initially advocated coexistence and cooperation with North Korea. Coinciding with the first nuclear crisis, famine in the North, and Kim Il-sung’s death, the North Korea policy of Kim’s term was characterized by inconsistency. He veered between large-scale aid and a quest for a summit meeting to condemnations of Pyongyang. North Korea under its new leader, Kim Jong-il, refused to deal with him.
- As Korea’s first progressive president, Kim Dae-jung (1998–03) pursued what he called the “Sunshine Policy” toward North Korea. This was based on the belief that pressure on North Korea would not work, but assistance and exposure to the outside world would produce inter-Korean reconciliation, North Korean reform, and, eventually, peaceful unification. Kim initiated various types of exchanges with the North and even held an unprecedented summit with Kim Jong-il, but Pyongyang almost immediately began to backtrack on inter-Korean engagement and then used the election of George W. Bush as U.S. president as a pretext to

- nearly end it. Kim's long-term vision was well intentioned but its implementation was undermined by North Korea's concern about the corrosive effect of contacts with the South, opposition within South Korea exacerbated by the government's under-the-table cash payment to Pyongyang, and a lack of support from the George W. Bush administration.
- Roh Moo-hyun (2004–08), also a progressive, sought to pursue the Sunshine Policy under the name of the “Policy of Peace and Prosperity.” Weak at home and with North Korea focused on pursuing nuclear weapons and missile development in confrontation with the George W. Bush administration, President Roh had little success in engaging North Korea. He finally held one summit meeting with Kim Jong-il only a couple of months before his term ended. With opposition in the South to the Sunshine Policy stronger than under Kim Dae-jung, Roh's last-minute summit was strongly opposed by many Korean conservatives.
 - As a candidate, Lee Myung-bak (2008–13) suggested that his North Korea policy would be midway between previous conservative and progressive administrations. He promised to give massive infrastructure aid and other help to North Korea but conditioned it on the North's denuclearization. After his election, it became clear that he did not intend to carry out the far-reaching and controversial understandings President Roh had reached in his summit with Kim Jong-il. President Lee also sought a summit with Kim Jong-il, but the effort fell through due to North Korea's demand for “payment in advance.” Thereafter, Pyongyang refused to deal with the Lee administration and instead engaged in such provocations as the sinking of a South Korean navy vessel and the shelling of an inhabited South Korean island. In December 2011, Kim suddenly died and was immediately replaced by his son Kim Jong-un. The younger Kim was preoccupied with shoring up his position at home and apparently was not prepared to explore improved relations with the South.

Thus, South Korea's leadership on the North Korea question has been undercut not just by North Korea's behavior and changes in the international situation but also by South Korea's own frequent changes of North Korea policy and deep division at home.

President Park's North Korea Policy

Stated Policy

Inaugurated in February 2013, President Park Geun-hye said that her North Korea policy would incorporate the best aspects of both the “principled” approach of her conservative predecessor Lee Myung-bak and the engagement policy of progressive presidents Kim Dae-jung and Roh Moo-hyun. As a presidential candidate, she began laying out her North Korea policy in a major speech at Stanford University in 2009 and an essay in *Foreign Affairs* magazine in 2011.³⁶ In her first year in office, Park was fleshing out the policy and also modifying it as she dealt with numerous challenges from North Korea, including another round of nuclear and missile tests, harsh threats, and an extended withdrawal of North Korean workers from the North-South joint industrial park in the North Korean city of Kaesong.³⁷

The name of Park's North Korea policy, *trustpolitik*, has caused confusion. It derives from West German chancellor Willy Brandt's *Ostpolitik* or “eastern policy” toward East Germany and its Soviet patron, from which South Korean president Roh Tae-woo coined the term *Nordpolitik* for his policy toward North Korea and the Soviet Union in the final years of the Cold War. In coming up with the term *trustpolitik*, President Park apparently was reflecting not only this historical connection but also the importance she personally attaches to trust with those with whom she deals. In that sense, it describes an attitude or an approach more than it does the substance of her North Korea policy.

President Park stresses that trust must be mutual and built up through a series of steps, from smaller and easier to larger and more difficult issues. In the academic literature of international relations, such an approach is usually called “confidence-building.” Confidence-build-

ing measures in international relations originally were intended to reduce tensions and the risk of war. Evidently, however, President Park intends for her *trustpolitik* to focus first on economic and social exchanges, where there is also a lack of mutual confidence between the two Koreas. Meanwhile, like all of her predecessors, President Park simultaneously places great stress on maintaining a strong defense and deterrence against North Korea.

Park's stated policy differs from that of her conservative predecessor Lee Myung-bak, especially in the latter part of his term, primarily in that she made it clear she was prepared to "pursue a *low level* [italics added] of engagement with the North in the form of exchange, cooperation, and humanitarian aid" without linkage to the nuclear issue. She also declared that she would "respect and adhere to . . . existing inter-Korean agreements." Like Lee, however, she has linked large-scale help for the development of North Korea's economy, which she calls "Vision Korea Projects," to progress on denuclearization. President Park apparently also does not support beginning peace treaty negotiations until progress is being made on the nuclear issue.³⁸

Other elements of President Park's policy include establishing a "peace park" in the Demilitarized Zone and a Northeast Asia Peace and Cooperation Initiative, which she says would complement her trust-building process with North Korea. The Initiative would involve dialogue and cooperation among the countries of Northeast Asia and the United States, starting with "terrorism, environment, humanitarian

The key distinguishing factor across ROK administrations has not been the language of stated North Korea policy, not even about the nuclear issue, but the actual priority attached to the various elements of their policies and the manner and tone of their implementation.

assistance, disaster relief and other non-conventional areas of security."³⁹ To what extent or at what point President Park would link this to progress on North Korean denuclearization, she has not yet clarified.

In short, President Park's *declarative* North Korea policy shares many similarities with those of previous progressive and conservative South Korean governments. Indeed, apart from the degree of linkage to progress on the North Korean nuclear issue, most of the stated principles of all previous conservative and progressive polices have been similar. The key distinguishing factor across ROK administrations has

not been the language of stated North Korea policy, not even about the nuclear issue, but the actual priority attached to the various elements of their policies and the manner and tone of their implementation. In this sense, not only President Park's declarative policy toward North Korea but also, as we shall now discuss, her actual approach toward Pyongyang is squarely in the mainstream of conservative South Korean thinking.

Implementation

President Park has only been in office for a year and a half, and her approach and policies toward the North continue to evolve. She has demonstrated both a desire to engage North Korea and a principled approach toward that effort—as in her astute handling of North Korea's *de facto* closure of the Kaesong industrial park—that has garnered her relatively strong support from the South Korean public. Partly due to North Korea's numerous threats against the South during this period, however, she has not actively implemented her campaign pledges to assist ordinary North Koreans. Her administration has provided the North with very little food aid and medical supplies. It has also allowed few civilian exchanges and little private South Korea aid to reach the North.⁴⁰ Her stated policy of implementing existing inter-Korean agreements apparently did not include controversial understandings reached by President Roh Moo-hyun and Kim Jong-il at their summit in 2007, including regarding the joint use of the Yellow Sea (West Sea).⁴¹

As her first year in office wore on, President Park began to sound less optimistic in the face of the North's belligerent attitude, and a strong linkage of inter-Korean exchanges to denuclearization became increasingly apparent. In advance of a trip to the United Kingdom in November 2013, President Park told the BBC: “We must sever that vicious cycle of the past. We must make sure that we do not repeat a situation where North Korea says it will engage but instead buys time to advance the sophistication of its nuclear weapons.” She added: “North Korea's actions and their behavior are very disappointing because they have not honored their promises. It's hard to trust someone who doesn't honor their promises because it makes things very hard to predict But this is not to say that we will close the door entirely on North Korea. We will keep the door to dialogue open and continue our efforts to build trust.”⁴²

Nevertheless, the two sides continued some official talks, including on the “normalization” of the Kaesong industrial project, where a

new coordinating committee staffed by North and South Korean officials met and reportedly made some progress. South Korea also continued to allow some visits by its citizens to North Korea as well as provided limited humanitarian aid to the North. In February 2014, North Korea finally allowed the first family reunions to be held since 2010, after abruptly canceling a planned reunion in fall 2013. A round of senior-level official talks was also held. Unfortunately, the intervening months have seen no further official talks or family reunions.

Emphasis on Unification

As President Park began the second calendar year of her presidency, she suddenly put much more emphasis on the goal of unification. While working toward eventual unification had always been a primary stated aim of her North Korea policy, she declared at a press conference on January 6, 2014, that unification would represent a “jackpot” for the Korean people and for the country’s neighbors.⁴³

Park’s speech brought unification back into the political discourse in South Korea after a long absence. Nearly two decades ago, as South Koreans reflected on the lessons of German unification, concerns about the costs and risks of Korean unification became predominant. During the following decade, Presidents Kim and Roh stressed their concern that an early unification, without extensive preparation, could prove disastrous. South Koreans, especially the younger generation, became skeptical about unification other than as a vague, long-term ideal. President Park’s remarks sparked a useful debate about not only the costs and risks of unification but also the costs—including opportunity costs, and risks of the status quo—as well as of the advantages of unification.⁴⁴

On the other hand, observers were surprised by President Park’s uncharacteristic use of the “un-presidential” buzzword “jackpot” to highlight the importance of unification. Commentators speculated about the motivation for making such a statement. Theories included her reportedly having read a recent book about unification that included the term in its title; that she might have felt that the Pyongyang regime was near collapse after the execution of Jang Seong-taek; or that, as she herself indicated, she wanted, among other things, to reassure foreign powers, especially the PRC, that unification on South Korean terms would not run counter to their interests.

Then, on March 28, 2014, during a visit to Dresden, Germany, President Park gave a major address updating and modifying her North

Korea policy. Entitled “An Initiative for Peaceful Unification of the Korean Peninsula,” she offered a number of engagement ideas to North Korean authorities “in the hope of laying the groundwork for peaceful unification.”⁴⁵ Among other things, she proposed to

- hold regular reunions of divided families while the ROK provides health care for pregnant mothers and infants and unspecified “assistance” for children in the North;
- collaborate in setting up complexes to support agriculture, animal husbandry, and forestry, and invest in transportation and telecommunications infrastructure; and
- engage in educational, cultural, and sports exchanges to “narrow the distance between our values and our thinking.”

She concluded by declaring that “. . . Korean unification is a matter of historical inevitability” and “Wir sind ein Volk!”

Long-time observers of the North Korea problem in South Korea and in the West reacted with puzzlement to President Park’s new focus on unification. Although she directed her proposals at “North Korean authorities,” neither the substance nor the tone of her remarks seemed calculated to appeal to them. Indeed, the very focus on unification seemed likely to heighten North Korean leaders’ concerns that the South might be aiming for “unification by absorption,” as in the German case. Moreover, President Park continued to leave unclear the extent to which she would link offers of assistance to North Korea to progress on the nuclear issue.⁴⁶

Responses of the Major Players

North Korea: Perhaps partly because the government in Pyongyang under the new leadership of Kim Jong-un has been preoccupied with its own consolidation, North Korea’s attitude toward President Park has appeared erratic. At the beginning of President Park’s term, the government-controlled media in Pyongyang avoided personal criticism of her and her policy. By the second half of her first year in office, however, the media were declaring her North Korea policy “hypocritical” and a “brigandish” policy of confrontation, “aimed at forcing the DPRK to unilaterally dismantle its nukes. . . .”⁴⁷ North Korean rhetoric directed at Park’s administration and at Park personally became increasingly detailed, harsh, and even vulgar.

North Korea appeared to be especially sensitive to South Korean calls for it to give up the pursuit of nuclear weapons. The spokesman

for the Policy Department of the DPRK National Defense Commission, one of the regime's top authorities, declared that her "demand that the DPRK should dismantle its nukes and missiles is, in the final analysis, little short of forcing it to give up its sovereignty and dignity to be a slave of imperialism." In the same statement, the first of three "warnings" to the Park administration read: ". . . they should not dare utter words about the nukes of the DPRK and its line of simultaneously pushing forward economic construction and the building of nuclear force any longer."⁴⁸

Pyongyang also remained neuralgic about U.S.-ROK combined military exercises and reacted with hostility toward President Park's Dresden Declaration. In 2014, the annual U.S.-ROK combined military exercises and President Park's new focus on unification prompted the North Korean authorities and media to launch attacks on President Park and her policies as harsh as any of those made against the Lee Myung-bak administration. North Korean official comment on her meetings with President Obama during his trip to Seoul in April was even more extreme.⁴⁹

As of the summer of 2014, Pyongyang's apparently contradictory "messaging" was continuing. While test launching an unprecedented number of missiles and rockets, some personally overseen by Kim Jong-un, North Korea's National Defense Commission on June 30 repeated a message that the regime had sent publicly in various forms, beginning with Kim Jong-un's own New Year's address.⁵⁰ Essentially, it declared the Korean people's—and thus its own—great interest in an improvement in inter-Korean relations. Unfortunately, the appeal was burdened with conditions unacceptable to President Park's government, including an end to joint military exercises with the United States and the implementation of all previous inter-Korean agreements, which would include those reached at the Roh-Kim summit. The statement also rejected President Park's Dresden Declaration on Korean unification and denounced South Korea's criticism of the North's *byeongjin* policy. The South Korean government almost immediately dismissed the statement, as it had done with the earlier North Korean statements along these lines.

As of this writing, official interaction between North and South is very limited. The situation has led to speculation on the part of some experts that Pyongyang may be close to writing off President Park's government as an engagement partner, as it eventually did the Lee Myung-bak administration. (North Korea's official media has in fact been suggesting as much, although such statements may instead be in-

tended to press the ROK to agree to Pyongyang's proposals.⁵¹) Other experts, however, believe that the high-level North Korean statements calling for improved ties, as problematic as their wording has been, reflect a possible genuine opening to dialogue in Pyongyang that should at least be explored.⁵²

United States: The United States has expressed strong support for President Park's North Korea policy. After President Obama's first meeting with President Park, he declared, "The United States and the Republic of Korea are as united as ever. . . . Our two nations are prepared to engage with North Korea diplomatically and, over time, build trust." Reflecting the American emphasis on North Korean denuclearization, however, he added, "But as always—and as President Park has made clear—the burden is on Pyongyang to take meaningful steps to abide by its commitments and obligations, particularly the denuclearization of the Korean Peninsula." President Park responded in perhaps even starker terms about the necessity of denuclearization: "North Korea will not be able to survive if it only clings to developing its nu-

American officials appreciate that South Korea has a special relationship with North Korea.

clear weapons at the expense of its people's happiness. Concurrently pursuing nuclear arsenals and economic development can by no means succeed."⁵³

American officials appreciate that South Korea has a special relationship with North Korea. They have thus been inclined not to object if South Korea engages with North Korea on many matters without linkage to the nuclear issue, especially humanitarian aid and people-to-people exchanges but also economic cooperation such as Kaesong, even though the United States itself is no longer prepared to do so. However, the United States under the Obama administration has only grown firmer in its efforts to induce North Korea to give up its pursuit of nuclear weapons. Since President Park's administration itself has not actively sought to expand engagement with North Korea so far, the exact limits of such American tolerance currently are unclear. Key to maintaining U.S. understanding, if not active support, of ROK engagement of the North will be close advance ROK consultation with the United States about any new engagement programs or major expansions of existing projects.

Meanwhile, U.S. officials appear to be fairly comfortable with the Park administration's effort to strengthen relations with the PRC,

since they too have long sought to improve relations with Beijing, including to induce it to put more pressure on Pyongyang to abandon nuclear weapons. While the Obama administration reportedly opposes some PRC overtures to Seoul, such as its proposal to establish an Asian Infrastructure Investment Bank, American officials generally do not regard Seoul's relations with Washington and Beijing as being a zero-sum game. Moreover, American leaders will have been reassured by popular opinion polls in South Korea showing near-record levels of popular support for the U.S. alliance and considerably greater affinity for the United States than for China—even as South Korean appreciation of China has grown.⁵⁴ American officials are more concerned about the current tensions between the ROK and Japan than they are about the development of South Korea's ties with China, because they regard trilateral U.S.-ROK-Japan security cooperation as essential both to countering North Korean threats and to send a clear message to Beijing about the need to abide by international norms in its relations with East Asian neighbors.

PRC: China has said little publicly about the Park administration's North Korea policy, but President Park personally has made a good impression on both the PRC's leadership and public. A Chinese translation of her autobiography has been a bestseller in the PRC. While the Chinese felt some distance from President Lee Myung-bak due to his emphasis on the alliance with the United States, President Park's gestures toward the PRC, including speaking in Chinese on her first visit to Beijing, won many friends there. Chinese officials have responded by engaging in a "charm offensive" toward Park and her administration. Also, in the wake of North Korean nuclear and missile tests and threats against South Korea during the early months of President Park's tenure, PRC leaders reportedly expressed strong criticism of the DPRK to both South Korean and American leaders. This stood in contrast to Beijing's decision not to take a position on the sinking of the South Korean navy vessel *Cheonan* in 2010, a step that alienated President Lee Myung-bak and many South Koreans. Moreover, President Park's strong position on historical and territorial issues with Japan resonated with Chinese leaders and the Chinese public.

Nevertheless, there were few indications that the PRC would change its basic approach toward North Korea, despite hopes in both Seoul and Washington. This was underlined by President Xi Jinping's failure, during his visit to South Korea on July 3–4, to specify the need for North Korea to denuclearize. Although South Korean officials had suggested in advance of his visit that he would, for the first time, do

just that, he continued to call only for “the denuclearization of Korean Peninsula” as a whole.⁵⁵ Since South Korea has no nuclear weapons program, Xi’s position confirms the PRC’s continuing unwillingness to put increased public pressure on Pyongyang regarding its nuclear weapons program. It may also reflect Beijing’s sympathy with Pyongyang’s argument that it must have nuclear weapons to deter the United States’ extended nuclear umbrella for South Korea.

Japan and Russia: Japan appears to be generally supportive of President Park’s North Korea policy, but this has been overshadowed by the ROK-Japan historical and territorial disputes. No bilateral summits have been held between President Park and Prime Minister Abe, and lower-level diplomatic exchanges have also been reduced. Dialogue continues, however, between the South Korean and Japanese diplomats in charge of the Six-Party Talks. Both the U.S. and South Korean governments appear concerned that Japan’s resumption of negotiations with North Korea over the abductee issue might undercut their efforts to press Pyongyang to abandon nuclear weapons.⁵⁶ Some sources speculate that the Abe administration is using the talks in part to counter

Russia is tempted to counter the United States for the sake of countering the United States, including on the Korean Peninsula.

Seoul’s diplomatic campaign against it on historical and territorial issues. Because of Japan’s reliance on the United States, however, it is likely to continue to be generally supportive of U.S. and ROK diplomacy regarding North Korea.

Russia has said little publicly about the *trustpolitik*. In some ways Russia’s policy is supportive of the elements of *trustpolitik*, in other ways not. Like China, Russia opposes North Korea’s nuclear weapons program but prefers (American and South Korean) sweetening of inducements rather than increasing sanctions and other pressures against North Korea. Russia has long supported North-South engagement and exchanges and confidence-building measures. President Putin is eager for South Korean engagement of North Korea to include cooperation on Russian commercial energy and transportation projects, but wants others to foot the bill. Under Putin, Russia is tempted to counter the United States for the sake of countering the United States, including on the Korean Peninsula, but this tendency will be limited by the fact that South Korea is now, in many respects, more important to Russia than North Korea is.

Assessment of Current South Korean Policy

The authors support most of the basic elements of President Park's North Korea policy as stated, including that the ROK has no intention of threatening North Korea, support for North-South Korean confidence-building measures, humanitarian aid for ordinary North Koreans that is not linked to the nuclear issue, and a willingness to offer large-scale developmental assistance and economic cooperation as the DPRK evinces a genuine willingness to rethink its nuclear policy.

Elements of President Park's North Korea policy, however, warrant further consideration and adjustment. In practice, as discussed above, the implementation of her policy has shown considerable similarity to that of President Lee Myung-bak. For example, despite a clear-stated willingness to provide humanitarian aid without linkage to the nuclear issue, so far very little has been provided. Linkages between the nuclear issue and the various elements of the current policy have largely been left unclarified.⁵⁷ The Park administration has also left in place the sweeping May 24 sanctions imposed by President Lee on North Korea after its sinking of the *Cheonan* in 2010. Moreover, the administration needs to adjust the focus on unification to reassure Pyongyang that Seoul is not seeking its collapse, or at least not waiting for it.

Even after more than a year in office, President Park's North Korea policy remains vague and reactive rather than clear and bold. It is unclear whether the administration has a short- to mid-term vision

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for inter-Korean relations that would mobilize ROK bureaucracies and win widespread public support in the South. The long-term goal of unification by itself is unlikely to be able to serve that purpose. Despite the fact that President Park's North Korea policy to date has been process-oriented, there appears to have been inadequate coordination among the main stakeholders at home. This may be due in part to the multiplicity of North Korea policy-involved agencies, including the

new Presidential Committee for Unification Preparation, announced July 15. So far more stress seems to have been laid on rhetoric and image than on substance.

At this point, it is not even clear whether President Park remains committed to *trustpolitik* or if that has been superseded by her new focus on unification. For reasons we discuss below, we believe that unification should be the *ultimate* aim of the ROK's North Korea policy. Until, however, circumstances are in place for a peaceful unification that will likely succeed, the immediate aims should be a reduction of tensions, reconciliation, and convergence of the two societies.

The Policy Context

As we have stressed, engagement is only one aspect—but an essential part—of a comprehensive North Korea policy. Particular engagement projects can and should be mutually beneficial on their own merits. At the same time, engagement occurs in a broad policy context and so should contribute to the achievement of the particular as well as the overall goals of a comprehensive policy. There are four major areas of contention within the Republic of Korea about North Korea policy that currently limit such consensus: the type and timing of unification, how to respond to the North’s pursuit of nuclear weapons, what position the South should take on North Korea’s human rights situation, and the role of sanctions in dealing with North Korea. In the following, we analyze these issues and suggest approaches to them that could be part of an expanded public consensus in South Korea toward North Korea policy.

Unification

We agree with President Park that unification should be the end-state on the Korean Peninsula. Unification could bring enormous benefits to the people of North and South Korea. A unified Korea would likely rank among the world’s top ten states in many areas, including economically, socially, and culturally. Contrary to the widespread focus both within South Korea and the international community on the financial costs of unification, these will likely prove to be quite manageable *if the environment for unification is suitable before it is attempted*. In fact, after a transition period, unification should result in an economically stronger Korean state with a higher standard of living for the people in both the north and the south. The constant threat of war on the Korean Peninsula would be removed. Unified Korea should pose a threat to no state, and no state in the region or elsewhere should have reason to threaten unified Korea.

Nevertheless, a ROK focus now on Korean unification would be unrealistic and unhelpful. The key to both achieving unification *and* ensuring that unified Korea survives and prospers is preparing the strategic, political, economic, and social groundwork. Currently, neither North Korea nor South Korea is interested in unification unless it occurs on its own terms. North Korea will not engage in a sustained way with a South Korean government actually aiming to achieve unification on terms acceptable to South Koreans, and no conceivable South Korean government is prepared to pursue unification on terms currently acceptable to Pyongyang. Moreover, many if not most South Koreans today themselves do not support unification except in the long run and as an abstract concept,⁵⁸ and the younger generation in South Korea

A ROK focus now on Korean unification would be unrealistic and unhelpful.

feels increasingly alienated from Koreans in the North. In any event, an East German–style collapse in North Korea seems unlikely for the foreseeable future.⁵⁹

Major foreign powers currently also would not actually support an active policy of unification. In its joint statements with the ROK, the Obama administration has offered rhetorical support for the goal of unification,⁶⁰ and indeed most Americans feel that in an ideal world Korea would be peacefully unified under ROK leadership. However, there is no evidence that the United States currently regards it as realistic to aim for unification, presumably because (1) pursuing unification now would not actually contribute to achieving unification, (2) it would complicate efforts to persuade China to press North Korea harder for denuclearization, and (3) it might increase the risk of military conflict on the peninsula. Meanwhile, China will not support unification for the foreseeable future, because doing so would force it to choose between the North and the South and because the prospect of unification on ROK terms makes China feel strategically threatened by the United States.

Instead of focusing on unification now, we believe that the immediate South Korean goal should be North-South reconciliation and convergence through a *trustpolitik* based on the pursuit of North-South mutual benefits. Reconciliation and convergence would improve many aspects of the situation on the Korean Peninsula, including eventually facilitating North Korea's abandonment of its nuclear weapons program and the achievement of unification.

Denuclearization

Currently, the main issue shaping North Korea policy is North Korea's pursuit of nuclear weapons and the related problem of its long-range missile development. Conservatives and progressives in South Korea are deeply divided over how and to what extent to focus now on ending the North's nuclear weapons program, including the degree of linkage to the nuclear issue that should be applied to various types of dealings with Pyongyang. Without greater domestic consensus on this issue in particular, South Korea is unlikely to be able to sustain a consistent long-term strategy toward North Korea.

North Korea's continued pursuit of nuclear weapons and long-range missiles raises many concerns. Pyongyang could feel more emboldened to attack the South and the U.S. military with conventional forces. It may again proliferate nuclear technology and materials, increasing instability and the risk of nuclear war in other volatile regions and further weakening the global nuclear nonproliferation regime.⁶¹ The regime may feel less need to consider economic reforms. Moreover, the safety of North Korea's civilian and military nuclear programs is questionable, posing a health risk not only to the people of the North but also of the South.

Without greater domestic consensus, South Korea is unlikely to be able to sustain a consistent long-term strategy toward North Korea.

South Korean conservatives hold that North Korea's nuclear weapons are directed not only against the United States but also against the Republic of Korea. They do not exclude the possibility that Pyongyang might one day attack the South with nuclear weapons. In the meantime, they are convinced that North Korea seeks to use nuclear weapons to blackmail the South. Their concern is intensified because South Korea itself has renounced the development of nuclear weapons and must depend on a foreign power, the United States, to counter the North's nuclear weapons. Conservatives also believe that Pyongyang is using its successes in developing nuclear weapons and rockets to fend off the need to engage in domestic economic and political reforms that ultimately could bring the two societies closer together. Given the importance of this issue, many conservatives insist that concessions to North Korea, even humanitarian aid, must remain limited unless and until Pyongyang changes course on the nuclear issue. To that end, they

support sanctions against Pyongyang as a means of placing additional pressure on Pyongyang.

Progressives also take the position that North Korea must abandon nuclear weapons, but many of them believe that North Korea is pursuing nuclear weapons in significant part because of a profound sense of insecurity, especially due to a perceived military threat from the United States, with its nuclear weapons capability. They believe that North Korea is developing deliverable nuclear weapons to deter the United States, not to attack it or the South. They are convinced that Pyongyang's leaders will not abandon their pursuit of these weapons until they are assured that the United States no longer poses a threat.⁶² They thus feel that sanctions will not move North Korea from its current path. Instead, sanctions will only reinforce the regime's sense of vulnerability, raising tensions and the risk of war on the peninsula. Meanwhile, sanctions hurt the ordinary people of North Korea, not the elite, and reduce the likelihood of long-term reform in North Korea that will bring about the social, economic, and, eventually, political convergence of North and South Korea. Progressives thus seek to minimize the use of sanctions and maximize the provision of aid and support to North Korea.

President Park herself leans strongly toward the traditional conservative position in terms of linkage of inter-Korean relations with the nuclear issue. Her administration's position was stated by the Ministry of Unification:

It would not be desirable to solely promote the development of inter-Korean relations without progress in denuclearization, but at the same time, it would not be feasible to relate every inter-Korean issue to the North Korean nuclear program. Accordingly, the ROK will pursue a low level of engagement with the North in the form of exchange, cooperation, and humanitarian aid, to build a sense of inter-Korean trust. In the meantime, as inter-Korean trust grows stronger and progress is made regarding denuclearization, the ROK government will launch Vision Korea Projects and other large-scale projects of economic cooperation with the North.⁶³

Beyond this, the Park administration has not clarified its linkage of engagement to the nuclear issue, but in practice it appears that the Park administration is linking the nuclear issue even to many basic humanitarian aid projects.

The authors believe that North Korea does not intend to attack the United States or South Korea with nuclear weapons, but is developing them for many interlocking reasons: to deter a perceived conventional and nuclear threat from the United States; to make up for its

weakened conventional forces in the military competition with South Korea; to press for the removal of sanctions and to deflect other international pressures against it, such as on human rights; and to bolster domestic elite and public support for the regime and its leadership. For the record, we believe that the United States and South Korea have no intention of attacking the North, and that the threat to the regime is primarily domestic in nature, stemming from its own policies and institutional rigidities.

Given the risks of North Korea's continued pursuit of nuclear weapons, ending the nuclear program must remain a top South Korean priority. In engaging the North, Seoul must take care not to act in a manner that undermines international efforts to press Pyongyang to abandon nuclear weapons. This means avoiding engagement projects

South Korean and international pressure against North Korea's pursuit of nuclear weapons should continue but in a more focused way.

that strengthen the Pyongyang regime at the expense of the ordinary people of North Korea. Apart from improving the well-being of the North Korean people, engagement projects should aim to promote positive mid- to long-term change in the behavior of the regime. This leaves considerable room for Seoul to pursue humanitarian aid, people-to-people exchanges, and other engagement projects without linkage to the nuclear issue.

South Korean and international pressure against North Korea's pursuit of nuclear weapons should continue but in a more focused way. The aim of such pressure should be to resume Six-Party Talks or to hold Four-Party Talks to end North Korea's nuclear weapons program as North Korea indicates a genuine willingness to negotiate toward that goal. Tailored engagement of North Korea could contribute to North Korea's moving in that direction.

Human Rights

How to deal with the human rights situation in North Korea is one of the most divisive issues between South Korean conservatives and progressives. Conservatives advocate a very active program of publicizing and condemning North Korea's human rights situation. Many support steps such as taking the matter before the International Court of Justice with the aim of charging North Korea's leaders with crimes

against humanity. Conservatives argue that this is the morally correct approach and that it would also put pressure on the regime to reform, if not contribute to its collapse. Progressives, while acknowledging the seriousness of the situation, are adamant that focusing on the human rights problem will not serve to improve the situation. Instead, they say, by making the regime feel even less secure, it would actually worsen it. Progressives argue the ROK should focus for the time being on state-to-state dialogue while providing aid to the North. Eventually, they say, this will contribute to Pyongyang taking its own reform measures, including improving the human rights situation.

As a result of these different perspectives, the Republic of Korea has adopted significantly different human rights policies depending on whether a progressive or a conservative occupies the Blue House. When progressives Kim Dae-jung and Roh Moo-hyun held office as president, the ROK typically abstained on votes in UN bodies addressing North Korea's human rights situation. Conservative governments voted in favor of international criticism of North Korea's human rights situation and sometimes took the lead in raising the issue. Meanwhile, South Korea's unicameral National Assembly has been unable to pass a North Korean human rights bill. Progressives favor "human rights" legislation that deals primarily with providing humanitarian aid to the North, while conservatives have drafted a bill that focuses on human rights along the lines of the United States' North Korea Human Rights Act, first passed in 2004.

Any South Korean policy must take into account that the North Korean human rights issue has developed dramatically in recent years. It was not until the administration of President Carter (1977–81) that the United States embraced an activist policy placing international human rights on its foreign policy agenda. Today democratic governments throughout the world criticize aspects of the human rights situations even in friendly and allied countries, not just in those of adversaries. Actions on behalf of human rights that in earlier decades would have been considered unacceptable interference in domestic affairs now enjoy broad international legitimacy and support. Concepts such as the "responsibility to protect" (R2P) assert that sovereignty is not absolute and that the international community must intervene to stop situations such as crimes against humanity. The scope of human rights itself is being greatly elaborated, including the current focus on education for girls and women and equal rights for all people no matter their sexual orientation or gender category.

That the human rights situation in North Korea was serious was never a secret, but the closed nature of the regime and Cold War dynamics made many people in the international community doubt that the situation was as bad as some asserted. South Korean progressives also associated strong criticism of North Korea's internal situation with those who desired an end to the Pyongyang regime. Pyongyang made it virtually impossible for Western journalists to report out of the country, much less to obtain video that could dramatize the situation of the ordinary people of North Korea for an international audience. The result was that the international community paid little heed to North Korean human rights until the end of the Cold War. In any event, there were few practical means for the international community to address the problem in North Korea.

Coincidentally with the collapse of the Soviet Union, however, the World Wide Web was becoming established, eventually resulting in an unprecedented expansion of the ability of people throughout the world to produce, share, and analyze information of all sorts. One consequence has been an enormous increase in the amount of information available about circumstances inside North Korea. Along with changing international norms about human rights, this has contributed to a dramatic growth during the past decade in the number of people, organizations, and states throughout the world actively focusing on human rights in North Korea.⁶⁴

In a logical conclusion to these developments, a special United Nations Commission of Inquiry published a report in February 2014 detailing what it called “unspeakable atrocities” in North Korea.⁶⁵ The head of the inquiry sent a letter to Kim Jong-un, warning, in effect, that Kim himself might be brought before the International Criminal Court.⁶⁶ The international focus on the North Korean human rights situation will almost certainly continue to increase.

An approach toward North Korean human rights is available, one that would constitute a credible policy for the Republic of Korea and gain the support of the broad middle of the South Korea political spectrum.

While the authors share the concern that a focus on the North Korean human rights situation burdens any engagement effort and will not improve the lives of the people of North Korea in the short- to mid-term, the Republic of Korea cannot ignore the human rights situation. We believe that an approach is available that would constitute a credi-

ble policy for the Republic of Korea and gain the support of the broad middle of the South Korea political spectrum. Steps should include the following:

- The Republic of Korea should establish a standing commission with bipartisan membership to research North Korea's human rights situation with an eye toward developing ROK programs to address the areas of greatest apparent need.
- Generally, South Korea should allow international organizations and other countries to take the lead internationally in addressing North Korea's human rights abuses. This will be more persuasive internationally and also deprive North Korea of the pretext that South Korea is not really concerned about human rights but is using the issue as a weapon against Pyongyang.
- In votes in international organizations, the Republic of Korea should join in supporting all important and accurate criticism of North Korea's human rights situation.
- To underline its support for the well-being of the people of North Korea, the ROK should increase humanitarian provision of nutritional assistance and public health services to the people of North Korea without linkage to the nuclear issue.
- At home, the Republic of Korea should redouble its efforts to facilitate the full integration of North Korean refugees into South Korean society.
- Seoul should support increased public broadcasting to the people of North Korea. Such broadcasting should provide detailed, objective information about North Korea, South Korea, and global affairs to the people of North Korea. It should eschew heavy-handed propaganda and instead allow the people of North Korea to draw their own conclusions.
- The ROK should take all necessary legislative and legal steps to prevent the counterproductive and dangerous practice of private South Korean groups sending propaganda balloons into North Korean territory.

Sanctions

Along with Iran, North Korea is one of the world's most heavily sanctioned countries.⁶⁷ The United States and other countries imposed sanctions on North Korea immediately after its invasion of South Korea in June 1950. Over the decades, the United States and many other countries continued to add to the list and types of sanctions against North Korea. Since North Korea began testing nuclear devices in 2006, the UN Security Council has been adding its own sanctions to the mix. The increasing salience of the North Korean human rights situation means that that issue will also likely result in further sanctions. Meanwhile, moves are afoot in the U.S. legislature to add to the number and type of U.S. sanctions,⁶⁸ and, as noted above, public statements by U.S. officials and media accounts suggest that the Obama administration is preparing to increase U.S. sanctions in the event of another nuclear or long-range missile test, including in the area of banking and finances. Additional UN sanctions are also likely in response to further North Korean nuclear and missile tests.

The DPRK leadership rejects all sanctions against it as illegitimate and as reflecting double standards imposed by the United States. It regards sanctions as a violation of its sovereignty and asserts they are the cause of its economic and other difficulties. It has consistently declared that international pressures against it will never succeed, and that it will respond to such pressures a thousand-fold. It uses public statements, threats including its nuclear weapons program, and international negotiations in an effort to induce the international community to ease sanctions, with occasional but not lasting success.

Similar to the development of new norms about human rights, the international community increasingly has come to regard sanctions not only as legitimate but also as required in the case of egregious state misbehavior. Sanctions typically are aimed at changing offensive state behavior and of punishing those responsible. Sanctions may also serve as a warning and deterrent to other states against engaging in the problematic behavior. International organizations and individual states thus feel compelled to impose sanctions due to public pressure, even if they actually believe that the pressure is unlikely to achieve the announced aims. In terms of satisfying domestic political pressures, sanctions can also be a substitute for other riskier or costlier measures, such as military attack. But sanctions sometimes do work, such as in their contribution to ending apartheid in South Africa and apparently in bringing Iran to the negotiating table. Together, these factors ensure

that international organizations and individual states will continue to make frequent resort to sanctions.

Unfortunately, sanctions are also inherently problematic even for the states imposing them. They often do not achieve their stated intended results, and they invariably anger the targeted regime. They may exacerbate the immediate situation, and they may contribute to military conflict. As sanctions are often imposed in the heat of the moment, they may go farther than is actually warranted and they may have unintended consequences. Sanctions themselves can become the focus of attention, distracting from the issues for which they were imposed. Sanctions can reduce the flexibility of the states imposing them, for without a resolution of the causes for which they were imposed, states cannot ease them without losing face at home, even if they are no longer proving useful. Even if an agreement to lift sanctions is reached, the executive of the imposing state may not be able to do so due to opposition within the legislature or to coordination problems with other countries and international organizations.⁶⁹ International sanctions may be even more difficult to ease due to veto powers and other consensus rules and practices. Sanctions thus tend to accumulate as time passes.

The effect of sanctions on legitimate and desirable business activities is far-reaching. To the extent that sanctions are vaguely worded,

The May 24 sanctions were too broad and have proven very difficult to ease, even for exchanges or projects in South Korea's interests.

businesses and others may forego any activities with sanctioned states that might even remotely be interpreted as sanctioned, even activities that the sanctions-imposing entity would regard as being unobjectionable or in its own interests. Even carefully delineated sanctions tend to result in reputational risks for entities that wish to engage in non-sanctioned activities with sanctioned states. Even completely lifting sanctions may not result in businesses dealing again with the formerly sanctioned but still tainted state.⁷⁰ In any event, sanctions require significant legal input into transactions involving possibly sanctioned activities, thus delaying and raising the costs for those seeking to engage in exchanges involving a sanctioned state.

The Republic of Korea has imposed many sanctions against North Korea over the decades, including most recently the blanket May 24 Measures of 2010 after North Korea apparently engaged in a

sneak attack that sank a South Korean naval vessel, resulting in the loss of forty-six lives. The unprecedented North Korean artillery shelling of Yeonpyeong Island in November of that year, killing another four people, only reinforced the South Korean government's determination to sanction the North. Unfortunately, the May 24 sanctions, which banned virtually all interchange with the North except the industrial park in Kaesong, were too broad and, once imposed, have proven very difficult to ease, even for exchanges or projects in South Korea's interests. The sanctions suspended or ended many projects in the long-term interests of the South, without having pressured the North into behaving better, since leaders of the North Korean regime are able to isolate themselves—if not their people—from the consequences of sanctions. If anything, the breadth and duration of the sanctions may have exacerbated the North's objectionable behavior.

The May 24 sanctions, as announced and, even more so, as implemented, would make it very difficult to implement the tailored engagement we advocate here. There has been an increasingly lively debate in South Korea about easing or ending the sanctions, apparently even among officials, although the government's position remains that the measures cannot be changed absent a North Korea apology and other steps to atone for its actions in 2010. The government's position is understandable, and we acknowledge that it will be politically difficult to lift the sanctions without proper actions from the North. Still, we believe that an executive decision by President Park to ease or ignore certain aspects of the May 24 sanctions necessary to begin a process of tailored engagement would be both tactically sound and enjoy wide support in South Korea. As progress is made in inter-Korean changes, North Korea would be likelier to act in ways making it possible to ease further aspects of the May 24 Measures and eventually to remove them completely.

Toward Tailored Engagement

Despite the many obstacles and difficulties, we believe that Seoul has an opportunity to begin to bridge the gap with Pyongyang by pursuing a hardheaded approach that we call *tailored engagement*. Its aim is to reduce the risk of conflict now while fostering inter-Korean reconciliation and effecting positive change in North Korea, with the ultimate goal of laying the basis for peaceful unification. The concept is based on the conviction that engagement is only one means—albeit an *essential* one—of dealing with North Korea, but that engagement must be carefully “tailored” or fitted to changing political and security realities on and around the Korean Peninsula. Under tailored engagement, South Korea would make a renewed attempt to engage the North in various types of exchanges in a principled and systematic way, based on an increased domestic consensus and with the understanding and support of international allies and partners.

Engagement must be carefully “tailored” or fitted to changing political and security realities on and around the Korean Peninsula.

Tailored engagement is informed by the difficult history of efforts by South Korea and other countries to engage Pyongyang over the past two decades. Great patience and flexibility will be necessary to implement it. Tailored engagement seeks to incorporate the best parts and avoid the problematic aspects of the North Korea policies of President Park’s predecessors, both conservative and progressive, as President Park herself has argued is needed. It eschews both an “appeasement” approach to Pyongyang and the notion that inter-Korean engagement under the current circumstances would be tantamount to accepting the North’s misbehavior, especially its nuclear weapons program.

We have chosen to use the English term “engagement” although well aware that its vagueness has left many Korean conservatives with

the misapprehension that it is equivalent to President Kim Dae-jung's Sunshine Policy, which conservatives tend to equate with "appeasement" of North Korea. Yet "engagement" does not necessarily mean such an approach. In English, "engagement" can be used differently in many contexts. For examples, "rules of engagement" are the guidelines for when and how militaries should use force against an opponent. In fact, tailored engagement differs from the engagement policies of the progressive Kim Dae-jung and Roh Moo-hyun administrations by taking a longer-term approach to dealing with North Korea, based on domestically and internationally supportable positions on the fundamental issues of unification, nuclear weapons, human rights, and sanctions. Despite progressives' rhetoric, they were often seen as overlooking or ignoring the nuclear and human rights issues. On the other hand, the conservative administration of Lee Myung-bak ultimately linked nearly all engagement to the nuclear issue, which was neither necessary nor pragmatic. Like President Park's *trustpolitik*, tailored engagement is a step-by-step confidence-building approach. A grand comprehensive approach is no longer suited to current conditions on the Korean Peninsula, if indeed it ever was. Until much trust is established in inter-Korean relations, a comprehensive approach is virtually bound to fail, in the process making the situation even worse.

Implementing tailored engagement will require action in three areas. The first is reorganizing the Korean government itself to facilitate a more coordinated formulation and implementation of North Korea policy. The second is achieving much more consensus within South Korea on how to deal with North Korea. Based on that, South Korea should seek to win the support of the major powers, especially the United States and the PRC, for its approach to North Korea. With that, South Korea will have a firm basis to pursue tailored engagement of North Korea. While the process should generally follow this logical order, North Korea will of course not wait for Seoul to complete what will be a long and complex undertaking. It will be necessary to deal with Pyongyang on an ongoing basis even as this longer-term process is undertaken. In doing so, the Park administration would still be able to draw on tailored engagement's principles, concepts, and strategies as outlined in this study.

Establishing a South Korean “Perry Process”

The magnitude of the tasks that must be accomplished to achieve South Korean leadership of the North Korea problem requires a restructuring of the way the ROK government deals with North Korea. Currently, the president is in overall charge of North Korea policy, with the support of a national security adviser, and other Blue House staff, officials in numerous agencies, including the unification, foreign, and defense ministries, and intelligence service, and, now, the newly established Presidential Committee for Unification Preparation. The formulation and implementation of North Korea policy is spread among many, often competing officials and agencies. Meanwhile, the president has myriad responsibilities not only for external but also for all domestic policies, and does not have the time personally to ensure consistency of purpose and implementation of North Korea policy.

For this reason, we recommend that President Park emulate the “Perry Process” of the Clinton administration. She should appoint a very senior figure with the political stature to take overall charge of

The magnitude of the North Korea problem requires a restructuring of the way the ROK government deals with North Korea.

the formulation and implementation of North Korea policy under her direct guidance, as former secretary of defense William “Bill” Perry did during President Clinton’s second term. This person would be charged with building a domestic consensus on North Korea policy, garnering international support, managing ROK government engagement with North Korea, and personally leading or directing all high-level negotiations with North Korea apart from summits.

We recognize that establishing such a position and finding the right person to fill it will be far from easy. The person appointed to this vital mission would, in the first instance, of course need to have the complete confidence of the president. But he or she would also need to have the respect and trust of the responsible opposition and of public opinion as a whole. Moreover, the person would need to have the intelligence, experience, and energy to meet the demands of these responsibilities, and be prepared to exercise the role at least through the remainder of President Park’s term of office.

It is not only the United States that has taken such an approach. In West Germany, Chancellor Willi Brandt had an analogous aide in the person of Egon Bahr. Bahr was an architect of Brandt's *Ostpolitik*, his main adviser on relations with East Germany and the Soviet Union and its satellite states, and a negotiator of some of the most important treaties with them. Similarly, conservative Chancellor Helmut Kohl relied heavily on his minister of finance, Wolfgang Schäuble, who was serving as interior minister when unification occurred.⁷¹

Achieving Domestic Consensus

Apart from the attitude of North Korea itself, the greatest obstacle to greater South Korean leadership on the North Korea problem is internal division in South Korea. Achieving greater consensus in South Korea is essential to pursuing a sustainable and effective approach toward North Korea, not only in dealing directly with North Korea but also in shoring up international support for South Korean efforts.

Without a North Korea policy consensus, a South Korean president is exposed to sudden swings in public opinion at home. The next election can always mean a change of government to the opposition party, with a corresponding major change in North Korea policy. North Korea is well aware of this, which only adds to its doubts about the reliability of any South Korean government and tempts it to seek to encourage and exploit internal divisions in the South. The lack of a consensus within South Korea also weakens Seoul's influence with major foreign actors such as the United States and the PRC, who are similarly unable to count on long-term consistency in Seoul's policy.

The historical record demonstrates that impatient, short-term, partisan-based approaches to dealing with North Korea will not work. They are not sustainable at home, and may actually make matters worse by antagonizing North Korea and polarizing opinion about DPRK policy in the ROK and internationally. Such inconsistency also contributes to North Korean leaders believing that they need not implement major political and economic reforms, much less abandon the pursuit of weapons of mass destruction.

South Korean progressives have a tendency to see the DPRK as a "victim" of the United States and (in their view) its conservative allies in South Korea. (In actuality, North Korea is a full actor in its own right, its behavior driven mostly by the nature of its system and its own history and domestic politics.) South Korean progressives believe that if the ROK and the United States would show more forbearance

of the DPRK and provide it with assurances and assistance, it would eventually change its behavior for the better. South Korean progressives so strongly believe this and are so suspicious of their conservative counterparts that, when in power, they are anxious to politically “lock in” their policies toward the North. Progressives also show a tendency to downplay North Korea’s WMD programs—despite assertions to the contrary—and to ignore North Korea’s human rights situation, on the grounds that this is the only pragmatic course.⁷² Knowing this, North Korean leaders “take the money and run,” abusing progressives’ good intentions by accepting concessions and aid without intending to reciprocate, even when they could. This in turn leads to a backlash on the part of South Korean conservatives, making such a policy toward the DPRK politically unsustainable over the long term.

For their part, South Korean conservatives have a tendency to assume that the North Korean system, regime, and policy are fundamentally unchanging and unchangeable absent their complete replacement, an attitude of which the DPRK is aware and which only reinforces its suspicion, hostility, and aggressiveness. Conservatives tend not to plan to make opportunities to improve the situation, and not to recognize opportunities when they arise. They are often reactive and engage in tit-for-tat responses to North Korea rather than seek and retain the initiative in dealing with the DPRK based on a sustained “getting to yes” approach. They underestimate the risks of the status quo and, by analogy with German unification, engage in wishful thinking that the North Korea problem will eventually disappear relatively painlessly.⁷³

Political consensus is of course easy to call for but very hard to achieve. In recent years, however, there has been a growing understanding among both conservatives and progressives in South Korea that policy division on North Korea is a major problem.⁷⁴ President Park’s *trustpolitik* itself promises to “forge a greater consensus in the domestic arena by means of public feedback, transparent information sharing, and policy implementation.”⁷⁵ Recent survey data show that during the past decade the main progressive and conservative parties have been further to the left and right, respectively, than their voters. This suggests both an opportunity for achieving greater consensus, as well as political incentives for parties to do so.⁷⁶

On July 15, President Park established the Presidential Committee for Unification Preparation under her direct leadership. It includes fifty members from both government and the private sector, along with nearly one hundred more supporting players. She named two deputies, one the unification minister, the other a private citizen who served as

President Kim Young-sam's national security adviser. Originally announced in February, the committee is supposed to support President Park's unification planning as first detailed in her Dresden speech. Unfortunately, as currently constituted, the committee may well contribute to, rather than ease, policy incoherence, because it overlaps with the many existing agencies and advisory committees involved in North Korea policy. Moreover, progressives constitute only a small minority of the committee's members, which will make it difficult for the committee to contribute to an increased public consensus on North Korea policy. President Park should consider naming the Korean Bill Perry

President Park has what is perhaps a unique opportunity in domestic political terms to take a more activist, pro-engagement approach in dealing with the North

equivalent as chairman of the committee, reporting directly to her, and significantly increasing progressive representation on the committee.

Fortunately, President Park has what is perhaps a unique opportunity in domestic political terms to take a more activist, pro-engagement approach in dealing with the North. As a conservative and the daughter of President Park Chung-hee, she might be able to facilitate a broad and sustainable domestic consensus in South Korea for a new engagement approach toward North Korea, something a progressive leader would find much more difficult to do. Moreover, her campaign platform and her stated policy toward North Korea as president include many of the basic concepts and principles needed to build a broad domestic consensus and forge a viable engagement policy toward the North. By "tailoring" those concepts and principles, a significantly expanded consensus on North Korea policy should be achievable.

Winning International Support

With more domestic consensus, the Republic of Korea will be much better positioned to obtain greater international support for its leadership on the North Korea problem. The United States and China are the key foreign players, but Russia and Japan also have major interests in peace and stability in Northeast Asia. The "South Korean Bill Perry" can play a crucial role in coordinating North Korea policy at the highest levels with these countries, as Perry did with China as well as with American allies the ROK and Japan.

South Korea enjoys strong support from the United States government on the North Korea problem as long as it gives priority to North Korea's denuclearization. American officials recognize South Korea's unique role in dealing with North Korea as another Korean state, and most accept that South Korea may need or wish to engage with and provide aid to North Korea in ways that the United States cannot do without at least *de facto* linkage to denuclearization.

The key to maintaining strong U.S. support, not to mention meeting South Korea's own strategic interests, will be to have a clear and convincing rationale as to why particular engagement and aid plans need not be linked to denuclearization and to consult and coordinate fully in advance with the United States. This is because engaging North Korea economically under the current circumstances could reinforce the regime's belief in and commitment to *byeongjin*, at least in the short- to mid-term. Unless undertaken with careful planning, providing aid and engaging in economic exchanges could also reduce the regime's incentives to implement economic and political reforms. On the other hand, there is little reason to believe that North Korea will abandon its pursuit of nuclear weapons for the foreseeable future, while outside engagement may help to unleash forces for positive change within North Korea over the longer run.

The PRC will generally support increased South Korean engagement of North Korea. Although the PRC has far more economic and people-to-people ties with South Korea than North Korea and disapproves of Pyongyang's pursuit of nuclear weapons, the PRC continues to regard stability in North Korea as essential to its strategic interests and thus supports actions that reduce tensions. Moreover, there is a significant potential for the ROK and the PRC to pursue joint projects of various types with North Korea, both within the North and along the PRC-North Korea border. Over the longer term, China's increasing tendency to see the Korean Peninsula through the lens of its strategic mistrust of the United States will pose challenges to ROK interests, including in regard to North Korea. This phenomenon can be addressed in part by astute ROK diplomacy toward both the United States and China.

An expanded domestic consensus in the ROK along with Chinese support for the ROK's North Korea policy will tend to increase Russian support for the ROK's dealing with North Korea. As with China, the ROK may be able, with Russia, to pursue joint economic and infrastructure projects involving North Korea.

If the ROK has won U.S. support for a more proactive North Korea policy, Japan is unlikely to oppose it. The status of the abductee issue, however, will be important. If it is not resolved in the current Japanese–North Korean talks, Japan itself will likely remain reluctant about engaging the North and will not provide active support for ROK efforts. In any event, like the United States, Japan will be concerned that ROK engagement does not undermine efforts to end North Korea’s nuclear and missile programs.

North Korean leaders will find it harder to persuade themselves that domestic reform and denuclearization are not necessary to the extent that the international community is united in support of ROK engagement efforts.

Obtaining the moral support of the international community as a whole will be very helpful in Seoul’s engagement of North Korea. In addition to the United States, PRC, Russia, and Japan, the ROK should seek the support of the United Nations, European Union, ASEAN, and other regional organizations. Although relatively isolated, North Korean leaders will find it harder to persuade themselves that domestic reform and denuclearization are not necessary to the extent that the international community is united in support of ROK engagement efforts and opposed to the North’s pursuit of nuclear weapons.

Engaging North Korea

Basic Engagement Principles

In light of the serious and highly complex situation on the Korean Peninsula, the ROK should lean farther forward in terms of the types and scale of exchange, cooperation, and humanitarian aid it offers to North Korea. But for a sustainable, successful ROK North Korea policy, it is critically important that engagement be principled and not swayed by momentary political considerations. Guiding principles of tailored engagement should include: (1) a focus on the pursuit of mutual interests and benefits rather than on symbolism and appeals to national sentiment; (2) the application of market principles and international standards in economic activities; (3) collaboration with other countries and third-party companies in both economic and people-to-people projects; and (4) pragmatism and flexibility in pursuing engagement at both the state-to-state and grassroots levels in complementary ways.

It is critically important that engagement be principled and not swayed by momentary political considerations.

These principles applying to the process of engagement are generally self-explanatory. Engagement primarily based on appeals to national sentiment will not be sustainable, as even under the most optimistic scenarios, North Korea will undoubtedly engage in misbehavior for some time to come. The pursuit of tangible mutual benefits, the application of market principles and international standards, and cooperation with third countries are all intended to increase the prospects of success and the sustainability of projects. Pragmatism and flexibility are essential because dealing with North Korea presents a formidable, long-term challenge. Engagement must be principled and consistent, but rigid formulas or a top-down approach only will not succeed. The

principles cannot work in a vacuum; they must be applied in the larger context of politics and security as laid out above. Engagement must be “tailored” to the current policy environment and adapted as it changes, always keeping the basic principles and ultimate goals clearly in mind.

Illustrative Projects

Having the support of the people at home and of the international community will greatly increase South Korea’s influence and make it likelier that North Korea will eventually respond positively to South Korean overtures. But winning domestic and international support itself requires that the ROK develop a clearer and more detailed vision for engaging North Korea and pursue it in a principled and proactive manner.

In her Dresden Declaration, President Park called for a “broadening of inter-Korean exchanges in areas such as history, culture, and sports to recover a sense of homogeneity between the people of the two Koreas.” Inter-Korean exchange projects, most active during the periods of the Kim Dae-jung and Roh Moo-hyun governments, have come to a halt on nearly all fronts since the ROK’s May 24 sanctions came into effect in 2010. In light of President Park’s declaration to the international community of her commitment to improving inter-Korean relations by broadening inter-Korean exchanges in apolitical areas, the authors hope that appropriate South Korean engagement projects with North Korea will gain new momentum.

The first engagement efforts should be in the area of humanitarian aid, followed by educational and cultural exchanges.

Engagement with the DPRK can and should begin with smaller-scale projects in areas that are simpler and politically less controversial, and proceed, as progress is made, to larger projects that may be more complex and politically contentious. In general, the focus should first be on the improvement and expansion of existing projects and the resumption of those that have previously been implemented or approved. The first engagement efforts should be in the area of humanitarian aid, followed by educational and cultural exchanges. If Seoul, with its profound national, family, and personal ties to the people of North Korea, does not provide more nutritional and public health aid, few

other countries are likely to do so. Educational and cultural exchanges will serve at least to slow down the current social divergence. The government should be much more liberal in allowing South Korean private-sector groups to engage with North Korean counterparts and to provide aid and assistance to ordinary North Koreans.

New economic and developmental engagement projects can be considered as progress is made in humanitarian, educational, and cultural exchanges. Economic and developmental projects are more difficult, as they may impinge on efforts to end North Korea's nuclear weapons program. If in the meantime negotiations on ending North Korea's nuclear weapons program resume, South Korea could coordinate with its international partners to offer the North economic and developmental projects as major incentives in the nuclear talks. Even if the nuclear issue remains, some economic and development projects could be identified that would not imply acceptance of North Korea's nuclear weapons program. Even projects that would be problematic in terms of the nuclear program could, after coordination with international partners, be raised with Pyongyang as possible as progress is made on the nuclear issue.

In the following, we offer examples of some possible inter-Korean projects, from humanitarian to educational, cultural, economic, and developmental. The discussion is by no means comprehensive or conclusive. Rather, it is conceptual and illustrative of the kinds of projects that could be included in a South Korean government road map implementing tailored engagement.

I. Humanitarian Engagement

Humanitarian aid activities are widely recognized as having a special status among all types of engagement with the DPRK, especially from the ROK point of view. The sense of "one family" and humanitarian impulses have led South Korea to feel strongly about and take the lead in providing humanitarian assistance to North Korea in the past. Such activities can be an effective and powerful way of demonstrating the South's goodwill and commitment to improving the situation in the North. Showing the ROK's unwavering support and commitment to the DPRK's humanitarian situation through both word and action is a fundamental step in building trust, which is at the core of *trustpolitik*. Thus, humanitarian assistance should represent an obvious first step in South Korea's endeavors to engage North Korea.

Food shortages, together with the lack of even basic medical care, have been the most critical problems facing the ordinary people of

North Korea, resulting in widespread malnutrition, infectious diseases, and death. Since the termination of ROK food and fertilizer shipments, the northern regime has reportedly devoted more efforts and resources to agriculture, resulting in increased food production. Despite this improvement, however, malnutrition persists among vulnerable sectors of the population, especially children. Among children under the age of five, 4 percent suffer from physical wasting and 28 percent are stunted; 80 percent are constantly worried about hunger.⁷⁷ In addition, while average caloric intake has increased, a lack of proteins, fats, and micro-nutrients remains a serious concern.

Although an extensive public health infrastructure exists in the DPRK, there are virtually no resources to support it. There is an almost complete lack of medicines, and medical technology and training are outdated. The result is needless suffering and death and the evolution of extreme forms of infectious and epidemic disease, such as multi-drug-resistant tuberculosis (MDR TB) and extremely drug-resistant tuberculosis (XDR TB). The situation is exacerbated by a lack of safe drinking water and an inadequate supply of electricity not only to people's homes but also to medical facilities. Health indicators provided by the North Korean Ministry of Public Health (MOPH) for 1994, the period just before the great famine, depict a TB incidence rate of about 38 per 100,000 people.⁷⁸ Currently, according to the World Health Organization (WHO), the rate has risen to 345 per 100,000 people, one of the highest outside of sub-Saharan Africa.⁷⁹ Unsanitary conditions, along with malnutrition and inadequate medical treatment, have combined to fan the epidemic.

Food and public health assistance benefits ordinary people and is thus politically the most supportable form of North Korean engagement.

While humanitarian aid, including food and public health assistance, benefits ordinary people and is thus politically the most supportable form of North Korean engagement in South Korea as well as elsewhere, international political tensions have posed major obstacles to humanitarian engagement with North Korea. Food assistance, at different times from China, South Korea, the United States, and Japan, was essential to fill the gap between food supply and demand in North Korea during the 1990s and 2000s. In recent years, however, food aid to North Korea has dwindled due to the worsening of inter-Korean and DPRK-U.S. relations, the inadvertent effects of sanctions, and donor

fatigue. World Food Program (WFP) food assistance to North Korea in 2013 was down to its lowest level since 1996.⁸⁰ Similarly, despite the Park Geun-hye government's ostensible policy of delinking humanitarian assistance to the North Korean people from the diplomatic and security situation—a core element of *trustpolitik*—South Korean aid has been very limited. In 2013, the Park government provided only \$6 million for vaccines, medicine, and nutritional supplements for children and pregnant women in the North through the United Nations Children's Fund (UNICEF) and another \$6 million through WHO.⁸¹ In addition, according to the annual *White Paper on Unification*, the total amount of private South Korean aid to North Korea authorized by the Ministry of Unification in 2013 stood at only 5.1 billion won (\$5 million), only one-sixth of the reported \$30.5 million annual average authorized during the Lee Myung-bak years.⁸²

South Korea's humanitarian engagement of the North gained renewed focus with President Park's March 2014 Dresden speech. It laid out specific proposals for a humanitarian agenda, including a “thousand-day package” project to support nursing North Korean mothers and infants in the first one thousand days of their lives. It remains to be seen to what extent and how effectively this initiative will be implemented, given Seoul's limited humanitarian engagement in recent years and the obstacles Pyongyang itself sometimes poses.⁸³ Still, a number of factors—such as the strong moral and humanitarian nature of such engagement, the ROK's special status as “family” to North Koreans, and humanitarian assistance's role in contributing to a healthier and more equal North Korean population for future unification—place the ROK in a much better position than any other country to take the lead in international efforts to improve basic living conditions in North Korea over the mid- to long-term.

The authors thus believe that the ROK government should play a more proactive role in the humanitarian sector. In the following, we analyze how such projects accord with the basic principles of tailored engagement.

1. *Humanitarian projects should aim to pursue mutual interests and benefits rather than focusing on symbolism and appeals to national sentiment.*

ROK humanitarian assistance should aim to improve the general health and nutrition of the North Korean people. With North Korea recently having made some progress in increasing its grain harvests and

thus in supplying the population with carbohydrates, food aid should be focused on supplemental “nutritional assistance” such as micronutrients and oils. It should target vulnerable populations such as children and the elderly. Since the children of North Korea will grow to become the leaders and citizens of an eventual unified Korea, their health and physical development are crucial not only to North Korea but to South Korea as well. If nutritional issues are not addressed before unification, the consequences for national unity could be serious. The provision of infant- and child-specific assistance also minimizes the risk of aid being diverted from intended recipients, since infant formula and food are not appealing to others.

The ROK should identify several projects that can be sustainable regardless of politics and designate these as “ongoing humanitarian projects” that function under normal humanitarian aid criteria. These projects should transcend political considerations and be post-partisan in nature. The ROK government should resist the temptation to use food or other forms of humanitarian assistance for political leverage, as the linking of such aid may result in harm to vulnerable North Koreans. In any event, humanitarian aid programs could contribute to the expansion of nascent changes in the DPRK and the improvement of inter-Korean relations.

2. *Market principles should be applied to the provision of humanitarian assistance whenever possible.*

While food assistance is politically and legally the most feasible—and the most humanitarian—way to engage North Korea, some factors tend to undermine the effectiveness of, and call into question, the rationale for such assistance. Over the long term, grant-type food assistance poses a moral hazard by increasing aid dependency on the part of the recipient country. The primary form of ROK humanitarian assistance to the DPRK should no longer be the provision of rice or fertilizer. Instead, the ROK should focus on programs that increase food security and improve public health. Food and nutritional assistance should encompass technical assistance and training to boost and diversify agricultural output and otherwise contribute to improved diets. Assistance with sloping land management, for instance, could be an excellent incentive program for the North Koreans, as it results in higher yields and reduces flooding, as Swiss government efforts in North Korea have demonstrated.⁸⁴

Aid programs should also be designed to provide the DPRK with incentives to engage in normal business as opposed to “illicit activities.” The aim should be for trade to trump aid. In particular, the ROK should seek to commercially engage the DPRK in the humanitarian sector so as to foster the development of markets. China’s commercial engagement with North Korea has already contributed greatly to the expansion of North Korea markets, authorized as well as gray and black, in recent years. China has provided rice and other agricultural products through border trade, bypassing the North Korean public distribution system and stimulating the market economy. The price of rice in North Korea’s border markets is about the same as Chinese prices, demonstrating that the market mechanism *is* functioning.⁸⁵ The ROK should take care not to provide food assistance that props up the North Korean public distribution system at the expense of developing markets.

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3. *The ROK government should take efforts to increase its leadership internationally on humanitarian assistance to North Korea, including encouraging greater accountability and adherence to international standards.*
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The ROK should provide greater leadership internationally on humanitarian aid to the DPRK. It should develop a global humanitarian engagement plan for North Korea with the aim of encouraging more coordination and cooperation among international aid providers, the better to meet the nutritional and medical needs of ordinary North Koreans. The ROK should work with the international community to ensure that humanitarian assistance is as unaffected as possible by international sanctions and at the same time encourage the international community to expand such assistance to the DPRK. To best meet the needs of ordinary North Koreans and to ensure the sustainability of aid programs, the ROK should itself apply international standards in providing aid to North Korea and insist that UN agencies and other third parties do so as well.

To enhance aid effectiveness, the ROK government should lay out a two- to five-year plan. Ideally, aid provision should be consistent across presidential administrations. Internally, the ROK should assign Korea International Cooperation Agency (KOICA) experts to administer and review various programs, but also work closely with the UN and other international agencies and NGOs with extensive DPRK experience to implement and evaluate programming. The ROK

should use proven monitoring protocols to ensure the transparency and effectiveness of aid delivery and to minimize bilateral political risk. If initially it is not possible to do so bilaterally, the ROK should provide food aid through multilateral agencies that are following appropriate monitoring procedures.

4. *Humanitarian assistance should encompass both state-level initiatives and support for bottom-up efforts in the DPRK.*

The ROK government should engage in humanitarian assistance to the DPRK both directly through state-level initiatives and through support for bottom-up private-sector efforts. The ROK should cooperate with NGOs specializing in humanitarian assistance operations and academic institutions that can support the research and development and expertise needed for sophisticated planning. The ROK government should aim to help connect South Korean and international professional communities with North Korean public health officials and practitioners.

A successful U.S. model that illustrates multilevel cooperation on humanitarian assistance to North Korea is the Stanford-DPRK Tuberculosis Project, launched in 2007.⁸⁶ The project is a unique undertaking of Asian policy specialists from Stanford University's Asia-Pacific Research Center, part of the Freeman Spogli Institute (FSI), and medical faculty from the School of Medicine (SOM) that seeks to develop professional engagement opportunities with North Korea and focuses on mutual interest in tuberculosis control. In 2008, Stanford SOM hosted five DPRK Ministry of Public Health (MOPH) officials for a week-long visit to Stanford for discussions with professionals of the Bay Area TB Consortium (BATC) and officials of the U.S. Center for Disease Control and Prevention (CDC) and WHO. With funds raised through the Global Health & Security Initiative of the Nuclear Threat Initiative, the project purchased a WHO-recommended inventory of TB laboratory equipment and supplies and formed a partnership with the U.S. NGO Christian Friends of Korea (CFK) to assist with in-country logistics, export licensing, and physical infrastructure requirements. Since the spring of 2009, joint Stanford-CFK teams have completed six trips to North Korea and made a combined contribution of over \$500,000 to remodel and equip a thirteen-room, 2,500+ square foot space at the #3 TB Hospital in Pyongyang for reference-level quality assurance, TB culture, and drug susceptibility testing services. Over thirty MOPH personnel have worked in tandem with American teams in all phases, and

fourteen North Korean physicians and technicians have participated in orientation workshops and training self-assessments organized by Stanford-BATC expert laboratory teams. The project has also seen the development of important networks of officials in Washington, Beijing, New Delhi, and Pyongyang to raise awareness of the North Korean TB epidemic. These efforts were instrumental in triggering the resumption of negotiations for a Global Fund award to North Korea and in convening U.S. government and world health officials at a face-to-face meeting regarding the long-term funding needs of the DPRK TB control program. Within the DPRK itself, the project has high credibility for its momentum, follow-through, and multiple capabilities, and it has remained unaffected by adverse political and security situations. The process of implementing this project has created a highly successful model of cooperative effort with the potential to expand professional engagement opportunities with North Korea focused on mutual health security interests.

II. Educational Engagement

Educational engagement is a key subset of people-to-people exchanges. It has long been recognized as one of the most powerful and effective means of contributing directly and indirectly to many aspects of national development. Educational engagement should aim to strengthen the North's human capital and institutional capacity. These in turn will improve living standards and support a shift to a sustainable development track, both of which will contribute to eventual peaceful unification. Education builds a crucial constituency for modern economic and social policies and nurtures individuals able to influence policy debates. Educational collaboration between countries can flourish even when bilateral political relations are difficult.

Education builds a crucial constituency for modern economic and social policies and nurtures individuals able to influence policy debates.

North Koreans and their government place considerable value on education. The DPRK is among the world's poorest countries but it has a literacy rate of 99 percent, according to the *CIA World Factbook*. The DPRK now teaches English to its children as the primary foreign language and is eager to make use of global scientific and technical advances. In existing educational exchange programs with Americans

as well as others, North Korean partners typically seek to acquire up-to-date technical and scientific information, learn applied techniques that can be adopted for or adapted to DPRK conditions, and collect relevant materials such as seeds and equipment.

Even apart from the May 24 Measures effectively banning inter-Korean people-to-people exchanges, South Korea has faced difficulty in implementing educational engagement programs with the North due to political sensitivities at home and North Korean wariness of direct dialogue with South Korea. However, with the Park government's stated delinking of humanitarian assistance to North Korea from political circumstances, South Korean educational engagement with the DPRK could start from knowledge sharing in apolitical humanitarian sectors such as agriculture and medicine. As circumstances permit, it could later expand gradually into the economic sector, science and technology, and eventually politics. Knowledge-sharing programs that bring North Koreans to other countries could also play a role in facilitating North Korea's entry into more normalized relations with the rest of the world. To lay the groundwork for unification and the peaceful integration of the peoples of the two Koreas, the ROK government should devote more resources to inter-Korean education projects.

Educational engagement efforts can and should be conducted in ways consistent with the basic principles of tailored engagement, as elaborated in the following.

1. Educational projects should aim to pursue mutual interests and benefits.

Education engagement can be an effective means of uniting the people of two Koreas through improved mutual understanding and cooperation in many non-political sectors. For instance, the ROK could work with North Korea on the writing of a common history of Korea to the nineteenth century. Not only would such a project serve as an opportunity for the two Koreas to speak in a unified voice, as one nation, about Korea's past, but it would also allow North Korea to feel a sense of responsibility for the global representation of national and regional history. While it may be challenging for the two Koreas to produce a jointly written history, the process and practice of joint history writing itself would nevertheless prove educational to both sides.

Archaeological and ethnological exchanges between North and South Korean scholars and students would advance the level of research

in these areas on both sides and contribute to a shared national understanding of history. Beginning in 2007, there was an effort to this end in which archaeologists from North and South jointly excavated the Koryo dynasty palace grounds near Koryo's capital of Kaesong. Cooperation was halted, however, in late 2011 when Pyongyang asked the South Koreans to leave shortly after Kim Jong-il's death. In June 2013, UNESCO placed Kaesong on its list of global historic sites, and North Korea has since shown interest in resuming joint excavation of the palace grounds. In response, the ROK recently approved a visit by South Korean scholars to the North to discuss a resumption. Meanwhile, another group of South Korean cultural researchers has also been given permission to visit Kaesong for talks with Pyongyang officials about a joint project to help preserve a village of traditional Korean houses in Kaesong. Greater efforts should be made on behalf of these and similar exchanges and joint projects.

Another potentially fruitful area of inter-Korean educational exchanges would be knowledge sharing of textbooks and school curricula. Because North Korea is unlikely to agree soon to this type of exchange, the ROK should take the initiative to adapt its own texts and curricula for use in North Korea. This would involve slight revisions to take into account vocabulary differences between North and South or the provision of glossaries to explain vocabulary differences. The ROK could employ North Koreans in the South for this purpose. The ROK should offer to provide the texts and curricula directly to North Korean authorities. In any event, they should also be posted on the Internet and made available to all without the need for registration. North Korean authorities would then have the choice of receiving these officially or of making use of the materials unofficially and without acknowledgment. In 2013, North Korea produced and released its first tablet PC, Samjiyon, an Android-based device preloaded not only with the complete works of Kim Il-Sung but also containing an encyclopedia, dictionaries, school textbooks, and a collection of world and North Korean literature.⁸⁷ The availability of devices such as this, which undoubtedly will become common even in North Korea in the coming years, will greatly increase the potential usefulness of South Korean-provided texts. Ideally, North Korea will also make its texts and curricula available to the South. These can be used to inform and update South Koreans in various fields about North Korean scholarship and views.

Similarly, more general lexical studies and especially the production of an unabridged North-South Korean dictionary would be very useful in all areas of study and cooperation while also helping perhaps

to slow the rate of linguistic divergence. The two Germanys jointly developed the so-called Goethe dictionary before unification, and China and Taiwan have published a Chinese-Taiwanese dictionary (*Liang'an Changyong Cidian* 兩岸常用詞典). North and South Korea also cooperated on the compilation of a common dictionary (*Gyeoremal-keun-sajeon*) beginning in 1989, but the project was halted in 2010 due to the worsening of inter-Korean relations.⁸⁸ Fortunately, with the approval of the South Korean government, efforts to resume the project have been underway in 2014. The ROK should provide all possible support to this project given its importance and the magnitude of the task. (Reportedly, the South Korean side has only been able to complete a little more than 10 percent of its half of the project, even though the entire effort was originally scheduled to be completed by 2012.⁸⁹) In this regard, it should be noted that, in spite of the East-West German cooperation to maintain the unity of their language, unified Germany is still struggling with linguistic divergence between the eastern and western parts, more than two decades after unification.

2. *Market principles should be applied to educational engagement projects when possible, and international standards should be applied to programs when applicable.*

The most rigorous educational exchanges are long-term academic exchange programs. These include extended study and research in both countries, including extensive contact between professors, students, and administrators at universities in both countries. North American universities such as the University of British Columbia and, to a lesser extent, Syracuse have been conducting these types of academic exchange with North Korean universities such as Kim Il-Sung University, Kim Chaek University of Technology, and Pyongyang University of Science and Technology (PUST).

North Korea is eager to foster young global talent to enter the international community and enhance international cooperation, but it does not have sufficient resources to do so and therefore requires outside help. An example of such cooperation is the Pyongyang University of Science and Technology, North Korea's first private international university. It was founded by and is jointly funded and operated by entities in the two Koreas; religious groups and individuals from other countries have also helped with its financing. Currently, PUST enrolls five hundred students hand-picked by the North Korean authorities

to receive a Western-style education. The university's official aim is to equip its students with the skills to help modernize their country and engage with the international community. Since its establishment in 2010, PUST has also sent a total of twelve graduate students to the University of Westminster and Cambridge University in the UK and to Uppsala University in Sweden.⁹⁰ (Their studies have included electronics, computer science, international finance and management, agriculture, and life sciences.)

The study abroad program at PUST is currently funded by the hosting governments. To attract more stakeholders and thus ensure sustainability, however, such efforts must eventually be able to stand more on their own as financially viable programs. For now, the ROK government can support the establishment of more academic institutions in the DPRK such as PUST and encourage ROK institutions to engage actively in academic exchanges with them. The ROK government should also encourage North Korean educators and other authorities to realize the merit of these institutes and the benefits of becoming a more responsible, open, independent stakeholder in foreign exchange programs. When these institutions and programs can stand on their own, according to international standards, the interest of other countries and institutions and the impact of such projects and programs on the people and government of North Korea will be far greater.

3. *The ROK government should recognize its comparative advantages in educational engagement projects with the DPRK and increase its international leadership in this sector.*

The ROK should devote greater resources to educational engagement with the DPRK. It should focus especially on areas in which it has a comparative advantage. These include agricultural and public health education, as South Korea is very knowledgeable about the soils and weather conditions on the Korean Peninsula and the diets of the people of North Korea. More generally, because the two Koreas share a language and because South Korea possesses advanced technologies in many areas, the ROK can assist the DPRK with educational exchanges in key fields such as the physical and life sciences. South Korea could, for example, modify its existing medical texts and manuals for use by personnel in the North. It could further assist North Koreans by preparing North-South medical terminology glossaries and providing them directly to North Korean authorities as well as publishing them on the Internet. (Such glossaries are needed because North Korea tends

to use Russian and Latin loan words in medicine, while South Korea uses many terms derived from English.) Doing so would contribute to the well-being of the North Korean people, promote social convergence in the medical sector, and facilitate integration of the North and South medical establishments after unification.

The ROK should also seek to take a leadership role internationally in educational engagement with the DPRK. It can identify areas of unmet needs, catalogue international educational engagement projects, and suggest and support increased or additional efforts. For example, the ROK should support and encourage programs abroad for North Korean exchange students. Ideally, most would eventually come to the ROK for study (and South Koreans would study in the North), but until that becomes possible the ROK should support educational exchanges between the DPRK and third countries. Such assistance could include information sharing and financial support. The ROK could also provide more funding to international agencies and personnel providing educational assistance to North Koreans inside and outside of the North. Even in the case of such indirect assistance, South Korea would still benefit. It would help the ordinary people of North Korea, demonstrate the ROK's goodwill, allow South Koreans to gain a better understanding of the North Korean situation, and prepare North and South Koreans for eventual direct collaboration.

4. The ROK's educational engagement projects should include both state-level and people-to-people-level exchanges.

Pyongyang University of Science and Technology serves as a good example also of the need for collaboration at both the state and popular levels. PUST is a joint project of the DPRK state and the ROK's Northeast Asia Foundation for Education and Culture. Currently, degrees are offered in electrical and computer engineering, agriculture and life sciences, and international finance and management. A school of public health, along with medical and dental laboratories, will open in the 2014-15 academic year.

Despite the difficulties in inter-Korean relations, the ROK could support the expansion and deepening of academic exchanges with PUST and develop new projects in the DPRK similar to PUST. As PUST is not an officially recognized institution by the ROK Ministry of Unification, the ROK government should start by approving PUST and South Korean faculty exchange visits for academic purposes as a first step to vitalizing educational engagement with the DPRK. While South

Korean entities are the main source of funding for PUST, no student or faculty exchanges have taken place between the dozen or so South Korean institutions that have academic memoranda of understanding (MOU) with PUST. These include Korea University, Korea Advanced Institute of Science and Technology, Konkuk University, Dankook University, and the Korean Railroad Research Institute. The ROK government should allow and encourage further such MOUs with South Korean educational institutions to expand to academic and student and faculty exchanges with the North.

PUST began operations in 2010 only after seven years of delay, primarily due to a funding shortfall but also to sanctions on the export of materials to North Korea. The ROK should both devote more resources to such projects and work to ensure that neither bilateral nor multilateral sanctions hinder such mutually worthwhile projects.

III. Cultural Engagement

With decades of territorial division, the language, culture, and lifestyle of the two Koreas have grown increasingly different. To foster meaningful communication and improve understanding between the two sides, some degree of cultural homogeneity should be restored among the citizens of the two countries, and the gap between their values and mind-

Cultural engagement should be promoted even if it means that South Korea must bear the bulk of the financial burden.

sets should be narrowed. Cultural engagement in nearly any form will carry the long-term benefit of transforming North Korea and helping lay the basis for reconciliation and peaceful unification. It should thus be promoted even if it means that South Korea must bear the bulk of the financial burden.

As North Korean refugees and South Korean workers at Kaesong testify, North Koreans are surprisingly well informed of—yet still curious about—what life is like outside of their country, especially in South Korea. Cultural engagement is an effective means of exposing North Koreans to the outside world and of increasing understanding in the South about North Korean society and culture. To this end, there must be more opportunities for inter-Korean exchanges at the popular level, including in sectors such as tourism, sports, art, and popular culture. Although the North is tightly controlled, South Korean and foreign cultures have already been penetrating its society, especially in the shape of popular culture such as movies, cartoons, soap operas, and music.

These are mostly illegally copied and brought into the country by way of China.

Tourism

Tourism creates opportunities for popular and business exchanges between the DPRK, ROK, and foreign countries. It allows information to flow into and out of North Korea, and offers non-hostile ways for the people of the DPRK to engage with the international community. Despite the DPRK's new emphasis on tourism and a resulting increase in the numbers, however, only about five or six thousand Western and eight to ten thousand Chinese tourists traveled to North Korea last year. This is clearly an area in which much more could be done.

Despite its desire to limit popular exposure to the outside world, the DPRK recently has taken significant steps to promote tourism to earn hard currency. It has relaxed restrictions on travelers and tour programs, permitted foreign cellphones to be used inside North Korea, supported 3G networks, and allowed increased if still limited access to and interaction with local residents. It is providing more opportunities for sports and cultural tourism in particular. For example, the new Masik Ski Resort is open to tourists; tourists may go on bike tours of Pyongyang; and this year, for the first time, foreign amateurs were allowed to run in Pyongyang's annual marathon.

On the other hand, political tensions and the arrest of some tourists have resulted in the United States government advising American citizens against all travel to North Korea and other governments issuing travel warnings. Critics argue that tourism supports the DPRK regime by allowing it access to more hard currency without engaging in reform, and thus undermines the effectiveness of sanctions posed on the country to end its nuclear weapons program and human rights abuses.

We believe, however, that the benefits of tourism to North Korea outweigh the problematic considerations. The amount of money the regime earns through tourism is limited, especially after operating costs are deducted. Tourism provides an opportunity for North Korean tour guides to interact with foreigners. Even if the guides are members of the privileged class, the interaction is still worthwhile. Indeed, the fact that they come from the privileged class may make such interaction even more significant. Moreover, by all accounts, the DPRK is permitting more casual interaction between tourists and average North Koreans than ever before. While still limited, such interaction serves to expose ordinary North Koreans to the outside world.

Sports

For over two decades, sporting events have offered opportunities for high-profile inter-Korean exchanges and cooperation. This began with the 1990 Beijing Asian Games, when players were supported by a unified cheerleading team, and has included unified teams, such as the 1991 inter-Korean table tennis team that defeated China, and the two Koreans marching together in the opening ceremonies of the 2000, 2004, and 2006 Olympics. Inter-Korean sports exchanges, especially joint training and unified teams, allow athletes, officials, and peoples of the two sides the chance to learn more about each other and increase their interest in further cooperation and eventual unification. The formation of joint teams does all this and also allows both sides to cheer for each other.

In the DPRK, where everyday life is spartan, sports provide ordinary people with welcome entertainment and a sense of global connection when their teams compete on the international stage. Opportunities to engage in sports diplomacy with the North may be increasing. Kim Jong-un himself appears to be behind the DPRK's recent increased emphasis on sports. Educated as a boy in Switzerland, he is known to be a fan of winter sports, among others, and he apparently seeks to promote his country's sports diplomacy through the DPRK's new Masik Ski Resort.

While inter-Korean sporting exchanges have languished in recent years, President Park's *trustpolitik* and Dresden Declaration provide a basis for their resumption and expansion. The ROK has an excellent opportunity to be proactive in promoting sports exchanges and cooperation with the DPRK in the near future, as both the 2014 Asian Games and the Summer Universiade will take place in the South, in Incheon and Gwangju, respectively. The 2018 Winter Olympics, which will be held in Pyeongchang in South Korea, will provide another major opportunity for the ROK to demonstrate its commitment to engaging the North and fostering trust and reconciliation. Pyeongchang could be a symbol of a peaceful Olympics, as were the 1956 Melbourne Olympics, when East and West Germany competed as a unified team. Reportedly, South Korea has already begun to make efforts to establish a unified Korean team for Pyeongchang. The formation of a unified team would provide many opportunities for joint planning and training as well as for multilateral coordination with the United Nations Office on Sports Development and Peace (UNOSDP).

Unfortunately, UN and bilateral sanctions pose various obstacles to sports in the DPRK and sports exchanges with it. These include the classification of some sports equipment and facilities as banned

“luxury goods.” The ROK government should actively pursue ways to ensure that sanctions do not inadvertently prevent valuable exchanges and cooperation with the North. Moreover, the ROK should reconsider along with its allies and partners in the international community whether sanctions on “luxury goods” in general should be maintained. They have proven to be neither effective nor sensible. Many states, including China, have not even made their definitions of “luxury goods” public, making sanctions difficult to enforce. The Masik Ski Resort, for example, is equipped with Canadian snowmobiles, Swedish snowblowers, and Italian and German snowplows, yet no one really knows how North Korea was able to obtain the equipment despite UN sanctions. Moreover, sanctions against so-called luxury items are based on the fundamentally mistaken belief that members of the North Korea elite are loyal to the regime largely because it supplies them with luxury goods.

Media and Popular Culture

Media could be another effective area for inter-Korean cooperation. North and South Korean media outlets in the past have engaged in joint production in areas such as film, TV drama, commercials, children’s cartoons, and children’s books. During a South Korean media delegation’s visit to the North in September 2000, Kim Jong-il expressed his hope for inter-Korean media cooperation: “If the North and the South cooperate on media production, the North gets 50 percent [of profits] and the South gets 50 percent. For what are we to cooperate with other countries?”⁹¹ In 2002, the two sides signed a broadcasting exchange cooperation agreement.

While exchanges under the 2002 agreement occurred mostly at the corporate level, the most notable example of inter-Korean media cooperation was the co-production of the television drama *Sayuksin* (Six martyred ministers). North Korea’s Korean Central Television produced twenty-four 70-minute-long episodes for South Korea’s Korean Broadcasting System (KBS) that were aired in 2007. *Sayukshin* was written by Pak In So and Kim Il Jung, famous in North Korea for their work on television dramas and feature films, and directed by North Korean Chang Yong Bok, while South Korean scriptwriters Lee Seung-hui and Park Cheol participated in the script revision process. KBS funded the total production costs of nearly 20 billion won (\$22 million), with two-thirds provided in the form of equipment such as power trucks, lighting trucks, and editing equipment. *Sayuksin* reflects the North Korean popular imagination about the six martyrs, high-ranking officials in

King Danjong's court during the fifteenth century who were executed for plotting to restore Danjong to the throne after he was, in their view, wrongly removed from power. So far, *Sayukshin* stands as the only inter-Korean television drama. Although the series did not garner great popularity among the South Korean audience, the fact of the co-production suggests that further collaboration is possible.

As noted, other inter-Korean media cooperation has included movies, children's cartoons, commercials, and children's books. The most well-known joint production is *Pororo the Little Penguin*, one of South Korea's biggest cultural exports of the past few years. In the early 2000s, the animation production company Iconix decided to produce much of the first two seasons using animators with the North Korean company Samcholli. *Pororo* has aired in Australia, France, Taiwan, India, Italy, Norway, Puerto Rico, Singapore, the United Kingdom, and Vietnam, and is beloved by a wide range of fans all over the world. However, *Pororo*'s North Korea-connection raised concerns in 2011 that the penguin might not be welcome in the United States, as new U.S. sanctions banned the import of all goods, services, and technology from North Korea. Ultimately, however, *Pororo* was classified as "information" and was thus exempted from the ban. Although Iconix dropped its collaboration with Samcholli in 2005 as inter-Korean tensions rose, *Pororo* symbolizes the possibility of further such media cooperation between the two Koreas.

As these examples suggest, for the time being, most inter-Korean media cooperation will need to be funded by South Korean entities. Such cooperation is of mutual benefit, however, because North Koreans reciprocate by providing talent and labor, materials, and settings. In view of the many political and practical difficulties, some have argued that these types of productions do not make for true cooperation and do not rise to the level of exchanges. Given the importance and state of inter-Korean relations, however, even these mere "exchanges" are well worth pursuing. Unfortunately, all forms of inter-Korean media cooperation had come to a halt by the time of the rise of tensions in 2010.

Food

An essential element of culture that should receive greater emphasis in inter-Korean exchanges is food. The two Koreas have somewhat divergent cuisines due to ancient regional differences and, more recently, to national division. However, North and South Koreans are curious about the other's kitchen. Pyongyang-style cold noodle (*naengmyun*) houses in Seoul are packed, and North Koreans have used South Korean

“Choco Pies” (based on the American MoonPie) as a kind of currency. At the Kaesong Industrial Complex, South Korean managers have parceled out untold thousands of Choco Pies as bonuses to North Korean workers, who in turn have contributed to a burgeoning black market in the confection. In fact, Choco Pies became so popular that North Korean authorities recently limited the number that can be distributed at Kaesong.

Still, cultural engagement projects could utilize food without necessarily running afoul of North Korean authorities. In 2007, a South Korean-style chicken restaurant, Rakwon, opened in Pyongyang at the initiative of South Korean Choi Won-ho. His North Korean partner, Rakwon Trading Corporation, provided the building and staff, while Choi was responsible for management, interior decorating, ingredients, and recipes. Rakwon served the same menu as Choi’s franchises in the South. Choi’s North Korean venture prospered and he even introduced a food delivery service in Pyongyang. Choi reported he earned about \$1,000 each day while the business was in full operation.

However, Choi’s North Korean business suffered reverses in 2008 due to changing political circumstances, and collapsed in 2010 after the May 24 Measures put a complete ban on the shipment of raw materials and ingredients to the North. Nevertheless, his effort was a noteworthy example of a successful food exchange with North Korea. Choi himself hopes for a comeback—and even an expansion—of his business in Pyongyang when political conditions improve. In addition to such commercial enterprises, there are many other possibilities for food cooperation. Joint food festivals and food demonstrations would be apolitical and could prove popular in both countries. Rather than leaving such events as one-off affairs, ideally they should be linked to standing cooperation by the hosting North and South Korean entities.

Despite—indeed, because of—the political difficulties on the Korean Peninsula, cultural exchange is a form of engagement that should be pursued much more actively. Following is a discussion of some examples of how cultural exchanges can be pursued in ways consistent with the principles of tailored engagement.

1. Cultural engagement projects should be to the mutual interest and benefit of both sides.

The largest inter-Korean tourism project is the Mount Kumgang Tourist Region. Built with South Korean funding in scenic southeastern North Korea, the resort was visited by nearly two million South Koreans from 1998 until its suspension in 2008 after a South Korean tourist was shot and killed by a North Korean guard when she wandered into a military area. For many South Koreans, the Mount Kumgang resort represents a major inter-Korean reconciliation and cooperation project and symbolizes the hope for unification. On the other hand, in addition to South Korean government concern about the safety of its citizens, critics have argued that the project results in hard currency flowing directly to the regime and that most of the local workers are not North Koreans but Chinese of Korean ethnicity. In 2010, the North Korean government seized the site on the ground that South Korea was not keeping its part of the bargain, and has since only allowed non-South Korean tours of the resort.

The authors acknowledge that the Kumgang resort is problematic in terms of tailored engagement, because it plays primarily to South Korean national sentiment and does not represent a good balance of mutual benefits. The desire of South Koreans to set foot on North Korean territory is understandable, but there is no substantial contact with North Koreans and the proceeds underwrite the Pyongyang government. Nevertheless, we support renewed South Korean efforts to negotiate the conditions for a resumption of the project. Doing so would demonstrate, in general, the ROK's goodwill and, in particular, its intention to respect existing inter-Korean governments. The amount of hard currency that Pyongyang would receive from a resumption is significant but not enormous. The South Korean government should make it clear to North Korean authorities that it does not see Kumgang as a model for other inter-Korean tourism and that it will not subsidize the expansion of the Kumgang project, should it be resumed. The ROK should also link a resumption of the Kumgang project to a regular schedule of inter-Korean family reunions there, including an offer of South Korean subsidies for the travel of North Korean family members to the site.

Sports exchanges should be aimed primarily to promote a sense of unity between the people of the two Koreas. The most effective means of doing so is to create unified Korean teams whenever possible for international competitions. Under the current circumstances,

inter-Korean competition, even if called “friendship matches,” runs the risk of actually increasing the sense of differences and raising bilateral tensions. Fortunately, the ROK itself will soon host a number of international competitions that could serve as occasions to field joint teams. The fact that Pyongyang may feel further isolated to see the international community gathered on the other side of the peninsula for major competitions is all the more reason for the ROK to be proactive and generous in seeking to form joint teams. The ROK should begin now to try to form a joint team for the Pyeongchang Winter Olympics. As part of such efforts, the ROK should provide material and technical assistance to North Korean athletic efforts and, where possible, engage in joint training.

Engagement in the media and popular cultural sectors would be most meaningful if products were jointly made by both sides working as one team and if the resulting products were released in both Koreas. Initially, this will generally not be possible. However, even if projects take the form of South Korean outsourcing to North Korea, and even if North Korea decides not to release, televise, or publish the products of joint-production within its borders, most forms of engagement in popular culture would nevertheless contribute to narrowing the gap between the two countries’ ways of conducting business and their perceptions of history. In other words, the process itself may be even more significant than the product, at least initially.

North-South research cooperation on traditional foods, including wild ginseng and other plants that grow throughout the peninsula, would be productive and meaningful, both now and for the future of a unified Korea. It would combine the knowledge of experts on both sides of the peninsula, contributing to the further development of Korean cuisine. It could serve to improve food and nutrition in the North. Over the longer term, the two Koreans could together promote Korean food culture globally. Apolitical and of great popular interest, such efforts could contribute to other forms of food cooperation, such as the opening of North-South traditional food restaurants in Pyongyang and Seoul. Along these same lines, North-South research cooperation on traditional Korean medicine could also be helpful. The two Koreas could exchange useful research and techniques and work together to contribute to the advancement abroad of traditional Korean medicines and practices.

2. *Cultural engagement projects should apply market principles whenever possible.*

The ROK should seek to ensure that inter-Korean tourism projects with the North are as “normal” as possible, including in the application of market principles. The ROK government should encourage inter-Korean tourism but should not subsidize it. Rather than the Kumgang model, the ROK should encourage projects such as the (also currently suspended) tours of Kaesong. The ROK should also consider indicating to North Korea its support in principle for an expansion of inter-Korean tourism to locations such as Mt. Paekdu and Masik Ski Resort. The ROK should insist on the establishment of consular liaison offices in both Pyongyang and Seoul in connection with such an expansion of inter-Korean tourism, consistent with President Park’s own call for similar liaison offices made in her Dresden Declaration.

Food entrepreneurialism, as discussed earlier, should be encouraged as a means of engaging North Korea economically, culturally, and in humanitarian ways. North Korea has actively cooperated with other countries in the business of food. Hundreds of so-called PRC-DPRK Friendship Restaurants are in operation on the Chinese side of the North Korean–Chinese border and in other parts of China. When appropriate conditions are met, the ROK government should support food businesses that seek opportunities in the North (or possibly in third countries in partnerships with North Korea). In addition, while Choi’s chicken restaurant supplied all of its ingredients from the South, future businesses should seek to procure supplies from North Korean farmers, so as to engage a wider range of North Koreans and vitalize markets in the North.

3. *Cultural engagement projects should engage other countries or international organizations and third-party companies (or NGOs).*

The inclusion of third-party countries and organization in various inter-Korean cultural exchanges could serve to facilitate exchanges between the two Koreas. The ROK government should consider ways in which this might be accomplished.

For sporting exchanges, coordination with international organizations such as the United Nations Sport for Development and Peace (UNOSDP) is needed. In 2013, the Kangwon provincial government in South Korea and UNOSDP signed an agreement to cooperate on

the peaceful hosting of the 2018 Pyeongchang Winter Olympics, the development of young athletes, the fostering of inter-Korean sporting exchanges, and the establishment and participation of a Korea unified team for Pyeongchang. The involvement of international organizations would be an additional incentive for North Korea to be cooperative in the discussion of and preparation for collaborative efforts.

4. *Cultural engagement projects should be pursued both as state-level initiatives and bottom-up exchanges.*

The ROK government should encourage and support cultural exchanges at all levels, including by resuming, improving, and expanding South Korean tours of the North, working toward a unified Olympic team and joint sports training, and facilitating joint cheering squads for the Olympics and other international sports events.

For sporting exchanges, the ROK government could support, as it did prior to the Lee administration, exchanges between professional sports teams and between amateur and youth teams, including middle and high school teams. Such exchanges would constitute excellent learning opportunities for players from both sides. The ROK could offer to provide training to North Korean athletes and should request North Korean training of South Koreans in sports in which the North Koreans excel. Priority should be placed on team sports rather than on individual sports, although those too should not be neglected if good opportunities for exchanges present themselves.

IV. Economic Engagement

Internationally, economic engagement with North Korea is controversial, including in South Korea, the United States, Japan, and Europe. In addition to the political risk and the practical obstacles to engaging in business in North Korea, there is concern that economic engagement has done little to promote North Korean reform, while providing the regime with access to hard currency. This concern has become increasingly salient as Pyongyang has continued to pursue its nuclear weapons development program.

The authors believe, however, that establishing a *mutually* beneficial economic relationship with North Korea through trade, investment, and other forms of economic partnership will slowly but surely deepen inter-Korean relations at the personal, institutional, and political levels. The longer and the more extensive such cooperation, the greater will become North Korea's interest in maintaining it. This will

greatly improve the North Korean people's standard of living in preparation for peaceful unification. It is thus of key importance to vitalize the North Korean economy through inter-Korean as well as multilateral economic engagement.

Economic engagement with the North based on the principles of tailored engagement will require change in North Korean practices, and attitudes will eventually follow. It will not undermine international efforts to press North Korea to abandon its pursuit of nuclear weapons; indeed, over the mid- to long-term, it will encourage and support the kind of change in North Korean attitudes necessary to make progress on the nuclear issue. North Korea will earn more hard currency, but that should reduce its tendency to rely on earnings from illicit activities.

We focus here on the major existing economic engagement project, the Kaesong Industrial Complex. It serves as a testing ground for further economic cooperation, including possibly in the other special economic zones (SEZs) that the North Korean government has announced.

Kaesong has become a barometer of inter-Korean cooperation and it also suggests how much more successful economic cooperation could be under the right circumstances. Already, Kaesong is serving the interests of both countries and yielding mutual benefits. For the North, Kaesong has created relatively well-paying jobs for its workers, provided a legal means of earning hard currency, and introduced new technology and management procedures. For the South, Kaesong offers inexpensive but productive labor, demonstrates ROK goodwill and introduces up-to-date methods to both the North Korean workers and, indirectly, North Korea society as a whole,⁹² creates new stakeholders in the North, will lower the burden of reunification by raising the standard of living in the North, and may serve as an additional link between the South and the rest of Asia through President Park's Eurasia Initiative.

Nevertheless, Kaesong faces numerous challenges. Above all, North Korea's arbitrary threats to shut down the complex have resulted in an unstable atmosphere for both the North Korean workers and the South Korean companies. The DPRK's refusal to act in accordance with normal standards of management and operation, including on communications and logistics and the selection and treatment of workers, likewise makes it difficult for companies in Kaesong to attract investors and partners. Although we believe that the project has had a large impact on the North Korean workers and, beneath the surface, on North Korean society, Kaesong remains formally isolated from North

Korean economic and social life. In many countries, high tariffs remain on goods produced in North Korea, including at the Kaesong complex. Foreign companies worry that their reputations could be tarnished by manufacturing in a country pursuing nuclear weapons contrary to United Nations Security Council resolutions as well as having an abysmal human rights record.

One year after Pyongyang's temporary withdrawal of workers from Kaesong, production at the complex has nearly returned to pre-crisis levels.⁹³ While the ROK has not approved any new South Korean investment in the complex since the May 24 Measures went into effect, the ROK has encouraged the concept of international investment at Kaesong as, among other things, a means of stabilizing its operation. In the international community, former Italian prime minister Enrico Letta has voiced his political support for Kaesong, and a German firm, Me & Friends, reportedly plans to conclude an MOU later this year to work with the South Korean company Samduk in Kaesong. Companies such as Korean-American apparel wholesalers and a number of Chinese and Russian firms have also expressed interest in entering Kaesong.

Perhaps influenced by the success of Kaesong, North Korea seems increasingly focused on making use of SEZs to develop its economy. In 2013, Pyongyang promulgated a law requiring each of the country's nine provinces to establish one or more SEZs. There are now thirteen SEZs in the planning or construction stages. North Korean leaders appear to be serious about establishing these SEZs, but the country's capacity to realize this bold ambition is limited. North Korea lacks both infrastructure and personnel with an understanding of market economy mechanisms and global markets. A high level of international involvement will be needed for North Korean SEZs to succeed. SEZs along the border with China may be able to leverage proximity to the Chinese market and ocean access; other SEZs will likely face greater difficulties.

We believe that inter-Korean economic engagement based on the principles of tailored engagement can be expanded, and that this will be in the interests of both North and South Korea.

1. *Economic engagement should aim to pursue mutual interests and benefits, and an improved version of the Kaesong project should serve as a model for other SEZs and other economic projects.*

Many aspects of the Kaesong Industrial Complex offer good working models for broader inter-Korean economic cooperation. However, some conditions at Kaesong will need to be improved in order to attract more South Korean—and, ideally, also foreign—businesses to invest there. The most significant change following the 2013 suspension and resumption of Kaesong has been the creation of a joint management committee. Before the suspension, North Korea was solely responsible for overseeing the management of the complex; now both Koreas have an equal say in the running of the complex, at least nominally. However, the management system at Kaesong will need to be further strengthened, especially if it is to include international stakeholders such as China or Singapore. Most notably, increased transparency (in all areas of management, including worker selection, wages, and payment), infrastructure development (such as adopting an electronic identification system for daily entries and allowing for heightened access to markets through the creation of customs, port, and rail infrastructure), and logistics and communications improvements (e.g., access to cellphones and Internet services) are among the chief issues to be addressed at Kaesong. Improvements of this kind will not only increase productivity and efficiency at Kaesong but also attract a greater number of outside investments, helping to insulate Kaesong from inter-Korean political tensions and thus reducing political risk.

It is important for the two Koreas to maintain, improve, and expand Kaesong. To the extent that Kaesong is successful, it can serve as a model for future SEZs, which will further open up the DPRK economy and society. Despite North Korea's ambitions, however, it will not be able to develop and operate all thirteen SEZs simultaneously. The ROK should encourage the DPRK to prioritize the SEZs and establish them sequentially, starting with those most favorably situated and proceeding with others as experience is gained and as resources are available. The ROK should consider investing in those SEZs that appear to be commercially viable.

2. *Economic engagement with North Korea should not simply be symbolic in nature but should yield profits for both Koreas and any country/company involved, based on market principles.*

North Korean authorities should be made to understand that additional SEZs cannot and should not be islands unto themselves. To help the broader North Korean economy as well as to be fully successful as individual projects, SEZs should be able, as in other economies, to recruit local workers and draw on the local economy for other inputs.

Currently all workers at Kaesong are selected by the North Korean government and contracted out to companies. Companies may interview the selected workers and decline to employ them, but there exists no free labor market environment in which companies may recruit and hire their own workers. Salaries and pay are set by contract between the North and South. South Korean firms are unable to pay North Korean workers directly (companies pay the North Korean government, which then pays the workers). South Korean companies also have only a limited ability to provide direct cash incentives to reward North Korean workers for quality and productivity. The ROK government should encourage the North to support market-based wage and employment practices.

Another important long-term objective for Kaesong should be backward integration into the North Korean economy. Ultimately, backward integration is crucial in inducing long-term marketization of the North Korean economy as well as to increase the likelihood of profitability for SEZs. So far, there has been only minimal backward integration: only a nominal amount of construction materials and raw materials have been imported from other parts of North Korea into Kaesong. One of the main aims of ROK economic engagement of the DPRK should be finding ways to normalize trade and investment regimes in the North Korean economic system. New business models should be pursued for Kaesong that stress backward linkages to North Korean small and medium enterprises, and these in turn should be applied to new SEZs.

The ROK government should also acknowledge that the incentives for investing in Kaesong are different for South Korean firms than for foreign firms. South Koreans tend to view Kaesong as a grand national project for economic cooperation and integration, and some South Korean firms participate in the project partly for this reason. For similar reasons, the South Korean government provides significant support to South Korean investors at Kaesong, including tax breaks

and insurance benefits. South Korean investors also have the advantage of speaking the same language as their North Korean counterparts and laborers.

Foreign firms lack these advantages and do not have these nationalistic motivations to invest in Kaesong, and their own governments are unlikely to provide any special incentives. Profitability is for them by far the most important factor in deciding whether to invest in Kaesong or elsewhere in North Korea. To offset the many disadvantages of investing in North Korea, especially political risk, foreign firms will require improved conditions and tangible incentives if they are to invest. The ROK should work with interested third-country governments and companies to determine what conditions and incentives are needed, and then consult separately and, ideally, jointly with North Korean authorities about how these might be realized. Among other things, the current political risk insurance that South Korea offers for Kaesong must be reformed, ideally replaced by a joint insurance to which the North contributes as well. In the event that North Korea again decides to shut down the project, a new system should ensure that it must suffer a greater loss than just its share of worker income. Such a reformed system should be applied in other SEZs and to third-party investors.

However, the fact that Kaesong has required direct and indirect subsidies from the ROK government has left the project vulnerable to criticism that it is at least partly a state-supported entity rather than a true commercial base. Unless Kaesong eventually becomes self-sufficient, its usefulness as a model for future SEZs will be limited and its impact on the North Korean economy and society will be stunted. As circumstances permit, it will be important for the ROK and other members of the international community to impress this upon North Korean authorities.

3. *International standards should be applied to economic engagement with North Korea, including Kaesong and other Special Economic Zones, with the goal of internationalization.*

Applying international standards is vital to improving transparency and creating a better investment environment in Kaesong. A careful evaluation of legal and financial systems needs to be carried out to identify and realize modalities for international cooperation. Under the current circumstances, only third-party companies that have a high tolerance for risk and come from ideologically non-threatening nations are likely to be willing to consider participation in Kaesong. North

Korea will also need to educate a generation of young people in market economics and allow them the global exposure necessary to understand, connect with, and monitor trends in the global economy. Considering the relative success in international economic engagement by Vietnam, it is certainly possible for North Korea also to make progress with its SEZs. North Korea will, however, have to make much greater efforts to meet global business standards before many foreign companies will consider participating in Kaesong.

Supported by a number of ROK experts, President Park has stressed the need to internationalize Kaesong. However, existing bilateral and multilateral sanctions on North Korea pose major obstacles. A first step in the internationalization of Kaesong will be the removal or easing of the May 24 Measures, which not only prohibit new South Korean investment in Kaesong but also greatly limit the project's ability to attract international firms. If the South Korean government is not willing to support increased participation by its own businesses in Kaesong, very few foreign firms will be willing to take the political risk to invest there.

China has a special role to play in the internationalization of Kaesong. China and North Korea have closely cooperated on the joint development of SEZs, such as those at Hwanggumpyeong Island and Rason. These zones, along with the thirteen new SEZs that the DPRK has announced, are designed for Chinese investment. Cross-investment between Kaesong and North Korea's other Special Economic Zones—over which China has a near-monopoly—is desirable. Logistic connections between zones are also key, and they would provide an economic incentive to improve road and rail infrastructure. North Korea has been willing to establish special zones but unwilling or unable to provide the infrastructure that would make these zones attractive to foreign investment. With logistic connections between SEZs, a South Korean firm in Kaesong could send parts to a Chinese factory in another zone for assembly there and export to a third country. Another potential benefit is that more of the products produced in North Korean SEZs might be eligible for tariff reductions under various free trade agreements. The ROK should work with China and other interested countries to make these arguments to North Korean authorities.

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4. *Economic engagement with North Korea should be pursued both as state-level initiatives and bottom-up exchanges within and outside of South Korea.*
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Economic engagement with North Korea should be multilevel. China's three northeast provinces (Heilongjiang, Jilin, Liaoning) deserve close attention, as this region holds strategic importance for the ROK and allows for effective economic engagement with North Korea at both the state and the grassroots level. Noteworthy are the huge industrial and logistical centers under construction in the Chinese border city of Hunchun and the North Korean port city of Rason, connecting inland regions to the sea. Economic cooperation with North Korea is indispensable to the economic development of China's three northeastern provinces, and China is rapidly increasing its influence in the region. North Korea is potentially important as a source of cheap labor and resources for the three northeastern provinces. Already, a significant number of North Koreans work on the Chinese side of the border, some legally, some illegally, and regional PRC investment in the DPRK is increasing.

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Most of North Korea's thirteen new SEZs are concentrated on the coast and on the North Korea-China border. Only one new North Korean SEZ seems to have been planned with South Korea in mind—the Kaesong high-tech development zone located next to the Kaesong Industrial Complex. This strongly suggests that North Korea is focused on China as its long-term partner for economic development. Reportedly, when the May 24 Measures went into effect, PRC-DPRK trade received a major boost. Thus, the sanctions had little impact on the North Korean economy as a whole (but did have a major detrimental effect on South Korean companies doing business with the North). The PRC city of Dandong, which handles about 70 percent of PRC-DPRK trade, is set to open a new PRC-DPRK Friendship Bridge this year. With the Dandong New District located immediately on the border with North Korea now ready to receive tenants and businesses, PRC-DPRK

cross-border trade is only expected to grow—further integrating the two economies.

While sustained efforts are needed to reintegrate the two Koreas directly, the ROK should pay very close attention to economic integration with the North in a broader, regional framework. South Korea must be competitive with China in economically engaging North Korea in the region of China's three northeastern provinces. If North Korea, already economically dependent on China, is absorbed into a "Greater China Economic Sphere," South Korea will lose its leverage over economic engagement with North Korea. This region is a bridge to Northeast Asian economic cooperation. It would serve as a detour route for South Korean investment in and with North Korea until direct investment and business in the North become feasible. Currently, South Korean corporations including SK, POSCO, Lotte, Kumho Asiana, and Hana Bank have entered the PRC side of the region, and other global companies such as Samsung, LG, Hanwha, and CJ are reportedly looking into such opportunities as well. As of 2013, approximately 14 percent of the companies in Dandong that traded with North Korea were owned by South Koreans, 23 percent by Korean Chinese, and 43 percent by Han Chinese.⁹⁴ Nevertheless, the total trade volume of South Korean companies in the region (with North Korea) has fallen significantly, from more than \$20 million in 2009 to \$10 million in 2011, as a result of the May 24 Measures.⁹⁵ There exist many opportunities for small-scale enterprises in the region, and the importance of such opportunities should not be overlooked. Moreover, they could be pursued within the framework of President Park's proposal for a "Eurasia Initiative."

V. Developmental Engagement

North Korea would benefit greatly from the development of its infrastructure to support economic modernization. Improved infrastructure would attract foreign capital and raise the productivity of its labor force, increasing the standard of living of ordinary North Koreans and reducing the temptation of the regime to resort to illicit activities to earn hard currency. It would facilitate the exploitation of the North's abundant natural resources, which would generate capital that could be used for further economic investment and development.

South Korea would also benefit in many ways by contributing to the development of the North's infrastructure. Tensions on the peninsula could be eased. South Korean businesses, especially in the construction sector, would profit. South Korean influence in Pyongyang

would increase, and economic and social progress in North Korea would smooth the road to peaceful unification. South Korean development of the North's infrastructure would be consistent with President Park's Vision Korea Project, which has highlighted the possibilities and merits of ROK support for North Korean infrastructure development and natural resources exploitation.

On the other hand, South Korean support for North Korean infrastructure and natural resource development raises a host of complex concerns. Most such projects are large-scale undertakings requiring sustained funding and political commitment on the part of both donor and recipient. Their long-term nature renders them vulnerable to shifting political and security winds on the Korean Peninsula and elsewhere in the region. Pyongyang may seek to exploit ROK capital to profit the regime more than the people of North Korea, and the regime could use increased revenues to support its nuclear weapons program. South Korean support for North Korea economic development could be problematic under current UN sanctions related to the North's nuclear program.⁹⁶ The ROK's own May 24 Measures make infrastructure and natural resource development in North Korea possible only if the DPRK moves first on the nuclear weapons issue, and President Park's Vision Korea Project also conditions such assistance to progress on denuclearization.

Despite the myriad problems, the potential importance of infrastructure development for the situation on the Korean Peninsula warrants close ROK consideration of the various possibilities and conditions of its involvement. The Park administration already appears to be exploring some options. While all developmental engagement with the DPRK halted with the May 24 Measures, the Park administration recently made an exception to those sanctions and signed an agreement with Russia to take part in a Russian-led rail and port development project in North Korea. Hopes are that this project will help to reduce tensions on the peninsula as it opens a new logistical link between Korea and Europe. The \$340 million project, launched in 2008 by North Korea and Russia, is intended to develop North Korea's ice-free northeastern port of Rason into a logistics hub connected to Russia's Trans-Siberian Railway. A double-track rail link reopened between Rason and the nearby Russian town of Khasan in 2013 after years of renovation. Once the modernization of the Rason port is completed, it can be used as a hub to send cargo by rail from East Asia to as far as Europe. Thus, South Korean firms would be able to transport exports

by ship to Rason, where they would be transferred to railroad cars and forwarded to Europe via the Russian rail system.

As security, political, and business conditions permit, the ROK should pursue developmental engagement efforts in North Korea, perhaps beginning with the selective reactivation of joint projects previously agreed upon by the two Koreas. Prior to the May 24 Measures, the two sides had agreed on many such projects, and some were nearly implemented. Examples include humanitarian energy supply for resi-

As security, political, and business conditions permit, the ROK should pursue developmental engagement efforts in North Korea, beginning with the selective reactivation of joint projects previously agreed upon by the two Koreas.

dential heating, energy supply for the Mount Kumgang Tourist Region, the Tanchon Three Mines development project, and the Chongchon Graphite Mine development project.

The criteria for selecting projects to resume or initiate should be based on the following principles, which should also serve as guidelines for the planning, implementing, and operating stages of such engagement.

1. Developmental projects should yield mutual benefits to both Koreas and other involved parties, through a careful selection and/or sequencing of projects based on mutual interests.

Once political and security conditions are met, the ROK government could start with demonstration projects promising mutual benefits, modifying the already initiated projects that were interrupted by the May 24 Measures. Coal mining projects in the Nampo-Pyongyang region, for instance, offer a relatively easy opportunity, as old coal mines there need only to be rehabilitated. The Musan Iron Mine, the largest iron mine in Asia, already has local energy sources in place, and once developed could supply iron to South Korea as well. Development of the Common Power Complex in the Pyongyang-Nampo region would generate enough electricity to support the entire region, with enough left over to supply Seoul as well.

The development of DPRK-Russia-ROK energy networks offers another opportunity to cooperate and will become feasible when a more supportive environment is in place. The ROK-Russia Pipeline

Natural Gas (PNG) project remains at the stage of commercial negotiations, but it could open up a new logistical link between East Asia and Europe together with the recently signed ROK-Russia railroad connection project, in line with President Park's "Eurasia Initiative." It currently takes at least four weeks to transport freight to Europe by sea. The new railway would halve shipping times, slashing transportation costs and thus enhancing the competitiveness of South Korean exports.

North Korea might welcome ROK-led investment in infrastructure near cities and SEZs, such as the construction of power plants and transportation systems and the upgrading of communications infrastructure. Currently, the only public transportation systems are between large provinces, and this lack of transportation infrastructure is a main factor in preventing sustainable economic growth in North Korea. One of the greatest obstacles to carrying through on the SEZs that North Korea has announced is the government's unwillingness or inability to provide the necessary infrastructure. For example, roads between most of these zones and China remain unpaved. In the case of Rason, a lack of infrastructure, especially electricity, continues to limit the zone's potential. Building the proper infrastructure will be critical to the success of North Korea's SEZs, including attracting foreign capital and foreign direct investment.

2. *Market principles and international standards should be applied in developmental engagement with North Korea.*

Developmental projects with the DPRK should utilize the mechanisms of the market economy. While government subsidies may be inevitable sources of funding for developmental projects in the initial stages, the ROK government should seek to minimize such subsidies and encourage projects to be sustainable on their own to the greatest extent possible under normal market principles. The ROK should continue to provide political support even after the implementation stages to ensure the success of infrastructure projects, but continuing government financial subsidies would only more deeply link projects to the political situation—which, as seen in many previous cases, could jeopardize the success of projects in the long term.

In addition, the ROK should advocate for the involvement in North Korea of international financial institutions (IFIs) such as the World Bank and the International Monetary Fund (IMF), especially with the United States and Japan, initially not for funding but for their know-how and expertise. IFIs and the United Nations Development

Program (UNDP) can address weaknesses in DPRK government capacity and increase the North's understanding of international financial, economic, and business practices. Of course, North Korea itself must want to build a relationship with the IFIs, and both the ROK and China should seek to impress this upon North Korea—a topic for cooperation and coordination between ROK and China.

Experience has shown that even limited IFI engagement is useful. In the case of Myanmar, for example, IFI involvement provided a platform of information and relationships on which to build rapidly when the government was ready to pursue a robust economic reform agenda. It also served to encourage pro-reform elements within the government to seek change from within the system in a difficult domestic and international political environment. It also enabled the international community to develop a more realistic understanding of the country's circumstances and of the opportunities to address development challenges. IFI engagement can provide important input to the strategic thinking of concerned countries about how developmental engagement could help them ultimately achieve their goals in relations with North Korea.

International official development assistance (ODA) rules and standards, as set by the Organisation for Economic Co-operation and Development (OECD), should be adhered to in developmental assistance to North Korea whenever possible. Doing so will increase the coherency of policy, transparency of operation, and level of cooperation. While North Korea is among the world's poorest countries, it receives very little in the way of ODA due to its nuclear weapons program, human rights situation, and reluctance to comply with international monitoring standards. North Korea has publicly expressed its interest in receiving ODA, but it has not shown itself to be committed to meeting the requirements for becoming a responsible ODA recipient country.

South Korea's humanitarian and development assistance to North Korea has not been treated formally as *overseas* development assistance because the ROK does not regard North Korea as a foreign country. Thus, ODA standards, rules, and regulations have never been applied to South Korean assistance to North Korea. Some have argued for applying ODA practices to South Korean assistance to the North, but it has not proven to be feasible. Still, the ROK should attempt to adhere as much as possible to international ODA standards when providing developmental assistance to North Korea. Doing so will enhance political support within South Korea for increased assistance to the North.

It will also help to insulate such assistance from inter-Korean political vicissitudes. Increased ROK assistance to the North on the basis of international standards will increase North Korea's attractiveness as an aid recipient within the international community as well.

3. *Developmental projects should be internationalized to bring in other countries and third-party companies as stakeholders.*

Trilateral or other multilateral developmental cooperation projects are less likely to fall through than bilateral inter-Korean cooperation projects, as the presence of other stakeholders incentivizes North Korea to isolate such projects from inter-Korean political issues. Such considerations appear to have been behind the South Korean government's decision to make the Rason-Khasan railroad project the first step in resuming developmental engagement with North Korea. In April 2014, despite the ban on South Korean individuals having contact with North Korean individuals or visiting North Korea, the South Korean government approved a visit to North Korea by Korea Railroad Corporation (KORAIL) CEO Choi Yeon Hye and four other officials to attend an Organization for Cooperation of Railways (OSJD) conference in North Korea, along with top rail officials from China, Russia, and twenty-five other member states. Significantly, Choi was the first head of a South Korean state company to visit the North since the previous Lee Myung-bak administration took office in early 2008, and her visit renewed hopes for inter-Korean economic cooperation, including restoration of the severed railway. Russian Railways has a 70 percent stake in this joint venture, with the North holding the remaining 30 percent. It has been reported that a South Korean consortium composed of three South Korean companies—the state-run railroad operator KORAIL, POSCO, and Hyundai Merchant Marine Company—plans to buy about half the Russian stake.⁹⁷ This purchase could have been in violation of the May 24 Measures, which ban any new investments in North Korea, even though it is only an indirect investment via Russia. However, the project was exempted from the May 24 Measures because it fits well into President Park's "Eurasia Initiative," which calls for binding Eurasian nations closely together by linking roads and railways to realize what she has called a "Silk Road Express" running from South Korea to Europe via North Korea, Russia, and China. If this project makes progress, it could pave the way for other indirect and, eventually, direct investments in the North.

Other projects that Russia and South Korea have agreed to cooperate on as long-term ventures include building a natural gas pipeline linking Russia and South Korea via the North and developing Arctic shipping routes to reduce shipping distances and times between Asia and Europe. In April 2014, Russia decided to write off \$10 billion of North Korea's debt (90 percent of North Korea's total debt to Moscow) in a deal expected to facilitate the building of the gas pipeline,⁹⁸ which would make it possible for Russia to diversify its energy sales to Asia away from Europe. Also, at the end of April, Russian deputy minister Yury Trutnev visited North Korea to promote other major trilateral (Russian Federation-DPRK-ROK) infrastructure projects: uniting the railroads in both Koreas with the Tran-Siberian Railway and constructing gas pipelines and power lines from Russia to South Korea through North Korea, projects in which Russia has already invested significant funds.⁹⁹ The South Korean and Russian delegation visits to North Korea could help to begin a new phase not only in trilateral economic and developmental cooperation among the three countries but also in South Korea's and Russia's bilateral relationships with North Korea. This multilateral cooperation may provide a useful model for future developmental engagement in North Korea, possibly involving partners other than Russia as well.

4. *Developmental projects should bring about change both at the state level and at the popular level.*

Infrastructure and resource development could be among the most effective forms of engagement cooperation to induce the DPRK state to greater cooperation with the international community, as well as to develop the North Korean economy and society. For these types of projects to succeed, however, the DPRK will first have to demonstrate both its commitment to them and its trustworthiness as a partner. The latter will entail also taking a more responsible attitude on the nuclear front as well.

The DPRK's energy shortage is arguably its most fundamental resource problem and development bottleneck. In an effort to overcome it, Pyongyang has devoted considerable efforts. Large-scale ROK assistance in energy procurement and development should be linked to progress on the nuclear issue. Conducting joint surveys and planning, however, could be done before a resolution of the nuclear issue is in prospect. Doing so could increase the credibility of ROK offers of energy development assistance in conjunction with the Six-Party Talks.

Infrastructure development such as road construction can also bring about important change at the popular level. Human mobility is politically restricted and practically limited in North Korea. Roads are so poor that even travel to a neighboring village can be difficult. Such conditions reduce ordinary people's ability to find food, access hospitals, and have substantial interaction with those outside of their own community, especially in rural areas. With China and Russia showing increasing interest in connecting to North Korea's transportation networks, Pyongyang appears increasingly aware that improving its transportation system will be key to economic growth. In the mid- to long- term, transportation development will also contribute to positive social change in the North.

VI. The Demilitarized Zone International Peace Park

President Park unveiled her initiative to establish a “DMZ International Peace Park” in an address to the U.S. Congress in May 2013. The plan would transform an area of ongoing military confrontation into a park symbolizing aspirations for peace and harmony between North and South and between man and nature. Previous ROK governments—the Kim Dae-jung, Roh Moo-hyun, and Lee Myung-bak administrations—announced their own plans for peaceful use of the DMZ but none was ever realized, primarily due to rejection by the DPRK, led by its military.

In an attempt to overcome North Korea's objections to any changes to the 160-mile-long, 2.5-mile-wide DMZ, President Park has

The establishment of even a very small peace zone initially would be an important step toward building and accumulating trust, cooperation, and commitment for peaceful coexistence between the Koreans.

proposed that the international peace park begin small, as what some have called a peace “bubble” within the zone. Later, other such areas could be carved out within the DMZ and eventually virtually the entire DMZ could become a peace park and nature preserve. The “demilitarized” zone is actually the world's most “militarized” front, with 70 percent of the troops of both Koreas stationed nearby. Thus, the establishment of even a very small peace zone initially would be, as President

Park has repeatedly stressed, an important step toward building and accumulating trust, cooperation, and commitment for peaceful coexistence between the two Koreas.

The United Nations has expressed support in principle for the plan. In August 2013, Secretary-General Ban Ki-moon told reporters that “the international body would actively assist” and that, in fact, the UN had begun an internal review of ways to support the project.¹⁰⁰ He noted, however, that the United Nations could assist only if North Korea agreed, including on all the particulars of the project. That such agreement will be far from easy to obtain is evident from North Korean statements such as one accusing South Korea of attempting to “disgrace the people of Korea by bringing tourists to them as to monkeys in a zoo.”¹⁰¹

President Park has been working to secure further international attention and support for the plan. The Republic of Korea has a solid basis on which to do so. Sixty-seven states provided assistance to the ROK during the Korean War, at the end of which the DMZ was created by the Armistice Agreement. A number of NGOs in the United States and other countries have long supported similar concepts, such as utilizing the DMZ as a nature preserve. Strong international support will prove useful when inter-Korean relations have made enough progress to allow the commencement of bilateral talks on the DMZ International Peace Park.

In addition to North Korea’s objection in principle, a number of practical problems will eventually have to be resolved. The opening of any part of the DMZ would pose risks as long as tensions remain high, as the tragic shooting of a South Korean tourist at Mount Kumgang underlined. Inter-Korean political and military tensions must thus be reduced, and inter-military communication and cooperation mechanisms will have to be developed. Land mines still buried throughout the DMZ, their locations generally no longer known, will have to be located and removed. Preparatory to final agreement on an initial peace park venue, South Korea should persuade the North to conduct a joint natural resources study of the entire DMZ; this itself would serve as a much-needed pilot project.

Internationally, there are a number of cases in which nature parks were established to defuse border disputes and promote peace. Poland and the former Czechoslovakia converted the Tatra Mountains into a contiguous nature reserve to rebuild bilateral trust and settle their World War I border dispute. In southern Africa, ten peace parks, including the Lubombo area between Swaziland and Mozambique, rep-

resent efforts at cross-border cooperation through conservation and ecotourism. At the Chile and Peru maritime boundaries, a territorial dispute has been resolved after a decade of political and legal controversy. According to the decision of the International Court of Justice, a border settlement, the Santa Rosa Concordia, will be built on the territory of Tacna; it is expected to attract business to the region and facilitate cross-border trade.

Despite the myriad difficulties, the authors believe that the DMZ International Peace Park is well worth pursuing, in small sequential steps, as President Park herself advocates. In doing so, it is recommended that the following set of principles play a guiding role in the process of consultation with North Korea, as well as in the planning and implementation stages of the project.

1. The ROK should attempt to achieve national consensus on this project as a first step.

While most South Koreans favor the concept of a DMZ peace park, the difficulty in overcoming North Korea's objection has dampened enthusiasm for it in the South. The ROK government should seek bipartisan support and the authorization of a sufficient budget for the project, so that the ROK will be able to move quickly when North Korea indicates it is willing to consider the project. All concerned government agencies, including the Ministries of Defense, Foreign Affairs, Unification, and Environment, as well as the National Assembly and the Blue House, should coordinate on the policy, budget, and planning for implementation. Consideration should be given to assigning the Presidential Preparatory Committee for Unification, launched in July 2014, the role of coordinating interagency cooperation on this difficult and complex effort. (The suprapartisan Committee's membership encompasses leaders of all concerned government agencies as well as thirty civilian experts.) Taking these actions will demonstrate the government's seriousness to the people of South Korea as well as to the international community. This will in turn increase the likelihood that the DPRK will eventually give the project its attention.

Unless, however, the ROK can bring Pyongyang to see clear benefits and advantages in the project, the plan to build a peace park will continue to be only a South Korean dream. South Koreans view the DMZ as a green belt, but North Koreans see it as a black belt—a constant reminder of war. South Korean government officials need to develop plans and arguments that will appeal to the North Koreans,

especially the military, and then find an appropriate way to begin to communicate their proposal to North Korea.

In this respect, a unilateral “demonstration model” or a “transitional model” in which South Korea builds a park on South Korean territory just south of the DMZ could be a starting point. It would be intended to demonstrate the South’s good will as well as the feasibility of the DMZ peace park.

2. The DMZ Peace Park should bring mutual benefits to both Koreas.

The DMZ International Peace Park would offer a number of opportunities for both Koreas. Most importantly, even a relatively small symbolic area of civilian co-management in the DMZ would contribute to inter-Korean military confidence-building, easing tensions, and helping to stabilize the security situation between the two countries. The serene landscape and undisrupted wildlife of the DMZ would bring in revenue from ecotourism for both Koreas. The gradual addition of more peace “bubbles” within the DMZ could eventually be linked to peace treaty negotiations. Cooperation on DMZ peace parks could also be linked to inter-Korean cooperation outside the DMZ on environmental protection, including anti-pollution measures, flood control, carbon sequestration, and water purification. Possible other areas of mutual interest include locating and retrieving the remains of Korean War dead buried in the DMZ and excavating cultural artifacts. The two sides could also cooperate to prevent flooding of the Imjin River flowing from the North into the South through the DMZ. (Miscommunications between the two Koreas’ water management authorities have led to fatalities during past monsoon seasons.)

North Korea may be particularly receptive if the ROK underscores the immediate economic and financial benefits to the North from a DMZ cooperation project. The DMZ peace park could serve as another form of joint economic complex, creating jobs, investment, and infrastructure. One plausible sub-project might be a clean water fund, in which South Korea, which uses water that crosses the DMZ from North Korea, would pay North Korean farmers to keep the upstream water clean. As part of this effort, South Korea could diplomatically support DPRK membership in the Ramsar Convention (formally known as the “Convention on Wetlands of International Importance, especially as Waterfowl Habitat”).

As President Park has argued, an area as small as two hundred and fifty acres could provide an adequate starting point. The ROK gov-

ernment should be able to explain to the North that a symbolic area of this size would not have any negative military impact on North Korea but would rather bring in immediate revenue as well as much greater long-term benefits for them.

3. *The ROK should achieve international support on this project and collaborate with other countries as much as possible.*

An anonymous North Korean official reportedly has said that if talks were to begin on this issue, North Korea's negotiation counterpart would have to be the United States rather South Korea. (The argument is apparently based on the fact that the armistice was signed by North Korean, American, and PRC generals, but not by an ROK representative.) This argument can be overcome, as it was when North and South agreed to reconnect their west coast rail line. The United States will not wish to interfere in South Korean efforts to establish a DMZ peace park but as the head of the United Nations Command, responsible for DMZ management, the United States, especially its military, will want to be assured that the project is conducted in such a way as not to weaken deterrence and military defenses. The ROK should already be consulting and coordinating with the United States in the United Nations Command about the proposed project. The ROK should also inform and consult with China about the project. China no longer plays an active role in DMZ management but will appreciate being consulted, and its support for the project could eventually prove valuable.

The abundant ecological resources within the DMZ, untouched by humans for *six decades*, have also garnered the interest of many international environmental NGOs such as the Nature Conservancy and the Wildlife Conservation Society. An ecotourism-themed peace park would certainly attract the international conservation community. According to the UN World Tourism Organization, ecotourism, the most beneficial type of tourism, has grown more than 30 percent annually since 1990. Moreover, ecotourism has offered the best means of revitalizing economically poor yet environmentally rich areas. International cooperation and collaboration could serve as an engine to drive the project forward in a more sustainable manner and could induce North Korean interest and cooperation as well.

Afterword

In her Liberation Day speech on August 15, 2014, President Park proposed that the two Koreas engage first in small, “practical projects” such as environmental cooperation and joint archaeological research.¹⁰² Even in the weeks before this speech, President Park’s administration had already begun to permit a resumption of some contacts by South Korea scholars and humanitarian organizations with North Korea, and the South Korean government itself provided a modest amount of humanitarian assistance for the people of North Korea.

As discussed in this study, we strongly support pragmatic initiatives such as those President Park proposed, but they alone are not sufficient to address the situation facing the Republic of Korea. Since the authors participated in three conferences in February and March of this year involving American, South Korean, and Chinese experts on North Korea and began drafting the body of this report, the fundamental trends on the Korean Peninsula have only worsened.

- North Korea continues with the unfettered development of its nuclear weapons program, based now not only on plutonium reprocessing but also on uranium enrichment. It also appears likely to be ready as soon as this fall to test a rocket even larger than the one in 2012 that successfully boosted a satellite into orbit.¹⁰³
- The visit of President Xi Jinping to Seoul in July underlined the limits to the PRC’s willingness to press Pyongyang on the nuclear issue.
- The worsening problems in the Middle East and South Asia, and now the crisis in Ukraine, make it even less likely that the Obama administration would change its approach to North Korea.

It has become even more evident that only the Republic of Korea has both the need and the potential influence to change this dangerous trajectory on the Korean Peninsula. To do so, however, requires that the Park administration recalibrate its policy toward inter-Korean re-

lations, since *trustpolitik* describes only a process and the unification “jackpot” concept represents the ultimate goal. What is missing is a road map that could be realized.

The authors have proposed that such a road map include much more emphasis on engagement along with a de-emphasis on unification. We fully support unification that would occur peacefully, ensure democracy, and be sustainable. Unfortunately, the circumstances for such a unification do not currently exist. The “tailored engagement” we recommend would at least reduce tensions, help the ordinary people of North Korea, and promote inter-Korean social convergence. Eventually, it could also contribute to a resolution of the more basic issues on the Korean Peninsula that prevent peaceful and democratic unification.

To implement tailored engagement, the Park administration needs to reorganize and streamline its organization for North Korea policymaking. In this regard, we have recommended that President Park appoint a “Korean Bill Perry.” The Park administration also needs to clarify what kinds of projects, under what circumstances and in what sequence, can be pursued without reducing pressure on North Korea to abandon nuclear weapons. Similarly, the May 24 sanctions should be eased or superseded by a new approach to dealing with the incidents that prompted them. In future as well, sanctions against North Korea need to be carefully considered and targeted so as not to undermine worthwhile engagement efforts.

South Korean leaders and citizens alike need to have more confidence in their country’s ability to shape developments on the Korean Peninsula; the Republic of Korea is considerably more powerful and influential than it was even a decade ago. The key to exercising that influence is achieving a measure of domestic consensus on North Korea policy. When South Koreans are divided, their neighbors will only listen to those South Korean voices they choose to. Moreover, domestic consensus will help to ensure the consistency and sustainability of ROK policy toward North Korea across administrations, further enhancing its effectiveness.

We believe that the Park administration can make such a policy adjustment, but the time to do so before the end of her single term in office ends in February 2017 is passing quickly. Already in the second half of her second year, President Park, like her predecessors, will experience reduced influence after the general election for the National Assembly in April 2016. However, President Park retains the strong support of her conservative base, thanks to which she has the “Nixon to China” opportunity to adopt and implement a bold and confident

tailored engagement approach toward North Korea. The Republic of Korea should take advantage of this important, and possibly unique opportunity to promote inter-Korean reconciliation and eventual unification.

Notes

1 “The North Korea Problem and the Necessity for South Korean Leadership,” policy report, Shorenstein Asia-Pacific Research Center, Stanford University, March 4, 2013, http://iis-db.stanford.edu/pubs/24020/North_Korea_Problem_and_Necessity_for_South_Korea_Leadership.pdf.

2 Participants in these three workshops are listed in the appendices to this study.

3 According to the U.S. Department of Defense, “In the coming years, instability on the Korean Peninsula could produce a regional crisis involving China’s military.” See Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China 2014*, April 24, 2014, http://www.defense.gov/pubs/2014_DoD_China_Report.pdf.

4 The constitution was amended in 2012, including a revised preamble that reads in part: “Amid the collapse of the world’s socialist system and the vicious anti-Republic oppressive offensive by the imperialists’ joint forces, Comrade Kim Jong Il honorably defended through military-first politics the gains of socialism that are Comrade Kim Il Sung’s lofty legacy; changed our fatherland into a politically and ideologically powerful state that is invincible, a nuclear-possessing state [*haekboyuguk*], and a militarily powerful state that is indomitable; and paved a brilliant main road in building a powerful state.” English translation based on “The DPRK’s Nuclear Constitution,” NAPSNet Policy Forum, June 13, 2012, <http://nautilus.org/napsnet/napsnet-policy-forum/the-dprks-nuclear-constitution/>.

5 According to the U.S. Department of Defense, “North Korea’s long-range missile and weapons of mass destruction (WMD) programs—particularly its pursuit of nuclear weapons in contravention of its international obligations—constitutes a significant threat to peace and stability on the Korean Peninsula and in Northeast Asia and is a *growing, direct threat to the United States*.” [italics added] Department of Defense, *Quadrennial Defense Review 2014*, March 4, 2014, http://www.defense.gov/pubs/2014_Quadrennial_Defense_Review.pdf.

6 These figures include politician and businessman Chung Mong-joon, son of the Hyundai conglomerate’s founder, in South Korea and former finance minister Shoichi Nakagawa in Japan. See David E. Sanger, “In U.S., South Korean Makes Case for Nuclear Arms,” *New York Times*, April 9, 2013, <http://www.nytimes.com/2013/04/10/world/asia/in-us-south-korean-makes-case-for-nuclear-arms.html>, and Danielle Demetriou, “Japan ‘should develop nuclear weapons’ to counter North Korea threat,” *The Telegraph*, April 20, 2009, <http://www.telegraph.co.uk/>

news/worldnews/asia/japan/5187269/Japan-should-develop-nuclear-weapons-to-counter-North-Korea-threat.html.

7 In a speech on July 27, 2014, Vice Marshal Hwang Pyong So, director of the Korean People's Army General Political Bureau, said: "If the U.S. imperialists threaten our sovereignty and survival. . . our troops will fire our nuclear-armed rockets at the White House and the Pentagon—the sources of all evil." See James Rush, "North Korea threatens to launch nuclear strike on 'the sources of all evil'," *Mail Online*, <http://www.dailymail.co.uk/news/article-2709250/North-Korea-threatens-launch-nuclear-strike-sources-evil-White-House-Pentagon-accuses-Washington-raising-military-tensions-Korean-peninsula.html#ixzz39BMH2o7t>. For examples of earlier threats, see Guy Taylor, "North Korea threatens attack, including nukes, on U.S.," *Washington Times*, April 3, 2013, <http://www.washingtontimes.com/news/2013/apr/3/north-korea-threatens-attack-including-nukes-us/> and "North Korea Threatens Preemptive Attack on U.S., South Korea," *NTI*, October 7, 2013, <http://www.nti.org/gsn/article/n-korea-threatens-carry-out-preemptive-attack-us-s-korea>.

8 See Jeffrey A. Bader, *Obama and China's Rise: An Insider's Account of America's Asia Strategy* (Washington, D.C.: Brookings Institution Press, 2012), pp. 89–92, for a discussion of high-level U.S. government concern about possible escalation after the Yeonpyeong shelling.

9 Scott Snyder, "China-North Korea Trade in 2013: Business as Usual," *Forbes*, March 27, 2014, <http://www.forbes.com/sites/scottasnyder/2014/03/27/44/>.

10 In an unusually frank exchange on April 10, 2014, former U.S. National Security Adviser Stephen Hadley said that ". . . North Korea is as potentially divisive of the relationship between the United States and China as Taiwan is, so it's in some sense a ticking time bomb in the relationship." PRC ambassador to the United States Cui Tiankai responded: ". . . one thing that worries me a little bit, and maybe more than a little bit, is that we're very often told that China has such an influence over DPRK and we should force the DPRK to do this or that. Otherwise the United States would have to do something that will hurt China's security interests. You see, you are giving us a mission impossible. . . . [I don't] think that this is very fair, I don't think that this is a constructive way of working with each other." See "U.S.-China Cooperation in Peace and Security with Ambassador Cui Tiankai," video, United States Institute of Peace, April 10, 2014, 41:54–48:34, <http://www.usip.org/events/us-china-cooperation-in-peace-and-security-ambassador-cui-tiankai>.

11 For example, President Richard Nixon told Zhou Enlai in 1972: "The Koreans, both the North and the South, are emotionally impulsive people. It is important that both of us exert influence to see that these impulses, and their belligerency, don't create incidents which would embarrass our two countries. It would be silly, and unreasonable to have the Korean Peninsula be the scene of a conflict between our two governments. It happened once, and *it must never happen again* [italics added]. I think that with the Prime Minister and I working together we can prevent this." Memorandum of Conversation, February 23, 1972, 2:00 p.m.–6:00 p.m., The President's Guest House, Peking, in *Foreign Relations of the United States, 1969–1976*, vol. 17, 732–33. Cited in "Getting to Know You—The US and China Shake the World, 1971–1972," *USC US-China Institute*, February 21, 2012, <http://china.usc.edu/showArticle.aspx?articleID=2705>.

12 Mark E. Manyin, Mary Beth D. Nikitin, *Foreign Assistance to North Korea*, Congressional Research Service, 2, table 1, April 2, 2014, <http://www.fas.org/sgp/crs/row/R40095.pdf>.

13 As Secretary of State John Kerry stated, “And the United States—I want to make this clear—is absolutely prepared to improve relations with North Korea if North Korea will honor its international obligations. It’s that simple. But make no mistake *we are also prepared to increase pressure, including through strong sanctions and further isolation if North Korea chooses the path of confrontation*” (italics added). U.S. Department of State, “Remarks With Secretary of Defense Chuck Hagel, Australian Minister of Foreign Affairs Julie Bishop, and Australian Minister of Defense David Johnston, Admiralty House, Sydney, Australia, August 12, 2014, <http://www.state.gov/secretary/remarks/2014/08/230525.htm>.

14 North Korean authorities state that Kim was born on January 8, 1982, but his actual birthdate is widely believed to be January 8, 1983.

15 About half of senior cabinet, party, and military officials have been replaced since Kim Jong-un took power. Lee, Kwan-se, “Why Kim Jong Un’s Regime Opted for Stability Over Change, *IFES Issues and Analysis* No. 3 (2014-03), Institute for Far Eastern Studies, Kyungnam University, April 15, 2014, and Choe Sang-Hun, “North Korean Leader Tightens Grip With Removal of His Top General,” *New York Times*, October 10, 2013, <http://www.nytimes.com/2013/10/11/world/asia/north-korean-leader-tightens-grip-with-removal-of-top-general.html>.

16 Gi-Wook Shin and David Straub, “North Korea’s Strange, Bloody Mistake,” *Bulletin of the Atomic Scientists*, December 20, 2013, <http://thebulletin.org/north-korea%E2%80%99s-strange-bloody-mistake>.

17 Aidan Foster-Carter, “Kimmy No-Mates: Why no meeting and greeting?” *NK News*, May 14, 2014, <http://www.nknews.org/2014/05/kimmy-no-mates-why-no-meeting-and-greeting/>.

18 “It is our party’s resolute determination to let our people who are the best in the world —our people who have overcome all obstacles and ordeals to uphold the party faithfully —not tighten their belts again and enjoy the wealth and prosperity of socialism as much as they like.” “English transcript of Kim Jong Un’s speech,” unofficial translation, delivered on April 15, 2012, at Kim Il-sung Square in Pyongyang, North Korea Tech, <http://www.northkoreatech.org/2012/04/18/english-transcript-of-kim-jong-uns-speech>.

19 North Korea GDP grew by 1.3 percent in 2012, according to South Korean estimates. See “Gross Domestic Product Estimates* for North Korea in 2012,” news release, The Bank of Korea, July 12, 2013, http://www.ncnk.org/resources/publications/BoK_GDP_of_North_Korea_in_2012.pdf.

20 For example, “...the Policy Department of the NDC [National Defense Commission] of the DPRK once again serves the following strong warning to Park and her group: First, they should not dare utter words about the nukes of the DPRK and its line of simultaneously pushing forward economic construction and the building of nuclear force any longer.” See “NDC Policy Department of DPRK Slam’s Park Geun Hye’s Sophism during Her Foreign Trip,” KCNA (Pyongyang), November 14, 2013, <http://www.kcna.co.jp/item/2013/201311/news14/20131114-28ee.html>.

21 Tania Branigan, “North Korea: The New Generation Losing Faith in the

Regime,” *The Guardian*, April 21, 2014, <http://www.theguardian.com/world/2014/apr/22/north-koreans-turning-against-the-regime>.

22 Dae-Kyu Yoon, “The Trickle-Down Effect of China’s Growth on North Korea,” The Institute for Far Eastern Studies, May 23, 2014, http://ifes.kyungnam.ac.kr/eng/FRM/FRM_0401V.aspx?code=FRM140523_0001.

23 Jeffrey A. Bader, “North Korea: Breaking the Pattern,” in *Obama and China’s Rise: An Insider’s Account of America’s Asia Strategy* (Brookings Institution Press: Washington, D.C., 2012).

24 Staff Sgt. Kathleen T. Rhem, “Korean War Death Stats Highlight Modern DoD Safety Record,” American Forces Press Service, June 8, 2000, <http://www.defense.gov/news/newsarticle.aspx?id=45275>

25 North Korea is far more hostile to the United States. The regime has engaged in a massive educational and propaganda effort against the United States both at home and abroad ever since the Korean War. Moreover, “hostility,” no matter on which side, is not the problem but a symptom or the result of what are actually the fundamental issues.

26 See Gi-Wook Shin, *One Alliance, Two Lenses: U.S.-Korea Relations in a New Era* (Stanford, CA: Stanford University Press, 2010), especially chapter 6, “Dealing with the ‘Axis of Evil,’” for an analysis of major American newspapers’ coverage of North Korea and U.S.–North Korean relations from the first North Korean nuclear crisis in 1992 to the second in 2003. Among the findings: “. . . American skepticism of North Korea is deep rooted. Newspapers in the United States tend to present a fairly unified image of North Korea, first, as a threat to U.S. security, and second, as a closed communist regime in violation of basic human rights” (137).

27 A 2014 Gallup poll found 84 percent of Americans holding unfavorable views of North Korea. See “Country Ratings,” Gallup, February 6–9, 2014, <http://www.gallup.com/poll/1624/perceptions-foreign-countries.aspx>. If the presumed confusion of some American respondents about whether North or South Korea is the United States ally were taken into account, North Korea’s favorability ranking would likely be even worse. See also Joy Wilke, “North Korea Least Favorable Among Nations,” Gallup, February 19, 2014, <http://www.gallup.com/poll/167489/north-korea-least-favorable-among-nations.aspx>.

28 While it is not widely known, the treaty between the PRC and DPRK signed by Zhou Enlai and Kim Il-sung on July 11, 1961, remains in effect. Article II reads, in part, “In the event of one of the Contracting Parties being subjected to the armed attack by any state or several states jointly and thus being involved in a state of war, the other Contracting Party shall immediately render military and other assistance by all means at its disposal” (See “Treaty of Friendship, Co-operation and Mutual Assistance Between the People’s Republic of China and the Democratic People’s Republic of Korea” Chinese Communism Subject Archive, transcribed from *Peking Review* 4, no. 28, p. 5, https://www.marxists.org/subject/china.documents/china_dprk.htm). That said, for over a decade, Chinese officials and spokespersons have avoided repeating the clause. Some Chinese have said it is no longer operative but China cannot state this publicly. Still others have asserted that China would only act to defend North Korea if it were subject to an unprovoked attack or if China’s own security interests were at risk.

29 Dae-Kyu Yoon, “The Trickle-Down Effect of China’s Growth on North Korea,” Institute for Far Eastern Studies, May 23, 2014, http://ifes.kyungnam.ac.kr/eng/FRM/FRM_0401V.aspx?code=FRM140523_0001; “North Korea,” *CIA World Factbook*, <https://www.cia.gov/library/publications/the-world-factbook/geos/kn.html>; Scott Snyder, “China–North Korea Trade in 2013: Business as Usual,” *Forbes*, March 27, 2014, <http://www.forbes.com/sites/scottasnyder/2014/03/27/44/>; Aidan Foster-Carter, “How Seoul Distorts Pyongyang’s Trade Statistics,” *Wall Street Journal*, May 30, 2014, <http://blogs.wsj.com/korearealtime/2014/05/30/how-seoul-distorts-pyongyangs-trade-statistics/>.

30 See Ambassador Cui’s remarks, “U.S.-China Cooperation in Peace and Security with Ambassador Cui Tiankai,” video, United States Institute of Peace, April 10, 2014, 41:54–48:34.

31 President Obama has stated, “I think what’s most promising is we’re startin’ to see the Chinese, who historically have– tolerated misbehavior on the part of the North Koreans because they’re worried about– regime collapse and how that could spill over to them. You’re startin’ to see them recalculate and say, ‘You know what? This is startin’ to get outta hand.’ And, so, we may slowly be in a position where we’re able to force– a recalculation on the part of North Koreans...” “Transcript: President Obama’s Exclusive Interview With George Stephanopoulos,” ABC News, March 13, 2013, <http://abcnews.go.com/blogs/politics/2013/03/transcript-president-obamas-interview-with-george-stephanopoulos/>.

32 Seong-hyon Lee, “Firm Warning, Light Consequences: China’s DPRK Policy Upholds Status Quo,” *The Jamestown Foundation, China Brief* 13, no. 23 (November 22, 2013), 10–12, http://www.jamestown.org/uploads/media/China_Brief_Vol_13_Issue_XXIII_02.pdf.

33 Email to the authors from Dr. Sunny Seong-hyon Lee, November 25, 2013.

34 David Straub and Daniel C. Sneider, “North Korea’s Distorted View of the United States and Japan,” in *Troubled Transition: North Korea’s Politics, Economy, and External Relations*, ed. Choe Sang-Hun, Gi-Wook Shin, and David Straub (Stanford, CA: Walter H. Shorenstein Asia-Pacific Research Center, 2013), 180–83.

35 Joon-Woo Park, Gi-Wook Shin, and Donald W. Keyser, eds., *Asia’s Middle Powers?: The Identity and Regional Policy of South Korea and Vietnam* (Stanford, CA: Shorenstein Asia-Pacific Research Center, 2013).

36 Video and audio of Park’s speech available at “Madam Park Geun Hye Addresses U.S.-Korea Relations in a Changing World,” Shorenstein-APARC Korea Studies Program, May 6, 2009, http://ksp.stanford.edu/news/madam_park_geun_hye_addresses_us__korea_relations_in_a_changing_world_20090506/; Park Geun-hye, “A New Kind of Korea: Building Trust between Seoul and Pyongyang,” *Foreign Affairs* 90, no. 5 (September–October 2011), <http://www.foreignaffairs.com/articles/68136/park-geun-hye/a-new-kind-of-korea>.

37 Ministry of Unification, *Trust-Building Process on the Korean Peninsula* (Seoul: Ministry of Unification, September 2013), available at http://eng.unikorea.go.kr/index.do?menuCd=DOM_00000203001003000.

38 North Korea has long demanded a peace treaty with only the United States, arguing that the United States was the initiator of the Korean War and that it remains the main threat to peace on the Korean Peninsula. North Korea rejects the notion that any eventual peace treaty should also be signed by the Republic of

Korea, on the legalistic ground that the Republic of Korea did not sign the Armistice Agreement. North Korea has at times also argued that the 1991 North-South Basic Agreement settled the peace issue between Seoul and Pyongyang, in spite of the fact that the agreement was not implemented and Pyongyang has since repudiated it. Progressive South Korean governments have argued that North Korean leaders are fearful of the United States and the U.S.-ROK alliance, and that a North Korea peace treaty with the United States would serve to reassure North Korea and thus reduce tensions and the threat of war on the peninsula. Like her conservative predecessors, President Park evidently is not prepared to support a bilateral U.S.-North Korea peace treaty. Like the United States, she apparently will not support negotiation of a peace treaty if South Korea is not included in the process and not until progress is being made on the nuclear issue.

39 Ministry of Unification, *Trust-Building Process on the Korean Peninsula*, 23.

40 Choi Hyun-june, "Park's Private Sector Aid to North Korea Falls to All Time Low," *Hankyoreh*, June 16, 2014, http://english.hani.co.kr/arti/english_edition/e_northkorea/642563.html.

41 The Unification Ministry's *Trust-Building Process on the Korean Peninsula* makes no mention at all of the Northern Limit Line (NLL). On p. 13, as the second of four "policy directions," it states that "The ROK government will respect and adhere to. . . existing inter-Korean agreements . . . to build on trust." However, it immediately qualifies this by adding that "Our trust-building endeavor will also entail assenting to provisions *that can be implemented* [italics added] and carrying out those agreements without fail." The language is further qualified on p. 31: "The ROK government respects and intends to implement the agreements signed between the two Koreas including the . . . October 4 Declaration [by President Roh Moo-hyun and Chairman Kim Jong Il]. The detailed methods of carrying out these agreements, however, will be determined by *comprehensive reviews of public consensus and national security, among others* [italics added]."

42 Yonhap, "Park Cautions Against Letting N. Korea Abuse Nuclear Talks," *Global Post*, November 4, 2013, <http://www.globalpost.com/dispatch/news/yonhap-news-agency/131104/park-cautions-against-letting-n-korea-abuse-nuclear-talks>.

43 "Unification is like hitting jackpot," *Korea Times*, January 6, 2014, <http://www.koreatimesus.com/unification-is-like-hitting-jackpot/>.

44 Gi-Wook Shin, "Realistic Approach to Obtain 'Unification Bonanza,'" *Korea Focus*, February 15, 2014, http://www.koreafocus.or.kr/design3/politics/view.asp?volume_id=148&content_id=105203&category=A; original Korean-language version at <http://news.donga.com/Column/3/all/20140214/60879487/1#>.

45 The full text of the speech is available at the Republic of Korea English website, http://english1.president.go.kr/activity/speeches.php?srh%5Bboard_no%5D=24&srh%5Bview_mode%5D=detail&srh%5Bseq%5D=5304&srh%5Bdetail_no%5D=27.

46 See, for example, Aidan Foster-Carter, "Jackpot or Crackpot: Park on Unification," *Wall Street Journal*, January 22, 2014, <http://blogs.wsj.com/korearealtime/2014/01/22/jackpot-or-crackpot-park-on-korean-reunification>; and Stephan Haggard, "On Jackpots," *North Korea: Witness to Transformation*, March 25, 2014, <http://blogs.piie.com/nk/?p=12997>.

47 “Rodong Sinmun Dismisses ‘Confidence-Building Process’ as Hypocritical,” KCNA, November 2, 2013, <http://www.kcna.co.jp/item/2013/201311/newso2/20131102-12ee.html>.

48 NDC Policy Department of DPRK Slams Park Geun Hye’s Sophism during Her Foreign Trip,” KCNA, November 14, 2013, <http://www.kcna.co.jp/item/2013/201311/news14/20131114-28ee.html>. North Korean authorities’ rejection of any linkage to the nuclear issue remains absolute. See, for example, KCNA’s coverage of commentary in the party newspaper, which stressed that “. . . building of an economic power and a thriving socialist nation in the DPRK would be unthinkable apart from bolstering the nuclear force. . . [and] nuclear deterrence can never be subject to political bargaining and economic dealings.” “DPRK Will Make No Concession and Compromise: Rodong Sinmun,” KCNA, June 16, 2014, <http://www.kcna.co.jp/item/2014/201406/news16/20140616-11ee.html>.

49 Commenting on President Obama’s visit to Seoul in April 2014, the North’s Committee for the Peaceful Reunification of Korea wrote, “What Park did before Obama this time reminds one of an indiscreet girl who earnestly begs a gangster to beat someone or a capricious whore who asks her fancy man to do harm to other person while providing sex to him.” “Challengers to DPRK Will Never Be Pardoned: CPRK Spokesman,”

KCNA, April 27, 2014, <http://www.kcna.co.jp/item/2014/201404/news27/2014-0427-20ee.html>.

50 “NDC of DPRK Sends Special Proposal to S. Korean Authorities,” KCNA, June 30, 2014, <http://www.kcna.co.jp/item/2014/201406/news30/20140630-17ee.html>; the first such NDC statement in this series was made by the NDC on January 16, 2014—see “NDC of DPRK Advances Crucial Proposals to S. Korean Authorities,” <http://www.kcna.co.jp/item/2014/201401/news17/20140117-02ee.html>; for the original New Year’s address, see “Supreme Leader Kim Jong Un’s New Year Address,” January 1, 2014. <http://www.kcna.co.jp/item/2014/201401/news01/20140101-01ee.html>.

51 *Rodong Sinmun* wrote that the DPRK did not expect relations with the South to improve as long as Park is president: “Nothing will be resolved in inter-Korean relations as long as Park remains in power.” See “N. Korea says it sees no improvement in ties with S. Korea,” *Yonhap News*, May 28, 2014, <http://english.yonhapnews.co.kr/northkorea/2014/05/28/42/0401000000AEN20140528003400315E.html>. North Korea’s KCNA news service quotes *Rodong Sinmun* as commenting: “The prevailing situation shows that in order to improve the inter-Korean relations, achieve the peace and reunification and carve out the bright future of the nation, all Koreans should turn out as one to resolutely remove traitor Park, the root cause of national disaster. “Rodong Sinmun Calls for Removing Traitor Park Geun Hye, Root Cause of National Disaster,” May 28, 2014, <http://www.kcna.co.jp/item/2014/201405/news28/20140528-06ee.html>.

52 See, for example, James Church, “Rough Seas, Rocky Roads,” 38 *North*, July 2, 2014, <http://38north.org/2014/07/jchurch070214/>.

53 “Remarks by President Obama and President Park of South Korea in a Joint Press Conference,” White House press release, May 7, 2013, <http://www.whitehouse.gov/the-press-office/2013/05/07/remarks-president-obama-and-president-park-south-korea-joint-press-confe>.

54 See, among a number of polls with similar results, Kim Jiyeon et al., “One Bed, Two Dreams: Assessing Xi Jinping’s Visit to Seoul,” Issue Brief, The Asan Institute for Policy Studies, July 16, 2014, <http://en.asaninst.org/one-bed-two-dreams-assessing-xi-jinpings-visit-to-seoul/>. Also, see Kim Jiyeon et al., “South Korean Attitudes on China,” Asan Public Opinion Report, The Asan Institute for Policy Studies, July 3, 2014, <http://en.asaninst.org/south-korean-attitudes-on-china/>.

55 The text of the July 3 joint statement issued by Presidents Park and Xi is available in Korean at <http://m.chosun.com/svc/article.html?contid=2014070303652>.

56 Official U.S. and South Korean government statements about the Japan-DPRK talks regularly note the need for Japan to be “transparent” about them.

57 See, for example, Stephan Haggard’s critique, “Trustpolitik v. 2.0,” *North Korea: Witness to Transformation*, October 15, 2013, <http://www.piie.com/blogs/nk/?p=11979>.

58 In one major series of opinion surveys, South Koreans saying that unification is “necessary” declined from 63.8 percent in 2007 to 54.8 percent in 2013. Those saying “maybe yes, maybe no” and “not necessary” increased during the same period from 36.2 percent to 45.2 percent. See *Unification Attitude Survey 2013*, Institute for Peace and Unification Studies, Seoul National University, table 1, p. 21.

59 It is nevertheless only prudent for the ROK government to engage in contingency planning for worst-case scenarios, but this should be done confidentially. Much more important than contingency planning is broadening the domestic consensus in South Korea about North Korea and strengthening the ROK’s polity and economy, which will help ensure the availability of necessary resources when unification occurs, no matter how it occurs.

60 In their “Joint Vision for the Alliance of the United States of America and the Republic of Korea,” issued on June 16, 2009, Presidents Obama and Lee Myung-bak declared: “Through our Alliance we aim to build a better future for all people on the Korean Peninsula, establishing a durable peace on the Peninsula and *leading to peaceful reunification on the principles of free democracy and a market economy*” (italics added), http://www.whitehouse.gov/the_press_office/Joint-vision-for-the-alliance-of-the-United-States-of-America-and-the-Republic-of-Korea Note, however, that during an extended press conference at the same summit, neither leader referred to reunification. See “Remarks by President Obama and President Lee Myung-Bak of the Republic Of Korea in Joint Press Availability,” White House press release, June 16, 2009, http://www.whitehouse.gov/the_press_office/Remarks-by-President-Obama-and-President-Lee-of-the-Republic-of-Korea-in-Joint-Press-Availability.

61 U.S. Director of National Intelligence James R. Clapper testified in January 2014:

North Korea’s export of ballistic missiles and associated materials to several countries, including Iran and Syria, and its assistance to Syria’s construction of a nuclear reactor, destroyed in 2007, illustrate the reach of its proliferation activities. Despite the reaffirmation of its commitment in the Second-Phase Actions for the Implementation of the September 2005 Joint Statement not to transfer nuclear materials, technology, or know-how, North Korea might again export nuclear technology.

James R. Clapper, Director of National Intelligence, “Statement for the

Record: Worldwide Threat Assessment of the US Intelligence Community” before the Senate Select Committee on Intelligence, January 29, 2014, http://www.dni.gov/files/documents/Intelligence%20Reports/2014%20WWTA%20%20SFR_SSCl_29_Jan.pdf.

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64 See, for example, the work of human rights expert David Hawk, <http://www.davidrhawk.com/>.

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66 Nick Cumming-Bruce, “U.N. Panel Says North Korean Leader Could Face Trial,” February 7, 2014, <http://www.nytimes.com/2014/02/18/world/asia/un-panel-says-north-korean-leader-could-face-trial.html>.

67 Daniel Wertz and Ali Vaez, *Sanctions and Nonproliferation in North Korea and Iran*:

A Comparative Analysis, FAS Issue Brief, Federation of American Scientists, June 2012, http://fas.org/pubs/_docs/IssueBrief-Sanctions.pdf.

68 The National Committee on North Korea, “H.R. 1771 Revisions NCNK Issue Brief,” n.d., http://www.ncnk.org/resources/publications/HR_1771_Revisions_Issue_brief.pdf.

69 Peter D. Feaver and Eric Lorber, “Penalty Box: How Sanctions Trap Policymakers,” *Foreign Affairs*, June 6, 2014, <http://www.foreignaffairs.com/articles/141526/peter-d-feaver-and-eric-lorber/penalty-box>.

70 Ibid.

71 “The President Meets with Main Architects of German Unification,” Republic of Korea Blue House website, March 27, 2014, http://english1.president.go.kr/activity/briefing.php?srh%5Bpage%5D=2&srh%5Bview_mode%5D=detail&srh%5Bseq%5D=5288&srh%5Bdetail_no%5D=145#sthash.aXewXkxh.dpuf.

72 Hong Chesŏng, “Roh Moo-hyun ‘mi, puk’an kongjŏnghage an taehae’—Wik’I” (Roh Moo-hyun: “U.S. doesn’t treat North Korea fairly”—WikiLeaks), *Yonhap*, September 17, 2011, <http://www.yonhapnews.co.kr/politics/2011/09/17/0501000000AKR20110917036800009.HTML>.

73 For contrasting progressive and conservative frames toward North Korea, see Chapter 3 in Shin, *One Alliance, Two Lenses*.

74 This appears to be in part the result of many decades of experience in dealing with North Korea. For example, a recent opinion poll found that only 17 percent of South Koreans now believe that North Korea is prepared to give up its nuclear weapons even if it were provided security assurances and sanctions against it were removed. Marcus Noland, “South Korean Attitudes Toward the North

Korean Nuclear Program,” *North Korea: Witness to Transformation*, October 11, 2013, <http://blogs.piie.com/nk/?p=11939>.

75 Ministry of Unification, *Trust-Building Process on the Korean Peninsula*.

76 Stephan Haggard, “Nae-Young Lee on Political Polarization in Korea,” *North Korea: Witness to Transformation*, August 12, 2014, <http://blogs.piie.com/nk/?p=13395>. Although the survey dealt with traditional left-right divisions, in Korea these tend to overlap with views on North Korea and the U.S.-ROK alliance.

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78 World Health Organization, *WHO Country Cooperation Strategy, 2004-2008: Democratic People’s Republic of North Korea*, June 2003, http://www.dprk.searo.who.int/LinkFiles/WHO_Collaborating_Centres_CCSDPRK.pdf.

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83 Following up on President Park’s Dresden Declaration, the South Korean government announced in August 2014 that it would provide North Korea with another \$13.3 million in humanitarian aid, including nutritional assistance to mother and child health services offered by the World Food Program (WFP) and essential medicine through WHO.

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85 James Reilly, “China–DPRK Economic Engagement: Don’t Blame the Sunshine,” *East Asia Forum*, November 13, 2013, <http://www.eastasiaforum.org/2013/11/13/china-dprk-economic-engagement-dont-blame-the-sunshine/>.

86 The most recent report on the project can be found in the June 2014 newsletter of the Christian Friends of Korea, <http://cfk.org/wp-content/uploads/2014/06/June-2014-Newsletter.pdf>; for more details on the project, see Sharon Perry, “The Stanford North Korean Tuberculosis Project,” in *U.S.-DPRK Educational Exchanges: Assessment And Future Strategy*, ed. Gi-Wook Shin and Karin J. Lee (Stanford, CA: Shorenstein Asia-Pacific Research Center, 2011), 121–26, http://iis-db.stanford.edu/pubs/23213/5_Perry_Stanford_North_Korean_Tuberculosis_Project.pdf; see also Steven Borowiec, “Just how bad is tuberculosis in North Korea?” *Global Post*, January 19, 2014, <http://www.globalpost.com/dispatch/news/regions/asia-pacific/north-korea/140107/tuberculosis-north-korea-stanford-medical-school>.

87 Visitors and observers of North Korea say that the Samjiyon is being increasingly spotted in shops and in use by locals.

88 “Development of a joint dictionary (Gyeoremal-keunsajeon) faces crisis,” *Hankyoreh News*, October 4, 2010, Korean version at http://www.hani.co.kr/arti/politics/politics_general/442173.html.

89 Steven Borowiec, “Two Koreas make strides to talk the same language,” *The Guardian*, July 11, 2014, <http://www.theguardian.com/world/2014/jul/11/korean-peoples-comprehensive-dictionary>.

90 “N. Korean students studying in Britain, Sweden: report,” *Korea Herald*, November 23, 2013, <http://www.koreaherald.com/view.php?ud=20131123000073>.

91 Kim’s point was that, as partners, North and South could keep all the profits in Korea rather than dividing them up with other countries. “Meeting minutes of Supreme Leader Kim Jong il and South Korean media delegation,” *JoongAng Ilbo*, February 23, 2002, Korean version at http://article.joins.com/news/article/article.asp?ctg=12&Total_ID=697428.

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94 Sowon Park, “May 24 Measures as a Boomerang to South Korean Businesses,” *Naeil Shinmun*, February 26, 2014, Korean version at http://m.naeil.com/m_news_view.php?id_art=97825.

95 Ibid.

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19. *Calls upon* all Member States and international financial and credit institutions not to enter into new commitments for grants, financial assistance, or concessional loans to the DPRK, except for humanitarian and developmental purposes directly addressing the needs of the civilian population, or the promotion of denuclearization, and also *calls upon* States to exercise enhanced vigilance with a view to reducing current commitments;

20. *Calls upon* all Member States not to provide public financial support for trade with the DPRK (including the granting of export credits, guarantees or insurance to their nationals or entities involved in such trade) where such financial support could contribute to the DPRK’s nuclear-related or ballistic missile-related or other WMD-related programs or activities.

97 Jae-soon Chang, “S. Korea to participate in Russian-led rail, port development project in N. Korea,” *Yonhap News*, November 13, 2013, <http://english.yonhapnews.co.kr/national/2013/11/12/10/0301000000AEN20131112007053315F.html>.

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Appendix 1

Participants of the Sixth Annual Koret Workshop, “Engaging North Korea: Projects, Challenges, and Prospects,” held February 21, 2014, Bechtel Conference Center, Encina Hall, Stanford University, and sponsored by the Korean Studies Program at the Walter H. Shorenstein Asia-Pacific Research Center.

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Appendix 2

Participants of the joint workshop “Engaging North Korea: Projects, Challenges, and Prospects,” Seoul National University March 14, 2014, co-sponsored by the Seoul National University Institute for Peace and Unification Studies and the Shorenstein Asia-Pacific Research Center, Stanford University

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Appendix 3

Participants of the joint workshop, “Korean Peninsula Economic Cooperation: History, Status, and Prospects,” March 17, 2014, Liaoning University, co-sponsored by the Liaoning University Korea Research Center and Shorenstein Asia-Pacific Research Center, Stanford University

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COVER PHOTO: UNIFICATION WISHES HUNG FOR THE *CHUSEOK* THANKSGIVING HOLIDAY ON A BARBED-WIRE FENCE AT THE IMJINGAK PAVILION NEAR THE DEMILITARIZED ZONE. REUTERS/LEE JAE-WON.

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